CIRCULAR DATED 4 SEPTEMBER 2020

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

# CAPITALAND MALL TRUST

(Constituted in the Republic of Singapore pursuant to a trust deed dated 29 October 2001 (as amended))

MANAGED BY

## CAPITALAND MALL TRUST MANAGEMENT LIMITED

## A TRANSFORMATIVE MERGER OF EQUALS

CapitaLand Mall Trust + CapitaLand Commercial Trust

## CIRCULAR TO UNITHOLDERS OF CAPITALAND MALL TRUST ("CMT") IN RELATION TO THE:

Extraordinary General Meeting ("EGM")

1. Proposed amendments to the deed of trust constituting CMT
2. Proposed merger of CMT and CapitaLand Commercial Trust ("CCT") by way of a trust scheme of arrangement (the "Merger")
3. Proposed allotment and issuance of units of CMT to the holders of units in CCT as part of the consideration for the Merger

**Your Vote Counts.**

**Please give your voting instructions via Proxy Form.**

## IMPORTANT DATES AND TIMES

| | |
|---|---|
| Last date and time for lodgement of Proxy Form | Sunday, 27 September 2020, 10.30 a.m. (Singapore time) |
| Date and time of EGM | To be held by way of electronic means on Tuesday, 29 September 2020, 10.30 a.m. (Singapore time) |


J.P.Morgan

Sole Financial Adviser in relation to the Merger

ANZ

Independent Financial Adviser to the Audit Committee and the Independent Directors of CapitaLand Mall Trust Management Limited (as manager of CMT) and HSBC Institutional Trust Services (Singapore) Limited (as trustee of CMT) in relation to the Merger

This circular dated 4 September 2020 ("**Circular**") is issued by CapitaLand Mall Trust Management Limited (the "**CMT Manager**"), in its capacity as manager of CapitaLand Mall Trust ("**CMT**"). Singapore Exchange Securities Trading Limited (the "**SGX-ST**") takes no responsibility for the accuracy of any statements or opinions made, or reports contained, in this Circular. If you are in any doubt as to the action you should take, you should consult your stockbroker, bank manager, solicitor, accountant or other professional adviser immediately.

If you have sold or transferred all your units in CMT ("**CMT Units**"), you should immediately forward this Circular, together with the Notice of Extraordinary General Meeting and the accompanying Proxy Form in this Circular, to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for onward transmission to the purchaser or transferee.

This Circular is not for distribution, directly or indirectly, in or into the United States. It is not an offer of securities for sale into the United States. The Consideration Units (as defined herein) have not been, and will not be, registered under the U.S. Securities Act of 1933, as amended (the "**Securities Act**"), or the securities laws of any state of the United States or other jurisdiction, and the Consideration Units may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state or local securities laws. Any public offering of securities of CMT in the United States would be made by means of a prospectus that would contain detailed information about CMT and the CMT Manager, as well as the relevant financial statements. The CMT Manager does not intend to register any portion of the offering in the United States or to conduct a public offering of securities in the United States.

The following extract is qualified in its entirety by, and should be read in conjunction with, the full text of this Circular. Unless defined herein, meanings of the capitalised terms may be found in the Glossary of this Circular.

## OVERVIEW OF TRANSACTION TERMS

**Transaction structure**

Merger to be effected through the acquisition by CMT of all the CCT Units held by unitholders of CCT by way of a trust scheme of arrangement

**One-off waiver of Acquisition Fee[1]**

The CMT Manager has waived the Acquisition Fee in recognition of the unprecedented circumstances brought about by the COVID-19 pandemic

**Scheme Consideration**

**0.720** new CMT Units per CCT Unit[2]

\+

**S$0.2590** in cash[3] per CCT Unit

**CMT Unitholders will continue receiving Permitted Distributions in respect of the period up to the day immediately before the Effective Date**

(1) The Acquisition Fee of S$111.2 million is equivalent to 1% of the property valuation of the CCT portfolio (including the proportionate share of its joint venture assets) as at 31 December 2019, which the CMT Manager is entitled to under the CMT Trust Deed.

(2) The number of Consideration Units which each CCT Unitholder shall be entitled to pursuant to the Trust Scheme, based on the number of CCT Units held by such CCT Unitholder as at the Record Date, shall be rounded down to the nearest whole number, and fractional entitlements shall be disregarded.

(3) The aggregate Cash Consideration to be paid to each CCT Unitholder shall be rounded to the nearest S$0.01.

## RATIONALE FOR THE MERGER

### A Merger of equals: A proactive response to the changing Singapore real estate landscape

**The Merger rationale remains valid and has been reinforced by the impact of COVID-19**

Singapore retail and office sectors **continue to evolve** and **remain relevant**

Trend towards decentralisation, mixed-use precincts and integrated developments **expected to accelerate** post-COVID-19

**Singapore retail real estate remains essential amidst evolving customer preferences**

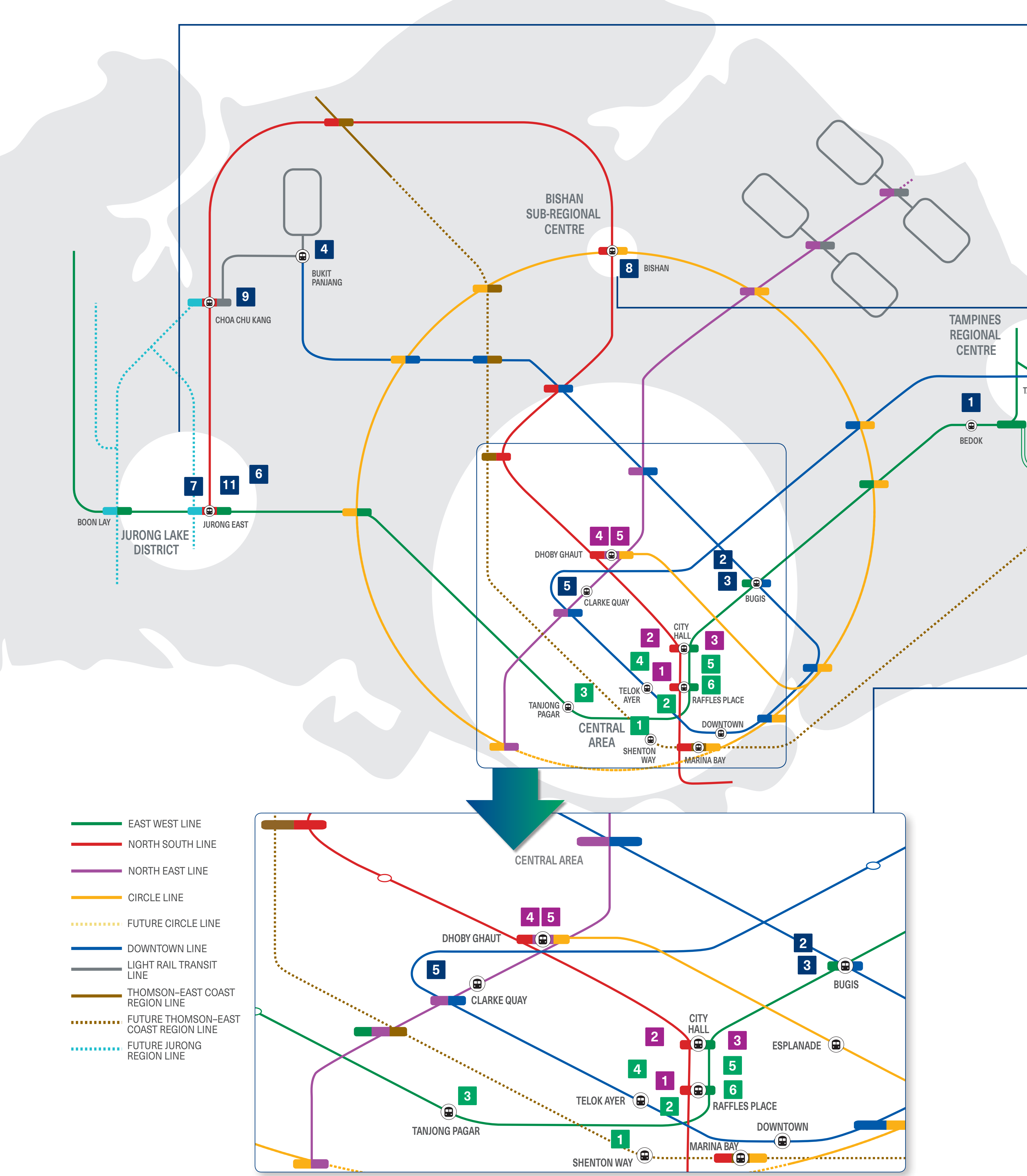
- Singapore shopping mall culture will continue to remain deeply entrenched
- Decentralising commercial activities to promote the work-live-play lifestyle in identified growth clusters
- Steady recovery in shopper traffic and retail sales

**Singapore retail and office landscape**

**Singapore office is here to stay as workspace solutions evolve**

- Singapore CBD will continue to play a central role in the future of office
- Companies may adopt a hybrid of alternative workspace solutions
- Critical to provide differentiation in services, amenities, technology and offerings

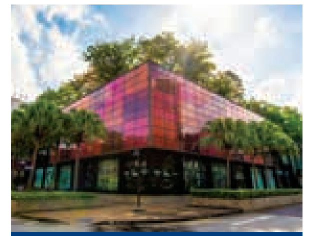
## STRATEGICALLY LOCATED PRIME ASSETS IN IDENTIFIED GROWTH CLUSTERS ACROSS SINGAPORE



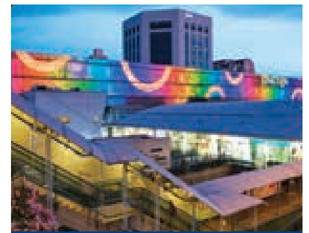

**Jurong Lake District**
Expected to become a large mixed-use business district with a live-in population


JCUBE


WESTGATE


IMM BUILDING

**Bishan Sub-Regional Centre**
Up-and-coming employment node with community facilities and commercial developments


JUNCTION 8

**Orchard Road**
Expected to be transformed into Singapore's lifestyle destination with innovative and unique non-retail offerings


THE ATRIUM@ORCHARD


PLAZA SINGAPURA

**Central Business District**
Expected to be transformed into a mixed-use precinct with work-live-play elements and green spaces


CAPITAL TOWER

Source: Urban Redevelopment Authority

### INTEGRATED DEVELOPMENTS

1. CAPITASPRING (UNDER DEVELOPMENT)
2. FUNAN
3. RAFFLES CITY SINGAPORE
4. PLAZA SINGAPURA
5. THE ATRIUM@ ORCHARD

### RETAIL

1. BEDOK MALL
2. BUGIS+
3. BUGIS JUNCTION
4. BUKIT PANJANG PLAZA
5. CLARKE QUAY
6. IMM BUILDING
7. JCUBE
8. JUNCTION 8
9. LOT ONE SHOPPERS' MALL
10. TAMPINES MALL
11. WESTGATE

### OFFICE

1. ASIA SQUARE TOWER 2
2. CAPITAGREEN
3. CAPITAL TOWER
4. ONE GEORGE STREET
5. SIX BATTERY ROAD
6. 21 COLLYER QUAY

GALLILEO (GERMANY)

MAIN AIRPORT CENTER (GERMANY)

# CAPITALAND INTEGRATED COMMERCIAL TRUST
# – Creation of one of the largest REITs in Asia Pacific

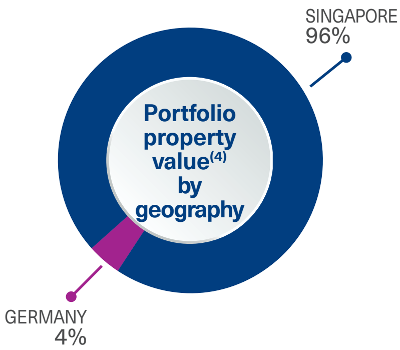
| 24 | ~3,300 | 10.4 million sq ft | S$1.0 billion | S$22.4 billion | 96.3% |
|---|---|---|---|---|---|
| Properties[1] | Tenants | Net Lettable Area[2] | Net Property Income[3] | Portfolio Property Value[4] | Committed Occupancy[5] |

**Largest proxy for Singapore's commercial real estate market with strategically-located prime assets**

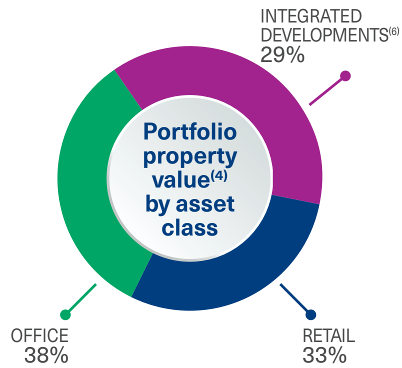
**Value creation underpinned by leadership, resilience and growth**

**Leverage synergies and capitalise on growth potential post-COVID-19**

## Predominantly Singapore focused



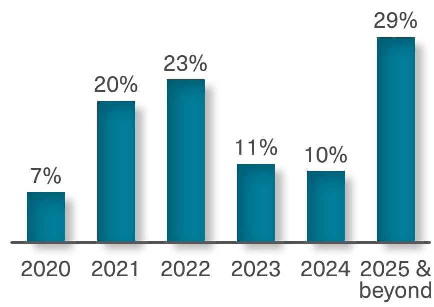

## Balanced portfolio, offering greater stability through cycles




## Well spread lease expiry profile[7]

(% of NLA)

**4.7 years**
**Portfolio WALE by NLA**

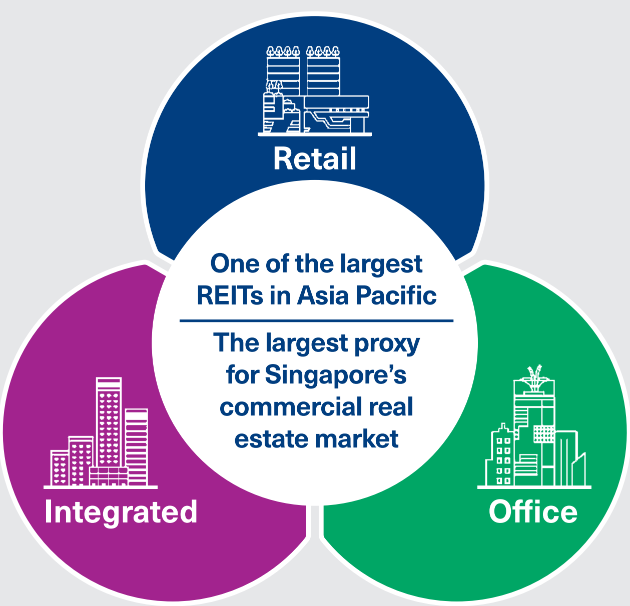



(1) The Merged Entity will own 100.0% of Raffles City Singapore.
(2) Based on the total NLA (100.0% interest) including retail, office and warehouse; and excluding hotels & convention centre and CapitaSpring as at 30 June 2020.
(3) Based on the combined net property income ("**NPI**") of the CMT Group and the CCT Group for LTM June 2020, including *pro rata* contribution from joint ventures, and Bugis Village up to 31 March 2020 (which was the expiry date of CCT's one-year lease with the State to manage Bugis Village).
(4) S$22.4 billion portfolio property value based on desktop valuation, including proportionate interests of joint ventures, as at 30 June 2020. The conversion rate used for the 30 June 2020 valuations was EUR 1 = S$1.544.
(5) Based on the combined committed NLA of the CMT Group (retail only), the CCT Group and proportionate interests of joint ventures as at 30 June 2020.
(6) Integrated developments include Raffles City Singapore, Plaza Singapura, The Atrium@Orchard, Funan and CapitaSpring.
(7) Based on the combined committed NLA of the CMT Group, the CCT Group and proportionate interests of joint ventures as at 30 June 2020.

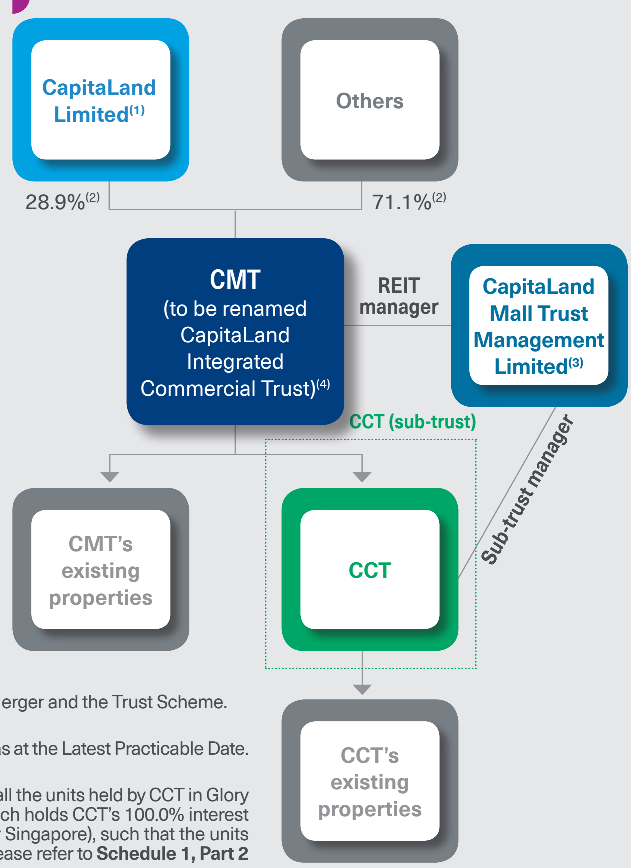
# INVESTMENT FOCUS AND STRUCTURE OF THE MERGED ENTITY

## Investment Focus

### Income Producing Assets




## Holding Structure




Notes: Simplified group structure for illustration only. Assuming completion of the Merger and the Trust Scheme.
(1) Through its wholly owned subsidiaries including CMTML and CCTML.
(2) Illustrative *pro forma* unitholding structure based on latest available information as at the Latest Practicable Date.
(3) Wholly owned subsidiary of CapitaLand.
(4) As mentioned in **paragraph 10.1.4**, it is intended that CCT shall transfer to CMT all the units held by CCT in Glory Office Trust (which holds CCT's 45.0% interest in CapitaSpring), MSO Trust (which holds CCT's 100.0% interest in CapitaGreen) and RCS Trust (which holds CCT's 60.0% interest in Raffles City Singapore), such that the units of each of these trusts previously held by CCT would be directly held by CMT. Please refer to **Schedule 1, Part 2** for further details on the CCT Properties.

# KEY BENEFITS OF THE MERGER

**1 Leadership**

Best-in-class portfolio supported by a stronger and more efficient platform

**2 Resilience**

Enhanced resilience and stability through market cycles

**3 Growth**

Greater optionality for growth with broader focus and larger capacity for investment

**4 Accretion**

DPU and NAV per unit accretive to CMT Unitholders(1)

CapitaLand Mall Trust + CapitaLand Commercial Trust

(1) Based on CMT's DPU and NAV per unit compared to the Merged Entity's *pro forma* DPU and NAV per unit for LTM June 2020 and as at 30 June 2020 respectively. Please refer to Note (1) to the chart titled "LTM June 2020 – *Pro forma* DPU accretion" and Note (2) to the chart titled "30 June 2020 - *Pro forma* NAV per unit accretion" in **paragraph 4.4** for further details.

## 1. LEADERSHIP: Best-in-class portfolio supported by a stronger and more efficient platform

### A  A stronger platform encapsulating CMT's and CCT's best-in-class attributes

| **CMT** Best-in-class Singapore retail REIT | **CCT** Best-in-class Singapore office REIT |
|---|---|
| ✓ **Balanced portfolio of 15 downtown and suburban malls** | ✓ **Dominant footprint of 8 prime quality offices in Singapore CBD** |
| ✓ **Market-leading scale and consistently high portfolio occupancy(1)** | ✓ **Largest Grade A Singapore CBD portfolio with occupancy consistently above market(2)** |
| ✓ **Excellent connectivity to major transport hubs** | ✓ **Diverse tenant mix with well spread lease expiry profile** |
| ✓ **GRESB 2019 – Sector Leader in Asia, "Retail-Listed"** | ✓ **GRESB 2019 4-star** |

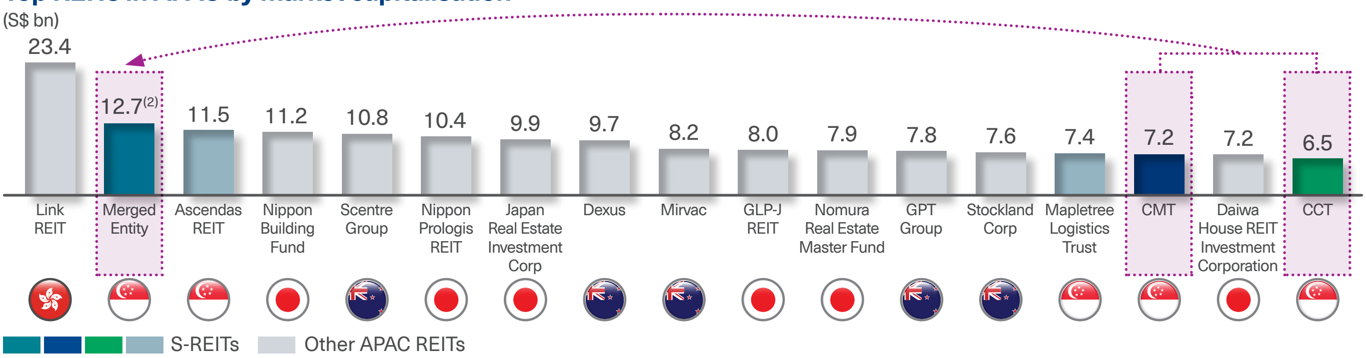
**Committed to Sustainability**


(1) Committed occupancy for CMT's portfolio as at 30 June 2020 was 97.7%. CMT has maintained a high committed occupancy of above 97% through cycles, except in 2011 when committed occupancy was approximately 95% mainly due to asset enhancement works at The Atrium@Orchard and Bugis+.
(2) Committed occupancy for CCT's Singapore portfolio as at 30 June 2020 was 95.2%.

### B  Creating one of the largest REITs in Asia Pacific and the largest in Singapore

**Potential for higher trading liquidity, positive re-rating and more competitive cost of capital**

**Top REITs in APAC by market capitalisation(1)**




Source: Bloomberg as of 30 June 2020. Assumes SGD/JPY of 77.448, SGD/AUD of 1.039, SGD/HKD of 5.562.
(1) As at 30 June 2020.
(2) Illustrative market capitalisation of the Merged Entity calculated as the sum of:
(i) the market capitalisation of CMT of S$7.2 billion as at 30 June 2020; and
(ii) the portion of the Scheme Consideration for all CCT Units to be satisfied by the issuance of 0.720 new CMT Units for each CCT Unit (based on the closing price of a CMT Unit as at 30 June 2020).

## KEY BENEFITS OF THE MERGER

### 1. LEADERSHIP: Best-in-class portfolio supported by a stronger and more efficient platform

### C Merged Entity will benefit from potential synergies

**Cross-selling opportunities**

- **Extension of e-commerce fulfilment points** beyond shopping malls to office buildings
- **Leverage the combined broader leasing network** for more effective tenant negotiations and sourcing for high-quality tenants

**Enhanced digital platform and data analytics**

- **Enlarged and unified digital platform catering to both the retail and office portfolios**, e.g. integration of CapitaStar@Work[1] and CapitaStar Programme[2]
- **Enhance analytics capability, generate higher quality consumer insights** and enable more informed, data-driven decision making

**Cost optimisation**

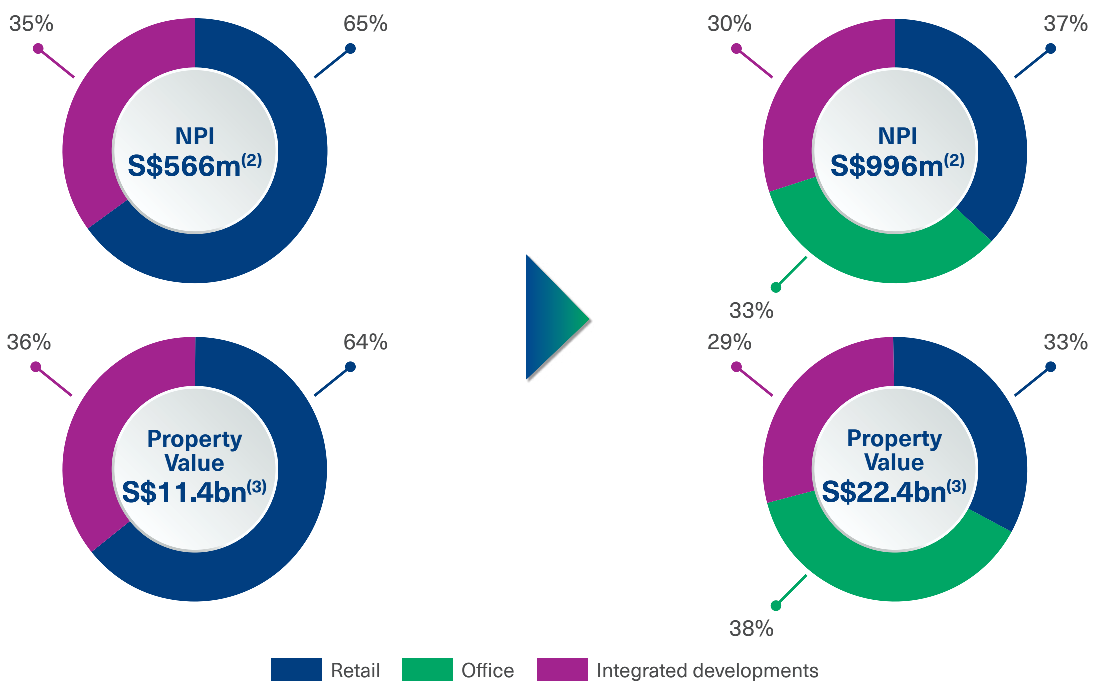
- **Economies of scale** through bulk procurement, **supply chain optimisation** and **elimination of frictional costs**

(1) CapitaStar@Work is an office amenities and employee engagement digital application.
(2) CapitaStar Programme is a retail lifestyle digital application.

### 2. RESILIENCE: Enhanced resilience and stability through market cycles

### A Greater stability through cycles due to a more balanced portfolio

**CMT[1]** | **Merged Entity[1]**




(1) For CMT, integrated developments includes Raffles City Singapore (40.0% interest), Plaza Singapura, The Atrium@Orchard and Funan. For the Merged Entity, integrated developments include Raffles City Singapore (100.0% interest), Plaza Singapura, The Atrium@Orchard, Funan and CapitaSpring (45.0% interest) which is currently undergoing redevelopment.
(2) Based on the NPI of the CMT Group or the combined NPI of the CMT Group and the CCT Group (as the case may be) for LTM June 2020, including *pro rata* contribution from joint ventures, and Bugis Village up to 31 March 2020 (which was the expiry date of CCT's one-year lease with the State to manage Bugis Village).
(3) Based on the valuation of all the properties of the CMT Group as at 30 June 2020 or the combined valuation of the CMT Group and the CCT Group as at 30 June 2020 (as the case may be), including proportionate interests of joint ventures' valuation. The conversion rate used for the 30 June 2020 valuations was EUR 1 = S$1.544.

# KEY BENEFITS OF THE MERGER

## 2. RESILIENCE: Enhanced resilience and stability through market cycles

### B Well diversified across trade sectors

**Top 10 Tenants contributed 20.6% of the Merged Entity's total gross rental income(1) for the month of June 2020**

| Ranking | Tenant | Percentage of Total Monthly Gross Rental Income | Trade Sector |
|---|---|---|---|
| 1 | RC Hotels (Pte) Ltd | 5.5% | Hospitality |
| 2 | NTUC Enterprise Co-operative Limited | 2.2% | Supermarket / Beauty & Health / Services / Food & Beverage / Education / Warehouse |
| 3 | Temasek Holdings (Private) Limited | 1.9% | Financial Services |
| 4 | Commerzbank AG(2) | 1.8% | Banking |
| 5 | GIC Private Limited | 1.7% | Financial Services |
| 6 | BreadTalk Group Limited | 1.6% | Food & Beverage |
| 7 | Cold Storage Singapore (1983) Pte Ltd | 1.6% | Supermarket / Beauty & Health / Services / Warehouse |
| 8 | Mizuho Bank, Ltd | 1.6% | Banking |
| 9 | Al-Futtaim Group | 1.5% | Department Store / Fashion / Beauty & Health / Sporting Goods |
| 10 | JPMorgan Chase Bank N.A. | 1.2% | Banking |
| | **TOTAL** | **20.6%** | |

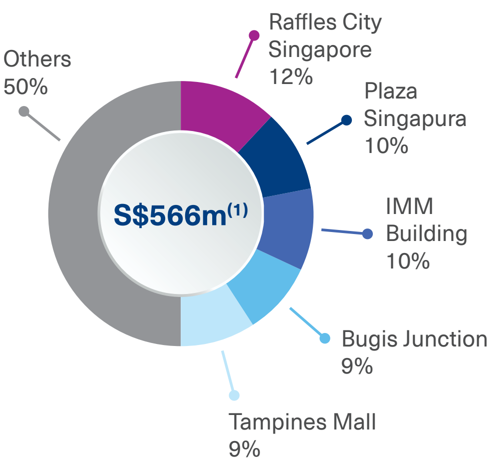
(1) Excluding retail turnover rent.
(2) Based on 94.9% interest in Gallileo, Frankfurt.

### C Reduced asset concentration risk

**Top 5 assets' NPI contribution decreases to 43% post-Merger**

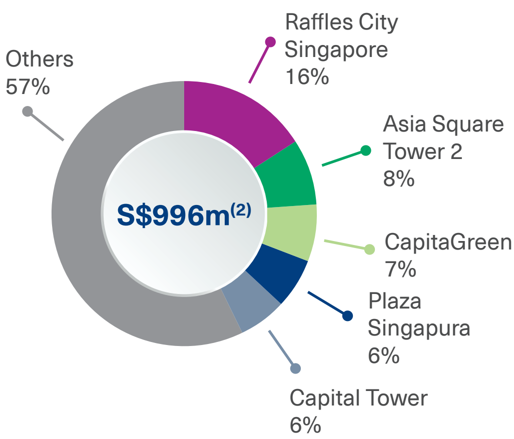
NPI contribution by asset (%)

**CMT**




Top 5 NPI contribution: 50%

**Merged Entity**




Top 5 NPI contribution: 43%

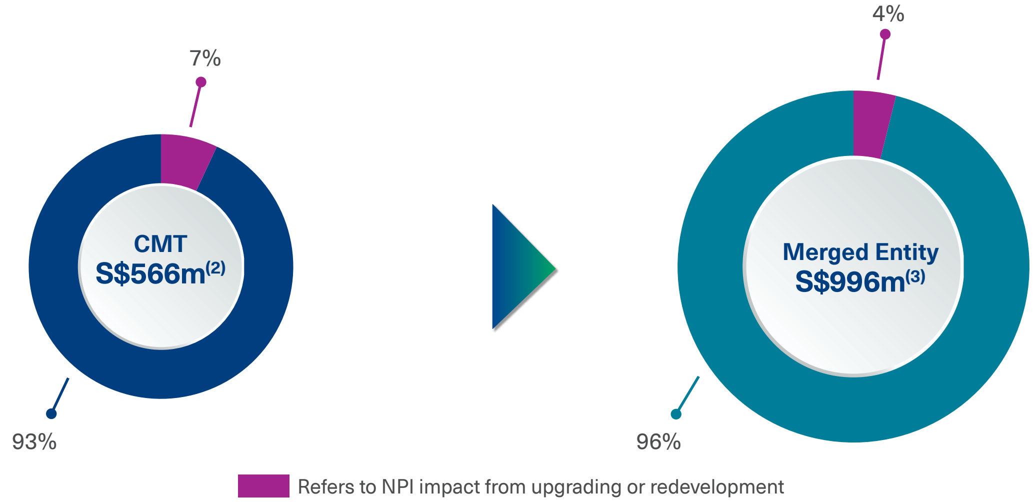
(1) Based on the NPI of the CMT Group for LTM June 2020, including *pro rata* contribution from joint ventures.
(2) Based on the combined NPI of the CMT Group and the CCT Group for LTM June 2020, including *pro rata* contribution from joint ventures, and Bugis Village up to 31 March 2020 (which was the expiry date of CCT's one-year lease with the State to manage Bugis Village).

## KEY BENEFITS OF THE MERGER

### 2. RESILIENCE: Enhanced resilience and stability through market cycles

**D** Increased flexibility to undertake portfolio rejuvenation and redevelopment

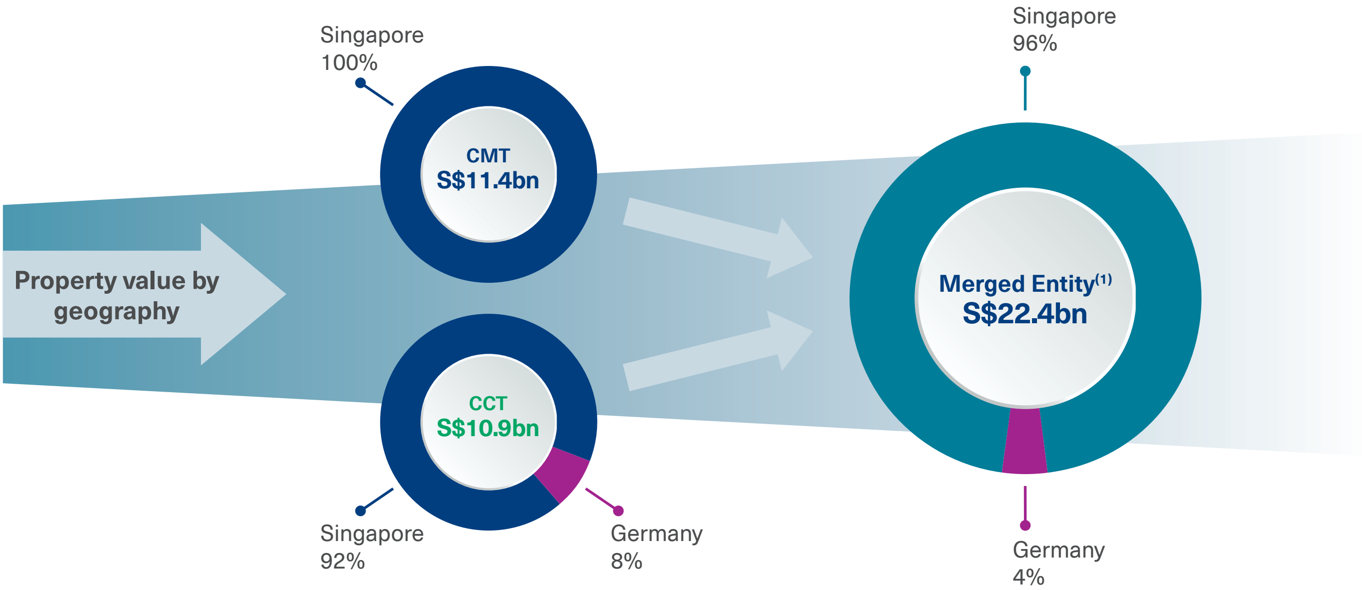
**Illustrative NPI impact from redevelopment of S$1.0 billion asset[(1)]**




(1) Loss of NPI calculated by applying an illustrative 4.0% NPI yield on the S$1.0 billion asset valuation.
(2) Based on the NPI of the CMT Group for LTM June 2020, including *pro rata* contribution from joint ventures.
(3) Based on the combined NPI of the CMT Group and the CCT Group for LTM June 2020, including *pro rata* contribution from joint ventures. For the CCT Group, NPI from Bugis Village was up to 31 March 2020 (which was the expiry date of CCT's one-year lease with the State to manage Bugis Village). The Hongkong and Shanghai Banking Corporation's lease at 21 Collyer Quay ended on 30 April 2020.

### 3. GROWTH: Greater optionality for growth with broader focus and larger capacity for investment

**A** Remaining Singapore focused while enhancing ability to take on larger transactions across geographies




(1) Based on the aggregate property valuation of the CMT Group and the CCT Group, including proportionate interests of joint ventures, as at 30 June 2020 as set out in **paragraphs 1.2.1** and **1.3.1** respectively.

# KEY BENEFITS OF THE MERGER

## 3. GROWTH: Greater optionality for growth with broader focus and larger capacity for investment

### B | Ability to capitalise on overarching trend towards mixed-use precincts and integrated developments

**FUNAN** 〉 Transformation into an aspirational lifestyle destination


**~482,000 sq ft**
GFA

100% Retail


**~889,000 sq ft**
GFA

57% Retail

14% Coliving

29% Office

**CAPITASPRING** 〉 Incorporating 'future of work' features and redefining work, live and play experiences


**~127,000 sq ft**
GFA

50% Carpark and ancillary retail

22% Food centre

28% Office


**~1,005,000 sq ft**
GFA

80% Office

4% Food centre

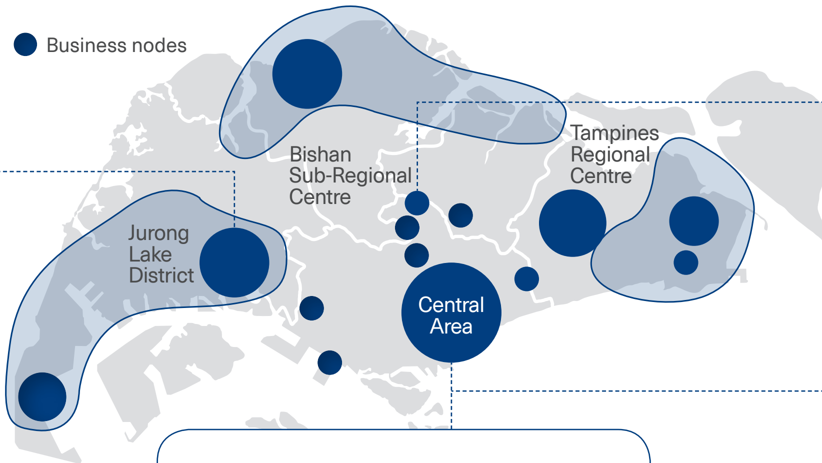
14% Serviced residence

2% Retail

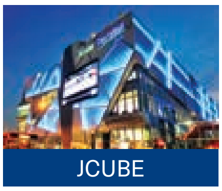
Note: Percentage figures show the breakdown of total gross floor area by the different components within Funan and CapitaSpring.

### C | Assets strategically located in identified growth clusters across Singapore

**Extensive island-wide footprint near key transport nodes to capture evolving demand**




**Jurong Lake District**






**Bishan Sub-Regional Centre**


**Orchard Road**



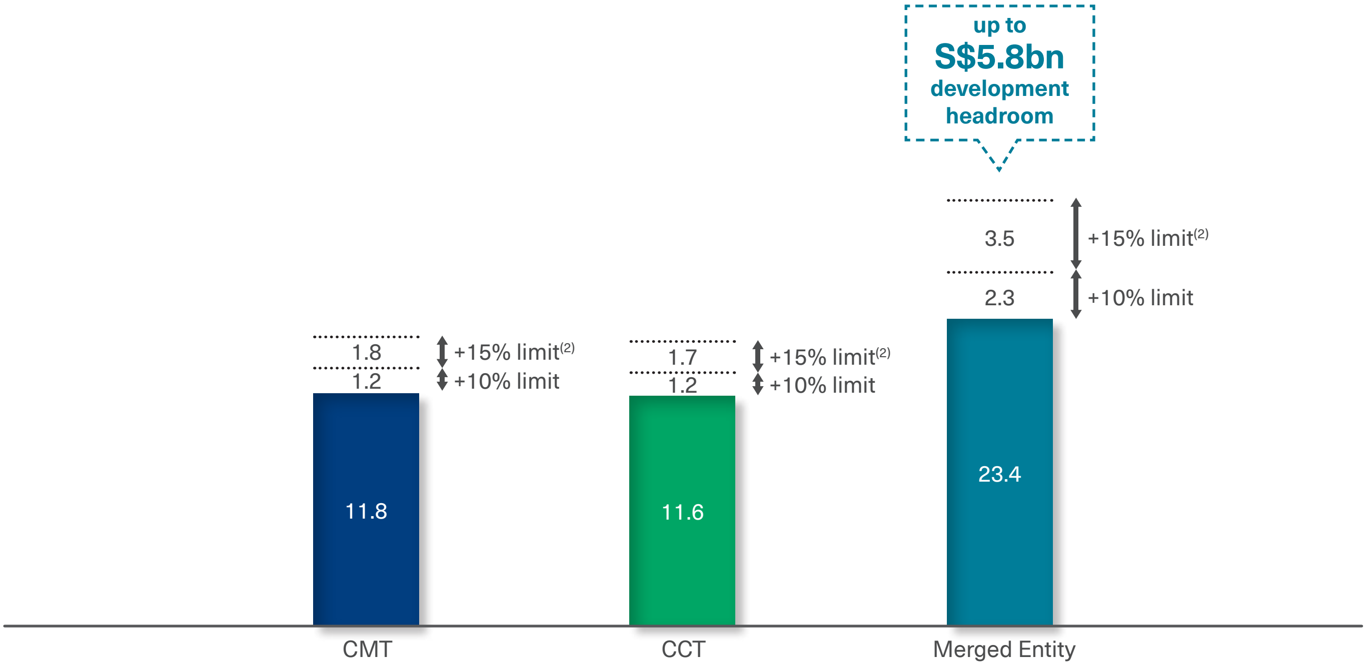
**Central Business District**

# KEY BENEFITS OF THE MERGER

## 3. GROWTH: Greater optionality for growth with broader focus and larger capacity for investment

### D Higher headroom provides more flexibility

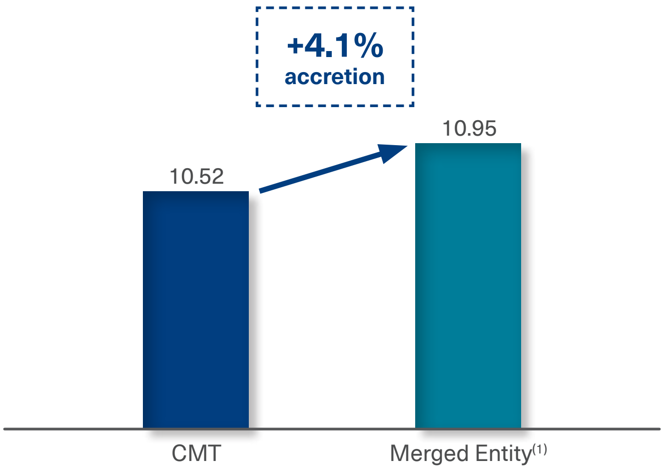
**Increased development headroom[1]**
(S$ bn)



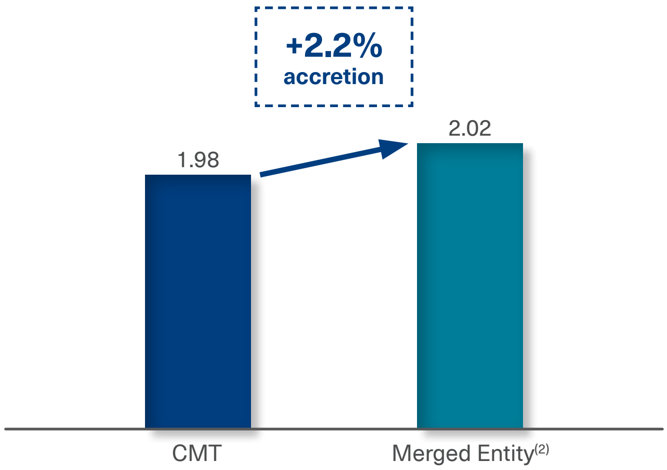

(1) Headroom calculated based on percentage of the deposited property of the CMT Group, the CCT Group and the Merged Entity respectively, with the deposited property of the Merged Entity based on the aggregate deposited property of the CMT Group and the CCT Group.
(2) The increased 15.0% headroom for development is subject to the approval of CMT Unitholders, CCT Unitholders, or the unitholders of the Merged Entity (as the case may be) and must be utilised solely for the redevelopment of an existing property that has been held by the property fund for at least three years and which the property fund will continue to hold for at least three years after the completion of the redevelopment in accordance with the Property Funds Appendix.

## 4. ACCRETION: DPU and NAV per unit accretive to CMT Unitholders

**LTM June 2020 – *Pro forma* DPU accretion**
(S$ cents)




**30 June 2020 – *Pro forma* NAV per unit accretion**
(S$)




Notes: The *pro forma* DPU accretion percentage and *pro forma* NAV per unit accretion percentage are computed based on actual figures and not based on figures that were subject to rounding (as shown in the diagram above).
(1) Please refer to **paragraph 8.3.1** for the bases and assumptions used in preparing the *pro forma* DPU for LTM June 2020.
(2) Please refer to **paragraph 8.3.2** for the bases and assumptions used in preparing the *pro forma* NAV as at 30 June 2020.

# CAPITALAND INTEGRATED COMMERCIAL TRUST
## – Largest proxy for Singapore commercial real estate

Predominantly **Singapore** focused while having the flexibility to explore acquisitions **in other developed countries** of not more than 20%[1]

(1) By total portfolio property value of the Merged Entity.

**Continue to invest in**

1. Retail
2. Office
3. Integrated Developments

GEOGRAPHIC FOCUS

SECTOR FOCUS

**MERGED ENTITY**
THE WAY FORWARD

***ANCHORED BY A STRONG ESG COMMITMENT***

VALUE CREATION STRATEGY

| Organic Growth | AEIs and Redevelopment | Acquisition | Portfolio Reconstitution | Prudent Cost and Capital Management |
|---|---|---|---|---|
| Capitalising on rental market cycles and opportunities across the combined platform | Unlocking value through larger scale AEIs and redevelopment | Capitalising on combined domain expertise and a resilient portfolio | Building on established track record of value creation through portfolio reconstitution | Employing disciplined cost, capital financing and hedging strategies |

### Organic Growth

- Leveraging broader leasing network to drive occupancy and rents
- Harnessing evolving synergies between retail and office
- Unifying digital platforms to enhance analytics capabilities and generate higher quality insights
- Enhancing tenant stickiness

### AEIs and Redevelopment

- Achieving the highest and best use for properties
- Repositioning or repurposing single use assets in line with changing real estate trends and consumers' preferences
- Redeveloping properties from single use to integrated projects

### Acquisition

- Investing in retail, office and integrated development portfolio through property market cycles and across geographies
- Seeking opportunities from both third parties and CapitaLand Limited

### Portfolio Reconstitution

- Undertaking appropriate divestment of assets that have reached their optimal life cycle
- Redeploying divestment proceeds into higher yielding properties or other growth opportunities

### Prudent Cost and Capital Management

- Procuring services in bulk and optimising supply chain to generate operational cost savings
- Optimising aggregate leverage and financing costs
- Managing foreign exchange risks
- Tapping on a wider range of financing options to manage cost of debt

## OPINION OF THE INDEPENDENT FINANCIAL ADVISOR ("CMT IFA")

An extract of the opinion of the CMT IFA is reproduced below. Based on the considerations set out in the CMT IFA Letter, the CMT IFA is of the opinion that:

| | |
|---|---|
| ANZ<br>**CMT IFA** | The Scheme Consideration is **FAIRLY VALUED**.<br><br>The Merger is on **NORMAL** commercial terms and is **NOT PREJUDICIAL** to the interests of CMT and its minority unitholders.<br><br>The CMT IFA advises that the CMT Independent Directors may recommend that the independent CMT Unitholders **VOTE IN FAVOUR** of the Merger. |

## RECOMMENDATIONS OF THE CMT DIRECTORS AND THE INDEPENDENT DIRECTORS*

Having considered the relevant factors, including the terms of the Merger, the rationale for the Merger and the key benefits of the Merger, the CMT Directors hereby recommend that:

| | |
|---|---|
| CapitaLand Mall Trust<br>**All Directors** | The CMT Unitholders **VOTE IN FAVOUR** of Resolution 1, the Extraordinary Resolution relating to the proposed amendments to the deed of trust constituting CMT. |

Having considered the relevant factors, including the terms of the Merger, the rationale for the Merger, the key benefits of the Merger, as well as the opinion given by the CMT IFA in the CMT IFA Letter, the Independent Directors hereby recommend that:

| | |
|---|---|
| CapitaLand Mall Trust<br>**Independent Directors** | The CMT Unitholders **VOTE IN FAVOUR** of Resolution 2, the Ordinary Resolution relating to the Merger of CMT and CCT by way of a trust scheme of arrangement;<br><br>and<br><br>The CMT Unitholders **VOTE IN FAVOUR** of Resolution 3, the Ordinary Resolution relating to the allotment and issuance of units of CMT to the holders of units in CCT as part of the consideration for the Merger. |

**DISCLAIMER**

**IT IS IMPORTANT THAT YOU READ THIS EXTRACT TOGETHER WITH AND IN THE CONTEXT OF THE CMT IFA LETTER AND THE RECOMMENDATIONS OF THE CMT DIRECTORS AND THE INDEPENDENT DIRECTORS, WHICH CAN BE FOUND IN THIS CIRCULAR, IN FULL.**

* For the purposes of these recommendations, all references to the CMT Directors and all references to the Independent Directors shall exclude Mr Gay Chee Cheong, who is currently on a leave of absence.

## WHAT DO I NEED TO DO IN RELATION TO THE MERGER?

**Your Vote Counts.**
**Please give your voting instructions via Proxy Form.**

You now have this Circular

**EGM:** To be held by way of electronic means on Tuesday, 29 September 2020, 10.30 a.m.

Pre-register via https://cmt.listedcompany.com/agm_egm.html by Saturday, 26 September 2020, 10.30 a.m. to observe and/or listen to the EGM proceedings and submit questions relating to the resolutions tabled for approval at the EGM.

Confirmation email will be sent to authenticated Unitholders with login details by Saturday, 26 September 2020, 5.00 p.m.

Appoint the Chairman of the Meeting as proxy to vote on your behalf at the EGM by submitting the Proxy Form no later than Sunday, 27 September 2020, 10.30 a.m.

Log in to our EGM on Tuesday, 29 September 2020, 10.30 a.m.

**3 possible outcomes for the Merger**

**Outcome 1:**
CMT Unitholders vote **in favour** of Resolutions 1, 2 and 3.

The CMT Trust Deed will be amended and the Merger will be effected. CMT will acquire all of the CCT Units held by the CCT Unitholders(1).

**Outcome 2:**
CMT Unitholders vote **against** Resolution 1.

The CMT Trust Deed will not be amended. The Manager will not proceed with Resolutions 2 and 3 and the Merger will not be effected.

**Outcome 3:**
CMT Unitholders vote **in favour** of Resolution 1 but vote **against any of** Resolutions 2 and 3.

The CMT Trust Deed will be amended. The Merger will not be effected.

(1) Resolutions 2 and 3 are also conditional upon the Trust Scheme becoming effective in accordance with its terms.

# HOW DO I APPOINT THE CHAIRMAN OF THE MEETING AS PROXY TO VOTE ON MY BEHALF AT THE EGM?

In view of the COVID-19 situation, all CMT Unitholders (whether individual or corporate) who wish to exercise their voting rights on the resolutions to be tabled at the EGM must appoint the Chairman of the Meeting as their proxy to vote on their behalf at the EGM, in accordance with the instructions on the Proxy Form.

## STEP 1: LOCATE THE PROXY FORM

The Proxy Form has been mailed to you on 4 September 2020. A copy may also be downloaded from https://cmt.listedcompany.com/agm_egm.html or obtained from CMT's Unit Registrar:

**Boardroom Corporate & Advisory Services Pte. Ltd.,**
50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623
CMT2020@boardroomlimited.com

## STEP 2: COMPLETE THE PROXY FORM

**A** Fill in your name and particulars.

**B** If you wish to exercise all your votes **FOR** or **AGAINST**, or if you wish to **ABSTAIN** from voting, tick within the box provided. Alternatively, indicate the number of votes as appropriate.

| No. | Resolutions | For* | Against* | Abstain* |
|---|---|---|---|---|
| **EXTRAORDINARY RESOLUTION** | | | | |
| 1. | To approve the proposed amendments to the trust deed constituting CMT | | | |
| **ORDINARY RESOLUTIONS** | | | | |
| 2. | To approve the proposed merger of CMT and CapitaLand Commercial Trust by way of a trust scheme of arrangement (the "**Merger**") (Conditional upon Resolution 1 and Resolution 3 being passed) | | | |
| 3. | To approve the proposed allotment and issuance of units of CMT to the holders of units in CapitaLand Commercial Trust as part of the consideration for the Merger (Conditional upon Resolution 1 and Resolution 2 being passed) | | | |

**C** If you are an individual, you or your attorney **MUST SIGN** and indicate the date. For a corporation, the Proxy Form must be executed under its common seal or signed by a duly authorised officer or attorney. Where the Proxy Form is signed by an attorney, the power of attorney or a duly certified copy thereof must be lodged with the Proxy Form.

Dated this ______ day of ____________ 2020

Signature(s) of Unitholder(s)/Common Seal of Corporate Unitholder

**D** Indicate the number of CMT Units you hold.

| Total Number of Units Held |
|---|
| |

**CAPITALAND MALL TRUST**
(Constituted in the Republic of Singapore pursuant to a trust deed dated 29 October 2001 (as amended))

**PROXY FORM**
**EXTRAORDINARY GENERAL MEETING**

**NOTE: This Proxy Form may be accessed at CapitaLand Mall Trust's website at https://cmt.listedcompany.com/agm_egm.html, and on the SGX website at https://www.sgx.com/securities/company-announcements. Printed copies of this Proxy Form will also be sent to unitholders.**

**Personal Data Privacy**
By submitting an instrument appointing the Chairman of the Meeting as proxy, the unitholder accepts and agrees to the personal data privacy terms set out in the Notice of EGM dated 4 September 2020.

**IMPORTANT:**
1. The EGM (as defined below) is being convened, and will be held, by way of electronic means pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020. The Notice of EGM is available on CapitaLand Mall Trust's website at https://cmt.listedcompany.com/agm_egm.html, and on the SGX website at https://www.sgx.com/securities/company-announcements.
2. Alternative arrangements relating to attendance at the EGM via electronic means (including arrangements by which the meeting can be electronically accessed via live audio-visual webcast or live audio-only stream), submission of questions to the Chairman of the Meeting in advance of the EGM, addressing of substantial and relevant questions either before or at the EGM and voting by appointing the Chairman of the Meeting as proxy at the EGM, are set out in the Notice of EGM.
3. **Due to the current COVID-19 restriction orders in Singapore, a unitholder will not be able to attend the EGM in person. If a unitholder (whether individual or corporate) wishes to exercise his/her/its voting rights at the EGM, he/she/it must appoint the Chairman of the Meeting as his/her/its proxy to attend, speak and vote on his/her/its behalf at the EGM.**
4. If a CPF or SRS investor wishes to appoint the Chairman of the Meeting as proxy, he/she should approach his/her respective CPF Agent Banks or SRS Operators to submit his/her votes by 5.00 p.m. on Thursday, 17 September 2020, being 7 working days before the date of the EGM.
5. Capitalised terms not otherwise defined herein shall bear the meanings ascribed to them in the circular dated 4 September 2020 to the unitholders of CMT (as defined below).
6. **Please read the notes overleaf which contain instructions on, *inter alia*, the appointment of the Chairman of the Meeting as a unitholder's proxy to attend, speak and vote on his/her/its behalf at the EGM.**

**A** I/We, ____________________ (Name),
____________________ (NRIC/Passport/Company Registration Number)
of ____________________ (Address)
being a unitholder/unitholders of CapitaLand Mall Trust ("**CMT**"), hereby appoint the Chairman of the Meeting as my/our proxy to attend, speak and vote for me/us on my/our behalf at the extraordinary general meeting of CMT ("**EGM**") to be convened and held by way of electronic means on Tuesday, 29 September 2020 at 10.30 a.m. (Singapore Time), and at any adjournment thereof.

I/We direct the Chairman of the Meeting as my/our proxy to vote for or against, or to abstain from voting on, the resolutions to be proposed at the EGM as indicated hereunder.

**B**

| No. | Resolutions | For* | Against* | Abstain* |
|---|---|---|---|---|
| **EXTRAORDINARY RESOLUTION** | | | | |
| 1. | To approve the proposed amendments to the trust deed constituting CMT | | | |
| **ORDINARY RESOLUTIONS** | | | | |
| 2. | To approve the proposed merger of CMT and CapitaLand Commercial Trust by way of a trust scheme of arrangement (the "**Merger**") (Conditional upon Resolution 1 and Resolution 3 being passed) | | | |
| 3. | To approve the proposed allotment and issuance of units of CMT to the holders of units in CapitaLand Commercial Trust as part of the consideration for the Merger (Conditional upon Resolution 1 and Resolution 2 being passed) | | | |

* *Voting will be conducted by poll. If you wish the Chairman of the Meeting as your proxy to cast all your votes "For" or "Against" a resolution, please indicate with a "✓" in the space provided under "For" or "Against". If you wish the Chairman of the Meeting as your proxy to abstain from voting on a resolution, please indicate a "✓" in the space provided under "Abstain". Alternatively, please indicate the number of units that the Chairman of the Meeting as your proxy is directed to vote "For" or "Against" or to abstain from voting. In the absence of specific directions in respect of a resolution, the appointment of the Chairman of the Meeting as your proxy for that resolution will be treated as invalid.*

**C** Dated this ______ day of ____________ 2020

| Total Number of Units Held |
|---|
| |

Signature(s) of Unitholder(s)/Common Seal of Corporate Unitholder

**IMPORTANT: PLEASE READ NOTES TO PROXY FORM ON REVERSE PAGE**

**D**

## STEP 3: RETURN THE COMPLETED PROXY FORM

Return the completed and signed Proxy Form in the following manner:

(i) if submitted electronically, submitted via email to CMT's Unit Registrar at CMT2020@boardroomlimited.com; or

(ii) if submitted by post, be lodged at the office of CMT's Unit Registrar at 50 Raffles Place, #32-01, Singapore Land Tower, Singapore 048623,

in either case, by **10.30 a.m. (Singapore Time) on Sunday, 27 September 2020**. If submitted by post, the pre-addressed envelope is prepaid for posting in Singapore only. CMT Unitholders should affix sufficient postage if posting from outside of Singapore.

CapitaLand
Mall Trust

Postage will be paid by addressee. For posting in Singapore only.

BUSINESS REPLY SERVICE
PERMIT NO. 08409

**CAPITALAND MALL TRUST MANAGEMENT LIMITED**
(as manager of CapitaLand Mall Trust)
c/o Boardroom Corporate & Advisory Services Pte. Ltd.
50 Raffles Place
#32-01 Singapore Land Tower
Singapore 048623

## 持有人需就合并事宜做些什么?

**请投下关键的一票**
请在代理人委托表格中注明委托表决事项。

您手头上有此通函

**特别股东大会**

将于2020年9月29日(周二)上午10: 30以网络会议形式召开

请于2020年9月26日(周六)上午10:30前登陆 https://cmt.listedcompany.com/agm_egm.html 预先注册，观看和/或聆听EGM程序，并就EGM所列的有待表决通过的议案，提交相关问题。

包含登陆详情的确认邮件将于2020年9月26日(周六)下午5: 00前发送给已通过验证的单位持有人。

请提交代理人委托表格，委托大会主席代表您在EGM上投票。代理人委托表格的提交时间不晚于2020年9月27日(周日)上午10: 30。

请于2020年9月29日(周二)上午10: 30 登陆EGM

**合并交易可能出现的三种结果**

**结果1:**
CMT单位持有人投票**赞成**议案1、2及3。

CMT信托契约获准修订，合并交易获准生效。CMT将收购CCT单位持有人所持有的全部CCT单位[(1)]。

**结果2:**
CMT单位持有人投票**反对**议案1。

CMT信托契约未能获准修订。管理人不再推进议案2与议案3，合并交易未能获准生效。

**结果3:**
CMT单位持有人投票**赞成**议案1，但投票**反对**议案2和议案3中的**任何一项**。

CMT信托契约获准修订。合并交易未能获准生效。

(1) 议案2与议案3亦以信托计划据其条款生效为条件。

# 如何委任大会主席在EGM上为代表本人投票

鉴于新型冠状肺炎疫情的影响，所有希望就EGM所列议案行使投票权的CMT单位持有人(个人或公司)，均须委托大会主席作为其代理人，在EGM上按照代理人委托表格内的指示代为投票。

## 第1步 获取代理人委托表格

代理人委托表格已于 2020年9月4日 寄送予您。亦可访问https://cmt.listedcompany.com/agm_egm.html下载代理人委托表格，或在CMT单位注册处领取：

**Boardroom Corporate & Advisory Services Pte. Ltd.,**
50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623
CMT2020@boardroomlimited.com

## 第2步 完整填写代理人委托表格

**A** 填写姓名和个人资料。

**B** 如您希望投票**赞成(FOR)**或**反对(AGAINST)**，或者如果您希望**弃权(ABSTAIN)**，请在空格内勾选。或酌情填入指示受委代表投票的单位数量。

| No. | Resolutions | For* | Against* | Abstain* |
|---|---|---|---|---|
| EXTRAORDINARY RESOLUTION | | | | |
| 1. | To approve the proposed amendments to the trust deed constituting CMT | | | |
| ORDINARY RESOLUTIONS | | | | |
| 2. | To approve the proposed merger of CMT and CapitaLand Commercial Trust by way of a trust scheme of arrangement (the "**Merger**") (Conditional upon Resolution 1 and Resolution 3 being passed) | | | |
| 3. | To approve the proposed allotment and issuance of units of CMT to the holders of units in CapitaLand Commercial Trust as part of the consideration for the Merger (Conditional upon Resolution 1 and Resolution 2 being passed) | | | |

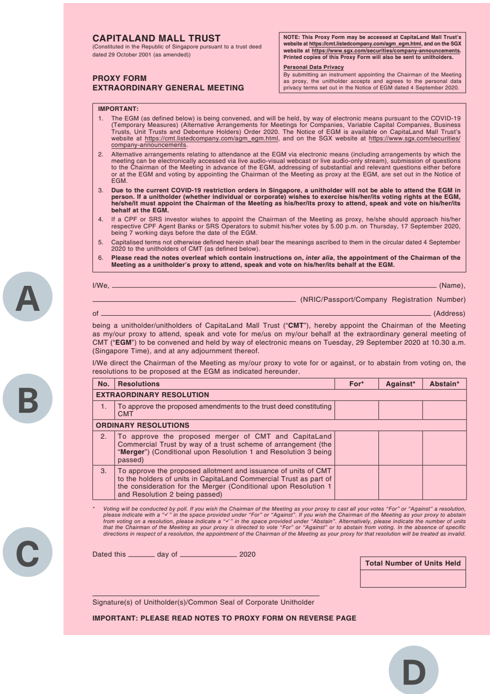
**C** 个人持有人须由本人或其律师**签字**并填写日期。公司持有人须加盖公章或由其正式授权的职员或律师签字。如代理人委托表格由律师签字，须将授权书或其正式核准副本连同代理人委托表格一并提交(如之前未有在CMT管理人处登记)。

Dated this ______ day of ____________ 2020

Signature(s) of Unitholder(s)/Common Seal of Corporate Unitholder

**D** 填写所持有的CMT单位数量。

| Total Number of Units Held |
|---|
| |

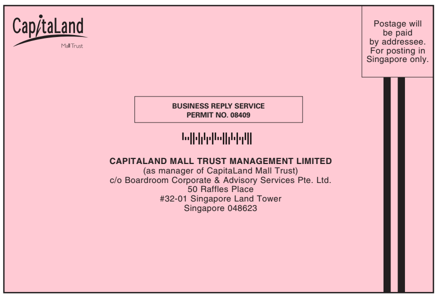



## 第3步 寄回填写完毕的代理人委托表格

代理人委托表格填写并签字完成后，可以以下方式寄回：

(i) 如以电子邮件形式寄回，请将电子邮件发送至CMT单位登记处邮箱CMT2020@boardroomlimited.com；或
(ii) 如以邮寄形式寄回，请寄至CMT单位登记办事处，收件地址为：50 Raffles Place, #32-01, Singapore Land Tower, Singapore 048623,

无论以何种方式寄回，须不迟于**2020年9月27日(周日)上午10：30(新加坡时间)**。如以邮寄方式提交，回邮信封仅预付新加坡境内邮资。CMT单位持有人若从新加坡境外寄回，需附上足够邮资。



## INDICATIVE TIMETABLE

The timetable for the events which are scheduled to take place after the EGM is indicative only and is subject to change at the CMT Manager's absolute discretion as well as pursuant to applicable regulatory requirements. Any changes (including any determination of the relevant dates) to the timetable below will be announced.

| | |
|---|---|
| **Sunday, 27 September 2020, 10.30 a.m. (Singapore time)(1)(2)** | Last date and time for lodgement of Proxy Form for the EGM |
| **Tuesday, 29 September 2020, 10.30 a.m. (Singapore time)** | Date and time of the EGM |
| **Tuesday, 29 September 2020** | Expected date of the Court convened meeting of the CCT Unitholders to approve the Trust Scheme (the "**Trust Scheme Meeting**") |
| **Tuesday, 13 October 2020(3)** | Expected date of Court hearing of the application to sanction the Trust Scheme |
| **Friday, 16 October 2020** | Expected last day of trading of CCT Units on SGX-ST |
| **Tuesday, 20 October 2020** | Expected Record Date |
| **Wednesday, 21 October 2020** | Expected Effective Date of the Trust Scheme |
| **Wednesday, 28 October 2020** | Expected date of payment of the Cash Consideration to CCT Unitholders |
| **Wednesday, 28 October 2020** | Expected date of crediting and issuance of the Consideration Units |
| **Wednesday, 28 October 2020** | Expected commencement date of trading of the Consideration Units |
| **Tuesday, 3 November 2020** | Expected date of delisting of CCT |
| **By Monday, 30 November 2020** | Expected date of payment of the clean-up distribution to the CMT Unitholders in respect of the period from 1 October 2020 up to the day immediately before the Effective Date. |

(1) In view of the COVID-19 situation, the EGM will be convened via electronic means and the CMT Unitholders must pre-register at CMT's pre-registration website at https://cmt.listedcompany.com/agm_egm.html from 4 September 2020 to 26 September 2020, 10.30 a.m. (Singapore time) to enable the CMT Manager to verify their status as a unitholder of CMT to observe and/or listen to the EGM proceedings. Please refer to **paragraph 19** for more details.

(2) Unitholders are requested to submit the Proxy Form in accordance with the instructions contained therein by 10.30 a.m. (Singapore time) on 27 September 2020, being 48 hours before the time fixed for the EGM.

(3) The date of the Court hearing of the application to sanction the Trust Scheme will depend on the date that is allocated by the Court.

**Contact Information:**

**CAPITALAND MALL TRUST MANAGEMENT LIMITED**
**(Ms) Lo Mun Wah, Vice President, Investor Relations**
**Telephone: +65 6713 2888**
**Email: lo.munwah@capitaland.com**

**J.P. MORGAN (S.E.A.) LIMITED**
**Sole Financial Adviser to CMT Manager**
**Telephone: +65 6882 8139**

**(During office hours only from 10.00 a.m. to 5.00 p.m., Monday to Friday)**

## TABLE OF CONTENTS

# CORPORATE INFORMATION

| | | |
|---|---|---|
| **Board of Directors of CapitaLand Mall Trust Management Limited (the "CMT Manager")** | : | Ms Teo Swee Lian<br>(Chairman & Non-Executive Independent Director)<br>Mr Tony Tan Tee Hieong<br>(Chief Executive Officer &<br>Executive Non-Independent Director)<br>Mr Tan Kian Chew<br>(Non-Executive Non-Independent Director)<br>Mr Ng Chee Khern<br>(Non-Executive Independent Director)<br>Mr Lee Khai Fatt, Kyle<br>(Non-Executive Independent Director)<br>Mr Fong Kwok Jen<br>(Non-Executive Independent Director)<br>Mr Gay Chee Cheong*<br>(Non-Executive Independent Director)<br>Mr Jason Leow Juan Thong<br>(Non-Executive Non-Independent Director)<br>Mr Jonathan Yap Neng Tong<br>(Non-Executive Non-Independent Director) |
| **Registered office of the CMT Manager** | : | 168 Robinson Road<br>#30-01 Capital Tower<br>Singapore 068912 |
| **Trustee of CapitaLand Mall Trust (the "CMT Trustee")** | : | HSBC Institutional Trust Services (Singapore) Limited<br>(in its capacity as trustee of CMT)<br>10 Marina Boulevard<br>Marina Bay Financial Centre<br>Tower 2 #45-01<br>Singapore 018983 |
| **Sole Financial Adviser to the CMT Manager in respect of the Merger (as defined herein) and the Trust Scheme (as defined herein) (the "Financial Adviser")** | : | J.P. Morgan (S.E.A.) Limited<br>168 Robinson Road<br>#17-00 Capital Tower<br>Singapore 068912 |
| **Independent Financial Adviser to the Audit Committee (as defined herein) and the Independent Directors (as defined herein) of the CMT Manager and to the CMT Trustee (the "CMT IFA")** | : | Australia and New Zealand Banking Group Limited<br>Singapore Branch<br>10 Collyer Quay #30-00<br>Ocean Financial Centre<br>Singapore 049315 |

* Mr Gay Chee Cheong is currently on a leave of absence.

| | | |
|---|---|---|
| **Legal Adviser to the CMT Manager** | : | Allen & Gledhill LLP<br>One Marina Boulevard #28-00<br>Singapore 018989 |
| **Legal Adviser to the CMT Trustee** | : | Shook Lin & Bok LLP<br>1 Robinson Road<br>#18-00 AIA Tower<br>Singapore 048542 |
| **Legal Adviser to the Financial Adviser** | : | Allen & Gledhill LLP<br>One Marina Boulevard #28-00<br>Singapore 018989 |
| **Unit Registrar and Unit Transfer Office** | : | Boardroom Corporate & Advisory Services Pte. Ltd.<br>50 Raffles Place<br>#32-01 Singapore Land Tower<br>Singapore 048623 |
| **Independent Auditor (the "CMT 805 Auditor")** | : | PricewaterhouseCoopers LLP<br>7 Straits View<br>#12-00 Marina One East Tower<br>Singapore 018936 |

## IMPORTANT NOTICE

The value of units in CMT (the "**CMT Units**") and the income derived from them may fall as well as rise. CMT Units are not obligations of, deposits in, or guaranteed by, the CMT Manager or any of its respective affiliates.

An investment in the CMT Units is subject to investment risks, including the possible loss of the principal amount invested. None of the CMT Manager or any of its affiliates guarantees the performance of CMT, the repayment of capital from CMT, or any particular rate of return on the CMT Units.

Investors have no right to request the CMT Manager to redeem their CMT Units while the CMT Units are listed. It is intended that a holder of CMT Units (a "**CMT Unitholder**") may only deal in their CMT Units through trading on the SGX-ST. Listing of the CMT Units on the SGX-ST does not guarantee a liquid market for the CMT Units. The past performance of CMT and the CMT Manager is not necessarily indicative of the future performance of CMT or the CMT Manager.

This Circular may contain forward-looking statements that involve assumptions, risks and uncertainties. Actual future performance, outcomes and results may differ materially from those expressed in forward-looking statements as a result of a number of risks, uncertainties and assumptions. Representative examples of these factors include (without limitation) general industry and economic conditions, interest rate trends, cost of capital and capital availability, competition from other developments or companies, shifts in expected levels of occupancy rate, property rental income, charge out collections, changes in operating expenses (including employee wages, benefits and training costs), governmental and public policy changes and the continued availability of financing in the amounts and the terms necessary to support future business. None of CMT, the CMT Manager, CapitaLand Commercial Trust ("**CCT**"), CapitaLand Commercial Trust Management Limited, as manager of CCT (the "**CCT Manager**"), and the Financial Adviser undertakes any obligation to update publicly or revise any forward-looking statements.

**Forward-Looking Statements**

All statements contained in this Circular, statements made in public announcements, press releases and oral statements that may be made by CMT or the directors* of the CMT Manager (the "**CMT Directors**"), its officers or employees acting on its behalf, that are not statements of historical fact, constitute "forward-looking statements". Some of these statements can be identified by words that have a bias towards the future or are forward-looking such as, without limitation, "anticipate", "aim", "believe", "could", "estimate", "expect", "forecast", "if", "intend", "may", "plan", "possible", "predict", "probable", "project", "seek", "should", "will" and "would" or other similar words. However, these words are not the exclusive means of identifying forward-looking statements.

All statements regarding the future financial position, operating results, business strategies, plans and future prospects of CMT and its subsidiaries (the "**CMT Group**"), and each entity of the CMT Group and any trusts and limited liability partnerships in which the CMT Group holds an interest (excluding any trusts listed on a stock exchange) (each a "**CMT Group Entity**") are forward-looking statements. The CMT Manager, the CMT Trustee and the Financial Adviser do not represent or warrant that the actual future performance, outcomes or results of CMT will be as discussed in those statements.

These forward-looking statements, including but not limited to statements as to the CMT Group's revenue and profitability, prospects, future plans and other matters discussed in this Circular regarding matters that are not historical facts, are merely predictions. These forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause the

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* For purposes of this section, all references to the CMT Directors shall exclude Mr Gay Chee Cheong, who is currently on a leave of absence.

CMT Group's actual future results, performance or achievements to be materially different from any future results, performance or achievements expected, expressed or implied by such forward-looking statements. Representative examples of such other factors include (without limitation) general industry and economic conditions, interest rate trends, cost of capital and capital availability, competition from similar developments, shifts in expected levels of property rental income, changes in property expenses and operating expenses, and governmental and public policy changes. These risks, uncertainties and other factors are discussed in more detail in this Circular.

Given the risks, uncertainties and other factors that may cause CMT's actual future results, performance or achievements to be materially different from that expected, expressed or implied by the forward-looking statements in this Circular, statements made in public announcements, press releases and oral statements that may be made by CMT or the CMT Directors, its officers or employees acting on its behalf, you are cautioned not to place undue reliance on these forward-looking statements, which are based on the CMT Manager's current view of future events.

None of the CMT Manager, the CMT Trustee, their respective advisers (including the Financial Adviser, the CMT 805 Auditor and the CMT IFA) or any other person represents or warrants to you that the actual future results, performance or achievements will be discussed in those statements. The actual results may differ materially from those anticipated in these forward-looking statements.

The CMT Manager, the CMT Trustee, the Financial Adviser and their respective advisers disclaim any responsibility to update any of those forward-looking statements or publicly announce any revisions to those forward-looking statements to reflect future developments, events or circumstances for any reason, even if new information becomes available or other events occur in the future, subject to compliance with all applicable laws and regulations and/or rules of the SGX-ST and/or any regulatory or supervisory body or agency.

Where any information has been extracted or reproduced from published or otherwise publicly available sources, the sole responsibility of the CMT Directors has been to ensure through reasonable enquiries that such information is accurately extracted from such sources or, as the case may be, reflected or reproduced in this Circular. The CMT Directors do not accept any responsibility for any information relating to CCT and/or the CCT Manager or any opinion expressed by CCT and/or the CCT Manager.

If you have sold or transferred all of your CMT Units, you should immediately forward this Circular, together with the Notice of Extraordinary General Meeting and the Proxy Form, to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for onward transmission to the purchaser or transferee.

This Circular is not for distribution, directly or indirectly, in or into the United States. It is not an offer of securities for sale into the United States. The Consideration Units have not been, and will not be, registered under the Securities Act, or the securities laws of any state of the United States or other jurisdiction, and the Consideration Units may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state or local securities laws. Any public offering of securities of CMT in the United States would be made by means of a prospectus that would contain detailed information about CMT and the CMT Manager, as well as the relevant financial statements. The CMT Manager does not intend to register any portion of the offering in the United States or to conduct a public offering of securities in the United States.

CMT is an "alternative investment fund", as defined in the Alternative Investment Fund Managers Directive 2011/61/EU of the European Parliament and of the European Council. The CMT Manager is considered the "alternative investment fund manager" of CMT, as defined in the Alternative Investment Fund Managers Directive 2011/61/EU of the European Parliament and of the European Council.

## INDICATIVE TIMETABLE

The timetable for the events which are scheduled to take place after the EGM is indicative only and is subject to change at the CMT Manager's absolute discretion as well as pursuant to applicable regulatory requirements. Any changes (including any determination of the relevant dates) to the timetable below will be announced.

| Event | | Date and Time |
|---|---|---|
| Last date and time for lodgement of Proxy Form for the EGM | : | Sunday, 27 September 2020, 10.30 a.m. (Singapore time)(1)(2) |
| Date and time of the EGM | : | Tuesday, 29 September 2020, 10.30 a.m. (Singapore time) |
| Expected date of the Court convened meeting of the CCT Unitholders to approve the Trust Scheme (the "**Trust Scheme Meeting**") | : | Tuesday, 29 September 2020 |
| Expected date of Court hearing of the application to sanction the Trust Scheme | : | Tuesday, 13 October 2020(3) |
| Expected last day of trading of the units of CapitaLand Commercial Trust ("**CCT**") on the SGX-ST | : | Friday, 16 October 2020 |
| Expected Record Date (as defined in **paragraph 1.1**) | : | Tuesday, 20 October 2020 |
| Expected Effective Date (as defined in **paragraph 6.4**) of the Trust Scheme | : | Wednesday, 21 October 2020 |
| Expected date of payment of the Cash Consideration (as defined in **paragraph 1.1**) to unitholders of CCT | : | Wednesday, 28 October 2020 |
| Expected date of crediting and issuance of the Consideration Units (as defined in **paragraph 1.1**) | : | Wednesday, 28 October 2020 |
| Expected commencement date of trading of the Consideration Units | : | Wednesday, 28 October 2020 |
| Expected date of delisting of CCT | : | Tuesday, 3 November 2020 |
| Expected date of payment of the clean-up distribution to the CMT Unitholders in respect of the period from 1 October 2020 up to the day immediately before the Effective Date. | : | By Monday, 30 November 2020 |

**Notes:**

(1) In view of the COVID-19 situation, the EGM will be convened via electronic means and the CMT Unitholders must pre-register at CMT's pre-registration website at https://cmt.listedcompany.com/agm_egm.html from 4 September 2020 to 26 September 2020, 10.30 a.m. (Singapore time) to enable the CMT Manager to verify their status as a unitholder of CMT and to observe and/or listen to the EGM proceedings. Please refer to **paragraph 19** for more details.

(2) Unitholders are requested to submit the Proxy Form in accordance with the instructions contained therein by 10.30 a.m. (Singapore time) on 27 September 2020, being 48 hours before the time fixed for the EGM.

(3) The date of the Court hearing of the application to sanction the Trust Scheme will depend on the date that is allocated by the Court.

# LETTER TO UNITHOLDERS

## CapitaLand Mall Trust

(Constituted in the Republic of Singapore pursuant to a trust deed dated 29 October 2001 (as amended))

**Directors of CapitaLand Mall Trust Management Limited**
**(the manager of CapitaLand Mall Trust)**
Ms Teo Swee Lian
(Chairman & Non-Executive Independent Director)
Mr Tony Tan Tee Hieong
(Chief Executive Officer & Executive Non-Independent Director)
Mr Tan Kian Chew
(Non-Executive Non-Independent Director)
Mr Ng Chee Khern
(Non-Executive Independent Director)
Mr Lee Khai Fatt, Kyle
(Non-Executive Independent Director)
Mr Fong Kwok Jen
(Non-Executive Independent Director)
Mr Gay Chee Cheong*
(Non-Executive Independent Director)
Mr Jason Leow Juan Thong
(Non-Executive Non-Independent Director)
Mr Jonathan Yap Neng Tong
(Non-Executive Non-Independent Director)

**Registered Office**
168 Robinson Road
#30-01 Capital Tower
Singapore 068912

4 September 2020

To: The Unitholders of CapitaLand Mall Trust

Dear Sir/Madam

**1. INTRODUCTION**

**1.1 Overview of the Merger**

On 22 January 2020 (the "**Joint Announcement Date**"), the respective boards of directors of CapitaLand Mall Trust Management Limited, as manager of CapitaLand Mall Trust ("**CMT**" and as manager of CMT, the "**CMT Manager**") and CapitaLand Commercial Trust Management Limited, as manager of CapitaLand Commercial Trust ("**CCT**" and as manager of CCT, the "**CCT Manager**") made a joint announcement (the "**Joint Announcement**") in relation to the proposed merger of CMT and CCT (the "**Merger**").

The Merger is proposed to be effected through the acquisition by CMT of all the issued and paid-up units in CCT ("**CCT Units**") held by the unitholders of CCT (the "**CCT Unitholders**") in exchange for a combination of cash and issued and paid-up units in CMT ("**CMT Units**") by way of a trust scheme of arrangement (the "**Trust Scheme**") in accordance with the Singapore Code on Take-overs and Mergers (the "**Code**") and the deed of trust constituting CCT dated 6 February 2004 (as amended) (the "**CCT Trust Deed**", and such acquisition of the CCT Units by CMT, the "**CMT Acquisition**").

The consideration for each CCT Unit under the Trust Scheme (the "**Scheme Consideration**") comprises 0.720 new CMT Units (the "**Consideration Units**") and S$0.2590 in cash (the "**Cash Consideration**"), based on, amongst other factors, a gross exchange ratio of 0.820x taking into consideration, *inter alia*, the respective 30-day volume weighted average price ("**VWAP**") of CMT Units and CCT Units. Please refer to **paragraph 6.11** for further details of the Scheme Consideration.

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* Mr Gay Chee Cheong is currently on a leave of absence.

By way of illustration, if the Merger becomes effective in accordance with its terms, a CCT Unitholder will receive S$259.00 in cash and 720 Consideration Units for every 1,000 CCT Units held by him/her/it as at the record date to be announced by the CCT Manager on which the register of the CCT Unitholders will be closed to determine the entitlement of the CCT Unitholders in respect of the Trust Scheme (the "**Record Date**").

Following the Merger, it is intended that the merged entity will be renamed "CapitaLand Integrated Commercial Trust" (the "**Merged Entity**").

## 1.2 Information on CMT and the CMT Manager

### 1.2.1 CMT

CMT is Singapore's first and largest retail real estate investment trust ("**REIT**") with a market capitalisation of approximately S$7.2 billion as at 30 June 2020. It has been listed on Singapore Exchange Securities Trading Limited (the "**SGX-ST**") since 17 July 2002. The investment objective of CMT is to own and invest in quality income-producing assets which are used, or predominantly used, for retail purposes primarily in Singapore. As at 30 June 2020, CMT has 15 properties located in Singapore[1] ("**CMT Properties**") and an interest of approximately 10.9% in CapitaLand Retail China Trust ("**CRCT**"), which is listed on the SGX-ST. Certain key financial information with respect to the CMT Group[2] as at 30 June 2020 and for the last 12 months ended 30 June 2020 ("**LTM June 2020**") is set out as follows:

| CMT Group | Information |
|---|---|
| Net asset value ("**NAV**")$^{(1)}$ | S$7,292.3 million |
| NAV$^{(1)}$ per CMT Unit | S$1.98 |
| Distributable income$^{(2)}$ | S$388.7 million |
| Distribution per CMT Unit$^{(2)}$ | 10.52 cents |
| Total return for the period before tax | S$178.4 million |
| Total assets | S$11,357.1 million |
| Aggregate valuation of portfolio$^{(3)}$ | S$11,445.4 million |

**Notes:**

(1) For the purposes of this Circular, all references to the NAV of the CMT Group and the net tangible assets ("**NTA**") of the CMT Group exclude non-controlling interests and distributable income. The distributable income excluded from the NAV refers to CMT's declared distributable income for the period from 1 April 2020 to 30 June 2020 and the taxable income retained for the period from 1 January 2020 to 30 June 2020 by CMT and RCS Trust.

(2) Distributable income and distribution per CMT Unit for LTM June 2020 refers to the distributable income to CMT Unitholders, comprising declared distributable income for the period from 1 July 2019 to 30 June 2020, S$46.4 million taxable income retained by CMT and S$5.0 million taxable income retained by RCS Trust (CMT's 40.0% interest) for the period from 1 January 2020 to 30 June 2020. For the period from 1 July 2019 to 31 December 2019, the taxable income of CMT and RCS Trust was fully paid out and included in CMT's distributable income for the same period.

(3) This includes CMT's 40.0% interest in Raffles City Singapore. The desktop valuations were carried out by Knight Frank Pte Ltd, CBRE Pte. Ltd., Colliers International Consultancy & Valuation (Singapore) Pte Ltd and Jones Lang LaSalle Property Consultants Pte Ltd (collectively, the "**CMT Independent Valuers**") as at 30 June 2020 using a combination of methods, namely the discounted cash flow method and/or the capitalisation approach and/or the comparison method, as appropriate.

1 This includes CMT's 40.0% interest in Raffles City Singapore and its interest in 90 out of 91 strata lots in Bukit Panjang Plaza. Further information on the CMT Properties may be found in **Schedule 1, Part 1**.

2 The "**CMT Group**" comprises CMT and its subsidiaries.

On 30 April 2020, CMT announced its financial results for the three-month period ended 31 March 2020, which was reported on by KPMG LLP (the "**CMT Auditor**") and the CMT IFA in accordance with Rule 25.6 of the Takeover Code.

On 22 July 2020, CMT announced its financial results for the six-month period ended 30 June 2020 ("**1H2020**", and the financial results for 1H2020, the "**CMT Group 1H2020 Financial Results**"), which was reported on by the CMT Auditor and the CMT IFA in accordance with Rule 25.6 of the Takeover Code.

**1.2.2 CMT Manager**

CMT is managed by the CMT Manager. The CMT Manager is a wholly owned subsidiary of CapitaLand Limited ("**CapitaLand**"). The CMT Manager holds a capital markets services licence ("**CMS Licence**") for REIT management pursuant to the Securities and Futures Act (Cap. 289 of Singapore) (the "**SFA**").

As at 26 August 2020 (the "**Latest Practicable Date**"), the board of directors of the CMT Manager comprises the following persons (the "**CMT Directors**"):

(i) Ms Teo Swee Lian (Chairman & Non-Executive Independent Director);

(ii) Mr Tony Tan Tee Hieong (Chief Executive Officer & Executive Non-Independent Director);

(iii) Mr Tan Kian Chew (Non-Executive Non-Independent Director);

(iv) Mr Ng Chee Khern (Non-Executive Independent Director);

(v) Mr Lee Khai Fatt, Kyle (Non-Executive Independent Director);

(vi) Mr Fong Kwok Jen (Non-Executive Independent Director);

(vii) Mr Gay Chee Cheong[3] (Non-Executive Independent Director);

(viii) Mr Jason Leow Juan Thong (Non-Executive Non-Independent Director); and

(ix) Mr Jonathan Yap Neng Tong (Non-Executive Non-Independent Director).

**1.3 Information on CCT and the CCT Manager**

**1.3.1 CCT**

CCT is a commercial office REIT with the largest portfolio of Grade A assets in the Singapore Central Business District ("**CBD**") and a market capitalisation of approximately S$6.5 billion as at 30 June 2020. It has been listed on the SGX-ST since 11 May 2004. The investment objective of CCT is to own and invest in commercial real estate and real estate-related assets, which are largely income-producing, in Singapore and key gateway cities in developed markets. As at 30 June 2020, CCT has eight properties located in Singapore[4] and two properties located in Germany[5] ("**CCT Properties**") and an interest of approximately 10.9% in

3 Mr Gay Chee Cheong is currently on a leave of absence.

4 This includes CCT's 50.0% interest in One George Street, its 60.0% interest in Raffles City Singapore and its 45.0% interest in CapitaSpring. Further information on the CCT Properties may be found in **Schedule 1, Part 2**.

5 This refers to CCT's 94.9% interest in each of Gallileo and Main Airport Center. Further information on the CCT Properties may be found in **Schedule 1, Part 2**.

MRCB-Quill REIT, a commercial REIT listed on Bursa Malaysia stock exchange, which constitutes less than 1.0% of CCT's total deposited property value. Certain key financial information with respect to the CCT Group[6] as at 30 June 2020 and for LTM June 2020 is set out as follows:

| CCT Group | Information |
|---|---|
| NAV(1) | S$6,781.5 million |
| NAV(1) per CCT Unit | S$1.76 |
| Distributable income(2) | S$309.3 million |
| Distribution per CCT Unit(2) | 8.02 cents |
| Total return for the period before tax | S$140.3 million |
| Total assets | S$9,984.7 million |
| Aggregate valuation(3) of portfolio(4) | S$10,929.7 million |

**Notes:**

(1) For the purposes of this Circular, all references to the NAV of the CCT Group exclude non-controlling interests and distributable income. The distributable income excluded from the NAV refers to CCT's declared distributable income for the period from 1 January 2020 to 30 June 2020 and the taxable income retained for the period from 1 January 2020 to 30 June 2020 by RCS Trust.

(2) Distributable income and distribution per CCT unit for LTM June 2020 is based on the declared distributable income to CCT Unitholders for the period from 1 July 2019 to 30 June 2020 and the S$7.5 million taxable income retained by RCS Trust (CCT's 60.0% interest) for the period from 1 January 2020 to 30 June 2020. For the period from 1 July 2019 to 31 December 2019, the taxable income of RCS Trust was fully paid out and included in CCT's distributable income for the same period.

(3) The desktop valuations were carried out by Cushman & Wakefield VHS Pte. Ltd., CBRE Pte. Ltd., Knight Frank Pte Ltd and C&W (U.K.) LLP – German Branch (the "**CCT Independent Valuers**") as at 30 June 2020 using a combination of methods, namely the capitalisation method and/or the discounted cash flow method and/or the direct comparison method, as appropriate. In the case of CapitaSpring, an integrated project under development, the residual land value approach was adopted.

(4) This includes CCT's 94.9% interest in each of Gallileo and Main Airport Center, and CCT's *pro rata* share of joint ventures, namely its 60.0% interest in Raffles City Singapore, 50.0% interest in One George Street and 45.0% interest in CapitaSpring. The conversion rate used for the 30 June 2020 valuations was EUR 1 = S$1.544.

### 1.3.2 CCT Manager

CCT is managed by the CCT Manager. The CCT Manager is a wholly owned subsidiary of CapitaLand and holds a CMS Licence for REIT management pursuant to the SFA.

As at the Latest Practicable Date, the board of directors of the CCT Manager comprises the following persons (the "**CCT Directors**"):

(i) Mr Soo Kok Leng (Chairman & Non-Executive Independent Director);

(ii) Mr Chee Tien Jin Kevin (Chief Executive Officer & Executive Non-Independent Director);

(iii) Mr Lam Yi Young (Non-Executive Independent Director);

(iv) Ms Tan Soon Neo Jessica (Non-Executive Independent Director);

(v) Mrs Quek Bin Hwee (Non-Executive Independent Director);

(vi) Mr Ng Wai King (Non-Executive Independent Director);

6 The "**CCT Group**" comprises CCT and its subsidiaries.

(vii) Mr Jonathan Yap Neng Tong (Non-Executive Non-Independent Director); and

(viii) Mr Lim Cho Pin Andrew Geoffrey (Non-Executive Non-Independent Director).

## 1.4 Information on the Merged Entity

### 1.4.1 Expansion of Investment Mandate

It is intended that upon the Trust Scheme becoming effective in accordance with its terms, the existing investment mandate of CMT will be expanded pursuant to the deed of trust constituting CMT dated 29 October 2001 (as amended) (the "**CMT Trust Deed**"). Under the CMT Trust Deed, the CMT Manager may from time to time change CMT's investment policies subject to compliance with the listing manual of the SGX-ST (the "**Listing Manual**"), so long as it has given not less than 30 days' prior notice of the change to HSBC Institutional Trust Services (Singapore) Limited (as trustee of CMT) (the "**CMT Trustee**") and holders of CMT Units (the "**CMT Unitholders**") by way of an announcement to the SGX-ST.

For the purposes of Clause 16(B)(iv) of the CMT Trust Deed, the Joint Announcement is deemed to be the notice of the expansion of the existing investment mandate of CMT (as the Merged Entity) upon the Trust Scheme becoming effective in accordance with its terms. For the avoidance of doubt, such expansion of the existing investment mandate of CMT does not require the approval of the CMT Unitholders.

The expanded investment mandate of the Merged Entity (the "**Expanded Investment Mandate**") will be to principally invest, directly or indirectly, in quality income-producing assets, which are used or primarily used for commercial purposes (including retail and/or office purposes), located predominantly in Singapore. The Expanded Investment Mandate takes into account the geographical focus of the Merged Entity's portfolio post-Merger. Further information on the Expanded Investment Mandate may be found in **paragraph 10.1.1**.

Upon the Expanded Investment Mandate coming into effect and in connection with the Merger, the existing right of first refusal granted by CapitaLand Commercial Limited, now known as CapitaLand Singapore Limited ("**CLS**"), to HSBC Institutional Trust Services (Singapore) Limited (in its capacity as trustee of CCT) (the "**CCT Trustee**") (the "**CCT ROFR**"), will be novated to the Merged Entity post-Merger. The scope of properties under the CCT ROFR currently covers leasehold interest (of at least 10 years) in a completed income-producing property located in Singapore which is used, or predominantly used, for commercial purposes, where, as at the time the property is identified as being suitable for acquisition by CLS and/or any of its subsidiaries, at least 50% of the total net lettable area ("**NLA**") of such property is rented out. It is intended that the scope of properties under the CCT ROFR (which is to be novated to the Merged Entity) be expanded to cover income-producing real estate used, or primarily used, for commercial purposes (including retail and/or office purposes) located in Singapore, to be consistent with the Expanded Investment Mandate (the expanded CCT ROFR, the "**Novated ROFR**").

The Novated ROFR will subsist for so long as (i) CMTML is the manager of CMT; and (ii) CMTML is a subsidiary of CapitaLand.

The investment strategies of CMT and the Merged Entity shall be determined by the CMT Manager from time to time at its absolute discretion subject to the terms of the CMT Trust Deed. Going forward, the CMT Manager may from time to time change its investment policies for CMT and the Merged Entity so long as it has given not less than 30 days' prior notice of the change to the CMT Trustee and the CMT Unitholders by way of an announcement to the SGX-ST.

For further information concerning CMT and the Merged Entity, including the risk factors relating to any change in the investment strategy of the Merged Entity as may be determined by the CMT Manager from time to time at its absolute discretion subject to the terms of the CMT Trust Deed, please refer to **Schedule 1, Part 6**.

**1.4.2 Unitholding Percentages of CapitaLand Entities Immediately upon Completion of the Merger**

The unitholding percentages of CapitaLand, as held through certain of its wholly owned subsidiaries (together with CapitaLand, "**CapitaLand Entities**") in each of CMT and CCT as at the Latest Practicable Date and in the Merged Entity immediately upon completion of the Merger are set out below:

| **CapitaLand Entities** | **CMT[(1)] (%)** | **CCT[(2)] (%)** | **Merged Entity[(3)] (%)** |
|---|---|---|---|
| Pyramex Investments Pte Ltd ("**PIPL**") | 15.49 | – | 8.84 |
| Albert Complex Pte Ltd ("**ACPL**") | 7.57 | – | 4.32 |
| Premier Healthcare Services International Pte Ltd ("**Premier**") | 4.09 | – | 2.33 |
| CapitaLand Mall Trust Management Limited ("**CMTML**") | 1.34 | – | 0.76 |
| SBR Private Limited ("**SBR**") | – | 19.33 | 8.31 |
| E-Pavilion Pte. Ltd. ("**E-Pavilion**") | – | 5.59 | 2.40 |
| CapitaLand Commercial Trust Management Limited ("**CCTML**") | – | 4.48 | 1.93 |
| Carmel Plus Pte. Ltd. ("**Carmel**") | – | 0.01 | N.M.[(4)] |
| **Total** | **28.49** | **29.42** | **28.89** |

**Notes:**

(1) Based on a total of 3,690,154,580 CMT Units as at the Latest Practicable Date, rounded to the nearest two decimal places.

(2) Based on a total of 3,861,876,136 CCT Units as at the Latest Practicable Date, rounded to the nearest two decimal places.

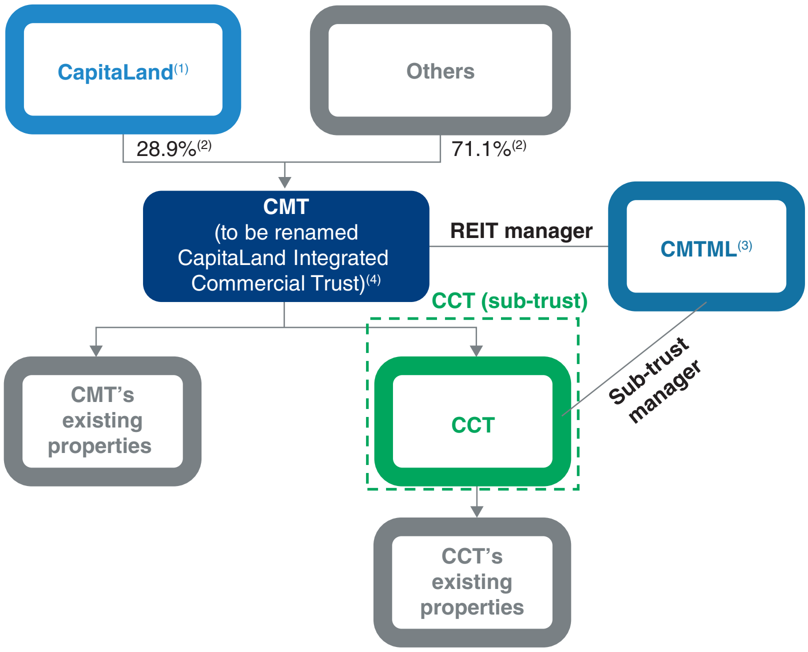
(3) Based on an aggregate of 6,470,705,398 units of the Merged Entity, rounded to the nearest two decimal places.

(4) Not meaningful.

### 1.4.3 Structure of the Merged Entity

It is currently envisaged that the indicative structure of the Merged Entity immediately upon completion of the Merger will be as follows:

**Structure of the Merged Entity**




**Notes:** Simplified group structure for illustration only. Assuming completion of the Merger and the Trust Scheme.

(1) Through its wholly owned subsidiaries, including CMTML and CCTML.

(2) Illustrative *pro forma* unitholding structure based on latest available information as at the Latest Practicable Date.

(3) Wholly owned subsidiary of CapitaLand.

(4) As mentioned in **paragraph 10.1.4**, it is intended that CCT shall transfer to CMT all the units held by CCT in Glory Office Trust (which holds CCT's 45.0% interest in CapitaSpring), MSO Trust (which holds CCT's 100.0% interest in CapitaGreen) and RCS Trust (which holds CCT's 60.0% interest in Raffles City Singapore), such that the units of each of these trusts (the "**Relevant Sub-Trusts**") previously held by CCT would be directly held by CMT (such transfers, the "**Sub-Trust Transfers**"). Please refer to **Schedule 1, Part 2** for further details on the CCT Properties.

Further information on the Merged Entity may be found in **Schedule 1**.

## 2. SUMMARY OF APPROVALS SOUGHT

The CMT Manager is seeking the approval of the CMT Unitholders at an Extraordinary General Meeting of the CMT Unitholders (the "**EGM**") for the following matters:

| No. | Approval Sought | Approval Threshold | Abstentions |
|---|---|---|---|
| 1. | The approval of the CMT Unitholders to amend the CMT Trust Deed at the EGM ("**Resolution 1**")(1) | Extraordinary Resolution(2) | Nil |
| 2. | Subject to Resolution 1 and Resolution 3 (as defined below) having been approved, the approval of the CMT Unitholders for the Merger at the EGM ("**Resolution 2**")(3) | Ordinary Resolution(4) | PIPL, ACPL, Premier, CMTML and their associates. Please refer to **paragraph 18** for further details on abstentions. |
| 3. | Subject to Resolution 1 and Resolution 2 having been approved, the approval of the CMT Unitholders for the proposed allotment and issuance of the Consideration Units (the "**Proposed Issuance of the Consideration Units**") at the EGM ("**Resolution 3**")(5) | Ordinary Resolution(4) | PIPL, ACPL, Premier, CMTML and their associates. Please refer to **paragraph 18** for further details on abstentions. |

**Notes:**

(1) Please refer to **paragraph 5.1** for further details.

(2) "**Extraordinary Resolution**" means a resolution proposed and passed as such by a majority consisting of 75.0% or more of the total number of votes cast for and against such resolution at a meeting of the CMT Unitholders.

(3) Please refer to **paragraph 6** for further details.

(4) "**Ordinary Resolution**" means a resolution proposed and passed as such by a majority being greater than 50.0% or more of the total number of votes cast for and against such resolution at a meeting of the CMT Unitholders.

(5) Please refer to **paragraph 7** for further details.

CMT Unitholders should note that the following resolutions are contingent on the following other resolutions being passed, and will lapse if the following matters do not take place:

| Resolution | Contingent upon the following resolutions being passed |
|---|---|
| Resolution 1 | Nil |
| Resolution 2 | Contingent upon Resolution 1 and Resolution 3 being passed |
| Resolution 3 | Contingent upon Resolution 1 and Resolution 2 being passed |

**In the event that Resolution 1 is not passed at the EGM, the CMT Manager will not proceed with Resolution 2 or Resolution 3.**

## 3. RATIONALE FOR THE MERGER

### 3.1 Overview

Singapore is a key global gateway city and an attractive real estate investment destination, benefiting from its stable political environment, diverse and relatively affluent consumer base, access to a skilled workforce, and its established status as one of the most important trading and financial hubs in the Asia Pacific ("**APAC**") region.

Driven by land scarcity, the Singapore retail and office sectors are expected to be influenced by the wider theme of decentralisation and a broader creation of mixed-use precincts and more integrated developments within growth areas identified by the Urban Redevelopment Authority ("**URA**") Master Plan 2019. In addition, retail and office will be key components within integrated developments to enable a work-live-play lifestyle: retail real estate remains essential amidst evolving customer preferences, while the office is here to stay as workspace solutions evolve to meet changing occupier needs. Therefore, the creation of the Merged Entity – a larger and more diversified REIT – is a proactive measure to capitalise on such trends.

While COVID-19 has brought about far-reaching effects on a global scale, disrupting lifestyles, businesses, international supply chains and travel, the overarching trend towards mixed-use precincts and integrated developments is likely to be accelerated by the onset of the pandemic as people demand a shift towards more flexible work arrangements and place higher emphasis on health and wellness. Therefore, the larger and more diversified REIT will be of even greater relevance in the evolving Singapore real estate landscape especially in the post-COVID-19 environment.

The Merged Entity will have a portfolio of strategically-located prime assets, in both central and decentralised locations island-wide to capture evolving demand. The combination of domain expertise and dynamism of the management teams will also enable the Merged Entity to unlock synergies through the Merged Entity's enlarged diversified portfolio and platform capabilities.

The Merger is thus a proactive response to changing times. The resulting Merged Entity will be underpinned by three key attributes – leadership, resilience and growth – and be in a better position to drive long-term value creation. The Merger is distribution per unit ("**DPU**") and NAV per unit accretive to CMT Unitholders on a *pro forma* basis[7].

### 3.2 Singapore retail and office remain relevant, however the onset of COVID-19 is likely to accelerate the trend towards more mixed-use precincts and integrated developments across Singapore

#### 3.2.1 Singapore retail real estate remains essential amidst evolving customer preferences

In Singapore, shopping malls remain a key thread in the fabric of society and are well-integrated into the daily activities of the population, serving the needs of its catchment. The shopping mall culture is expected to be an integral part of everyday life and remain deeply entrenched in Singapore. In addition, new supply of retail space in Singapore is expected to be limited over the next few years[8], providing an advantage to established retail players.

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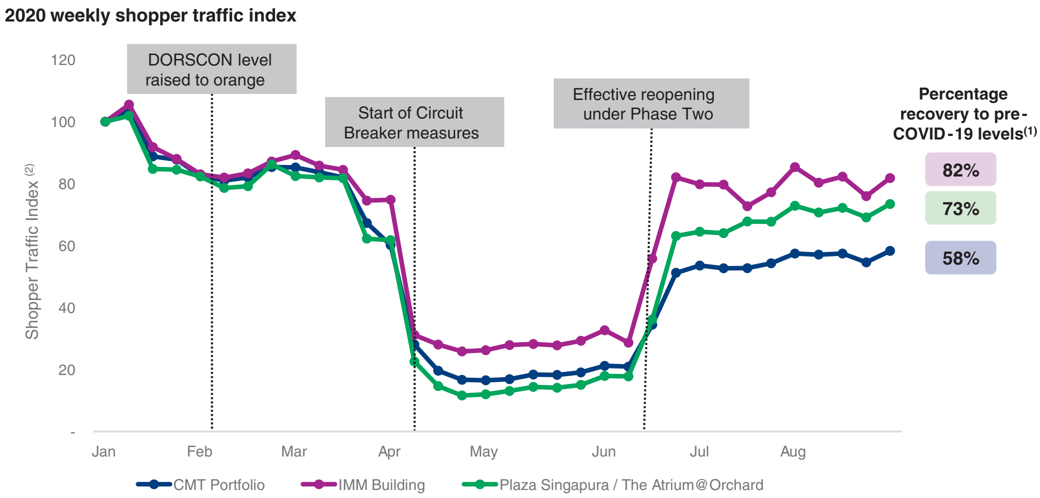
7 Based on CMT's DPU and NAV per unit compared to the Merged Entity's *pro forma* DPU and NAV per unit for LTM June 2020 and as at 30 June 2020 respectively. Please refer to Note (1) to the chart titled "LTM June 2020 – *Pro forma* DPU accretion" and Note (2) to the chart titled "30 June 2020 – *Pro forma* NAV per unit accretion" in **paragraph 4.4** for further details.

8 For further details relating to the future supply in the Singapore retail market, please refer to **page A-8** of the Independent Retail and Office Market Report (as defined in **paragraph 4.1.1**) appended to this Circular as **Appendix A**.

The evolution of Singapore's retail scene is likely to be influenced by how the urban landscape will take shape under the various themes put forth in the URA Master Plan 2019. The transformation planned for Singapore involves initiatives of decentralising commercial activities and accommodating a wider diversity of uses that promote the work-live-play lifestyle in designated regional centres and growth areas. For instance, the Downtown area is set to evolve from a financial and commercial centre to one which is mixed-use and abuzz with life after office hours. There are also plans to revive Orchard Road's street heritage while creating a memorable visitor experience by introducing unique non-retail offerings and green spaces in this distinct precinct. With urban transformation projects planned in various locations such as Jurong Lake District in the West Region and Bishan Sub-Regional Centre in the North-East Region, more workplaces will be within easy reach in the future, amidst vibrant communities where a myriad of activities will co-exist.

In the immediate term, tourism is expected to be muted due to COVID-19 travel restrictions. With steady recovery in shopper traffic and retail sales, dominant suburban malls have led the recovery. Shopper traffic at downtown malls has also picked up as the office crowd gradually returns. The chart below sets out the recovery in shopper traffic in CMT malls after the Circuit Breaker[9] period. Overall, amidst ongoing Safe Management Measures, shopper traffic has recovered to approximately 58% of pre-COVID-19 levels as of the week ended 30 August 2020, with larger malls such as Plaza Singapura/The Atrium@Orchard and IMM Building recovering to 73% and 82% respectively. In the longer term, the various themes in the URA Master Plan 2019 are expected to drive Singapore's attractiveness as a business and leisure travel destination, providing an added source of growth for retail sales beyond that derived from the local economy.

### Return of shoppers amidst Safe Management Measures




**Source:** CMT management data.

**Notes:**

(1) Based on weekly shopper traffic for the week ended 30 August 2020 versus first week of January 2020.

(2) Shopper traffic index of CMT portfolio (rebased to first week of January 2020).

9 The Circuit Breaker was implemented as a preventive measure by the Government of Singapore in response to the COVID-19 pandemic. It began on 7 April 2020 and involved stay-at-home orders, mandatory closure of non-essential businesses and strict enforcement of social distancing measures, among others.

### 3.2.2 Singapore office is here to stay while workspace solutions continue to evolve, benefiting from growing mixed-use precincts

The office workspace is used by occupiers to achieve a multitude of organisational goals, including motivating employees, enhancing productivity and building culture. The workspace has evolved from a purely functional space to a destination with a purpose, and this has been the case even pre-COVID-19.

The disruptions brought about by the global pandemic are likely to accelerate the evolution of the workspace. Companies may adopt a hybrid of alternative solutions to accommodate the different needs and circumstances of their businesses and employees while still keeping a clear focus on their organisational goals. These solutions may include hub-and-spoke, core-and-flex, work-from-home or work-near-home arrangements that are underlaid by a conscious need for social distancing, health, safety and wellness. The need to accommodate all these considerations in a controlled environment will ensure the relevance of the office workspace.

The Singapore CBD is expected to remain the primary office location given its concentration of quality office stock and its well-established business ecosystem that provides a critical mass of business networks required for companies to thrive. There is limited new office stock completing in the next five years[10] and no known Government Land Sales ("**GLS**") for tender for commercial office development in the CBD. The expected redevelopment of older CBD properties will further reduce office stock in the medium-term.

The URA Master Plan 2019 aims to rejuvenate the Singapore CBD urban landscape by transforming it from a "mono-centric" office district into a mixed-use precinct, encouraged by various initiatives such as the CBD Incentive Scheme[11] that will result in more integrated developments within the CBD. The revitalisation of the Singapore CBD over time will make it an even more attractive precinct.

The URA Master Plan 2019 also emphasises the key theme of decentralisation, and the value proposition for the development of business nodes beyond the CBD to bring jobs and workplaces closer to homes. This will ensure the CBD office location continues to play a central role in the occupiers' adoption of various office solutions such as hub-and-spoke arrangements.

To stay competitive in light of the evolving Singapore office landscape, proactive management is critical to provide differentiation in services, amenities, technology and offerings to create a positive impact on the lifestyles of occupiers beyond their workplace environment, in a more sustainable, vibrant and lively community.

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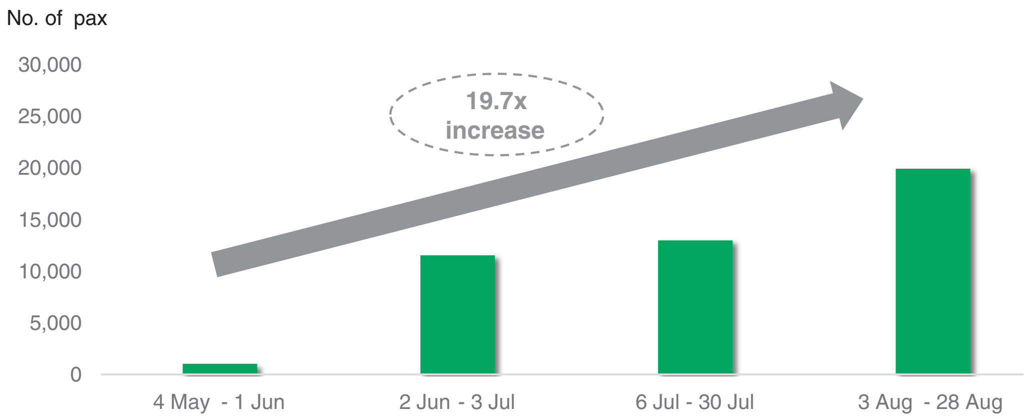
10 For further details relating to the future supply in the Singapore office market, please refer to **page A-14** of the Independent Retail and Office Market Report appended to this Circular as **Appendix A**.

11 Please refer to the URA Circular No. URA/PB/2019/04-CUDG, "Rejuvenation Incentives for Strategic Areas: Central Business District (CBD) Incentive Scheme", published on 27 March 2019.

The chart below sets out the returning tenants' count for CCT offices during the Circuit Breaker period, and subsequent phased reopening. Approximately 24%[12] of the office community has returned for the week ended 28 August 2020, while telecommuting remains the default mode of work for companies under Phase 2 as advised by the Government of Singapore[13].

**Post-Circuit Breaker returning tenants' count for offices**




**Source:** CCT management data.

### 3.2.3 Overarching trend towards mixed-use precincts and integrated developments

Prior to the COVID-19 outbreak, the URA had already been driving towards a broader adoption of mixed-use precincts and integrated developments, reflecting an overarching land scarce environment and a need to incentivise the rejuvenation of older precincts and properties to cater to evolving consumer demands. This is evident by the rising number of GLS sites being earmarked for mixed-use[14], with the area of such GLS sites increasing from approximately 22,800 square metres, between 2012 and 2015[15] to approximately 85,800 square metres between 2016 and 2019[16].

This trend is not unique to Singapore. There has been a notable trend across global gateway cities to optimise use of scarce land in prime locations and to move towards more urban rejuvenation projects, which have resulted in an emergence of integrated developments such as New District at Canary Wharf in London, Barangaroo development in Sydney, Hudson Yards in New York, Roppongi Hills by Mori in Tokyo, among others.

Prior to the COVID-19 outbreak, the URA Master Plan 2019 had already emphasised key themes of decentralisation, liveability, inclusivity, accessibility and sustainability. This is also to cater to evolving lifestyle and occupier preference with an increasing demand for more complete work, live and play elements conveniently co-located. A captive ecosystem creates a more vibrant development, supported by a sustainable work-live-play culture. Integrated developments thus present an attractive proposition for both tenants and consumers given the comprehensive and complementary offerings.

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12 Based on stabilised pre-COVID-19 tenants' count.

13 In line with the Safe Management Measures advisories from the Ministry of Manpower to maintain social distancing at workplaces.

14 Refers to GLS sites which fall under "white site" and "commercial and residential" development codes.

15 Sites include Thomson Road/Irrawaddy Road white site and Meyappa Chettiar Road commercial and residential site.

16 Sites include Bukit Batok West Avenue 6, Holland Road, and Sengkang Central commercial and residential sites, and Central Boulevard white site.

This trend had already been in place before the onset of the global pandemic, but its adoption is likely to be accelerated by the changes brought about by COVID-19, which demands a shift to more flexible work arrangements and an increased focus on health and wellness. This would potentially catalyse a broader replication of the work-live-play model in areas outside the CBD, and reinforce the importance of the creation of regional centres, mixed-use precincts and integrated developments.

**Increased government focus on land use intensification and regional rejuvenation**

**New incentive schemes** to encourage the intensification, redevelopment and rejuvenation of existing older buildings in strategic areas and the CBD

**6km green connection** linking key areas from the Singapore Botanic Gardens, Orchard Road, the Istana (Dhoby Ghaut), Fort Canning Park, Clarke Quay and ending at the Singapore River

## 3.3 The creation of a larger and more diversified REIT is a proactive response to the evolving Singapore real estate market, especially post-COVID-19

### 3.3.1 Assets strategically located in identified growth clusters across Singapore to capture evolving demand

The Merged Entity's portfolio will have a large and diversified footprint in both central and decentralised locations with assets that are well-connected to major public transportation lines. This portfolio includes properties within the CBD and key prime districts, along with assets located in key growth areas with the potential to transform into new local hubs in keeping with the decentralisation plan of the Government of Singapore.

Location remains a primary consideration for both Singapore retail and office tenants. A strategically-located portfolio also drives irreplaceable real estate value in Singapore's land scarce environment. As demonstrated by the existing strong tenants within the portfolio, the Merged Entity benefits from highly sought-after locations which will likely continue to attract creditworthy occupiers.

This extensive suite of prime assets will allow the Merged Entity the ability to offer tenants multiple options island-wide within its diversified portfolio.

Additionally, with the evolution of various workspace solutions potentially being implemented, such as hub-and-spoke and core-and-flex office models, the Merged Entity's CBD office spaces will retain relevance as anchor locations. The Merged Entity's sizeable and highly accessible portfolio provides for the replication of the work-live-play trend to capture evolving demand across Singapore.

### 3.3.2 Combined domain expertise and potential redevelopment pipeline allow the Merged Entity to capitalise on current and future real estate trends to create opportunities for growth

According to the URA, COVID-19 has sharpened the need to evolve towards more mixed-use precincts and integrated developments[17]. Retail and office on a standalone basis will evolve in light of the future of Singapore retail and office. The Merged Entity will capitalise on its combined domain expertise and be better positioned to leverage current and future real estate trends. CMT and CCT have respectively demonstrated proactive portfolio reconstitution and asset repositioning, evidenced by:

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17 Please refer to the *TODAY Singapore* news article, "URA reviewing urban plans for CBD, heartlands as Covid-19 'sharpens need' for changing amenities in districts", published on 14 June 2020.

(i) Redevelopment of Funan from a pure retail mall of approximately 482,000 sq ft into an integrated development of approximately 889,000 sq ft comprising an ecosystem of retail, office and coliving components. The redevelopment represents a departure from the traditional shopping mall, to a mall that thrives on building connections and curating community experiences that consumers, office workers and coliving guests can enjoy.

With 57%, 29% and 14% of gross floor area attributable to retail, office and coliving spaces respectively, the transformation of Funan showcases how the work-live-play components complement one another to form an integrated, sustainable ecosystem. Key highlights of the redevelopment include: technological features such as click & collect service; digital concierge on mobile phones (e.g. smart carparking and facilities booking); tree of life design and grandstand/amphitheatre area facilitating flexibility in use of space (e.g. product launches, community workshops, events); and a rooftop urban farm/futsal court for enhanced community engagement.

Funan was officially opened on 27 December 2019 with over 200 brands, of which more than 30% were new-to-market brands, concepts or flagship stores and over 60% were homegrown labels. Funan's average monthly shopper traffic was approximately 70% higher than before the redevelopment.

(ii) Ongoing development of CapitaSpring from a carpark and food centre of approximately 127,000 sq ft into an integrated development of approximately 1,005,000 sq ft comprising office, retail and serviced residence components. The new 280-metre integrated development will offer work, live and play spaces in a vertically connected environment. In the tower, between the Grade A office floors and the serviced residences is a 30-metre tall green oasis, designed with social and activity spaces spread out over four storeys of lush greenery and trees, offering a re-connection with nature in the middle of the city. Featuring an iconic façade and harnessing the latest workplace and lifestyle innovations, the new integrated development will redefine the Singapore CBD skyline.

The Merged Entity has well-positioned assets in identified growth clusters across Singapore. For example:

(a) JCube, Westgate and IMM Building are located in the Jurong Lake District which, according to the URA, will become the largest mixed-use business district outside the city centre with a live-in population. Similarly, Lot One Shoppers' Mall in Choa Chu Kang is set to benefit from this growth cluster, with the anticipated opening of the Jurong Region Line in 2026;

(b) Junction 8 is within the Bishan Sub-Regional Centre, which is an up-and-coming employment node with nearby community facilities and commercial developments;

(c) Capital Tower is situated in the Robinson Road-Shenton Way-Tanjong Pagar area, which has been marked out for rejuvenation under the URA's CBD Incentive Scheme to become a mixed-use precinct with work-live-play elements and green spaces; and

(d) The Atrium@Orchard and Plaza Singapura are on Orchard Road, which is expected to be transformed into Singapore's lifestyle destination with innovative and unique non-retail offerings.

This successful integration of different elements into a more sustainable model can be further replicated within the CBD and suburban locations, which would be a differentiator in rising to the challenges of a post-COVID-19 Singapore real estate market.

**3.3.3 Unlocking synergies through the Merged Entity's enlarged diversified portfolio and platform capabilities**

The consolidation of CMT's retail and CCT's office portfolios as well as their platform capabilities are expected to unlock synergies for the Merged Entity. Such synergies will include (i) cross-selling opportunities; (ii) enhanced digital platform and data analytics; and (iii) cost optimisation. The Merged Entity will be able to manage an integrated platform more seamlessly and efficiently, and remain a best-in-class REIT in an ever-changing operating environment.

**Cross-selling opportunities**

The opportunities for cross-selling across asset classes will increase the appeal of the Merged Entity's portfolio and help to drive stronger operational performance. These may include the following:

(a) The Merged Entity's enlarged Singapore island-wide footprint will allow existing retail tenants to extend their e-commerce fulfilment points beyond shopping malls to office buildings. This improves tenants' cost efficiency through potential bundling of delivery orders to CBD customers, reducing their last mile delivery cost, which will in turn reinforce the Merged Entity's position as the landlord of choice for retailers; and

(b) The Merged Entity will be able to leverage the combined broader leasing network for more effective tenant negotiations and sourcing for high-quality tenants. For example, (i) co-working spaces could be added to shopping malls, especially in designated regional centres and growth areas identified in the URA Master Plan 2019, to create hub-and-spoke solutions and enable more diverse workplace arrangements, and (ii) addition of retail amenities to office buildings will help to create a synergistic ecosystem that enhances the value proposition for office tenants, while retail tenants benefit from higher captive footfall as well as expanded presence and consumer outreach.

**Enhanced digital platform and data analytics**

The Merged Entity and its tenants will benefit from synergies arising from an enlarged and unified digital platform catering to both the retail and office portfolios. The integration of tenants, rewards programmes, technology and insights across asset classes will help create a seamless online and offline ecosystem for end-consumers' work, dining, leisure and shopping needs, thereby entrenching the Merged Entity's leading position as a provider of digital platform solutions to both Singapore retail and office assets tenants.

For example, an integration of the CapitaStar@Work[18] and CapitaStar Programme[19] will facilitate the onboarding of retail tenants within office buildings on the digital platform, thereby allowing end-consumers to benefit from the existing rewards programme and creating brand stickiness. With an expanded retail network and larger captive consumer base, the integrated digital platform has the potential to drive higher retail sales turnover and consequentially higher gross turnover rents.

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18 CapitaStar@Work is an office amenities and employee engagement digital application.

19 CapitaStar Programme is a retail lifestyle digital application.

In line with its strategy, the Merged Entity can further enhance its analytics capability, generate higher quality consumer insights and enable more informed, data-driven decision making, including but not limited to people flow, occupancy, asset utilisation, operational and building system performance.

**Cost optimisation**

The enlarged scale of the Merged Entity will enable greater cost savings from bulk procurement, further optimisation of the supply chain and elimination of frictional costs that would have otherwise existed if CMT and CCT were to remain as separate entities. For example, the Merged Entity can derive economies of scale through capital management and bulk procurement of services and maintenance contracts.

## 4. KEY BENEFITS OF THE MERGER

The transaction is expected to be a transformative merger of equals that will propel CMT to the next phase of growth. Two best-in-class portfolios are brought together to create the proxy for Singapore's commercial real estate market that will be underpinned by three key attributes – leadership, resilience and growth.

With a stronger and more efficient platform, the Merged Entity will be in a better position to create value and drive sustainable growth. The Merger is DPU and NAV per unit accretive to CMT Unitholders on a *pro forma* basis.


**Note:**

(1) Based on CMT's DPU and NAV per unit compared to the Merged Entity's *pro forma* DPU and NAV per unit for LTM June 2020 and as at 30 June 2020 respectively. Please refer to Note (1) to the chart titled "LTM June 2020 – *Pro forma* DPU accretion" and Note (2) to the chart titled "30 June 2020 – *Pro forma* NAV per unit accretion" in **paragraph 4.4** for further details.

## 4.1 LEADERSHIP: Best-in-class portfolio supported by a stronger and more efficient platform

CMT and CCT have "best-in-class" portfolios which exhibit market-leading attributes, including but not limited to:

| | | |
|---|---|---|
| 1 | **Portfolio asset size** | ■ CMT is the largest shopping mall owner in Singapore by NLA[(1)].<br>■ CCT is the largest owner of Grade A office assets in Singapore's CBD by NLA[(2)]. |
| 2 | **Portfolio quality and location** | ■ CMT has a balanced portfolio of 15 downtown and suburban malls in Singapore with excellent connectivity to public transport and strong population catchments.<br>■ CCT's portfolio includes eight quality office and commercial buildings strategically-located in Singapore's central area. |
| 3 | **Portfolio performance** | ■ CMT's portfolio has maintained a high occupancy through cycles and has a well diversified trade mix[(1)].<br>■ CCT's portfolio has maintained a consistently high occupancy, supported by a diverse tenant mix with a long and favourable lease expiry profile[(2)]. |
| 4 | **Market capitalisation** | ■ Both CMT and CCT are the largest Singapore retail and office REITs by market capitalisation as at 30 June 2020 respectively[(3)]. |

**Notes:**

(1) Please refer to **paragraph 4.1.1(a)** for further details.

(2) Please refer to **paragraph 4.1.1(b)** for further details.

(3) Please refer to **paragraph 4.1.2** for further details.

### 4.1.1 A stronger platform encapsulating CMT's and CCT's best-in-class attributes

Both platforms hold assets in prime locations with strong catchments and are strategically co-located with MRT stations and accessible to major transport nodes.

| CMT Best-in-class Singapore retail REIT | CCT Best-in-class Singapore office REIT |
|---|---|
| ✓ Balanced portfolio of 15 downtown and suburban malls | ✓ Dominant footprint of 8 prime quality offices in Singapore CBD |
| ✓ Market-leading scale and consistently high portfolio occupancy[(1)] | ✓ Largest Grade A Singapore CBD portfolio with occupancy consistently above market[(2)] |
| ✓ Excellent connectivity to major transport hubs | ✓ Diverse tenant mix with well spread lease expiry profile |
| ✓ GRESB 2019 – Sector Leader in Asia, "Retail-Listed" | ✓ GRESB 2019 4-star |

Committed to Sustainability


**Notes:**

(1) Committed occupancy for CMT's Singapore portfolio as at 30 June 2020 was 97.7%. CMT has maintained a high committed occupancy of above 97% through cycles, except in 2011 when committed occupancy was approximately 95% mainly due to asset enhancement works at The Atrium@Orchard and Bugis+.

(2) Committed occupancy for CCT's Singapore portfolio as at 30 June 2020 was 95.2%.

(a) CMT: Best-in-class Singapore retail REIT

CMT has a balanced portfolio of 15 downtown and suburban malls[20] with excellent connectivity to public transport and strong population catchments. It is the largest shopping mall owner in Singapore with an approximately 10.6% share of shopping mall floor space by NLA[21] – this is more than double the share of its closest peer.

Since its listing in 2002, CMT's portfolio has maintained a high occupancy through cycles[22]. With a high portfolio committed occupancy of 97.7% as at 30 June 2020, CMT has consistently outperformed the Singapore island-wide occupancy in the retail space. CMT's portfolio also has a favourable lease expiry profile and well diversified trade mix, with its top three categories comprising food & beverage, beauty & health and fashion.

Please refer to **Appendix A** for an overview of the Singapore retail market in the report prepared by CBRE Pte. Ltd. titled "Independent Market Report – Singapore Retail, Office & Frankfurt Office for 1H2020" (the "**Independent Retail and Office Market Report**").

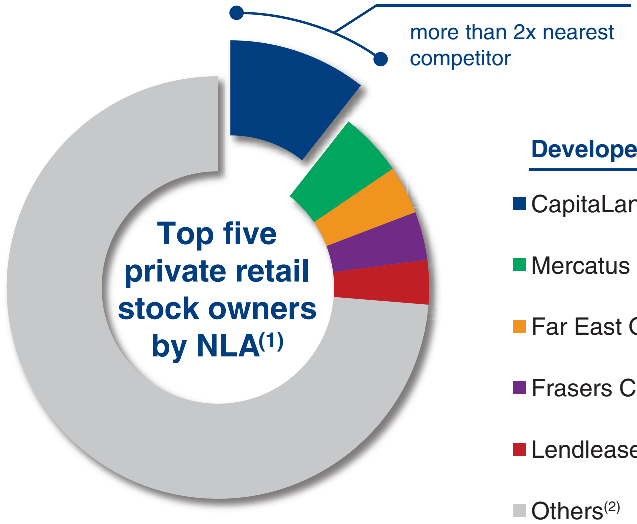
**Balanced portfolio of downtown and suburban malls with excellent connectivity to public transport and strong population catchments**


20 This includes CMT's 40.0% interest in Raffles City Singapore and its interest in 90 out of 91 strata lots in Bukit Panjang Plaza.

21 Based on CBRE Pte. Ltd.'s basket of private retail stock, which includes retail space from shopping malls, retail podiums and mixed-use developments.

22 CMT has maintained a high committed occupancy of above 97% through cycles, except in 2011 when committed occupancy was approximately 95% mainly due to asset enhancement works at The Atrium@Orchard and Bugis+.

### Share of major shopping mall floor space in Singapore by owner[1]




| Developer | Share |
|---|---|
| CapitaLand Mall Trust | 10.6% |
| Mercatus | 4.9% |
| Far East Organisation | 3.7% |
| Frasers Centrepoint Trust | 3.7% |
| Lendlease | 3.4% |
| Others[2] | 73.7% |

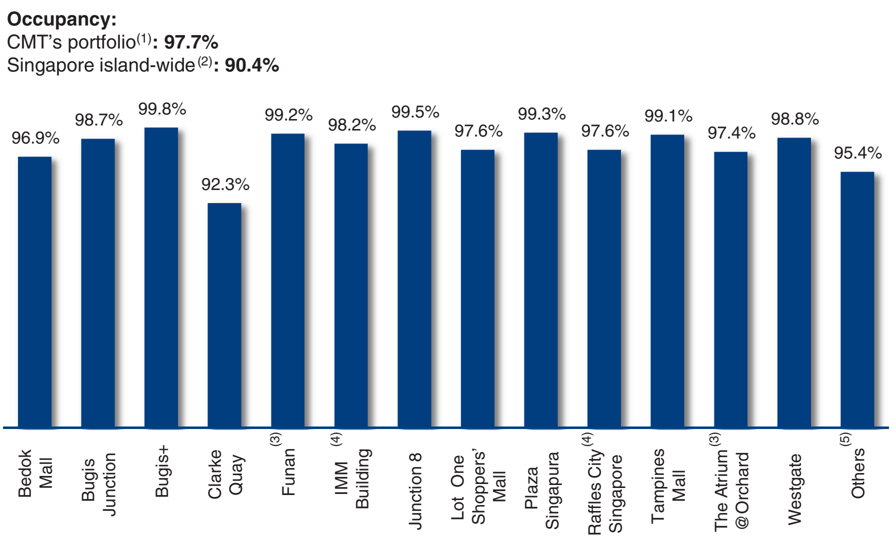
**Source:** CBRE Pte. Ltd..

**Notes:**

(1) Based on CBRE Pte. Ltd.'s basket of private retail stock, which includes retail space from shopping malls, retail podiums and mixed-use developments as at 2Q2020.

(2) Includes ownership stakes in malls owned by CapitaLand.

### Occupancy of CMT's portfolio[1] is higher than Singapore island-wide occupancy[2]




**Notes:**

(1) Committed occupancy as at 30 June 2020.

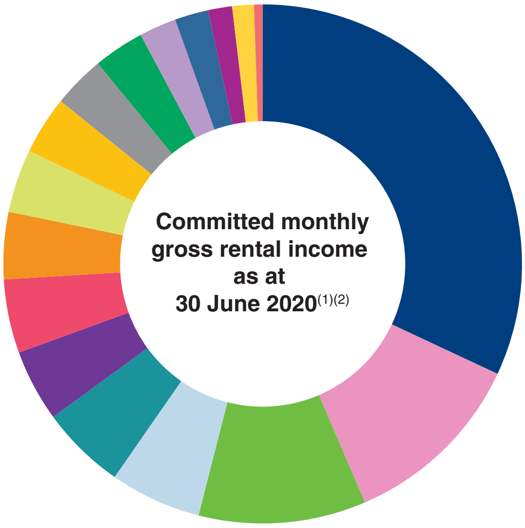
(2) Based on the URA's island-wide retail space vacancy rate for 2Q2020.

(3) Includes retail and office leases.

(4) Based on retail leases only.

(5) Other assets include (i) JCube and (ii) Bukit Panjang Plaza (90 out of 91 strata lots).

## Well diversified trade mix




| | % | | % |
|---|---|---|---|
| Food & Beverage | 32.0% | Services | 4.2% |
| Beauty & Health | 11.6% | Supermarket | 4.0% |
| Fashion | 10.4% | IT & Telecommunications | 3.6% |
| Office | 5.7% | Shoes & Bags | 3.2% |
| Department Store | 5.3% | Home Furnishing | 3.2% |
| Gifts & Souvenirs/ Toys & Hobbies/ Books & Stationery/ Sporting Goods | 4.6% | Electrical & Electronics | 2.3% |
| Leisure & Entertainment/ Music & Video[3] | 4.5% | Jewellery & Watches | 2.1% |
| | | Education | 1.5% |
| | | Warehouse | 1.3% |
| | | Others[4] | 0.5% |

**Notes:** For the month of June 2020.

(1) Includes CMT's 40.0% interest in Raffles City Singapore (retail only) and Funan, which was closed in July 2016 for redevelopment and reopened in June 2019.

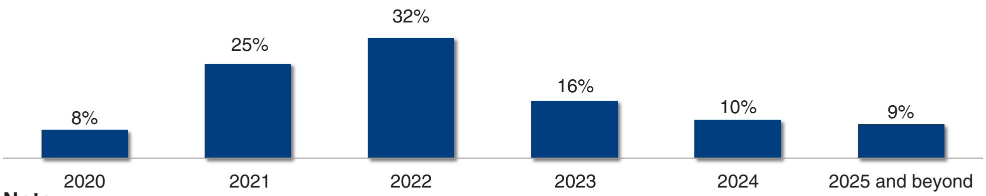
(2) Excludes gross turnover rent.

(3) Includes tenants approved as thematic dining, entertainment and a performance centre in Bugis+.

(4) Others include Art Gallery and Luxury.

## Well spread lease expiry profile[1] (% of NLA)

**2.3 years**
Portfolio WALE by NLA




**Note:**

(1) Based on the committed NLA of the CMT Group as at 30 June 2020. Includes CMT's 40.0% interest in Raffles City Singapore (excluding hotel lease).

(b) CCT: Best-in-class Singapore office REIT

CCT's portfolio comprises 10 quality office and commercial buildings[23], eight of which are strategically-located in Singapore's central area, and two prominently located in Frankfurt. CCT is the largest owner of Grade A office assets in Singapore's CBD by NLA.

CCT's Singapore portfolio has maintained an occupancy rate that is consistently above CBD Core[24] occupancy levels. As at 30 June 2020, CCT's Singapore portfolio committed occupancy rate of 95.2% was higher than the Singapore CBD Core occupancy of 94.4%[25]. CCT's high portfolio occupancy is the result of successful proactive leasing strategies and strong tenant retention. Its portfolio of high-quality office and commercial properties is further supported by a diverse tenant mix with a long and favourable lease expiry profile.

Please refer to **Appendix A** for an overview of the Singapore and Frankfurt office markets in the Independent Retail and Office Market Report.

**CCT is the largest owner of Grade A assets in Singapore CBD, with a high committed portfolio occupancy**


**Notes:**

(1) CCT has a 50.0% interest in One George Street.

(2) CCT has a 60.0% interest in Raffles City Singapore.

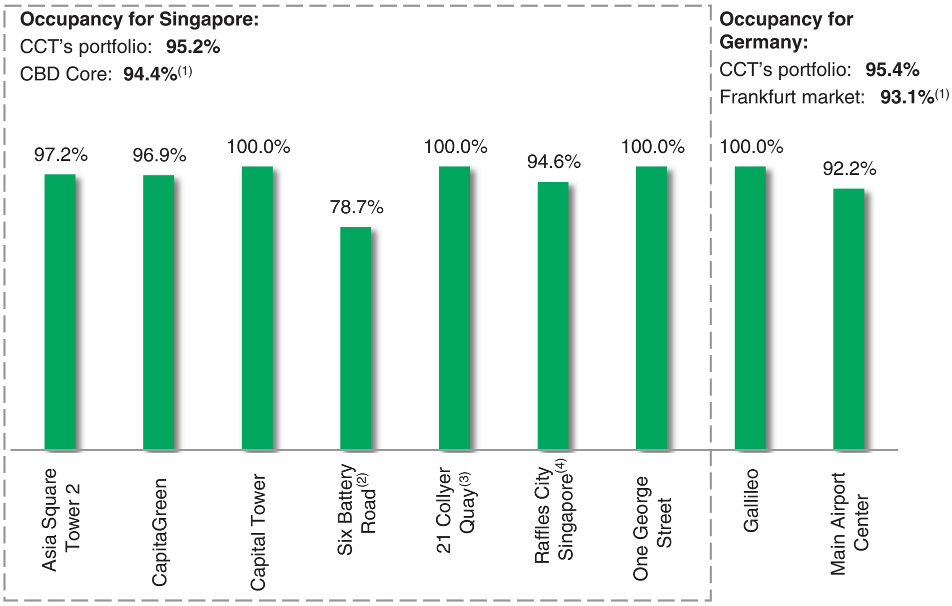
(3) CCT has a 45.0% interest in CapitaSpring.

23 This includes CCT's 60.0% interest in Raffles City Singapore, its 50.0% interest in One George Street and its 45.0% interest in CapitaSpring.

24 CBD Core comprises Raffles Place, Shenton Way, Marina Bay and Marina Bay Centre.

25 Singapore CBD Core occupancy is based on information from CBRE Research.

## Occupancy[1] of CCT's Singapore portfolio is higher than CBD Core




**Notes:**

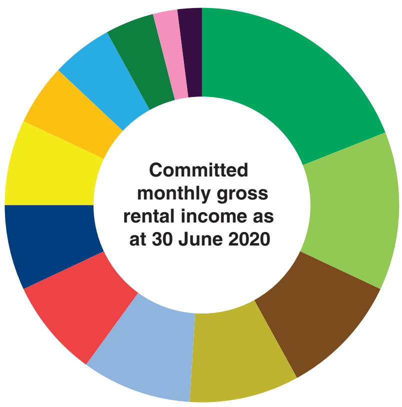
(1) All occupancy rates shown are as at 30 June 2020. Singapore CBD Core and Frankfurt market occupancy rates are based on information from CBRE Research.

(2) Six Battery Road's occupancy is expected to remain as such until partial upgrading is completed in phases. The partial upgrading commenced in January 2020 and is expected to complete in December 2021.

(3) 21 Collyer Quay commenced upgrading in July 2020 and the work is expected to complete in 1Q2021; WeWork entered into a lease for the entire NLA in July 2019.

(4) Office occupancy is at 91.3% while retail occupancy is at 97.6%.

## Diverse tenant mix in CCT's Portfolio[1]



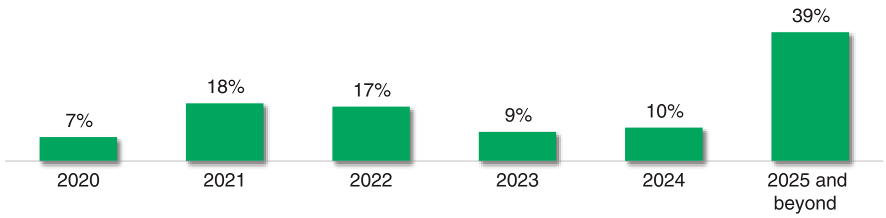

| | |
|---|---|
| Banking | 19% |
| Financial Services | 13% |
| Business Consultancy, IT, Media & Telecommunications | 10% |
| Travel & Hospitality | 9% |
| Energy, Commodities, Maritime & Logistics | 9% |
| Real Estate & Property Services | 8% |
| Retail Products & Services | 7% |
| Insurance | 7% |
| Manufacturing & Distribution | 5% |
| Food & Beverage | 5% |
| Legal | 4% |
| Government | 2% |
| Education & Services | 2% |

**Note:**

(1) Based on committed monthly gross rental income including proportionate interests of joint ventures and excluding retail turnover rent. Also excludes WeWork Singapore as the lease is expected to commence in 2Q2021.

### Long and favourable lease expiry profile[1]

**5.7 years**
**Portfolio WALE by NLA**




**Note:**

(1) Based on the combined committed NLA of the CCT Group and proportionate interests of joint ventures as at 30 June 2020.

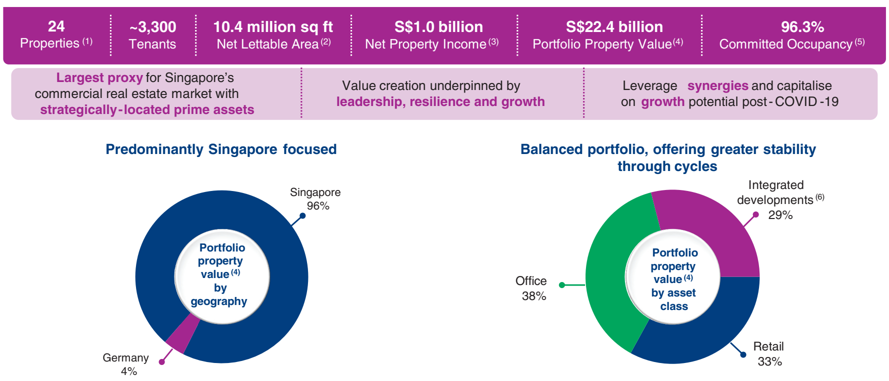
(c) Merged Entity: Best-in-class Singapore commercial REIT

The Merged Entity will encapsulate the attributes of both CMT and CCT, and is expected to be the largest REIT in Singapore by market capitalisation and total portfolio property value based on the information available to the CMT Manager as at 30 June 2020. As such, the Merged Entity is expected to be the largest proxy for Singapore commercial real estate.

The Merged Entity will have a portfolio of 24 strategically-located and high-quality retail, office and integrated developments in Singapore and overseas. With the enlarged scale of the combined portfolio and its widened mandate, the Merged Entity will be better positioned to compete in Singapore and other developed countries, and withstand challenges. Please refer to **paragraph 10.1.1** for further details on the Expanded Investment Mandate of the Merged Entity.

It will be a more efficient vehicle through realisation of synergies resulting from the Merger, including (i) cross-selling opportunities; (ii) enhanced digital platform and data analytics; and (iii) cost optimisation. Please refer to **paragraph 3.3.3** for details.

### Proxy for Singapore commercial real estate




**Notes:**

(1) The Merged Entity will own 100.0% of Raffles City Singapore.

(2) Based on the total NLA (100.0% interest) including retail, office and warehouse; and excluding hotels & convention centre and CapitaSpring as at 30 June 2020.

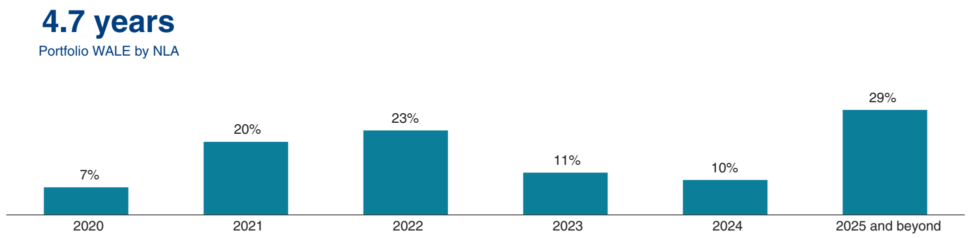
(3) Based on the combined net property income ("**NPI**") of the CMT Group and the CCT Group for LTM June 2020, including *pro rata* contribution from joint ventures, and Bugis Village up to 31 March 2020 (which was the expiry date of CCT's one-year lease with the State to manage Bugis Village).

(4) S$22.4 billion portfolio property value based on desktop valuation, including proportionate interests of joint ventures, as at 30 June 2020. The conversion rate used for the 30 June 2020 valuations was EUR 1 = S$1.544.

(5) Based on the combined committed NLA of the CMT Group (retail only), the CCT Group and proportionate interests of joint ventures as at 30 June 2020.

(6) Integrated developments include Raffles City Singapore, Plaza Singapura, The Atrium@Orchard, Funan and CapitaSpring.

**Well spread lease expiry profile[(1)] (% of NLA)**



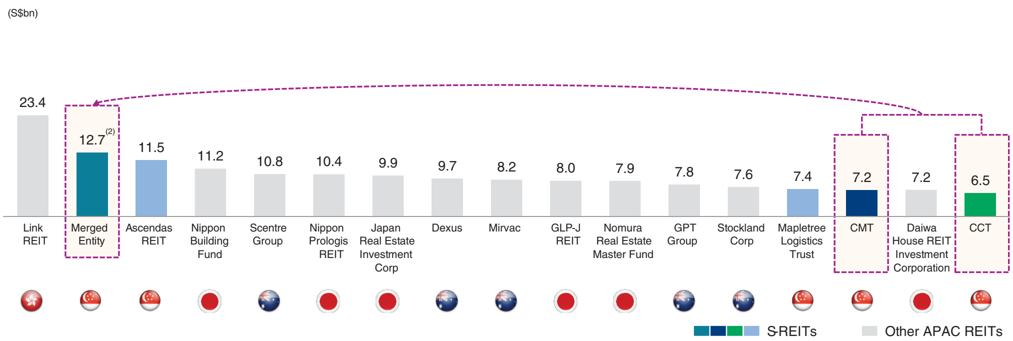

**Note:**

(1) Based on the combined committed NLA of the CMT Group, the CCT Group and proportionate interests of joint ventures as at 30 June 2020.

## 4.1.2 Creating one of the largest REITs in APAC

The Merger is expected to create one of the largest REITs in the APAC region[26], with a total portfolio property value of approximately S$22.4 billion[27] and a market capitalisation of approximately S$12.7 billion[28]. In addition, the enlarged scale will enhance the Merged Entity's visibility within the APAC REIT universe which may result in higher trading liquidity, potential for positive re-rating and a more competitive cost of capital. It will also further entrench the Merged Entity's position within the S-REIT universe as well as increase its appeal and relevance amongst the global institutional and retail investor community. The Merger is expected to cement the Merged Entity's leadership within APAC's commercial real estate sector.

**Top REITs in APAC by market capitalisation[(1)]**




**Source:** Bloomberg as of 30 June 2020. Assumes SGD/JPY of 77.448, SGD/AUD of 1.039, SGD/HKD of 5.562.

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26 By market capitalisation as at 30 June 2020. Based on the illustrative market capitalisation of the Merged Entity as set out in footnote 28.

27 Based on the aggregate property valuation of the CMT Group and the CCT Group, including proportionate interests of joint ventures, as at 30 June 2020 as set out in **paragraphs 1.2.1** and **1.3.1** respectively.

28 Illustrative market capitalisation of the Merged Entity calculated as the sum of:

(i) the market capitalisation of CMT of S$7.2 billion as at 30 June 2020; and

(ii) the portion of the Scheme Consideration for all CCT Units to be satisfied by the issuance of 0.720 new CMT Units for each CCT Unit (based on the closing price of a CMT Unit as at 30 June 2020).

**Notes:**

(1) As at 30 June 2020.

(2) Illustrative market capitalisation of Merged Entity calculated as the sum of:

(i) the market capitalisation of CMT of S$7.2 billion as at 30 June 2020; and

(ii) the portion of the Scheme Consideration for all CCT Units to be satisfied by the issuance of 0.720 new CMT Units for each CCT Unit (based on the closing price of a CMT Unit as at 30 June 2020).

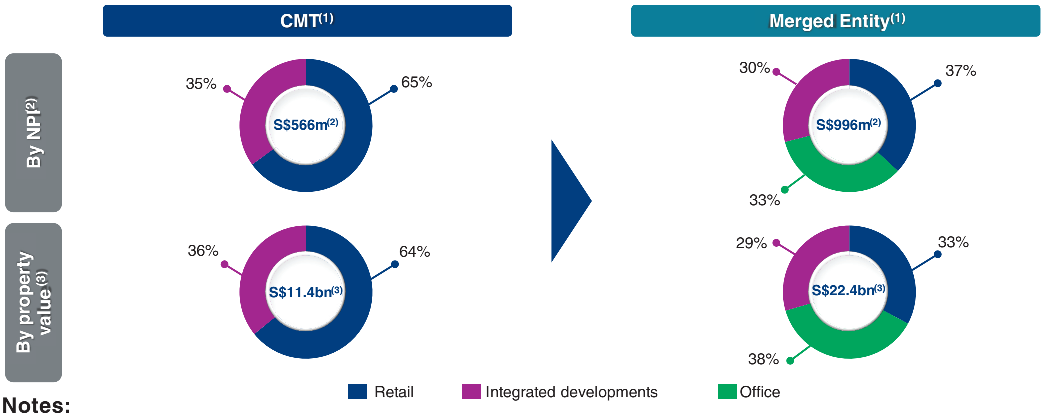
Further, the Merged Entity is also expected to be the largest REIT in Singapore by market capitalisation and total portfolio property value, based on the information available to the CMT Manager as at 30 June 2020.

## 4.2 RESILIENCE: Enhanced resilience and stability through market cycles

### 4.2.1 Greater stability through cycles due to a more balanced portfolio

The Merged Entity will have a well-balanced portfolio with diversified exposure across five integrated developments, eight office assets and 11 retail assets. This provides a hedge against market cycles in any particular sub-sector and improves the Merged Entity's ability to invest through cycles.

The Merged Entity will also have a more diversified tenant mix. Notably, the top 10 tenants of the Merged Entity are also well diversified across trade sectors.




**Notes:**

(1) For CMT, integrated developments includes Raffles City Singapore (40.0% interest), Plaza Singapura, The Atrium@Orchard and Funan. For the Merged Entity, integrated developments include Raffles City Singapore (100.0% interest), Plaza Singapura, The Atrium@Orchard, Funan and CapitaSpring (45.0% interest) which is currently undergoing redevelopment.

(2) Based on the NPI of the CMT Group or the combined NPI of the CMT Group and the CCT Group (as the case may be) for LTM June 2020, including *pro rata* contribution from joint ventures, and Bugis Village up to 31 March 2020 (which was the expiry date of CCT's one-year lease with the State to manage Bugis Village).

(3) Based on the valuation of all the properties of the CMT Group as at 30 June 2020 or the combined valuation of the CMT Group and the CCT Group as at 30 June 2020 (as the case may be), including proportionate interest of joint ventures' valuation. The conversion rate used for the 30 June 2020 valuations was EUR 1 = S$1.544.

**Top 10 Tenants contributed 20.6% of the Merged Entity's total gross rental income[(1)] for the month of June 2020**

| Ranking | Tenant | Percentage of Total Monthly Gross Rental Income | Trade Sector |
|---|---|---|---|
| 1 | RC Hotels (Pte) Ltd | 5.5% | Hospitality |
| 2 | NTUC Enterprise Co-operative Limited | 2.2% | Supermarket / Beauty & Health / Services / Food & Beverage / Education / Warehouse |
| 3 | Temasek Holdings (Private) Limited | 1.9% | Financial Services |
| 4 | Commerzbank AG[(2)] | 1.8% | Banking |
| 5 | GIC Private Limited | 1.7% | Financial Services |
| 6 | BreadTalkGroup Limited | 1.6% | Food & Beverage |
| 7 | Cold Storage Singapore (1983) Pte Ltd | 1.6% | Supermarket / Beauty & Health / Services / Warehouse |
| 8 | Mizuho Bank, Ltd | 1.6% | Banking |
| 9 | Al-Futtaim Group | 1.5% | Department Store / Fashion / Beauty & Health / Sporting Goods |
| 10 | JPMorgan Chase Bank, N.A. | 1.2% | Banking |
| | **Total** | **20.6%** | |

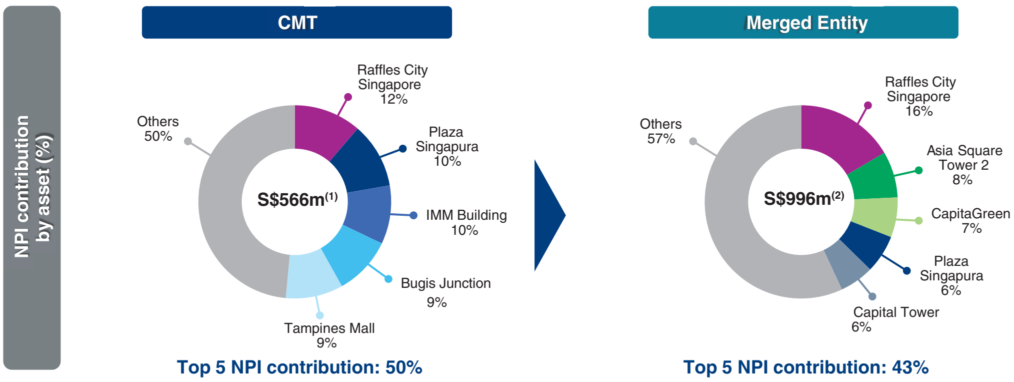
**Notes:**

(1) Excluding retail turnover rent.

(2) Based on 94.9% interest in Gallileo, Frankfurt.

### 4.2.2 Reduced asset concentration risk

There will be reduced asset concentration risk as the NPI contribution from the respective top five assets will be reduced from 50% for CMT to 43% for the Merged Entity. This improved diversification reduces earnings volatility and increases its flexibility to unlock value and reconstitute its portfolio with a lower impact on NPI.




**Notes:**

(1) Based on the NPI of the CMT Group for LTM June 2020, including *pro rata* contribution from joint ventures.

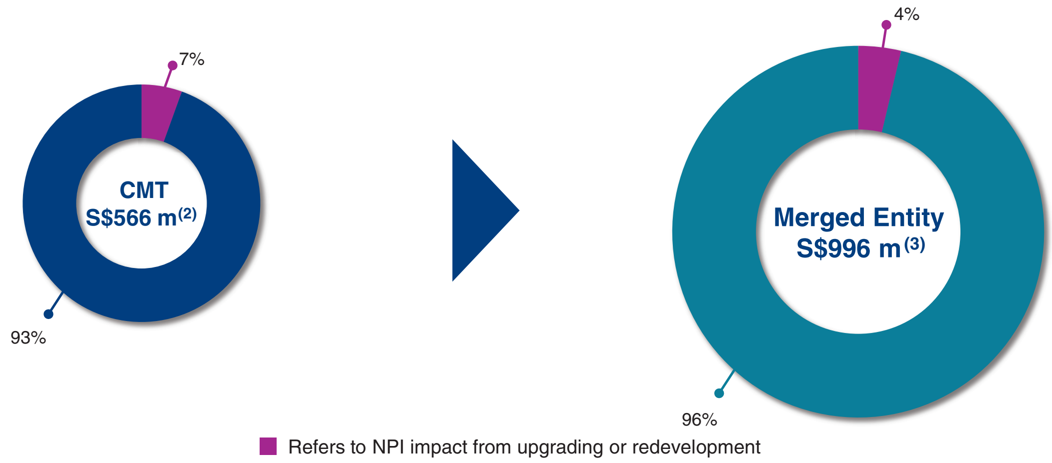
(2) Based on the combined NPI of the CMT Group and the CCT Group for LTM June 2020, including *pro rata* contribution from joint ventures, and Bugis Village up to 31 March 2020 (which was the expiry date of CCT's one-year lease with the State to manage Bugis Village).

### 4.2.3 Increased flexibility to undertake portfolio rejuvenation and redevelopment

Due to its larger income and asset base, the Merged Entity would be better equipped to mitigate any financial impact from redevelopments and AEIs to create value for unitholders in the longer term whilst supporting stable distributions to unitholders in the near term.

For instance, assuming a S$1.0 billion asset of CMT with an assumed NPI yield of 4% had been decommissioned to undertake an AEI during the LTM June 2020 period, the downtime would have resulted in a 7% reduction to CMT's NPI for LTM June 2020. The same AEI would only translate to a 4% impact on the NPI of the Merged Entity due to the larger NPI base.

**Illustrative NPI impact from redevelopment of S$1.0 bn asset**(1)




**Notes:**

(1) Loss of NPI calculated by applying an illustrative 4.0% NPI yield on the S$1.0 billion asset valuation.

(2) Based on the NPI of the CMT Group for LTM June 2020, including *pro rata* contribution from joint ventures.

(3) Based on the combined NPI of the CMT Group and the CCT Group for LTM June 2020, including *pro rata* contribution from joint ventures. For the CCT Group, NPI from Bugis Village was up to 31 March 2020 (which was the expiry date of CCT's one-year lease with the State to manage Bugis Village). The Hongkong and Shanghai Banking Corporation's lease at 21 Collyer Quay ended on 30 April 2020.

## 4.3 GROWTH: Greater optionality for growth with broader focus and larger capacity for investment

### 4.3.1 Leveraging on combined domain expertise to capitalise on overarching trend towards mixed-use precincts and integrated developments

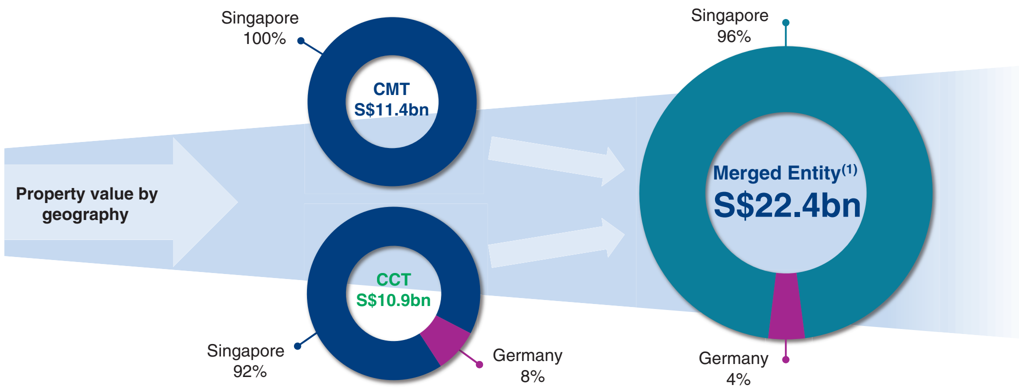
The Merged Entity can capitalise on the overarching trend towards mixed-use precincts and integrated developments, which is expected to be accelerated by the onset of COVID-19. Leveraging its combined domain expertise and proven track records in portfolio repositioning, the Merged Entity will have greater capacity to add value to integrated developments. Please refer to **paragraph 3.3.2** for details.

### 4.3.2 Remaining Singapore-focused while enhancing ability to take on larger transactions across geographies

The Merged Entity will continue to be predominantly Singapore-focused while having the flexibility to explore acquisitions in other developed countries of not more than 20% of the total portfolio property value of the Merged Entity. This broadens the Merged Entity's optionality to seek accretive acquisitions. The Merged Entity faces favourable supply dynamics in the Singapore real estate market, with new supply for both retail and office muted in the near term. Supportive government policies are also expected to help bolster the Singapore economy.

In addition, the Merged Entity has strategically-located prime assets in identified growth clusters across Singapore. This extensive island-wide footprint near key transport nodes will allow the Merged Entity to capture evolving demand. Please refer to **paragraph 3.3.1** for details.

The Merged Entity will seek acquisitions from both third parties and CapitaLand. Please refer to **paragraph 10.2(c)** for details.




**Note:**

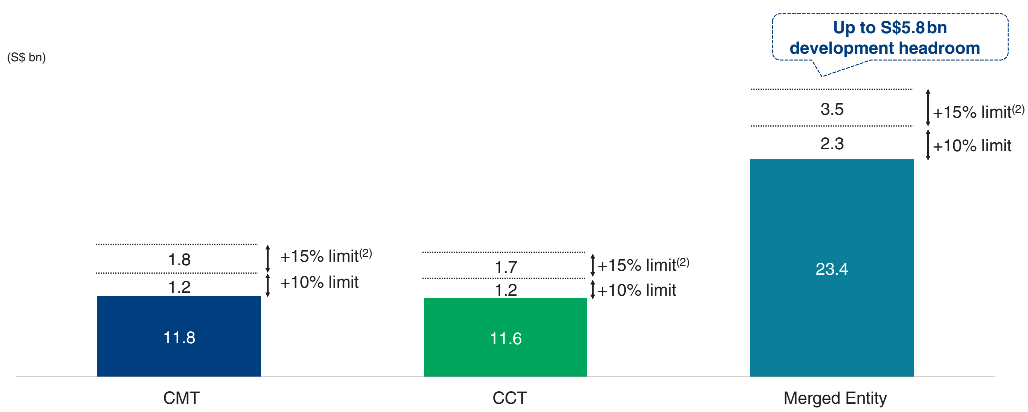
(1) Based on the aggregate property valuation of the CMT Group and the CCT Group, including proportionate interest of joint ventures, as at 30 June 2020 as set out in **paragraphs 1.2.1** and **1.3.1** respectively.

### 4.3.3 Higher headroom provides more flexibility and room to evolve

With an evolving real estate environment accelerated by the COVID-19 outbreak, changes will be required in the near future to adapt to the times. The Merged Entity will have greater capacity to reimagine and redesign future-proofed strategies and properties with an enlarged capital base and existing footholds in key locations.

With an enlarged asset base, the Merged Entity will enjoy a significantly higher development headroom and an enhanced ability and flexibility to undertake larger redevelopments to capitalise on evolving real estate trends, and reposition its portfolio. For example, the Merged Entity would have been able to execute the development of CapitaSpring on its own[29] or take on more redevelopment projects simultaneously. These might not have been feasible previously on a standalone basis. With this added flexibility, the Merged Entity will be able to deliver more meaningful organic growth for unitholders.

**Increased development headroom**(1)




**Notes:**

(1) Headroom calculated based on percentage of the deposited property of the CMT Group, the CCT Group and the Merged Entity respectively, with the deposited property of the Merged Entity based on the aggregate deposited property of the CMT Group and the CCT Group.

29 CapitaSpring's estimated project development expenditure of S$1.8 billion would be well within the Merged Entity's 10% development headroom limit of S$2.3 billion.

(2) The increased 15.0% headroom for development is subject to the approval of CMT Unitholders, CCT Unitholders, or the unitholders of the Merged Entity (as the case may be) and must be utilised solely for the redevelopment of an existing property that has been held by the property fund for at least three years and which the property fund will continue to hold for at least three years after the completion of the redevelopment in accordance with Appendix 6 of the Code on Collective Investment Schemes issued by the Monetary Authority of Singapore (the "**Property Funds Appendix**").

Further, the Merged Entity will have a debt headroom of S$2.2 billion[30] due to its enlarged balance sheet. A bigger funding capacity allows the Merged Entity to act more swiftly and provide certainty of financing for third party acquisitions, which strengthens its ability to capture opportunistic accretive investments. It also enhances the Merged Entity's ability and flexibility to undertake larger and more accretive transactions, portfolio enhancement and reconstitution initiatives.

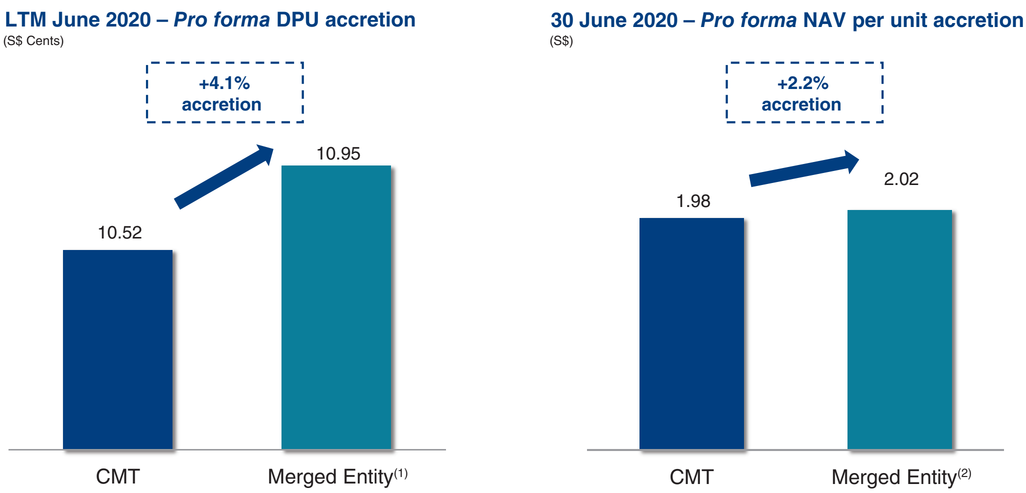
The Merged Entity will be better placed to tap on a wider range of financing options to manage its cost of debt. With a more resilient portfolio, the Merged Entity is expected to have access to more debt and capital market providers to support its growth strategy.

## 4.4 ACCRETION: DPU and NAV per unit accretive to CMT Unitholders

In addition to the strategic benefits, the Merger is DPU and NAV per unit accretive to CMT Unitholders on a *pro forma* basis.

The Merger provides CMT Unitholders a DPU accretion of 4.1%, assuming the Merger had been completed on 1 July 2019 and a NAV per unit accretion of 2.2%, assuming the Merger had been completed on 30 June 2020.

**Accretion: DPU and NAV per unit accretive to CMT Unitholders**




**Notes:** The *pro forma* DPU accretion percentage and *pro forma* NAV per unit accretion percentage are computed based on actual figures and not based on figures that were subject to rounding (as shown in the diagram above).

(1) Please refer to **paragraph 8.3.1** for the bases and assumptions used in preparing the *pro forma* DPU for LTM June 2020.

(2) Please refer to **paragraph 8.3.2** for the bases and assumptions used in preparing the *pro forma* NAV as at 30 June 2020.

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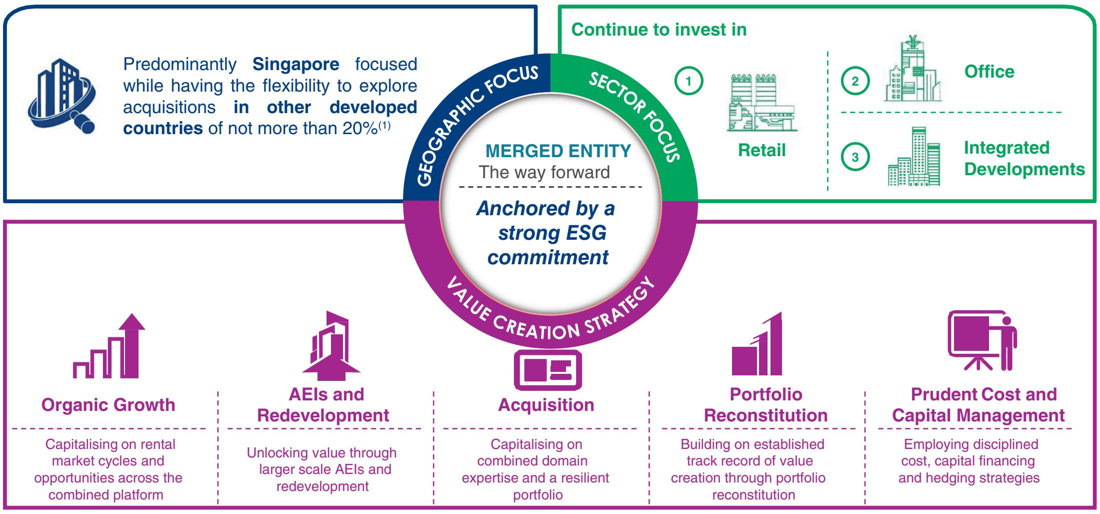
30 Debt headroom calculated based on the increase in the *pro forma* aggregate leverage of the Merged Entity from 39.7% to the regulatory aggregate leverage limit of 45.0% that was in force under the Property Funds Appendix immediately before 16 April 2020. Pursuant to the revision of the Property Funds Appendix on 16 April 2020, the regulatory aggregate leverage limit under the Property Funds Appendix has been increased to 50.0% up to (and including) 31 December 2021. On or after 1 January 2022, the aggregate leverage of a property fund should not exceed 45.0%, save that it may exceed 45.0% (up to a maximum of 50.0%) if certain conditions under the Property Funds Appendix are met. Please refer to **paragraph 8** for further details of the *pro forma* financial effects of the Merger.

### 4.5 CONCLUSION AND STRATEGY FOR THE FUTURE

Supported by the key attributes of leadership, resilience and growth, the Merger is expected to create a stronger and more efficient platform that will enhance the ability of the manager of the Merged Entity to execute multi-pronged strategies to deliver sustainable distribution and total returns to unitholders.

Anchored by a strong Environmental, Social, and Governance ("**ESG**") commitment, the Merged Entity will continue to uphold high standards of corporate governance, managing its environmental footprint, leveraging technology and engaging with stakeholders that include employees, tenants, shoppers and our communities, while generating stable long-term value for all unitholders. Please refer to **paragraph 10.2** for further details on the Merged Entity's future strategies.

**Largest proxy for Singapore commercial real estate**




**Note:**

(1) By total portfolio property value of the Merged Entity.

## 5. PROPOSED AMENDMENTS TO THE CMT TRUST DEED

### 5.1 The CMT Trust Deed Amendments

In connection with the Merger, it is intended that the CMT Trust Deed be amended to change the approval threshold for the issuance of new CMT Units exceeding the general mandate from an Extraordinary Resolution to an Ordinary Resolution (the "**CMT Trust Deed Amendments**"). Such approval is being sought pursuant to Resolution 1. By lowering the approval threshold required for Resolution 3 from an Extraordinary Resolution to an Ordinary Resolution, the CMT Trust Deed Amendments will facilitate the Merger and the Proposed Issuance of the Consideration Units.

In addition, the CMT Manager believes that the CMT Trust Deed Amendments will provide flexibility for the CMT Manager post-Merger (being the manager of the Merged Entity) in carrying out its duties for the benefit of the Merged Entity. This will provide the manager of the Merged Entity with greater certainty of raising capital as and when the manager of the Merged Entity deems it necessary.

Please refer to **Schedule 2** which sets out the CMT Trust Deed Amendments.

## 5.2 Approval of the CMT Unitholders

The CMT Trust Deed Amendments are subject to the approval of not less than 75.0% of the total number of votes held by the CMT Unitholders present and voting either in person or by proxy cast for and against the resolution approving the CMT Trust Deed Amendments at the EGM. None of the CapitaLand Entities (which, for the avoidance of doubt, includes CMTML) is required to abstain from voting on Resolution 1.

# 6. KEY TERMS OF MERGER

## 6.1 The Trust Scheme

In connection with the Merger, the CMT Trustee, the CMT Manager, the CCT Trustee and the CCT Manager (each a "**Party**", and collectively, the "**Parties**") have, on the Joint Announcement Date, entered into an implementation agreement, as amended by the supplemental agreement dated 3 September 2020 (collectively, the "**Implementation Agreement**"), setting out the terms and conditions on which the Parties will implement the Trust Scheme.

The Merger will be effected by way of the CCT Trustee and the CCT Manager implementing the Trust Scheme which will involve, among others, the transfer of all the CCT Units to the CMT Trustee:

(a) fully paid;

(b) free from all encumbrances; and

(c) together with all rights, benefits and entitlements attaching on and from the date of the Implementation Agreement, including the right to receive and retain all rights and other distributions (if any) declared or to be declared by the CCT Manager on or after the date of the Implementation Agreement, except for the CCT Permitted Distributions (as defined in **paragraph 6.6.2**),

(such transfer previously defined in **paragraph 1.1** as the "**CMT Acquisition**").

The CMT Acquisition requires the approval of the CMT Unitholders under Rules 906(1)(a) and 1014(2) of the Listing Manual and Paragraph 5.2(b) of the Property Funds Appendix. Such approval is being sought pursuant to Resolution 2.

Please refer to **paragraphs 9.1** and **9.2** for details of the requirements for the approval of the CMT Unitholders for the Merger under Rules 906(1)(a) and 1014(2) of the Listing Manual and Paragraph 5.2(b) of the Property Funds Appendix.

Please also refer to **paragraphs 7** and **9.3** for details of the requirements for the approval of the CMT Unitholders for the Proposed Issuance of the Consideration Units in connection with the CMT Acquisition pursuant to Rule 805(1) of the Listing Manual.

Please refer to **paragraph 18** for details on the abstentions from voting on Resolution 2 and Resolution 3 relating to the Merger and the Proposed Issuance of the Consideration Units respectively.

Further information on the Merged Entity may be found in **paragraph 1.4** above.

### 6.2 Conditions to Completion

**6.2.1** The Merger is subject to the satisfaction or waiver of the conditions (the "**Conditions**") set out in **Schedule 3, Part 1 (*Conditions*)**.

**6.2.2** The Implementation Agreement may be terminated if any Condition set out in:

(i) **paragraphs (1) (*Unitholder Approvals*)**, **(2) (*Regulatory Approvals*)**, **(3) (*Tax Approvals*)**, **(8) (*Authorisations and Consents*)** or **(9) (*Third Parties*)** of **Schedule 3, Part 1** has not been satisfied (or, where applicable, has not been waived) by 11.59 p.m. on 30 November 2020 (or such other date as the Parties may agree in writing) (the "**Long-Stop Date**")[31] and the non-satisfaction of such Condition is material in the context of the Merger; or

(ii) **paragraphs (4) (*No Legal or Regulatory Restraint*)**, **(5) (*No Prescribed Occurrence*)**, **(6) (*No Breach of Warranties*)** or **(7) (*No Material Adverse Effect*)** of **Schedule 3, Part 1** is not satisfied (or, where applicable, has not been waived) on the business day immediately preceding the Effective Date (the "**Relevant Date**") and the non-satisfaction of such Condition is material in the context of the Merger,

in each case, by the relevant Party or Parties having the right to terminate the Implementation Agreement for the non-satisfaction of such Condition.

### 6.3 Implementation

Each of the CMT Trustee (to the extent applicable), the CMT Manager, the CCT Trustee (to the extent applicable) and the CCT Manager have agreed to execute all documents and do or cause to be done all acts and things necessary for the implementation of the Merger, the CMT Acquisition and the Trust Scheme, as expeditiously as practicable.

### 6.4 Effective Date

The Trust Scheme will become effective upon the written notification to the Monetary Authority of Singapore of the grant of the order of the High Court of the Republic of Singapore (the "**Court**") sanctioning the Trust Scheme (the "**Trust Scheme Court Order**"), which shall be effected by or on behalf of the CMT Manager:

**6.4.1** within 25 business days from the date that the last of the Conditions set out in **paragraphs (1) (*Unitholder Approvals*)**, **(2) (*Regulatory Approvals*)**, **(3) (*Tax Approvals*)**, **(8) (*Authorisations and Consents*)** and **(9) (*Third Parties*)** of **Schedule 3, Part 1** is satisfied or waived, as the case may be, in accordance with the terms of the Implementation Agreement; and

**6.4.2** provided that the Conditions set out in **paragraphs (4) (*No Legal or Regulatory Restraint*)**, **(5) (*No Prescribed Occurrence*)**, **(6) (*No Breach of Warranties*)** and **(7) (*No Material Adverse Effect*)** of **Schedule 3, Part 1** are satisfied or waived on the Relevant Date, as the case may be, in accordance with the terms of the Implementation Agreement,

(such date on which the Trust Scheme becomes effective in accordance with its terms, the "**Effective Date**").

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31 Pursuant to the supplemental agreement to the Implementation Agreement entered into on 3 September 2020, the Long-Stop Date was extended from 30 September 2020 to 30 November 2020.

### 6.5 Conduct of Business

Each Party has agreed not to, during the period from the date of the Implementation Agreement to the Effective Date, without the prior written consent of the other Parties (as relevant), take or refrain from taking any action which is reasonably within its power or control that would or is reasonably likely to result in a CMT Prescribed Occurrence (as defined herein and as set out in **Schedule 3, Part 2**) or, as the case may be, a CCT Prescribed Occurrence (as defined herein and as set out in **Schedule 3, Part 3**), save to the extent:

**6.5.1** required by applicable laws and subject to any fiduciary duties, statutory or legal obligations;

**6.5.2** required to give effect to and comply with the Implementation Agreement; or

**6.5.3** such action is in connection with the redevelopment of any asset in the portfolio of the CMT Group Entities[32] or the CCT Group Entities[33] (as the case may be), where such action is taken or refrained from being taken in compliance with all applicable laws, including the Property Funds Appendix.

### 6.6 CMT Permitted Distributions and CCT Permitted Distributions

The CMT Manager and the CCT Manager are permitted to declare, make or pay distributions to the CMT Unitholders and the CCT Unitholders (as the case may be) only if such distributions by:

**6.6.1** the CMT Manager, in respect of CMT, were declared, made or paid in the ordinary course of business in respect of the period from 1 October 2019 up to the day immediately before the Effective Date (including any clean-up distribution to the CMT Unitholders in respect of the period from the day following the latest completed financial quarter of CMT preceding the Effective Date, up to the day immediately before the Effective Date) (the "**CMT Permitted Distributions**"); and

**6.6.2** the CCT Manager, in respect of CCT, were declared, made or paid in the ordinary course of business in respect of the period from 1 July 2019 up to the day immediately before the Effective Date (including any clean-up distribution to the CCT Unitholders in respect of the period from the day following the latest completed financial half year of CCT preceding the Effective Date, up to the day immediately before the Effective Date) (the "**CCT Permitted Distributions**").

For the avoidance of doubt, the Parties shall be entitled to declare, make or pay the CMT Permitted Distributions and the CCT Permitted Distributions (as the case may be) without any adjustment to the Scheme Consideration. The CCT Unitholders shall have the right to receive and retain the CCT Permitted Distributions in addition to the Scheme Consideration.

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32 "**CMT Group Entities**" means, collectively, CMT and its subsidiaries, and any trusts and limited liability partnerships in which CMT and/or its subsidiaries hold an interest (excluding any trusts listed on a stock exchange), and "**CMT Group Entity**" means any of the foregoing.

33 "**CCT Group Entities**" means, collectively, CCT and its subsidiaries, and any trusts and limited liability partnerships in which CCT and/or its subsidiaries hold an interest (excluding any trusts listed on a stock exchange), and "**CCT Group Entity**" means any of the foregoing.

### 6.7 Break Fee and Reverse Break Fee

The Parties have agreed to certain matters in relation to the payment of an amount up to S$30.2 million, being approximately 0.4% of the aggregate Scheme Consideration, by:

**6.7.1** the CCT Trustee to the CMT Trustee (the "**Break Fee**"); and

**6.7.2** the CMT Trustee to the CCT Trustee (the "**Reverse Break Fee**"),

as further described in **Schedule 3, Part 4**.

### 6.8 Switch Option

The Parties have agreed that if:

**6.8.1** CCT receives any offer from any person, acting together with its concert parties, other than the CMT Trustee or the CMT Manager involving:

(i) a sale, conveyance, transfer, assumption or other disposal of any direct or indirect interest in all or substantially all of the assets, business and/or undertakings of the CCT Group Entities, whether in a single transaction or a series of related transactions;

(ii) a general offer for the CCT Units;

(iii) a scheme of arrangement involving CCT or any CCT Group Entity or the merger of CCT or any CCT Group Entity with any other entity (whether by way of joint venture, reverse takeover bid, dual listed company structure, stapling or otherwise) provided that, in the case of any CCT Group Entity (other than CCT), such scheme of arrangement or merger is material to the CCT Group Entities (taken as a whole);

(iv) any other arrangement having an effect similar to any of (i) to (iii); or

(v) a transaction or series of related transactions which would or is reasonably likely to preclude, restrict or frustrate the Merger or the Trust Scheme,

(such offer, a "**CCT Switch Option Competing Offer**"). A CCT Switch Option Competing Offer will be deemed to be for all or substantially all of the assets, business and/or undertakings of the CCT Group Entities if the relevant assets, business and/or undertakings in question constitute a "material amount" as defined in Note 2 on Rule 5 of the Code; or

**6.8.2** an intention to make a CCT Switch Option Competing Offer is announced (whether or not such CCT Switch Option Competing Offer is pre-conditional),

in each case, without the prior written consent of the CMT Trustee and the CMT Manager in respect of such CCT Switch Option Competing Offer, the CMT Trustee shall have the right at its discretion to elect at any time, subject to prior consultation with the Securities Industry Council (the "**SIC**"), to proceed with a Merger by way of a voluntary conditional offer to acquire all the CCT Units (an "**Offer**") in lieu of proceeding with the Merger by way of the Trust Scheme, such Offer to be on the same or better terms as those which apply to the Trust Scheme or the CCT Switch Option Competing Offer (whichever is the higher), including the same or a higher consideration than the Scheme Consideration for each CCT Unit (being the aggregate of (A) the implied dollar value of the Consideration Units based on the fixed number of Consideration Units issued for each CCT Unit and the issue price per Consideration Unit, and (B) the Cash Consideration), and conditional upon a level of acceptances set at only more than 50.0% of the units to which the Offer relates and not conditional on a higher level of acceptances (such right of the CMT Trustee to proceed with the Merger by way of an Offer, the "**Switch Option**").

The exercise of the Switch Option by the CMT Trustee shall terminate the Implementation Agreement (other than certain surviving provisions) with effect from the date of announcement by or on behalf of the CMT Trustee of a firm intention to make the Offer.

**6.9 Exclusivity**

The CCT Trustee and the CCT Manager have agreed to grant the CMT Trustee and the CMT Manager exclusivity for a period commencing on the date of the Implementation Agreement and ending on the earliest of the date on which the Implementation Agreement is terminated, the date falling not later than seven business days after the Effective Date and the Long-Stop Date, during which the CCT Trustee and the CCT Manager shall not:

**6.9.1** solicit, invite, encourage or initiate any enquiries, negotiations or discussions, or communicate any intention to do the foregoing, with a view to obtaining, or to the extent reasonably likely to result in or lead to, any CCT Competing Offer (as defined in **Schedule 3, Part 5**); or

**6.9.2** negotiate or enter into, or participate in negotiations or discussions with any person (other than the CMT Trustee or the CMT Manager) in relation to, any CCT Competing Offer or any agreement, understanding or arrangement which would or is reasonably likely to result in or lead to any CCT Competing Offer,

except where failing to take action with respect to, or failing to respond to, such CCT Competing Offer would or is reasonably likely to constitute a breach of the CCT Directors' fiduciary, regulatory or statutory obligations (including those under the Code).

**6.10 Termination**

Notwithstanding any other provision in the Implementation Agreement, the Implementation Agreement may be terminated at any time prior to the Effective Date pursuant to such terms of the Implementation Agreement as set out in **paragraph 6.2.2** above, provided that (i) the Party seeking to terminate the Implementation Agreement, including in the event of non-satisfaction of any Condition, shall only terminate the Implementation Agreement with the prior consultation of the SIC and subject to the SIC giving its approval for, and stating that it has no objections to, such termination and (ii) the Party seeking to terminate the Implementation Agreement shall provide written notice to all the other Parties promptly upon the SIC stating that it has no objection to such termination.

Upon the termination of the Implementation Agreement, no Party shall have a claim against any other Party except for claims in relation to certain surviving provisions after such termination or in relation to the Break Fee or the Reverse Break Fee, as the case may be, and in each case without prejudice to the rights of the Parties to seek specific performance or other equitable remedies.

**6.11 Scheme Consideration**

In consideration of the transfer of the CCT Units under the CMT Acquisition, each of the CMT Trustee and the CMT Manager has agreed, subject to the Trust Scheme becoming effective in accordance with its terms, to pay or procure the payment of the Scheme

Consideration for each CCT Unit held by the CCT Unitholders as at 5.00 p.m. on the Record Date, which shall be satisfied by:

**6.11.1** the allotment and issuance (or the procurement of such allotment and issuance) by the CMT Manager of 0.720 new CMT Units (i.e. the Consideration Units), such Consideration Units to be credited as fully paid; and

**6.11.2** the payment by the CMT Trustee of a sum of S$0.2590 in cash (i.e. the Cash Consideration).

Based on an issue price of S$2.59 per Consideration Unit, which is the closing price of a CMT Unit on the SGX-ST on 21 January 2020 (being the last trading day immediately prior to the Joint Announcement Date), the Cash Consideration is S$0.2590 and the Scheme Consideration is S$2.1238. **The issue price of S$2.59 of each Consideration Unit may not be equivalent to the market price of, nor reflective of the fair value[34] of, the Consideration Units as at the Effective Date and/or the date of settlement of the Scheme Consideration.**

For the avoidance of doubt, the Scheme Consideration that will be received by the CCT Unitholders for each CCT Unit under the Trust Scheme will be 0.720 new CMT Units (i.e. the Consideration Units) and S$0.2590 in cash (i.e. the Cash Consideration). **Each Consideration Unit may trade at a price which is above or below S$2.59[35]. There will not be any adjustment to the amount of the Cash Consideration or the number of Consideration Units to be issued for each CCT Unit to reflect any such price differential.**

The Scheme Consideration was arrived at as a result of commercial negotiations between the CMT Manager and the CCT Manager, based on an agreed understanding that the Merger would (a) be a merger of equals; (b) achieve a balanced and attractive outcome for both the CMT Unitholders and the CCT Unitholders; and (c) result in the creation of the Merged Entity that will be well positioned to capitalise on the objectives and rationale of the transaction to benefit the unitholders of the Merged Entity. The Scheme Consideration was based on, amongst other factors, (i) the closing price as at 21 January 2020 of S$2.59 per CMT Unit; and (ii) the gross exchange ratio of 0.820x taking into account, *inter alia*, the respective 30-day VWAP of CMT Units and CCT Units.

The aggregate Cash Consideration to be paid to each CCT Unitholder shall be rounded to the nearest S$0.01. The number of Consideration Units which each CCT Unitholder shall be entitled to pursuant to the Trust Scheme, based on the number of the CCT Units held by such CCT Unitholder as at the Record Date, shall be rounded down to the nearest whole number, and fractional entitlements shall be disregarded.

By way of illustration, if the Trust Scheme becomes effective in accordance with its terms, a CCT Unitholder will receive 720 Consideration Units and S$259.00 in cash for every 1,000 CCT Units held by him/her/it as at the Record Date.

The CMT Manager has reserved the right to adjust the Scheme Consideration by reducing the cash component of the Scheme Consideration, the unit component of the Scheme Consideration or by any combination of such cash and unit components, if and to the extent any distribution in excess of the CCT Permitted Distributions is declared, made or paid by the CCT Manager on or after the date of the Implementation Agreement.

34 Based on which the Scheme Consideration will be accounted accordingly in the financial statements of the CMT Group in compliance with its accounting policies.

35 For reference, the closing price of a CMT Unit on the Latest Practicable Date is S$1.90.

### 6.12 Total Transaction Outlay

The total cost of the Merger (the "**Total Transaction Outlay**") will comprise:

(a) the aggregate Scheme Consideration[36], consisting of the total number of Consideration Units to be issued and the aggregate amount of the Cash Consideration. The aggregate Scheme Consideration will be accounted for at fair value as at the Effective Date in the financial statements of the CMT Group, in compliance with its accounting policies; and

(b) the professional and other fees and expenses incurred or to be incurred in connection with the Merger (the "**Transaction Costs**"), which are currently estimated to be S$22.0 million.

The final Total Transaction Outlay will be based on (i) the fair value of the Consideration Units (which comprise part of the Scheme Consideration) as at the Effective Date; (ii) the aggregate amount of the Cash Consideration payable as part of the Scheme Consideration, as set out in **paragraph 6.12(a)** above; and (iii) the final amount of the Transaction Costs.

Notwithstanding what was announced in the Joint Announcement, the CMT Manager has waived 100.0% of the Acquisition Fee on a one-off basis (amounting to approximately S$111.2 million[37]) in recognition of the unprecedented circumstances brought about by the COVID-19 pandemic. Further details with respect to the fees payable to the CMT Manager are set out in **Schedule 1, Part 3**.

### 6.13 Cash Confirmation

J.P. Morgan (S.E.A.) Limited, the sole financial adviser to the CMT Manager in respect of the Merger and the Trust Scheme (the "**Financial Adviser**"), confirms that sufficient financial resources are available to CMT to satisfy in full the aggregate Cash Consideration payable by the CMT Trustee for all the CCT Units to be acquired by CMT pursuant to the Merger.

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36 The aggregate Scheme Consideration will be accounted for at fair value as at the Effective Date in the financial statements of the CMT Group, in compliance with its accounting policies. Accordingly, the fair value of a Consideration Unit will be based on the closing price of a CMT Unit as at the Effective Date and not at the issue price of S$2.59 per Consideration Unit which was the closing price of a CMT Unit on the SGX-ST on 21 January 2020, being the last trading day immediately prior to the Joint Announcement Date.

For the information of CMT Unitholders, approximately 4.2 million CCT Units were issued to the CCT Manager on 28 February 2020 as payment of the CCT Manager's (i) base component of the management fees for the period from 1 October 2019 to 31 December 2019 (both dates inclusive) and/or (ii) the performance component of the management fees for the period from 1 January 2019 to 31 December 2019 (both dates inclusive), in respect of CCT's 60.0% interest in Raffles City Singapore and CCT's interest in Asia Square Tower Two, to which the CCT Manager is entitled under the CCT Trust Deed. This has resulted in the increase in the total number of CCT Units from approximately 3,857.7 million as at the Joint Announcement Date to approximately 3,861.9 million as at the Latest Practicable Date.

For illustrative purposes, based on the Scheme Consideration for each CCT Unit of 0.720 new CMT Units (i.e. the Consideration Units) and S$0.2590 in cash (i.e. the Cash Consideration), as well as approximately 3,861.9 million CCT Units in issue and the closing price of a CMT Unit on the SGX-ST of S$1.90, each as at the Latest Practicable Date, the amount attributable to the aggregate Scheme Consideration would be approximately S$6,283.3 million, consisting of approximately 2,780.6 million Consideration Units (being 3,861.9 million CCT Units multiplied by 0.720) and the total Cash Consideration of approximately S$1,000.2 million (being 3,861.9 million CCT Units multiplied by S$0.2590).

For the avoidance of doubt, the Scheme Consideration that will be received by the CCT Unitholders for each CCT Unit under the Trust Scheme will be 0.720 new CMT Units (i.e. the Consideration Units) and S$0.2590 in cash (i.e. the Cash Consideration).

37 Equivalent to 1% of the property valuation of the CCT portfolio (including the proportionate share of its joint venture assets) as at 31 December 2019, which the CMT Manager is entitled to under the CMT Trust Deed.

### 6.14 Method of Financing

The CMT Manager intends to finance the cash component of CMT's share of the Total Transaction Outlay, including the Cash Consideration, using CMT's existing debt facilities or by way of new debt facilities to be entered into.

## 7. PROPOSED ISSUANCE OF CONSIDERATION UNITS

Approximately 2,780.6 million Consideration Units will be issued to the CCT Unitholders as partial payment of the Scheme Consideration for the CMT Acquisition.

The Consideration Units issued will not be entitled to the CMT Permitted Distributions and will, upon issue, rank *pari passu* in all respects with the existing CMT Units, as at the date of their issue.

The Proposed Issuance of the Consideration Units requires the approval of the CMT Unitholders under Rule 805(1) of the Listing Manual which provides that an issuer must obtain prior approval of unitholders in general meeting for the issue of units unless such issue of units is issued pursuant to a general mandate obtained from unitholders of the issuer. Such approval is being sought pursuant to Resolution 3.

Please refer to **paragraph 9.3** for details of the requirements for the approval of the CMT Unitholders for the Proposed Issuance of the Consideration Units under Rule 805(1) of the Listing Manual.

Please refer to **paragraph 18** for details on the abstentions from voting on Resolution 2 and Resolution 3 relating to the Merger and the Proposed Issuance of the Consideration Units respectively.

As announced by the CMT Manager on 31 August 2020, the SGX-ST has granted its approval in-principle for the listing and quotation of up to 2,780.6 million Consideration Units on the Main Board of the SGX-ST, subject to the following conditions:

(a) compliance with the SGX-ST's listing requirements for the Consideration Units;

(b) the approval of the independent unitholders of CMT being obtained for all the resolutions necessary to effect the Merger[38]; and

(c) the approval of the Court for the implementation of the Trust Scheme.

The SGX-ST's approval in-principle is not to be taken as an indication of the merits of the Merger, the Consideration Units, the CMT Manager or the CMT Group.

38 For the avoidance of doubt, all CMT Unitholders may vote on Resolution 1 approving the CMT Trust Deed Amendments.

## 8. *PRO FORMA* FINANCIAL EFFECTS OF THE MERGER ON CMT

### 8.1 *Pro Forma* Financial Effects for LTM June 2020 or as at 30 June 2020

The *pro forma* financial effects of the Merger on the CMT Group for LTM June 2020 or as at 30 June 2020 are set out in the tables below and are strictly for illustrative purposes only. The bases and assumptions on which the *pro forma* financial effects of the Merger for LTM June 2020 or as at 30 June 2020 have been prepared are set out in **paragraphs 8.3.1** and **8.3.2** below.

#### 8.1.1 *Pro Forma* DPU

**FOR ILLUSTRATIVE PURPOSES ONLY:**

For the information of the CMT Unitholders, the *pro forma* financial effects of the Merger on the amount available for distribution to the CMT Unitholders, the number of CMT Units in issue, the DPU of CMT and the accretion thereof, in each case, for LTM June 2020, assuming the Merger was completed on 1 July 2019 and CMT held and operated the CCT Properties through to 30 June 2020, are as follows:

| | Effects of Merger | |
|---|---|---|
| | **Before Merger** | **After Merger** |
| Amount available for distribution to the CMT Unitholders (S$ million) | 388.7(1) | 709.6(2)(3)(4) |
| Number of CMT Units in issue (million) | 3,690.2 | 6,490.2(4)(5)(6) |
| DPU (Singapore cents) | 10.52(1) | 10.95 |
| Accretion (%) | – | 4.1 |

**Notes:**

(1) Refers to the distributable income to CMT Unitholders, comprising declared distributable income for the period from 1 July 2019 to 30 June 2020, S$46.4 million taxable income retained by CMT and S$5.0 million taxable income retained by RCS Trust (CMT's 40.0% interest) for the period from 1 January 2020 to 30 June 2020. For the period from 1 July 2019 to 31 December 2019, the taxable income of CMT and RCS Trust was fully paid out and included in CMT's distributable income for the same period.

(2) Assumes full year contribution from Main Airport Center which is based on the unaudited financial information for the period from 18 September 2019 to 31 December 2019, prorated as if the acquisition was completed on 1 July 2019 and adjusted for the finance cost effects in relation to the acquisition. The amount available for distribution to the CMT Unitholders also includes S$7.5 million taxable income retained by RCS Trust (CCT's 60.0% interest) for the period from 1 January 2020 to 30 June 2020.

(3) Assumes that an additional S$1,022.2 million of Acquisition Debt was drawn down on 1 July 2019 to fund the Cash Consideration (based on the total number of CCT units issued as at 30 June 2020) and Transaction Costs of the Merger at an effective interest rate of 2.75% per annum.

(4) Assumes 50.0% of the management fee associated with the Merged Entity for LTM June 2020 will be paid in CMT Units. Hence, an additional S$37.1 million of management fee was adjusted to arrive at the amount available for distribution for the Merged Entity and an additional 19.5 million new CMT Units issued at an illustrative issue price of S$1.90 per new CMT Unit, being the closing price of a CMT Unit on the SGX-ST on 26 August 2020.

(5) Assumes the private placement of 105,012,000 new CCT Units issued on 29 July 2019 to partially fund the acquisition of Main Airport Center, had occurred on 1 July 2019.

(6) Assumes 2,780.6 million Consideration Units issued (based on the total number of CCT Units issued as at 30 June 2020) pursuant to the Merger, and no new CMT Units will be issued as payment of the Acquisition Fee as the CMT Manager has waived 100.0% of the Acquisition Fee on a one-off basis in recognition of the unprecedented circumstances brought about by the COVID-19 pandemic.

### 8.1.2 *Pro Forma* NAV and NTA

**FOR ILLUSTRATIVE PURPOSES ONLY:**

For the information of the CMT Unitholders, the *pro forma* financial effects of the Merger on the NAV and NTA of the CMT Group, number of CMT Units in issue and the NAV and NTA for each CMT Unit as at 30 June 2020, assuming the Merger was completed on 30 June 2020, are as follows:

| | Effects of Merger | |
|---|---|---|
| | **Before Merger** | **After Merger** |
| NAV/NTA (S$ million) | 7,292.3(1) | 13,073.6(2)(3)(4)(5) |
| Number of CMT Units in issue (million) | 3,690.2 | 6,470.7(6) |
| NAV/NTA for each CMT Unit (S$) | 1.98(1) | 2.02(2)(3)(4) |

**Notes:**

(1) Excludes CMT's declared distributable income for the period from 1 April 2020 to 30 June 2020 and taxable income retained for the period from 1 January 2020 to 30 June 2020 by CMT and RCS Trust.

(2) Excludes CMT's declared distributable income for the period from 1 April 2020 to 30 June 2020 and CCT's declared distributable income for the period from 1 January 2020 to 30 June 2020 as well as taxable income retained by CMT and RCS Trust for the period from 1 January 2020 to 30 June 2020.

(3) Assumes that an additional S$1,022.2 million of Acquisition Debt was drawn down on 30 June 2020 to fund the Cash Consideration (based on the total number of CCT units issued as at 30 June 2020) and Transaction Costs.

(4) Assumes the discount on NAV of CCT is recognised in the Statement of Total Return and excludes Transaction Costs.

(5) Assumes that the value of the Consideration Units was derived from an illustrative issue price of S$1.90 per Consideration Unit, being the closing price of a CMT Unit on the SGX-ST on 26 August 2020 (as if 26 August 2020 was the last trading day immediately prior to the date on which the Implementation Agreement was entered into). CMT Unitholders should note that the aforementioned issue price is purely illustrative only and is used in the context of calculating the *pro forma* financial effects of the Merger on CMT and the Merged Entity for LTM June 2020 or as at 30 June 2020. For the avoidance of doubt, the Scheme Consideration that will be received by the CCT Unitholders for each CCT Unit under the Trust Scheme will be 0.720 new CMT Units (i.e. the Consideration Units) and S$0.2590 in cash (i.e. the Cash Consideration). **Each Consideration Unit may trade at a price which is above or below S$1.90. There will not be any adjustment to the amount of the Cash Consideration or the number of Consideration Units to be issued for each CCT Unit to reflect any such price differential.**

(6) Assumes 2,780.6 million Consideration Units issued (based on the total number of CCT Units issued as at 30 June 2020) pursuant to the Merger, and no new CMT units will be issued as payment of Acquisition Fee as the CMT Manager has waived 100.0% of the Acquisition Fee on a one-off basis in recognition of the unprecedented circumstances brought about by the COVID-19 pandemic.

#### 8.1.3 *Pro Forma* Aggregate Leverage

**FOR ILLUSTRATIVE PURPOSES ONLY:**

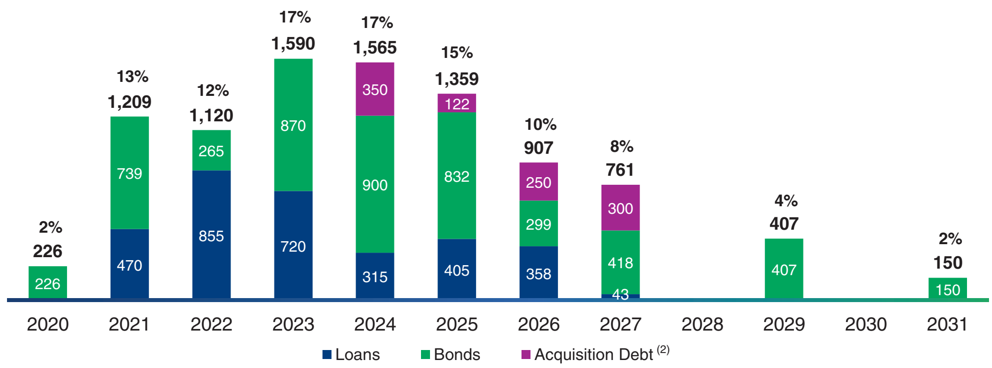
For the information of the CMT Unitholders, the *pro forma* financial effects of the Merger on the aggregate leverage of the CMT Group as at 30 June 2020, as if the Merger was completed on 30 June 2020, are as follows:

| | Effects of Merger | |
|---|---|---|
| | Before Merger | After Merger |
| Aggregate leverage (%) | 34.4 | 39.7 |

**Note:**

(1) Assumes that an additional S$1,022.2 million of Acquisition Debt was drawn down on 30 June 2020 to fund the Cash Consideration (based on the total number of CCT units issued as at 30 June 2020) and Transaction Costs.

***Pro forma* debt maturity profile as at 30 June 2020**[(1)]
(S$ m)




**Notes:**

(1) Including proportionate share of debts from joint ventures.

(2) The Acquisition Debt is assumed to be drawn on 30 June 2020.

### 8.2 *Pro Forma* Financial Effects for FY2019 or as at 31 December 2019

The *pro forma* financial effects of the Merger on the CMT Group for FY2019 or as at 31 December 2019 are set out in the tables below and are strictly for illustrative purposes only. The bases and assumptions on which the *pro forma* financial effects of the Merger for FY2019 or as at 31 December 2019 have been prepared are set out in **paragraphs 8.3.3** and **8.3.4** below.

### 8.2.1 *Pro Forma* DPU

**FOR ILLUSTRATIVE PURPOSES ONLY:**

The *pro forma* financial effects of the Merger on the amount available for distribution to the CMT Unitholders, the number of CMT Units in issue, the DPU of CMT and the accretion thereof, in each case, for FY2019, assuming the Merger was completed on 1 January 2019 and CMT held and operated the CCT Properties through to 31 December 2019, are as follows:

| | Effects of Merger | |
|---|---|---|
| | **Before Merger** | **After Merger** |
| Amount available for distribution to the CMT Unitholders (S$ million) | 441.6 | 790.3(1)(2)(3) |
| Number of CMT Units in issue (million) | 3,688.8 | 6,477.0(3)(4)(5) |
| DPU (Singapore cents) | 11.97 | 12.21 |
| Accretion (%) | – | 2.0 |

**Notes:**

(1) Assumes full year contribution from Main Airport Center which is based on the unaudited financial information for the period from 18 September 2019 to 31 December 2019, extrapolated to 365 days (as if the acquisition was completed on 1 January 2019) and adjusted for the finance cost effects in relation to the acquisition.

(2) Assumes that an additional S$1,021.1 million of Acquisition Debt was drawn down on 1 January 2019 to fund the Cash Consideration (based on the total number of CCT units issued as of 31 December 2019) and Transaction Costs of the Merger at an effective interest rate of 2.75% per annum.

(3) Assumes 50.0% of the management fee associated with the Merged Entity for FY2019 will be paid in CMT Units. Hence, an additional S$27.7 million of management fee was adjusted to arrive at the amount available for distribution for the Merged Entity and an additional 10.7 million new CMT Units issued at an illustrative issue price of S$2.59 per new CMT Unit, being the closing price of a CMT Unit on 21 January 2020 (being the last trading day immediately prior to the Joint Announcement Date).

(4) Assumes the private placement of 105,012,000 new CCT Units issued on 29 July 2019 to partially fund the acquisition of Main Airport Center, had occurred on 1 January 2019.

(5) Assumes 2,777.5 million Consideration Units issued (based on the total number of CCT Units issued as at 31 December 2019) pursuant to the Merger and no new CMT Units will be issued as payment of the Acquisition Fee as the CMT Manager has waived 100.0% of the Acquisition Fee on a one-off basis in recognition of the unprecedented circumstances brought about by the COVID-19 pandemic.

### 8.2.2 *Pro Forma* NAV and NTA

**FOR ILLUSTRATIVE PURPOSES ONLY:**

The *pro forma* financial effects of the Merger on the NAV and NTA of the CMT Group, number of CMT Units in issue and the NAV and NTA for each CMT Unit, as at 31 December 2019, assuming the Merger was completed on 31 December 2019, are as follows:

| | Effects of Merger | |
|---|---|---|
| | **Before Merger** | **After Merger** |
| NAV/NTA (S$ million) | 7,652.6[(1)] | 13,690.0[(2)(3)(4)(5)] |
| Number of CMT Units in issue (million) | 3,688.8 | 6,466.3[(5)] |
| NAV/NTA for each CMT Unit (S$) | 2.07[(1)] | 2.12[(2)(3)(4)] |

**Notes:**

(1) Excludes CMT's declared distributable income for the period from 1 October 2019 to 31 December 2019.

(2) Excludes CMT's declared distributable income for the period from 1 October 2019 to 31 December 2019 and CCT's declared distributable income for the period from 29 July 2019 to 31 December 2019.

(3) Assumes that an additional S$1,021.1 million of Acquisition Debt was drawn down on 31 December 2019 to fund the Cash Consideration (based on the total number of CCT Units issued as at 31 December 2019) and Transaction Costs.

(4) Assumes the premium over NAV of CCT is written off and excludes Transaction Costs.

(5) Assumes 2,777.5 million Consideration Units issued (based on the total number of CCT Units issued as at 31 December 2019) at the price of S$2.59 per Consideration Unit, and no new CMT units will be issued as payment of the Acquisition Fee as the CMT Manager has waived 100.0% of the Acquisition Fee on a one-off basis in recognition of the unprecedented circumstances brought about by the COVID-19 pandemic. For the avoidance of doubt, the Scheme Consideration that will be received by the CCT Unitholders for each CCT Unit under the Trust Scheme will be 0.720 new CMT Units (i.e. the Consideration Units) and S$0.2590 in cash (i.e. the Cash Consideration). **Each Consideration Unit may trade at a price which is above or below S$2.59. There will not be any adjustment to the amount of the Cash Consideration or the number of Consideration Units to be issued for each CCT Unit to reflect any such price differential.**

### 8.2.3 *Pro Forma* Aggregate Leverage

**FOR ILLUSTRATIVE PURPOSES ONLY:**

The *pro forma* financial effects of the Merger on the aggregate leverage of the CMT Group as at 31 December 2019, as if the Merger was completed on 31 December 2019, are as follows:

| | Effects of Merger | |
|---|---|---|
| | **Before Merger** | **After Merger** |
| Aggregate leverage (%) | 32.9 | 38.3[(1)] |

**Note:**

(1) Assumes that an additional S$1,021.1 million of Acquisition Debt was drawn down on 31 December 2019 to fund the Cash Consideration (based on the total number of CCT units issued as at 31 December 2019) and Transaction Costs.

### 8.3 Bases and Assumptions Underlying the *Pro Forma* Financial Effects of the Merger on CMT

#### 8.3.1 Bases and Assumptions for *pro forma* DPU for LTM June 2020

The *pro forma* DPU of the Merger on CMT for LTM June 2020 have been prepared based on the unaudited financial information of the CMT Group for the period 1 July 2019 to 30 June 2020. The key bases and assumptions are set out as follows:

(a) assumes that the distributable income to CMT Unitholders comprises declared distributable income for the period from 1 July 2019 to 30 June 2020, S$46.4 million taxable income retained by CMT and S$5.0 million taxable income retained by RCS Trust (CMT's 40.0% interest) for the period from 1 January 2020 to 30 June 2020;

(b) the acquisition of Main Airport Center, which was completed on 18 September 2019, was assumed to have occurred on 1 July 2019. The financial information of Main Airport Center used in the preparation of the *pro forma* financial effects of the Merger for LTM June 2020 was based on the unaudited financial information for the period from 18 September 2019 to 31 December 2019, prorated as if the acquisition was completed on 1 July 2019 and adjusted for the finance cost effects in relation to the acquisition. The amount available for distribution to the CMT Unitholders after the Merger also includes S$7.5 million taxable income retained by RCS Trust (CCT's 60.0% interest) for the period from 1 January 2020 to 30 June 2020;

(c) assumes that an additional S$1,022.2 million of Acquisition Debt was drawn down on 1 July 2019 to fund the Cash Consideration (based on the total number of CCT units issued as at 30 June 2020) and Transaction Costs at an effective interest rate of 2.75% per annum;

(d) assumes 50.0% of the management fee associated with the Merged Entity for LTM June 2020 will be paid in CMT Units. Hence, an additional S$37.1 million of management fee was adjusted to arrive at the amount available for distribution for the Merged Entity and an additional 19.5 million new CMT Units issued at an illustrative issue price of S$1.90 per new CMT Unit, being the closing price of a CMT Unit on the SGX-ST on 26 August 2020;

(e) assumes that the private placement of 105,012,000 new CCT Units issued on 29 July 2019 to partially fund the acquisition of Main Airport Center, had occurred on 1 July 2019;

(f) assumes 2,780.6 million Consideration Units issued (based on the total number of CCT Units issued as at 30 June 2020) pursuant to the Merger, and no new CMT units will be issued as payment of the Acquisition Fee as the CMT Manager has waived 100.0% of the Acquisition Fee on a one-off basis in recognition of the unprecedented circumstances brought about by the COVID-19 pandemic; and

(g) assumes the discount on NAV of CCT and Transaction Costs are recognised in the Statement of Total Return, which has no impact to distribution income or DPU.

### 8.3.2 Bases and Assumptions for *pro forma* NAV and NTA as at 30 June 2020

The *pro forma* NTA and NAV of the Merger on CMT as at 30 June 2020 have been prepared based on the unaudited financial information of the CMT Group for the period 1 July 2019 to 30 June 2020. The key bases and assumptions are set out as follows:

(a) assumes that CMT's declared distributable income for the period from 1 April 2020 to 30 June 2020 and CCT's declared distributable income for the period from 1 January 2020 to 30 June 2020 as well as taxable income retained for the period from 1 January 2020 to 30 June 2020 by CMT and RCS Trust, are excluded to arrive at the *pro forma* NAV and NTA;

(b) assumes that an additional S$1,022.2 million of Acquisition Debt was drawn down on 30 June 2020 to fund the Cash Consideration (based on total number of CCT units issued as at 30 June 2020) and Transaction Costs;

(c) assumes the discount on NAV of CCT is recognised in the Statement of Total Return and excludes Transaction Costs;

(d) assumes that the value of the Consideration Units was derived from an illustrative issue price of S$1.90 per Consideration Unit, being the closing price of a CMT Unit on the SGX-ST on 26 August 2020 (as if 26 August 2020 was the last trading day immediately prior to the date on which the Implementation Agreement was entered into). CMT Unitholders should note that the aforementioned issue price is purely illustrative only and is used in the context of calculating the *pro forma* financial effects of the Merger on CMT and the Merged Entity for LTM June 2020 or as at 30 June 2020. For the avoidance of doubt, the Scheme Consideration that will be received by the CCT Unitholders for each CCT Unit under the Trust Scheme will be 0.720 new CMT Units (i.e. the Consideration Units) and S$0.2590 in cash (i.e. the Cash Consideration). **Each Consideration Unit may trade at a price which is above or below S$1.90. There will not be any adjustment to the amount of the Cash Consideration or the number of Consideration Units to be issued for each CCT Unit to reflect any such price differential**; and

(e) assumes 2,780.6 million Consideration Units issued (based on the total number of CCT Units issued as at 30 June 2020) pursuant to the Merger, and no new CMT units will be issued as payment of Acquisition Fee as the CMT Manager has waived 100.0% of the Acquisition Fee on a one-off basis in recognition of the unprecedented circumstances brought about by the COVID-19 pandemic.

### 8.3.3 Bases and Assumptions for the *pro forma* DPU for FY2019

The *pro forma* DPU of the Merger on CMT for FY2019 have been prepared based on the latest audited financial statements of the CMT Group (the "**CMT Group FY2019 Audited Financial Statements**"), as disclosed in the annual report of CMT for FY2019. The key bases and assumptions are set out as follows:

(a) the acquisition of Main Airport Center, which was completed on 18 September 2019, was assumed to have occurred on 1 January 2019. The financial information of Main Airport Center used in the preparation of the *pro forma* financial effects of the Merger for FY2019 was based on the unaudited financial information for the period from 18 September 2019 to 31 December

2019, extrapolated to 365 days (as if the acquisition was completed on 1 January 2019) and adjusted for the finance cost effects in relation to the acquisition;

(b) assumes that an additional S$1,021.1 million of Acquisition Debt was drawn down on 1 January 2019 to fund the Cash Consideration (based on the total number of CCT units issued as at 31 December 2019) and Transaction Costs at an effective interest rate of 2.75% per annum;

(c) assumes 50.0% of the management fee associated with the Merged Entity for FY2019 will be paid in CMT Units. Hence, an additional S$27.7 million of management fee was adjusted to arrive at the amount available for distribution for the Merged Entity and an additional 10.7 million new CMT Units issued at an illustrative issue price of S$2.59 per new CMT Unit, being the closing price of a CMT Unit on 21 January 2020 (being the last trading day immediately prior to the Joint Announcement Date);

(d) assumes that the private placement of 105,012,000 new CCT Units issued on 29 July 2019 to partially fund the acquisition of Main Airport Center, had occurred on 1 January 2019;

(e) assumes 2,777.5 million Consideration Units issued (based on the total number of CCT Units issued as at 31 December 2019) pursuant to the Merger, and no new CMT Units will be issued as payment of the Acquisition Fee as the CMT Manager has waived 100.0% of the Acquisition Fee on a one-off basis in recognition of the unprecedented circumstances brought about by the COVID-19 pandemic; and

(f) assumes the premium over NAV of CCT and Transaction Costs are written off, which has no impact to distribution income or DPU.

#### 8.3.4 Bases and Assumptions for *pro forma* NAV and NTA as at 31 December 2019

The *pro forma* NAV and NTA of the Merger on CMT as at 31 December 2019 have been prepared based on the CMT Group FY2019 Audited Financial Statements, as disclosed in the annual report of CMT for FY2019. The key bases and assumptions are set out as follows:

(a) assumes that CMT's declared distributable income for the period from 1 October 2019 to 31 December 2019 and CCT's declared distributable income for the period from 29 July 2019 to 31 December 2019, is excluded to arrive at the *pro forma* NAV and NTA;

(b) assumes that an additional S$1,021.1 million of Acquisition Debt was drawn down on 31 December 2019 to fund the Cash Consideration (based on the total number of CCT units issued as at 31 December 2019) and Transaction Costs;

(c) assumes the premium over NAV of CCT is written off and excludes Transaction Costs; and

(d) assumes 2,777.5 million Consideration Units issued (based on the total number of CCT Units issued as at 31 December 2019) at the issue price of S$2.59 per Consideration Unit, and no new CMT units will be issued as payment of the Acquisition Fee as the CMT Manager has waived 100.0% of the

Acquisition Fee on a one-off basis in recognition of the unprecedented circumstances brought about by the COVID-19 pandemic. For the avoidance of doubt, the Scheme Consideration that will be received by the CCT Unitholders for each CCT Unit under the Trust Scheme will be 0.720 new CMT Units (i.e. the Consideration Units) and S$0.2590 in cash (i.e. the Cash Consideration). **Each Consideration Unit may trade at a price which is above or below S$2.59. There will not be any adjustment to the amount of the Cash Consideration or the number of Consideration Units to be issued for each CCT Unit to reflect any such price differential.**

#### 8.3.5 Illustrative Purposes Only

The *pro forma* financial effects of the Merger presented above have been prepared for illustrative purposes only to show:

(a) what the DPU of the Merged Entity for LTM June 2020 would have been if the Merger had been completed on 1 July 2019;

(b) what the NAV per unit, NTA per unit and aggregate leverage of the Merged Entity as at 30 June 2020 would have been if the Merger had been completed as at 30 June 2020;

(c) what the DPU of the Merged Entity for FY2019 would have been if the Merger had been completed on 1 January 2019; and

(d) what the NAV per unit, NTA per unit and aggregate leverage of the Merged Entity as at 31 December 2019 would have been if the Merger had been completed as at 31 December 2019.

**Due to their nature, the *pro forma* financial effects of the Merger presented above may not give a true picture of what the amount of:**

(i) **the DPU of the Merged Entity for LTM June 2020 or FY2019; or**

(ii) **the NAV per unit, NTA per unit and aggregate leverage of the Merged Entity as at 30 June 2020 or 31 December 2019,**

**might have been if the Merger had actually been completed on 1 July 2019 or as at 30 June 2020, or on 1 January 2019, or as at 31 December 2019, as the case may be.**

## 9. REQUIREMENT FOR APPROVAL OF THE CMT UNITHOLDERS

### 9.1 Interested Person Transactions and Interested Party Transactions

#### 9.1.1 Interested Party Transactions

Under Chapter 9 of the Listing Manual, where CMT proposes to enter into a transaction with an interested person and the value of the transaction (either in itself or when aggregated with the value of other transactions, each of a value equal to or greater than S$100,000, with the same interested person during the same financial year) is equal to or exceeds 5.0% of the CMT Group's latest audited NTA, the approval of the CMT Unitholders is required in respect of the transaction.

Paragraph 5.2(b) of the Property Funds Appendix also imposes a requirement for the approval of the CMT Unitholders for an "**interested party transaction**" by CMT whose value is equal to or exceeds 5.0% of the CMT Group's latest audited NAV.

Based on the CMT Group FY2019 Audited Financial Statements, the latest audited NAV and NTA of the CMT Group as at 31 December 2019 was approximately S$7,767.2 million. Accordingly, if the value of a transaction which is proposed to be entered into by CMT during the current financial year ending 31 December 2020 with an interested person is, either in itself or in aggregation with all other earlier transactions (each of a value equal to or greater than S$100,000) entered into with the same interested person during the current financial year ending 31 December 2020, equal to or greater than S$388.4 million, such a transaction would be subject to the approval of the CMT Unitholders under Rule 906(1)(a) of the Listing Manual and Paragraph 5.2(b) of the Property Funds Appendix.

**9.1.2 Requirement for the approval of the CMT Unitholders**

As at the Latest Practicable Date, CapitaLand holds, in aggregate through PIPL, ACPL, Premier and CMTML, approximately 28.49% of all the CMT Units. CapitaLand also holds, in aggregate through E-Pavilion, SBR, Carmel and CCTML, approximately 29.42% of all the CCT Units. Accordingly, for the purposes of Chapter 9 of the Listing Manual and Paragraph 5 of the Property Funds Appendix:

(a) CMT is an "entity at risk";

(b) CapitaLand is a "controlling unitholder" of CMT, and E-Pavilion, SBR, Carmel and CCTML are associates of CapitaLand;

(c) pursuant to the Merger, CMT, an entity at risk, is acquiring CCT Units from E-Pavilion, SBR, Carmel and CCTML, as associates of CapitaLand (the "**Interested CCT Units Acquisition**"); and

(d) the Merger, which includes the Interested CCT Units Acquisition, constitutes an interested person transaction.

The consideration payable by CMT to E-Pavilion, SBR, Carmel and CCTML for their CCT Units will be based on their *pro rata* share of the aggregate Scheme Consideration.

The aggregate Scheme Consideration[39] consists of the total number of Consideration Units to be issued and the aggregate amount of the Cash Consideration. Based on the Scheme Consideration for each CCT Unit of 0.720 new CMT Units (i.e. the Consideration Units) and S$0.2590 in cash (i.e. the Cash Consideration), as well as approximately 3,857.7 million CCT Units in issue as at 21 January 2020, the total number of Consideration Units to be issued will be approximately 2,777.5 million (being 3,857.7 million CCT Units multiplied by 0.720) and the total Cash Consideration will be approximately S$999.1 million (being 3,857.7 million CCT Units multiplied by S$0.2590).

39 The aggregate Scheme Consideration will be accounted for at fair value as at the Effective Date in the financial statements of the CMT Group, in compliance with its accounting policies. Accordingly, the fair value of a Consideration Unit will be based on the closing price of a CMT Unit as at the Effective Date and not at the issue price of S$2.59 per Consideration Unit which was the closing price of a CMT Unit on the SGX-ST on 21 January 2020, being the last trading day immediately prior to the Joint Announcement Date.

The final amount attributable to the aggregate Scheme Consideration (and accordingly the *pro rata* share of the final amount attributable to the aggregate Scheme Consideration payable by CMT to E-Pavilion, SBR, Carmel and CCTML for their CCT Units) will be determined based on the fair value[40] of the Consideration Units as at the Effective Date and the total Cash Consideration.

For illustrative purposes, as at the Joint Announcement Date, based on an issue price of S$2.59 per Consideration Unit, which was the closing price of a CMT Unit on the SGX-ST on 21 January 2020 (being the last trading day immediately prior to the Joint Announcement Date), the amount attributable to the aggregate Scheme Consideration would have been approximately S$8,193.0 million. Accordingly, the *pro rata* share[41] of the amount attributable to the aggregate Scheme Consideration payable to E-Pavilion, SBR, Carmel and CCTML would have been approximately S$2,406.2 million. This represents 30.98% of the audited NTA of the CMT Group of S$7,767.2 million as at 31 December 2019. Accordingly:

(i) the Interested CCT Units Acquisition is required to be approved by the CMT Unitholders (with PIPL, ACPL, Premier, CMTML and their associates abstaining from voting) under Rule 906(1)(a) of the Listing Manual and Paragraph 5.2(b) of the Property Funds Appendix; and

(ii) the Merger, which includes the Interested CCT Units Acquisition and involves the Proposed Issuance of the Consideration Units, is conditional upon such approval.

For the information of the CMT Unitholders, as at the Latest Practicable Date, save for the Interested CCT Units Acquisition, the value of all "interested persons transactions" entered into between CMT and CapitaLand and its associates during the course of the current financial year ending 31 December 2020 that are subject to disclosure under Chapter 9 of the Listing Manual is approximately S$5.3 million (the "**Existing Interested Person Transactions**"), which is approximately 0.07% of the latest audited NTA of the CMT Group based on the CMT Group FY2019 Audited Financial Statements. For the avoidance of doubt, the approval of the CMT Unitholders is not being sought in respect of the Existing Interested Person Transactions.

Further information on the Existing Interested Person Transactions may be found in **Schedule 4**.

Save as described in the foregoing, there were no interested person transactions entered into between the CMT Group and CapitaLand, its subsidiaries and associates.

Please refer to **paragraph 18** for details on the abstentions from voting on Resolution 2 and Resolution 3 relating to the Merger and the Proposed Issuance of the Consideration Units respectively.

40 Based on which the fair value of the Consideration Units will be accounted accordingly in the financial statements of the CMT Group in compliance with its accounting policies.

41 Based on an interest in 29.37% of all CCT units as at the Joint Announcement Date.

## 9.2 Major Transaction

### 9.2.1 Major Transaction

Chapter 10 of the Listing Manual governs the acquisition or disposal of assets, including options to acquire or dispose of assets, by CMT. Such transactions are classified into the following categories:

(a) non-disclosable transactions;

(b) disclosable transactions;

(c) major transactions; and

(d) very substantial acquisitions or reverse take-overs.

A proposed transaction by CMT may fall into any of the categories set out above depending on the size of the relative figures computed on the following bases of comparison:

(i) the net asset value of the assets to be disposed of, compared with the CMT Group's net asset value pursuant to Rule 1006(a) of the Listing Manual;

(ii) the net profits attributable to the assets to be acquired or disposed of, compared with the CMT Group's net profits pursuant to Rule 1006(b) of the Listing Manual;

(iii) the aggregate value of the consideration given or received, compared with CMT's market capitalisation based on the total number of issued CMT Units (excluding treasury units) pursuant to Rule 1006(c) of the Listing Manual; and

(iv) the number of equity securities issued by CMT as consideration for an acquisition, compared with the number of equity securities previously in issue pursuant to Rule 1006(d) of the Listing Manual.

Rule 1006(a) of the Listing Manual is not applicable to the Merger as CMT will not be disposing any assets under the Merger.

### 9.2.2 Requirement for the approval of the CMT Unitholders

The relative figures computed on the bases set out in Rules 1006(b), 1006(c) and 1006(d) of the Listing Manual in respect of the Merger as at the Joint Announcement Date are as follows:

| | CCT Group or Merger, as the case may be (millions) | CMT Group (millions) | Percentage (%) |
|---|---|---|---|
| **Rule 1006(b)**<br>NPI[1] attributable to the CCT Group compared with the NPI of the CMT Group, in each case, for FY2019 | S$321.2 | S$558.2 | 57.5 |
| **Rule 1006(c)**<br>Total Scheme Consideration compared with CMT's market capitalisation as at 21 January 2020, being the latest trading date prior to the date of entry into the Implementation Agreement[2] | S$8,193.0 | S$9,554.0 | 85.8 |
| **Rule 1006(d)**<br>Number of CMT Units to be issued as consideration pursuant to the Merger compared with number of CMT Units in issue as at 21 January 2020, being the latest trading date prior to the date of entry into the Implementation Agreement | 2,777.5 | 3,688.8 | 75.3 |

**Notes:**

(1) In the case of a REIT, NPI is a close proxy to the net profits attributable to its assets.

(2) Based on an issue price of S$2.59 per Consideration Unit, which was the closing price of a CMT Unit on the SGX-ST on 21 January 2020 (being the last trading day immediately prior to the Joint Announcement Date), the Scheme Consideration for each CCT Unit consisting of 0.720 new CMT Units (i.e. the Consideration Units) and S$0.2590 in cash (i.e. the Cash Consideration) and a total of approximately 3,857.7 million CCT Units as at 21 January 2020. **Each Consideration Unit may trade at a price which is above or below S$2.59. There will not be any adjustment to the amount of the Cash Consideration or the number of Consideration Units to be issued for each CCT Unit to reflect any such price differential.**

As the proposed transaction involves a merger with another REIT by way of a trust scheme of arrangement and the relative figures for the Merger under Rules 1006(b), 1006(c) and 1006(d) of the Listing Manual exceed 20.0% (but not 100.0%), the Merger is classified as a "**major transaction**" under Chapter 10 of the Listing Manual and, accordingly, is subject to the approval of the CMT Unitholders at an extraordinary general meeting of CMT.

### 9.3 Rule 805(1) of the Listing Manual

The Merger involves the Proposed Issuance of the Consideration Units.

Rule 805(1) of the Listing Manual provides that an issuer must obtain prior approval of unitholders in general meeting for the issue of units unless such issue of units is issued pursuant to a general mandate obtained from unitholders of the issuer.

As Consideration Units will not be issued pursuant to the general mandate previously obtained from the CMT Unitholders at the annual general meeting of the CMT Unitholders held on 26 June 2020, the Proposed Issuance of the Consideration Units is subject to the approval of the CMT Unitholders under Rule 805(1) of the Listing Manual (with PIPL, ACPL, Premier, CMTML and their associates abstaining from voting).

Please refer to **paragraph 18** for details on the abstentions from voting on Resolution 2 and Resolution 3 relating to the Merger and the Proposed Issuance of the Consideration Units respectively.

## 10. INTENTIONS FOR THE MERGED ENTITY

### 10.1 Next Steps Following the Completion of Merger

Subject to the Trust Scheme becoming effective on the Effective Date, it is intended that the following matters be undertaken:

#### 10.1.1 Expansion of Investment Mandate and Novation of Right of First Refusal

As stated in **paragraph 1.4.1**, it is intended that upon the Trust Scheme becoming effective in accordance with its terms, the existing investment mandate of CMT will be expanded to the Expanded Investment Mandate. Upon the Expanded Investment Mandate coming into effect and in connection with the Merger, the CCT ROFR will be novated to the Merged Entity post-Merger. The scope of properties under the CCT ROFR currently covers leasehold interest (of at least 10 years) in a completed income-producing property located in Singapore which is used, or predominantly used, for commercial purposes, where, as at the time the property is identified as being suitable for acquisition by CLS and/or any of its subsidiaries, at least 50% of the total NLA of such property is rented out. It is intended that the scope of properties under the CCT ROFR (which is to be novated to the Merged Entity) be expanded to cover income-producing real estate used, or primarily used, for commercial purposes (including retail and/or office purposes) located in Singapore, to be consistent with the Expanded Investment Mandate (the expanded CCT ROFR previously defined in **paragraph 1.4.1** as the "**Novated ROFR**").

The Novated ROFR will subsist for so long as (i) CMTML is the manager of CMT; and (ii) CMTML is a subsidiary of CapitaLand.

#### 10.1.2 Appointment of CMTML as Manager of CCT and Fee Structure of the Merged Entity

On or about the completion of the Merger, it is intended that CCTML will retire as manager of CCT and CMTML will be appointed as manager of the delisted CCT, in each case, in accordance with the terms of the CCT Trust Deed. It is currently intended that the fees which would otherwise have been payable to the CCT Manager (including base management fees, performance management fees, acquisition and divestment fees) will, instead, be payable to CMTML. Notwithstanding the above, it is currently intended that a performance management fee payable to the CCT Manager under the CCT Trust Deed with respect to the period from 1 January 2020 to the date prior to the appointment of CMTML as manager of CCT will be paid to CCTML (as manager of CCT for the relevant period) out of the assets of CCT (in respect of which sufficient provision has been made) in accordance with the CCT Trust Deed.

The fees for the properties and investments of the Merged Entity will be based on the fee structure of the CMT Group, as presently adopted. Notwithstanding the foregoing, the fees for the existing properties and investments of CCT (including CCT's existing 45.0% interest in CapitaSpring which is currently undergoing redevelopment) will be based on the fee structure of the CCT Group, as presently adopted, save for existing properties of CCT to which the fee structure of the CMT Group shall apply, if they undergo redevelopment post-Merger.

Please refer to **Schedule 1, Part 3** and **Schedule 1, Part 4** for further details of the current fee structure of each of the CMT Group and the CCT Group and **Schedule 1, Part 5** for further details of the fee structure of the Merged Entity following the completion of the Merger.

**10.1.3 Board and Management of the Merged Entity**

The existing board of directors[42] of the CMT Manager will be reviewing the composition of the board of directors and management of the CMT Manager. The appointment of any new directors or key management staff of the Merged Entity will be subject to the relevant corporate approvals and the approval of the Monetary Authority of Singapore (if applicable).

**10.1.4 Sub-Trust Transfers**

It is intended that CCT shall transfer to CMT all the units held by CCT in the Relevant Sub-Trusts, such that the units of each of the Relevant Sub-Trusts previously held by CCT would be directly held by CMT.

**10.1.5 Frequency of Distributions**

It is intended for the Merged Entity to keep to CMT's current practice of making distributions on a quarterly basis. The CMT Manager may, at its discretion, review the frequency of the Merged Entity's distributions in the future, where appropriate.

**10.1.6 Renaming of the Merged Entity**

Following the completion of the Merger, the Merged Entity will be renamed "CapitaLand Integrated Commercial Trust".

**10.1.7 Management of Leverage Profile**

Assuming the Merger had been completed on 30 June 2020, the *pro forma* aggregate leverage of the Merged Entity as at 30 June 2020 would be 39.7%, taking into consideration the Acquisition Debt of approximately S$1,022.2 million. Pursuant to the revision of the Property Funds Appendix on 16 April 2020, the regulatory aggregate leverage limit under the Property Funds Appendix has been increased to 50.0% up to (and including) 31 December 2021. On or after 1 January 2022, the aggregate leverage of a property fund should not exceed 45.0%, save that it may exceed 45.0% (up to a maximum of 50.0%) if certain conditions under the Property Funds Appendix are met.

42 Mr Gay Chee Cheong is currently on a leave of absence.

While the *pro forma* aggregate leverage of the Merged Entity would be higher than the aggregate leverage of CMT and CCT on a standalone basis, the CMT Manager believes that the leverage level is still within a manageable range in the short-term, and will remain disciplined in managing the leverage profile of the Merged Entity.

Following the completion of the Merger, the CMT Manager will proactively review the Merged Entity's business and capital plans in the ordinary course of business, including (amongst others) a reconstitution of the enlarged portfolio which may occur in the near term to ensure an optimal capital structure through cycles. Please refer to **paragraph 10.2** for details.

**10.2 CMT Manager's Strategy for the Merged Entity**

The Merged Entity will continue to be predominantly Singapore-focused while having the flexibility to explore acquisitions in other developed countries of not more than 20% of the total portfolio property value of the Merged Entity. The combined platform is expected to unlock synergies and enhance the Merged Entity's ability to deliver stable distributions and sustainable total return to its unitholders through the following value creation strategies:

(a) **Active management to drive organic growth**: capitalising on rental market cycles and opportunities across the combined platform. The Merged Entity is expected to integrate the strengths of the two platforms, through cross-pollination of customer and tenant bases, including but not limited to:

(i) leveraging a broader retail and office leasing network for more effective tenant negotiations and sourcing for high-quality tenants to drive higher portfolio occupancy and improved rental rates for new and renewed leases;

(ii) harnessing evolving synergies between the retail and office portfolios, such as the inclusion of flexible office solutions in retail malls like Funan, or extension of retail tenants' e-commerce fulfilment points beyond shopping malls to office buildings;

(iii) unifying digital platform to enhance analytics capability, generate higher quality insights across asset classes, and enable more informed, data-driven decision making in order to create a seamless online and offline ecosystem for end-consumers' work, dining, leisure and shopping needs; and

(iv) extending marketing communication and community engagement activities across the enlarged pool of properties to enhance retail and office tenant stickiness. These activities can give retail tenants and brands a wider reach to shoppers while giving office workers more opportunities to participate in experiential retail activities, right at their doorstep;

(b) **AEIs and redevelopment**: achieving the highest and best use for its properties in line with changing real estate trends and consumers' preferences. Given its enlarged and more resilient portfolio, the Merged Entity will be better placed to reposition or repurpose single use retail or office properties, or redevelop certain properties from pure retail or office use to mixed-use integrated projects. For example, successful transformations such as Funan and CapitaSpring can be replicated across the portfolio. In particular, many properties in the portfolio of the Merged Entity are strategically-located at key transport nodes and can be prime candidates for redevelopment over time;

(c) **Growth by acquisitions**: capitalising on combined domain expertise and a resilient portfolio. The Merged Entity is well positioned to grow its portfolio by investing in retail, office and integrated developments through property market cycles and across geographies. The Merged Entity will seek acquisitions from both third parties and CapitaLand. Currently, CapitaLand's portfolio in Singapore and other developed countries includes approximately S$5 billion of retail, office and integrated assets at various stages of development and stabilisation;

(d) **Disciplined portfolio reconstitution**: planning, identifying and undertaking appropriate divestment of assets that have reached their optimal life cycle and redeploying proceeds into higher yielding properties or other growth opportunities. The Merged Entity will continue to build on CMT's and CCT's established track records of value creation through proactive portfolio reconstitution;

(e) **Prudent cost and capital management**: procuring services in bulk, optimising supply chain, and eliminating frictional costs to generate greater operational cost savings, as well as employing appropriate capital financing and hedging strategies to optimise aggregate leverage and financing costs, and manage foreign exchange risks. Based on the combined debt portfolio of approximately S$9 billion, the Merged Entity will be in a position to tap on a wider range of financing options to manage the cost of debt. The Merged Entity, with its more resilient portfolio, is expected to have access to more debt and capital market providers to support its growth strategy; and

(f) **ESG commitment**: building on robust ESG foundations to further improve the economic and social well-being of stakeholders. Currently, CMT and CCT's ESG reporting is already aligned with global ESG benchmarks, including the Global Reporting Initiative Standards: Core Option, the International Integrated Reporting Council Framework, and the UN Sustainable Development Goals. CMT and CCT topped the Singapore Governance and Transparency Index ("**SGTI**") 2020[43] in the REIT and Business Trust Category. CMT and CCT also achieved the Global Real Estate Sustainability Benchmark ("**GRESB**"[44]) 2019 Sector Leader in the Asia – "Retail-Listed" category and the GRESB 2019 4-Star respectively. The Merged Entity will be able to further strengthen its ESG commitment through the responsible management of human capital, assets, portfolio and operations, as well as management of its environmental footprint.

The Merged Entity will continue to leverage CapitaLand's integrated real estate value chain in design, project management, investment, marketing and leasing, property management, fund management and digital platform to drive further growth. CapitaLand is a well-established real estate company with proven capabilities to support the Merged Entity in its quest to deliver sustainable returns to its unitholders.

### 10.3 Other Intentions

Save as set out in this **paragraph 10**, there is presently no intention to (i) introduce any major changes to the business of CCT, (ii) re-deploy the fixed assets of CCT or (iii) discontinue the employment of the employees of the CCT Group, in each case, save in the ordinary course of business or as a result of any internal reorganisation or restructuring within the Merged Entity which may be implemented after the Merger. However, the CMT Directors retain and reserve the right and flexibility at any time and from time to time to

43 The SGTI is the leading index for assessing corporate governance practices of Singapore-listed companies. It is a collaboration between CPA Australia, NUS Business School's Centre for Governance, Institutions and Organisations, and Singapore Institute of Directors.

44 The Global Real Estate Sustainability Benchmark Assessment is conducted by GRESB, an industry-driven organisation committed to assessing the ESG performance of real assets globally, including real estate portfolios.

consider any options in relation to the Merged Entity which may present themselves and which they may regard to be in the interest of the Merged Entity.

There may be interested person transactions (as defined in the Listing Manual) entered into in the ordinary course of business of the Merged Entity upon completion of the Merger. The Merged Entity will comply with the Listing Manual and make the relevant disclosures under Rule 905 of the Listing Manual if the aggregate value of such interested person transactions entered into in the same financial year (excluding the interested person transactions which have been approved by unitholders) is 3.0% or more of the latest audited NTA of the Merged Entity.

## 11. CMT 805 AUDITOR'S OPINION

The CMT Manager has appointed PricewaterhouseCoopers LLP (the "**CMT 805 Auditor**") to perform an audit, in accordance with the Singapore Standard on Auditing 805 (Revised) "Special Considerations – Audits of Single Financial Statements and Specific Elements, Accounts or Items of a Financial Statement", on the following line items in respect of the statements of financial position of the CCT Group, as reflected in the unaudited financial statements of the CCT Group for 1H2020 dated 23 July 2020 (the "**CCT Group 1H2020 Financial Results**") titled:

(a) "investment properties"; and

(b) "joint ventures" (only in respect of the amounts titled "investment properties held by joint ventures") as reflected in the notes to the CCT Group 1H2020 Financial Results,

(collectively, the "**CCT Relevant Line Items**"), including by, among other things, reviewing the valuation certificates as at 30 June 2020 commissioned by the CCT Manager in respect of the CCT Properties. Please refer to Appendix H to the Scheme Document for copies of such valuation certificates.

A reciprocal arrangement was undertaken by CCT on the following line items in respect of the statements of financial position of the CMT Group, as reflected in CMT Group 1H2020 Financial Results titled:

(i) "investment properties"; and

(ii) "joint ventures" (only in respect of the amounts titled "investment property held by a joint venture") as reflected in the notes to the CMT Group 1H2020 Financial Results in relation to RCS Trust.

The intention in carrying out such audit is to give additional comfort to the CMT Unitholders that such carrying values were stated, in all material respects, in accordance with the basis of accounting of the CCT Group.

Pursuant to such audit, the CMT 805 Auditor has delivered an audit opinion dated 2 September 2020 setting out its opinion that the CCT Relevant Line Items were prepared, in all material respects, in accordance with the basis of accounting of the CCT Group described in Note 2 of the statement of investment properties (the "**CMT 805 Auditor's Opinion**").

Please refer to **Appendix B** to this Circular for the CMT 805 Auditor's Opinion.

## 12. ADVICE OF THE CMT IFA

### 12.1 Appointment of the CMT IFA

The CMT Manager and the CMT Trustee have appointed Australia and New Zealand Banking Group Limited, Singapore Branch as the independent financial adviser (the "**CMT IFA**") pursuant to Chapter 9 of the Listing Manual as well as to advise:

(a) the audit committee of the CMT Manager, comprising Mr Lee Khai Fatt, Kyle, Mr Fong Kwok Jen, Mr Ng Chee Khern and Mr Jonathan Yap Neng Tong (the "**Audit Committee**"). As Mr Jonathan Yap Neng Tong is not an Independent Director, he has abstained from any and all decision making at any meeting of the Audit Committee with respect to the Merger;

(b) the independent directors of the CMT Manager, being Ms Teo Swee Lian, Mr Ng Chee Khern, Mr Lee Khai Fatt, Kyle, Mr Fong Kwok Jen and Mr Gay Chee Cheong[45] (the "**Independent Directors**"); and

(c) the CMT Trustee,

as to whether the Merger is on normal commercial terms and is not prejudicial to the interests of CMT and its minority unitholders.

A copy of the letter by the CMT IFA (the "**CMT IFA Letter**"), containing its advice in full, is set out in **Appendix C** to this Circular. CMT Unitholders are advised to read the CMT IFA Letter carefully.

### 12.2 Advice of the CMT IFA

Based upon, and having considered, *inter alia*,

(a) the factors described in the CMT IFA Letter; and

(b) the information that has been made available to the CMT IFA as at the Latest Practicable Date,

the CMT IFA is of the opinion that as at the Latest Practicable Date, the Scheme Consideration is fairly valued and the Merger is on normal commercial terms and not prejudicial to the interests of CMT and its minority unitholders.

Accordingly, the CMT IFA advises that the CMT Independent Directors may recommend that the independent CMT Unitholders **VOTE IN FAVOUR** of the Merger.

## 13. STATEMENT OF THE AUDIT COMMITTEE

Having considered the relevant factors, including the terms of the Merger (as set out in **paragraph 6** and **Schedule 3**), the rationale for the Merger (as set out in **paragraph 3**) and the key benefits of the Merger (as set out in **paragraph 4**) as well as the opinion given by the CMT IFA in the CMT IFA Letter in **Appendix C** to this Circular, the Audit Committee is of the opinion that the Merger is on normal commercial terms and is not prejudicial to the interests of CMT and its minority unitholders.

45 Mr Gay Chee Cheong is currently on a leave of absence.

As noted in **paragraph 12.1(a)** of this Circular, as Mr Jonathan Yap Neng Tong is not an Independent Director, he has abstained from any and all decision making at any meeting of the Audit Committee with respect to the Merger.

## 14. RECOMMENDATIONS AND CONFIRMATIONS

### 14.1 CMT Directors' Recommendation on Resolution 1

Having considered the relevant factors, including the terms of the Merger (as set out in **paragraph 6** and **Schedule 3**), the rationale for the Merger (as set out in **paragraph 3**) and the key benefits of the Merger (as set out in **paragraph 4**), the CMT Directors[46] hereby recommend that the CMT Unitholders **VOTE IN FAVOUR** of Resolution 1.

**For the avoidance of doubt, Resolution 1 is not conditional on Resolution 2 or Resolution 3.**

### 14.2 Independent Directors' Recommendation on Resolution 2

Having considered the relevant factors, including the terms of the Merger (as set out in **paragraph 6** and **Schedule 3**), the rationale for the Merger (as set out in **paragraph 3**) and the key benefits of the Merger (as set out in **paragraph 4**) as well as the opinion given by the CMT IFA in the CMT IFA Letter in **Appendix C** to this Circular, the Independent Directors hereby recommend that the CMT Unitholders **VOTE IN FAVOUR** of Resolution 2.

**For the avoidance of doubt, Resolution 2 is conditional on the passing of Resolution 1 and Resolution 3.**

### 14.3 Independent Directors' Recommendation on Resolution 3

Having considered the relevant factors, including the terms of the Merger (as set out in **paragraph 6** and **Schedule 3**), the rationale for the Merger (as set out in **paragraph 3**) and the key benefits of the Merger (as set out in **paragraph 4**) as well as the opinion given by the CMT IFA in the CMT IFA Letter, the Independent Directors hereby recommend that the CMT Unitholders **VOTE IN FAVOUR** of Resolution 3.

**For the avoidance of doubt, Resolution 3 is conditional on the passing of Resolution 1 and Resolution 2.**

## 15. EXTRAORDINARY GENERAL MEETING

### 15.1 Background on COVID-19

The CMT Manager and the CMT Trustee refer to:

(a) the COVID-19 (Temporary Measures) Act 2020 passed by Parliament on 7 April 2020 which enables the Minister for Law by order to prescribe alternative arrangements for listed entities in Singapore to, *inter alia*, conduct general meetings, either wholly or partly, by electronic communication, video conferencing, tele-conferencing or other electronic means; and

(b) the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020 which was gazetted on 13 April 2020 (as amended), and which sets out the alternative arrangements in respect of, *inter alia*, general meetings of real estate investment trusts.

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46 For purposes of this **paragraph 14**, all references to the CMT Directors and all references to the Independent Directors shall exclude Mr Gay Chee Cheong, who is currently on a leave of absence.

Due to the current COVID-19 restrictions set out therein, the CMT Unitholders will not be able to attend the EGM in person. Instead, the alternative arrangements and key dates relating to participation in the EGM via electronic means are set out in **paragraphs 19.2** and **19.3** below.

### 15.2 Date, time and conduct of EGM

The EGM will be convened and held by way of electronic means on Tuesday, 29 September 2020 at 10.30 a.m. (Singapore time) for the purpose of considering and, if thought fit, passing with or without modification, the resolutions set out in the Notice of EGM, which are set out on E-1 to E-4 of this Circular. The purpose of this Circular is to provide the CMT Unitholders with relevant information about the resolutions.

Approval by way of an Extraordinary Resolution is required in respect of Resolution 1.

Approval by way of an Ordinary Resolution is required in respect of Resolution 2 and Resolution 3.

A Depositor (as defined in the Glossary) shall not be regarded as a CMT Unitholder entitled to attend the EGM and to speak and vote thereat unless he/she is shown to have the CMT Units entered against his/her name in the Depository Register, as certified by The Central Depository (Pte) Limited ("**CDP**") no less than 48 hours before the time fixed for the EGM.

The CMT Manager's Chairman, Ms Teo Swee Lian, and Chief Executive Officer, Mr Tony Tan Tee Hieong, will conduct the proceedings of the EGM. The CMT Manager will endeavour to address all substantial and relevant questions received in advance of the EGM from the CMT Unitholders, prior to or during the EGM. The CMT Manager will publish the responses to the substantial and relevant questions which the CMT Manager is unable to address during the EGM, on CMT's website and on SGXNET prior to the EGM. The CMT Manager will publish the minutes of the EGM on CMT's website and on SGXNET within one month from the date of the EGM, and the minutes will include the responses to the substantial and relevant questions which are addressed during the EGM.

The CMT Unitholders will not be able to ask questions at the EGM "live" during the audio-visual webcast or audio-only stream, and therefore it is important for the CMT Unitholders who wish to ask questions to submit their questions in advance of the EGM.

## 16. INTERESTS OF CMT DIRECTORS AND SUBSTANTIAL UNITHOLDERS

Based on the information available to the CMT Manager, details of the interests in CMT Units and CCT Units of the CMT Directors and Substantial Unitholders[47] of CMT as at the Latest Practicable Date are set out below.

As at the Latest Practicable Date, certain directors of the CMT Manager collectively hold an aggregate direct and indirect interest in 1,938,800 shares in CapitaLand.

Further, Mr Jason Leow Juan Thong is concurrently the President, CapitaLand Singapore & International of CapitaLand group. Mr Jonathan Yap Neng Tong is concurrently the President, CapitaLand Financial of CapitaLand group and a CCT Director.

Save as disclosed in this Circular, none of the CMT Directors or the Substantial Unitholders of CMT has any interest, direct or indirect, in the Merger.

47 "**Substantial Unitholders**" refers to a person with an interest in CMT Units constituting not less than 5.0% of all CMT Units in issue.

## 16.1 INTERESTS OF CMT DIRECTORS

Based on the Register of Directors' unitholdings maintained by the CMT Manager, the interests of CMT Directors in CMT Units as at the Latest Practicable Date are as follows:

| Name of CMT Director | Direct Interest | | Deemed Interest | | Total Interest | | Contingent Awards of CMT Units[(2)] under CMTML's | |
|---|---|---|---|---|---|---|---|---|
| | No. of CMT Units | %[(1)] | No. of CMT Units | %[(1)] | No. of CMT Units | %[(1)] | Performance Unit Plan | Restricted Unit Plan |
| Teo Swee Lian | 9,352 | N.M.[(6)] | – | – | 9,352 | N.M.[(6)] | – | – |
| Tony Tan Tee Hieong | 195,533 | 0.005 | – | – | 195,533 | 0.005 | 0 to 229,914[(3)] | 106,507[(4)(5)] |
| Tan Kian Chew | 91,885 | 0.002 | 59,000 | 0.002 | 150,885 | 0.004 | – | – |
| Ng Chee Khern | – | – | – | – | – | – | – | – |
| Lee Khai Fatt, Kyle | 69,830 | 0.002 | – | – | 69,830 | 0.002 | – | – |
| Fong Kwok Jen | 53,081 | 0.001 | – | – | 53,081 | 0.001 | – | – |
| Gay Chee Cheong | 52,525 | 0.001 | – | – | 52,525 | 0.001 | – | – |
| Jason Leow Juan Thong | 20,000 | 0.001 | – | – | 20,000 | 0.001 | – | – |
| Jonathan Yap Neng Tong | 19,000 | 0.001 | 44,000 | 0.001 | 63,000 | 0.002 | – | – |

**Notes:**

(1) This percentage is based on a total of 3,690,154,580 CMT Units as at the Latest Practicable Date and rounded up to the nearest 0.001%. Any discrepancy between the addition of "Direct Interest and Deemed Interest" and "Total Interest", if any, is due to rounding.

(2) This refers to the number of CMT Units which are the subject of contingent awards granted but not released under the CMTML's Performance Unit Plan (the "**PUP**") and the CMTML's Restricted Unit Plan (the "**RUP**"). The final number of CMT Units that will be released could range from 0% to a maximum of 200% of the baseline award under the PUP and from 0% to 150% of the baseline award under the RUP.

(3) The final number of CMT Units to be released will depend on the achievement of pre-determined targets at the end of the respective performance periods for the PUP.

(4) Being the unvested CMT Units under the RUP.

(5) On the final vesting, an additional number of CMT Units of a total value equal to the value of the accumulated distributions which are declared during each of the vesting periods and deemed foregone due to the vesting mechanism of the RUP, will also be released.

(6) Not meaningful.

Based on the information available to the CMT Manager, the interests of CMT Directors in CCT Units as at the Latest Practicable Date are as follows:

| Name of CMT Director | Direct Interest | | Deemed Interest | | Total Interest | |
|---|---|---|---|---|---|---|
| | No. of CCT Units | %[(1)] | No. of CCT Units | %[(1)] | No. of CCT Units | %[(1)] |
| Teo Swee Lian | – | – | – | – | – | – |
| Tony Tan Tee Hieong | – | – | – | – | – | – |
| Tan Kian Chew | 120,200 | 0.003 | – | – | 120,200 | 0.003 |
| Ng Chee Khern | – | – | – | – | – | – |
| Lee Khai Fatt, Kyle | – | – | – | – | – | – |
| Fong Kwok Jen | 18,495 | N.M.[(2)] | – | – | 18,495 | N.M.[(2)] |
| Gay Chee Cheong | – | – | – | – | – | – |
| Jason Leow Juan Thong | 76,900 | 0.002 | – | – | 76,900 | 0.002 |
| Jonathan Yap Neng Tong | – | – | – | – | – | – |

**Notes:**

(1) This percentage is based on a total of 3,861,876,136 CCT Units as at the Latest Practicable Date and rounded up to the nearest 0.001%.

(2) Not meaningful.

## 16.2 INTERESTS OF SUBSTANTIAL UNITHOLDERS

Based on the information available to the CMT Manager, the interests of the Substantial Unitholders of CMT in CMT Units as at the Latest Practicable Date are as follows:

| Name of Substantial Unitholder of CMT | Direct Interest | | Deemed Interest | | Total | |
|---|---|---|---|---|---|---|
| | No. of CMT Units | %(1) | No. of CMT Units | %(1) | No. of CMT Units | %(1) |
| Temasek Holdings (Private) Limited ("**THPL**")(2) | – | – | 1,110,757,200 | 30.10 | 1,110,757,200 | 30.10 |
| Tembusu Capital Pte. Ltd. ("**Tembusu**")(3) | – | – | 1,051,435,323 | 28.49 | 1,051,435,323 | 28.49 |
| Bartley Investments Pte. Ltd. ("**Bartley**")(3) | – | – | 1,051,435,323 | 28.49 | 1,051,435,323 | 28.49 |
| Glenville Investments Pte. Ltd. ("**Glenville**")(3) | – | – | 1,051,435,323 | 28.49 | 1,051,435,323 | 28.49 |
| Mawson Peak Holdings Pte. Ltd. ("**Mawson**")(3) | – | – | 1,051,435,323 | 28.49 | 1,051,435,323 | 28.49 |
| TJ Holdings (III) Pte. Ltd. ("**TJ Holdings (III)**")(3) | – | – | 1,051,435,323 | 28.49 | 1,051,435,323 | 28.49 |
| CLA Real Estate Holdings Pte. Ltd. ("**CLA**")(4) | – | – | 1,051,435,323 | 28.49 | 1,051,435,323 | 28.49 |
| CapitaLand(5) | – | – | 1,051,435,323 | 28.49 | 1,051,435,323 | 28.49 |
| CLS(6) | – | – | 1,002,039,474 | 27.15 | 1,002,039,474 | 27.15 |
| CL Retail Singapore Pte. Ltd. ("**CLRS**")(7) | – | – | 1,002,039,474 | 27.15 | 1,002,039,474 | 27.15 |
| PIPL | 571,784,814 | 15.49 | – | – | 571,784,814 | 15.49 |
| ACPL | 279,300,000 | 7.56 | – | – | 279,300,000 | 7.56 |
| BlackRock, Inc.(8) | – | – | 209,966,547 | 5.69 | 209,966,547 | 5.69 |

**Notes:**

(1) This percentage is based on a total of 3,690,154,580 CMT Units as at the Latest Practicable Date. The percentage is rounded down to the nearest 0.01%.

(2) THPL is deemed to have an interest in the unitholdings in which its subsidiaries and associated companies (including but not limited to CLA) have or are deemed to have an interest pursuant to Section 4 of the Securities and Futures Act, Chapter 289 of Singapore ("**SFA**").

(3) THPL holds 100% of the equity interest in Tembusu, which holds 100% of the equity interest in Bartley, which holds 100% of the equity interest in Mawson, which holds 100% of the equity interest in Glenville, which holds 100% of the equity interest in TJ Holdings (III), which holds 100% of the equity interest in CLA. CLA holds approximately 51.86% of the issued shares in CapitaLand.

Each of Tembusu, Bartley, Mawson, Glenville and TJ Holdings (III) is deemed to have an interest in the unitholdings in which CLA is deemed to have an interest, by virtue of Section 4 of the SFA.

(4) CLA is deemed to have an interest in the unitholdings in which CapitaLand is deemed to have an interest, by virtue of Section 4 of the SFA.

(5) CapitaLand is deemed to have an interest in the unitholdings of its indirect wholly owned subsidiaries, namely, PIPL, ACPL, Premier and CMTML. Premier holds 150,954,660 CMT Units and CMTML holds 49,395,849 CMT Units.

(6) CLS is deemed to have an interest in the unitholdings of its indirect wholly owned subsidiaries, namely, PIPL, ACPL and Premier through its directly wholly owned subsidiary, CLRS.

(7) CLRS is deemed to have an interest in the unitholdings of its direct wholly owned subsidiaries namely, PIPL, ACPL and Premier.

(8) BlackRock, Inc. is deemed to have an interest in the unitholdings through its subsidiaries of which it has indirect control.

Based on the information available to the CMT Manager, the interests of the Substantial Unitholders of CMT in CCT Units as at the Latest Practicable Date are as follows:

| Name of Substantial Unitholder of CMT | Direct Interest | | Deemed Interest | | Total | |
|---|---|---|---|---|---|---|
| | No. of CCT Units | %(1) | No. of CCT Units | %(1) | No. of CCT Units | %(1) |
| THPL(2) | – | – | 1,205,890,590 | 31.22 | 1,205,890,590 | 31.22 |
| Tembusu(3) | – | – | 1,136,254,079 | 29.42 | 1,136,254,079 | 29.42 |
| Bartley(3) | – | – | 1,136,254,079 | 29.42 | 1,136,254,079 | 29.42 |
| Glenville(3) | – | – | 1,136,254,079 | 29.42 | 1,136,254,079 | 29.42 |
| Mawson(3) | – | – | 1,136,254,079 | 29.42 | 1,136,254,079 | 29.42 |
| TJ Holdings (III)(3) | – | – | 1,136,254,079 | 29.42 | 1,136,254,079 | 29.42 |
| CLA(4) | – | – | 1,136,254,079 | 29.42 | 1,136,254,079 | 29.42 |
| CapitaLand(5) | – | – | 1,136,254,079 | 29.42 | 1,136,254,079 | 29.42 |
| CLS(6) | – | – | 962,516,676 | 24.92 | 962,516,676 | 24.92 |
| BlackRock, Inc.(7) | – | – | 200,305,224 | 5.18 | 200,305,224 | 5.18 |

**Notes:**

(1) This percentage is based on a total of 3,861,876,136 CCT Units as at the Latest Practicable Date. The percentage is rounded down to the nearest 0.01%.

(2) THPL is deemed to have an interest in the unitholdings in which its subsidiaries and associated companies (including but not limited to CLA) have or are deemed to have an interest pursuant to Section 4 of the SFA.

(3) THPL holds 100% of the equity interest in Tembusu, which holds 100% of the equity interest in Bartley, which holds 100% of the equity interest in Mawson, which holds 100% of the equity interest in Glenville, which holds 100% of the equity interest in TJ Holdings (III), which holds 100% of the equity interest in CLA. CLA holds approximately 51.86% of the issued shares in CapitaLand.

Each of Tembusu, Bartley, Mawson, Glenville and TJ Holdings (III) is deemed to have an interest in the unitholdings in which CLA is deemed to have an interest, by virtue of Section 4 of the SFA.

(4) CLA is deemed to have an interest in the unitholdings in which CapitaLand is deemed to have an interest, by virtue of Section 4 of the SFA.

(5) CapitaLand is deemed to have an interest in the unitholdings of its indirect wholly owned subsidiaries, namely, SBR, E-Pavilion, CCTML and Carmel. CCTML and Carmel holds 173,173,541 CCT Units and 563,862 CCT Units respectively.

(6) CLS is deemed to have an interest in the unitholdings of its indirect wholly owned subsidiaries, namely, SBR and E-Pavilion.

(7) BlackRock, Inc. is deemed to have an interest in the unitholdings of its subsidiaries of which it has indirect control.

## 17. DIRECTORS' SERVICE CONTRACTS

It is intended that following the completion of the Merger and in view of the Merged Entity, the existing board of directors of the CMT Manager will review the composition of the board of directors and the management of the CMT Manager. The appointment of any new directors or key management staff of the Merged Entity will be subject to the relevant corporate approvals and the approval of the Monetary Authority of Singapore (if applicable).

## 18. ABSTENTIONS FROM VOTING

Under Rule 919 of the Listing Manual, where a meeting is held to obtain unitholders' approval, the interested person and any associate of the interested person must not vote on a resolution in respect of which such person is interested, nor accept appointments as proxies, unless specific instructions as to voting are given.

Accordingly, PIPL, ACPL, Premier, CMTML and their associates will abstain from voting (either in person or by proxy) in respect of Resolution 2 and Resolution 3 and shall decline to accept appointments as proxies in respect of Resolution 2 and Resolution 3. In view of the COVID-19 situation, all CMT Unitholders (whether individual or corporate) who wish to exercise his/her/its voting rights are required to complete the Proxy Form to appoint the Chairman of the Meeting as proxy to attend, speak and vote on his/her/its behalf at the EGM. In appointing the Chairman of the Meeting as proxy, a CMT Unitholder must give specific instructions as to voting, or abstention from voting, in respect of a resolution in the Proxy Form, failing which the appointment of the Chairman of the Meeting as proxy for that resolution will be treated as invalid.

The CMT Manager will also disregard any votes cast by persons required to abstain from voting, whether pursuant to a listing rule or a court order.

For purposes of good corporate governance, Mr Jason Leow Juan Thong and Mr Jonathan Yap Neng Tong will also abstain from voting on Resolution 2 and Resolution 3.

## 19. ACTIONS TO BE TAKEN BY THE CMT UNITHOLDERS

### 19.1 Circular, Notice of EGM and Proxy Form

This Circular, the Notice of EGM and the instrument appointing the Chairman of the Meeting as proxy ("**Proxy Form**") will be sent to the CMT Unitholders by electronic means via publication on CMT's website at https://cmt.listedcompany.com/agm_egm.html, and will also be made available on the SGX website at https://www.sgx.com/securities/company-announcements. Printed copies of the Notice of EGM and the Proxy Form will also be sent to Unitholders.

### 19.2 Alternative arrangements for participation in the EGM

The CMT Unitholders may participate in the EGM by:

(a) observing and/or listening to the EGM proceedings via live audio-visual webcast or live audio-only stream;

(b) submitting questions in advance of the EGM; and/or

(c) appointing the Chairman of the Meeting as proxy to attend, speak and vote on their behalf at the EGM.

A CMT Unitholder (whether individual or corporate) who has CMT Units entered against his/her/its name in (a) the Register of Unitholders; or (b) the Depository Register as at the cut-off time being 48 hours prior to the time of the EGM (being the time at which the name of the CMT Unitholder must appear in the Register of Unitholders or the Depository Register, in order for him/her/it to be considered to have CMT Units entered against his/her/its name in the said Registers), shall be entitled to attend (via electronic means), submit questions in advance and vote by proxy at the EGM.

In view of the COVID-19 situation, all CMT Unitholders (whether individual or corporate) who wish to exercise his/her/its voting rights are requested to complete the Proxy Form in accordance with the instructions therein and submit it to the CMT Manager c/o CMT's Unit Registrar, Boardroom Corporate & Advisory Services Pte. Ltd., in the following manner:

(i) if submitted electronically, be submitted via email to CMT's Unit Registrar at CMT2020@boardroomlimited.com; or

(ii) if submitted by post, be lodged at the office of CMT's Unit Registrar at 50 Raffles Place, #32-01, Singapore Land Tower, Singapore 048623,

in either case, by 10.30 a.m. (Singapore time) on Sunday, 27 September 2020, being 48 hours before the time fixed for the EGM. All CMT Unitholders (whether individual or corporate) who wish to exercise his/her/its voting rights must appoint the Chairman of the Meeting as proxy to attend, speak and vote on his/her/its behalf at the EGM. In appointing the Chairman of the Meeting as proxy, a CMT Unitholder must give specific instructions as to voting, or abstention from voting, in respect of a resolution in the Proxy Form, failing which the appointment of the Chairman of the Meeting as proxy for that resolution will be treated as invalid.

Details of the steps for pre-registration, pre-submission of questions and voting at the EGM are set out in the **Appendix D** to this Circular.

**19.3 Key dates/deadlines for participation in EGM**

The table below sets out the key dates/deadlines for CMT Unitholders to note:

| Key Dates | Actions |
|---|---|
| 4 September 2020<br>(Friday) | CMT Unitholders and CPF and SRS investors may begin to pre-register at https://cmt.listedcompany.com/agm_egm.html for live audio-visual webcast or live audio-only stream of the EGM proceedings. |
| 5.00 p.m. (Singapore time) on<br>17 September 2020<br>(Thursday) | Deadline for CPF or SRS investors who wish to appoint the Chairman of the Meeting as proxy to approach their respective CPF Agent Banks or SRS Operators to submit their votes. |
| 10.30 a.m. (Singapore time) on<br>26 September 2020<br>(Saturday) | Deadline for CMT Unitholders and CPF and SRS investors to:<br><br>• pre-register for live audio-visual webcast or live audio-only stream of the EGM proceedings; and<br><br>• submit questions relating to the resolutions to be tabled for approval at the EGM. |
| 5.00 p.m. (Singapore time) on<br>26 September 2020<br>(Saturday) | Authenticated CMT Unitholders and CPF and SRS investors who have pre-registered for the live audio-visual webcast or live audio-only stream of the EGM proceedings will receive an email which will contain user ID and password details, as well as instructions on how to access the live audio-visual webcast and a toll-free telephone number to access the live audio-only stream of the EGM proceedings (the "**Confirmation Email**"). |

| Key Dates | Actions |
|---|---|
| | CMT Unitholders and CPF and SRS investors who do not receive the Confirmation Email by 5.00 p.m. (Singapore time) on 26 September 2020, but have registered by the deadline on 26 September 2020 should contact CMT's Unit Registrar, Boardroom Corporate & Advisory Services Pte. Ltd., at +65 6536 5355 (during office hours) or email CMT2020@boardroomlimited.com. |
| 10.30 a.m. (Singapore time) on 27 September 2020 (Sunday) | Deadline for CMT Unitholders to submit proxy forms (via email at CMT2020@boardroomlimited.com or by post). |
| 10.30 a.m. (Singapore time) on 29 September 2020 (Tuesday) | • Click on the link in the Confirmation Email and enter the user ID and password to access the live audio-visual webcast of the EGM proceedings; or<br>• Call the toll-free telephone number in the Confirmation Email to access the live audio-only stream of the EGM proceedings. |

**19.4 Information relating to SRS Investors**

SRS investors who wish to attend the EGM are advised to consult their respective SRS Operators for further information and if they are in any doubt as to the action they should take, SRS investors should seek independent professional advice.

**19.5 Important Reminder**

Due to the constantly evolving COVID-19 situation in Singapore, the CMT Manager may be required to change the arrangements for the EGM at short notice. The CMT Unitholders should check CMT's website at https://cmt.listedcompany.com/agm_egm.html for the latest updates on the EGM.

## 20. CMT DIRECTORS' RESPONSIBILITY STATEMENT

The CMT Directors[48] (including those who may have delegated detailed supervision of this Circular) collectively and individually accept full responsibility for the accuracy of the information given in this Circular and confirm after making all reasonable enquiries that, to the best of their knowledge and belief, this Circular constitutes full and true disclosure of all material facts about the Merger, CMT and the CMT Group, and the CMT Directors are not aware of any facts the omission of which would make any statement in this Circular misleading.

48 For purposes of this **paragraph 20**, all references to the CMT Directors shall exclude Mr Gay Chee Cheong, who is currently on a leave of absence.

Where information in this Circular has been extracted from published or otherwise publicly available sources or obtained from the CCT Manager or its advisers or obtained from a named source, the sole responsibility of the CMT Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reflected or reproduced in this Circular in its proper form and context.

The CMT Directors do not accept any responsibility for any information relating to CCT and/or the CCT Manager or any opinion expressed by CCT and/or the CCT Manager.

## 21. RESPONSIBILITY STATEMENT OF THE FINANCIAL ADVISER

The Financial Adviser is the sole financial adviser to the CMT Manager in respect of the Merger and the Trust Scheme.

To the best of the Financial Adviser's knowledge and belief, save for the information set out in **paragraphs 8**, **10**, **11**, **12**, **13**, **14**, **16**, **17** and **20** and **Appendix A**, **Appendix B**, **Appendix C** and **Appendix D**, this Circular contains full and true disclosure of all material facts about the Merger, CMT and the CMT Group, and the Financial Adviser is not aware of any facts the omission of which would make any statement about the Merger in this Circular misleading.

## 22. CONSENTS

The Financial Adviser has given and has not withdrawn its written consent to the issue of this Circular with the inclusion of its name and all references thereto in the form and context in which it appears in this Circular.

The CMT IFA has given and has not withdrawn its written consent to the issue of this Circular with the inclusion of its name and the CMT IFA Letter and all references thereto in the form and context in which it appears in this Circular.

The CMT 805 Auditor has given and has not withdrawn its written consent to the issue of this Circular with the inclusion of its name and the CMT 805 Auditor's Opinion and all references thereto in the form and context in which it appears in this Circular.

The CMT Independent Valuers have severally given and each CMT Independent Valuer has not withdrawn its written consent to the issue of this Circular with the inclusion of its name and all references thereto in the form and context in which it appears in this Circular.

The CCT Independent Valuers have severally given and each CCT Independent Valuer has not withdrawn its written consent to the issue of this Circular with the inclusion of its name and all references thereto in the form and context in which it appears in this Circular.

CBRE Pte. Ltd. has given and has not withdrawn its written consent to the issue of this Circular with the inclusion of (i) its name as the provider of the Independent Retail and Office Market Report, (ii) the Independent Retail and Office Market Report and (iii) all references thereto in the form and context in which it appears in this Circular.

## 23. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection at the registered office of the CMT Manager at 168 Robinson Road, #30-01 Capital Tower, Singapore 068912 during normal business hours from the date of this Circular up to and including the date falling three months after the date of this Circular[49]:

(a) the Implementation Agreement;

(b) the CMT Trust Deed;

(c) the Independent Retail and Office Market Report;

(d) the CMT IFA Letter;

(e) the CMT 805 Auditor's Opinion;

(f) the CMT Group FY2019 Audited Financial Statements;

(g) the CMT Group 1H2020 Financial Results;

(h) the valuation letters (including valuation certificates) issued by the CMT Independent Valuers on the valuation of the CMT Properties as at 30 June 2020; and

(i) the written consents of each of the Financial Adviser, the CMT IFA, the CMT 805 Auditor, the CMT Independent Valuers, the CCT Independent Valuers and CBRE Pte. Ltd..

## 24. CMT UNITHOLDERS' HELPLINE

If you have any questions, please contact the CMT Manager using the CMT Unitholders' helpline set out below or email us at ask-us@cmt.com.sg.

Telephone (Investor Relations): +65 6713 2888

Time: Between 10.00 a.m. and 5.00 p.m. from Monday to Friday (excluding public holidays).

Yours faithfully,

By Order of the Board of Directors

**CapitaLand Mall Trust Management Limited**
(Registration Number: 200106159R)
as manager of **CapitaLand Mall Trust**

49 Due to the current COVID-19 situation in Singapore, inspection shall be further subject to any applicable control order or regulatory restriction relating to safe distancing which may be issued by the relevant authorities. Prior appointment with the CMT Manager is required. Please contact CMT Investor Relations at email: ask-us@cmt.com.sg or tel: +65 6713 2888.

## GLOSSARY

In this Circular, the following definitions apply throughout unless otherwise stated:

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|---|---|---|
| **1H2020** | : | The six-month period ended 30 June 2020. |
| **ACPL** | : | Albert Complex Pte Ltd. |
| **Acquisition Debt** | : | The additional debt financing required to fund the Cash Consideration and Transaction Costs. |
| **Acquisition Fee** | : | The acquisition fee to which the CMT Manager is otherwise entitled to under the CMT Trust Deed. |
| **AEIs** | : | Asset enhancement initiatives. |
| **APAC** | : | Asia Pacific. |
| **Audit Committee** | : | The audit committee of the CMT Manager, comprising Mr Lee Khai Fatt, Kyle, Mr Fong Kwok Jen, Mr Ng Chee Khern and Mr Jonathan Yap Neng Tong. |
| **Authorities** | : | Collectively, the Ministry of Finance and the Inland Revenue Authority of Singapore. |
| **Bartley** | : | Bartley Investments Pte. Ltd.. |
| **BMT** | : | Brilliance Mall Trust. |
| **BMT Trust Deed** | : | The deed of trust constituting BMT, as amended, varied or supplemented from time to time. |
| **BMT Trustee** | : | The trustee of BMT. |
| **Break Fee** | : | The payment of an amount up to S$30.2 million, being approximately 0.4% of the aggregate Scheme Consideration, by the CCT Trustee to the CMT Trustee in respect of certain matters as further described in **paragraph 6.7** and **Schedule 3, Part 4**. |
| **Brexit** | : | The exit of the United Kingdom from the European Union on 31 January 2020. |
| **Carmel** | : | Carmel Plus Pte. Ltd.. |
| **Cash Consideration** | : | The cash component of the Scheme Consideration, comprising S$0.2590 for each CCT Unit. |
| **CBD** | : | Central Business District. |
| **CCT** | : | CapitaLand Commercial Trust. |

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| **CCT Competing Offer** | : | As defined in **Schedule 3, Part 5**. |
| **CCT Directors** | : | The directors of the CCT Manager, being Mr Soo Kok Leng, Mr Chee Tien Jin Kevin, Mr Lam Yi Young, Ms Tan Soon Neo Jessica, Mrs Quek Bin Hwee, Mr Ng Wai King, Mr Lim Cho Pin Andrew Geoffrey and Mr Jonathan Yap Neng Tong. |
| **CCT Group** | : | CCT and its subsidiaries. |
| **CCT Group Entities** | : | CCT and its subsidiaries, and any trusts and limited liability partnerships in which CCT and/or its subsidiaries hold an interest (excluding any trusts listed on a stock exchange), and "**CCT Group Entity**" means any of the foregoing. |
| **CCT Group FY2019 Audited Financial Statements** | : | The audited consolidated financial statements of the CCT Group for FY2019 dated 27 February 2020. |
| **CCT Group 1H2020 Financial Results** | : | The unaudited financial statements of the CCT Group for 1H2020 dated 23 July 2020. |
| **CCT Independent Valuers** | : | Cushman & Wakefield VHS Pte. Ltd., CBRE Pte. Ltd., Knight Frank Pte Ltd and C&W (U.K.) LLP – German Branch as the valuers of the CCT Properties. |
| **CCT Manager** | : | CapitaLand Commercial Trust Management Limited, as manager of CCT. |
| **CCT Material Adverse Effect** | : | As defined in **paragraph 7(b)** of **Schedule 3, Part 1**. |
| **CCT Permitted Distributions** | : | The distributions declared, made or paid by the CCT Manager in respect of CCT made in the ordinary course of business in respect of the period from 1 July 2019 up to the day immediately before the Effective Date (including any clean-up distribution to the CCT Unitholders in respect of the period from the day following the latest completed financial half of CCT preceding the Effective Date, up to the day immediately before the Effective Date). |
| **CCT Prescribed Occurrence** | : | The CCT prescribed occurrences as set out in **Schedule 3, Part 3**. |
| **CCT Properties** | : | The properties of CCT as at 30 June 2020. |
| **CCT Relevant Line Items** | : | The following line items in respect of the statements of financial position of the CCT Group, as reflected in the CCT Group 1H2020 Financial Results, titled: "investment properties" and "joint ventures" (only in respect of the amounts titled "investment properties held by joint ventures") as reflected in the notes to the CCT Group 1H2020 Financial Results. |

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| **CCT ROFR** | : | An existing right of first refusal granted by CLS to the CCT Trustee. |
| **CCT Switch Option Competing Offer** | : | Certain offers received by CCT from any person, acting together with its concert parties, other than the CMT Trustee or the CMT Manager as described in **paragraph 6.8.1**. |
| **CCT Trust Deed** | : | The deed of trust constituting CCT dated 6 February 2004 (as amended). |
| **CCT Trustee** | : | HSBC Institutional Trust Services (Singapore) Limited (in its capacity as trustee of CCT). |
| **CCT Unitholder** | : | A holder of CCT Units. |
| **CCT Units** | : | Issued and paid-up units of CCT. |
| **CCT Warranties** | : | Certain warranties given severally (and neither jointly nor jointly and severally) by the CCT Manager and the CCT Trustee in the Implementation Agreement. |
| **CCTML** | : | CapitaLand Commercial Trust Management Limited. |
| **CapitaLand** | : | CapitaLand Limited. |
| **CapitaLand Entities** | : | Collectively, PIPL, ACPL, Premier, CMTML, SBR, E-Pavilion, CCTML and Carmel. |
| **CLA** | : | CLA Real Estate Holdings Pte. Ltd.. |
| **CLRS** | : | CL Retail Singapore Pte. Ltd.. |
| **CLS** | : | CapitaLand Commercial Limited, now known as CapitaLand Singapore Limited. |
| **CMS Licence** | : | Capital Markets Services Licence. |
| **CMT** | : | CapitaLand Mall Trust. |
| **CMT 805 Auditor** | : | PricewaterhouseCoopers LLP. |
| **CMT 805 Auditor's Opinion** | : | The audit opinion dated 2 September 2020 from the CMT 805 Auditor as set out in **Appendix B** to this Circular. |
| **CMT Acquisition** | : | The acquisition of all the CCT Units by CMT pursuant to the Merger. |
| **CMT Auditor** | : | KPMG LLP. |

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| **CMT Directors** | : | The directors of the CMT Manager, being Ms Teo Swee Lian, Mr Tony Tan Tee Hieong, Mr Tan Kian Chew, Mr Ng Chee Khern, Mr Lee Khai Fatt, Kyle, Mr Fong Kwok Jen, Mr Gay Chee Cheong, Mr Jason Leow Juan Thong and Mr Jonathan Yap Neng Tong. |
| **CMT Group** | : | CMT and its subsidiaries. |
| **CMT Group 1H2020 Financial Results** | : | The unaudited financial statements of the CMT Group for 1H2020 dated 22 July 2020. |
| **CMT Group Entities** | : | CMT and its subsidiaries, and any trusts and limited liability partnerships in which CMT and/or its subsidiaries hold an interest (excluding any trusts listed on a stock exchange), and "**CMT Group Entity**" means any of the foregoing. |
| **CMT Group FY2019 Audited Financial Statements** | : | The audited financial statements of the CMT Group for FY2019. |
| **CMT IFA** | : | Australia and New Zealand Banking Group Limited, Singapore Branch as the independent financial adviser to the Audit Committee, the Independent Directors and the CMT Trustee. |
| **CMT IFA Letter** | : | The letter from the CMT IFA advising the Audit Committee, the Independent Directors and the CMT Trustee as to whether the Merger is on normal commercial terms and is not prejudicial to the interests of CMT and its minority unitholders as set out in **Appendix C** to this Circular. |
| **CMT Independent Valuers** | : | Knight Frank Pte Ltd, CBRE Pte. Ltd., Colliers International Consultancy & Valuation (Singapore) Pte Ltd and Jones Lang LaSalle Property Consultants Pte Ltd, as the valuers of the CMT Properties.<br><br>CBRE Pte. Ltd. was engaged by the CMT Manager to undertake independent desktop valuations of Junction 8 Shopping Centre, Funan, Clarke Quay and Raffles City Singapore as at 30 June 2020.<br><br>Knight Frank Pte Ltd was engaged by the CMT Manager to undertake independent desktop valuations of Tampines Mall, IMM Building, JCube, Bukit Panjang Plaza (90 out of 91 strata lots), Lot One Shoppers' Mall and Bedok Mall as at 30 June 2020.<br><br>Colliers International Consultancy & Valuation (Singapore) Pte Ltd was engaged by the CMT Manager to undertake independent desktop valuations of Plaza Singapura, The Atrium@Orchard and Westgate as at 30 June 2020. |

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| | | Jones Lang LaSalle Property Consultants Pte Ltd was engaged by the CMT Manager to undertake independent desktop valuations of Bugis Junction and Bugis+ as at 30 June 2020. |
| **CMT Manager** | : | CapitaLand Mall Trust Management Limited, as manager of CMT. |
| **CMT Material Adverse Effect** | : | As defined in **paragraph 7(a)** of **Schedule 3, Part 1**. |
| **CMT Permitted Distributions** | : | The distributions declared, made or paid by the CMT Manager in respect of CMT made in the ordinary course of business in respect of the period from 1 October 2019 up to the day immediately before the Effective Date (including any clean-up distribution to the CMT Unitholders in respect of the period from the day following the latest completed financial quarter of CMT preceding the Effective Date, up to the day immediately before the Effective Date). |
| **CMT Prescribed Occurrence** | : | The CMT prescribed occurrences as set out in **Schedule 3, Part 2**. |
| **CMT Properties** | : | The properties of CMT as at 30 June 2020. |
| **CMT Trust Deed** | : | The deed of trust dated 29 October 2001 constituting CMT, as amended, varied or supplemented from time to time. |
| **CMT Trust Deed Amendments** | : | The proposed amendments to the CMT Trust Deed as set out in **paragraph 5.1** and **Schedule 2**. |
| **CMT Trustee** | : | HSBC Institutional Trust Services (Singapore) Limited (in its capacity as trustee of CMT). |
| **CMT Unit** | : | Issued and paid-up units of CMT. |
| **CMT Unitholders** | : | Holders of CMT Units. |
| **CMT Warranties** | : | Certain warranties given severally (and neither jointly nor jointly and severally) by the CMT Manager and the CMT Trustee in the Implementation Agreement. |
| **CMTML** | : | CapitaLand Mall Trust Management Limited. |
| **Code** | : | The Singapore Code on Take-overs and Mergers issued by the SIC. |
| **Conditions** | : | The conditions to the Implementation Agreement as set out in **Schedule 3, Part 1**. |

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| **Consideration Units** | : | The CMT Units issued as part of the Scheme Consideration, comprising 0.720 CMT Units for each CCT Unit. |
| **Court** | : | The High Court of the Republic of Singapore. |
| **CPF** | : | Central Provident Fund. |
| **CPF Agent Banks** | : | Agent banks included under the CPF Investment Scheme. |
| **CRCT** | : | CapitaLand Retail China Trust. |
| **DPU** | : | Distribution per unit. |
| **Effective Date** | : | The date on which the Trust Scheme becomes effective in accordance with its terms as set out in **paragraph 6.4**. |
| **EGM** | : | Extraordinary General Meeting of the CMT Unitholders. |
| **ESG** | : | Environmental, Social, and Governance. |
| **E-Pavilion** | : | E-Pavilion Pte. Ltd.. |
| **Existing Interested Person Transactions** | : | The existing interested persons transactions entered into between CMT and CapitaLand and its associates during the course of the current financial year ending 31 December 2020 that are subject to disclosure under Chapter 9 of the Listing Manual as set out in **paragraph 9.1.2** and **Schedule 4**. |
| **Expanded Investment Mandate** | : | The expanded investment mandate of the Merged Entity to principally invest, directly or indirectly, in quality income-producing assets, which are used or primarily used for commercial purposes (including retail and/or office purposes), located predominantly in Singapore. |
| **Extraordinary Resolution** | : | A resolution proposed and passed as such by a majority consisting of 75.0% or more of the total number of votes cast for and against such resolution at a meeting of the CMT Unitholders. |
| **Financial Adviser** | : | J.P. Morgan (S.E.A.) Limited, the sole financial adviser to the CMT Manager in relation to the Merger. |
| **FY2019** | : | The financial year ended 31 December 2019. |
| **Glenville** | : | Glenville Investments Pte. Ltd.. |
| **GLS** | : | Government Land Sales. |
| **GOT** | : | Glory Office Trust. |

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| **GOT Trust Deed** | : | The trust deed dated 28 February 2017 constituting GOT, as amended, varied or supplemented from time to time. |
| **GOT Trustee-Manager** | : | CL Office Trustee Pte. Ltd., as trustee-manager of GOT. |
| **GRESB** | : | The Global Real Estate Sustainability Benchmark, an industry-driven organisation committed to assessing the ESG performance of real assets globally, including real estate portfolios. |
| **GSRT** | : | Glory SR Trust. |
| **GSRT Trust Deed** | : | The trust deed dated 28 February 2017 constituting GSRT, as amended, varied or supplemented from time to time. |
| **GSRT Trustee-Manager** | : | Glory SR Trustee Pte. Ltd., as trustee-manager of GSRT. |
| **Implementation Agreement** | : | The implementation agreement entered into between the Parties on the Joint Announcement Date, as amended by the supplemental agreement dated 3 September 2020. |
| **IMT** | : | Infinity Mall Trust. |
| **IMT Trust Deed** | : | The deed of trust constituting IMT, as amended, varied or supplemented from time to time. |
| **IMT Trustee** | : | The trustee of IMT. |
| **Independent Directors** | : | The independent directors of the CMT Manager, being Ms Teo Swee Lian, Mr Ng Chee Khern, Mr Lee Khai Fatt, Kyle, Mr Fong Kwok Jen and Mr Gay Chee Cheong. |
| **Independent Retail and Office Market Report** | : | The report prepared by CBRE Pte. Ltd. titled "Update of Singapore Office and Retail & Frankfurt Office Market Overview (1H 2020)" as set out in **Appendix A** to this Circular. |
| **Interested CCT Units Acquisition** | : | The acquisition of CCT Units by CMT from E-Pavilion, SBR, Carmel and CCTML, as associates of CapitaLand. |
| **Joint Announcement** | : | The joint announcement issued by the CMT Manager and the CCT Manager in relation to the Merger on the Joint Announcement Date. |
| **Joint Announcement Date** | : | 22 January 2020. |
| **Latest Practicable Date** | : | 26 August 2020. |
| **Listing Manual** | : | The listing manual of the SGX-ST. |
| **Long-Stop Date** | : | 11.59 p.m. on 30 November 2020 or such other time and date as the Parties may agree in writing. |

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| **LTM June 2020** | : | The last 12 months ended 30 June 2020. |
| **Mawson** | : | Mawson Peak Holdings Pte. Ltd.. |
| **Merged Entity** | : | The enlarged entity following the Merger, to be renamed "CapitaLand Integrated Commercial Trust". |
| **Merger** | : | The proposed merger of CMT and CCT. |
| **MERS** | : | Middle East Respiratory Syndrome. |
| **NAV** | : | Net asset value. For the purpose of this Circular, all references to NAV of the CMT Group exclude non-controlling interests and distributable income and all reference to NAV of the CCT Group exclude non-controlling interests and distributable income. |
| **NLA** | : | Net lettable area. |
| **Novated ROFR** | : | The expanded CCT ROFR. |
| **NPI** | : | Net property income. |
| **NTA** | : | Net tangible assets. For the purpose of this Circular, all references to NTA of the CMT Group exclude non-controlling interests and distributable income. |
| **Offer** | : | A voluntary conditional offer to acquire all the CCT Units made by the CMT Trustee following a CCT Switch Option Competing Offer. |
| **Ordinary Resolution** | : | A resolution proposed and passed as such by a majority being greater than 50.0% of the total number of votes cast for and against such resolution at a meeting of the CMT Unitholders. |
| **Parties** | : | The CMT Trustee, the CMT Manager, the CCT Trustee and the CCT Manager, each a "**Party**". |
| **PIPL** | : | Pyramex Investments Pte Ltd. |
| **Premier** | : | Premier Healthcare Services International Pte Ltd. |
| **Property Funds Appendix** | : | Appendix 6 of the Code on Collective Investment Schemes issued by the Monetary Authority of Singapore. |
| **Proposed Issuance of the Consideration Units** | : | The proposed allotment and issuance of the Consideration Units to the CCT Unitholders as part of the Scheme Consideration. |
| **PUP** | : | The CMTML's Performance Unit Plan. |

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| **RCS Trust Trust Deed** | : | The trust deed dated 18 July 2006, as amended, varied or supplemented from time to time for the joint ownership of Raffles City Singapore. |
| **Record Date** | : | The record date to be announced by the CCT Manager on which the register of the CCT Unitholders will be closed to determine the entitlement of the CCT Unitholders in respect of the Trust Scheme. |
| **REIT** | : | Real estate investment trust. |
| **Relevant Date** | : | The business day immediately preceding the Effective Date. |
| **Relevant Sub-Trusts** | : | Glory Office Trust, MSO Trust and RCS Trust. |
| **Resolution 1** | : | The approval of the CMT Unitholders for the CMT Trust Deed Amendments. |
| **Resolution 2** | : | The approval of the CMT Unitholders for the Merger. |
| **Resolution 3** | : | The approval of the CMT Unitholders for the Proposed Issuance of the Consideration Units. |
| **Reverse Break Fee** | : | The payment of an amount up to S$30.2 million, being approximately 0.4% of the aggregate Scheme Consideration, by the CMT Trustee to the CCT Trustee in respect of certain matters as further described in **paragraph 6.7** and **Schedule 3, Part 4**. |
| **RUP** | : | The CMTML's Restricted Unit Plan. |
| **SARS** | : | Severe Acute Respiratory Syndrome. |
| **SBR** | : | SBR Private Limited. |
| **Scheme Consideration** | : | The consideration for each CCT Unit under the Trust Scheme. |
| **Scheme Document** | : | The scheme document dated 4 September 2020 issued to CCT Unitholders in connection with the Trust Scheme. |
| **SFA** | : | Securities and Futures Act (Cap. 289 of Singapore). |
| **SGTI** | : | Singapore Governance and Transparency Index. |
| **SGX-ST** | : | Singapore Exchange Securities Trading Limited. |
| **SIC** | : | Securities Industry Council. |
| **SPVs** | : | Special Purpose Vehicles. |

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|---|---|---|
| **sq ft** | : | Square feet. |
| **SRS** | : | Supplementary Retirement Scheme. |
| **SRS Operators** | : | Operators included under the SRS. |
| **Sub-Trust Transfers** | : | In connection with the Merger, the transfer of the units of each of the Relevant Sub-Trusts held by CCT Trustee to the CMT Trustee on or after the Effective Date such that the units of each of the Relevant Sub-Trusts previously held by CCT would be directly held by CMT. |
| **Substantial Unitholder** | : | A person with an interest in CMT Units constituting not less than 5.0% of all CMT Units in issue. |
| **Switch Option** | : | The right of the CMT Trustee to proceed with the Merger by way of an Offer. |
| **Tembusu** | : | Tembusu Capital Pte. Ltd.. |
| **THPL** | : | Temasek Holdings (Private) Limited. |
| **TJ Holdings (III)** | : | TJ Holdings (III) Pte. Ltd.. |
| **Total Transaction Outlay** | : | The estimated total cost of the Merger as set out in **paragraph 6.12**. |
| **Transaction Costs** | : | The estimated professional and other fees and expenses of S$22.0 million incurred or to be incurred in connection with the Merger. |
| **Trust Scheme** | : | The trust scheme of arrangement to effect the Merger. |
| **Trust Scheme Court Order** | : | The order of the Court sanctioning the Trust Scheme. |
| **Trust Scheme Meeting** | : | The Court convened meeting of the CCT Unitholders to approve the Trust Scheme. |
| **Unit Registrar** | : | Boardroom Corporate & Advisory Services Pte. Ltd.. |
| **URA** | : | Urban Redevelopment Authority |
| **VWAP** | : | Volume weighted average price. |

All capitalised terms used and not defined in this Circular shall have the same meanings given to them in the Implementation Agreement, a copy of which is available for inspection in accordance with **paragraph 23**.

The terms “Depositor” and “Depository Register” shall have the meanings ascribed to them respectively in Section 81SF of the SFA.

Words importing the singular shall, where applicable, include the plural and vice versa and words importing the masculine gender shall, where applicable, include the feminine and neuter genders. References to persons shall include corporations.

Any reference in this Circular to any enactment is a reference to that enactment for the time being amended or re-enacted.

Any reference to a time of day in this Circular shall be a reference to Singapore time unless otherwise stated.

Any discrepancies in the tables, graphs and charts between the listed amounts and totals thereof are due to rounding. Where applicable, figures and percentages are rounded to one decimal place.

# SCHEDULE 1
# INFORMATION ON THE MERGED ENTITY

## Part 1 Information on the CMT Properties

**Information on the CMT Properties(1)(2)**

| | Tampines Mall | Junction 8 | Funan(3) | IMM Building |
|---|---|---|---|---|
| **Address** | 4 Tampines Central 5 | 9 Bishan Place | 107 and 109 North Bridge Road | 2 Jurong East Street 21 |
| **Land Tenure** | Leasehold tenure of 99 years with effect from 1 September 1992 | Leasehold tenure of 99 years with effect from 1 September 1991 | Leasehold tenure of 99 years with effect from 12 December 1979 | Leasehold tenure of 30 + 30 years with effect from 23 January 1989 |
| **Joint Venture Partners' Interests** | N.A. | N.A. | N.A. | N.A. |
| **Number of tenants** | 167 | 176 | 222 | 560 |
| **NLA (sq ft)** | 356,228 | 254,106 | Total: 531,559<br>Retail: 317,430<br>Office: 214,129 | Total: 963,149<br>Retail: 424,179<br>Warehouse: 538,970 |
| **Gross Revenue (S$ million)** | 72.1 | 54.5 | 54.1 | 79.9 |
| **NPI (S$ million)** | 51.7 | 38.2 | 36.3 | 54.5 |
| **Desktop Valuation as at 30 June 2020 (S$ million)** | 1,072.0 | 794.0 | 742.0 | 660.0 |
| **Committed Occupancy as at 30 June 2020** | 99.1% | 99.5% | 99.2%(5) | 98.2%(6) |
| **Carpark Lots** | 637 | 305 | 404 | 1,324 |
| **Top 3 Tenants by Gross Rental Income** | • NTUC Enterprise Co-operative Limited<br>• H & M Hennes & Mauritz Pte Ltd<br>• Isetan (Singapore) Limited | • BreadTalk Group Limited<br>• NTUC Enterprise Co-operative Limited<br>• Golden Village Multiplex Pte Ltd | • The Government of The Republic of Singapore<br>• WeWork Singapore Pte. Ltd<br>• Adidas Singapore Pte Ltd | • Cold Storage Singapore (1983) Pte Ltd<br>• Extra Space Jurong Pte. Ltd.<br>• NTUC Enterprise Co-operative Limited |

| | Plaza Singapura | Bugis Junction | JCube | Lot One Shoppers' Mall |
|---|---|---|---|---|
| **Address** | 68 Orchard Road | 200 Victoria Street | 2 Jurong East Central 1 | 21 Choa Chu Kang Avenue 4 |
| **Land Tenure** | Freehold | Leasehold tenure of 99 years with effect from 10 September 1990 | Leasehold tenure of 99 years with effect from 1 March 1991 | Leasehold tenure of 99 years with effect from 1 December 1993 |
| **Joint Venture Partners' Interests** | N.A. | N.A. | N.A. | N.A. |
| **Number of tenants** | 235 | 233 | 119 | 148 |
| **NLA (sq ft)** | 484,156 | 396,452 | 210,043 | 227,627 |
| **Gross Revenue (S$ million)** | 80.5 | 73.4 | N.A.[(4)] | 36.8 |
| **NPI (S$ million)** | 58.8 | 51.6 | N.A.[(4)] | 24.3 |
| **Desktop Valuation as at 30 June 2020 (S$ million)** | 1,300.0 | 1,087.0 | 276.0 | 531.0 |
| **Committed Occupancy as at 30 June 2020** | 99.3% | 98.7% | N.A.[(8)] | 97.6% |
| **Carpark Lots** | 695 | 648 | 341 | 321 |
| **Top 3 Tenants by Gross Rental Income** | • Golden Village Multiplex Pte Ltd<br>• Cold Storage Singapore (1983) Pte Ltd<br>• NTUC Enterprise Co-operative Limited | • BHG (Singapore) Pte. Ltd.<br>• BreadTalk Group Limited<br>• Cold Storage Singapore (1983) Pte Ltd | • Pan Pacific Retail Management (Singapore) Pte. Ltd.<br>• Aston Food & Beverage Specialties Pte. Ltd.<br>• Singapore Sports Council | • NTUC Enterprise Co-operative Limited<br>• BreadTalk Group Limited<br>• Kentucky Fried Chicken Management Pte. Ltd |

| | Bukit Panjang Plaza[7] | The Atrium@Orchard | Clarke Quay | Bugis+ |
|---|---|---|---|---|
| **Address** | 1 Jelebu Road | 60A and 60B Orchard Road | 3 River Valley Road | 201 Victoria Street |
| **Land Tenure** | Leasehold tenure of 99 years with effect from 1 December 1994 | Leasehold tenure of 99 years with effect from 15 August 2008 | Leasehold tenure of 99 years with effect from 13 January 1990 | Leasehold tenure of 60 years with effect from 30 September 2005 |
| **Joint Venture Partners' Interests** | N.A. | N.A. | N.A. | N.A. |
| **Number of tenants** | 114 | 90 | 70 | 87 |
| **NLA (sq ft)** | 163,599 | Total: 386,892<br>Retail: 134,584<br>Office: 252,308 | 293,248 | 214,408 |
| **Gross Revenue (S$ million)** | N.A.[4] | 47.5 | 34.3 | 29.2 |
| **NPI (S$ million)** | N.A.[4] | 35.5 | 21.5 | 20.1 |
| **Desktop Valuation as at 30 June 2020 (S$ million)** | 324.0 | 740.0 | 394.0 | 353.0 |
| **Committed Occupancy as at 30 June 2020** | N.A.[8] | 97.4%[5] | 92.3% | 99.8% |
| **Carpark Lots** | 326 | 127 | 424 | 325 |
| **Top 3 Tenants by Gross Rental Income** | • NTUC Enterprise Co-operative Limited<br>• Kentucky Fried Chicken Management Pte Ltd<br>• Hanbaobao Pte Ltd | • Temasek Holdings<br>• Beauty One International Pte Ltd<br>• Creative Eateries Pte Ltd | • Zouk Clarke Quay Pte Ltd<br>• Huone Singapore Pte Ltd<br>• Coyote Ugly Pte Ltd | • Hansfort Investment Pte. Ltd.<br>• Diamond Dining Singapore Pte Ltd<br>• Wing Tai Retail Management Pte Ltd |

| | Bedok Mall | Westgate | Raffles City Singapore |
|---|---|---|---|
| **Address** | 311 New Upper Changi Road | 3 Gateway Drive | 250 & 252 North Bridge Road; 2 Stamford Road; 80 Bras Basah Road |
| **Land Tenure** | Leasehold tenure of 99 years with effect from 21 November 2011 | Leasehold tenure of 99 years with effect from 29 August 2011 | Leasehold tenure of 99 years with effect from 16 July 1979 |
| **Joint Venture Partners' Interests** | N.A. | N.A. | CMT: 40.0%<br>CCT: 60.0% |
| **Number of tenants** | 196 | 235 | 263 |
| **NLA (sq ft)** | 222,469 | 409,087 | Total: 808,150<br>Retail: 426,830<br>Office: 381,320 |
| **Gross Revenue (S$ million)** | 50.7 | 65.7 | 213.4 |
| **NPI (S$ million)** | 36.9 | 45.2 | 162.3 |
| **Desktop Valuation as at 30 June 2020 (S$ million)** | 779.0 | 1,087.0 | 1,306.4 (proportionate value of the 40.0% interest held by CMT) |
| **Committed Occupancy as at 30 June 2020** | 96.9% | 98.8% | 94.6%(5) |
| **Carpark Lots** | 265 | 610 | 1,051 |
| **Top 3 Tenants by Gross Rental Income** | • NTUC Enterprise Co-operative Limited<br>• Hanbaobao Pte Ltd<br>• Kentucky Fried Chicken Management Pte Ltd | • BreadTalk Group Ltd<br>• L Catterton Singapore Pte Ltd<br>• Fitness First Singapore Pte Ltd | • RC Hotels (Pte) Ltd<br>• Al-Futtaim Group<br>• Economic Development Board |

**Notes**:

(1) All information stated on a 100.0% basis, unless otherwise stated. The information on the CMT Properties set out in this **Schedule 1, Part 1** is accurate as at 30 June 2020. Please refer to information on the CMT Group which is publicly available (including without limitation, the announcements released by the CMT Manager, on behalf of CMT, on the SGXNET) for any relevant updates since 30 June 2020.

(2) Gross Revenue and NPI are based on LTM June 2020.

(3) All information on Funan reflects retail and office components only, unless otherwise stated.

(4) The total gross revenue and NPI for LTM June 2020 were S$44.2 million and S$26.8 million respectively.

(5) Includes retail and office leases.

(6) Based on retail leases.

(7) Comprises 90 out of 91 strata lots.

(8) The total committed occupancy as at 30 June 2020 was 95.4%.

## Part 2 Information on the CCT Properties

### Information on the CCT Properties(1)(2)

| | Capital Tower | Asia Square Tower 2 | CapitaGreen | Six Battery Road |
|---|---|---|---|---|
| **Address** | 168 Robinson Road | 12 Marina View | 138 Market Street | 6 Battery Road |
| **Land Tenure** | Leasehold tenure of 99 years with effect from 1 January 1996 | Leasehold tenure of 99 years with effect from 3 March 2008 (land lot only) | Leasehold tenure of 99 years with effect from 1 April 1974 | Leasehold tenure of 999 years with effect from 20 April 1826 |
| **Joint Venture Partners' Interests** | N.A. | N.A. | N.A.(4) | N.A. |
| **Number of tenants** | 30 | 69 | 49 | 98 |
| **NLA (sq ft)** | 734,696 | Total: 777,222<br>Retail: 25,568<br>Office: 751,654 | 701,048 | 493,910 |
| **Gross Revenue (S$ million)** | 72.5 | 107.1 | 90.3 | 60.2 |
| **NPI (S$ million)** | 55.6 | 81.6 | 71.2 | 45.7 |
| **Desktop Valuation as at 30 June 2020 (S$ million)** | 1,389.0 | 2,134.0 | 1,618.0 | 1,414.0 |
| **Committed Occupancy as at 30 June 2020** | 100.0% | 97.2%(3) | 96.9% | 78.7% |
| **Carpark Lots** | 415 | 266 | 184 | 191 |
| **Top 3 Tenants by Gross Rental Income** | • GIC Private Limited<br>• JP Morgan Chase Bank, N.A.<br>• CapitaLand Group | • Mizuho Bank, Ltd<br>• Allianz Technology SE, Singapore Branch<br>• Mitsui Group | • Lloyd's of London (Asia) Pte Ltd<br>• Schroder Investment Management (Singapore) Ltd.<br>• Cargill International Trading Pte Ltd | • Standard Chartered Bank<br>• Watson, Farley & Williams LLP<br>• D'Amico Group |

| | One George Street | 21 Collyer Quay | CapitaSpring |
|---|---|---|---|
| **Address** | 1 George Street | 21 Collyer Quay | 86 & 88 Market Street |
| **Land Tenure** | Leasehold tenure of 99 years with effect from 22 January 2003 | Leasehold tenure of 999 years with effect from 19 December 1850 | Leasehold tenure of 99 years with effect from 1 February 1982 |
| **Joint Venture Partners' Interests** | CCT: 50.0%<br>OGS (II) Limited: 50.0% | N.A. | CCT: 45.0%(4)<br>CapitaLand: 45.0%<br>Mitsubishi Estate Co., Ltd.: 10.0% |
| **Number of tenants** | 54 | 1 | N.A. |
| **NLA (sq ft)** | 445,786 | 200,469 | Total: 647,025<br>Retail: 11,669<br>Office: 635,356 |
| **Gross Revenue (S$ million)** | 51.2 | 23.1 | N.A. |
| **NPI (S$ million)** | 40.0 | 21.9 | N.A. |
| **Desktop Valuation as at 30 June 2020 (S$ million)** | 561.0 (proportionate value of the 50.0% interest held by CCT) | 465.5 | 466.7 (proportionate value of the 45.0% interest held by CCT) |
| **Committed Occupancy as at 30 June 2020** | 100.0% | 100.0% | N.A. |
| **Carpark Lots** | 178 | 55 | 350 |
| **Top 3 Tenants by Gross Rental Income** | • Amazon Asia-Pacific Resources Private Limited<br>• Borouge Pte. Ltd.<br>• L'Oreal Singapore Pte. Ltd. | • WeWork Singapore Pte. Ltd. | N.A. |

| | Gallileo | Main Airport Center | Raffles City Singapore |
|---|---|---|---|
| **Address** | Gallusanlage 7/Neckarstrasse 5, 60329 Frankfurt am Main, Germany | Unterschweinstiege 2-14, 60549 Frankfurt, Germany | 250 & 252 North Bridge Road; 2 Stamford Road; 80 Bras Basah Road |
| **Land Tenure** | Freehold | Freehold | Leasehold tenure of 99 years with effect from 16 July 1979 |
| **Joint Venture Partners' Interests** | CCT: 94.9%<br>CapitaLand: 5.1% | CCT: 94.9%<br>CapitaLand: 5.1% | CCT: 60.0%(4)<br>CMT: 40.0% |
| **Number of tenants** | 7 | 32 | 263 |
| **NLA (sq ft)** | 436,175 | 648,740 | Total: 808,150<br>Retail: 426,830<br>Office: 381,320 |
| **Gross Revenue (S$ million)** | 27.8 | 20.0(6) | 213.4 |
| **NPI (S$ million)** | 22.6 | 13.3(6) | 162.3 |
| **Desktop Valuation as at 30 June 2020 (S$ million)** | 534.3(5) (proportionate value of the 94.9% interest held by CCT) | 387.7(5) (proportionate value of the 94.9% interest held by CCT) | 1,959.6 (proportionate value of the 60.0% interest held by CCT) |
| **Committed Occupancy as at 30 June 2020** | 100.0% | 92.2% | 94.6%(3) |
| **Carpark Lots** | 43 | 1,510 | 1,051 |
| **Top 3 Tenants by Gross Rental Income** | • Commerzbank AG<br>• Naseem Hasan Chaudhary<br>• Main Mobility GmbH | • Quintilesims<br>• Dell GmbH<br>• Miles & More | • RC Hotels (Pte) Ltd<br>• Al-Futtaim Group<br>• Economic Development Board |

**Notes:**

(1) All information stated on a 100.0% basis, unless otherwise stated. The information on the CCT Properties set out in this Schedule 1, Part 2 is accurate as at 30 June 2020. Please refer to information on the CCT Group which is publicly available (including without limitation, the announcements released by the CCT Manager, on behalf of CCT, on the SGXNET) for any relevant updates since 30 June 2020.

(2) Gross Revenue and NPI are based on LTM June 2020.

(3) Includes retail and office leases.

(4) As mentioned in **paragraph 10.1.4**, on or after the Effective Date, it is intended that CCT shall undertake the Sub-Trust Transfers, such that the units of each of the Relevant Sub-Trusts previously held by CCT would be directly held by CMT.

(5) The conversion rate used for the 30 June 2020 valuations was EUR1 = S$1.544.

(6) Contribution from Main Airport Center, Frankfurt effective from 18 September 2019.

**Part 3 Current Fee Structure Comparison of CMT and CCT**

A summary comparison table of the respective fee structures of CMT and CCT presently adopted is set out below:

| Fees | CMT | CCT |
|---|---|---|
| **Base Fee** | CMT Manager<br>Not more than 0.25% per annum of the Deposited Property (as defined in the CMT Trust Deed). | CCT Manager<br>Not more than 0.1% per annum of the Value (as defined in the CCT Trust Deed) of the Deposited Property (as defined in the CCT Trust Deed). |
| **Performance Fee** | CMT Manager<br>4.25% of the Net Property Income (as defined in the CMT Trust Deed) for each financial year based on the audited accounts of CMT determined for that year. | CCT Manager<br>5.25% of the Net Investment Income (as defined in the CCT Trust Deed) of CCT, before payment of the management fee to the CCT Manager (which comprises the base fee and the performance fee), for each financial year based on the audited accounts of CCT determined for that year. |
| **Acquisition Fee** | CMT Manager<br>Not more than 1% of the purchase price (after deducting the interest of any co-owner or co-participant) of any Authorised Investment (as defined in the CMT Trust Deed) acquired from time to time by the CMT Trustee on behalf of CMT, whether directly or indirectly through a special purpose vehicle. | CCT Manager<br>1% (or such lower percentage as may be determined by the CCT Manager in its absolute discretion) of the acquisition price of any Authorised Investments (as defined in the CCT Trust Deed) acquired directly or indirectly by CCT (pro-rated if applicable to the proportion of CCT's interest in the Authorised Investments acquired). |
| **Divestment Fee** | CMT Manager<br>Not more than 0.5% of the sale price (after deducting the interest of any co-owners or co-participants) of any Authorised Investment sold or divested from time to time by the CMT Trustee on behalf of CMT, whether directly or indirectly through a special purpose vehicle. | CCT Manager<br>0.5% (or such lower percentage as may be determined by the CCT Manager in its absolute direction) of the sale price of any Authorised Investments sold or divested directly or indirectly by CCT (pro-rated if applicable to the proportion of CCT's interest in the Authorised Investments sold or divested). |

| Fees | CMT | CCT |
|---|---|---|
| **Authorised Investment Management Fee** | CMT Manager<br>In relation to any Authorised Investment which is not Real Estate (as defined in the CMT Trust Deed), not more than 0.5% per annum of the investment value of the Authorised Investment unless such Authorised Investment is an interest in a property fund (either a real estate investment trust or private property fund) wholly managed by a wholly owned subsidiary of CapitaLand, in which case no management fee shall be payable in relation to such Authorised Investment. | CCT Manager<br>No authorised investment management fee. |
| **Trustee's Fee** | CMT Trustee<br>Not more than 0.1% per annum of the Deposited Property, subject to a minimum of S$15,000 per month excluding all reasonable out-of-pocket expenses and all applicable goods and services tax. | CCT Trustee<br>Not more than 0.1% per annum of the Value of the Deposited Property, subject to a minimum amount of S$8,000 per month, excluding all reasonable out-of-pocket expenses and all applicable goods and services tax. |
| **Changes to Fee Structure** | By way of extraordinary resolution of the CMT Unitholders. | By way of extraordinary resolution of the CCT Unitholders. |

This summary should be read in conjunction with, and in the context of, the CMT Trust Deed and the CCT Trust Deed.

**Part 4 Fees relating to the subsidiaries and joint ventures of CMT and CCT**

| Type of Fees | Fees |
|---|---|
| **Brilliance Mall Trust ("BMT")** (which is 100.0% owned by CMT) | |
| **BMT Trustee's Fees** (payable to the BMT Trustee) | Pursuant to the trust deed dated 1 September 2010 constituting BMT, as amended, varied or supplemented from time to time (the "**BMT Trust Deed**"), Brilliance Trustee Pte. Ltd., in its capacity as trustee of BMT (the "**BMT Trustee**") is entitled to receive trustee's fees of a sum as may be agreed between parties for the provision of trustee services, until the earlier of the removal or resignation of the BMT Trustee, and the termination of BMT, in each case, in accordance with the BMT Trust Deed. The BMT Trustee is also entitled to reimbursement of expenses incurred in the performance of its duties under the BMT Trust Deed. |
| **Infinity Mall Trust ("IMT")** (which is 100.0% owned by CMT) | |
| **IMT Trustee's Fees** (payable to the IMT Trustee) | Pursuant to the trust deed dated 25 May 2011 entered into constituting IMT, as amended, varied or supplemented from time to time (the "**IMT Trust Deed**"), JG Trustee Pte. Ltd., as trustee of IMT (the "**IMT Trustee**") is entitled to receive trustee's fees of a sum as may be agreed between parties for the provision of trustee services, until the earlier of the removal or resignation of the IMT Trustee, and the termination of IMT, in each case, in accordance with the IMT Trust Deed. The IMT Trustee is also entitled to reimbursement of expenses incurred in the performance of its duties under the IMT Trust Deed. |
| **RCS Trust** (which is 40.0% owned by CMT and 60.0% owned by CCT) | |
| **RCS Trust Management Fee** (payable to the CMT Manager and the CCT Manager, in proportion to the respective unitholdings of CMT and CCT in RCS Trust) | Pursuant to the trust deed dated 18 July 2006, as amended, varied or supplemented from time to time constituting RCS Trust (the "**RCS Trust Trust Deed**"), the management fees comprise a base component of 0.25% per annum of the value of the Deposited Property of RCS Trust and a performance component of 4.00% per annum of the net property income of RCS Trust. Under the terms of the CMT Trust Deed, the management fees which the CMT Manager is entitled to in respect of RCS Trust or the assets held by RCS Trust shall be reduced to the extent that any such payment of management fees has been received by the CMT Manager pursuant to the RCS Trust Trust Deed. Likewise, under the terms of the CCT Trust Deed, the management fees which the CCT Manager is entitled to in respect of RCS Trust or the assets held by RCS Trust shall be reduced to the extent that any such payment of management fees has been received by the CCT Manager pursuant to the RCS Trust Trust Deed. "**Deposited Property of RCS Trust**" refers to all the assets of RCS Trust, including all its authorised investments for the time being held or deemed to be held upon the trusts of the RCS Trust Trust Deed. |

| Type of Fees | Fees |
|---|---|
| **Glory Office Trust ("GOT")** (which is 45.0% owned by CCT) | |
| **GOT Trustee-Manager's Fees** (payable to the GOT Trustee-Manager) | Pursuant to the trust deed dated 28 February 2017 constituting GOT, as amended, varied or supplemented from time to time (the "**GOT Trust Deed**"), CL Office Trustee Pte. Ltd., as trustee-manager of GOT (the "**GOT Trustee-Manager**"), is entitled to receive a trustee fee which shall not exceed 0.1% per annum of the Value (as defined in the GOT Trust Deed) of the Deposited Property (as defined in the GOT Trust Deed), subject to a minimum amount of S$8,000 per month, excluding all reasonable out-of-pocket expenses and all applicable goods and services tax. |
| **Glory SR Trust ("GSRT")** (which is 45.0% owned by CCT) | |
| **GSRT Trustee-Manager's Fee** (payable to the GSRT Trustee-Manager) | Pursuant to the trust deed dated 28 February 2017 constituting GSRT, as amended, varied or supplemented from time to time (the "**GSRT Trust Deed**"), Glory SR Trustee Pte. Ltd., as trustee-manager of GSRT (the "**GSRT Trustee-Manager**"), is entitled to receive a trustee fee which shall not exceed 0.1% per annum of the Value (as defined in the GSRT Trust Deed) of the Deposited Property (as defined in the GSRT Trust Deed), subject to a minimum amount of S$8,000 per month, excluding all reasonable out-of-pocket expenses and all applicable goods and services tax. |

**Part 5 Fee structure of the Merged Entity**

The fee structure of the Merged Entity will be based on that of the CMT Group, as follows. Please see Note 2 to the table below for further details.

| Type of Fees(1) | Fees |
|---|---|
| **Base Fee(2)** | Not more than 0.25% per annum of the Deposited Property (as defined in the CMT Trust Deed). |
| **Performance Fee(2)** | 4.25% of the Net Property Income (as defined in the CMT Trust Deed) for each financial year based on the audited accounts of CMT determined for that year. |
| **Acquisition Fee(3)** | Not more than 1% of the purchase price (after deducting the interest of any co-owner or co-participant) of any Authorised Investment (as defined in the CMT Trust Deed) acquired from time to time by the CMT Trustee on behalf of CMT, whether directly or indirectly through a special purpose vehicle. |
| **Divestment Fee(3)** | Not more than 0.5% of the sale price (after deducting the interest of any co-owners or co-participants) of any Authorised Investment sold or divested from time to time by the CMT Trustee on behalf of CMT, whether directly or indirectly through a special purpose vehicle. |
| **Authorised Investment Management Fee** | In relation to any Authorised Investment which is not Real Estate (as defined in the CMT Trust Deed), not more than 0.5% per annum of the investment value of the Authorised Investment unless such Authorised Investment is an interest in a property fund (either a real estate investment trust or private property fund) wholly managed by a wholly owned subsidiary of CapitaLand, in which case no management fee shall be payable in relation to such Authorised Investment. |
| **Trustee's Fee payable to HSBC Institutional Trust Services (Singapore) Limited** | Not more than 0.1% per annum of the Deposited Property, subject to a minimum of S$15,000 per month excluding all reasonable out-of-pocket expenses and all applicable goods and services tax. |

For the RCS Trust management fees and trustee's fees payable to trustees other than HSBC Institutional Trust Services (Singapore) Limited, please refer to **Schedule 1, Part 4** for further details.

**Notes:**

(1) This summary should be read in conjunction with, and in the context of, the CMT Trust Deed.

(2) As mentioned in **paragraph 10.1.2**, the fees for the properties and investments of the Merged Entity will be based on the fee structure of the CMT Group, as presently adopted. Notwithstanding the foregoing, the fees for the existing properties and investments of CCT (including CCT's existing 45.0% interest in CapitaSpring which is currently undergoing redevelopment) will be based on the fee structure of the CCT Group, as presently adopted, save for existing properties of CCT to which the fee structure of CMT Group shall apply, if they undergo redevelopment post-Merger. Please refer to **Schedule 1, Part 3** and **Schedule 1, Part 4** for further details of the current fee structure of each of the CMT Group and the CCT Group.

(3) This is the same rate as presently adopted by CCT.

## Part 6 Risk Factors relating to the Merger and the Merged Entity

*CMT Unitholders should consider carefully, together with all other information contained in this Circular, the factors described below in deciding how to vote on the resolutions proposed at the EGM and as these may, among others, adversely affect the level of the Merged Entity's distributable income.*

*The following set out the risk factors relating to the Merger, namely the risks relating to the assets of CCT, risks relating to the commercial real estate industry and risks relating to the Merged Entity and they are not intended to be exhaustive.*

### RISKS ASSOCIATED WITH THE BUSINESS OF CCT

**Applicable laws, regulations and accounting standards in Singapore, Germany, the Netherlands, Luxembourg and Malaysia are subject to change.**

CCT may be affected by the introduction of new or revised legislation, regulations, guidelines or directions applicable to it. There is no assurance that the Monetary Authority of Singapore or any other relevant authority will not introduce new legislation, regulations, guidelines or directions which may adversely affect REITs generally or CCT specifically.

Further, the financial statements of CCT may be affected by the introduction of new or revised accounting standards in Singapore, Germany, the Netherlands, Luxembourg and Malaysia (being jurisdictions which CCT has properties, SPVs and/or interests in listed REITs). As the extent and timing of these changes in accounting standards are currently unknown, the CCT Manager is not able to quantify the effect of any such changes. There can be no assurance that any future changes in accounting standards will not have a significant impact on the presentation of CCT's financial statements or on CCT's financial condition and results of operations. There can be no assurance that any such changes will not affect the ability of the CCT Manager to carry out CCT's business strategy or the operations and financial condition of CCT.

**CCT is exposed to risks associated with exchange rate fluctuations between the currencies of the countries in which CCT invests and the Singapore dollar.**

CCT has made investments in Singapore and Germany, which are denominated in Singapore dollars and Euros, and receives income arising from such assets in Singapore dollars and Euros respectively. However, CCT maintains its financial statements in Singapore dollars and makes Singapore dollar distributions. The distributions made by CCT may be adversely affected by fluctuations in the exchange rates between the Euro, the Singapore dollar and any other local currencies of any other foreign countries in which CCT may invest in future. Should the Singapore dollar appreciate in value against the currencies of countries in which CCT invests, there may be an adverse effect on CCT's net asset value and results of operations.

**There is no assurance that the other joint venture partners of the property holding special purpose vehicles ("SPVs"), which are not wholly owned, directly or indirectly, will co-operate on matters concerning these companies or honour all their obligations under these joint ventures.**

A few property holding SPVs are not wholly owned by the CCT Trustee. Accordingly, the CCT Trustee does not have an unfettered discretion to deal with these properties through the property holding SPVs as if these properties are entirely, directly or indirectly, owned by it.

Under the relevant partnership agreements or joint venture agreements (as the case may be) relating to the above-mentioned properties, certain matters such as making amendments to the joint venture agreements, changing the business or equity capital structure of the property holding SPVs, issuing of securities by the property holding SPVs, incurring of borrowings by the property holding SPVs, asset enhancement and capital expenditure plans, and the transfer of disposal of assets of the property holding SPVs, may require a unanimous or a majority approval from the joint venture partners of the property holding SPVs being obtained.

As CCT does not own the entire interests in these property holding SPVs, there is no assurance that such unanimous/majority approval from the joint venture partners of the property holding SPVs can be obtained. The other joint venture partners of these property holding SPVs may vote against such resolutions and hence prevent such resolutions from being passed. If such resolutions are not passed, certain matters relating to the properties, such as those relating to asset enhancement and capital expenditure plans or incurring of borrowings, may not be carried out and this may adversely affect the financial condition and results of operations of CCT.

In addition, if the other joint venture partners of the property holding SPVs are obliged to contribute additional capital or funds to the property holding SPVs, but lack financial resources at the relevant time to meet these obligations, necessary capital or funds required for development or operations may be delayed or cancelled. This adds to the risk of collaborations and may adversely affect the financial condition and results of operations of CCT.

**CCT may suffer higher taxes if any of its current or future SPVs are treated as having a taxable presence or permanent establishment outside their place of incorporation and place of tax residency.**

If any of CCT or its current or future SPVs are considered as having a taxable presence or permanent establishment outside its place of incorporation and place of tax residency, their income or gains may be subject to additional taxes which may have an adverse impact on CCT and its subsidiaries' financial condition.

## RISKS ASSOCIATED WITH THE CCT PROPERTIES

**Investments in commercial and commercial-related assets will expose CCT to local real estate market conditions.**

Investments in commercial and commercial-related assets will expose CCT to local real estate market conditions. Real estate market conditions which may adversely affect the performance of CCT include the attractiveness of competing commercial-related assets or an oversupply or reduced demand for such commercial-related assets in Singapore and Germany. Any weakening in the Singapore or German office market may adversely affect the business, financial condition and results of operations of CCT.

**Downturns in the commercial property sectors will likely have a direct impact on the revenues and cash flow, as well as the value of the properties, of CCT.**

CCT's financial performance will be linked to economic conditions in the markets it operates in for commercial space generally. The demand for commercial space could be adversely affected by any of the following:

- weakness in the national and regional economies;
- supply exceeding demand for commercial space in the countries CCT operates in;
- the timing and costs associated with property improvements and rentals;

- any changes in taxation, zoning laws and planning requirements;
- adverse government regulation; and
- higher interest rates.

To the extent that any of these factors occur, they are likely to impact market rents for commercial space which will then affect the business, financial condition, results of operations and prospects, as well as the value of the properties, of CCT.

**The business of CCT is located in Singapore and Germany, which may result in a higher level of risk compared to some other REITs that have properties spread over diverse locations.**

The properties held by CCT are principally located in Singapore, with two properties located in Germany. Such concentration in Singapore and to some extent, Germany, may entail a higher level of risk as compared to some other REITs which have properties spread over different countries or have a more diverse range of investments. A substantial portion of the earnings of CCT depends and will continue to depend on the continued strength of Singapore's and Germany's office property market, which is in turn affected by general economic and business conditions. This exposes CCT to the risk of a prolonged downturn in economic and real estate conditions in Singapore and Germany. The value of the CCT Properties and the rental revenue collected may also be adversely affected by local real estate conditions in the countries which the CCT Properties are located in.

**CCT may be adversely affected by the illiquidity of commercial real estate investments.**

CCT invests primarily in commercial real estate which entails a higher level of risk as compared to a portfolio which has a diverse range of investments. Real estate investments, particularly investments in high value commercial properties such as those in which CCT has invested in and intends to invest in, are relatively illiquid. Such illiquidity may affect CCT's ability to vary its investment portfolio or liquidate part of its assets in response to changes in economic, real estate market or other conditions. For instance, CCT may be unable to liquidate its assets on short notice or may be forced to give a substantial reduction in the price that may otherwise be sought for such assets, to ensure a quick sale. Rising capitalisation rates and/or REIT yields may also result in increasing difficulty in the divestment of commercial properties.

Moreover, CCT may face difficulties in securing timely and commercially favourable financing in asset-based lending transactions secured by real estate due to the illiquid nature of real estate assets. These factors could have an adverse effect on the business, financial condition and results of operations of CCT, with a consequential adverse effect on the ability of CCT to make distributions.

In addition, if CCT defaults in its payment obligations, mortgagees of any of the affected properties could foreclose or require a forced sale of any of the affected properties with a consequent loss of income and asset value to CCT. The amount to be received upon a foreclosure sale of any affected property would be dependent on numerous factors, including the actual fair market valuation of the relevant property at the time of such sale, the timing and manner of the sale and the availability of buyers. Each of the CCT Properties is illiquid and there can be no assurance that any of the CCT Properties can or will be liquidated in a short period of time. For all these reasons, there can be no assurance that the proceeds from any foreclosure sale will be sufficient for CCT to meet its obligations pursuant to its borrowings.

**Losses or liabilities from latent property or equipment defects may adversely affect earnings and cash flow.**

Design, construction or other latent property or equipment defects in the CCT Properties may require additional capital expenditure, special repair, maintenance expenses or the payment of damages or other obligations to third parties. Costs or liabilities arising from such property or equipment defects may involve significant and potentially unpredictable patterns and levels of expenditure which may have a material adverse effect on the earnings and cash flows of CCT.

The costs of maintaining the CCT Properties and the risk of unforeseen maintenance or repair requirements tend to increase over time as the properties age. The business and operation of the properties may be disrupted as a result of asset enhancement works and it may not be possible to collect the full rate of, or, as the case may be, any rental income on the space affected by such asset enhancement works. In addition, statutory or contractual representations, warranties and indemnities given by any seller of real estate properties are unlikely to afford satisfactory protection from costs or liabilities arising from such property or equipment defects.

**The CCT Properties may face increased competition from other properties.**

The CCT Properties are located in areas where other competing properties are present and new properties may be developed which may compete with the CCT Properties. Some competing properties may be newer, be better located, have more attractive features, floor plans, amenities or otherwise be more attractive to tenants. Competing properties may also have lower rates of occupancy or operating costs than the CCT Properties, which may result in competing owners offering available space at lower rents than offered at the CCT Properties.

The income from, and the market value of, the CCT Properties will be dependent on the ability of such CCT Properties to compete against other properties for tenants. If competing properties are more successful in attracting and retaining tenants, or similar properties in their vicinity are substantially upgraded and refurbished, the income from the CCT Properties currently owned and subsequently acquired could be reduced, and the ability of the CCT to make regular distributions may be adversely affected.

**The loss of tenants may adversely affect the business, financial condition and results of operations of CCT.**

The business, financial condition, results of operations, ability to lease properties and/or make distributions and the value of its property portfolio of CCT may be adversely affected by the bankruptcy, insolvency or downturn in the business of tenants, including the decision by such tenants not to renew their leases or terminate their leases before they expire.

**A significant number of leases for CCT are for periods of between three and four years in Singapore and between five and nine years in Germany, which may expose CCT to lease expiries each year, and possible negative rent reversions.**

A significant number of leases for CCT are for periods of between three and four years in Singapore and five to nine years in Germany. The leases are generally reviewed to market rentals upon lease expiry, which reflects the general practice in the Singapore and Germany office property markets.

As a result, the CCT Properties experience lease cycles in which a number of its leases expire each year. This exposes CCT to certain risks, including the risk of declining market rentals and that vacancies following non-renewal of leases may lead to lower occupancy rates which may in turn reduce the gross revenue of CCT.

In relation to the CCT Properties, an aggregate of approximately 8% of the leases of the CCT Properties (based on committed gross rental income as at 30 June 2020) will be expiring in the financial year ending 31 December 2020.

If (i) the rental rates for the CCT Properties decrease, (ii) the existing tenants do not renew their tenancies, or (iii) a significant portion of CCT's vacant space and space for which tenancies are scheduled to expire are not leased for a prolonged period, there may be an adverse effect on the business, financial condition and operations of CCT.

**CCT's Singapore properties are in the same general location, which may result in a higher level of risk compared to some other REITs that have properties spread over diverse locations.**

CCT's Singapore properties are located in Singapore's central area, with a majority located in the city's downtown core. This concentration may entail a higher level of risk as compared to some other REITs that have properties spread over several different locations. Any circumstance which may adversely affect the operations or business of any of CCT's Singapore properties or their attractiveness to tenants, may in effect affect all of CCT's Singapore properties. Should this happen, CCT may not have sufficient income from its other properties (or interests in other properties) to mitigate any ensuing loss of income arising from such circumstance.

**Potential liability for environmental problems could result in unanticipated costs.**

The CCT Properties are subject to various environmental laws, including those relating to soil contamination, health, hygiene, air pollution control, water pollution control, waste disposal, noise pollution control and storage of hazardous materials. The costs of removal or remediation of such substances could be substantial. These laws often impose liability without regard as to whether the owner or operator knew of, or was responsible for, the release or presence of hazardous substances. There can be no assurance that potential environmental liabilities do not exist or will not arise in the future. The presence of contamination or hazardous substances on the CCT Properties could adversely affect CCT's ability to lease or sell such CCT Properties or to borrow using the CCT Properties as collateral, which could have an adverse effect on CCT's business, financial condition and results of operations.

**CCT may suffer an uninsured loss.**

CCT maintains insurance policies covering both its assets in line with general business practices in Singapore and Germany in the commercial office space, with policy specifications and insured limits which the CCT Manager believes are adequate. Risks insured against include those of property damage, terrorism and public liability. There are, however, certain types of losses (such as those arising from wars or acts of God) that generally are not insured because they are either uninsurable or not economically insurable. Should an uninsured loss or a loss in excess of insured limits occur, CCT could be required to pay compensation and/or lose capital invested in the relevant property, as well as anticipated future revenue from that property. CCT may also be liable for any debt that is with recourse to CCT and may be liable for any mortgage indebtedness or other financial obligations related to the relevant property. No assurance can be given that material losses will not be in excess of insurance proceeds in the future or that adequate insurance coverage for CCT's properties will be available in the future on commercially reasonable terms or at commercially reasonable rates. Any such loss could adversely affect the business, financial condition and results of operations of CCT and its distributable income.

**RISKS ASSOCIATED WITH THE MERGER**

**The expected synergies in connection with the Merger may not be fully realised, or may take longer than expected to be realised, and the actual synergies may be offset by higher than anticipated costs.**

The CMT Manager expects the Merger to result in various synergies and economies of scale. However, it cannot be excluded that the expected synergies and economies of scale may not be fully realised, or that they may take longer than expected to be realised. In addition, the costs required to achieve these synergies may be higher than anticipated. The materialisation of any of these risks could have an adverse effect on the Merged Entity's business, financial conditions, results of operations or cash flows.

**The future market value of the existing properties in CCT's portfolio may differ from the valuations determined by independent valuers.**

Property valuations generally include a subjective evaluation of certain factors relating to the relevant properties, such as their relative market positions, their financial and competitive strengths and their physical conditions. Accordingly, the future market value of the existing properties in CCT's portfolio may differ from the valuations determined by independent valuers.

**The due diligence exercise on the CCT Properties and tenancies may not have identified all defects, breaches of laws and regulations and other deficiencies.**

The CMT Manager believes that reasonable due diligence investigations on the CCT Properties in connection with the Merger have been conducted. However, there is no assurance that the CCT Properties will not have defects or deficiencies requiring repair, maintenance or replacement (including design, construction or other latent property or equipment defects in the CCT Properties which may require additional capital expenditure, special repair, maintenance expenses, the payment of damages or other obligations to third parties) or be affected by breaches of applicable laws and regulations.

Statutory or contractual representations, warranties and indemnities given by any seller of the CCT Properties are unlikely to afford satisfactory protection from costs or liabilities arising from such property or equipment defects.

Costs or liabilities arising from such defects or deficiencies may require significant capital expenditures or obligations to third parties and may involve significant and potentially unpredictable patterns and levels of expenditure which may have an adverse effect on the earnings and cash flows of the Merged Entity.

**The *pro forma* financial effects of the Merger are not necessarily indicative of the future performance of the Merged Entity.**

The *pro forma* financial information set out at **paragraph 8** is subject to various assumptions and is not necessarily indicative of the future performance of the Merged Entity. There is no assurance that the properties of the Merged Entity will be able to generate sufficient revenue for the Merged Entity to make distributions to holders of units of the Merged Entity or that such distributions will be in line with those set out at **paragraph 8**.

**The Merged Entity may not be able to comply with the terms of certain tax approvals or such tax approvals may be revoked or amended.**

Certain confirmations and rulings will be obtained from the Inland Revenue Authority of Singapore in relation to the Merger as set out in **paragraph 3** of **Schedule 3, Part 1** and the Ministry of

Finance (the Ministry of Finance and the Inland Revenue Authority of Singapore, collectively, the "**Authorities**"). These confirmations and rulings will be made based on facts presented to the Authorities and the current interpretation and application of the existing tax law by the Authorities.

These confirmations and rulings may be adversely affected if:

- the Merger is or the facts are materially different from the facts and/or arrangement stated in the confirmations and rulings obtained from the Authorities;
- there was a material omission or misrepresentation in, or in connection with, the application for confirmations and rulings from the Authorities;
- the Authorities made an assumption about a future event or another matter that is material to the confirmations and rulings, and the assumption subsequently proves to be incorrect; or
- the Authorities stipulate a condition that is not satisfied.

These confirmations and rulings do not shelter the Merged Entity from any future changes in the tax laws that may have a direct impact on the confirmations and rulings obtained from the Authorities and where there is a change in the interpretation of any of the tax laws which affects the confirmations and rulings obtained from the Authorities, the Authorities may withdraw such confirmations and/or rulings.

If the confirmations and rulings obtained from the Authorities are withdrawn or amended, or if the confirmations and rulings obtained from the Authorities cease to apply for any reason, for example, because the facts on which such confirmations and rulings were issued are no longer applicable or if the Merged Entity is unable to comply with the stipulated conditions, the Merged Entity may suffer increased Singapore tax liability, which in turn could affect the amount of distributions made to unitholders of the Merged Entity.

## RISKS RELATING TO THE MERGED ENTITY'S OPERATIONS

**The Merged Entity is exposed to general risks associated with the ownership and management of real estate.**

The Merged Entity invests primarily in real estate which entails a higher level of risk as compared to a portfolio which has a diverse range of investments. The Merged Entity's real estate investments are subject to risks incidental to the ownership and management of retail and office properties including, among other things, competition for tenants, changes in market rents, inability to renew leases or re-let space as existing leases expire, inability to collect rent from tenants due to bankruptcy or insolvency of tenants or otherwise, inability to dispose of major investment properties for the values at which they are recorded in the Merged Entity's financial statements, increased operating costs, the need to renovate, repair and re-let space periodically and to pay the associated costs, wars, terrorist attacks, sabotage, property damage, riots, civil commotions, natural disasters and physical risks associated with climate change such as rising sea levels, flash floods, fresh water depletion, violent storms and heat waves, safety, health and well-being risks associated with operating retail and office properties, and disruption to utilities and other events beyond the Merged Entity's control. The Merged Entity's activities may also be impacted by changes in laws and governmental regulations in relation to real estate, including those governing usage, zoning, taxes, government charges and climate change. Such revisions may lead to an increase in management expenses or unforeseen capital expenditure to ensure compliance. Rights related to the relevant properties may also be restricted by legislative actions, such as revisions to the laws relating to building standards or town planning laws, or the enactment of new laws relating to government appropriation, condemnation and redevelopment.

**Difficult conditions in the global credit and capital markets and the economy generally have had, and may continue to have, an adverse effect on the business, financial condition and results of operations of the Merged Entity.**

The global credit markets have experienced, and may continue to experience, volatility and liquidity disruptions, which have resulted in the consolidation, failure or near failure of a number of institutions in the banking and insurance industries.

In addition, there is uncertainty arising from exit of the United Kingdom from the European Union on 31 January 2020 ("**Brexit**"). The effects of Brexit will depend on any agreements the United Kingdom makes to retain access to European Union markets, either during a transitional period or more permanently. Brexit could adversely affect European or worldwide economic or market conditions and could contribute to instability in global financial and foreign exchange markets, including volatility in the value of the Euro.

Such events could adversely affect the Merged Entity insofar as they result in:

- a negative impact on the ability of the tenants of the Merged Entity (in particular those of the CCT Properties located in Germany) to pay their rents in a timely manner or continue their leases, thus reducing the cash flow of the Merged Entity;
- an increase in counterparty risk; and
- an increased likelihood that one or more of the banking syndicate or insurers of the Merged Entity may be unable to honour their commitments to the Merged Entity.

There is also uncertainty as to the effect of such events on the global economy, on consumer demand and the resultant impact on Singapore's external trade dependent economy.

Based on advanced estimates by the Ministry of Trade and Industry of Singapore ("**MTI**"), the 2020 gross domestic product growth forecast for the Singapore economy is expected to be between -7.0% to -5.0%[50]. The performance of the Singapore economy may be one of the factors that affects office demand, which may adversely affect the business, financial condition and results of operations of the Merged Entity.

**Outbreaks of infectious diseases and other serious public health concerns in Asia, Europe, North America and elsewhere could adversely impact the business, financial condition and results of operations of the Merged Entity.**

Outbreaks of infectious diseases and other serious public health concerns, including epidemics and pandemics, in Asia, Europe, North America and elsewhere may be beyond the Merged Entity's control and may adversely affect the economies of the countries in which the Merged Entity is exposed to. Such outbreaks include but are not limited to COVID-19, the Ebola virus, severe acute respiratory syndrome ("**SARS**"), Influenza A (H1N1), Middle East respiratory syndrome ("**MERS**"), the Zika virus and avian influenza.

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50 **Source**: MTI's press release titled "MTI Narrows 2020 GDP Growth Forecast to "-7.0 to -5.0 Per Cent"" published on 11 August 2020 which is available on the website of the MTI at http://www.mti.gov.sg (last accessed on 26 August 2020). While the CMT Manager has taken reasonable actions to ensure that the information from the relevant report published by the MTI is reproduced in its proper form and context, and that the information is extracted accurately and fairly from such report, the CMT Manager, the Financial Adviser and/or any other party have not conducted an independent review of the information contained in such report nor verified the accuracy of the contents of the relevant information.

There can be no assurance that any precautionary measures taken against infectious diseases would be effective. Outbreaks of infectious diseases or other serious public health concerns such as COVID-19, SARS, Influenza A (H1N1), MERS, the Zika virus and avian influenza in Asia, Europe, North America and elsewhere, together with any resulting disruption to business operations or the imposition of restrictions on travel and/or quarantines, would have a negative impact on the overall market sentiment, economy and business activities in Asia, Europe and North America and elsewhere, thereby adversely affecting the revenues, financial position and results of operations of the Merged Entity.

In particular, the COVID-19 pandemic has resulted in a public health crisis globally and the number of reported cases of COVID-19 worldwide, as well as the number of reported deaths as a consequence of COVID-19 worldwide, significantly exceeds those observed during the SARS epidemic that occurred from November 2002 to July 2003. The COVID-19 outbreak has resulted in quarantines, travel restrictions, enhanced health screenings at ports of entry and elsewhere, event cancellations and suspensions, city lockdowns and closed international borders.

The COVID-19 pandemic has resulted in an unprecedented global economic crisis. As a result of the unprecedented measures taken by governments globally, including the imposition of severe movement and travel restrictions, lockdowns, border controls and safe distancing, there have been severe disruptions to businesses in many sectors, including retail, hospitality, travel, manufacturing, logistics, construction, aviation and shipping and many economic activities have come to a halt. The outbreak has resulted, and continues to result, in protracted market volatility, business shutdowns and falling real estate prices. Singapore is now facing its worst economic recession as a result of the COVID-19 pandemic. Based on estimates from the MTI[51], the Singapore economy contracted by 12.6% on a year-on-year basis in 2Q2020, due to Circuit Breaker measures that were implemented from 7 April to 1 June 2020 to slow the spread of COVID-19, which included the suspension of nonessential services and closure of most workplace premises, as well as weak external demand amidst a global economic downturn precipitated by the COVID-19 pandemic. The MTI has revised its 2020 gross domestic product growth forecast for the Singapore economy to be between -7.0% to -5.0%[52]. A number of governments (including the Government of Singapore) have revised gross domestic product growth forecasts for 2020 downward in response to the economic slowdown caused by the outbreak.

Accordingly, COVID-19 could have an adverse impact on the business, financial condition, results of operations and prospects of the Merged Entity. For instance, impact on the economy and the measures imposed by the Government of Singapore in response to the COVID-19 outbreak in Singapore have resulted in lower footfall in malls, wider adoption of flexible work arrangements (including telecommuting), reduced demand for space by current or potential tenants, requests by existing tenants for rental rebates or reductions or delayed payment, reduced rental rates and/or shorter lease terms for new or renewed leases, early termination of existing leases, and/or lower rental income. As the impact of COVID-19 is fluid and evolving, significant market uncertainty

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51 **Source**: MTI press release titled "Singapore's GDP Contracted by 12.6 Per Cent in the Second Quarter of 2020" published on 14 July 2020 which is available on the website of MTI at https://www.singstat.gov.sg/-/media/files/news/advgdp2q2020.pdf (last accessed on 26 August 2020). While the CMT Manager has taken reasonable actions to ensure that the information from the relevant report published by the MTI is reproduced in its proper form and context, and that the information is extracted accurately and fairly from such report, the CMT Manager, the Financial Adviser or any other party have not conducted an independent review of the information contained in such report nor verified the accuracy of the contents of the relevant information.

52 **Source**: MTI's press release titled "MTI Narrows 2020 GDP Growth Forecast to "-7.0 to -5.0 Per Cent"" published on 11 August 2020 which is available on the website of the MTI at http://www.mti.gov.sg (last accessed on 26 August 2020). While the CMT Manager has taken reasonable actions to ensure that the information from the relevant report published by the MTI is reproduced in its proper form and context, and that the information is extracted accurately and fairly from such report, the CMT Manager, the Financial Adviser and/or any other party have not conducted an independent review of the information contained in such report nor verified the accuracy of the contents of the relevant information.

exists. Consequently, the valuations of investment properties are currently subject to material estimation uncertainty. Values may change more rapidly and significantly than during standard market conditions.

Given the uncertainties as to how the COVID-19 pandemic will continue to evolve and when it can be fully contained, it is difficult to predict how long such conditions will exist and when normal economic activities will return fully and the extent to which the Merged Entity may be affected by such conditions. Moreover, given the unprecedented nature of the COVID-19 pandemic, the ongoing pandemic may also adversely affect the Merged Entity in ways that cannot be foreseen.

**Terrorist attacks, other acts of violence or war and adverse political developments may affect the business, financial condition and results of operations of the Merged Entity.**

Terrorist attacks, other acts of violence or war and adverse political developments in various parts of the world have resulted in economic volatility, escalating geopolitical tensions between the United States of America and China, and social unrest in Southeast Asia and Europe. Further developments stemming from these events or other similar events could cause further volatility. Any further terrorist activities could also materially and adversely affect international financial markets and the Singapore and German economies which may in turn adversely affect the operations, revenues and profitability of the Merged Entity. The consequences of any of these terrorist attacks or armed conflicts are unpredictable, and the CMT Manager (as manager of the Merged Entity post-Merger) may not be able to foresee or pre-empt events that could have an adverse effect on its business, financial condition and results of operations.

**Occurrence of any acts of God may adversely and materially affect the business, financial condition, results of operations and prospects of the Merged Entity.**

Acts of God such as natural disasters are beyond the control of the Merged Entity and may adversely affect the economy, infrastructure and livelihood of the local population in the communities in which the Merged Entity operates. The Merged Entity's business and operations may be adversely affected should such acts of God occur. There can also be no assurance that any acts of God in any part of the world will not, directly or indirectly, have an adverse effect on the business, financial condition, results of operations and prospects of the Merged Entity.

**The Merged Entity may not be able to achieve future growth successfully.**

There can be no assurance that the Merged Entity will be able to grow successfully. The Merged Entity's ability to achieve future growth will depend, among others, on its ability to acquire, develop or enhance its existing or new properties. The Merged Entity will rely on a combination of internal cash flows and resources and external sources of funding to acquire, develop or enhance its existing or new properties, which may not be available on commercially reasonable terms or at all. Even if the Merged Entity is successful in securing new assets or in developing or enhancing its existing assets, there can be no assurance that the Merged Entity will be able to achieve the intended returns or generate the intended revenue from such assets. Furthermore, the Merged Entity may face significant competition from other real estate companies or investors and managers of real estate assets in the acquisition, enhancement and management of commercial properties. There can be no assurance that the Merged Entity will be able to compete effectively, or to secure such opportunities on commercially reasonable terms or at all.

The anticipated future growth in the Merged Entity's business and assets may also challenge its managerial, operational, financial and other resources. The risks associated with the Merged Entity's anticipated future growth include, among others, the increasing operating complexity of its business and the increasing responsibility of its management. In turn, this will require the continued development of financial and management controls and systems and the Merged Entity's implementation of these systems across its business. Furthermore, the Merged Entity may face additional challenges in ensuring that adequate internal controls and supervisory procedures are in place. If the Merged Entity is unable to successfully manage the impact of the Merged Entity's growth on the Merged Entity's operational and managerial resources and control systems, this could have an adverse effect on its business, financial condition, operations, performance and prospects.

**The CMT Manager (as manager of the Merged Entity post-Merger) may change the Merged Entity's investment strategy for the Merged Entity.**

The Merged Entity is required to comply with the Property Funds Appendix issued by the Monetary Authority of Singapore and the applicable provisions of the CMT Trust Deed. Pursuant to paragraph 6.1 of the Property Funds Appendix, the Merged Entity may only invest in:

(a) real estate, whether freehold or leasehold, in or outside Singapore, which may be by way of direct ownership or a shareholding in an unlisted special purpose vehicle constituted to hold or own real estate;

(b) real estate-related assets, wherever the issuers/assets/securities are incorporated/located/ issued/traded;

(c) listed or unlisted debt securities and listed shares of, or issued, by local or foreign non-property corporations;

(d) government securities (issued on behalf of the Government of Singapore or governments of other countries) and securities issued by a supranational agency or a Singapore statutory board; and

(e) cash and cash equivalent items.

The Merged Entity is also required to ensure that:

(i) at least 75.0% of the Merged Entity's deposited property (as defined in the Property Funds Appendix) should be invested in income-producing real estate;

(ii) the Merged Entity should not undertake property development activities whether on its own, in a joint venture with others, or by investing in unlisted property development companies, unless the Merged Entity intends to hold the developed property upon completion. For this purpose, property development activities do not include refurbishment, retrofitting and renovations;

(iii) the Merged Entity should not invest in vacant land and mortgages (except for mortgage-backed securities). This prohibition does not prevent the Merged Entity from investing in real estate to be built on vacant land that has been approved for development or other uncompleted property developments;

(iv) the total contract value of property development activities undertaken and investments in uncompleted property developments should not exceed 10.0% of the Merged Entity's deposited property. The total contract value of property development activities may exceed 10.0% of the Merged Entity's deposited property (subject to a maximum of 25.0% of the Merged Entity's deposited property) only if:

    (1) the additional allowance of up to 15.0% of the Merged Entity's deposited property is utilised solely for the redevelopment of an existing property that has been held by the Merged Entity for at least three years and which the Merged Entity will continue to hold for at least three years after the completion of the redevelopment; and

(2) the Merged Entity obtains the specific approval of its unitholders' at a general meeting for the redevelopment of the property.

For the purpose of this paragraph (iv), the value of the investment refers to the contracted purchase price and not the value of progress payments made to date; and

(v) for investments in permissible investments under sub-paragraphs (c), (d) or (e) above (except for deposits placed with eligible financial institutions and investments in high-quality money market instruments or debt securities), not more than 5.0% of the Merged Entity's deposited property may be invested in any one issuer's securities or any one manager's funds.

The Merged Entity's policies with respect to certain activities, including acquisitions and divestments, will be determined by the CMT Manager (as manager of the Merged Entity post-Merger), subject to applicable laws and regulations, including those stated above. Under the CMT Trust Deed, the CMT Manager (as manager of the Merged Entity post-Merger) has wide powers to invest in various types of assets, including any real estate, real estate-related assets as well as listed and unlisted securities in Singapore and other jurisdictions. The CMT Manager (as manager of the Merged Entity post-Merger) has stated its intention to restrict investments to real estate which is used, or primarily used, for retail and commercial purposes.

Notwithstanding the CMT Trust Deed granting the CMT Manager (as manager of the Merged Entity post-Merger) such powers, there may be additional restrictions imposed on the CMT Manager (as manager of the Merged Entity post-Merger) in respect of changes being made to the Merged Entity's investment strategy following future amendments to the Listing Manual, the Property Funds Appendix and/or other relevant regulations from time to time.

**The CMT Manager (as manager of the Merged Entity post-Merger) may not be able to successfully implement its investment strategies, including but not limited to the expansion of its investment mandate and strategies to capitalise on real estate trends such as the trend towards mixed-use precincts and integrated developments.**

The investment strategies of the CMT Manager (as manager of the Merged Entity post-Merger) includes expanding the investment mandate of the Merged Entity to include commercial properties and providing regular and stable distributions to unitholders. Further, the strategies of the Merged Entity include, among others, capitalising on current and future real estate trends, including the trend towards mixed-use precincts and integrated developments. However, there can be no assurance that such trends will materialise, or that the investment strategies of the Merged Entity will succeed. For instance, integrated or mixed-use developments, which may include a combination of retail, office and/or other components, are subject to the risks associated with retail, office and/or other properties in general, which may include but are not limited to oversupply, lack of demand, unfavourable economic conditions and changes in government policies from time to time. Moreover, there is no assurance that the CMT Manager (as manager of the Merged Entity post-Merger) will be able to expand and/or redevelop the Merged Entity's portfolio, or at any specified rate or to any specified size or to any specified use(s). The CMT Manager (as manager of the Merged Entity post-Merger) may not be able to carry out investments, acquisitions or redevelopments on favourable terms or within a desired time frame.

The Merged Entity may rely on external sources of funding to expand and/or redevelop its portfolio, which may not be available on favourable terms or at all, particularly in light of current global market conditions mentioned above. Even if the Merged Entity were able to successfully make additional property investments or undertake redevelopments, there can be no assurance that the Merged Entity will achieve its intended return on such investments or developments. Since the amount of debt that the Merged Entity can incur to finance acquisitions is limited by the Property Funds Appendix, such acquisitions will largely be dependent on the Merged Entity's ability to raise equity capital, which may result in a dilution of unitholders' holdings. Potential vendors may also view the prolonged time frame and lack of certainty generally associated with the raising of equity capital to fund any such purchase negatively and may prefer other potential purchasers. In addition, for risks relating to real estate development, please refer to the risk factor "*The Merged Entity is exposed to real estate development risks*."

Furthermore, there may be significant competition for attractive investment and development opportunities from other real estate investors, including commercial property development companies, private investment funds and other REITs whose investment policy is also to invest in commercial properties and/or integrated or mixed-use developments. There can be no assurance that the Merged Entity will be able to compete effectively against such entities.

**The Merged Entity's business may be subject to risks in investing outside Singapore.**

The Merged Entity will continue to be predominantly Singapore-focused while having the flexibility to explore acquisitions in other developed countries of not more than 20% of the total portfolio property value of the Merged Entity.

This could expose the Merged Entity to political, economic, regulatory and social risks specific to the developed countries in which the Merged Entity undertakes investments in. These risks include a number of country-specific real estate market conditions, such as oversupply, reduced demand, and the performance of competing properties. Any changes in these countries' political environments and government policies, including required government approvals, changes in laws, regulations and the interpretation thereof, and changes in tax policies could adversely affect the results of the Merged Entity investments. Further, restrictions on foreign currency conversion or remittance of earnings, or fluctuations in the specific currency in which rentals and other investment income are denominated, will have an adverse effect when the Merged Entity converts investment returns into Singapore dollars.

Such unfavourable events in specific countries may have an adverse effect on the Merged Entity's business, financial condition, results of operations and prospects.

**Applicable laws, regulations and accounting standards in Singapore, China, Germany, the Netherlands, Luxembourg and Malaysia are subject to change and the Merged Entity may suffer higher taxes if any of its current or future SPVs are treated as having a taxable presence or permanent establishment outside their place of incorporation and place of tax residency.**

Entities operating in Singapore, China, Germany, the Netherlands, Luxembourg and Malaysia are subject to a variety of taxes and changes in legislation or the rules relating to such tax regimes could materially and adversely affect the Merged Entity's business, financial condition, results of operations and prospects.

The governments of each of Singapore, China, Germany, the Netherlands, Luxembourg and Malaysia may in the future amend the tax legislation or rules, regulations, guidelines and practice relating to taxation with either prospective or retroactive effect and this may affect the overall tax liabilities of the Merged Entity and/or SPVs of the Merged Entity incorporated in Singapore, China, Germany, the Netherlands and Luxembourg, the liabilities of MRCB-Quill REIT, a commercial REIT listed on Bursa Malaysia, the liabilities of CRCT and the Merged Entity (in respect of its interests in its SPVs, MRCB-Quill REIT, CRCT and the properties of the Merged Entity located in their respective jurisdictions). Such changes may result in significant additional taxes becoming payable by such entities. Such additional tax exposure could have an adverse effect on the Merged Entity's business, financial condition, cash flows and results of operations and consequentially may have a material adverse impact on distributions to be made by the Merged Entity.

**The Merged Entity may be exposed to risks associated with exchange rate fluctuations and changes in foreign exchange regulations.**

The revenue received from the properties in Germany is in Euros. A portion of these Euros will have to be converted into Singapore dollars to settle expenses in Singapore dollars at CCT's level and for the distribution payments to the unitholders of the Merged Entity. Accordingly, the Merged Entity is exposed to risks associated with exchange rate fluctuations which may adversely affect the Merged Entity's results of operations.

The value of the Euro against foreign currencies fluctuates and is affected by changes in Germany and international political and economic conditions and by many other factors.

The distributions received by a unitholder of the Merged Entity may be adversely affected by fluctuations in the exchange rates between the Euro, the Singapore dollar and any other currencies which may be adopted from time to time. Significant fluctuations in the exchange rates between such currencies will also, among others, affect the net asset value of the units of the Merged Entity and the foreign currency value of the revenue from the properties in Germany.

**The Merged Entity may be subject to interest rate fluctuations.**

Future borrowings of the Merged Entity may carry floating interest rates. Consequently, the interest cost to the Merged Entity for such debt will be subject to fluctuations in interest rates. There is no certainty that interest rates will not increase to the detriment of the Merged Entity, and the risk of increase in short-term interest rates may adversely affect the borrowings which are pegged to floating rates.

As part of the Merged Entity's active capital management strategies, the Merged Entity may, from time to time enter into some hedging transactions to partially mitigate the risk of such interest rate fluctuations. However, such hedging, or the Merged Entity's hedging policy, may not adequately cover its exposure to interest rate fluctuations or any increase in interest rates in its existing debt.

Further, the interest rate of the borrowings of the Merged Entity may refer to several interest rate benchmarks which may undergo review and reform. There is no certainty that interest rates will not increase to the detriment of the Merged Entity.

Consequently, interest rate fluctuations could have an adverse effect on the business, financial condition, results of operations and prospects of the Merged Entity.

**The Merged Entity may be exposed to risks associated with changes in foreign direct investment regulations in the overseas markets in which it invests.**

The Merged Entity may be exposed to risks associated with changes in foreign direct investment regulations in the overseas markets in which it invests from time to time.

For example, in Germany, where certain properties of the Merged Entity are situated, German law does not currently provide for any permanent currency or administrative controls on foreign investments. Foreign investors are subject to the same conditions as their German counterparts in obtaining operating licences, securing building permits and obtaining approval for investment incentives. However, according to section 4 of the German Foreign Trade and Payments Act (Außenwirtschaftsgesetz), under certain circumstances, foreign trade, payments transactions and legal transactions can be restricted and obligations to act can be imposed by ordinance (for example, in order to guarantee the essential security interests of the Federal Republic of Germany or to prevent a substantial disturbance to the foreign relations of the Federal Republic of Germany). Should such a restriction be imposed in relation to Singapore, the transfer of payments such as dividends and interest from inter-company loans to CCT could be impeded.

Furthermore, according to Article 86 of the Introductory Act to the German Civil Code (Einführungsgesetz zum BGB) the government of the Federal Republic of Germany is entitled to restrict the acquisition of rights by foreigners or foreign legal entities by way of an approval requirement, if German and domestic legal entities are limited in the relevant state in the acquisition of rights and foreign policy reasons require such restriction. This does not apply to foreigners or foreign entities from member states of the European Union. However, it is not clear in German law literature whether this exception applies to foreign entities from member states of the European Union which are held by non-European Union entities. Should such approval requirements be imposed, while it would not affect transactions that have already been completed at the time of the introduction of such requirement, this may adversely affect the ability of the Merged Entity to make future acquisitions in Germany.

Furthermore, restriction of capital movements (e.g. incoming rents) as a result of an embargo relating to certain areas, entities or persons may apply as a result of applicable resolutions adopted by the United Nations and the European Union.

There is no assurance that the government of the Federal Republic of Germany will not introduce additional measures to restrict foreign direct investment in Germany, or that the United Nations and the European Union will not adopt resolutions which have a similar effect. The introduction of such new measures may adversely affect the Merged Entity's business, financial condition, results of operations and prospects.

Accordingly, should the Merged Entity's overseas investments be subject to foreign investment restrictions, this may adversely affect the Merged Entity's business, financial condition, results of operations and prospects.

**The Merged Entity's hedging transactions may result in limited gains and increased exposure to losses.**

The Merged Entity may enter into hedging transactions to manage risks arising from interest rate and exchange rate fluctuations. Hedging transactions may include entering into interest rate hedging instruments or entering into forward agreements. No hedging activity can completely insulate risks associated with changes in interest rates and exchange rates because, among others:

- available interest rate hedging may not correspond directly with the interest rate risk for which protection is sought;
- the counterparty in the hedging transaction may default on its obligation to pay;
- the credit quality of the counterparty on the hedge may be downgraded to such an extent that it impairs the Merged Entity's ability to sell or assign its side of the hedging transaction; and
- the value of the derivatives used for hedging may be adjusted from time to time in accordance with accounting rules to reflect changes in fair value. Such changes, although unrealised, would reduce the net asset value of the Merged Entity if it is due to downward adjustments.

**The Merged Entity is exposed to real estate development risks.**

The Merged Entity's investment mandate is to principally invest, directly or indirectly, in quality income-producing assets, which are used or primarily used for commercial purposes (including retail and/or office purposes), located predominantly in Singapore. However, it may undertake development of real estate when the CMT Manager (as manager of the Merged Entity post-Merger) considers it to be in the interests of the Merged Entity and provided that the Merged Entity's investments in such development activities do not exceed such limits required under the Property Funds Appendix.

Undertaking real estate development involves various risks, including but not limited to regulatory, construction, financing, safety, health and well-being risks. For instance, various permits and approvals would have to be obtained from the relevant government agencies which may not be forthcoming, costs of construction may overrun as a result of unanticipated cost increases or delays, and external financing may not be available on acceptable terms or at all in order to fund the capital investment required for the development. In particular, the ongoing COVID-19 outbreak has resulted in, and is likely to continue to result in, increases in construction costs and construction delays due to supply chain and labour disruptions. The CMT Manager possesses a limited track record in real estate development and it may have to rely on its joint venture partners and/or service providers in respect of development activities undertaken by the Merged Entity.

**The CMT Manager (as manager of the Merged Entity post-Merger) may not be able to implement its AEIs or successfully carry out its development activities for the Merged Entity.**

One of the strategies for growth is to increase yields and total returns through a combination of the addition and/or optimisation of commercial space at the relevant property. Any plans for AEIs are subject to known and unknown risks, uncertainties and other factors which may lead to any of such AEIs and/or their outcomes being materially different from the original projections or plans.

**The properties of the Merged Entity may be adversely affected if the property manager or any other person appointed to manage a property of the Merged Entity does not provide adequate management and maintenance.**

If the property manager or any other person appointed to manage a property of the Merged Entity fails to provide adequate management and maintenance to such property, the value of such property of the Merged Entity may be adversely affected which may result in a loss of tenants. Accordingly, the ability of the Merged Entity to make regular distributions to the unitholders of the Merged Entity may be adversely affected.

**The Merged Entity may be subject to risks related to its investment in CRCT.**

As at 30 June 2020, CMT has an interest of approximately 10.9% in CRCT, the first China shopping mall REIT listed on the SGX-ST in December 2006.

As CRCT's properties are all located in China, the Merged Entity's investment in CRCT may be affected by risks relating to property investment in China. As CRCT is listed on the SGX-ST, the value of the Merged Entity's investment in CRCT is affected by changes in the trading price of units in CRCT. The trading price of units in CRCT may be affected by various factors including, but not limited to, changes in the value of CRCT's properties, changes in the level of distributions from CRCT, changes in legal and tax laws and policies in China and changes in general economic conditions.

**Market and economic conditions may affect the market price and demand for the units of the Merged Entity.**

Movements in domestic and international securities markets, economic conditions, foreign exchange rates and interest rates may affect the market price of, and demand for, the Merged Entity.

An increase in market interest rates may have an adverse impact on the market price of the units of the Merged Entity if the annual yield on the price paid for the units of the Merged Entity gives investors a lower return as compared to other investments.

**The Merged Entity may be adversely affected by economic and real estate market conditions (including uncertainties and instability in the Singapore and Germany market and increased competition in the real estate markets of Singapore and Germany), as well as changes in regulatory, fiscal and other governmental policies in Singapore and Germany.**

The properties held by the Merged Entity are principally located in Singapore and Germany. As a result, the Merged Entity's revenue and results of operations depend on the performance of the Singapore economy and the German economy. An economic decline in Singapore or Germany could adversely affect the Merged Entity's results of operations and future growth.

In addition, the Singapore economy and the German economy are affected by global economic conditions. Global credit markets have experienced, and may continue to experience, volatility and liquidity disruptions, which have resulted in the consolidation, failure or near failure of a number of institutions in the banking and insurance industries. These events could adversely affect the Merged Entity insofar as they result in:

- a negative impact on the ability of tenants to pay their rents in a timely manner or continue their leases, thus reducing the Merged Entity's cash flow;

- a decline in the demand for leased space for commercial purposes across Singapore and Germany and the rents that can be charged when leases are renewed or new leases entered into, as compared to rents that are currently charged;

- a decline in the market values of the properties of the Merged Entity;

- access to capital markets becoming more difficult, expensive or impossible resulting in an adverse effect on the Merged Entity's ability to obtain debt capital to fund its operations, meet its obligations, purchase additional properties or otherwise conduct its business;

- an increase in counterparty risk (being the risk of monetary loss which the Merged Entity may be exposed to if any of its counterparties encounters difficulty in meeting its obligations under the terms of its respective transaction); and/or

- an increased likelihood that one or more of (i) the Merged Entity's banking syndicates (if any) or (ii) the Merged Entity's insurers, may be unable to honour their commitments to the Merged Entity.

There is also uncertainty as to the strength of the global economy, the potential for slowdown in consumer demand and the impact of the global downturn on the Singapore economy. These factors could contribute to an economic decline in Singapore, which may adversely affect the Merged Entity's results of operations and future growth.

Further, measures and policies adopted by the Singapore and German governments and regulatory authorities, such as government control over property investments or foreign exchange regulations (including any potential restrictions on capital repatriation), may negatively impact properties of the Merged Entity.

**The gross revenue earned from, and the value of, the properties held by the Merged Entity may be adversely affected by a number of factors.**

The gross revenue earned from, and the value of, the properties held by the Merged Entity may be adversely affected by a number of factors, including:

- vacancies following the expiry or termination of tenancies that lead to reduced occupancy rates which reduce the gross revenue of the Merged Entity and its ability to recover certain operating costs through service charges;

- the ability of the property managers of the Merged Entity to collect rent from tenants on a timely basis or at all;

- tenants requesting rental rebates due to the impact of the current economic downturn;

- tenants requesting waiver of interest on late payment of rent;

- events affecting the properties held by the Merged Entity which could result in the inability of the relevant tenants to operate in such properties and thereby resulting in the inability of such tenants to make timely payments of rent;

- tenants seeking the protection of bankruptcy laws which could result in delays in the receipt of rent payments, inability to collect rental income, or delays in the termination of the tenant's lease, which could hinder or delay the re-letting of the space in question, or the sale of the relevant property;

- the amount of rent payable by tenants and other terms on which tenancy renewals and new tenancies are secured being less favourable than those under current tenancies;

- the local and international economic climate and real estate market conditions (such as oversupply of, or reduced demand for, commercial space, changes in market rental rates and operating expenses for the properties held by the Merged Entity);

- the ability of the CMT Manager (as manager of the Merged Entity post-Merger) to provide adequate management and maintenance of the properties held by the Merged Entity or to purchase or put in place adequate insurance;

- competition for tenants from other similar properties which may affect rental income or occupancy levels at the properties held by the Merged Entity;

- changes in laws and governmental regulations in relation to real estate, including those governing usage, zoning, taxes and government charges. Such revisions may lead to an increase in management expenses or unforeseen capital expenditure needed to ensure compliance. Rights related to the relevant properties may also be restricted by legislative actions, such as revisions to the laws relating to building standards or town planning laws, or the enactment of new laws related to condemnation and redevelopment; and

- natural disasters, acts of God, wars, terrorist attacks, riots, civil commotions, widespread communicable diseases and other events beyond the control of the CMT Manager.

**The properties held by the Merged Entity may be subject to increases in property expenses and operating expenses.**

The Merged Entity's ability to make distributions could be adversely affected if property expenses, such as maintenance and sinking fund charges, utilities, property management fees, property taxes and other operating expenses increase without a corresponding increase in revenue.

Factors which could increase property expenses and operating expenses include any:

- increase in the amount of maintenance and sinking fund charges for any affected property held by the Merged Entity;
- increase in property taxes and other statutory charges;
- change in statutory laws, regulations or government policies which increase the cost of compliance with such laws, regulations or policies. Such revisions may lead to an increase in management expenses or unforeseen capital expenditure to ensure compliance. Rights related to the relevant properties may also be restricted by legislative actions, such as revisions to the laws relating to building standards or town planning laws, or the enactment of new laws related to condemnation and redevelopment;
- increase in utility charges;
- increase in sub-contracted service costs;
- inflation;
- increase in insurance premiums;
- costs arising from litigation claims; and
- damage or defect affecting any properties held by the Merged Entity which needs to be rectified, leading to unforeseen capital expenditure.

**The Merged Entity may be affected by the labour shortage in Singapore.**

Singapore's retail sector is currently experiencing a labour shortage and this may worsen over time. This may reduce the demand for retail space of the CMT Properties which may result in a decline in the rental rates of the CMT Properties and may have an adverse effect on the business, financial condition, results of operations and prospectus of the Merged Entity.

**The Merged Entity may be affected if retail spending in Singapore decreases or continues to decrease.**

In the event of economic uncertainty, slower growth, and other resulting circumstances, retail spending in Singapore may be adversely affected. Retail spending in Singapore is already adversely impacted by the ongoing COVID-19 pandemic and this has affected the demand for retail space in the CMT Properties. If COVID-19 and the economic downturn continue to persist, this may reduce the demand for retail space in the CMT Properties which may result in a decline in the rental rates of the CMT Properties. This may in turn have an adverse effect on the business, financial condition, results of operation and prospectus of the Merged Entity.

**The Merged Entity may be affected by growth in online shopping.**

Online shopping for goods and services has been gaining popularity among Singapore shoppers. This may cause a decline in profits for brick-and-mortar businesses, causing a decrease in demand for retail space in the CMT Properties which may result in a decline in the rental rates of the CMT Properties, and may have an adverse effect on the business, financial condition, results of operations and prospectus of the Merged Entity.

**The Merged Entity may be affected if office decentralisation or wider adoption of flexible work arrangement decreases or continues to decrease demand for prime office space in CBD.**

The COVID-19 pandemic may increase demand for decentralised office space and/or cause wider adoption of flexible work-from-home arrangement in Singapore. If COVID-19 and the economic downturn continue to persist, this may reduce the demand for office space in the CCT Properties which may result in a decline in the rental rates and occupancy of the CCT Properties. This may in turn have an adverse effect on the business, financial condition, results of operation and prospects of the Merged Entity.

**The property yield on real estate to be held by the Merged Entity is not equivalent to distribution yield on the units of the Merged Entity.**

Generally, property yield depends on both the NPI and the valuation of the underlying property and is calculated as the amount of revenue generated by the property, less the expenses incurred in maintaining, operating, managing and leasing the property compared against the valuation of the property.

Distribution yield on the units of the Merged Entity, however, depends on several factors, including:

- the mix of debt and equity employed for the acquisition of the properties of the Merged Entity (including interest costs and the cost of equity);
- the expenses of the Merged Entity including (i) taxes, (ii) interest cost for the debt facilities, (iii) REIT management fees, third party management fees and CMT Trustee's fees (as trustee of the Merged Entity post-Merger) and (iv) other operating costs including administrative fees of the Merged Entity;
- the price of units of the Merged Entity (which may be subject to market fluctuations); and
- the actual distribution payable on the units of the Merged Entity.

The distribution yield on units of the Merged Entity is not equivalent to the property yield on the properties of the Merged Entity. The distribution yield on units of the Merged Entity may be lower than the property yield of the properties of the Merged Entity.

**The appraisals of the properties of the Merged Entity (comprising the CMT Properties and the CCT Properties) are based on various assumptions and such valuations do not guarantee the sale price of the properties of the Merged Entity at present or in the future.**

In accordance with its accounting policy, the Merged Entity's investment properties, which include investment properties under development, will be stated at fair values based on independent external valuations. The Merged Entity will engage independent professional valuers with the appropriate professional qualifications and recent experience in the location and category of the properties being valued to determine the fair value of its properties. The fair value of the Merged Entity's properties is determined by independent real estate valuation experts using approved valuation methodologies which may involve, among others, estimates and discount rates applicable to those real estate assets and assessed in accordance with the Merged Entity's interests in the real estate assets.

In determining the fair value of the investment properties, the valuers may adopt various valuation methodologies, such as the capitalisation method and/or the discounted cash flow method and/or the comparison method, as appropriate. In determining the fair value of the investment properties under development, the valuers may adopt the residual land value method. Key inputs used for the capitalisation method include capitalisation rates and estimated net income. Key inputs used for the discounted cashflow method include discount rates and estimated net income. Key inputs used for the residual land value method include gross development value and gross development costs.

There can be no assurance that the assumptions on which the appraisals of the properties of the Merged Entity are, or will be, based are accurate measures of the market, and the values may be evaluated inaccurately.

The desktop valuations of the CMT Properties as at 30 June 2020 were carried out by the CMT Independent Valuers[53]. The desktop valuations of the CCT Properties as at 30 June 2020 were carried out by the CCT Independent Valuers[54]. The valuations may have included a subjective determination of certain factors relating to a CMT Property and/or a CCT Property (as appropriate) such as its relative market position, financial and competitive strengths, and physical condition and, accordingly, the valuation of a CMT Property (which affects the NAV per CMT Unit) and/or the valuation of a CCT Property (which affects the NAV per CCT Unit) may be subjective and prove incorrect. The valuation of any CMT Property or CCT Property does not guarantee a sale price at that value at present or in the future[55].

**The properties of the Merged Entity may be revalued downwards.**

There can be no assurance that the Merged Entity will not be required to make downward revaluations of its properties in the future. For example, any fall in the gross revenue or net property income earned from the properties held by the Merged Entity or any rise in capitalisation or discount rates may result in downward revaluations of the properties held by the Merged Entity.

In addition, the Merged Entity is required to measure investment properties at fair value at each balance sheet date and any change in the fair value of the investment properties is recognised in the Statement of Total Return. A downward revaluation of the properties held by the Merged Entity may result in an increase in the Merged Entity's aggregate leverage.

**Future acquisitions may not yield the returns expected and may result in disruptions to the Merged Entity's business, may strain management resources and may result in dilution of holdings.**

Future acquisitions may cause disruptions to the operations of the Merged Entity and divert management's attention away from day-to-day operations.

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53 The desktop valuations of CMT Properties were done using a combination of methods, namely the discounted cash flow method and/or the capitalisation approach and/or the comparison method, as appropriate.

54 The desktop valuations of CCT Properties were done using a combination of methods, namely the capitalisation method and/or the discounted cash flow method and/or the direct comparison method, as appropriate. In the case of CapitaSpring, an integrated project under development, the residual land value approach was adopted.

55 The desktop valuations conducted reflect valuations as at 30 June 2020. These valuations do not take into account events that may occur after 30 June 2020 that can affect the value of the CMT Properties and the CCT Properties. Such events may include, without limitation, a change in the relevant tenant incentive amounts, decreases or increases in gross revenue as existing lease agreements expire or are terminated or new lease agreements entered into, physical changes to the characteristics of the CMT Properties and the CCT Properties and asset management initiatives, market conditions and movements in the property markets in which the CMT Properties and CCT Properties are located.

Newly acquired properties may require significant management attention that would otherwise be devoted to the ongoing business of the Merged Entity. Notwithstanding pre-acquisition due diligence, the Merged Entity does not believe that it is possible to fully understand a property before it is owned and operated for an extended period of time.

In addition, the Merged Entity's acquisition growth strategy and its asset selection process may not be successful and may not provide positive returns to unitholders of the Merged Entity. There are risks associated with pursuing further acquisitions of commercial purpose assets and successfully integrating them into the Merged Entity's portfolio. For example, the expected benefit, synergies or efficiencies from such acquisitions may take longer than expected to be achieved or may not be achieved at all. In addition, acquisitions may cause disruptions to the operations of the Merged Entity and divert management's attention away from day-to-day operations. New units of the Merged Entity issued as consideration for or otherwise in connection with any new acquisition could also be dilutive to existing unitholders of the Merged Entity.

**The Merged Entity may be unable to successfully integrate and operate the CCT Properties and future acquisitions, which could have an adverse effect on the Merged Entity.**

The Merged Entity's ability to successfully integrate and operate the CCT Properties and future acquisitions is subject to the following significant risks:

- it may spend more than budgeted amounts to make necessary improvements or renovations to acquired properties, as well as require substantial management time and attention;
- it may be unable to integrate new acquisitions quickly and efficiently, particularly acquisitions of operating businesses or portfolios of properties, into its existing operations;
- acquired properties may be subject to reassessment, which may result in higher than expected property tax payments;
- its tenant retention and lease renewal risks may be increased; and
- market conditions may result in higher than expected vacancy rates and lower than expected rental rates.

Any inability to integrate and operate acquired properties to meet the Merged Entity's financial, operational and strategic expectations could have an adverse effect on the Merged Entity.

**The properties of the Merged Entity or a part of them may be subject to compulsory acquisition by the respective governments of the overseas markets in which it invests.**

The properties of the Merged Entity or a part of them may be subject to compulsory acquisition by the respective governments of the overseas markets in which it invests from time to time.

For example, in Singapore, where the majority of the properties of the Merged Entity are situated, the Land Acquisition Act, Chapter 152 of Singapore gives the Government of Singapore the power to, among other things, acquire any land in Singapore:

- for any public purpose;
- where the acquisition is of public benefit or of public utility or in the public interest; or
- for any residential, commercial or industrial purpose.

The value paid by the relevant authority will depend on the applicable laws and regulations and may be lower than the price which the Merged Entity paid for the relevant property and/or the market value of such property at the relevant time. For example, in Singapore, where any of the properties of the Merged Entity located in Singapore are acquired compulsorily, the relevant authority will take into consideration, among others, the market value of the property (or part thereof) as assessed on the basis prescribed in the relevant rules and regulations, which may be lower than the price which the Merged Entity paid for the property and/or the market value of such property at the relevant time.

The compulsory acquisition of any of the properties owned by the Merged Entity or a part of them would therefore have an adverse effect on the assets of the Merged Entity if the price paid by the relevant authority is lower than the price which the Merged Entity paid for the relevant property and/or the market value of such property at the relevant time.

**The Merged Entity depends on certain key personnel and the loss of any key personnel may adversely affect its operations.**

The Merged Entity's performance depends, in part, upon the continued service and performance of the executive officers of the CMT Manager (as manager of the Merged Entity post-Merger), and the property managers for the Merged Entity. These key personnel may leave the employment of CMTML and/or the property managers. If any of the foregoing were to occur, time will need to be spent searching for a replacement and the duties for which such executive officers are responsible may be affected. The loss of any of these individuals could have an adverse effect on the financial condition and the results of operations of the Merged Entity.

**The Merged Entity is exposed to general risks associated with reliance on third-party contractors to provide various services.**

The Merged Entity will engage third-party contractors to provide various services in connection with its operations, developments and AEIs, including construction, piling and foundation, building and property fitting-out works, alterations and additions, interior decoration, installation, repair and servicing of air-conditioning units and lifts, and gardening and landscaping works. The Merged Entity is exposed to the risk that a third-party contractor may incur costs in excess of project estimates, which may have to be borne by the Merged Entity in order to complete the project. Furthermore, major third-party contractors may experience financial or other difficulties which may affect their ability to carry out construction works, thus delaying the completion of development projects or resulting in additional costs to the Merged Entity. There can also be no assurance that the services rendered by the third-party contractors will always be satisfactory or match the Merged Entity's targeted quality levels. All of these factors could have an adverse effect on the business, financial condition and results of operations and performance of the Merged Entity.

**The Merged Entity relies on information technology in its operations, and any material failure, inadequacy, interruption or security failure of that technology could harm its business.**

The Merged Entity relies on information technology networks and systems, including the Internet, to process, transmit and store electronic information and to manage or support a variety of its business processes, including financial transactions and maintenance of records, which may include personally identifiable information of tenants and lease data. The Merged Entity relies on commercially available systems, software, tools and monitoring to provide security for processing, transmitting and storing confidential tenant information, such as individually identifiable information relating to financial accounts. Although the Merged Entity has taken steps to protect the security of the data maintained in its information systems, it is possible that such security measures will not be able to prevent the systems' improper functioning, or the improper disclosure of personally identifiable information such as in the event of cyber-attacks. Security breaches, including physical or electronic break-ins, computer viruses, attacks by hackers and similar breaches, can create system disruptions, shutdowns or unauthorised disclosure of confidential information. Any failure to maintain proper function, security and availability of the Merged Entity's information systems may interrupt its operations, damage its reputation, subject the Merged Entity to liability claims or regulatory penalties and could materially and adversely affect the business of the Merged Entity.

**The Merged Entity's ability to make distributions to unitholders of the Merged Entity may be adversely affected by increases in direct expenses and other operating expenses.**

The Merged Entity's ability to make regular distributions to the unitholders of the Merged Entity could be adversely affected if direct expenses and other operating expenses for which tenants are not responsible pursuant to the lease agreements increase. Such operating expenses include, but are not limited to:

- compliance with laws, regulations or policies;
- direct or indirect tax policies, laws or regulations;
- sub-contracted service costs;
- labour costs; and
- repair and maintenance costs.

**The Merged Entity may have a higher level of gearing than certain other types of unit trusts and may experience limited availability of funds and face risks associated with debt financing and refinancing.**

The Merged Entity may, from time to time, require additional debt financing to fund working capital requirements, to support the future growth of its business and/or to refinance existing debt obligations. In addition, the Merged Entity's indebtedness means that a material portion of its expected cash flow may be required to be dedicated to the payment of interest on its indebtedness, thereby reducing the funds available to the Merged Entity for use in its general business operations. The Merged Entity's indebtedness may also restrict its ability to obtain additional financing for capital expenditure, acquisitions or general corporate purposes and may cause it to be particularly vulnerable in the event of a general economic downturn.

The Merged Entity's level of borrowings may represent a higher level of gearing as compared to certain other types of unit trust, such as non-specialised collective investment schemes which invest in equities and/or fixed income instruments. Investment risk is known to increase with higher leverage. An increase in leverage will subject the Merged Entity to risks in relation to changes in the economic climate. For example, in a climate of rising interest rates, the costs of financing of the Merged Entity's investments (including indebtedness) is expected to increase and this could in turn adversely affect the ability of the CMT Manager (as manager of the Merged Entity post-Merger) to effectively carry out its strategies.

Immediately following the completion of the Merger, four of the properties held under the Merged Entity would be subject to mortgage to secure payment of indebtedness under certain facilities.

The Merged Entity may also decide to mortgage some or all of the CMT Properties, the CCT Properties or any other properties that are acquired by the Merged Entity in the future in connection with existing or new facilities or other types of debt financing. If the Merged Entity defaults in its payment obligations in respect of any financing facility secured by its properties, mortgagees to any of the affected properties could foreclose or require a forced sale of any of the affected properties resulting in a consequential loss of income and asset value to the Merged Entity. The amount to be received upon a foreclosure or sale of any affected property would be dependent on numerous factors, including the actual fair market valuation of the relevant property at the time of such sale, the timing and manner of the sale and the availability of buyers. Each of the CMT Properties and the CCT Properties is illiquid and there can be no assurance that any of the CMT Properties and the CCT Properties can or will be liquidated in a short period of time. For all these reasons, there can be no assurance that the proceeds from any foreclosure or sale will be sufficient for the Merged Entity to meet its obligations under the relevant financing facilities.

The Merged Entity may, from time to time, also require additional financing to fund working capital requirements, to support the future growth of its business and/or to refinance existing debt obligations. There can be no assurance that additional financing, either on a short-term or a long-term basis, will be made available or, if available, that such financing will be obtained on terms favourable to the Merged Entity. Factors that could affect the Merged Entity's ability to procure financing include the cyclicality of the property market and market disruption risks which could adversely affect the liquidity, interest rates and the availability of funding sources. In addition, further consolidation in the banking industry in Singapore, Germany and/or elsewhere in Asia and Europe may also reduce the availability of credit as the merged banks seek to reduce their combined exposure to one company or sector.

In recent years, credit markets worldwide have experienced significant volatility including a reduction in liquidity levels, increasing costs for credit protection and a general decline in lending activity between financial institutions and in commercial lending markets worldwide. These developments may result in the Merged Entity incurring increasing financing costs associated with Merged Entity's level of debt. Furthermore, there can be no assurance that the Merged Entity will be able to raise financing on favourable terms or at all, which could have an adverse effect on the Merged Entity. Moreover, the Merged Entity's future credit facilities may contain covenants that limit its operating and financing activities and require the creation of security interests over its assets. The Merged Entity's ability to meet its payment obligations and to fund planned capital expenditures will depend on the success of its business strategy and its ability to generate sufficient revenues to satisfy its obligations, which are subject to many uncertainties and contingencies beyond the Merged Entity's control.

Should the Merged Entity not be able to meet its obligations under any financing facilities or raise financing on favourable terms or at all, this could have an adverse effect on the business, financial condition and results of operations and performance of the Merged Entity.

**The amount the Merged Entity may borrow is limited, which may affect the operations of the Merged Entity and the borrowing limit may be exceeded if there is a downward revaluation of assets.**

Pursuant to the revision of the Property Funds Appendix on 16 April 2020, the regulatory aggregate leverage limit under the Property Funds Appendix has been increased to 50.0% up to (and including) 31 December 2021. On or after 1 January 2022, the aggregate leverage of a property fund should not exceed 45.0%, save that it may exceed 45.0% (up to a maximum of 50.0%) if certain conditions under the Property Funds Appendix are met. Accordingly, the Merged Entity would only be permitted to borrow up to a maximum of 50.0% of the value of its deposited property (or such limit as may from time to time be permitted under the Property Funds Appendix). Under Guidance Note 1 of paragraph 9.1 of the Property Funds Appendix, "*borrowings*" include guarantees, bonds, notes, syndicated loans, bilateral loans or other debt. Pursuant to the Property Funds Appendix, the Merged Entity may use borrowings for investment or redemption purposes. It may also mortgage its assets to secure such borrowings.

Immediately following the completion of the Merger, four of the properties held under the Merged Entity would be subject to mortgage to secure payment of indebtedness under certain facilities. In connection with such collateral, the Merged Entity's assets would be given in security only and can be appropriated to the satisfaction of payment of outstanding borrowings by the Merged Entity to the relevant chargees/mortgagees, and not by way of transfer of title or possession of the assets to such chargees/mortgagees (as opposed to, for example, a prime broker to whom securities are pledged and who can use them for securities lending purposes); the Merged Entity would continue to have the rights to possess and enjoy its assets, including leasing of its real properties; and there would be no arrangement under which such collaterals and assets may be reused by the relevant chargees/mortgagees.

A decline in the value of the deposited property of the Merged Entity may affect the ability of the Merged Entity to borrow further. Adverse business consequences of this limitation on borrowings may include:

- an inability to fund capital expenditure requirements in relation to properties held by the Merged Entity;

- an inability to fund acquisitions of properties; and

- cash flow shortages which may have an adverse impact on the ability of the Merged Entity to satisfy its contractual obligations (including in respect of its debt financing arrangements).

A downward revaluation of any of the properties or investments held by the Merged Entity may result in a breach of the borrowing limit under the Property Funds Appendix. In the event of such a breach, the Merged Entity may not be able to incur further indebtedness. In such circumstances, while the CMT Trustee (as trustee of the Merged Entity post-Merger) may not be required to dispose of the Merged Entity's assets to reduce its indebtedness, the Merged Entity may not be able to incur further indebtedness, which may constrain its operational flexibility. In addition, a severe downward revaluation of any of the CCT Properties and CMT Properties may result in a breach of certain financial covenants under the Merged Entity's debt financing arrangements.

**The CMT Manager (as manager of the Merged Entity post-Merger) may not be successful in managing the liquidity risk of the Merged Entity.**

Liquidity risk is the risk that the Merged Entity and its subsidiaries will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The CMT Manager (as manager of the Merged Entity post-Merger) will endeavour to monitor and maintain sufficient cash and credit facilities on demand to meet expected operational expenses for a reasonable period including the servicing of financial obligations. In addition, the CMT Manager (as manager of the Merged Entity post-Merger) will monitor and observe the limitations imposed by the Property Funds Appendix on Merged Entity's aggregate leverage.

In addition, in managing the liquidity risk of the Merged Entity, the CMT Manager (as manager of the Merged Entity post-Merger) may raise additional financing through equity offering of new units of the Merged Entity.

There is no assurance that the management of Merged Entity's liquidity risk by the CMT Manager (as manager of the Merged Entity post-Merger) will not result in any breaches of any financial obligations as a result of insufficient cash or other financial assets. In the event that the Merged Entity or any of its subsidiaries is unable to meet liquidity requirements and is in breach of financial obligations, the financial condition and the results of operations of the Merged Entity may be adversely affected.

**Unitholders of the Merged Entity will have no equitable or proprietary interest in the assets of the Merged Entity.**

The rights and interests of unitholders of the Merged Entity are provided for in the CMT Trust Deed which is governed by the laws of Singapore. The terms and conditions of the CMT Trust Deed shall be binding on each unitholder of the Merged Entity as if such unitholder has been a party to the CMT Trust Deed and as if the CMT Trust Deed contains covenants by such unitholder to observe and be bound by the provisions of the CMT Trust Deed and an authorisation by each unitholder to do all such acts and things as the CMT Trust Deed may require the CMT Trustee or the CMT Manager (as manager and trustee of the Merged Entity respectively) to do (as the case may be). A unitholder of the Merged Entity has no equitable or proprietary interest in the underlying assets of the Merged Entity. A unitholder of the Merged Entity is not entitled to procure the transfer to him/her/it of the Merged Entity's deposited property or any part of the Merged Entity's deposited property or of any estate or interest in the deposited property or in any part of the deposited property.

There is no single legal regime in Singapore governing the recognition and enforcement of foreign judgements in Singapore. Rather, under Singapore law, there exists common law, and statutory mechanisms for the recognition and enforcement of foreign judgements in Singapore. Each of these is subject to its own procedures and qualifications and whether a judgement given in a foreign court will be enforced in Singapore must be considered in light of the relevant factors in each case, including the applicable regime under which such judgement was given, the specific jurisdiction where such judgement was given and whether the requirements for recognition and enforcement of the foreign judgement have been satisfied.

**Unitholders of the Merged Entity may not have any right of recourse against any counterparties.**

Without prejudice to any potential right of action in tort or any potential derivative action, investors in the Merged Entity may not have a direct right of recourse against the CMT 805 Auditor as such a right of recourse will lie with the relevant contracting counterparty (in this case being the CMT Manager and the CMT Trustee as manager and trustee of the Merged Entity respectively) rather than the investors. Any contractual claim, demand or action against the auditor of the Merged Entity may, in the absence of any derivative action, be brought only by the CMT Manager and/or the CMT Trustee in their respective capacities as manager and trustee of the Merged Entity. In the event that an investor in the Merged Entity considers that it may have a claim against the auditor of the Merged Entity in connection with its investment in the Merged Entity, such investor should consult its own legal advisers.

**There may be potential conflicts of interest among the Merged Entity, the CMT Manager (as manager of the Merged Entity post-Merger), the property manager and CapitaLand.**

Immediately upon completion of the Merger, CapitaLand, through its wholly owned subsidiaries, will hold an aggregate indirect interest in 1,869,538,260 units of the Merged Entity, which is equivalent to approximately 28.89% of the existing units of the Merged Entity in issue[56]. As a result, the overall interests of CapitaLand may influence the strategy and activities in respect of the Merged Entity. Further, CapitaLand may exercise influence over the activities of Merged Entity through the CMT Manager (as manager of the Merged Entity post-Merger), which is an indirect wholly owned subsidiary of CapitaLand.

CapitaLand, one of Asia's largest real estate companies headquartered and listed in Singapore, is also engaged in the development of real estate products and services. Its diversified global real estate portfolio includes, among others, integrated developments and shopping malls. Some of these properties in its real estate portfolio may compete directly with the properties of the Merged Entity for tenants. Further, CapitaLand and/or its subsidiaries may in the future invest in or sponsor other REITs which may also compete directly with the Merged Entity.

56 Based on an aggregate of 6,470,705,398 units of the Merged Entity.

**The Merged Entity faces certain risks in connection with the acquisition of properties from CapitaLand or parties related to CapitaLand.**

The Merged Entity may acquire other assets from CapitaLand or parties related to CapitaLand. There can be no assurance that the terms of such acquisitions, the negotiations in relation to such acquisitions, the acquisition value of such properties and other terms and conditions relating to the purchase of such properties (in particular, with respect to the representations, warranties and/or indemnities agreed) are not or, as the case may be, will not be adverse to the Merged Entity or reflect or, as the case may be, will reflect, an arm's length acquisition of such properties by the Merged Entity.

**Foreign unitholders of the Merged Entity may not be permitted to participate in future rights issues or entitlements offerings by the Merged Entity.**

The CMT Trust Deed provides that in relation to any rights issue, the CMT Manager (as manager of the Merged Entity post-Merger) may, in its absolute discretion, elect not to extend an offer of CMT Units under a rights issue to those unitholders of the Merged Entity whose addresses, as registered with CDP, are outside Singapore. In such event, the rights or entitlements to CMT Units to which such unitholders of the Merged Entity would have been entitled will be offered for sale by the CMT Manager (as manager of the Merged Entity post-Merger) as the nominee or authorised agent of each such relevant unitholder of the Merged Entity in such manner, at such price and on such other terms and conditions as are approved by the CMT Trustee (as trustee of the Merged Entity post-Merger). The proceeds of any such sale if successful will be paid to the relevant unitholders of the Merged Entity. The holding of the relevant holder of the units of the Merged Entity may be diluted as a result of such sale.

**The CMT Manager (as manager of the Merged Entity post-Merger) is not obliged to redeem units of the Merged Entity.**

Unitholders of the Merged Entity have no right to request the CMT Manager (as manager of the Merged Entity post-Merger) to redeem their units while the units of the Merged Entity are listed on the SGX-ST. Unitholders of the Merged Entity may only deal in their listed units of the Merged Entity through trading on the SGX-ST. Accordingly, apart from selling their units of the Merged Entity through trading on the SGX-ST, unitholders of the Merged Entity may not be able to realise their investments in units of the Merged Entity. If the units of the Merged Entity are de-listed from the SGX-ST and are unlisted on any other recognised stock exchange, the CMT Manager (as manager of the Merged Entity post-Merger), may, but is not obliged to, repurchase or cause the redemption of the units of the Merged Entity more than once a year in accordance with the Property Funds Appendix and a unitholder of the Merged Entity has no right to request for the repurchase or redemption of units of the Merged Entity more than once a year.

**The Merged Entity may be adversely affected by the illiquidity of retail and commercial real estate investments.**

The Merged Entity invests primarily in retail and commercial real estate which entails a higher level of risk as compared to a portfolio which has a diverse range of investments. Real estate investments, particularly investments in high value retail and commercial properties such as those in which the Merged Entity has invested in and intends to invest in, are relatively illiquid. Such illiquidity may affect the Merged Entity's ability to vary its investment portfolio or liquidate part of its assets in response to changes in economic, real estate market or other conditions. For instance, Merged Entity may be unable to liquidate its assets on short notice or may be forced to give a substantial reduction in the price that may otherwise be sought for such assets, to ensure a quick sale. Rising capitalisation rates and/or REIT yields may also result in increasing difficulty in the divestment of retail and commercial properties.

Moreover, the Merged Entity may face difficulties in securing timely and commercially favourable financing in asset-based lending transactions secured by real estate due to the illiquid nature of real estate assets. These factors could have an adverse effect on the financial condition, results of operations and prospects of the Merged Entity, with a consequential adverse effect on the ability of the Merged Entity to make distributions.

In addition, if the Merged Entity defaults in its payment obligations, mortgagees of any of the affected properties could foreclose or require a forced sale of any of the affected properties with a consequent loss of income and asset value to the Merged Entity. The amount to be received upon a foreclosure sale of any affected property would be dependent on numerous factors, including the actual fair market valuation of the relevant property at the time of such sale, the timing and manner of the sale and the availability of buyers. Each of the CCT Properties and CMT Properties is illiquid and there can be no assurance that any of the CCT Properties or the CMT Properties can or will be liquidated in a short period of time. For all these reasons, there can be no assurance that the proceeds from any foreclosure sale will be sufficient for the Merged Entity to meet its obligations pursuant to its borrowings.

The CMT Manager (as manager of the Merged Entity post-Merger) will make the relevant announcement via SGXNET in the event that there is material information on these topics to be disclosed in accordance with the prevailing listing rules of the SGX-ST and such announcements are accessible via the SGX-ST's website at http://www.sgx.com.

Such announcements will also be published on the corporate website of the Merged Entity at http://www.cmt.com.sg and will be publicly available to all investors.

**The Merged Entity may be involved in legal and other proceedings from time to time.**

The Merged Entity and/or its subsidiaries, and any trusts and limited liability partnerships in which the Merged Entity and/or its subsidiaries hold an interest in, may be involved from time to time in disputes with various parties such as tenants, contractors, sub-contractors, consultants, suppliers, construction companies, purchasers, vendors and other partners involved in the asset enhancement, operation, sale and purchase of its properties. These disputes may lead to legal and other proceedings, and may cause the Merged Entity to suffer additional costs and delays. In addition, the Merged Entity may have disagreements with regulatory bodies in the course of its operations, which may subject it to administrative proceedings and unfavourable orders, directives or decrees that result in financial losses and delay the construction or completion of its projects.

**If CMTML's CMS Licence is cancelled or the authorisation of the Merged Entity as a collective investment scheme under Section 286 of the SFA is suspended, revoked or withdrawn, the operations of the Merged Entity will be adversely affected.**

The CMS Licence issued to CMTML is subject to conditions unless otherwise cancelled. If the CMS Licence of CMTML is cancelled by the Monetary Authority of Singapore, the operations of the Merged Entity will be adversely affected, as the CMTML would no longer be able to act as manager of the Merged Entity. In the event that the authorisation of the Merged Entity as a collective investment scheme is suspended, revoked or withdrawn, its operations will also be adversely affected.

## SCHEDULE 2
## THE CMT TRUST DEED AMENDMENTS

To make the following amendments to the CMT Trust Deed:

1. To amend Clause 11(A)(iv) of the CMT Trust Deed to reflect the additions as indicated by the underlined text below and the deletions as indicated by the deleted text below:

   "(iv) If the Trust is Listed on the SGX-ST, the Manager shall not issue any Units in numbers exceeding the limit (if any), set out in any applicable laws, regulations and the Listing Rules, relating to the issue of Units unless the Holders approve the issue of Units exceeding the aforesaid limit by ~~extraordinary~~ordinary resolution in general meeting."

2. To amend paragraph 3 of the Schedule of the CMT Trust Deed to reflect the additions as indicated by the underlined text below and the deletions as indicated by the deleted text below:

   "3. A meeting of Holders duly convened and held in accordance with the provisions of this Schedule shall be competent:–

   (i) by Extraordinary Resolution to sanction any modification, alteration or addition to the provisions of this Deed which shall be agreed by the Trustee and the Manager as provided in Clause 37 of this Deed;

   (ii) by Extraordinary Resolution to sanction a supplemental deed increasing the maximum permitted percentage of the Management Fee, the Acquisition Fee, the Divestment Fee and the Trustee's remuneration as provided in Clause 23 of this Deed;

   (iii) ~~by Extraordinary Resolution to sanction any issue of Units by the Manager under Clause 11(A)(iv) of this Deed~~Deleted;

   (iv) by Extraordinary Resolution to remove the Auditors as provided in Clause 30(A) of this Deed;

   (v) by Extraordinary Resolution to remove the Trustee as provided in Clause 31(C)(iv) of this Deed;

   (vi) by Extraordinary Resolution to direct the Trustee to take any action including the termination of the Trust pursuant to Section 295 of the Securities and Futures Act,

   and shall have such further or other powers under such terms and conditions as may be determined by the Manager with the prior written approval of the Trustee. Any decision to be made by resolution of the Holders other than those specified in this paragraph 3(i) to (vi) shall be made by Ordinary Resolution."

# SCHEDULE 3
# KEY TERMS OF THE IMPLEMENTATION AGREEMENT

**Part 1 Conditions**

**1. Unitholder Approvals**

The following approvals set out in Column (1) from the CMT Unitholders and the CCT Unitholders (as the case may be) having been obtained, based on the approval threshold set out in Column (2), and such approvals not having been cancelled, revoked, withdrawn or expired, on or prior to the Relevant Date:

| No. | Column (1) – Approval | Column (2) – Approval Threshold |
|---|---|---|
| | **CMT Unitholders** | |
| (i) | The approval by the CMT Unitholders to amend the CMT Trust Deed to reflect the CMT Trust Deed Amendments at the EGM. | Not less than 75.0% of the total number of votes held by the CMT Unitholders present and voting either in person or by proxy cast for and against this resolution. |
| (ii) | Subject to the resolutions in **paragraph 1(i)** and **paragraph 1(iii)** of this **Schedule 3, Part 1** having been approved, the approval by the CMT Unitholders for the CMT Acquisition at the EGM. | More than 50.0% of the CMT Unitholders present and voting either in person or by proxy cast for and against this resolution. |
| (iii) | Subject to the resolutions in **paragraph 1(i)** and **paragraph 1(ii)** of this **Schedule 3, Part 1** having been approved, the approval by the CMT Unitholders for the issuance of the Consideration Units as part of the consideration for the Merger, at the EGM. | More than 50.0% of the CMT Unitholders present and voting either in person or by proxy cast for and against this resolution. |
| | **CCT Unitholders** | |
| (iv) | The approval by the CCT Unitholders to amend the CCT Trust Deed at an extraordinary general meeting of the CCT Unitholders. | Not less than 75.0% of the total number of votes held by the CCT Unitholders present and voting either in person or by proxy cast for and against this resolution. |
| (v) | Subject to the resolution in **paragraph 1(iv)** of this **Schedule 3, Part 1** being approved, the approval by the CCT Unitholders for the Trust Scheme at the Trust Scheme Meeting. | A majority in number of the CCT Unitholders representing at least 75.0% in value of the CCT Units held by the CCT Unitholders present and voting either in person or by proxy cast for and against this resolution. |

## 2. Regulatory Approvals

The following regulatory approvals having been obtained, and such approvals not having been cancelled, revoked, withdrawn or expired, on or prior to the Relevant Date:

(a) confirmations or exemptions from the Monetary Authority of Singapore, that:

(i)

(1) the Merger will not require two independent valuations of the real estate assets of CCT, with one of the valuers commissioned independently by the CMT Trustee; and

(2) the consideration to be paid by the CMT Trustee to the CCT Unitholders need not be at a price not more than the higher of the assessed values of the real estate assets of CCT undertaken by each of the two independent valuers;

(ii) in the event the Merger is implemented, the Monetary Authority of Singapore would have no objection to the withdrawal of the authorisation of CCT as an authorised collective investment scheme, and CCT as a private sub-trust would no longer be subject to the requirements governing collective investment schemes;

(iii) in the event the authorisation of CCT as an authorised collective investment scheme is withdrawn pursuant to Section 337 of the SFA, the Monetary Authority of Singapore would have no objections to granting CCT an exemption from Section 295(2) of the SFA; and

(iv) the Monetary Authority of Singapore would grant an exemption from compliance with the requirements set out in Subdivision (3) of Division 2 (Collective Investment Schemes) of Part XIII (Offers of Investments) of the SFA, which relates to prospectus requirements, for the purposes of the Trust Scheme;

(b) confirmations from the SIC, that:

(i) Rules 14, 15, 16, 17, 20.1, 21, 22, 28, 29, 33.2 and Note 1(b) on Rule 19 of the Code do not apply to the Trust Scheme, subject to any conditions that the SIC may deem fit to impose; and

(ii) the SIC has no objections to the Conditions;

(c) the grant of the Trust Scheme Court Order by the Court;

(d) the approval in-principle from SGX-ST for:

(i) the Circular;

(ii) the scheme document to be issued to the CCT Unitholders containing details of the Trust Scheme;

(iii) the proposed delisting of CCT from SGX-ST after the Trust Scheme becomes effective and binding in accordance with its terms; and

(iv) the listing and quotation of the Consideration Units.

**3. Tax Approvals**

The following approvals from the following tax authorities, and such approvals not having been cancelled, revoked, withdrawn or expired, on or prior to the Relevant Date:

(a) confirmation from the Inland Revenue Authority of Singapore (Comptroller of Stamp Duties) that stamp duty is not chargeable on the transfer of the CCT Units to CMT, and confirmation from the Inland Revenue Authority of Singapore (Comptroller of Income Tax) that CCT will be an approved sub-trust and enjoy tax transparency;

(b)

(i) confirmation from the Inland Revenue Authority of Singapore (Comptroller of Stamp Duties) that stamp duty is not chargeable on the Sub-Trust Transfers;

(ii) confirmations from the Inland Revenue Authority of Singapore (Comptroller of Income Tax) that each of the Relevant Sub-Trusts will be an approved sub-trust and enjoy tax transparency; and

(iii) an advance tax ruling from the Inland Revenue Authority of Singapore (Comptroller of Income Tax) that the Sub-Trust Transfers will not give rise to income tax liability for CCT.

**4. No Legal or Regulatory Restraint**

Between the date of the Implementation Agreement and up to the Relevant Date (both inclusive), there having been no decree, determination, injunction, judgment or other order (in each case, whether temporary, preliminary or permanent) issued by any court of competent jurisdiction or by any Governmental Authority which has the effect of enjoining, restraining or otherwise prohibiting the Merger, the Trust Scheme or any part thereof, and which remains in force and effect as at the Relevant Date.

Where "**Governmental Authority**" means any supranational, national, federal, state, municipal or local court, administrative, regulatory, fiscal or judicial agency, authority, body, commission, department, exchange, tribunal or entity, or other governmental, semi-governmental or quasi-governmental entity or authority, or any securities exchange, wherever located.

**5. No Prescribed Occurrence**

(a) Between the date of the Implementation Agreement and up to the Relevant Date (both inclusive), there having been no CMT Prescribed Occurrence in relation to the CMT Group, other than as required or contemplated by the Implementation Agreement, the Merger, the CMT Acquisition or the Trust Scheme or save to the extent disclosed.

(b) Between the date of the Implementation Agreement and up to the Relevant Date (both inclusive), there having been no CCT Prescribed Occurrence in relation to the CCT Group, other than as required or contemplated by the Implementation Agreement, the Merger, the CMT Acquisition or the Trust Scheme or save to the extent disclosed.

## 6. No Breach of Warranties

(a) With respect to CMT, there having been no breach of the CMT Warranties which are material in the context of the Merger as at the date of the Implementation Agreement and as at the Relevant Date (as though made on and as at that date), except to the extent any such warranty expressly relates to an earlier date (in which case, as of such earlier date).

(b) With respect to CCT, there having been no breach of the CCT Warranties which are material in the context of the Merger as at the date of the Implementation Agreement and as at the Relevant Date (as though made on and as at that date), except to the extent any such warranty expressly relates to an earlier date (in which case, as of such earlier date).

## 7. No Material Adverse Effect

(a) There having been no occurrence of any CMT Material Adverse Effect from the date of the Implementation Agreement up to the Relevant Date (both inclusive).

Where "**CMT Material Adverse Effect**" means any one or more fact, matter, event, circumstance, condition, effect, occurrence or change which, whether individually or in the aggregate, has or have the effect of causing a diminution in the consolidated net tangible assets of the CMT Group by more than S$0.8 billion, being 10% of the consolidated net tangible assets of the CMT Group as at 31 December 2019. For the avoidance of doubt, none of the distributions which have been paid to the CMT Unitholders prior to the date of the Implementation Agreement or the CMT Permitted Distributions shall be taken into account in determining if there has been a CMT Material Adverse Effect;

(b) There having been no occurrence of any CCT Material Adverse Effect from the date of the Implementation Agreement up to the Relevant Date (both inclusive).

Where "**CCT Material Adverse Effect**" means any one or more fact, matter, event, circumstance, condition, effect, occurrence or change which, whether individually or in the aggregate, has or have the effect of causing a diminution in the consolidated net tangible assets of the CCT Group by more than S$0.7 billion, being 10% of the consolidated net tangible assets of the CCT Group as at 31 December 2019. For the avoidance of doubt, none of the distributions which have been paid to the CCT Unitholders prior to the date of the Implementation Agreement or the CCT Permitted Distributions shall be taken into account in determining if there has been a CCT Material Adverse Effect.

## 8. Authorisations and Consents

In addition to the approvals set out in **paragraphs 2** and **3** of this **Schedule 3, Part 1**, the receipt of all authorisations, consents, clearances, permissions and approvals as are necessary or required by any and all Parties under any and all applicable laws, from all Governmental Authorities (as defined in **paragraph 4** of this **Schedule 3, Part 1**), for or in respect of the implementation of the Trust Scheme and the transactions contemplated under the Implementation Agreement.

**9. Third Parties**

The receipt of all authorisations, consents, waivers, clearances, permissions and approvals as are necessary or required by CCT from the Third Parties, for or in respect of the implementation of the Trust Scheme and/or the Merger.

Where, for the purpose of this **paragraph 9** of **Schedule 3, Part 1**:

"**CCT Group**" means CCT and its subsidiaries, and any trusts and limited liability partnerships in which CCT and/or its subsidiaries hold an interest (excluding any trusts listed on a stock exchange), each entity in the CCT Group shall be referred to as a "**CCT Group Entity**", and "**CCT Group**" and "**CCT Group Entity**" shall be construed accordingly; and

"**Third Parties**" means certain financial institutions which have extended banking or credit facilities to any CCT Group Entity or have entered into derivative arrangements with any CCT Group Entity or otherwise have financial arrangements with any CCT Group Entity.

**Part 2 CMT Prescribed Occurrences**

**1. Amendment of Trust Deeds**

The CMT Manager making any amendment to the CMT Trust Deed, save for the amendments necessary, required or desirable to facilitate the implementation of, or to give effect to, the Merger, or the CMT Acquisition and the transactions contemplated by the Implementation Agreement or any other matter as may be agreed between the Parties.

**2. Conversion of CMT Units**

The CMT Trustee sub-dividing or consolidating any or all of the CMT Units into a larger or smaller number of CMT Units.

**3. Issuance of Units or Shares**

The CMT Trustee (or any CMT Group Entity) allotting or issuing, or granting an option to subscribe for, any CMT Units, shares, units or equity securities of any CMT Group Entity, or securities convertible into CMT Units or into such shares, units or equity securities, save for any issuance of CMT Units to the CMT Manager as payment of fees (including base management fees, performance management fees and, if any, acquisition or divestment fees), as consistent with its usual policy of electing to receive CMT Units in line with past practice.

**4. Securities Buy-back**

The CMT Trustee (or any CMT Group Entity):

(a) entering into a securities buy-back or repurchase agreement;

(b) resolving to approve the terms of a securities buy-back or repurchase agreement under the relevant securities legislation or the CMT Trust Deed (save for any unit buy-back mandate that may be approved at the annual general meeting of CMT); or

(c) buying-back or repurchasing any issued CMT Units.

5. **Distributions**

The CMT Manager declaring, making or paying any distribution to the CMT Unitholders, except for the CMT Permitted Distributions.

6. **Borrowings, Indebtedness**

The CMT Trustee (or any CMT Group Entity) incurring any additional borrowings or indebtedness, including by way of the issuance of bonds, notes or other debt securities (whether or not convertible or exchangeable into units and whether or not accounted as equity), save for:

(a) any securities issued pursuant to the CMT Programmes or any securities issued for the purposes of refinancing or funding the redemption of any securities issued pursuant to the CMT Programmes;

(b) drawdowns on existing debt facilities (including under the CMT Programmes);

(c) the refinancing of any debt obligations prior to their due date;

(d) any borrowing or indebtedness incurred to finance the Scheme Consideration, or to fund any capital expenditure permitted in **paragraph 9** of this **Schedule 3, Part 2** or any acquisition permitted in **paragraph 10** of this **Schedule 3, Part 2**; or

(e) any borrowing or indebtedness incurred in relation to working capital requirements not exceeding S$100.0 million.

7. **Guarantees, Indemnities**

The CMT Trustee (or any CMT Group Entity) shall not:

(a) enter into any guarantee, indemnity or other arrangement to secure any obligation of any Person (other than a CMT Group Entity); or

(b) create any Encumbrance over any of CMT (or any CMT Group Entity)'s assets or undertakings,

in each case, save in the ordinary course of business or in respect of any borrowings or indebtedness permitted in **paragraph 6** of this **Schedule 3, Part 2**.

8. **Hedging**

The CMT Trustee (or any CMT Group Entity) entering into any material hedging and other derivative or off-balance sheet transactions, save with respect to any cash-flow hedging for an underlying exposure which is permitted in **paragraph 6** of this **Schedule 3, Part 2**.

9. **Capital expenditure**

The CMT Trustee (or any CMT Group Entity) making or incurring any capital expenditure, save for:

(a) any CMT Approved Capex, less any and all capital expenditure incurred or committed from 1 January 2020 until (and including) the date of the Implementation Agreement; and

(b) any capital expenditure arising from or relating to cases of emergency.

**10. Acquisitions and Disposals**

The CMT Trustee (or any CMT Group Entity):

(a) entering into, undertaking or completing any Material Acquisition;

(b) entering into, undertaking or completing any Material Disposal; or

(c) creating any Encumbrance over or granting any rights or easements over any CMT Property.

**11. Real Property**

In relation to the CMT Properties, the CMT Trustee (or any CMT Group Entity):

(a) applying for any planning permission or sub-division of any CMT Property, or implementing any planning permission or sub-division of any CMT Property already obtained but not implemented, in each case which is reasonably likely to have a material adverse effect on the business, operations, assets or financial condition of the CMT Group, taken as a whole (save in respect of any CMT Approved Capex or any CMT New Capex);

(b) carrying out any alteration or addition to any CMT Property which has not been approved or budgeted for as at the date of the Implementation Agreement, save for any fitting out works carried out by an Occupier pursuant to an Occupation Agreement, in each case which is reasonably likely to have a material adverse effect on the business, operations, assets or financial condition of the CMT Group, taken as a whole (save in respect of any CMT New Capex);

(c) effecting any change of use of any CMT Property which is reasonably likely to have a material adverse effect on the business, operations, assets or financial condition of the CMT Group, taken as a whole;

(d) amending, modifying or varying any Title Document in each case, except as will not have a material adverse effect on the business, operations, assets or financial condition of the CMT Group, taken as a whole; or

(e) releasing the lessor, grantor or issuer under any Title Document(s) from any of its obligations, failing to exercise any rights or powers of termination under any Title Document(s) or waiving any breaches of any Title Document(s), in each case, in any material respect.

**12. Investigations**

If CMT (or any CMT Group Entity), the CMT Trustee or the CMT Manager or any of their respective directors is the subject of any governmental, quasi-governmental, criminal, regulatory or stock exchange investigation or Proceeding.

**13. Proceedings**

The CMT Trustee or the CMT Manager (or any CMT Group Entity) initiating, compromising, settling or making any offer to compromise, settle or pay any claim, legal action or Proceeding in excess of S$2.0 million (or its equivalent in other currencies) individually or in the aggregate with any and all other claims, legal actions or Proceedings, save in the ordinary course of business.

**14. Cessation of Business**

CMT (or any CMT Group Entity) ceases or threatens to cease for any reason to carry on business in the ordinary and usual course.

**15. Amend Accounting Policies**

CMT (or any CMT Group Entity) making any change to its accounting practices or policies (save for changes in accordance with FRS or RAP 7, as applicable).

**16. Resolution for Winding Up**

Any resolution that CMT (or any CMT Group Entity) be Wound-up, save with respect to any CMT Group Entity that is dormant.

**17. Appointment of Liquidator and Judicial Manager**

The appointment of a liquidator, provisional liquidator, judicial manager or provisional judicial manager of CMT (or any CMT Group Entity).

**18. Order of Court for Winding-Up**

The making of an order by a court of competent jurisdiction for CMT (or any CMT Group Entity) to be Wound-up.

**19. Composition**

Entering into any arrangement or general assignment or composition for the benefit of the creditors generally of CMT (or any CMT Group Entity).

**20. Appointment of Receiver**

The appointment of a receiver or a receiver and manager in relation to the property or assets of CMT (or any CMT Group Entity).

**21. Insolvency**

CMT (or any CMT Group Entity) becoming or being deemed by applicable laws to be insolvent, or stops or suspends or defaults on or threatens to stop or suspend or default on, payment of its debts.

**22. Analogous Event**

Any event occurs which, under the laws of any applicable jurisdiction, has an analogous or equivalent effect to any of the foregoing events, or any agreement or commitment by any CMT Group Entity to do any of the foregoing.

**Part 3 CCT Prescribed Occurrences**

**1. Amendment of Trust Deeds**

The CCT Manager making any amendment to the CCT Trust Deed, save for amendments necessary, required or desirable to facilitate the implementation of, or to give effect to, the Merger or the Trust Scheme and the transactions contemplated by the Implementation Agreement or any other matter as may be agreed between the Parties.

**2. Conversion of CCT Units**

The CCT Trustee sub-dividing or consolidating any or all of the CCT Units into a larger or smaller number of CCT Units.

**3. Issuance of Units or Shares**

The CCT Trustee (or any CCT Group Entity) allotting or issuing, or granting an option to subscribe for, any CCT Units, shares, units or equity securities of any CCT Group Entity, or securities convertible into CCT Units or into such shares, units or equity securities, save for any issuance of CCT Units to the CCT Manager as payment of fees (including base management fees, performance management fees and, if any, acquisition or divestment fees), as consistent with its usual policy of electing to receive CCT Units in line with past practice.

**4. Securities Buy-back**

The CCT Trustee (or any CCT Group Entity):

(a) entering into a securities buy-back or repurchase agreement;

(b) resolving to approve the terms of a securities buy-back or repurchase agreement under the relevant securities legislation or the CCT Trust Deed (save for any unit buy-back mandate that may be approved at the annual general meeting of CCT); or

(c) buying-back or repurchasing any issued CCT Units.

**5. Distributions**

The CCT Manager declaring, making or paying any distribution to the CCT Unitholders, except for the CCT Permitted Distributions.

**6. Borrowings, Indebtedness**

The CCT Trustee (or any CCT Group Entity) incurring any additional borrowings or indebtedness, including by way of the issuance of bonds, notes or other debt securities (whether or not convertible or exchangeable into units and whether or not accounted as equity), save for:

(a) any securities issued pursuant to the CCT Programmes or any securities issued for the purposes of refinancing or funding the redemption of any securities issued pursuant to the CCT Programmes;

(b) drawdowns on existing debt facilities (including under the CCT Programmes);

(c) the refinancing of any debt obligations prior to their due date;

(d) any borrowing or indebtedness incurred to fund any capital expenditure permitted in **paragraph 9** of this **Schedule 3, Part 3** or any acquisition permitted in **paragraph 10** of this **Schedule 3, Part 3**; and

(e) any borrowing or indebtedness incurred in relation to working capital requirements not exceeding S$100.0 million.

**7. Guarantees, Indemnities**

The CCT Trustee (or any CCT Group Entity) shall not:

(a) enter into any guarantee, indemnity or other arrangement to secure any obligation of any Person (other than a CCT Group Entity); or

(b) create any Encumbrance over any of CCT (or any CCT Group Entity)'s assets or undertakings,

in each case save in the ordinary course of business or in respect of any borrowings or indebtedness permitted in **paragraph 6** of this **Schedule 3, Part 3**.

**8. Hedging**

The CCT Trustee (or any CCT Group Entity) entering into any material hedging and other derivative or off-balance sheet transactions, save with respect to any cash-flow hedging for an underlying exposure which is permitted in **paragraph 6** of this **Schedule 3, Part 3**.

**9. Capital expenditure**

The CCT Trustee (or any CCT Group Entity) making or incurring any capital expenditure, save for:

(a) any CCT Approved Capex, less any and all capital expenditure incurred or committed from 1 January 2020 until (and including) the date of the Implementation Agreement; and

(b) any capital expenditure arising from or relating to cases of emergency.

**10. Acquisitions and Disposals**

The CCT Trustee (or any CCT Group Entity):

(a) entering into, undertaking or completing any Material Acquisition;

(b) entering into, undertaking or completing any Material Disposal; or

(c) creating any Encumbrance over or granting any rights or easements over any CCT Property.

## 11. Real Property

In relation to the CCT Properties, the CCT Trustee (or any CCT Group Entity):

(a) applying for any planning permission or sub-division of any CCT Property, or implementing any planning permission or sub-division of any CCT Property already obtained but not implemented, in each case which is reasonably likely to have a material adverse effect on the business, operations, assets or financial condition of the CCT Group, taken as a whole (save in respect of any CCT Approved Capex or any CCT New Capex);

(b) carrying out any alteration or addition to any CCT Property which has not been approved or budgeted for as at the date of the Implementation Agreement, save for any fitting out works carried out by an Occupier pursuant to an Occupation Agreement, in each case which is reasonably likely to have a material adverse effect on the business, operations, assets or financial condition of the CCT Group taken as a whole(save in respect of any CCT New Capex);

(c) effecting any change of use of any CCT Property which is reasonably likely to have a material adverse effect on the business, operations, assets or financial condition of the CCT Group, taken as a whole;

(d) amending, modifying or varying any Title Document in each case, except as will not have a material adverse effect on the business, operations, assets or financial condition of the CCT Group, taken as a whole; or

(e) releasing the lessor, grantor or issuer under any Title Document(s) from any of its obligations, failing to exercise any rights or powers of termination under any Title Document(s) or waiving any breaches of any Title Document(s), in each case, in any material respect.

## 12. Investigations

If CCT (or any CCT Group Entity), the CCT Trustee or the CCT Manager or any of their respective directors is the subject of any governmental, quasi-governmental, criminal, regulatory or stock exchange investigation or Proceeding.

## 13. Proceedings

The CCT Trustee or the CCT Manager (or any CCT Group Entity) initiating, compromising, settling or making any offer to compromise, settle or pay any claim, legal action or Proceeding in excess of S$2.0 million (or its equivalent in other currencies) individually or in the aggregate with any and all other claims, legal actions or Proceedings, save in the ordinary course of business.

## 14. Cessation of Business

CCT (or any CCT Group Entity) ceases or threatens to cease for any reason to carry on business in the ordinary and usual course.

**15. Amend Accounting Policies**

CCT (or any CCT Group Entity) making any change to its accounting practices or policies (save for changes in accordance with FRS or RAP 7, as applicable).

**16. Resolution for Winding Up**

Any resolution that CCT (or any CCT Group Entity) be Wound-up, save with respect to any CCT Group Entity that is dormant.

**17. Appointment of Liquidator and Judicial Manager**

The appointment of a liquidator, provisional liquidator, judicial manager or provisional judicial manager of CCT (or any CCT Group Entity).

**18. Order of Court for Winding-Up**

The making of an order by a court of competent jurisdiction for CCT (or any CCT Group Entity) to be Wound-up.

**19. Composition**

Entering into any arrangement or general assignment or composition for the benefit of the creditors generally of CCT (or any CCT Group Entity).

**20. Appointment of Receiver**

The appointment of a receiver or a receiver and manager in relation to the property or assets of CCT (or any CCT Group Entity).

**21. Insolvency**

CCT (or any CCT Group Entity) becoming or being deemed by applicable laws to be insolvent, or stops or suspends or defaults on or threatens to stop or suspend or default on, payment of its debts.

**22. Analogous Event**

Any event occurs which, under the laws of any applicable jurisdiction, has an analogous or equivalent effect to any of the foregoing events, or any agreement or commitment by any CCT Group Entity to do any of the foregoing.

**Part 4 Break Fee and Reverse Break Fee**

**1. Break Fee and Reverse Break Fee Triggers**

**1.1** Subject to **paragraphs 2** and **3** of this **Schedule 3, Part 4** the CCT Trustee has to pay the Break Fee to the CMT Trustee (without withholding or set-off):

**1.1.1** if there is a CCT Superior Competing Offer and the CCT Superior Competing Offer becomes or is declared effective or unconditional (in all respects) and/or is completed (or the equivalent in respect of any of the foregoing); or

**1.1.2** if the CMT Trustee or the CMT Manager terminates the Implementation Agreement pursuant to **paragraph 6.2.2(ii)** above in relation to **paragraph 5(b)** or **6(b)** of **Schedule 3, Part 1**, or pursuant to a breach of the CCT Warranties which are material in the context of the Merger and the CCT Trustee or the CCT Manager fails to remedy such breach (if capable of remedy) within 14 days after being given notice by the CMT Trustee or the CMT Manager to do so.

**1.2** **Subject to paragraphs 2** and **3** of this **Schedule 3, Part 4**, the CMT Trustee has agreed to pay the Reverse Break Fee to (in aggregate) the CCT Trustee (without withholding or set-off) if the CCT Trustee or the CCT Manager terminates the Implementation Agreement pursuant to **paragraph 6.2.2(i)** above in relation to **paragraph 5(a)** or **6(a)** of **Schedule 3, Part 1**, or pursuant to a breach of the CMT Warranties which are material in the context of the Merger and the CMT Trustee or the CMT Manager fails to remedy such breach (if capable of remedy) within 14 days after being given notice by the CCT Trustee or the CCT Manager to do so.

**2. Trust Scheme Being Effective**

Notwithstanding the occurrence of any event in **paragraph 1** of this **Schedule 3, Part 4**, if the Trust Scheme becomes effective, no Break Fee or Reverse Break Fee shall be payable under **paragraph 1** of this **Schedule 3, Part 4**.

**3. Compliance with Applicable Laws**

If it is finally determined following the exhaustion of all reasonable avenues of appeal to a Court or the SIC that all or any part of the Break Fee or the Reverse Break Fee would, if paid, be unlawful for any reason, or involves a breach of the fiduciary or statutory duties of the CMT Directors or the CCT Directors, as the case may be, then (a) the requirement to pay the Break Fee or the Reverse Break Fee, as the case may be, shall not apply to the extent of such amount and (b) if the relevant recipient of the Break Fee or the Reverse Break Fee, as the case may be, has received such amount, such amount shall be refunded in full and in cash by such recipient to such payor within five business days of such determination having been made.

**Part 5 Definitions**

In this **Schedule 3**, unless the context otherwise requires:

"**CCT Approved Capex**" means:

(a) any capital expenditure; or

(b) any alteration or addition to any CCT Property,

which has been approved and budgeted for as at the date of the Implementation Agreement, and which does not exceed S$100.0 million (or its equivalent in other currencies) in the aggregate;

"**CCT Competing Offer**" means any expression of interest, offer or proposal by any Person, acting together with its concert parties, other than the CMT Trustee or the CMT Manager involving:

(a) a sale, conveyance, transfer, assumption or other disposal of any direct or indirect interest in some or all of the CCT Units exceeding 5% of all the CCT Units, whether in a single transaction or series of related transactions;

(b) an allotment or issuance of the CCT Units or securities in any CCT Group Entity (or Convertible Securities in respect of such CCT Units or securities) in each case exceeding 5% of all the CCT Units or such securities, as the case may be, immediately after such allotment or issuance, whether in a single transaction or series of related transactions;

(c) a Material Disposal of any real property, assets or securities in any CCT Group Entity (save for the CCT Units);

(d) an offer (whether partial or otherwise) for the CCT Units;

(e) a scheme of arrangement involving CCT or any CCT Group Entity or the merger of CCT or any CCT Group Entity with any other entity (whether by way of joint venture, reverse takeover bid, dual listed company structure, stapling or otherwise) provided that, in the case of any CCT Group Entity (other than CCT), such scheme of arrangement or merger is material to the CCT Group (taken as a whole);

(f) any agreement or other arrangement intended to achieve or having an effect similar to any of (a) to (d); or

(g) a transaction or series of related transactions which would, or is reasonably likely to, preclude, restrict or frustrate, or delay or impede, the Merger or the Trust Scheme;

"**CCT New Capex**" means:

(a) any capital expenditure; or

(b) any alteration or addition to any CCT Property,

which has not been approved and budgeted for as at the date of the Implementation Agreement, and which does not exceed S$100.0 million (or its equivalent in other currencies) in the aggregate. For the avoidance of doubt, any such capital expenditure or alteration or addition is subject to any internal approvals of CCT as may be necessary;

"**CCT Properties**" means the properties listed in the announcement titled "Asset Valuation" released by the CCT Group on SGXNET on 22 January 2020, and "**CCT Property**" means any one of them;

"**CCT Superior Competing Offer**" means a bona fide CCT Competing Offer that the CCT Independent Directors, acting in good faith and after taking advice from their legal and financial advisers, determine is:

(a) of a higher financial value and more favourable to the CCT Unitholders than the Trust Scheme or if the Switch Option is exercised by the CMT Trustee, such final offer made by the CMT Trustee; and

(b) reasonably capable of being completed, including its conditions,

in each case, taking into account all aspects of such CCT Competing Offer;

"**CMT Approved Capex**" means:

(a) any capital expenditure; or

(b) any alteration or addition to any CMT Property,

which has been approved and budgeted for as at the date of the Implementation Agreement, and which does not exceed S$100.0 million (or its equivalent in other currencies) in the aggregate;

"**CMT New Capex**" means:

(a) any capital expenditure; or

(b) any alteration or addition to any CMT Property,

which has not been approved and budgeted for as at the date of the Implementation Agreement, and which does not exceed S$100.0 million (or its equivalent in other currencies) in the aggregate. For the avoidance of doubt, any such capital expenditure or alteration or addition is subject to any internal approvals of CMT as may be necessary;

"**CMT Properties**" means the properties listed in the announcements titled "Asset Valuation" released by the CMT Group on SGXNET on 22 January 2020, and "**CMT Property**" means any one of them;

"**Encumbrances**" means, with respect to any asset or real property:

(a) any charge, claim, hypothecation, lien, mortgage, power of sale, retention of title, or security interest of any kind over and in respect of such asset or real property; and

(b) any right of pre-emption, first offer, first refusal, tag-along or drag-along of any kind to which any such asset or real property is subject or any right or option for the sale or purchase of any such asset or real property,

and any other third party rights and interests of any nature whatsoever or an agreement, arrangement or obligation to create any of the foregoing;

"**FRS**" means the Singapore Financial Reporting Standards;

"**Material Acquisition**" means any acquisition of any real property, assets or securities in any entity, partnership or trust for an aggregate consideration which, individually or when aggregated any and all other related acquisitions on or after the date of the Implementation Agreement, exceeds:

(a) in the case of any acquisition by any CMT Group Entity, S$1.3 billion (or its equivalent in other currencies), being 10% of the sum of the market capitalisation and the consolidated debt of the CMT Group as at 31 December 2019; and

(b) in the case of any acquisition by any CCT Group Entity, S$1.0 billion (or its equivalent in other currencies), being 10% of the sum of the market capitalisation and the consolidated debt of the CCT Group as at 31 December 2019,

it being understood that the "**aggregate consideration**" for an acquisition of:

(i) any real property or assets shall be the aggregate amount payable for such real property or assets (including, without double counting, the net debt which are assumed by the relevant purchaser in connection with such acquisition as at the date on which the binding acquisition agreement is entered into); and

(ii) any securities in any entity, partnership or trust shall be the sum of:

(1) the amount payable for such securities; and

(2) the net debt of such entity, partnership or trust as at the date on which the binding acquisition agreement is entered into, multiplied by a fraction the numerator of which is the number of securities purchased and the denominator of which is the number of securities of the same class outstanding as at such date of signing;

"**Material Disposal**" means any sale, conveyance, transfer, assumption or disposal ("**disposal**") of any real property, assets or securities in any entity, partnership or trust:

(a) in the case of any disposal by any CMT Group Entity, the carrying value of which in the CMT FY2019 Unaudited Accounts, individually or when aggregated with the carrying value of other real property, assets or securities in the CMT FY2019 Unaudited Accounts disposed of in any and all other related disposals on or after the date of the Implementation Agreement, exceeds S$0.6 billion (or its equivalent in other currencies), being 5% of the consolidated total assets of the CMT Group as 31 December 2019; and

(b) in the case of any disposal by any CCT Group Entity, the carrying value of which in the CCT FY2019 Unaudited Accounts, individually or when aggregated with the carrying value of other real property, assets or securities in the CCT FY2019 Unaudited Accounts disposed of in any and all other related disposals on or after the date of the Implementation Agreement, exceeds S$0.5 billion (or its equivalent in other currencies), being 5% of the consolidated total assets of the CCT Group as at 31 December 2019.

"**Occupation Agreements**" means all accepted letters of offer, leases, tenancies, letting arrangements, options for renewals, occupation agreements and licences and any other agreements or options of whatever kind (including any side letters or variations relating thereto, if any) in relation to the use, occupation or possession of the CMT Properties or any part(s) thereof or the CCT Properties or any part(s) thereof, as the case may be, and "**Occupation Agreement**" means any one of them;

"**Occupiers**" means the tenants or licensees under the Occupation Agreements, and "**Occupier**" means any one of them;

"**Person**" means any individual, company, corporation, general partnership, limited partnership, trust or other entity, organisation or unincorporated association, wherever constituted or located and whether or not having separate legal personality, including any Governmental Authority;

"**Proceeding**" means any action, claim, demand, appeal, litigation, arbitration or dispute resolution proceeding, or any disciplinary or enforcement proceeding, in any jurisdiction;

"**RAP 7**" means the Statement of Recommended Accounting Practice 7 "Reporting Framework for Unit Trusts"; "**Title Documents**" means documents of title (including land grants, leases, building agreements and agreements to lease) relating to the CMT Properties or the CCT Properties, as the case may be, and "**Title Document**" means any of such documents; and

"**Winding-up**" means, in relation to any Person, the bankruptcy, winding-up, liquidation, dissolution or striking-off of that Person or such other analogous process under applicable Laws as will result in that Person ceasing to exist (other than pursuant to a merger, amalgamation or similar process), and "**Wind-up**" and "**Wound-up**" shall be construed accordingly.

# SCHEDULE 4
# EXISTING INTERESTED PERSON TRANSACTIONS

The table below sets out details of all Existing Interested Person Transactions entered into between (1) CMT and (2) CapitaLand and its subsidiaries and associates, during the course of the current financial year up to the Latest Practicable Date, is as follows:

| No. | Interested Person | Nature of Transaction | Value of Transaction (S$'000) |
|---|---|---|---|
| 1. | Capita Card Pte. Ltd.[1] | Licence of advertisement panel and casual leasing spaces to Capita Card Pte. Ltd. for year 2020 | 784 |
| 2. | CapitaStar Pte. Ltd.[1] | Renewal of the CapitaStar Shopper Loyalty Programme for year 2020 | 3,804 |
| 3 | Ascott International Management Pte Ltd[1] | Lease of Unit #05-01 at Raffles City Convention Centre for a lease term of six (6) years to commence on 1 May 2020. | 746 |
| **Total** | | | **5,334** |

**Note:**

(1) Each of Capita Card Pte. Ltd., CapitaStar Pte. Ltd. and Ascott International Management Pte Ltd is an indirect wholly owned subsidiary of CapitaLand.

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# INDEPENDENT MARKET REPORT
# - SINGAPORE RETAIL, OFFICE & FRANKFURT OFFICE FOR 1H 2020

HSBC INSITUTIONAL TRUST SERVICES (S) LIMITED AS TRUSTEE OF CAPITALAND MALL TRUST AND HSBC INSTITUTIONAL TRUST SERVICES (S) LIMITED AS TRUSTEE OF CAPITALAND COMMERCIAL TRUST

C/O CAPITALAND MALL TRUST MANGEMENT LIMITED AND CAPITALAND COMMERCIAL TRUST MANAGEMENT LIMITED

AUGUST 2020

CBRE

## 1. SINGAPORE

### Economic Overview

The latest statistics from Ministry of Trade and Industry (MTI) shows that the Singapore economy contracted by 13.2% in 2Q 2020, year-on-year (y-o-y), largely due to the implementation of Circuit Breaker (CB) measures from 7 April to 1 June 2020 alongside a global economic downturn.

Overall, all sectors recorded a contraction in 2Q 2020, on y-o-y basis, except the finance and insurance sector (+3.4%). In 2Q 2020, the manufacturing sector contracted by 0.7% y-o-y, on the back of output declines in transport engineering, general manufacturing and chemicals clusters. In contrast, the biomedical manufacturing, electronics and precision engineering clusters expanded due to increase in demand for semiconductors and equipment. Following a stoppage to construction activities during the CB period and manpower movement restrictions at foreign worker dormitories, the construction sector fell significantly by 59.3% y-o-y in 2Q 2020, worsening from the 1.2% decline the previous quarter.

The wholesale and retail trade sector contracted by 8.2% y-o-y in 2Q 2020, extending from the 5.6% decline the previous quarter. Declines in machinery, equipment, supplies and other sub-segments were the main causes of contraction, whilst closure of most physical retail outlets during the CB period affected the retail sector significantly. Other sectors that witnessed a decline included the transportation and storage (-39.2%), accommodation and food services (-41.4%), information and communication (-0.5%), business services (-20.2%) and "other services industries" (-17.8%) in 2Q 2020.

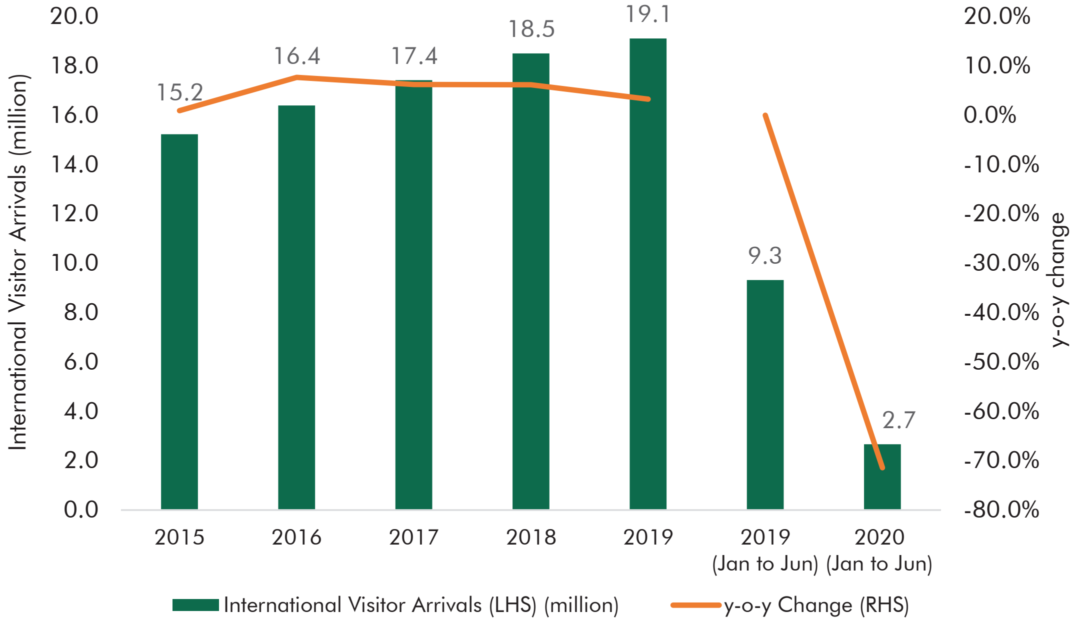
Considering existing COVID-19 pandemic and global macroeconomic situation, the Singapore economy is expected to contract for full year 2020. MTI forecasts Singapore's GDP 2020 growth to be -7.0 to -5.0%.

Total population in Singapore for 2019 was 5.7 million, a 1.2% increase y-o-y; whilst overall unemployment rate edged upwards to 2.9% in 2Q 2020, from 2.4% in 1Q 2020, and is expected to increase further in the near term.

### Singapore Tourism Overview

According to Singapore Tourism Board (STB) preliminary estimates, visitor arrivals from January to June 2020 declined sharply to 2.7 million, reflecting a 71.4% decrease y-o-y. Visitor arrivals numbers trended upwards in the month of January 2020 (+3.9% y-o-y), however, the escalation of COVID-19 pandemic resulted in an unprecedented closure of Singapore's travel borders to all short-term visitors, with effect from 22 March 2020. This resulted in arrival numbers declining sharply for the subsequent months. Visitors for the months of April, May and June 2020 registered at 750, 880 and 2,170 respectively, the lowest recorded numbers in the nation's history.

Chart 1: International Visitor Arrivals




Source: Singapore Tourism Board, CBRE Singapore, 2Q 2020

Table 1: International Visitor Arrivals (by Month, 2020)

| By Month, 2020 | International Visitor Arrivals | Y-o-Y Change |
|---|---|---|
| January | 1,688,099 | 3.9% |
| February | 732,965 | -51.1% |
| March | 240,001 | -84.7% |
| April | 750 | -100.0% |
| May | 880 | -99.9% |
| June | 2,170 | -99.9% |

Source: Singapore Tourism Board, CBRE Singapore, 2Q 2020

## COVID-19 Impact

Locally, domestic consumption was significantly impacted in 2Q 2020 during the CB period, where non-essential services were suspended, and most workplace premises were mandated to close. Singapore has since exited the CB period and is currently in Phase Two of a three-phased approach to resume activities safely, with more firms and services gradually opening whilst ensuring safe management and social distancing measures in place.

To mitigate the severity and impact of COVID-19, the Ministry of Finance (MOF) has announced financial and statutory assistance through four relief budget measures totaling S$99.7 billion, or about 20.0% of GDP, from February to May 2020.

On 5 June 2020, the COVID-19 (Temporary Measures) (Amendment) Bill was passed to resolve financial concerns and support eligible Small and Medium Enterprises (SMEs) as well as affected landlords and businesses by provision of additional relief. The key amendments include rental support for eligible SMEs via a new rental relief framework; relief for tenants that are unable to vacate the business premises due to COVID-19; and a cap on late payment interest or charges for specific contracts.

Additional loan and cashflow support schemes are also available for landlords and businesses affected by COVID-19. Landlords can defer both principal and interest repayments till 31 December 2020, should they be required to provide rental waivers or rescheduling of rental payments to affected tenants. More flexibility has also been extended to Singapore listed REITs, where they are permitted to extend their timelines for distribution of their taxable income. Lastly, project completion period for residential, commercial and industrial projects have been extended.

In the mid to long term, some development slippages and delay in construction activities may be witnessed due to manpower shortages from quarantine order imposed on foreign dormitories. For landlords, under the COVID-19 (Temporary Measures) Act, temporary relief from inability to perform contractual obligations without any liability will be provided.

The Singapore's tourism industry has been directly affected as a result of COVID-19 measures. Travel borders remained closed to date. However, the country is looking to slowly reopen its borders, with 'fast lane' agreement signed with China effective 8 June 2020, restricted only to essential business travel. Since 10 August 2020, cross-border travel arrangements between Singapore and Malaysia have started under two schemes: Reciprocal Green Lane and Periodic Commuting Arrangement. Reopening of international borders is envisioned to happen more gradually than earlier anticipated given the protracted COVID-19 situation globally. To help the sector recover strongly and tide through this challenging period, the government has set aside certain packages and introduced schemes to help local lifestyle, tourism and hospitality related businesses.

### Real Estate Trends – Mixed-Use Precincts and Integrated Developments

There has also been a shift in demand towards live-work-play environment with strong interests for integrated developments that are well-connected to transportation nodes and features high-quality green and open spaces for the public. Such integrated developments help to create a vibrant ecosystem that is well supported by the working population as well as immediate residential catchment.

Considering the dynamic urban landscape, landlords are leaning in favour of integrated developments as seen by recently completed projects such as DUO, Funan and Jewel Changi Airport, and upcoming pipeline developments like One Holland Village, CapitaSpring and Guoco Midtown.

The growing popularity of integrated developments is also aligned with the Urban Redevelopment Authority (URA)'s strategy of introducing more mixed-use precincts and integrated developments through Government Land Sales (GLS) programme, CBD Incentive Scheme and Strategic Development Incentive Scheme that was announced in URA Draft Master Plan 2019. In the 2H 2020 GLS Programme, there are four integrated development sites, including one commercial and residential site (Jalan Anak Bukit) on the Confirmed List and three 'White Sites' including Marina View, Woodlands Avenue 2 and Kampung Bugis on the Reserve List. The gradual shift in introducing more mixed-use precincts and integrated developments reflects a growing emphasis in creating integrated spaces for residential, office, hospitality, retail and leisure uses.

Integrated developments encourage "communities". The trends of collaborative environment, authentic experiences and car-lite society supports the growth in integrated developments. The synergy and community that these integrated developments offer also provides more opportunities for place-making, which will create a sense of place and ensure vibrancy.

## 2. SINGAPORE RETAIL MARKET

### URA Retail Sales Index[1]

2019 was generally a lacklustre year for retail sales, with the y-o-y total sales index (excluding motor vehicles) for December 2019 increasing marginally by 0.1%. With the onset of COVID-19, the challenge for retail sales has been further exacerbated.

Following the fall in April and May during the CB period, the retail sales index (excluding motor vehicles) in June 2020 improved by 42.6% compared to that in May. However, it is 24.2% lower compared to June 2019.

All major components showed a decline including department stores (-66.5%), food retailers (-47.3%), recreational goods (-40.2%), wearing apparel & footwear (-61.6%) and watches and jewellery (-59.0%).

Likewise, the Food & Beverage Services Index registered a large decrease, with the index falling 41.7% y-o-y. This was a consistent trend across all components with restaurants (-58.8%), fast food outlets (-17.1%), food caterers (-49.8%) and other eating places (-33.5%) showing declines.

However, retail sales index of supermarkets and hypermarkets (+44.8%) and mini-marts and convenience stores (+5.9%) have grown strongly with the flight of consumer demand to necessities in the COVID-19 led environment. Additionally, computer and telecommunications equipment also showed strong y-o-y growth at 20.5%.

Given the consequences of the measures during the CB, overall proportion online retail trade out of the total retail sales had increased by 12.9 percentage points y-o-y to 18.1%. While the proportion of supermarket and hypermarket sales have risen by 3.1 percentage points to 10.7%, the proportion of online sales for computer and telecommunications equipment (69.9% proportion) and furniture and household equipment (45.6% proportion) grew significantly by 46.2 percentage points and 35.6 percentage points respectively.

### Existing Supply

As at 2Q 2020, islandwide retail stock decreased by 0.5% y-o-y to 66.9 million sq ft. Some 74% of this (50.1 million sq ft) is private retail stock. Recent retail developments completed include 30 Bideford Road on Orchard Road (54,400 sq ft) as well as the addition and alteration (A&A) works at 30 Raffles Place (38,266 sq ft) in the Downtown Core and Centrium Square (32,400 sq ft) in the Fringe Market[2]. The first half of 2020 has also seen the temporary closure of Katong i12, which is undergoing renovations and is scheduled for completion in 2021.

Orchard Road remains a key shopping belt, with most of Singapore's high-end shopping centres and brands as well as other eclectic concepts located within the precinct. Shopping centres such as ION Orchard, Paragon, 313@Somerset, Plaza Singapura, Wisma Atria and Ngee Ann City are located within the precinct. The private retail stock in Orchard Road accounts for 10.9% of

[1] Retail Sales Index (2017=100), in Chained Volume Terms, Monthly, SA (SSIC 2015 Version 2018).

[2] This is the area within the Central Region, excluding the Central Area. It comprises the following 11 Planning Areas: Bukit Merah, Bukit Timah, Queenstown, Kallang, Bishan, Marine Parade, Geylang, Toa Payoh, Tanglin, Novena and Southern Islands.

total islandwide stock, which is equivalent to 7.3 million sq ft. In 2Q 2020, private retail stock in Orchard Road reduced by 1.3% y-o-y due to the removal of some stock for redevelopment.

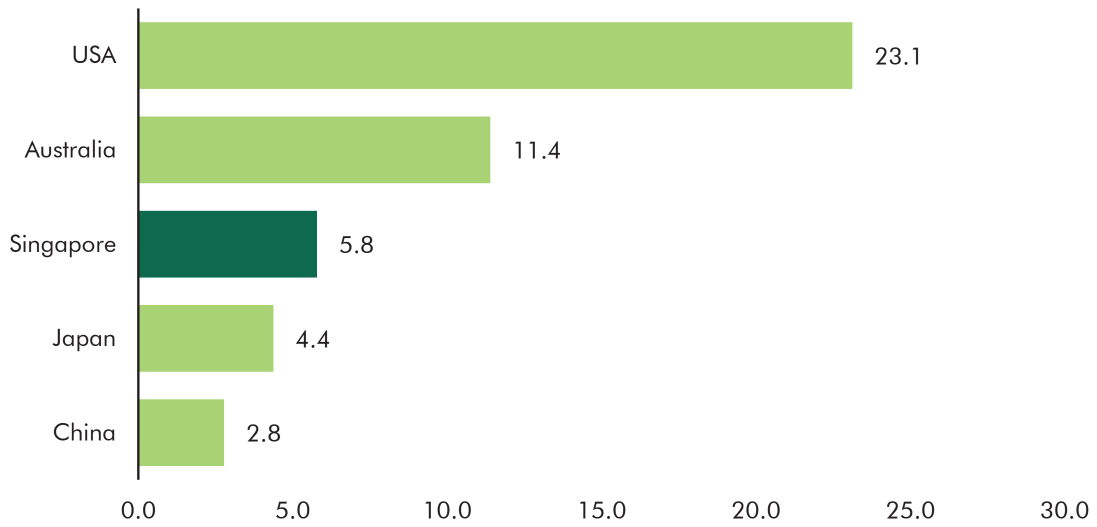
The Downtown Core region, which comprises Bugis, City Hall, Marina Centre, Raffles Place and Shenton Way is another major retail precinct, with a mix of shopping centres such as The Shoppes at Marina Bay Sands, Bugis Junction, Bugis+, Raffles City Shopping Centre and Suntec City, as well as Central Business District specialty centres[3] such as One Raffles Place and OUE Downtown. The private retail stock in the Downtown Core accounts for 11.3% of the islandwide stock, which is equivalent to 7.6 million sq ft. In 2Q 2020, private retail stock in the Downtown Core increased by 5.2% y-o-y due to the reintroduction of some stock into the submarket.

In 2Q 2020, the private retail stock in the Rest of Central Region (RCR)[4], Fringe Area and Outside Central Region (OCR)[5] markets collectively accounted for 52.6% of the islandwide stock, which is equivalent to 35.2 million sq ft. The collective private retail stock in these submarkets remains unchanged y-o-y.

## Shopping Centre Floor Space per Capita

According to the latest research by the International Council of Shopping Centres (ICSC), the provision of shopping centre floor space per capita in Singapore is estimated to be approximately 5.8 sq ft net lettable area (NLA). In comparison to other countries, Singapore shopping centre floorspace provision is moderate, significantly lower than countries such as the USA and Australia but higher than Japan and China.

**Chart 2: Shopping Centre Floor Space per Capita (sq ft NLA)**




Source: ICSC Research (2018)

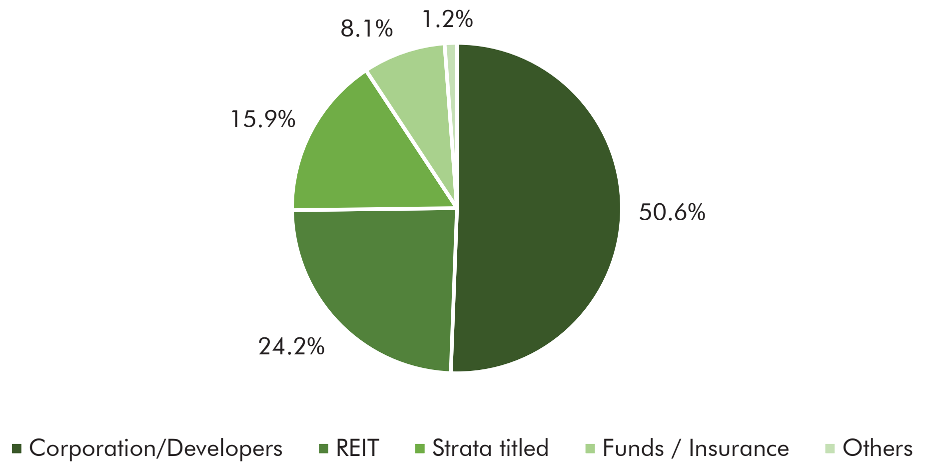
[3] ICSC defines specialty centres as retail centres dominated by specialty shops and mini-major tenants (<10,000 sq ft). These centres are typically located within or near to CBDs or large mixed-use developments.
[4] It comprises the following 9 Planning Areas: Outram, Museum, Newton, River Valley, Singapore River, Marina South, Marina East, Straits View and Rochor. It excludes the Orchard and Downtown Core Planning Areas.
[5] Refers to the planning areas which are outside the Central Region.

## Private Retail Stock Ownership

The largest owners of private retail stock in Singapore are corporations and developers, owning an estimated 50.7% of private retail stock NLA[6]. The second-largest owners are REITs, comprising an estimated 24.2% of private retail stock. The remaining 25.2% of private retail stock is owned by funds and insurance houses, strata-titled owners and others.

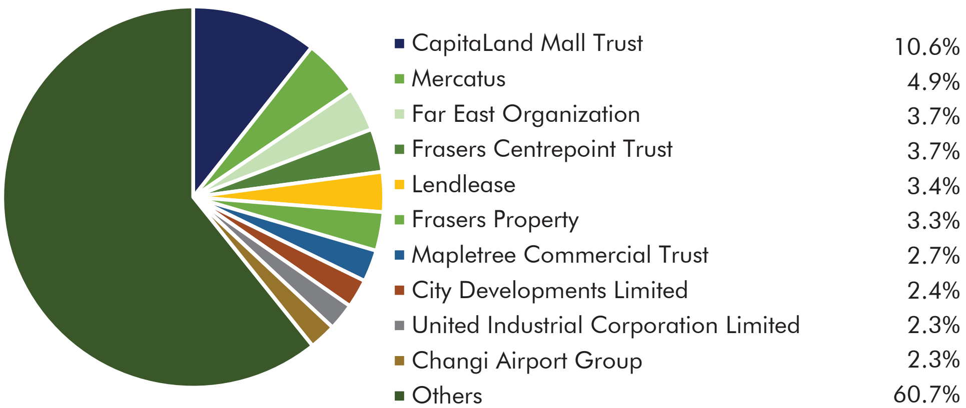
CMT, which owns approximately 10.6% of total private retail stock, is the largest owner of private retail stock in Singapore.

### Chart 3: Breakdown of Private Retail Stock Ownership in Singapore




Source: CBRE Singapore, 2Q 2020

### Chart 4: Share of Private Retail Stock by Owner




Source: CBRE Singapore, 2Q 2020

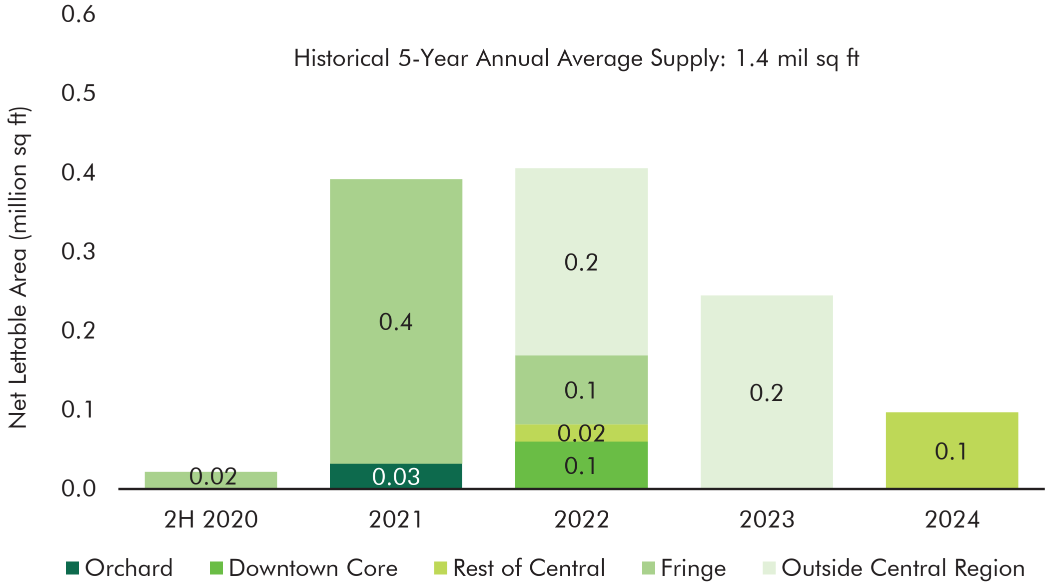
[6] Based on CBRE's basket of private retail stock, which includes retail space from shopping malls, retail podiums and mixed-use developments

## Future Supply

For the remaining 2020 to 2024, islandwide new retail supply is projected at 1.2 million sq ft. Total supply between 2020 (full year) and 2024 averages approximately 0.3 million sq ft, which is significantly lower than the last 5-year historical average supply of 1.4 million sq ft. This is in part due to the control of the release of sites with large-scale retail components for development under the URA Government Land Sales (GLS) Programme as the planning authority calibrates the future retail supply on the back of the large provision in the past five years.

The OCR and Fringe markets are the largest contributors to future supply, accounting for 41.5% and 40.4% of new supply respectively. The Orchard Road, Downtown Core and RCR markets collectively account for the remaining 18.1% of the upcoming pipeline within the same period.

**Chart 5: Islandwide Future Retail Supply**




Source: CBRE Singapore, 2Q 2020

**Table 2: Major New Completions - Retail**

| | 2H 2020: (0.02 million sq ft) | 2021: (0.4 million sq ft) | 2022: (0.4 million sq ft) | 2023: (0.2 million sq ft) | 2024: (0.1 million sq ft) |
|---|---|---|---|---|---|
| Orchard | • N.A. | • Boulevard 88: 32,000 sq ft | N.A. | • N.A. | • N.A. |
| Downtown Core | • N.A. | • N.A. | • Central Boulevard Towers: 30,000 sq ft<br>• Guoco Midtown: 30,000 sq ft | • N.A. | • N.A. |
| Rest of Central Region | • N.A. | • N.A. | • Club Street Retail: 30,000 sq ft | • N.A. | • Liang Court Redevelopment: 96,900 sq ft |

| | 2H 2020: (0.02 million sq ft) | 2021: (0.4 million sq ft) | 2022: (0.4 million sq ft) | 2023: (0.2 million sq ft) | 2024: (0.1 million sq ft) |
|---|---|---|---|---|---|
| Fringe | • Artra: 21,600 sq ft | • i12 Katong: 202,400 sq ft<br>• Grantral Mall @ Macpherson: 67,500 sq ft<br>• Shaw Plaza: 68,900 sq ft<br>• Wilkie Edge: 21,200 sq ft | • One Holland Village: 87,300 sq ft | • N.A. | • N.A. |
| Outside Central Region | • N.A. | • N.A. | • The Woodleigh Mall: 103,800 sq ft<br>• Forest Town: 74,100 sq ft<br>• Sengkang Grand Mall: 58,700 sq ft | • Punggol Way[7]: 187,700 sq ft<br>• Dairy Farm Residences: 32,300 sq ft<br>• Komo Shoppes 24,800 sq ft | • N.A. |

Source: CBRE Singapore, 2Q 2020

## Demand & Vacancy

In 2Q 2020, islandwide retail registered a negative net absorption of -1.0 million sq ft. The negative absorption is attributed to the escalated number of closures, which have been mainly confined to the food and beverage and entertainment sectors.

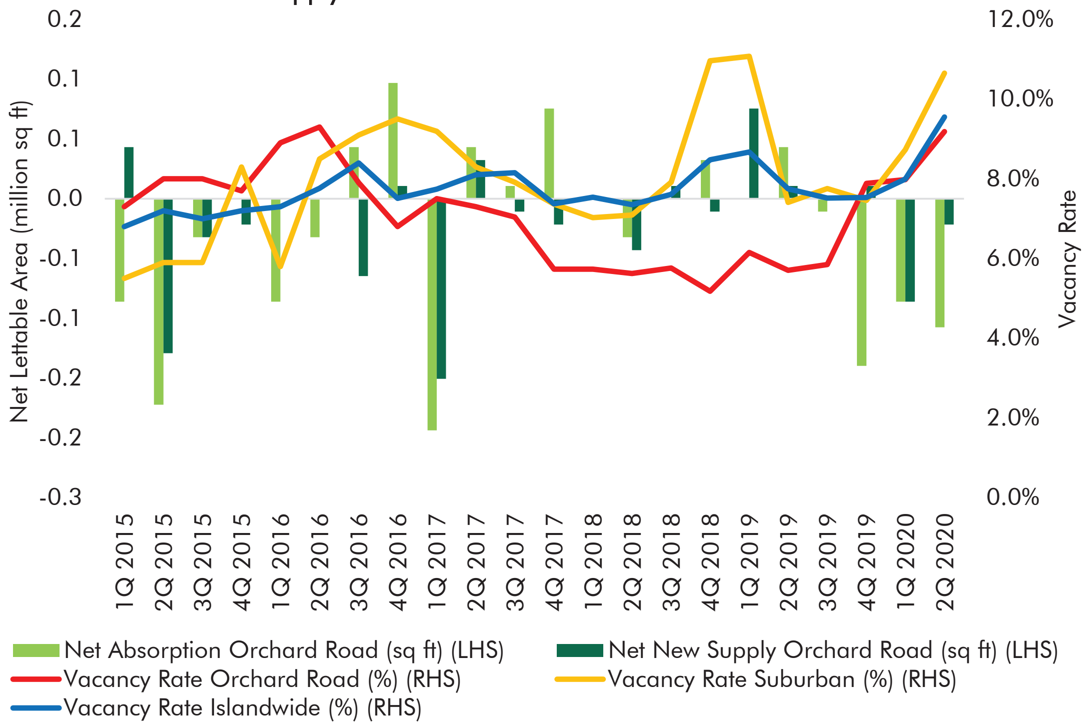
Leasing volume slowed down significantly in 2Q 2020. Arising from the COVID-19 pandemic, some international retailers have put their plans on hold amidst business uncertainties, despite steady enquiries. However, there are several bright spots in leasing activity. For example, Shake Shack recently opened their third outlet at Liat Towers in June 2020 while Ryan's Grocery and Ryan's Kitchen opened its 4,000 sq ft flagship store in Great World City in 2Q 2020.

Tenant retention has also been challenging. International retailers who may be experiencing cashflow difficulties are also reassessing their store footprint, placing a higher priority on their better-performing stores in higher footfall locations.

The overall vacancy in Orchard Road has increased y-o-y by 3.5 percentage points to 9.2% in 2Q 2020 while the suburban and islandwide retail vacancies have increased by 3.2 and 1.8 percentage points y-o-y to 10.7% and 9.6% respectively.

[7] Progressive completion date from 2023 onwards.

Chart 6: Orchard Road Supply and Demand



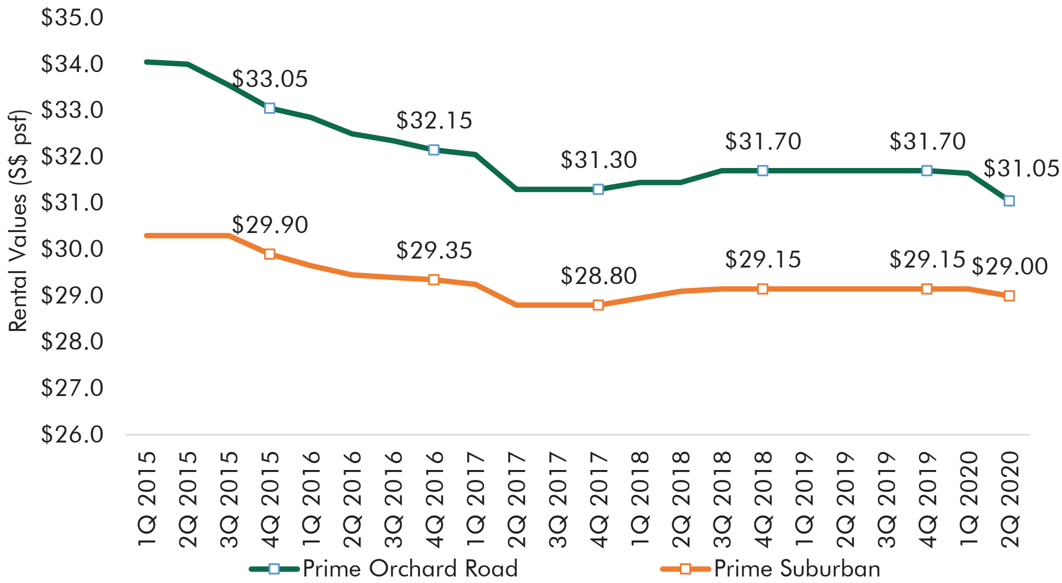

Source: CBRE Singapore, 2Q 2020

## Rental Values

Landlords have begun lowering their rental expectations as they place priority on maintaining occupancy. This is particularly so for malls in areas that have poorer footfall in the Fringe and Downtown Core locations.

Amidst these structural challenges, however, prime rents in Orchard Road have only fallen by 1.9% q-o-q to S$31.05 psf/month in 2Q 2020, while prime rents in Suburban market have withstood market rental compression and volatility due to steady domestic consumption, with a smaller dip of 0.5% over the same period to S$29.00 psf/month in 2Q 2020.

Chart 7: Prime Orchard Road and Prime Suburban Monthly Rental Values



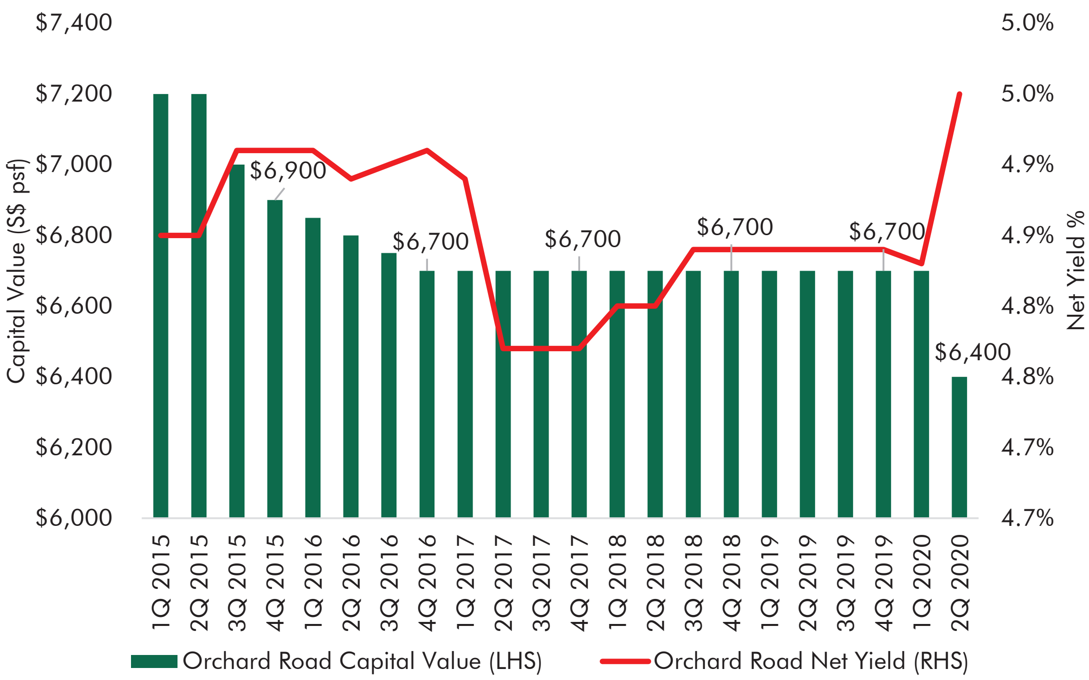

Source: CBRE Singapore, 2Q 2020

Retail investment transactions in 2019 totaled S$2.1 billion, mainly attributed to the sale of a 40% stake in Punggol Waterway Point (S$520.0 million) by Frasers Property to Frasers Centrepoint Trust; Chinatown Point (S$520.0 million) by Perennial Chinatown Point LLP to PAR Chinatown Point, and Liang Court (S$400.0 million) by PGIM Real Estate Asia Retail Fund to a consortium comprising City Developments Limited and CapitaLand Limited. The consortium, together with Ascott Residence Trust, plans to redevelop the Liang Court site which includes Liang Court mall, Novotel Singapore Clarke Quay and Somerset Liang Court Singapore into an integrated development.

For 1H 2020, there was only one major retail space transaction. The strata lots at retail podium of 30 Raffles Place (62,173 sq ft) was sold by Oxley Holdings to Siriti R Pte Ltd for S$192.7 million (S$3,099 psf), along with commercial strata lots on three levels for a further S$122.3 million. Other transactions in the same period include a 9,375 sq ft commercial unit at 1 St Martin's Drive for S$43.0 million (S$4,587 psf) as well as nine strata units at People's Park Centre for S$22.1 million (S$3,796 psf).

In 2Q 2020, Orchard Road capital values as estimated by CBRE have decreased by 4.5% y-o-y to S$6,400 psf. The decrease in capital values is larger than that of rental values, which has fallen by 2.1% y-o-y. This has led the implied yields at Orchard Road to increase by 11 bps y-o-y to 4.95%. With rents expected to soften further for the rest of 2020, yields are likely to compress.

Chart 8: Orchard Road Capital Value and Net Yield




Source: CBRE Singapore, 2Q 2020

## Retail Market Outlook

Given global uncertainties, disruptions in the tourism sector and individual consumption, dampened market and business confidence, the retail market is expected to face extended headwinds, which will be further exacerbated by the existing COVID-19 situation. The increase in unemployment in 2Q 2020, as well as business restructuring plans, could further impact sentiments, leading to a dampening in discretionary spending.

Despite the temporary relief measures, high operating costs and labour shortages persist. It will be imperative for landlords and tenants to work closely together during this challenging retail environment, particularly when the government support expires.

There has been an encouraging recovery in shopper traffic and tenant sales since Phase Two of the CB period from 19 June 2020 where the majority of tenants have resumed operations. However, the recovery to pre-COVID-19 levels is expected to be gradual for the foreseeable future, as strict social distancing measures with capacity limits in shops and restaurants are still in place.

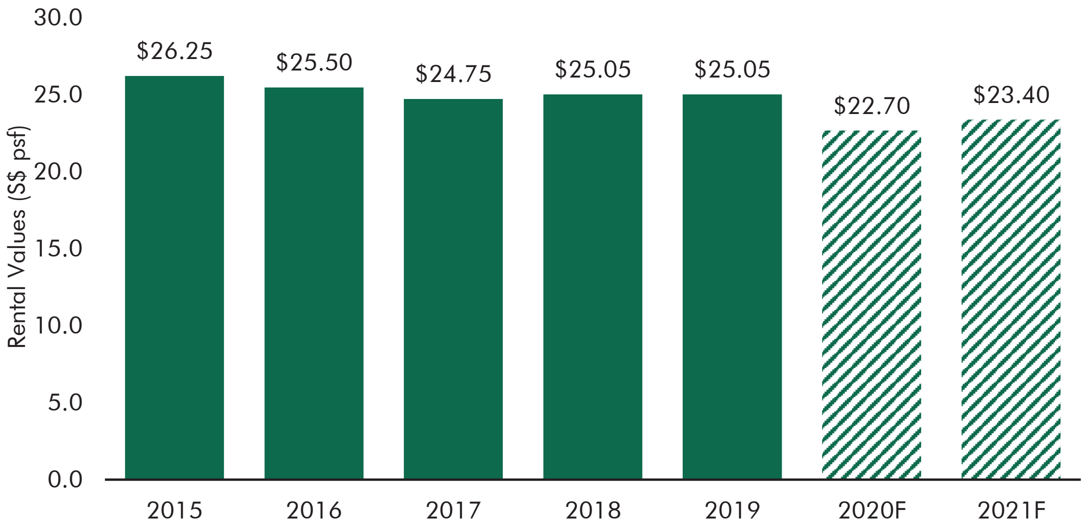
Islandwide retail rents are expected to experience further corrections in 2H 2020, with the widening of the two-tier market. Retail rents in Downtown Core will be significantly affected as companies continue to adopt 'Work From Home' (WFH) arrangements that resulted in fall in footfall. Likewise, Orchard Road, especially non-prime retail spaces, will face more pressure due to the fall in international visitors. As more retailers reassess consolidation activities to lean out their operations, vacancy rates islandwide are likely to increase in the coming quarters as the retail environment continues to remain challenging.

While the short-term retail operating environment is uncertain, shopping malls are taking concerted efforts to transform and stay relevant. Landlords have also rolled out marketing initiatives to encourage spending in their malls, as well as worked closely with tenants to adopt omnichannel retailing.

For instance, CapitaLand launched an ecommerce platform eCapitaMall and an online food ordering platform Capita3Eats in June to complement sales of its shopping malls in Singapore. Shoppers can now browse online before purchasing in-store or vice versa by accessing the platforms via the CapitaStar app. Retailers on the platforms can tap on CapitaStar's more than one million members and enjoy the in-store and online ecosystem. Increasingly, digital sales will become an important source of revenue. Shopping centres and retailers that embrace an omnichannel strategy are likely to be more resilient.

Additionally, activity themed-based destination malls like Funan are likely to be more attractive to shoppers, compared to malls that are poorly managed or with a tenant mix that is less curated to present shoppers' demands. Notwithstanding the evolving behaviour of consumers, suburban shopping malls of sufficient scale with good connectivity to transport hubs, healthy local catchment and high accessibility to consumers, will continue to remain relevant.

**Chart 9: Projected Islandwide Monthly Rental**




Source: CBRE Singapore, 2Q 2020

## 3. SINGAPORE OFFICE MARKET

### Existing Supply

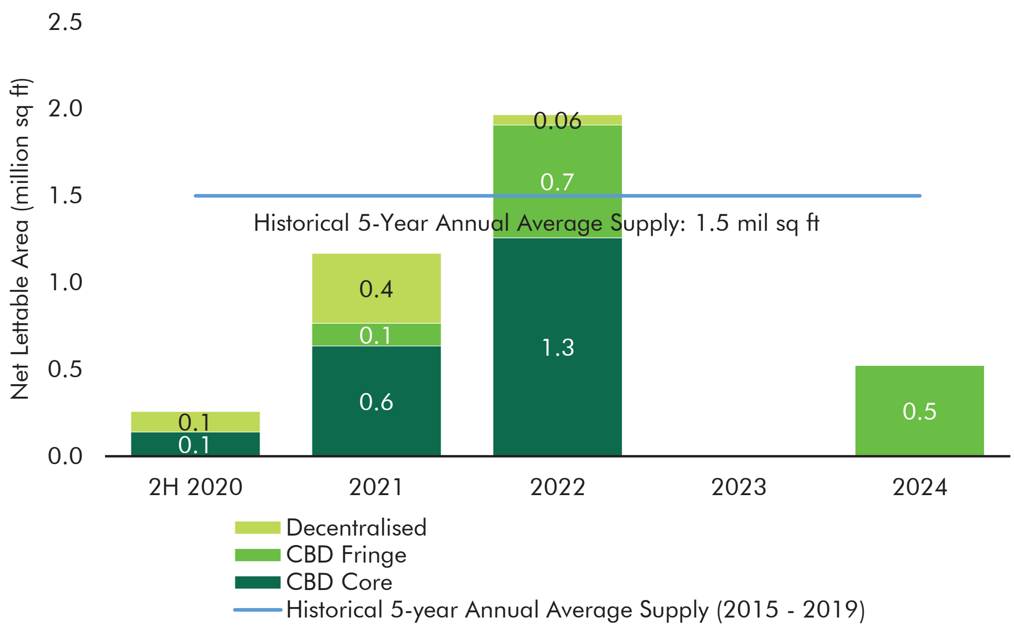
Islandwide office stock is about 61.8 million sq ft as at 30 June 2020. The Central Business District (CBD) Core[8] office stock accounts for 31.2 million sq ft (or 50.5% of islandwide office stock) with 14.1 million sq ft (or 22.9%) being Grade A CBD Core[9] office space. Fringe CBD office stock is 16.3 million sq ft (or 26.4%), a contraction of 1.4% y-o-y due to take out of some properties for redevelopment. The Decentralised Area accounts for 14.3 million sq ft (or 23.1%).

Major developments completed in 1H 2020 include 79 Robinson Road (518,000 sq ft), 30 Raffles Place (310,400 sq ft), post-AEI works at 55 Market Street (76,600 sq ft) and HD 139 (87,600 sq ft) in the CBD Core.

### Future Supply

For the remaining 2020 to 2024, islandwide new office supply is projected at 3.9 million sq ft[10]. The CBD Core market accounts for 51.9% of the pipeline supply, while the Decentralised[11] market and CBD Fringe[12] markets account for the remaining 14.8% and 33.3% of future supply respectively. Total supply between 2020 and 2024 averages approximately 1.3 million sq ft annually, which is slightly lower the last 5-year historical average supply of 1.5 million sq ft (on gross completions). However, considering uncertainties in COVID-19 situation, slower than expected resumption of construction activities may cause delays in completion of development pipelines. In addition, there may be further reduction in office stock as landlords evaluate opportunities to leverage the CBD Incentive Scheme and Strategic Development Incentive Scheme.

**Chart 10: Islandwide Future Office Supply**




Source: CBRE Singapore, 2Q 2020

[8] The CBD Core area comprises the four micro-markets: Raffles Place, Shenton Way, Marina Bay and Marina Bay Centre.
[9] A revision of CBRE's basket was conducted in 1Q 2019 with figures from 1Q 2019 onwards reflecting the revision of numbers. Historical figures are unchanged.
[10] The net lettable area and TOP dates are preliminary estimates and are subject to change.
[11] The Decentralised markets are anchored mainly by clusters of office in Alexandra/HarbourFront, Wester Suburban area and Eastern Suburban area.
[12] The CBD Fringe area includes Tanjong Pagar, Beach Road/City Hall as well as Orchard Road

Table 3: Major New Completions - Office[13]

| | 2H 2020: (0.2 million sq ft) | 2021: (1.2 million sq ft) | 2022: (2.0 million sq ft) | 2023 | 2024 (0.5 million sq ft) |
|---|---|---|---|---|---|
| CBD Core | • Afro-asia i-Mark: 140,000 sq ft | • CapitaSpring: 635,000 sq ft | • Central Boulevard Towers: 1,258,000 sq ft | | • N.A. |
| CBD Fringe | • N.A. | • Hub Synergy Point: 131,200 sq ft | • Guoco Midtown: 650,000 sq ft | N.A. | • Keppel Towers Redevelopment: 522,800 sq ft |
| Decentralised | • St James Power Station: 118,400 sq ft | • Rochester Commons: 195,000 sq ft<br>• Surbana Jurong Campus: 207,700 sq ft | • One Holland Village: 58,600 sq ft | | • N.A. |

Source: CBRE Singapore, 2Q 2020

## Demand & Vacancy

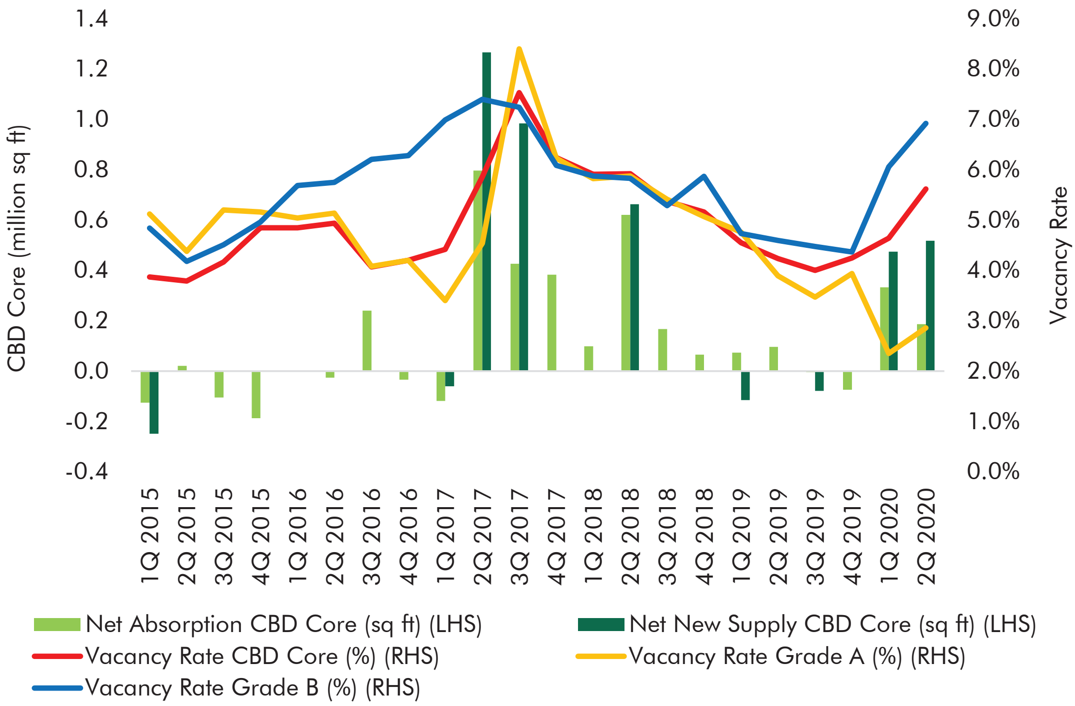
The CBD Core remains a choice location for business headquarters and corporates looking to house their front offices in good quality office space with access to well-connected transportation nodes and close proximity to numerous well-established local firms and global multinational corporation (MNCs). Financial and insurance, information technology, legal services and other business services sectors continue to drive demand for quality office spaces in the CBD.

There has also been steady interest from the technology, financial services and insurance firms in recent years, with reputable MNCs taking up new office spaces in the CBD. Despite the current situation, demand from these sectors is expected to remain healthy, especially from the technology sector, where firms retain sizeable requirements for expansion and upgrading. There has been a growing need for technology services as companies continue to increase their digital capabilities and strengthen their online platforms for working, studying and online gaming purposes. In the longer term, Singapore's plans of digital transformation efforts will further drive and support demand.

Demand from the last three years has also been driven by the agile space sector. From 2013 to 2019, the agile space sector grew exponentially, with the number of agile space locations more than doubled and market size tripled. As tracked by CBRE, approximately two out of five office buildings have an agile space component as of end 2019. The growth in the agile space market was fueled by both start-ups and corporates, as corporates are increasingly viewing this as part of their workplace strategy to reduce occupancy costs and increase flexibility.

[13] The net lettable area and TOP dates are preliminary estimates and are subject to change.

Chart 11: CBD Core Office Supply and Demand



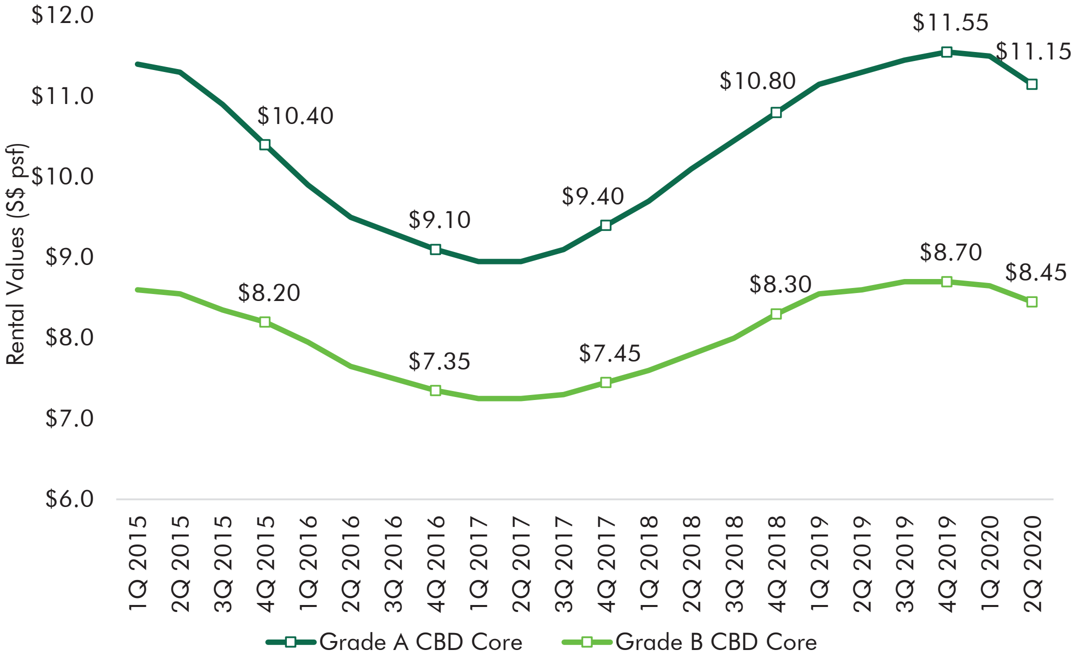

Source: CBRE Singapore, 2Q 2020

Historical islandwide office average annual net absorption for the last five years was 1.1 million sq ft. In 2Q 2020, islandwide office net absorption was -293,040 sq ft, mainly due to the removal of Keppel Towers and Keppel Towers 2 for redevelopment, which is expected to be reintroduced in 2024. Demand has been driven mainly through renewals or relocations. Given the current COVID-19 situation, cost containment measures have been a key focus for all businesses, resulting in firms reassessing their existing footprint. Vacancy rates in Singapore's office market increased marginally in 2Q 2020, with vacancy in the CBD Core expanding by 0.8 percentage points y-o-y to 5.6%, largely attributed to the transitional vacancy in 21 Collyer Quay, which is currently undergoing asset enhancement and new supply stemming from the completion of 79 Robinson Road.

## Rental Values

Office rents witnessed a further market correction for a second consecutive quarter in 2Q 2020, after posting ten and nine consecutive quarters of rental growth for Grade A CBD Core and Grade B CBD Core respectively since 2Q 2017. In 2Q 2020, Grade A CBD Core rents contracted 3.0% q-o-q to S$11.15 psf/month. Meanwhile, Grade B CBD Core rents fell 2.3% q-o-q to S$8.45 psf/month, reflecting some resilience in this sector.

**Chart 12: CBD Core Monthly Rental Values**




Source: CBRE Singapore, 2Q 2020

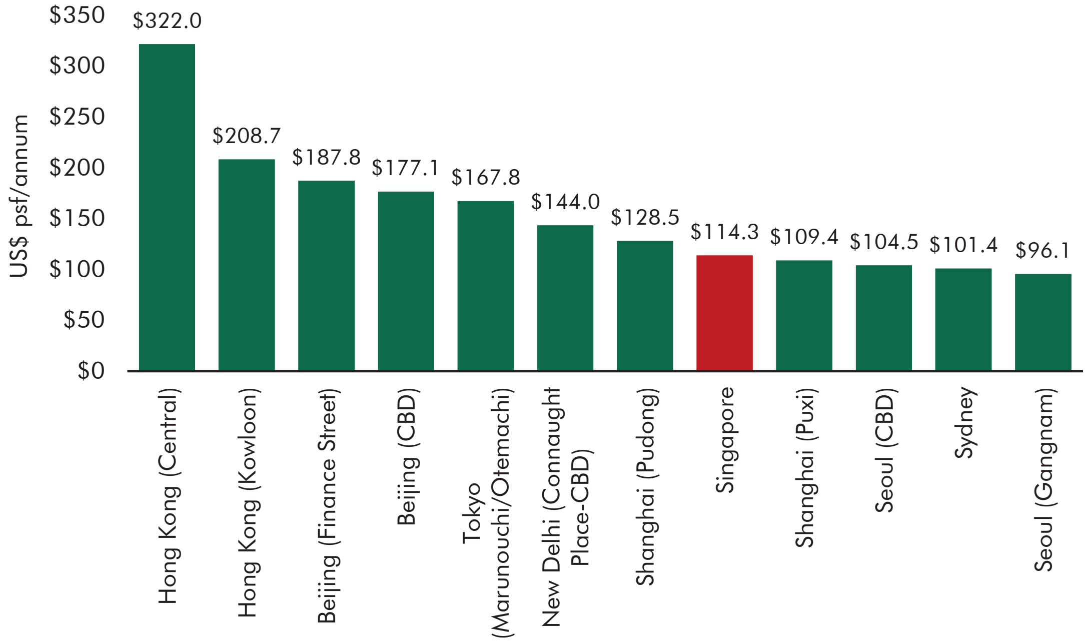
## CBRE Prime Office Occupancy Costs

Based on CBRE 1Q 2019 report on Prime Occupancy Costs Index, notwithstanding increased economic uncertainties, global prime office occupancy costs[14] rose by 3.6% y-o-y in 2019, accelerating from the previous year. Specifically, the Americas, Asia Pacific and the Europe, Middle East & Africa (EMEA) registered y-o-y increases of 3.7%, 3.3% and 3.5% respectively. Compared to a year ago, occupancy costs for Hong Kong (Central) and London (West End) increased by 5.1% and 2.1% respectively, as they continued to be the world's first and second most expensive office markets.

Singapore ranked 8th and 14th on the Asia Pacific and Global indices of most expensive prime office markets in 2019. With an occupancy cost of US$114.28 psf/annum as at 1Q 2019, Singapore's occupancy cost had risen 17.3% y-o-y. Frankfurt ranked 18th and 50th on the EMEA and Global indices with an annual occupancy cost of US$61.77 psf/annum as at 1Q 2019. This was equivalent to a decline of 4.7% y-o-y in occupancy cost.

[14] Total Occupancy Costs are reported for the highest-quality office space in a prime location. They are on a gross basis (inclusive of service charges and taxes) and have been adjusted to a net internal area of measurement.

Chart 13: Prime Occupancy Costs Index (Asia Pacific Top 12 Cities)




Source: CBRE, 1Q 2019

In Asia Pacific, most markets saw an increase in occupancy costs. Despite its higher rate of increase, Singapore remains competitive. The increase in prime office occupancy costs in Singapore is in line with limited future supply, lower vacancy and steady absorption amidst stable office market fundamentals. Singapore will continue to remain as an attractive location for businesses due to its strategic location as a key gateway city within the Asia Pacific region.

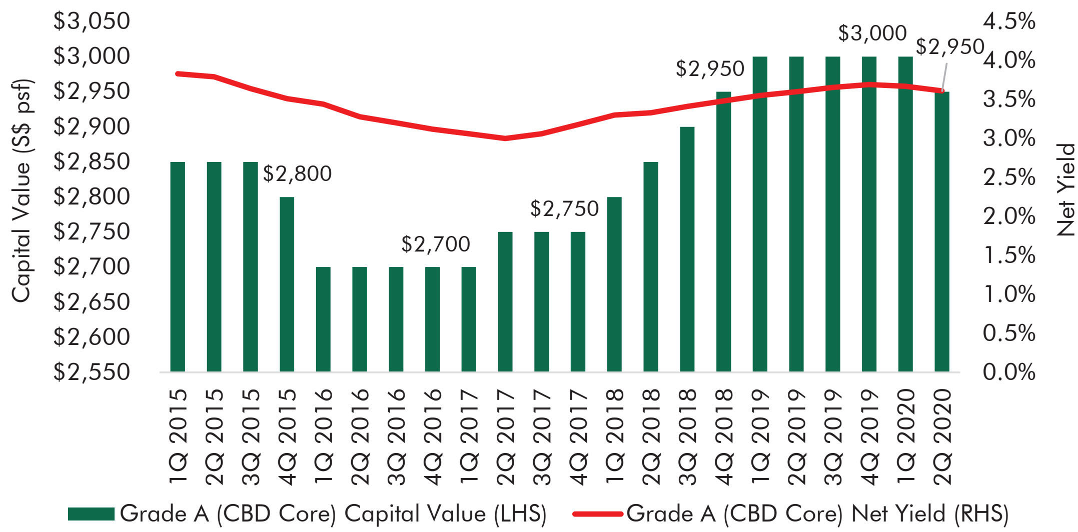
## Office Investment Market and Capital Values

Office investments totaled S$6.7 billion in 2019, with a number of sizable transactions including the sale of the office and retail components of DUO by M+S Pte Ltd to Allianz Real Estate and Gaw Capital Partners for S$1.6 billion (S$2,522 psf), 30 Raffles Place by Oxley Beryl Pte Ltd to Golden Compass (BVI) Limited for S$1.0 billion (S$2,832 psf), and 71 Robinson Road by COMMERZ Real to SV Robinson for S$655.0 million (S$2,756 psf).

Office transactions in 1Q 2020 were mainly strata units due to lack of sizeable, investible assets. A floor of Samsung Hub was transacted for S$49.8 million at S$3,800 psf, the highest price psf for a 999-year leasehold office building.

Investment volume picked up in 2Q 2020 mainly due to the sale of two major deals, both involving Perennial Real Estate Holdings. Perennial-led consortium divested a 50% stake in AXA Tower to Alibaba Singapore for S$840.0 million. Similarly, Perennial also divested its remaining 30% stake in TripleOne Somerset to a unit of Shun Tak Holdings for S$342.0 million.

Chart 14: Grade A CBD Core Office Capital Value and Net Yield




Source: CBRE Singapore, 2Q 2020

In 2Q 2020, Grade A CBD Core capital values contracted by 1.7% y-o-y to S$2,950 psf. At the same time, implied Grade A CBD Core yields dipped marginally by 1 bps to 3.61%. Given the strength of office rents and tightening supply, Singapore's office sector remains well sought after.

### Singapore Office Market Outlook

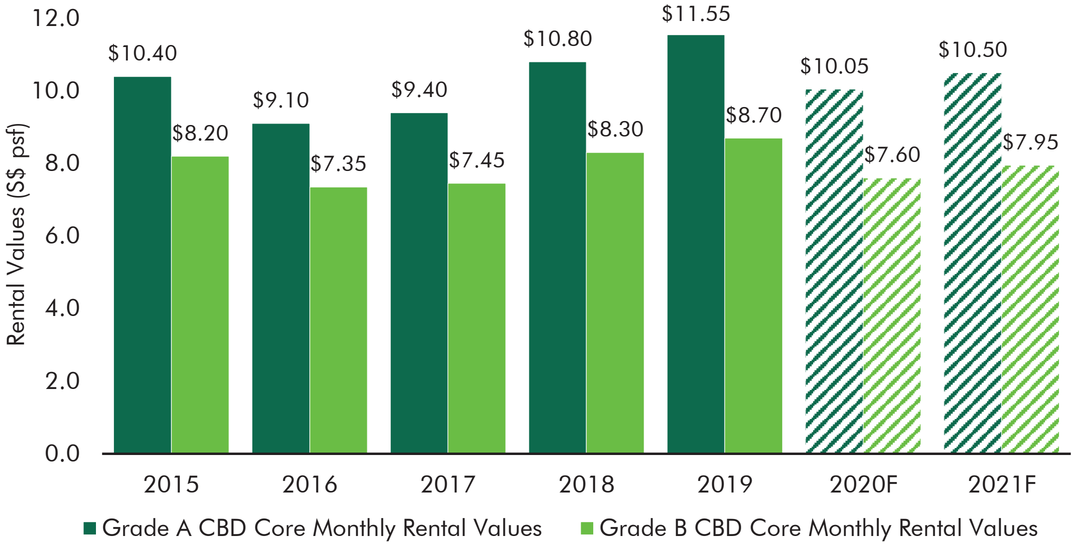
Overall, global market uncertainties are expected to persist. The impact and severity of COVID-19 has weighed heavily on global economies with effects that include business closures, rising unemployment and a standstill to the aviation and travel industry. Globally, while countries are gradually reopening their economies after months of lockdown measures to curtail the spread of COVID-19, there has also been news of second and/or third waves of infection, experienced in several countries.

Given weakened business sentiments, demand for the rest of 2020 will be driven mainly by renewals as business expansion plans remain limited. Nonetheless, there are several pockets of strength in the Singapore economy, which will help drive leasing activity. These include sectors like technology, financial services and insurance firms. The information and communications sector is also expected to remain resilient, backed by sustained enterprise demand for IT and digital solutions.

Vacancy levels are expected to rise from relocations of major occupiers, downsizing of requirements and natural expiry of leases in 2020/2021. This will result in a further market correction and a downward pressure on office rents for the rest of 2020. On the other hand, with potential delays in office completions in the next two years, some of these secondary spaces may benefit from this delay and balance the limited supply in the short term.

The impact of COVID-19 may redefine future office demand and working spaces in the longer term. Corporates have increasingly placed more importance into technology and online software investments to improve efficiency and productivity of remote working, especially during the CB period. Social distancing measures as well as business continuity plans and remote working may be featured in office landscape moving forward. Nevertheless, continued monitoring is required given the highly dynamic situation. In the longer term, remote working will not be able to replicate or replace the benefits of community, collaboration, culture and organization growth that an office environment potentially creates. Underpinned by limited known supply and potential pipeline slippages, steady demand from resilient sectors and the country's stable growth fundamentals, CBRE expects office rents to rebound slightly thereafter in 2021.

**Chart 15: Projected CBD Core Monthly Rental**




Source: CBRE Singapore, 2Q 2020

## 4. FRANKFURT OFFICE MARKET

### Frankfurt Office Market Outlook

The weak economy in 1H 2020, coupled with the COVID-19 related lockdown and the associated global economic restrictions, have led to a significant decline in take-up of the Frankfurt office leasing market in the second quarter. At 45,300 sq m, the take-up for 2Q 2020 was 75% lower year-on-year. The cumulative office take-up of 103,600 sq m in 1H 2020 is 62% below the previous year's level and 54% lower than the 10-year average.

Large-volume transactions were absent in the second quarter, while transactions in the small-area segment (under 1,500 sq m) accounted for half of the take-up. This is also due to the scarce supply of high-quality office spaces in the CBD. While the majority of transactions in the first quarter were still taking place in the CBD, the second quarter's transactions were happening in submarkets in the city-fringe and in the periphery. For 1H 2020 the Banking District had the highest take-up of 31,000 sq m, representing a 30% share. This is followed by Frankfurt East with 12,000 sq m (12%) and Frankfurt City with 9,100 sq m (9%). In total, the CBD submarkets, which comprises Frankfurt City as well as the Banking District and Westend, accounted for 42% of the take-up.

Take-up in 1Q 2020 was mainly supported by the legal and accounting firms taking up over 14,000 sq m in the new project FOUR with Freshfields Bruckhaus Deringer, representing a 22% of total take-up. This was followed by companies in the real estate (14%) and the IT (10%) sectors. High demand from traditional users including legal and accounting firms as well as banks and financial services, will likely continue as the major occupiers in the CBD.

With the COVID-19 related economic uncertainties, as well as the shortage of high-quality, centrally located office spaces, lease extensions are increasingly more important. In the first two quarters of 2020, 55,200 sq m of lease extensions had been registered, about 17% above average levels recorded for the first half-year over the last five years (2015 – 2019).

Pre-commitment rates remained healthy in Frankfurt. By end 2020, a total of 252,600 sq m of office space are projected to be completed, of which two-thirds of this space has already been pre-committed. While a further 160,100 sq m of new office space will come into the market in 2021, 84% of this space has already been pre-let or is owner-occupied. Major projects such as FOUR with T1 and T4 (total area 95,800 sq m) located in the Banking District, already have a combined pre-commitment rate of 47%, despite their expected completions in 2023 and 2024 respectively.

This healthy pre-commitment rates of office space during early stage of construction in new projects will lead to a further reduction of available space in the CBD.

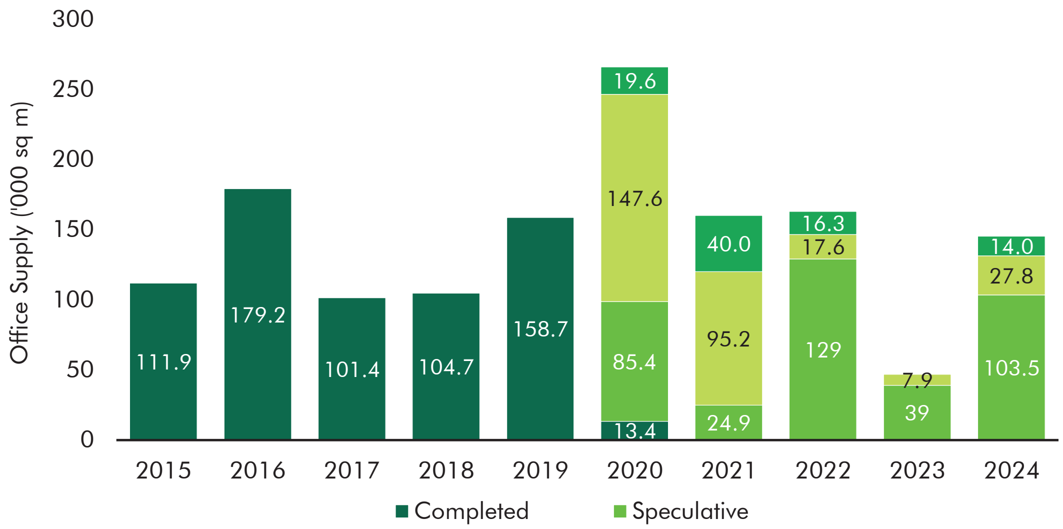
In the Airport submarket, within the new district Gateway Gardens and the new suburban railway station, approximately 32,200 sq m of speculative office space in the Europa-Center project is expected to come to the market in 2022.

The average Frankfurt office rent rose further to €22.77 psm/month (+9% y-o-y) in 1H 2020, supported by demand for premium quality space across the various sub-markets, especially in Q1. Prime office rent in the Banking District has remained stable quarter-on-quarter at €44.00 psm/month in 2Q 2020. (+5% year-on-year).

In the first two quarters of 2020, the Frankfurt investment market achieved a transaction volume of around €3.4bn (incl. multifamily >50 units), up 14% compared with the previous year. Despite COVID-19 related travel restrictions, international investors were very dominant in the market with a share of 64 % of the total investment volume. While demand in Germany's investment market remains high, market activities could be affected by limited product supply.  Despite the COVID-19 lockdown phase, the office prime yield remained unchanged in 2Q 2020 at 2.90%.

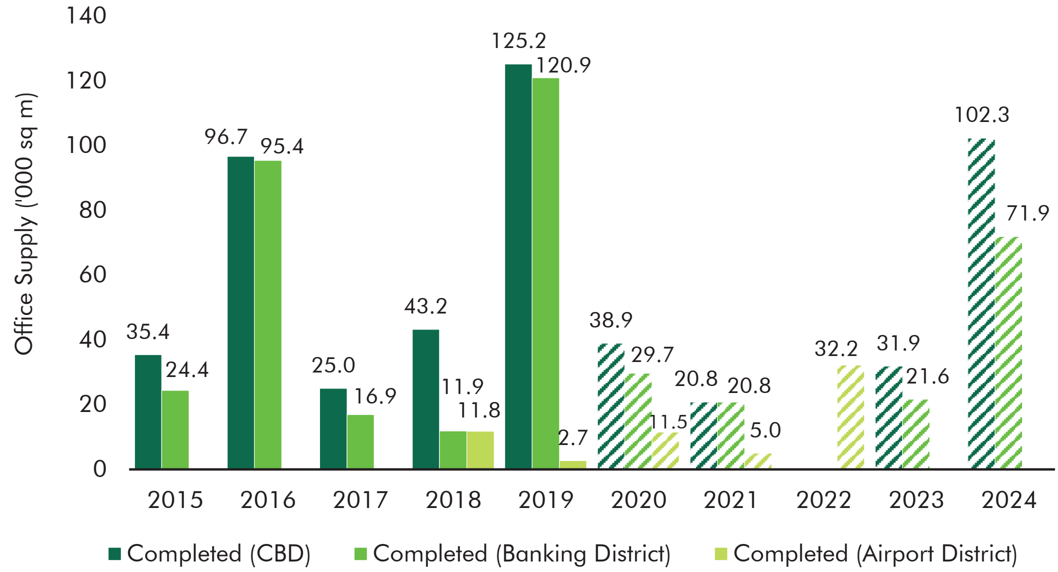
With extensive government support measures, Germany was able to overcome the rigidity of an economic shock. Following a massive collapse in 1H 2020 (with a strong downturn of the GDP by -2.0% in Q1 and -10.1% in Q2), several leading indicators show a faster recovery of the German economy in comparison to other countries. Compared to previous crises, Frankfurt's office market proved to be more resilient due to the relatively low vacancy rate and a low unemployment rate (not including the period during the Global Financial Crisis), as well as a high pre-commitment rates in the pipeline supply.

**Chart 16: Frankfurt Completions and Office Space Future Supply (Overall Market)**



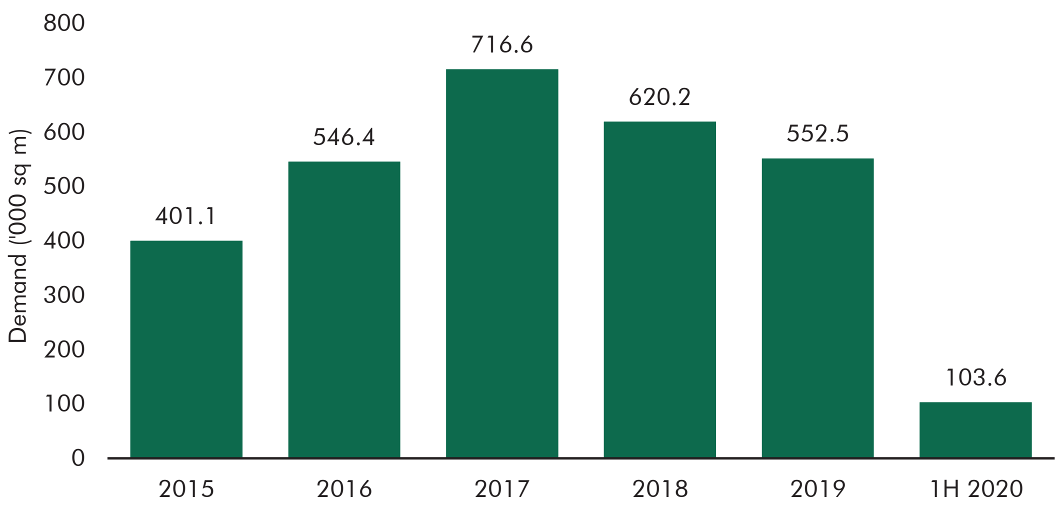

Source: CBRE Germany Research, 2Q 2020

Chart 17: Frankfurt Completions and Office Space Future Supply (CBD & Banking District & Airport District)



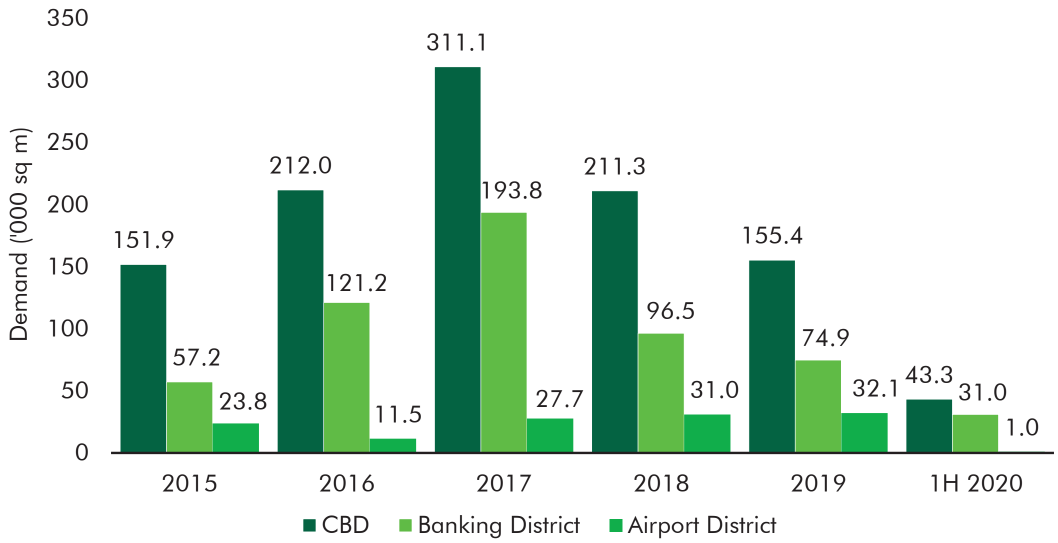

Source: CBRE Germany Research, 2Q 2020

Chart 18: Frankfurt Demand (Overall Market)



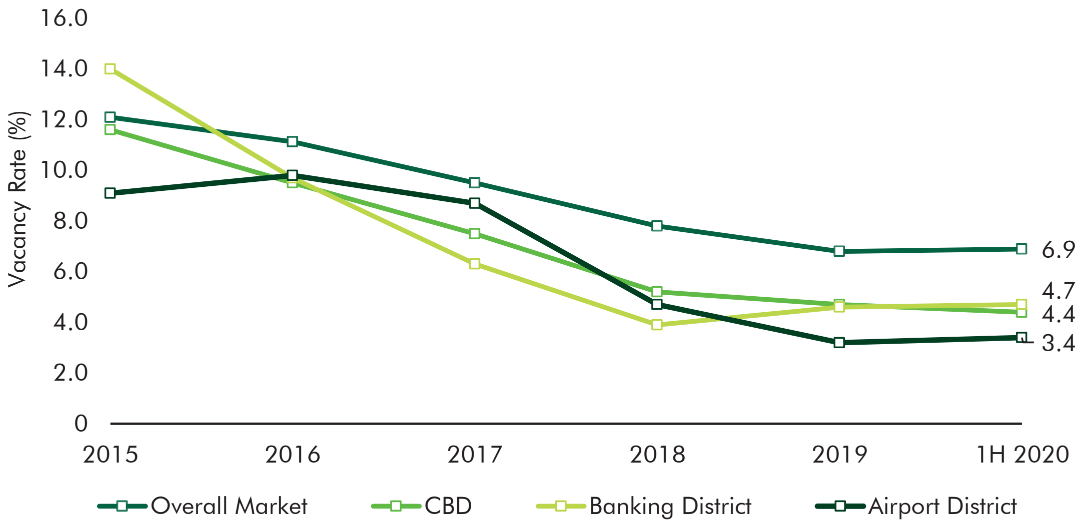

Source: CBRE Germany Research, 2Q 2020

Chart 19: Frankfurt Demand (CBD & Banking District & Airport District)



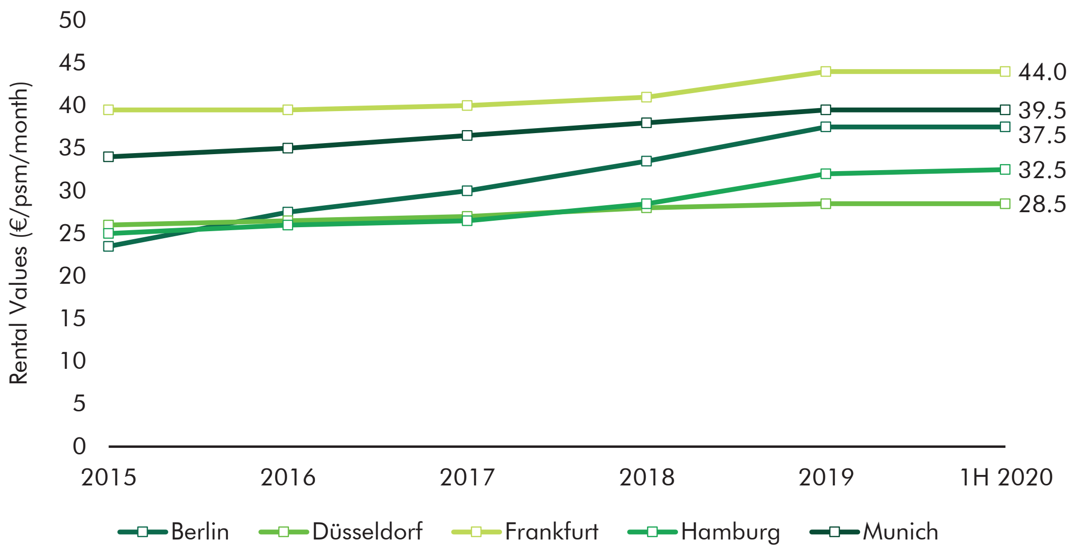

Source: CBRE Germany Research, 2Q 2020

Chart 20: Frankfurt Vacancy Rates (Overall Market, CBD & Banking District & Airport District)



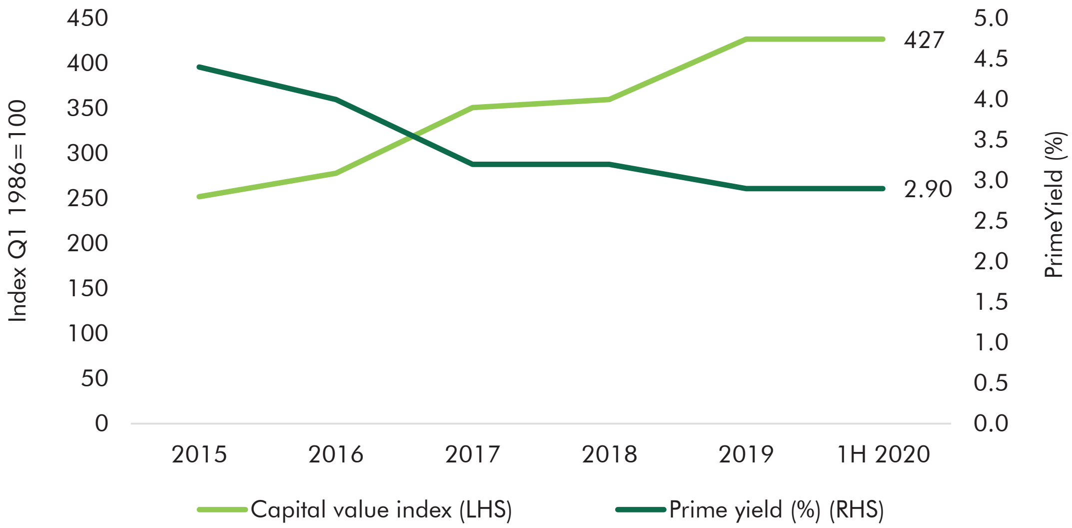

Source: CBRE Germany Research, 2Q 2020. Note*: Without Subletting

Chart 21: Germany Prime Office Rents



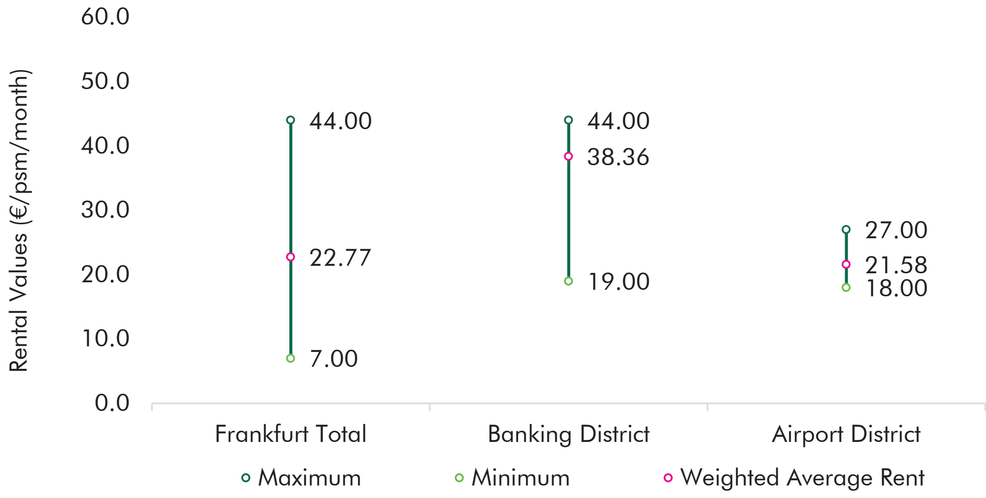

Source: CBRE Germany Research, 2Q 2020.

Chart 22: Frankfurt Prime Yield / Capital Value Index




Source: CBRE Germany Research, 2Q 2020

Chart 23: Frankfurt Rental Band (Overall, Banking & Airport District)




Source: CBRE Germany Research, 2Q 2020

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The outbreak of the Novel Coronavirus (COVID-19), declared by the World Health Organisation as a "Global Pandemic" on the 11th March 2020, has impacted many aspects of daily life and the global economy – with some real estate markets experiencing significantly lower levels of transactional activity and liquidity. This report has been prepared under conditions of heightened market uncertainty and conditions may change more rapidly and significantly than during standard market conditions. A higher degree of caution should be attached to our analysis than would normally be the case.

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# CMT 805 AUDITOR'S OPINION

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## CAPITALAND COMMERCIAL TRUST
## AND ITS SUBSIDIARIES

## STATEMENT OF INVESTMENT PROPERTIES
*As at 30 June 2020*

**INDEPENDENT AUDITOR'S REPORT**
Board of Directors
CapitaLand Mall Trust Management Limited
(as Manager of CapitaLand Mall Trust)

HSBC Institutional Trust Services (Singapore) Limited
(in its capacity as trustee of CapitaLand Mall Trust) (the "Trustee")

**Our Opinion**

We have audited the statement of investment properties of CapitaLand Commercial Trust ("CCT") and its subsidiaries (collectively, the "CCT Group") and its joint ventures, as at 30 June 2020 and the notes to the statement of investment properties, including a summary of significant accounting policies (together, the "Statement"). In our opinion, the accompanying Statement of the CCT Group is prepared, in all material respects, in accordance with the basis of accounting described in Note 2 of the Statement.

**Basis for Opinion**

We conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Statement* section of our report. We are independent of the CCT Group in accordance with the Accounting and Corporate Regulatory Authority Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities ("ACRA Code") together with the ethical requirements that are relevant to our audit of the Statement in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Emphasis of Matter- Basis of Accounting and Restriction on Use**

We draw attention to Note 2 of the Statement, which describes the basis of accounting. Our report is provided in accordance with the terms of our engagement. Our work was undertaken so that we might report to you on those matters as stated in Note 1 of the Statement and for no other purpose. Our report has been prepared for inclusion in the unitholders' circular in relation to the proposed merger of CapitaLand Mall Trust ("CMT") and CCT and is not intended for any other purpose. Our opinion is not modified in respect of this matter.

*Key Audit Matters*

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the Statement. These matters were addressed in the context of our audit of the Statement as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

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| Key Audit Matter | How our audit addressed the Key Audit Matter |
|---|---|
| Valuation of investment properties and investment properties under development<br><br>As at 30 June 2020, the carrying value of the investment properties held by the CCT Group and its joint ventures amounted to $7,992,007,000 and $4,388,000,000 respectively; and investment properties under development held by joint venture amounted to $1,452,081,000.<br><br>The valuation of these investment properties was a key audit matter due to the significant judgement in determining the appropriate valuation methodology to be used and in the key inputs used in the valuation techniques. These key inputs include capitalisation rates, terminal yield rates and discount rates and are dependent on the nature of each investment property and the prevailing market conditions.<br><br>The key inputs are disclosed in Note 4 of the accompanying Statement.<br><br>Furthermore, the valuation reports obtained from independent property valuers for the investment properties have highlighted the heightened uncertainty of the Coronavirus Disease 2019 ("COVID-19") outbreak. Accordingly, the valuation of these investment properties may be subjected to more fluctuation subsequent to 30 June 2020 than during normal market conditions. | We involved our internal specialists in our procedures.<br>Our audit procedures included the following:<br>• assessed CCT Group's process relating to the selection of external valuers and the determination of scope of work of the external valuers;<br>• reviewed the terms of the engagement and the valuation reports of the valuers to ascertain if there are matters that might affect the objectivity or limit the scope of work and to assess the competence and capabilities of the external valuers engaged by the CCT Group and its joint ventures;<br>• obtained an understanding of the techniques and valuation methodologies used by the external valuers in determining the valuations of individual investment properties and considered them against generally accepted market practices of comparable property types;<br>• discussed with CapitaLand Commercial Trust Management Limited (as Manager of CCT) on the critical assumptions made by the external valuers for the key inputs used in the valuation techniques;<br>• tested the integrity of information, including underlying lease and financial information provided to the external valuers, to lease agreements and other evidence available;<br>• assessed the reasonableness of the terminal yield rates, capitalisation rates and discount rates by comparing these against those of comparable properties from publicly available information, industry data and prior year inputs used in prior year valuations. Where applicable, evaluated the reasonableness of the concluded valuations by comparing them against recent transacted prices of comparable properties; and<br>• For investment properties under development, we evaluated the estimated development costs against proposed development cost plans supported by the quantity surveyor and other supporting evidence. |

| | |
|---|---|
| | We have also assessed the adequacy of the disclosures relating to the assumptions and the impact of COVID-19 on the valuation of investment properties, as we consider them as likely to be significant to users of the Statement given the estimation uncertainty and sensitivity of the valuations.<br><br>We found the external valuers to be members of recognised bodies for professional valuers. We also found that the valuation techniques and methodologies used were in line with the generally accepted market practices and appropriate in the context of the investment properties held by the CCT Group and its joint ventures.<br><br>The critical assumptions used in the valuations, including the discount rates, terminal yield rates, capitalisation rates and the consideration of the impact of COVID-19 were reasonable and supported by the evidence available from publicly available information of comparable properties and were within the range of industry and market data. The underlying lease and financial information provided to the external valuers were also supported by evidence available, such as the lease agreements. |

**Responsibilities of the Manager of the Statement**

CapitaLand Commercial Trust Management Limited, as Manager of CCT ("the Manager") is responsible for the preparation of the Statement in accordance with the basis of accounting stated in Note 2 of the Statement; and for such internal controls as the Manager determines are necessary to enable preparation of the carrying value that is free from material misstatement, whether due to fraud or error.

In preparing the Statement, the Manager is responsible for assessing the CCT Group's ability to continue as a going concern, disclosing, as appropriate, matters relating to going concern and using the going concern basis of accounting unless the Manager either intends to liquidate the CCT Group or to cease operations, or has no realistic alternative but to do.

The Manager is responsible for overseeing the CCT Group's financial reporting process.

**Auditor's Responsibilities for the Audit of the Statement**

Our objectives are to obtain reasonable assurance about whether the Statement is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the Statement.

**Auditor's Responsibilities for the Audit of the Statement (continued)**

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Statement, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the CCT Group's internal controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Manager.
- Conclude on the appropriateness of the Manager's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the CCT Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report to the related disclosures in the Statement or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our report. However, future events or conditions may cause the CCT Group to cease to continue as a going concern.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the CCT Group to express an opinion on the Statement. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for the audit opinion.

We communicate with the Manager regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Manager with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Manager, we determine those matters that were of most significance in the audit of the Statement and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Alex Toh Wee Keong.

PricewaterhouseCoopers LLP

PricewaterhouseCoopers LLP
Public Accountants and Chartered Accountants
Singapore, 2 September 2020

**Statement of Investment Properties of CCT Group and its joint ventures**
**As at 30 June 2020**

| | Note | **2020** $'000 |
|---|---|---|
| Investment properties held by the CCT Group | **4** | 7,992,007 |
| Investment properties held by the joint ventures | | |
| - completed investment properties | **4** | 4,388,000 |
| - investment properties under development | **4** | 1,452,081 |

**Notes to the Statement of Investment Properties of CCT Group and its joint ventures**

**1. Purpose of the Statement**

The Statement is prepared for the purpose of giving additional comfort to unitholders of CapitaLand Mall Trust ("CMT") that the carrying values of investment properties of CapitaLand Commercial Trust and its subsidiaries ("CCT Group") and its joint ventures, as at 30 June 2020 were stated, in all material respects, in accordance with the basis of accounting of the CCT Group (set out in Note 2) and that, accordingly, such properties held by the CCT Group and its joint ventures were stated at fair values. The Statement is prepared by CapitaLand Commercial Trust Management Limited, as Manager of CapitaLand Commercial Trust.

**2. Basis of accounting**

**2.1 Statement of compliance**

The Statement is prepared in accordance with the basis of preparation specified in Note 2.2.

**2.2 Basis of preparation**

The Statement, which was extracted from the books and records of the CCT Group, has been prepared based on the significant accounting policies set out in Note 3.

The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 2.4.

**2.3 Functional and presentation currency**

The Statement is presented in Singapore dollars ("$"), which is the functional currency of CCT. The investment properties are recognised based on their functional currency before being translated to Singapore dollars at exchange rates at the end of reporting period and presented in Singapore dollars. All financial information presented in Singapore dollars has been rounded to the nearest thousand, unless otherwise stated.

**2.4 Significant accounting judgements and estimates**

The preparation of the Statement requires the Manager to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

**2.4 Significant accounting judgements and estimates** (continued)

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment within the next financial year is included in following note:

- Note 4 – Valuation of investment properties and investment properties under development

The outbreak of the COVID-19 has impacted market activity in many property sectors. As the impact of COVID-19 is fluid and evolving, significant market uncertainty exists. Consequently, the valuations of investment properties are currently subject to material estimation uncertainty. The carrying amounts of the investment properties were current as at 30 June 2020 only. Values may change more rapidly and significantly than during standard market conditions.

**Measurement of fair values**

When measuring the fair value of an asset or a liability, the CCT Group uses observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement (with Level 3 being the lowest).

The CCT Group recognises transfers between levels of the fair value hierarchy as of the end of the reporting period during which the change has occurred.

## 3. Significant Accounting Policies

### 3.1 Investment properties and investment properties under development

Investment properties are properties held either to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes. Investment properties under development is property being constructed or developed for future use as investment property. Investment properties and investment properties under development are measured at cost on initial recognition and subsequently at fair value with any change therein recognised in the Statement of Total Return.

Cost includes expenditure that is directly attributable to the acquisition, which includes transaction costs.

The cost of investment property under development includes the cost of materials and direct labour, and any costs directly attributable to bring the investment property to a working condition for their intended use and capitalised borrowing costs.

Fair value is determined in accordance with the Trust Deed, which requires investment properties to be valued by independent registered valuers at least once a year in accordance with the CIS Code issued by MAS.

Any gain or loss on disposal of an investment property or investment property under development (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognised in the Statement of Total Return.

Subsequent expenditure is recognised in the carrying amount of the investment property and investment properties under development if it is probable that future economic benefits associated with the item will flow to the CCT Group and the cost of the item can be measured reliably.

## 4. Investment properties

| | **2020**<br>$'000 |
|---|---|
| Investment properties held by the CCT Group | 7,992,007 |
| | |
| Investment properties held by the joint ventures [(a)] | |
| - completed investment properties | 4,388,000 |
| - investment properties under development | 1,452,081 |

## 4. **Investment properties** (continued)

(a) Investment properties held by the joint ventures are as follows:

| Description of Property | Name of joint ventures | CCT Group's share of interest | Investment properties stated at fair value | CCT Group's share of investment properties |
|---|---|---|---|---|
| | | % | $'000 | $'000 |
| Completed investment properties | | | | |
| Raffles City Singapore | RCS Trust | 60 | 3,266,000 | 1,959,600 |
| One George Street | One George Street LLP | 50 | 1,122,000 | 561,000 |
| | | | 4,388,000 | 2,520,600 |
| Investment properties under development | | | | |
| CapitaSpring [1] | Glory Office Trust and Glory SR Trust | 45 | 1,452,081 | 653,436 |
| | | | 1,452,081 | 653,436 |

(1) based on valuation of the total land value and capital expenditure capitalised as at 30 June 2020.

Investment properties held by the CCT Group and its joint ventures were stated at fair value based on valuations performed by independent professional valuers.

***Fair value hierarchy***

The fair value of investment properties as at 30 June 2020 were based on desktop valuations by external, independent property valuers, having appropriate recognised professional qualifications and recent experience in the location and category of the properties being valued.

The fair value measurement for investment properties for the CCT Group and its joint ventures have been categorised as level 3 fair values based on inputs to the valuation techniques used.

***Valuation technique***

Investment properties are stated at fair value based on valuations performed by independent professional valuers. In determining the fair value, the valuations adopted by the valuers includes capitalisation method, discounted cashflow method, direct comparison method and residual land method.

The capitalisation method is an investment approach whereby the estimated gross passing income (on both a passing and market rent basis) is adjusted to reflect anticipated operating costs and ongoing vacancy to produce a net income on a fully leased basis. The adopted fully leased net income is capitalised over the remaining term of the land lease from the valuation date at an appropriate capitalisation rate.

**4. Investment properties** (continued)

***Valuation technique*** (continued)

The discounted cash flow method involves the estimation and projection of a net income stream over a period and discounting the net income stream with an internal rate of return to arrive at the market value. Where applicable, the direct comparison method provides an indication of value by comparing the investment property with identical or similar properties where reliable sales evidence of assets of similar nature is available.

In the residual method of valuation, the total gross development costs and developer's profit are deducted from the gross development value to arrive at the residual value of land. The gross development value is the estimated value of property assuming satisfactory completion of the development as at the date of valuation.

The Manager reviews the key valuation parameters and underlying data including market-corroborated capitalisation, discount and terminal yield rates adopted by the valuers and is of the view that the estimates are reflective of the current market conditions as at the reporting date.

***Significant unobservable inputs***

The following table shows the significant unobservable inputs used in the measurement of fair value of investment properties and investment properties under development:

Held by the CCT Group

| Valuation techniques | Significant unobservable inputs | Range | Inter-relationship between key unobservable inputs and fair value measurement |
|---|---|---|---|
| Discounted cashflow method | Discount rate | Singapore: 6.75% | The estimated fair value increases with a lower discount rate |
| | | Germany: 3.13% - 4.00% | |
| | Terminal yield | Singapore: 3.45% - 4.20% | The estimated fair value increases with a lower terminal yield |
| | | Germany: 3.90% - 4.25% | |
| | Rental growth rates | Singapore: 0% - 5.00% | The estimated fair values increases with a higher average market rental growth |
| | | Germany: 0% - 2.00% | |
| Capitalisation method | Capitalisation rate | Singapore: 3.45% - 3.95% | The estimated fair value increases with a lower capitalisation rate |

**4. Investment properties** (continued)

***Significant unobservable inputs*** (continued)

Held by the joint ventures

| Valuation techniques | Significant unobservable inputs | Range | Inter-relationship between key unobservable inputs and fair value measurement |
|---|---|---|---|
| Discounted cashflow method | Discount rate | 6.75% - 7.00% | The estimated fair value increases with a lower discount rate |
| | Terminal yield | 3.80% - 5.00% | The estimated fair value increases with a lower terminal yield |
| | Rental growth rates | 0% - 5.00% | The estimated fair values increases with a higher average market rental growth |
| Capitalisation method | Capitalisation rate | 3.55% - 4.75% | The estimated fair value increases with a lower capitalisation rate |
| Direct comparison method[1] | Price per room | $560,000 | The estimated fair value increases with a higher price per room |

[1] * Only applicable to the hotel component of the RCS Trust's investment property

Investment properties under development was valued based on residual land method where the gross development value and development costs are considered as significant unobservable inputs. If the gross development value and development costs is higher or lower respectively, the estimated fair value will increase.

# CMT IFA LETTER

## INDEPENDENT FINANCIAL ADVISER'S LETTER

**Australia and New Zealand Banking Group Limited, Singapore Branch**
(Incorporated in Australia)
Australian Company Number: 005357522

4 September 2020

The Independent Directors and the Audit Committee of
CapitaLand Mall Trust Management Limited
(as Manager of CapitaLand Mall Trust)
168 Robinson Road
#30-01 Capital Tower
Singapore 068912

HSBC Institutional Trust Services (Singapore) Limited
(as Trustee of CapitaLand Mall Trust) (the "**CMT Trustee**")
10 Marina Boulevard
Marina Bay Financial Centre
Tower 2 #45-01
Singapore 018983

Dear Sirs,

**INDEPENDENT FINANCIAL ADVICE WITH RESPECT TO THE PROPOSED MERGER OF CAPITALAND MALL TRUST ("CMT") AND CAPITALAND COMMERCIAL TRUST ("CCT") BY WAY OF A TRUST SCHEME OF ARRANGEMENT (THE "MERGER")**

*For the purpose of this letter (the "**Letter**"), capitalised terms not otherwise defined shall have the meaning given to them in the circular dated 4 September 2020 to the CMT Unitholders (the "**Circular**"). CMT Unitholders are advised to refer to the full list of definitions set out in pages 71 to 80 of the Circular in conjunction with reading this Letter.*

*Please refer to section 11 of the Letter for a summary of the key financial analyses performed in this Letter, which should be considered in the context of the entirety of this Letter and the Circular.*

### 1. INTRODUCTION

#### 1.1 Overview of the Merger

On 22 January 2020 (the "**Joint Announcement Date**"), the respective boards of directors of CapitaLand Mall Trust Management Limited, as manager of CapitaLand Mall Trust ("**CMT**" and as manager of CMT, the "**CMT Manager**") and CapitaLand Commercial Trust Management Limited, as manager of CapitaLand Commercial Trust ("**CCT**" and as manager of CCT, the "**CCT Manager**") made a joint announcement (the "**Joint Announcement**") in relation to the proposed merger of CMT and CCT (the "**Merger**").

The Merger is proposed to be effected through the acquisition by CMT of all the issued and paid-up units in CCT ("**CCT Units**") held by the unitholders of CCT (the "**CCT Unitholders**") in exchange for a combination of cash and issued and paid up units in CMT ("**CMT Units**") by way of a trust scheme of arrangement (the "**Trust Scheme**") in accordance with the Singapore Code on Take-overs and Mergers (the "**Code**") and the deed of trust constituting CCT dated 6 February 2004 (as amended) (the "**CCT Trust Deed**", and such acquisition of the CCT Units by CMT, the "**CMT Acquisition**").

The consideration for each CCT Unit under the Trust Scheme (the "**Scheme Consideration**") comprises 0.720 new CMT Units (the "**Consideration Units**") and S$0.2590 in cash (the "**Cash Consideration**)"), based on, amongst other factors, a gross exchange ratio of 0.820x taking into consideration, *inter alia*, the respective 30-day volume weighted average price ("**VWAP**") of CMT Units and CCT Units. Please refer to **paragraph 6.11** of the Circular for further details of the Scheme Consideration.

By way of illustration, if the Merger becomes effective in accordance with its terms, CCT Unitholders will receive S$259.00 in cash and 720 Consideration Units for every 1,000 CCT Units held by him/her/it as at the record date to be announced by the CCT Manager on which the register of the CCT Unitholders will be closed to determine the entitlement of the CCT Unitholders in respect of the Trust Scheme (the "**Record Date**").

Following the Merger, it is intended that the merged entity will be renamed "CapitaLand Integrated Commercial Trust" (the "**Merged Entity**").

**1.2 Information on CMT and the CMT Manager**

**1.2.1 CMT**

CMT is Singapore's first and largest retail real estate investment trust ("**REIT**") with a market capitalisation of approximately S$7.2 billion as at 30 June 2020. It has been listed on Singapore Exchange Securities Trading Limited (the "**SGX-ST**") since 17 July 2002. The investment objective of CMT is to own and invest in quality income-producing assets which are used, or predominantly used, for retail purposes primarily in Singapore. As at 30 June 2020, CMT has 15 properties located in Singapore[1] ("**CMT Properties**") and an interest of approximately 10.9% in CapitaLand Retail China Trust ("CRCT"), which is listed on the SGX-ST. Certain key financial information with respect to the CMT Group[2] as at 30 June 2020 and for the last 12 months ended 30 June 2020 ("**LTM June 2020**") is set out as follows:

| CMT Group | Information |
|---|---|
| Net asset value ("**NAV**")(1) | S$7,292.3 million |
| NAV(1) per CMT Unit | S$1.98 |
| Distributable income(2) | S$388.7 million |
| Distribution per CMT Unit(2) | 10.52 cents |
| Total return for the period before tax | S$178.4 million |
| Total assets | S$11,357.1 million |
| Aggregate valuation of portfolio(3) | S$11,445.4 million |

1 This includes CMT's 40.0% interest in Raffles City Singapore and its interest in 90 out of 91 strata lots in Bukit Panjang Plaza. Further information on the CMT Properties may be found in **Schedule 1, Part 1** of the Circular.

2 The "**CMT Group**" comprises CMT and its subsidiaries.

Notes:

(1) For the purposes of the Circular and this Letter, all references to the NAV of the CMT Group and the net tangible assets ("**NTA**") of the CMT Group exclude non-controlling interests and distributable income. The distributable income excluded from the NAV refers to the declared distributable income for the period from 1 April 2020 to 30 June 2020 and the taxable income retained for the period from 1 January 2020 to 30 June 2020 by CMT and RCS Trust.

(2) Distributable income and distribution per CMT Unit for LTM June 2020 refers to the distributable income to CMT Unitholders, comprising declared distributable income for the period from 1 July 2019 to 30 June 2020, S$46.4 million taxable income retained by CMT and S$5.0 million taxable income retained by RCS Trust (CMT's 40.0% interest) for the period from 1 January 2020 to 30 June 2020. For the period from 1 July 2019 to 31 December 2019, the taxable income of CMT and RCS Trust was fully paid out and included in CMT's distributable income for the same period.

(3) This includes CMT's 40.0% interest in Raffles City Singapore. The desktop valuations were carried out by Knight Frank Pte Ltd, CBRE Pte. Ltd., Colliers International Consultancy & Valuation (Singapore) Pte Ltd and Jones Lang LaSalle Property Consultants Pte Ltd (collectively, the "**CMT Independent Valuers**") as at 30 June 2020 using a combination of methods, namely the discounted cash flow method and/or the capitalisation approach and/or the comparison method, as appropriate.

On 30 April 2020, CMT announced its financial results for the three-month period ended 31 March 2020, which was reported on by KPMG LLP (the "**CMT Auditor**") and the CMT IFA in accordance with Rule 25.6 of the Takeover Code.

On 22 July 2020, CMT announced its financial results for the six-month period ended 30 June 2020 ("**1H2020**", and the financial results for 1H2020, the "**CMT Group 1H2020 Financial Results**"), which was reported on by the CMT Auditor and the CMT IFA in accordance with Rule 25.6 of the Takeover Code.

### 1.2.2 CMT Manager

CMT is managed by the CMT Manager. The CMT Manager is a wholly owned subsidiary of CapitaLand Limited ("**CapitaLand**"). The CMT Manager holds a capital markets services licence ("**CMS Licence**") for REIT management pursuant to the Securities and Futures Act (Cap. 289 of Singapore) (the "**SFA**").

As at 26 August 2020 (the "**Latest Practicable Date**"), the board of directors of the CMT Manager comprises the following persons (the "**CMT Directors**"):

(i) Ms Teo Swee Lian (Chairman & Non-Executive Independent Director);

(ii) Mr Tony Tan Tee Hieong (Chief Executive Officer & Executive Non-Independent Director);

(iii) Mr Tan Kian Chew (Non-Executive Non-Independent Director);

(iv) Mr Ng Chee Khern (Non-Executive Independent Director);

(v) Mr Lee Khai Fatt, Kyle (Non-Executive Independent Director);

(vi) Mr Fong Kwok Jen (Non-Executive Independent Director);

(vii) Mr Gay Chee Cheong[3] (Non-Executive Independent Director);

(viii) Mr Jason Leow Juan Thong (Non-Executive Non-Independent Director); and

(ix) Mr Jonathan Yap Neng Tong (Non-Executive Non-Independent Director).

3 Mr Gay Chee Cheong is currently on a leave of absence.

### 1.3 Information on CCT and the CCT Manager

### 1.3.1 CCT

CCT is a commercial office REIT with the largest portfolio of Grade A assets in the Singapore Central Business District ("**CBD**") and a market capitalisation of approximately S$6.5 billion as at 30 June 2020. It has been listed on the SGX-ST since 11 May 2004. The investment objective of CCT is to own and invest in commercial real estate and real estate-related assets, which are largely income-producing, in Singapore and key gateway cities in developed markets. As at 30 June 2020, CCT has eight properties located in Singapore[4] and two properties located in Germany[5] ("**CCT Properties**") and an interest of approximately 10.9% in MRCB-Quill REIT, a commercial REIT listed on Bursa Malaysia stock exchange, which constitutes less than 1.0% of CCT's total deposited property value. Certain key financial information with respect to the CCT Group[6] as at 30 June 2020 and for LTM June 2020 is set out as follows:

| CCT Group | Information |
|---|---|
| NAV(1) | S$6,781.5 million |
| NAV(1) per CCT Unit | S$1.76 |
| Distributable income(2) | S$309.3 million |
| Distribution per CCT Unit(2) | 8.02 cents |
| Total return for the period before tax | S$140.3 million |
| Total assets | S$9,984.7 million |
| Aggregate valuation of portfolio(3)(4) | S$10,929.7 million |

Notes:

(1) For the purpose of the Circular and this Letter, all references to the NAV of the CCT Group exclude non-controlling interests and distributable income. The distributable income excluded from the NAV refers to the declared distributable income for the period from 1 January 2020 to 30 June 2020 and the taxable income retained for the period from 1 January 2020 to 30 June 2020 by RCS Trust.

(2) Distributable income and distribution per CCT Unit for LTM June 2020 is based on the declared distributable income to CCT Unitholders for the period from 1 July 2019 to 30 June 2020 and the S$7.5 million taxable income retained by RCS Trust (CCT's 60.0% interest) for the period from 1 January 2020 to 30 June 2020. For the period from 1 July 2019 to 31 December 2019, the taxable income of RCS Trust was fully paid out and included in CCT's distributable income for the same period.

(3) The desktop valuations were carried out by Cushman & Wakefield VHS Pte. Ltd., CBRE Pte. Ltd., Knight Frank Pte Ltd and C&W (U.K.) LLP German Branch (the "**CCT Independent Valuers**") as at 30 June 2020 using a combination of methods, namely the capitalisation method and/or the discounted cash flow method and/or the direct comparison method, as appropriate. In the case of CapitaSpring, an integrated project under development, the residual land value approach was adopted.

(4) This includes CCT's 94.9% interest in each of Gallileo and Main Airport Center, and CCT's *pro rata* share of joint ventures, namely its 60.0% interest in Raffles City Singapore, 50.0% interest in One George Street and 45.0% interest in CapitaSpring. The conversion rate used for the 30 June 2020 valuations was EUR 1 = S$1.544.

### 1.3.2 CCT Manager

CCT is managed by the CCT Manager. The CCT Manager is a wholly owned subsidiary of CapitaLand and holds a CMS Licence for REIT management pursuant to the SFA.

As at the Latest Practicable Date, the board of directors of the CCT Manager comprises the following persons (the "**CCT Directors**"):

(i) Mr Soo Kok Leng (Chairman & Non-Executive Independent Director);

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4 This includes CCT's 50.0% interest in One George Street, its 60.0% interest in Raffles City Singapore and its 45.0% interest in CapitaSpring. Further information on the CCT Properties may be found in **Schedule 1, Part 2** of the Circular.

5 This refers to CCT's 94.9% interest in each of Gallileo and Main Airport Center. Further information on the CCT Properties may be found in **Schedule 1, Part 2** of the Circular.

6 The "**CCT Group**" comprises CCT and its subsidiaries.

(ii) Mr Chee Tien Jin Kevin (Chief Executive Officer & Executive Non-Independent Director);

(iii) Mr Lam Yi Young (Non-Executive Independent Director);

(iv) Ms Tan Soon Neo Jessica (Non-Executive Independent Director);

(v) Mrs Quek Bin Hwee (Non-Executive Independent Director);

(vi) Mr Ng Wai King (Non-Executive Independent Director);

(vii) Mr Jonathan Yap Neng Tong (Non-Executive Non-Independent Director); and

(viii) Mr Lim Cho Pin Andrew Geoffrey (Non-Executive Non-Independent Director).

### 1.4 Information on the Merged Entity

#### 1.4.1 Expansion of Investment Mandate

It is intended that upon the Trust Scheme becoming effective in accordance with its terms, the existing investment mandate of CMT will be expanded pursuant to the deed of trust constituting CMT dated 29 October 2001 (as amended) (the "**CMT Trust Deed**"). Under the CMT Trust Deed, the CMT Manager may from time to time change CMT's investment policies subject to compliance with the listing manual of the SGX-ST (the "**Listing Manual**"), so long as it has given not less than 30 days' prior notice of the change to HSBC Institutional Trust Services (Singapore) Limited (as trustee of CMT) (the "**CMT Trustee**") and holders of CMT Units (the "**CMT Unitholders**") by way of an announcement to the SGX-ST.

For the purposes of Clause 16(B)(iv) of the CMT Trust Deed, the Joint Announcement is deemed to be the notice of the expansion of the existing investment mandate of CMT (as the Merged Entity) upon the Trust Scheme becoming effective in accordance with its terms. For the avoidance of doubt, such expansion of the existing investment mandate of CMT does not require the approval of the CMT Unitholders.

The expanded investment mandate of the Merged Entity (the "**Expanded Investment Mandate**") will be to principally invest, directly or indirectly, in quality income-producing assets, which are used or primarily used for commercial purposes (including retail and/or office purposes), located predominantly in Singapore. The Expanded Investment Mandate takes into account the geographical focus of the Merged Entity's portfolio post-Merger. Further information on the Expanded Investment Mandate may be found in **paragraph 10.1.1** of the Circular.

Upon the Expanded Investment Mandate coming into effect and in connection with the Merger, the existing right of first refusal granted by CapitaLand Commercial Limited, now known as CapitaLand Singapore Limited ("**CLS**"), to HSBC Institutional Trust Services (Singapore) Limited (in its capacity as trustee of CCT) (the "**CCT Trustee**") (the "**CCT ROFR**"), will be novated to the Merged Entity post-Merger. The scope of properties under the CCT ROFR currently covers leasehold interest (of at least 10 years) in a completed income-producing property located in Singapore which is used, or predominantly used, for commercial purposes, where, as at the time the property is identified as being suitable for acquisition by CLS and/or any of its subsidiaries, at least 50% of the total net lettable area ("**NLA**") of such property is rented out. It is intended that the scope of properties under the CCT ROFR (which is to be novated to the Merged Entity) be expanded to cover income-producing real estate used, or primarily used, for commercial purposes (including retail and/or office purposes) located in Singapore, to be consistent with the Expanded Investment Mandate (the expanded CCT ROFR, the "**Novated ROFR**").

The Novated ROFR will subsist for so long as (i) CMTML is the manager of CMT; and (ii) CMTML is a subsidiary of CapitaLand.

The investment strategies of CMT and the Merged Entity shall be determined by the CMT Manager from time to time at its absolute discretion subject to the terms of the CMT Trust Deed. Going forward, the CMT Manager may from time to time change its investment policies for CMT and the Merged Entity so long as it has given not less than 30 days' prior notice of the change to the CMT Trustee and the CMT Unitholders by way of an announcement to the SGX-ST.

For further information concerning CMT and the Merged Entity, including the risk factors relating to any change in the investment strategy of the Merged Entity as may be determined by the CMT Manager from time to time at its absolute discretion subject to the terms of the CMT Trust Deed, please refer to **Schedule 1, Part 6** of the Circular.

### 1.4.2 Unitholding Percentages of CapitaLand Entities Immediately upon Completion of the Merger

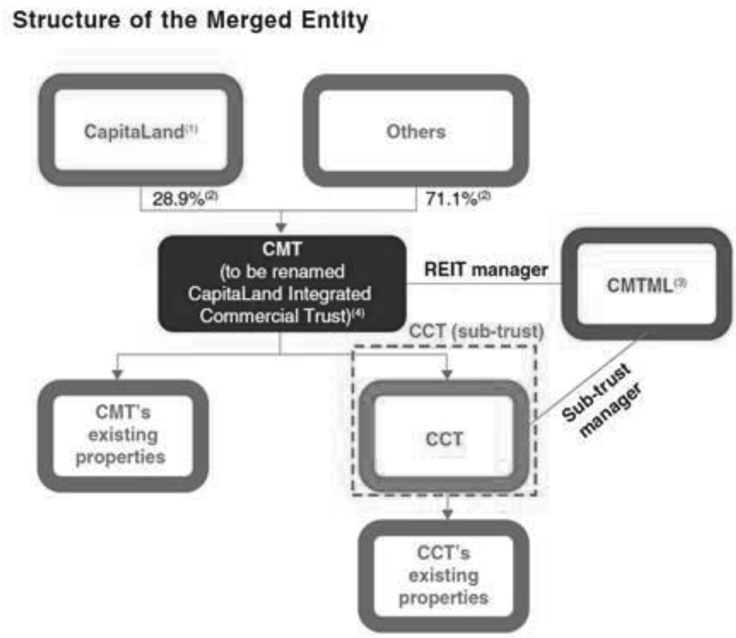
The unitholding percentages of CapitaLand, as held through certain of its wholly owned subsidiaries (together with CapitaLand, "**CapitaLand Entities**") in each of CMT and CCT as at the Latest Practicable Date and in the Merged Entity immediately upon completion of the Merger are set out below:

| CapitaLand Entities | CMT(1) (%) | CCT(2) (%) | Merged Entity(3) (%) |
|---|---|---|---|
| Pyramex Investments Pte Ltd ("**PIPL**") | 15.49 | - | 8.84 |
| Albert Complex Pte Ltd ("**ACPL**") | 7.57 | - | 4.32 |
| Premier Healthcare Services International Pte Ltd ("**Premier**") | 4.09 | - | 2.33 |
| CapitaLand Mall Trust Management Limited ("**CMTML**") | 1.34 | - | 0.76 |
| SBR Private Limited ("**SBR**") | - | 19.33 | 8.31 |
| E-Pavilion Pte. Ltd. ("**E-Pavilion**") | - | 5.59 | 2.40 |
| CapitaLand Commercial Trust Management Limited ("**CCTML**") | - | 4.48 | 1.93 |
| Carmel Plus Pte. Ltd. ("**Carmel**") | - | 0.01 | N.M.(4) |
| **Total** | **28.49** | **29.42** | **28.89** |

**Notes:**
(1) Based on a total of 3,690,154,580 CMT Units as at the Latest Practicable Date, rounded to the nearest two decimal places.
(2) Based on a total of 3,861,876,136 CCT Units as at the Latest Practicable Date, rounded to the nearest two decimal places.
(3) Based on an aggregate of 6,470,705,398 units of the Merged Entity, rounded to the nearest two decimal places.
(4) Not meaningful.

### 1.4.3 Structure of the Merged Entity

It is currently envisaged that the indicative structure of the Merged Entity immediately upon completion of the Merger will be as follows:




Notes: Simplified group structure for illustration only. Assuming completion of the Merger and the Trust Scheme.
(1) Through its wholly owned subsidiaries, including CMTML and CCTML.
(2) Illustrative *pro forma* unitholding structure based on latest available information as at the Latest Practicable Date.
(3) Wholly owned subsidiary of CapitaLand.
(4) As mentioned in **paragraph 10.1.4** of the Circular, it is intended that CCT shall transfer to CMT all the units held by CCT in Glory Office Trust (which holds CCT's 45.0% interest in CapitaSpring), MSO Trust (which holds CCT's 100.0% interest in CapitaGreen) and RCS Trust (which holds CCT's 60.0% interest in Raffles City Singapore), such that the units of each of these trusts (the "**Relevant Sub-Trusts**") previously held by CCT would be directly held by CMT (such transfers, the "**Sub-Trust Transfers**"). Please refer to **Schedule 1, Part 2** of the Circular for further details on the CCT Properties.

Further information on the Merged Entity may be found in **Schedule 1** of the Circular.

### 1.5 Appointment of the Independent Financial Adviser ("IFA")

The CMT Manager and the CMT Trustee have appointed Australia and New Zealand Banking Group Limited, Singapore Branch as the Independent Financial Adviser (the "**CMT IFA**") pursuant to Chapter 9 of the Listing Manual as well as to advise:

(a) the audit committee of the CMT Manager, comprising Mr Lee Khai Fatt, Kyle, Mr Fong Kwok Jen, Mr Ng Chee Khern and Mr Jonathan Yap Neng Tong (the "**Audit Committee**"). As Mr Jonathan Yap Neng Tong is not an Independent Director, he has abstained from any and all decision making at any meeting of the Audit Committee with respect to the Merger;

(b) the independent directors of the CMT Manager, being Ms Teo Swee Lian, Mr Ng Chee Khern, Mr Lee Khai Fatt, Kyle, Mr Fong Kwok Jen and Mr Gay Chee Cheong[7] (the "**Independent Directors**"); and

(c) the CMT Trustee,

as to whether the Merger is on normal commercial terms and is not prejudicial to the interests of CMT and its minority unitholders.

## 2. TERMS OF REFERENCE

ANZ has been appointed as the IFA, pursuant to Chapter 9 of the Listing Manual, as well as to advise the Independent Directors and the Audit Committee of the CMT Manager and the CMT Trustee as to whether the Merger is on normal commercial terms and not prejudicial to the interests of CMT and its minority unitholders.

Our terms of reference do not require us to evaluate or comment on the strategic or commercial merits and/or risks of the Merger or on the future prospects of the Merged Entity and any of its related or associated companies. Such evaluation or comment, if any, remains the sole responsibility of the Directors and the management of the CMT Manager, although we may draw upon their views or make such comments in respect thereof (to the extent deemed necessary or appropriate by us and provided that such has been disclosed to us) in arriving at our view as set out in this Letter. We were not requested or authorised to solicit, and we have not solicited, any indications of interest from any third party with respect to the Merger. We are therefore not addressing the relative merits of the Merger as compared to any alternative transaction (if any) previously considered by the CMT Manager or that otherwise may be available to CMT, or as compared to any alternative transaction that might otherwise be available in the future. We are not and were not involved in any aspect of the negotiations entered into by CMT or in the deliberations leading up to the decision of the Directors to undertake, inter alia, the Merger.

We have held discussions with the management of the CMT Manager and have examined information provided by the management of the CMT Manager and other publicly available information collated by us, upon which our view is based. We have not independently verified such information, whether written or verbal, and accordingly cannot and do not represent or warrant, expressly or implied, and do not accept any responsibility for, the accuracy, completeness or adequacy of such information. We have made reasonable enquiries and exercised reasonable judgement in assessing such information and have found no reason to doubt the reliability of such information.

We have relied upon the assurances of the Directors that the Directors collectively and individually accept responsibility for the accuracy of the information given and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief, the facts provided are fair and accurate in all material respects and there are no material facts the omission of which would make any statement in this Letter misleading in any material respect.

7 Mr Gay Chee Cheong is currently on a leave of absence.

Our opinion, as set out in this Letter, is based upon the market, economic, industry, monetary, regulatory and other prevailing conditions on, and the information made available to us, as at the Latest Practicable Date. As conditions may change significantly over a short period of time, accordingly, we assume no responsibility to update, revise or reaffirm our opinion, factors or assumptions in light of any subsequent development after the Latest Practicable Date that may in any way affect our opinion, factors or assumptions contained herein. CMT Unitholders should take note of any announcement relevant to their consideration of the Merger which may be released by or on behalf of the CMT Manager and other relevant sources after the Latest Practicable Date.

In rendering our advice and giving our recommendation, we have not had regard to the specific investment objectives, financial situation, tax position or individual circumstances of any CMT Unitholder. **As each CMT Unitholder would have different investment objectives and profiles, we would advise that any individual CMT Unitholder who may require specific advice in relation to his investment portfolio should consult his stockbroker, bank manager, solicitor, accountant, tax adviser or other professional adviser**.

This Letter and our opinion are in compliance with Rule 921(4)(a) of the Listing Manual as well as addressed to and for the use and benefit of the Independent Directors and the Audit Committee of the CMT Manager and the CMT Trustee in connection with and for the purpose of their consideration of the Merger, and the recommendation made by the Independent Directors to the CMT Unitholders shall remain their responsibility.

**A copy of this Letter will be reproduced in the Circular. However, neither the CMT Manager nor the CMT Trustee, Audit Committee and Independent Directors may reproduce, disseminate or quote this Letter (or any part thereof) for any other purposes, other than the intended purpose in relation to the Merger, at any time or in any manner without the prior written consent of ANZ.**

**The CMT Manager has been separately advised by its own professional advisers in the preparation of the Circular (other than this Letter). We have had no role or involvement and have not provided any advice, financial or otherwise, whatsoever in the preparation, review and verification of the Circular (other than this Letter).**

**Our opinion in relation to the Merger should be considered in the context of the entirety of this Letter and the Circular.**

## 3. SUMMARY OF APPROVALS SOUGHT

The Merger constitutes a "**major transaction**" under Rule 1014(2) of the Listing Manual of the SGX-ST and accordingly requires the approval of the CMT Unitholders.

Further, Under Chapter 9 of the Listing Manual, where CMT proposes to enter into a transaction with an interested person and the value of the transaction (either in itself or when aggregated with the value of other transactions, each of a value equal to or greater than S$100,000, with the same interested person during the same financial year) is equal to or exceeds 5.0% of CMT's latest audited NTA, the approval of the CMT Unitholders is required in respect of the transaction.

Paragraph 5 of the Property Funds Appendix also imposes a requirement for CMT Unitholders' approval for an interested party transaction by CMT whose value (either in itself or when aggregated with the value of other transactions with the same interested party during the current financial year) exceeds 5.0% of CMT's latest audited NAV.

Rule 805(1) of the Listing Manual provides that an issuer must obtain prior approval of unitholders in a general meeting for the issue of units unless such issue of units is issued pursuant to a general mandate obtained from unitholders of the issuer. Accordingly, the issuance of the Consideration Units by CMT is also required to be approved by the CMT Unitholders under Rule 805 of the Listing Manual

In light of the above, the CMT Manager is seeking the approval of the CMT Unitholders at an Extraordinary General Meeting of the CMT Unitholders (the "**EGM**") for the following matters:

| No. | Approval Sought | Approval Threshold | Abstentions |
|---|---|---|---|
| 1. | The approval of the CMT Unitholders to amend the CMT Trust Deed at the EGM ("**Resolution 1**")(1) | Extraordinary Resolution(2) | Nil |
| 2. | Subject to Resolution 1 and Resolution 3 (as defined below) having been approved, the approval of the CMT Unitholders for the Merger at the EGM ("**Resolution 2**")(3) | Ordinary Resolution(4) | PIPL, ACPL, Premier, CMTML and their associates. Please refer to **paragraph 18** of the Circular for further details on abstentions. |
| 3. | Subject to Resolution 1 and Resolution 2 having been approved, the approval of the CMT Unitholders for the proposed allotment and issuance of the Consideration Units (the "**Proposed Issuance of the Consideration Units**") at the EGM ("**Resolution 3**")(5) | Ordinary Resolution(4) | PIPL, ACPL, Premier, CMTML and their associates. Please refer to **paragraph 18** of the Circular for further details on abstentions. |

**Notes:**

(1) Please refer to **paragraph 5.1** of the Circular for further details.

(2) "**Extraordinary Resolution**" means a resolution proposed and passed as such by a majority consisting of 75.0%. or more of the total number of votes cast for and against such resolution at a meeting of the CMT Unitholders.

(3) Please refer to **paragraph 6** of the Circular for further details.

(4) "**Ordinary Resolution**" means a resolution proposed and passed as such by a majority being greater than 50.0% or more of the total number of votes cast for and against such resolution at a meeting of the CMT Unitholders.

(5) Please refer to **paragraph 7** of the Circular for further details.

CMT Unitholders should note that the following resolutions are contingent on the following other resolutions being passed, and will lapse if the following matters do not take place:

| Resolution | Contingent upon the following resolutions being passed |
|---|---|
| Resolution 1 | Nil |
| Resolution 2 | Contingent upon Resolution 1 and Resolution 3 being passed |
| Resolution 3 | Contingent upon Resolution 1 and Resolution 2 being passed |

**In the event that Resolution 1 is not passed at the EGM, the CMT Manager will not proceed with Resolution 2 or Resolution 3.**

## 4. PROPOSED AMENDMENTS TO THE CMT TRUST DEED

### 4.1 The CMT Trust Deed Amendments

In connection with the Merger, it is intended that the CMT Trust Deed be amended to change the approval threshold for the issuance of new CMT Units exceeding the general mandate from an Extraordinary Resolution to an Ordinary Resolution (the "**CMT Trust Deed Amendments**"). Such approval is being sought pursuant to Resolution 1. By lowering the approval threshold required for Resolution 3 from an Extraordinary Resolution to an Ordinary Resolution, the CMT Trust Deed Amendments will facilitate the Merger and the Proposed Issuance of the Consideration Units.

In addition, the CMT Manager believes that the CMT Trust Deed Amendments will provide flexibility for the CMT Manager post-Merger (being the manager of the Merged Entity) in carrying out its duties for the benefit of the Merged Entity. This will provide the manager of the Merged Entity with greater certainty of raising capital as and when the manager of the Merged Entity deems it necessary.

Please refer to **Schedule 2** of the Circular which sets out the CMT Trust Deed Amendments.

### 4.2 Approval of the CMT Unitholders

The CMT Trust Deed Amendments are subject to the approval of not less than 75.0% of the total number of votes held by the CMT Unitholders present and voting either in person or by proxy cast for and against the resolution approving the CMT Trust Deed Amendments at the EGM. None of the CapitaLand Entities (which, for the avoidance of doubt, includes CMTML) is required to abstain from voting on Resolution 1.

## 5. KEY TERMS OF MERGER

### 5.1 The Trust Scheme

In connection with the Merger, the CMT Trustee, the CMT Manager, the CCT Trustee and the CCT Manager (each a "**Party**", and collectively, the "**Parties**") have, on the Joint Announcement Date entered into an implementation agreement, as amended by the supplemental agreement dated 3 September 2020 (collectively, the "**Implementation Agreement**"), setting out the terms and conditions on which the Parties will implement the Trust Scheme.

The Merger will be effected by way of the CCT Trustee and the CCT Manager implementing the Trust Scheme which will involve, among others, the transfer of all the CCT Units to the CMT Trustee:

(a) fully paid;

(b) free from all encumbrances; and

(c) together with all rights, benefits and entitlements attaching on and from the date of the Implementation Agreement, including the right to receive and retain all rights and other distributions (if any) declared or to be declared by the CCT Manager on or after the date of the Implementation Agreement, except for the CCT Permitted Distributions (as defined in **paragraph 6.6.2** of the Circular), (such transfer previously defined in **paragraph 1.1** of the Circular as the "**CMT Acquisition**").

The CMT Acquisition requires the approval of the CMT Unitholders under Rules 906(1)(a) and 1014(2) of the Listing Manual and Paragraph 5.2(b) of the Property Funds Appendix. Such approval is being sought pursuant to Resolution 2.

Please refer to **paragraphs 9.1 and 9.2** of the Circular for details of the requirements for the approval of the CMT Unitholders for the Merger under Rules 906(1)(a) and 1014(2) of the Listing Manual and Paragraph 5.2(b) of the Property Funds Appendix.

Please also refer to **paragraphs 7 and 9.3** of the Circular for details of the requirements for the approval of the CMT Unitholders for the Proposed Issuance of the Consideration Units in connection with the CMT Acquisition pursuant to Rule 805(1) of the Listing Manual.

Please refer to **paragraph 18** of the Circular for details on the abstentions from voting on Resolution 2 and Resolution 3 relating to the Merger and the Proposed Issuance of the Consideration Units respectively.

Further information on the Merged Entity may be found in **paragraph 1.4** of the Circular.

**5.2 Conditions to Completion**

The Merger is subject to the satisfaction or waiver of the conditions (the "**Conditions**") set out in **Schedule 3, Part 1 (Conditions)** of the Circular.

The Implementation Agreement may be terminated if any Condition set out in:

**5.2.1** **paragraphs (1) (Unitholder Approvals), (2) (Regulatory Approvals), (3) (Tax Approvals), (8) (Authorisations and Consents) or (9) (Third Parties) of Schedule 3, Part 1** of the Circular has not been satisfied (or, where applicable, has not been waived) by 11.59 p.m. on 30 November 2020 (or such other date as the Parties may agree in writing) (the "**Long-Stop Date**")[8] and the non-satisfaction of such Condition is material in the context of the Merger; or

**5.2.2** **paragraphs (4) (No Legal or Regulatory Restraint), (5) (No Prescribed Occurrence), (6) (No Breach of Warranties) or (7) (No Material Adverse Effect) of Schedule 3, Part 1** of the Circular is not satisfied (or, where applicable, has not been waived) on the business day immediately preceding the Effective Date (the "Relevant Date") and the non-satisfaction of such Condition is material in the context of the Merger,

in each case, by the relevant Party or Parties having the right to terminate the Implementation Agreement for the non-satisfaction of such Condition.

8 Pursuant to the supplemental agreement to the Implement Agreement entered into on 3 September 2020, the Long-Stop Date was extended from 30 September 2020 to 30 November 2020.

**5.3 CMT Permitted Distributions and CCT Permitted Distributions**

The CMT Manager and the CCT Manager are permitted to declare, make or pay distributions to the CMT Unitholders and the CCT Unitholders (as the case may be) only if such distributions by:

**5.3.1** the CMT Manager, in respect of CMT, were declared, made or paid in the ordinary course of business in respect of the period from 1 October 2019 up to the day immediately before the Effective Date (including any clean-up distribution to the CMT Unitholders in respect of the period from the day following the latest completed financial quarter of CMT preceding the Effective Date, up to the day immediately before the Effective Date) (the "**CMT Permitted Distributions**"); and

**5.3.2** the CCT Manager, in respect of CCT, were declared, made or paid in the ordinary course of business in respect of the period from 1 July 2019 up to the day immediately before the Effective Date (including any clean-up distribution to the CCT Unitholders in respect of the period from the day following the latest completed financial half year of CCT preceding the Effective Date, up to the day immediately before the Effective Date) (the "**CCT Permitted Distributions**").

For the avoidance of doubt, the Parties shall be entitled to declare, make or pay the CMT Permitted Distributions and the CCT Permitted Distributions (as the case may be) without any adjustment to the Scheme Consideration. The CCT Unitholders shall have the right to receive and retain the CCT Permitted Distributions in addition to the Scheme Consideration.

**5.4 Break Fee and Reverse Break Fee**

The Parties have agreed to certain matters in relation to the payment of an amount up to S$30.2 million, being approximately 0.4% of the aggregate Scheme Consideration, by:

**5.4.1** the CCT Trustee to the CMT Trustee (the "**Break Fee**"); and

**5.4.2** the CMT Trustee to the CCT Trustee (the "**Reverse Break Fee**"),

as further described in **Schedule 3, Part 4** of the Circular.

**5.5 Switch Option**

The Parties have agreed that if:

**5.5.1** CCT receives any offer from any person, acting together with its concert parties, other than the CMT Trustee or the CMT Manager involving:

(i) a sale, conveyance, transfer, assumption or other disposal of any direct or indirect interest in all or substantially all of the assets, business and/or undertakings of the CCT Group Entities, whether in a single transaction or a series of related transactions;

(ii) a general offer for the CCT Units;

(iii) a scheme of arrangement involving CCT or any CCT Group Entity or the merger of CCT or any CCT Group Entity with any other entity (whether by way of joint venture, reverse takeover bid, dual listed company structure, stapling or otherwise) provided that, in the case of any CCT Group Entity (other than CCT), such scheme of arrangement or merger is material to the CCT Group Entities (taken as a whole);

(iv) any other arrangement having an effect similar to any of (i) to (iii); or

(v) a transaction or series of related transactions which would or is reasonably likely to preclude, restrict or frustrate the Merger or the Trust Scheme,

(such offer, a "**CCT Switch Option Competing Offer**"). A CCT Switch Option Competing Offer will be deemed to be for all or substantially all of the assets, business and/or undertakings of the CCT Group Entities if the relevant assets, business and/or undertakings in question constitute a "material amount" as defined in Note 2 on Rule 5 of the Code; or

**5.5.2** an intention to make a CCT Switch Option Competing Offer is announced (whether or not such CCT Switch Option Competing Offer is pre-conditional),

in each case, without the prior written consent of the CMT Trustee and the CMT Manager in respect of such CCT Switch Option Competing Offer, the CMT Trustee shall have the right at its discretion to elect at any time, subject to prior consultation with the Securities Industry Council (the "**SIC**"), to proceed with a Merger by way of a voluntary conditional offer to acquire all the CCT Units (an "**Offer**") in lieu of proceeding with the Merger by way of the Trust Scheme, such Offer to be on the same or better terms as those which apply to the Trust Scheme or the CCT Switch Option Competing Offer (whichever is the higher), including the same or a higher consideration than the Scheme Consideration for each CCT Unit (being the aggregate of (A) the implied dollar value of the Consideration Units based on the fixed number of Consideration Units issued for each CCT Unit and the issue price per Consideration Unit, and (B) the Cash Consideration), and conditional upon a level of acceptances set at only more than 50.0% of the units to which the Offer relates and not conditional on a higher level of acceptances (such right of the CMT Trustee to proceed with the Merger by way of an Offer, the "**Switch Option**").

The exercise of the Switch Option by the CMT Trustee shall terminate the Implementation Agreement (other than certain surviving provisions) with effect from the date of announcement by or on behalf of the CMT Trustee of a firm intention to make the Offer.

**5.6 Exclusivity**

The CCT Trustee and the CCT Manager have agreed to grant the CMT Trustee and the CMT Manager exclusivity for a period commencing on the date of the Implementation Agreement and ending on the earliest of the date on which the Implementation Agreement is terminated, the date falling not later than seven business days after the Effective Date and the Long-Stop Date, during which the CCT Trustee and the CCT Manager shall not:

**5.6.1** solicit, invite, encourage or initiate any enquiries, negotiations or discussions, or communicate any intention to do the foregoing, with a view to obtaining, or to the extent reasonably likely to result in or lead to, any CCT Competing Offer (as defined in **Schedule 3, Part 5** of the Circular); or

**5.6.2** negotiate or enter into, or participate in negotiations or discussions with any person (other than the CMT Trustee or the CMT Manager) in relation to, any CCT Competing Offer or any agreement, understanding or arrangement which would or is reasonably likely to result in or lead to any CCT Competing Offer,

except where failing to take action with respect to, or failing to respond to, such CCT Competing Offer would or is reasonably likely to constitute a breach of the CCT Directors' fiduciary, regulatory or statutory obligations (including those under the Code).

**5.7 Termination**

Notwithstanding any other provision in the Implementation Agreement, the Implementation Agreement may be terminated at any time prior to the Effective Date pursuant to such terms of the Implementation Agreement as set out in **paragraph 6.2.2** of the Circular, provided that (i) the Party seeking to terminate the Implementation Agreement, including in the event of non-satisfaction of any Condition, shall only terminate the Implementation Agreement with the prior consultation of the SIC and subject to the SIC giving its approval for, and stating that it has no objections to, such termination and (ii) the Party seeking to terminate the Implementation Agreement shall provide written notice to all the other Parties promptly upon the SIC stating that it has no objection to such termination.

Upon the termination of the Implementation Agreement, no Party shall have a claim against any other Party except for claims in relation to certain surviving provisions after such termination or in relation to the Break Fee or the Reverse Break Fee, as the case may be, and in each case without prejudice to the rights of the Parties to seek specific performance or other equitable remedies.

**5.8 Scheme Consideration**

In consideration of the transfer of the CCT Units under the CMT Acquisition, each of the CMT Trustee and the CMT Manager has agreed, subject to the Trust Scheme becoming effective in accordance with its terms, to pay or procure the payment of the Scheme Consideration for each CCT Unit held by the CCT Unitholders as at 5.00 p.m. on the Record Date, which shall be satisfied by:

**5.8.1** the allotment and issuance (or the procurement of such allotment and issuance) by the CMT Manager of 0.720 new CMT Units (i.e. the Consideration Units), such Consideration Units to be credited as fully paid; and

**5.8.2** the payment by the CMT Trustee of a sum of S$0.2590 in cash (i.e. the Cash Consideration).

Based on an issue price of S$2.59 per Consideration Unit, which is the closing price of a CMT Unit on the SGX-ST on 21 January 2020 (being the last trading day immediately prior to the Joint Announcement Date), the Cash Consideration is S$0.2590 and the Scheme Consideration is S$2.1238. **The issue price of S$2.59 of each Consideration Unit may not be equivalent to the market price of, nor reflective of the fair value[9] of, the Consideration Units as at the Effective Date and/or the date of settlement of the Scheme Consideration.**

For the avoidance of doubt, the Scheme Consideration that will be received by the CCT Unitholders for each CCT Unit under the Trust Scheme will be 0.720 new CMT Units (i.e. the Consideration Units) and S$0.259 in cash (i.e. the Cash Consideration). **Each Consideration Unit may trade at a price which is above or below S$2.59[10]. There will not be any adjustment to the amount of the Cash Consideration or the number of Consideration Units to be issued for each CCT Unit to reflect any such price differential.**

The Scheme Consideration was arrived at as a result of commercial negotiations between the CMT Manager and the CCT Manager, based on an agreed understanding that the Merger would (a) be a merger of equals; (b) achieve a balanced and attractive outcome for both the CMT Unitholders and the CCT Unitholders; and (c) result in the creation of the Merged Entity that will be well positioned to capitalise on the objectives and rationale of the transaction to benefit the unitholders of the Merged Entity. The Scheme Consideration was based on, amongst other factors, (i) the closing price as at 21 January 2020 of S$2.59 per CMT Unit; and (ii) the gross exchange ratio of 0.820x taking into account, *inter alia*, the respective 30-day VWAP of CMT Units and CCT Units.

The aggregate Cash Consideration to be paid to each CCT Unitholder shall be rounded to the nearest S$0.01. The number of Consideration Units which each CCT Unitholder shall be entitled to pursuant to the Trust Scheme, based on the number of the CCT Units held by such CCT Unitholder as at the Record Date, shall be rounded down to the nearest whole number, and fractional entitlements shall be disregarded.

By way of illustration, if the Trust Scheme becomes effective in accordance with its terms, a CCT Unitholder will receive 720 Consideration Units and S$259.00 in cash for every 1,000 CCT Units held by him/her/it as at the Record Date.

The CMT Manager has reserved the right to adjust the Scheme Consideration by reducing the cash component of the Scheme Consideration, the unit component of the Scheme Consideration or by any combination of such cash and unit components, if and to the extent any distribution in excess of the CCT Permitted Distributions is declared, made or paid by the CCT Manager on or after the date of the Implementation Agreement.

9 Based on which the Scheme Consideration will be accounted accordingly in the financial statements of the CMT Group in compliance with its accounting policies.

10 For reference, the closing price of a CMT Unit on the Latest Practicable Date is S$1.90.

### 5.9 Total Transaction Outlay

The total cost of the Merger (the "**Total Transaction Outlay**") will comprise:

(a) the aggregate Scheme Consideration[11], consisting of the total number of Consideration Units to be issued and the aggregate amount of the Cash Consideration. The aggregate Scheme Consideration will be accounted for at fair value as at the Effective Date in the financial statements of the CMT Group, in compliance with its accounting policies; and

(b) the professional and other fees and expenses incurred or to be incurred in connection with the Merger (the "**Transaction Costs**"), which are currently estimated to be S$22.0 million.

The final Total Transaction Outlay will be based on (i) the fair value of the Consideration Units (which comprise part of the Scheme Consideration) as at the Effective Date; (ii) the aggregate amount of the Cash Consideration payable as part of the Scheme Consideration, as set out in **paragraph 6.12(a)** of the Circular; and (iii) the final amount of the Transaction Costs.

Notwithstanding what was announced in the Joint Announcement, the CMT Manager has waived 100.0% of the Acquisition Fee on a one-off basis (amounting to approximately S$111.2 million[12]) in recognition of the unprecedented circumstances brought about by the COVID-19 pandemic. Further details with respect to the fees payable to the CMT Manager are set out in **Schedule 1, Part 3** of the Circular.

### 5.10 Cash Confirmation

J.P. Morgan (S.E.A.) Limited, the sole financial adviser to the CMT Manager in respect of the Merger and the Trust Scheme (the "**Financial Adviser**"), confirms that sufficient financial resources are available to CMT to satisfy in full the aggregate Cash Consideration payable by the CMT Trustee for all the CCT Units to be acquired by CMT pursuant to the Merger.

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11 The aggregate Scheme Consideration will be accounted for at fair value as at the Effective Date in the financial statements of the CMT Group, in compliance with its accounting policies. Accordingly, the fair value of a Consideration Unit will be based on the closing price of a CMT Unit as at the Effective Date and not at the issue price of S$2.59 per Consideration Unit which was the closing price of a CMT Unit on the SGX-ST on 21 January 2020, being the last trading day immediately prior to the Joint Announcement Date.

For the information of CMT Unitholders, approximately 4.2 million CCT Units were issued to the CCT Manager on 28 February 2020 as payment of the CCT Manager's (i) base component of the management fees for the period from 1 October 2019 to 31 December 2019 (both dates inclusive) and/or (ii) the performance component of the management fees for the period from 1 January 2019 to 31 December 2019 (both dates inclusive), in respect of CCT's 60.0% interest in Raffles City Singapore and CCT's interest in Asia Square Tower Two, to which the CCT Manager is entitled under the CCT Trust Deed. This has resulted in the increase in the total number of CCT Units from approximately 3,857.7 million as at the Joint Announcement Date to approximately 3,861.9 million as at the Latest Practicable Date.

For illustrative purposes, based on the Scheme Consideration for each CCT Unit of 0.720 new CMT Units (i.e. the Consideration Units) and S$0.2590 in cash (i.e. the Cash Consideration), as well as approximately 3,861.9 million CCT Units in issue and the closing price of a CMT Unit on the SGX-ST of S$1.90, each as at the Latest Practicable Date, the amount attributable to the aggregate Scheme Consideration would be approximately S$6,283.3 million, consisting of approximately 2,780.6 million Consideration Units (being 3,861.9 million CCT Units multiplied by 0.720) and the total Cash Consideration of approximately S$1,000.2 million (being 3,861.9 million CCT Units multiplied by S$0.2590).

For the avoidance of doubt, the Scheme Consideration that will be received by the CCT Unitholders for each CCT Unit under the Trust Scheme will be 0.720 new CMT Units (i.e. the Consideration Units) and S$0.2590 in cash (i.e. the Cash Consideration).

12 Equivalent to 1% of the property valuation of the CCT portfolio (including the proportionate share of its joint venture assets) as at 31 December 2019, which the CMT Manager is entitled to under the CMT Trust Deed.

### 5.11 Method of Financing

The CMT Manager intends to finance the cash component of CMT's share of the Total Transaction Outlay, including the Cash Consideration, using CMT's existing debt facilities or by way of new debt facilities to be entered into.

## 6. PROPOSED ISSUANCE OF CONSIDERATION UNITS

Approximately 2,780.6 million Consideration Units will be issued to the CCT Unitholders as partial payment of the Scheme Consideration for the CMT Acquisition.

The Consideration Units issued will not be entitled to the CMT Permitted Distributions and will, upon issue, rank pari passu in all respects with the existing CMT Units, as at the date of their issue.

The Proposed Issuance of the Consideration Units requires the approval of the CMT Unitholders under Rule 805(1) of the Listing Manual which provides that an issuer must obtain prior approval of unitholders in general meeting for the issue of units unless such issue of units is issued pursuant to a general mandate obtained from unitholders of the issuer. Such approval is being sought pursuant to Resolution 3.

Please refer to **paragraph 9.3** of the Circular for details of the requirements for the approval of the CMT Unitholders for the Proposed Issuance of the Consideration Units under Rule 805(1) of the Listing Manual.

Please refer to **paragraph 18** of the Circular for details on the abstentions from voting on Resolution 2 and Resolution 3 relating to the Merger and the Proposed Issuance of the Consideration Units respectively.

As announced by the CMT Manager on 31 August 2020, the SGX-ST has granted its approval in-principle for the listing and quotation of up to 2,780.6 million Consideration Units on the Main Board of the SGX-ST, subject to the following conditions:

(a) compliance with the SGX-ST's listing requirements for the Consideration Units;

(b) the approval of the independent unitholders of CMT being obtained for all the resolutions necessary to effect the Merger[13]; and

(c) the approval of the Court for the implementation of the Trust Scheme.

The SGX-ST's approval in-principle is not to be taken as an indication of the merits of the Merger, the Consideration Units, the CMT Manager or the CMT Group.

13 For the avoidance of doubt, all CMT Unitholders may vote on Resolution 1 approving the CMT Trust Deed Amendments.

## 7. REQUIREMENT FOR APPROVAL OF THE CMT UNITHOLDERS

### 7.1 Interested Person Transactions and Interested Party Transactions

#### 7.1.1 Interested Party Transactions

Under Chapter 9 of the Listing Manual, where CMT proposes to enter into a transaction with an interested person and the value of the transaction (either in itself or when aggregated with the value of other transactions, each of a value equal to or greater than S$100,000, with the same interested person during the same financial year) is equal to or exceeds 5.0% of the CMT Group's latest audited NTA, the approval of the CMT Unitholders is required in respect of the transaction.

Paragraph 5.2(b) of the Property Funds Appendix also imposes a requirement for the approval of the CMT Unitholders for an "**interested party transaction**" by CMT whose value is equal to or exceeds 5.0% of the CMT Group's latest audited NAV.

Based on the CMT Group FY2019 Audited Financial Statements, the latest audited NAV and NTA of the CMT Group as at 31 December 2019 was approximately S$7,767.2 million. Accordingly, if the value of a transaction which is proposed to be entered into by CMT during the current financial year ending 31 December 2020 with an interested person is, either in itself or in aggregation with all other earlier transactions (each of a value equal to or greater than S$100,000) entered into with the same interested person during the current financial year ending 31 December 2020, equal to or greater than S$388.4 million, such a transaction would be subject to the approval of the CMT Unitholders under Rule 906(1)(a) of the Listing Manual and Paragraph 5.2(b) of the Property Funds Appendix.

#### 7.1.2 Requirement for the approval of the CMT Unitholders

As at the Latest Practicable Date, CapitaLand holds, in aggregate through PIPL, ACPL, Premier and CMTML, approximately 28.49% of all the CMT Units. CapitaLand also holds, in aggregate through E-Pavilion, SBR, Carmel and CCTML, approximately 29.42% of all the CCT Units. Accordingly, for the purposes of Chapter 9 of the Listing Manual and Paragraph 5 of the Property Funds Appendix:

(a) CMT is an "entity at risk";

(b) CapitaLand is a "controlling unitholder" of CMT, and E-Pavilion, SBR, Carmel and CCTML are associates of CapitaLand;

(c) pursuant to the Merger, CMT, an entity at risk, is acquiring CCT Units from E-Pavilion, SBR, Carmel and CCTML, as associates of CapitaLand (the "**Interested CCT Units Acquisition**"); and

(d) the Merger, which includes the Interested CCT Units Acquisition, constitutes an interested person transaction.

The consideration payable by CMT to E-Pavilion, SBR, Carmel and CCTML for their CCT Units will be based on their *pro rata* share of the aggregate Scheme Consideration.

The aggregate Scheme Consideration[14] consists of the total number of Consideration Units to be issued and the aggregate amount of the Cash Consideration. Based on the Scheme Consideration for each CCT Unit of 0.720 new CMT Units (i.e. the Consideration Units) and S$0.2590 in cash (i.e. the Cash Consideration), as well as approximately 3,857.7 million CCT Units in issue as at 21 January 2020, the total number of Consideration Units to be issued will be approximately 2,777.5 million (being 3,857.7 million CCT Units multiplied by 0.720) and the total Cash Consideration will be approximately S$999.1 million (being 3,857.7 million CCT Units multiplied by S$0.2590).

The final amount attributable to the aggregate Scheme Consideration (and accordingly the *pro rata* share of the final amount attributable to the aggregate Scheme Consideration payable by CMT to E-Pavilion, SBR, Carmel and CCTML for their CCT Units) will be determined based on the fair value[15] of the Consideration Units as at the Effective Date and the total Cash Consideration.

For illustrative purposes, as at the Joint Announcement Date, based on an issue price of S$2.59 per Consideration Unit, which was the closing price of a CMT Unit on the SGX-ST on 21 January 2020 (being the last trading day immediately prior to the Joint Announcement Date), the amount attributable to the aggregate Scheme Consideration would have been approximately S$8,193.0 million. Accordingly, the *pro rata* share[16] of the amount attributable to the aggregate Scheme Consideration payable to E-Pavilion, SBR, Carmel and CCTML would have been approximately S$2,406.2 million. This represents 30.98% of the audited NTA of the CMT Group of S$7,767.2 million as at 31 December 2019. Accordingly:

(i) the Interested CCT Units Acquisition is required to be approved by the CMT Unitholders (with PIPL, ACPL, Premier, CMTML and their associates abstaining from voting) under Rule 906(1)(a) of the Listing Manual and Paragraph 5.2(b) of the Property Funds Appendix; and

(ii) the Merger, which includes the Interested CCT Units Acquisition and involves the Proposed Issuance of the Consideration Units, is conditional upon such approval.

For the information of the CMT Unitholders, as at the Latest Practicable Date, save for the Interested CCT Units Acquisition, the value of all "interested persons transactions" entered into between CMT and CapitaLand and its associates during the course of the current financial year ending 31 December 2020 that are subject to disclosure under Chapter 9 of the Listing Manual is approximately S$5.3 million (the "**Existing Interested Person Transactions**"), which is approximately 0.07% of the latest audited NTA of the CMT Group based on the CMT Group FY2019 Audited Financial Statements. For the avoidance of doubt, the approval of the CMT Unitholders is not being sought in respect of the Existing Interested Person Transactions.

14 The aggregate Scheme Consideration will be accounted for at fair value as at the Effective Date in the financial statements of the CMT Group, in compliance with its accounting policies. Accordingly, the fair value of a Consideration Unit will be based on the closing price of a CMT Unit as at the Effective Date and not at the issue price of S$2.59 per Consideration Unit which was the closing price of a CMT Unit on the SGX-ST on 21 January 2020, being the last trading day immediately prior to the Joint Announcement Date.

15 Based on which the fair value of the Consideration Units will be accounted accordingly in the financial statements of the CMT Group in compliance with its accounting policies.

16 Based on an interest in 29.37% of all CCT units as at the Joint Announcement Date.

Further information on the Existing Interested Person Transactions may be found in **Schedule 4** of the Circular.

Save as described in the foregoing, there were no interested person transactions entered into between the CMT Group and CapitaLand, its subsidiaries and associates.

Please refer to **paragraph 18** of the Circular for details on the abstentions from voting on Resolution 2 and Resolution 3 relating to the Merger and the Proposed Issuance of the Consideration Units respectively.

### 7.2 Major Transaction

#### 7.2.1 Major Transaction

Chapter 10 of the Listing Manual governs the acquisition or disposal of assets, including options to acquire or dispose of assets, by CMT. Such transactions are classified into the following categories:

(a) non-disclosable transactions;

(b) disclosable transactions;

(c) major transactions; and

(d) very substantial acquisitions or reverse take-overs.

A proposed transaction by CMT may fall into any of the categories set out above depending on the size of the relative figures computed on the following bases of comparison:

(i) the net asset value of the assets to be disposed of, compared with the CMT Group's net asset value pursuant to Rule 1006(a) of the Listing Manual;

(ii) the net profits attributable to the assets to be acquired or disposed of, compared with the CMT Group's net profits pursuant to Rule 1006(b) of the Listing Manual;

(iii) the aggregate value of the consideration given or received, compared with CMT's market capitalisation based on the total number of issued CMT Units (excluding treasury units) pursuant to Rule 1006(c) of the Listing Manual; and

(iv) the number of equity securities issued by CMT as consideration for an acquisition, compared with the number of equity securities previously in issue pursuant to Rule 1006(d) of the Listing Manual.

Rule 1006(a) of the Listing Manual is not applicable to the Merger as CMT will not be disposing any assets under the Merger.

### 7.2.2 Requirement for the approval of the CMT Unitholders

The relative figures computed on the bases set out in Rules 1006(b), 1006(c) and 1006(d) of the Listing Manual in respect of the Merger as at the Joint Announcement Date are as follows:

| | **CCT Group or Merger, as the case may be (millions)** | **CMT Group (millions)** | **Percentage (%)** |
|---|---|---|---|
| **Rule 1006(b)** NPI[1] attributable to the CCT Group compared with the NPI of the CMT Group, in each case, for FY2019 | S$321.2 | S$558.2 | 57.5 |
| **Rule 1006(c)** Total Scheme Consideration compared with CMT's market capitalisation as at 21 January 2020, being the latest trading date prior to the date of entry into the Implementation Agreement[2] | S$8,193.0 | S$9,554.0 | 85.8 |
| **Rule 1006(d)** Number of CMT Units to be issued as consideration pursuant to the Merger compared with number of CMT Units in issue as at 21 January 2020, being the latest trading date prior to the date of entry into the Implementation Agreement | 2,777.5 | 3,688.8 | 75.3 |

**Notes:**

(1) In the case of a REIT, NPI is a close proxy to the net profits attributable to its assets.

(2) Based on an issue price of S$2.59 per Consideration Unit, which was the closing price of a CMT Unit on the SGX-ST on 21 January 2020 (being the last trading day immediately prior to the Joint Announcement Date), the Scheme Consideration for each CCT Unit consisting of 0.720 new CMT Units (i.e. the Consideration Units) and S$0.2590 in cash (i.e. the Cash Consideration) and a total of approximately 3,857.7 million CCT Units as at 21 January 2020. **Each Consideration Unit may trade at a price which is above or below S$2.59. There will not be any adjustment to the amount of the Cash Consideration or the number of Consideration Units to be issued for each CCT Unit to reflect any such price differential.**

As the proposed transaction involves a merger with another REIT by way of a trust scheme of arrangement and the relative figures for the Merger under Rules 1006(b), 1006(c) and 1006(d) of the Listing Manual exceed 20.0% (but not 100.0%), the Merger is classified as a "**major transaction**" under Chapter 10 of the Listing Manual and, accordingly, is subject to the approval of the CMT Unitholders at an extraordinary general meeting of CMT.

### 7.3 Rule 805(1) of the Listing Manual

The Merger involves the Proposed Issuance of the Consideration Units.

Rule 805(1) of the Listing Manual provides that an issuer must obtain prior approval of unitholders in general meeting for the issue of units unless such issue of units is issued pursuant to a general mandate obtained from unitholders of the issuer.

As Consideration Units will not be issued pursuant to the general mandate previously obtained from the CMT Unitholders at the annual general meeting of the CMT Unitholders held on 26 June 2020, the Proposed Issuance of the Consideration Units is subject to the approval of the CMT Unitholders under Rule 805(1) of the Listing Manual (with PIPL, ACPL, Premier, CMTML and their associates abstaining from voting).

Please refer to **paragraph 18** of the Circular for details on the abstentions from voting on Resolution 2 and Resolution 3 relating to the Merger and the Proposed Issuance of the Consideration Units respectively.

## 8. INTENTIONS FOR THE MERGED ENTITY

### 8.1 Next Steps Following the Completion of Merger

Subject to the Trust Scheme becoming effective on the Effective Date, it is intended that the following matters be undertaken:

#### 8.1.1 Expansion of Investment Mandate and Novation of Right of First Refusal

As stated in **paragraph 1.4.1** of the Circular, it is intended that upon the Trust Scheme becoming effective in accordance with its terms, the existing investment mandate of CMT will be expanded to the Expanded Investment Mandate. Upon the Expanded Investment Mandate coming into effect and in connection with the Merger, the CCT ROFR will be novated to the Merged Entity post-Merger. The scope of properties under the CCT ROFR currently covers leasehold interest (of at least 10 years) in a completed income-producing property located in Singapore which is used, or predominantly used, for commercial purposes, where, as at the time the property is identified as being suitable for acquisition by CLS and/or any of its subsidiaries, at least 50% of the total NLA of such property is rented out. It is intended that the scope of properties under the CCT ROFR (which is to be novated to the Merged Entity) be expanded to cover income-producing real estate used, or primarily used, for commercial purposes (including retail and/or office purposes) located in Singapore, to be consistent with the Expanded Investment Mandate (the expanded CCT ROFR previously defined in **paragraph 1.4.1** of the Circular as the "**Novated ROFR**").

The Novated ROFR will subsist for so long as (i) CMTML is the manager of CMT; and (ii) CMTML is a subsidiary of CapitaLand.

### 8.1.2 Appointment of CMTML as Manager of CCT and Fee Structure of the Merged Entity

On or about the completion of the Merger, it is intended that CCTML will retire as manager of CCT and CMTML will be appointed as manager of the delisted CCT, in each case, in accordance with the terms of the CCT Trust Deed. It is currently intended that the fees which would otherwise have been payable to the CCT Manager (including base management fees, performance management fees, acquisition and divestment fees) will, instead, be payable to CMTML. Notwithstanding the above, it is currently intended that a performance management fee payable to the CCT Manager under the CCT Trust Deed with respect to the period from 1 January 2020 to the date prior to the appointment of CMTML as manager of CCT will be paid to CCTML (as manager of CCT for the relevant period) out of the assets of CCT (in respect of which sufficient provision has been made) in accordance with the CCT Trust Deed.

The fees for the properties and investments of the Merged Entity, will be based on the fee structure of the CMT Group, as presently adopted. Notwithstanding the foregoing, the fees for the existing properties and investments of CCT (including CCT's existing 45.0% interest in CapitaSpring which is currently undergoing redevelopment) will be based on the fee structure of the CCT Group, as presently adopted, save for existing properties of CCT to which the fee structure of the CMT Group shall apply, if they undergo redevelopment post-Merger.

Please refer to **Schedule 1, Part 3** and **Schedule 1, Part 4** of the Circular for further details of the current fee structure of each of the CMT Group and the CCT Group and **Schedule 1, Part 5** of the Circular for further details of the fee structure of the Merged Entity following the completion of the Merger.

### 8.1.3 Board and Management of the Merged Entity

The existing board of directors[17] of the CMT Manager will be reviewing the composition of the board of directors and management of the CMT Manager. The appointment of any new directors or key management staff of the Merged Entity will be subject to the relevant corporate approvals and the approval of the Monetary Authority of Singapore (if applicable).

### 8.1.4 Sub-Trust Transfers

It is intended that CCT shall transfer to CMT all the units held by CCT in the Relevant Sub-Trusts, such that the units of each of the Relevant Sub-Trusts previously held by CCT would be directly held by CMT.

### 8.1.5 Frequency of Distributions

It is intended for the Merged Entity to keep to CMT's current practice of making distributions on a quarterly basis. The CMT Manager may, at its discretion, review the frequency of the Merged Entity's distributions in the future, where appropriate.

17 Mr Gay Chee Cheong is currently on a leave of absence.

### 8.1.6 Renaming of the Merged Entity

Following the completion of the Merger, the Merged Entity will be renamed "CapitaLand Integrated Commercial Trust".

### 8.1.7 Management of Leverage Profile

Assuming the Merger had been completed on 30 June 2020, the *pro forma* aggregate leverage of the Merged Entity as at 30 June 2020 would be 39.7%, taking into consideration the Acquisition Debt of approximately S$1,022.2 million. Pursuant to the revision of the Property Funds Appendix on 16 April 2020, the regulatory aggregate leverage limit under the Property Funds Appendix has been increased to 50.0% up to (and including) 31 December 2021. On or after 1 January 2022, the aggregate leverage of a property fund should not exceed 45.0%, save that it may exceed 45.0% (up to a maximum 50.0%) if certain conditions under the Property Funds Appendix are met.

While the *pro forma* aggregate leverage of the Merged Entity would be higher than the aggregate leverage of CMT and CCT on a standalone basis, the CMT Manager believes that the leverage level is still within a manageable range in the short-term, and will remain disciplined in managing the leverage profile of the Merged Entity.

Following the completion of the Merger, the CMT Manager will proactively review the Merged Entity's business and capital plans in the ordinary course of business, including (amongst others) a reconstitution of the enlarged portfolio which may occur in the near term to ensure an optimal capital structure through cycles. Please refer to **paragraph 10.2** of the Circular for details.

## 8.2 CMT Manager's Strategy for the Merged Entity

The Merged Entity will continue to be predominantly Singapore focused while having the flexibility to explore acquisitions in other developed countries of not more than 20% of the total portfolio property value of the Merged Entity. The combined platform is expected to unlock synergies and enhance the Merged Entity's ability to deliver stable distributions and sustainable total return to its unitholders through the following value creation strategies:

(a) **Active management to drive organic growth**: capitalising on rental market cycles and opportunities across the combined platform. The Merged Entity is expected to integrate the strengths of the two platforms, through cross-pollination of customer and tenant bases, including but not limited to:

(i) leveraging a broader retail and office leasing network for more effective tenant negotiations and sourcing for high-quality tenants to drive higher portfolio occupancy and improved rental rates for new and renewed leases;

(ii) harnessing evolving synergies between the retail and office portfolios, such as the inclusion of flexible office solutions in retail malls like Funan, or extension of retail tenants' e-commerce fulfilment points beyond shopping malls to office buildings;

(iii) unifying digital platform to enhance analytics capability, generate higher quality insights across asset classes, and enable more informed, data-driven decision making in order to create a seamless online and offline ecosystem for end-consumers' work, dining, leisure and shopping needs; and

(iv) extending marketing communication and community engagement activities across the enlarged pool of properties to enhance retail and office tenant stickiness. These activities can give retail tenants and brands a wider reach to shoppers while giving office workers more opportunities to participate in experiential retail activities, right at their doorstep;

(b) **AEIs and redevelopment**: achieving the highest and best use for its properties in line with changing real estate trends and consumers' preferences. Given its enlarged and more resilient portfolio, the Merged Entity will be better placed to reposition or repurpose single use retail or office properties, or redevelop certain properties from pure retail or office use to mixed-use integrated projects. For example, successful transformations such as Funan and CapitaSpring can be replicated across the portfolio. In particular, many properties in the portfolio of the Merged Entity are strategically-located at key transport nodes and can be prime candidates for redevelopment over time;

(c) **Growth by acquisitions**: capitalising on combined domain expertise and a resilient portfolio. The Merged Entity is well positioned to grow its portfolio by investing in retail, office and integrated developments through property market cycles and across geographies. The Merged Entity will seek acquisitions from both third parties and CapitaLand. Currently, CapitaLand's portfolio in Singapore and other developed countries includes approximately S$5.0 billion of retail, office and integrated assets at various stages of development and stabilisation;

(d) **Disciplined portfolio reconstitution**: planning, identifying and undertaking appropriate divestment of assets that have reached their optimal life cycle and redeploying proceeds into higher yielding properties or other growth opportunities. The Merged Entity will continue to build on CMT's and CCT's established track records of value creation through proactive portfolio reconstitution;

(e) **Prudent cost and capital management**: procuring services in bulk, optimising supply chain, and eliminating frictional costs to generate greater operational cost savings, as well as employing appropriate capital financing and hedging strategies to optimise aggregate leverage and financing costs, and manage foreign exchange risks. Based on the combined debt portfolio of approximately S$9 billion, the Merged Entity will be in a position to tap on a wider range of financing options to manage the cost of debt. The Merged Entity, with its more resilient portfolio, is expected to have access to more debt and capital market providers to support its growth strategy; and

(f) **ESG commitment**: building on robust ESG foundations to further improve the economic and social well-being of stakeholders. Currently, CMT and CCT's ESG reporting is already aligned with global ESG benchmarks, including the Global Reporting Initiative Standards: Core Option, the International Integrated Reporting Council Framework, and the UN Sustainable Development Goals. CMT and CCT topped the Singapore Governance and Transparency Index ("**SGTI**") 2020[18] in the REIT and Business Trust Category. CMT and CCT also achieved the Global Real Estate Sustainability Benchmark ("**GRESB**"[19]) 2019 Sector Leader in the Asia – "Retail-Listed" category and the GRESB 2019 4-Star respectively. The Merged Entity will be able to further strengthen its ESG commitment through the responsible management of human capital, assets, portfolio and operations, as well as management of its environmental footprint.

The Merged Entity will continue to leverage CapitaLand's integrated real estate value chain in design, project management, investment, marketing and leasing, property management, fund management and digital platform to drive further growth. CapitaLand is a well-established real estate company with proven capabilities to support the Merged Entity in its quest to deliver sustainable returns to its unitholders.

### 8.3 Other Intentions

Save as set out in **paragraph 10** of the Circular, there is presently no intention to (i) introduce any major changes to the business of CCT, (ii) re-deploy the fixed assets of CCT or (iii) discontinue the employment of the employees of the CCT Group, in each case, save in the ordinary course of business or as a result of any internal reorganisation or restructuring within the Merged Entity which may be implemented after the Merger. However, the CMT Directors retain and reserve the right and flexibility at any time and from time to time to consider any options in relation to the Merged Entity which may present themselves and which they may regard to be in the interest of the Merged Entity.

There may be interested person transactions (as defined in the Listing Manual) entered into in the ordinary course of business of the Merged Entity upon completion of the Merger. The Merged Entity will comply with the Listing Manual and make the relevant disclosures under Rule 905 of the Listing Manual if the aggregate value of such interested person transactions entered into in the same financial year (excluding the interested person transactions which have been approved by unitholders) is 3.0% or more of the latest audited NTA of the Merged Entity.

## 9. ABSTENTIONS FROM VOTING

Under Rule 919 of the Listing Manual, where a meeting is held to obtain unitholders' approval, the interested person and any associate of the interested person must not vote on a resolution in respect of which such person is interested, nor accept appointments as proxies, unless specific instructions as to voting are given.

18 The SGTI is the leading index for assessing corporate governance practices of Singapore-listed companies. It is a collaboration between CPA Australia, NUS Business School's Centre for Governance, Institutions and Organisations, and Singapore Institute of Directors.

19 The Global Real Estate Sustainability Benchmark Assessment is conducted by GRESB, an industry-driven organisation committed to assessing the ESG performance of real assets globally, including real estate portfolios.

Accordingly, PIPL, ACPL, Premier, CMTML and their associates will abstain from voting (either in person or by proxy) in respect of Resolution 2 and Resolution 3 and shall decline to accept appointments as proxies in respect of Resolution 2 and Resolution 3. In view of the COVID-19 situation, all CMT Unitholders (whether individual or corporate) who wish to exercise his/her/its voting rights are required to complete the Proxy Form to appoint the Chairman of the Meeting as proxy to attend, speak and vote on his/her/its behalf at the EGM. In appointing the Chairman of the Meeting as proxy, a CMT Unitholder must give specific instructions as to voting, or abstention from voting, in respect of a resolution in the Proxy Form, failing which the appointment of the Chairman of the Meeting as proxy for that resolution will be treated as invalid.

The CMT Manager will also disregard any votes cast by persons required to abstain from voting, whether pursuant to a listing rule or a court order.

For purposes of good corporate governance, Mr Jason Leow Juan Thong and Mr Jonathan Yap Neng Tong will also abstain from voting on Resolution 2 and Resolution 3.

## 10. FINANCIAL EVALUATION OF THE TERMS OF THE MERGER

As part of our evaluation as to whether the Merger is on normal commercial terms and not prejudicial to the interests of CMT and its minority unitholders, we have evaluated whether the CCT Units and the Consideration Units are fairly valued based on the Scheme Consideration and the Consideration Unit Price, respectively. In this Letter we have considered the following factors:

| Section | Item |
|---|---|
| **10.1** | **Whether the CCT Units as implied by the Scheme Consideration are fairly valued** |
| 1. | Liquidity analysis of the CCT Units and companies that make up the top 15 constituents of the Straits Times Index ("**STI**") traded on the SGX-ST based on market capitalisation (the "**Top 15 STI Companies**") |
| 2. | Historical market performance and trading activity of the CCT Units |
| 3. | Trailing Latest P/NAV multiples of the CCT Units relative to the Latest P/NAV multiples implied by the Scheme Consideration |
| 4. | Trailing Distribution Yields of the CCT Units relative to the Distribution Yields implied by the Scheme Consideration |
| 5. | Valuation multiples of selected SGX-listed commercial S-REITs (the "**Comparable Commercial S-REITs**") relative to those implied by the Scheme Consideration |
| 6. | Premium/discount to the prevailing VWAPs implied by selected precedent transactions involving mergers and acquisitions of SGX-ST listed business trusts and/or real estate investment trusts involving scrip as the primary transaction consideration (the "**Precedent Transactions**") relative to those implied by the Scheme Consideration |
| 7. | Broker target prices of the CCT Units |
| 8. | Independent valuation of CCT Properties |
| **10.2** | **Whether the CMT Units as implied by the Consideration Unit Price are fairly valued** |
| 1. | Liquidity analysis of the CMT Units and the Top 15 STI Companies |
| 2. | Historical market performance and trading activity of the CMT Units |
| 3. | Trailing Latest P/NAV multiples of the CMT Units relative to the Latest P/NAV multiples implied by the Consideration Unit Price |
| 4. | Trailing Distribution Yields of the CMT Units relative to the Distribution Yields implied by the Consideration Unit Price |
| 5. | Valuation multiples of selected SGX-listed retail S-REITs (the "**Comparable Retail S-REITs**") relative to those implied by the Consideration Unit Price |
| 6. | Broker target prices of the CMT Units |
| 7. | Independent valuation of CMT Properties |
| **10.3** | **Other factors** |
| 1. | Exchange ratios implied by the historical VWAPs over various periods up to the Last Trading Date of the CCT Units and the CMT Units |
| 2. | The LTM June 2020 and FY2019 *pro forma* consolidated financial effects of the Merger |
| 3. | Other relevant considerations which have a significant bearing on our assessment, in relation to the Merger being an interested party transaction |

**General bases and assumptions**

The figures and underlying financial data used in our analyses in this Letter, including unit prices, trading volumes, and broker research, have been extracted from, *inter alia*, SGX-ST, Bloomberg, Capital IQ, Mergermarket, and other public filings and documents. ANZ has not independently verified (nor assumed responsibility or liability for independently verifying) or ascertained and makes no representations or warranties, express or implied, as to the accuracy, completeness or adequacy of such information. We have made reasonable enquiries and exercised reasonable judgement in assessing such information and have found no reason to doubt the reliability of such information.

**Comparable Companies**

The summary description of the Comparable Commercial S-REITs we have reviewed for our evaluation of the Scheme Consideration is set out in the following table:

| Company | Company Description(1) | Market Cap(2) (S$M) |
|---|---|---|
| Mapletree Commercial Trust ("**MCT**") | ▪ MCT is a Singapore-focused REIT investing in a diversified portfolio of real estate used primarily for office and retail purposes.<br>▪ The MCT portfolio comprises five properties in Singapore – four located in the Greater Southern Waterfront and one in the Central Business District. The portfolio has a total net lettable area of approximately 5.0 million square feet<br>▪ MCT was listed on the SGX-ST on 27 April 2011. | 6,562 |
| OUE Commercial REIT ("**OUE-C REIT**") | ▪ OUE-C REIT is a commercial REIT investing in income-producing real estate used primarily for office, retail and hospitality purposes.<br>▪ In September 2019, OUE C-REIT completed the merger with OUE Hospitality Trust. Its property portfolio comprises seven properties with more than 2.0 million square feet of prime office and retail space and 1,640 upscale hotel rooms.<br>▪ OUE-C REIT was listed on the SGX-ST on 27 January 2014. | 2,031 |
| Keppel REIT | ▪ Keppel REIT invests predominantly in commercial properties in Singapore and key gateway cities in Australia and Seoul, Korea.<br>▪ It currently owns eight commercial Grade A office assets with another property under development.<br>▪ Keppel REIT was listed on the SGX-ST on 28 April 2006. | 3,637 |
| Suntec Real Estate Investment Trust "**Suntec REIT**") | ▪ Suntec REIT is a commercial REIT with stakes in five properties in Singapore and four in Australia. Its flagship project Suntec City is one of the largest integrated developments in Singapore.<br>▪ Suntec REIT was listed on the SGX-ST on 9 December 2004. | 3,893 |

*Source: Capital IQ and broker reports.*

Notes:

(1) Net and gross lettable area are stated on a 100% basis.

(2) Market capitalisation is based on unit prices as at the Latest Practicable Date.

The summary description of the Comparable Retail S-REITs we have reviewed for our evaluation of the Consideration Unit Price is also set out in the following table:

| Company | Company Description(1) | Market Cap(2) (S$M) |
| --- | --- | --- |
| Mapletree Commercial Trust ("**MCT**") | ▪ MCT is a Singapore-focused REIT investing in a diversified portfolio of real estate used primarily for office and retail purposes.<br>▪ The MCT portfolio comprises five properties in Singapore – four located in the Greater Southern Waterfront and one in the Central Business District. The portfolio has a total net lettable area of approximately 5.0 million square feet.<br>▪ MCT was listed on the SGX-ST on 27 April 2011. | 6,562 |
| SPH REIT | ▪ SPH REIT is a S-REIT investing in income-producing properties used for retail purposes, both in Singapore and overseas.<br>▪ Its portfolio comprises three retail properties in Singapore and two in Australia.<br>▪ SPH REIT's portfolio has a net lettable area of approximately 962,000 square feet in Singapore and gross lettable area of approximately 1.7 million square feet in Australia.<br>▪ SPH REIT was listed on the SGX-ST on 24 July 2013. | 2,376 |
| Frasers Centrepoint Trust ("**FCT**") | ▪ FCT is a S-REIT investing in income-producing properties used primarily for retail purposes, both in Singapore and overseas.<br>▪ Its portfolio comprises seven suburban retail properties in Singapore. Its portfolio has a combined net lettable area of approximately 1.4 million square feet.<br>▪ It holds a 24.82% stake in PGIM Real Estate AsiaRetail Fund Limited which owns and manages five retail malls and an office property in Singapore.<br>▪ FCT also holds a 31.15% stake in Hektar Real Estate Investment Trust, a retail-focused REIT in Malaysia listed on the Main Market of Bursa Malaysia Securities Berhad.<br>▪ FCT was listed on the SGX-ST on 5 July 2006. | 2,754 |
| Starhill Global REIT ("**Starhill**") | ▪ Starhill is a S-REIT investing predominantly in real estate used for retail and office purposes, both in Singapore and overseas.<br>▪ Its portfolio comprises of ten mid- to high-end properties in Singapore, Australia, Malaysia, China and Japan.<br>▪ It was listed on the SGX-ST on 20 September 2005. | 977 |

*Source: Capital IQ and broker reports.*

Notes:

(1) Net and gross lettable area are stated on a 100% basis.

(2) Market capitalisation is based on unit prices as at the Latest Practicable Date.

**Precedent Transactions**

For the purpose of evaluating the Scheme Consideration, we have reviewed selected precedent transactions between 1 January 2013 and the Latest Practicable Date with respect to merger of business trusts and/or real estate investment trusts listed on the SGX-ST involving scrip as the primary transaction consideration. A brief description of the Precedent Transactions is set out below:

| Announcement Date | Target | Acquiror | Description(1) |
|---|---|---|---|
| 16 July 2020 | Sabana REIT | ESR-REIT | ▪ Sabana REIT is a real estate investment trust which principally invests in a portfolio of income-producing real estate assets used for industrial purposes, as well as real-estate related assets, in line with Shari'ah investment principles.<br>▪ Sabana REIT has a diversified portfolio of 18 industrial properties in Singapore, in the high-tech industrial, warehouse and logistics, chemical warehouse and logistics, as well as general industrial sectors, with an estimated total asset value of approximately S$0.9 billion as at 30 June 2020.<br>▪ On 16 July 2020, the respective managers of Sabana REIT and ESR-REIT jointly announced their merger by way of a trust scheme of arrangement.<br>▪ In connection with the merger, the implied scheme consideration of S$0.377 per Sabana REIT unit will be satisfied in full by way of issuance of new ESR-REIT units based on a gross exchange ratio of 0.940x and an illustrative issue price of S$0.401 for each ESR-REIT unit. |
| 2 December 2019 | FCOT | FLT | ▪ Prior to the merger, FCOT was a commercial REIT sponsored by Frasers Property Limited (Frasers Property).<br>▪ FCOT invested primarily in quality income-producing commercial properties. Its portfolio included six quality commercial buildings located in Singapore, Australia and the United Kingdom.<br>▪ On 2 December 2019, the respective managers of FCOT and FLT jointly announced their merger.<br>▪ In conjunction with the merger, FLT announced the acquisition of the remaining 50% interest in Farnborough Business Park from its sponsor, Frasers Property Limited for an estimated consideration of GBP90.1 million (approximately S$157.7 million), subject to post-completion adjustments.<br>▪ In relation to the merger, the scheme consideration of S$1.680 per FCOT unit comprised of a 9% cash payment of S$0.151 per FCOT unit and a 91% stock payment via an issuance of 1.233 new FLT units at an issue price of S$1.240 for each FCOT unit.<br>▪ The merger was completed on 15 April 2020 and FCOT was delisted on 29 April 2020. |
| 3 July 2019 | Ascendas Hospitality Trust (“**A-HTRUST**”) | Ascott Residence Trust (“**Ascott Reit**”) | ▪ Prior to the combination, A-HTRUST’s portfolio comprised 14 quality hotels with more than 4,700 rooms geographically diversified across key cities in Australia, Japan, South Korea and Singapore.<br>▪ A-HTRUST’s portfolio was valued at approximately S$1.8 billion as at 31 March 2019. |

| Announcement Date | Target | Acquiror | Description[1] |
| --- | --- | --- | --- |
| | | | ▪ On 3 July 2019, the respective boards of directors of the managers of Ascott Reit and A-HTRUST jointly announced their combination.<br>▪ The combination resulted in the combined entity becoming the largest hospitality trust in Asia Pacific[2].<br>▪ In relation to the combination, the scheme consideration of S$1.0868 for each A-HTRUST stapled unit comprised of a 5% cash payment of S$0.0543 per A-HTRUST staple unit and a 95% stock payment via an issuance of 0.7942 new Ascott Reit units at an issue price of S$1.30 for each A-HTRUST stapled unit.<br>▪ The combination was completed on 31 December 2019. |
| 8 April 2019 | OUE Hospitality Trust ("**OUE-H Trust**") | OUE-C REIT | ▪ Prior to the merger, OUE-H Trust's total asset value was approximately S$2.3 billion as at 31 December 2018.<br>▪ On 8 April 2019, the respective managers of OUE-H Trust and OUE-C REIT jointly announced their merger.<br>▪ In relation to the merger, the scheme consideration comprised of a cash payment of S$0.04075 per OUE-H Trust Unit and a stock payment via an issuance of 1.3583 new OUE-C REIT units per OUE-H Trust Unit.<br>▪ The merger was completed on 4 September 2019. |
| 29 January 2018 | Viva Industrial Trust ("**VIT**") | ESR-REIT | ▪ Prior to the merger, VIT was a Singapore-focused business park and industrial property trust.<br>▪ VIT's portfolio comprised nine properties located with an aggregate gross floor area of 3.9 million square feet.<br>▪ On 29 January 2018, ESR-REIT announced merger plans with VIT for a total scheme consideration of S$937 million.<br>▪ In relation to the merger, the scheme consideration of S$0.96 per VIT Unit comprised of a 10% cash payment of S$0.096 per VIT Unit and a 90% stock payment via an issuance of new ESR-REIT units at an issue price of S$0.54 for each VIT Unit.<br>▪ The merger was completed on 15 October 2018. |
| 18 November 2014 | Keppel Infrastructure Trust ("**KIT**") | CitySpring Infrastructure Trust ("**CIT**") | ▪ Prior to the merger KIT was sponsored by Keppel Infrastructure Holdings Pte. Ltd. a wholly owned subsidiary of Keppel Corporation.<br>▪ KIT's existing portfolio comprised of the Senoko Waste-to-Energy Plant, Keppel Seghers Tuas Waste-to-Energy Plant and Keppel Seghers Ulu Pandan NEWater Plant in Singapore. |

| Announcement Date | Target | Acquiror | Description(1) |
|---|---|---|---|
| | | | ▪ On 18 November 2014, the trustee-manager of KIT announced the entry into two separate transactions:<br>(i) the acquisition of a 51% stake in Keppel Merlimau Cogen Pte Ltd which owns the Keppel Merlimau Cogen power plant for the purchase consideration of S$510 million;<br>(ii) the disposal of the business undertaking and assets of KIT to CitySpring Infrastructure Trust ("CIT") for a total scheme consideration of approximately S$658 million. CIT will be the surviving trust and will be renamed KIT. Pursuant to the combination, each KIT unit holder received 2.106 CIT units as consideration for every KIT unit held.<br>▪ The merger was completed on 18 May 2015. |

*Source: Relevant SGX-ST filings and the respective companies' announcements, circulars and offer documents.*

Note:

(1) Information as of the announcement date of the respective transactions.

(2) As the result of the combination, total assets of the Ascott Reit increased from S$5.7 billion to approximately S$7.6 billion.

**Valuation ratios**

For the purpose of our evaluation of the financial terms of the Merger and for illustration, we have applied the following valuation metrics to the CMT Units and the CCT Units in our analyses:

| Valuation Metrics | Description |
|---|---|
| **Latest P/NAV** | "NAV" or "net asset value" is the book value of a company's shareholders' equity (excluding minority interest). The "**P/NAV**" or "price-to-NAV" ratio illustrates the ratio of the market price of a company's units relative to its historical book value per unit as recorded in its latest reported financial statements. Comparisons of companies using their book value are affected by differences in their respective accounting policies, in particular their depreciation and asset valuation policies. |
| **12-month trailing Distribution Yield ("Trailing LTM DY")** | The "12-month trailing Distribution Yield" is the aggregate dividend per unit amount that has been declared for distribution over the prior 12 months, divided by the current unit price. |

In relation to the P/NAV multiple, we note that this type of asset-based valuation approach provides an estimate of the value of a trust assuming the hypothetical sale of all its assets over a reasonable period of time, repayment of its liabilities and obligations, and with the balance being available for distribution to its unitholders. While the asset base of a trust can be a basis for valuation, such a valuation does not necessarily imply a realisable market value as the market value of the assets and liabilities may vary depending on prevailing market and economic conditions.

As such, as part of our evaluation of the financial terms of the Merger, we have compared the P/NAV multiple and DY as implied by the Scheme Consideration and the Consideration Unit Price, as applicable, to the relevant mean and median values as well as to the relevant minimum and maximum ranges as set out in this Letter.

**Relevant benchmark dates**

For the purpose of our analyses, apart from the Latest Practicable Date, we have referred to 21 January 2020 being the last full market trading day prior to the Joint Announcement Date ("**Last Trading Date**" or "**LTD**").

Based on an issue price of S$2.59 per Consideration Unit, which is the closing price of a CMT Unit on the SGX-ST on 21 January 2020 (being the last trading day immediately prior to the Joint Announcement Date), the Cash Consideration is S$0.2590 and the Scheme Consideration is S$2.1238. The issue price of S$2.59 of each Consideration Unit may not be equivalent to the market price, nor reflective of the fair value[20] of, the Consideration Units as at the Effective Date and/or the date of settlement of the Scheme Consideration.

For the avoidance of doubt, the Scheme Consideration that will be received by the CCT Unitholders for each CCT Unit under the Trust Scheme will be 0.720 new CMT Units (i.e. the Consideration Units) and S$0.259 in cash (i.e. the Cash Consideration). **Each Consideration Unit may trade at a price which is above or below S$2.59. There will not be any adjustment to the amount of the Cash Consideration or the number of Consideration Units to be issued for each CCT Unit to reflect any such price differential.**

**Rounding of Scheme Consideration and Consideration Unit Price**

For the purpose of our analyses performed in this Letter, the Scheme Consideration and the Consideration Unit Price have been rounded to three decimal places.

**Independent Property Valuation**

We note that properties typically represent the majority of the net asset value of a real estate investment trust and we have considered the following underlying independent valuations of the properties of CMT and CCT, respectively, as well as related opinions:

(a) The independent valuation of the properties held by CCT as at 31 December 2019;

(b) The independent valuation of the properties held by CMT as at 31 December 2019;

(c) The independent desktop valuation of the CCT Properties as at 30 June 2020;

(d) The independent desktop valuation of the CMT Properties as at 30 June 2020; and

(e) The CMT 805 Auditor's Opinion dated 23 July 2020 on the carrying value of the line items titled "investment properties" and "joint ventures" set out in the balance sheet of the CCT Group, as reflected in the CCT 1H2020 unaudited financial statement, in respect of the real properties held by CCT as at 30 June 2020.

20 Based on which the Scheme Consideration will be accounted accordingly in the financial statements of the CMT Group in compliance with its accounting policies.

For the analyses in this Letter relating to the Latest P/NAV (as defined herein), we have applied the NAV per unit as at 30 September 2019 of CMT and the NAV per unit as at 30 September 2019 of CCT, respectively, being the latest respective NAVs prior to the Joint Announcement Date.

## 10.1 Evaluation of the Scheme Consideration

### 10.1.1 Liquidity analysis of the CCT Units

In order to evaluate whether the historical market prices of the CCT Units provide a meaningful reference point for comparison with the Scheme Consideration, we have considered the liquidity and free float of CCT relative to the Top 15 STI Companies as at the Last Trading Date, as outlined below:

**Liquidity analysis of the Top 15 STI Companies by market capitalisation(1)**

| Company Name | Market capitalisation (S$m) | Free Float (%)(2) | Past 6 months ADTV ('000 shares) | Past 6 months ADTV (S$'000) | 6-mth ADTV / Free Float (%)(3) | 6-mth ADTV / Market cap. (%)(4) |
|---|---|---|---|---|---|---|
| DBS Group Holdings Ltd | 67,173 | 69.9% | 3,465 | 88,275 | 0.2% | 0.1% |
| Singapore Telecommunications Limited | 53,396 | 47.4% | 21,156 | 69,284 | 0.3% | 0.1% |
| Oversea-Chinese Banking Corporation Li | 48,932 | 83.4% | 4,171 | 45,633 | 0.1% | 0.1% |
| United Overseas Bank Limited | 44,177 | 85.2% | 1,980 | 51,541 | 0.1% | 0.1% |
| Jardine Matheson Holdings Limited | 42,436 | 34.9% | 178 | 9,926 | 0.1% | 0.0% |
| Jardine Strategic Holdings Limited | 36,236 | 15.6% | 241 | 7,648 | 0.1% | 0.0% |
| Wilmar International Limited | 26,447 | 31.0% | 5,325 | 20,954 | 0.3% | 0.1% |
| Thai Beverage Public Company Limited | 20,468 | 32.2% | 13,631 | 12,068 | 0.2% | 0.1% |
| CapitaLand Limited | 19,363 | 49.4% | 6,166 | 22,290 | 0.2% | 0.1% |
| Hongkong Land Holdings Limited | 13,364 | 50.0% | 2,378 | 13,345 | 0.2% | 0.1% |
| Singapore Technologies Engineering Ltd | 12,834 | 47.9% | 4,214 | 17,013 | 0.3% | 0.1% |
| Keppel Corporation Limited | 12,351 | 78.7% | 3,447 | 22,106 | 0.2% | 0.2% |
| Jardine Cycle & Carriage Limited | 12,055 | 25.0% | 264 | 8,235 | 0.3% | 0.1% |
| Ascendas Real Estate Investment Trust | 11,325 | 80.3% | 11,320 | 34,106 | 0.4% | 0.3% |
| Genting Singapore PLC | 11,213 | 47.1% | 18,573 | 16,970 | 0.3% | 0.2% |
| **Min** | **11,213** | **15.6%** | **178** | **7,648** | **0.1%** | **0.0%** |
| **Mean** | **28,785** | **51.9%** | **6,434** | **29,293** | **0.2%** | **0.1%** |
| **Median** | **20,468** | **47.9%** | **4,171** | **20,954** | **0.2%** | **0.1%** |
| **Max** | **67,173** | **85.2%** | **21,156** | **88,275** | **0.4%** | **0.3%** |
| **CCT** | **8,217** | **70.6%** | **9,813** | **20,192** | **0.4%** | **0.2%** |

*Source: Bloomberg.*

Notes:

(1) All figures as of the Last Trading Date.

(2) Free float percentages are based on Bloomberg.

(3) 180-day average daily trading volume leading up to the Last Trading Date, divided by free float number of units.

(4) 180-day average daily trading value leading up to the Last Trading Date, divided by market capitalisation.

With respect to the above table, we note that in the 6-month period leading up to the Last Trading Date:

(i) CCT's average daily trading volume ("**ADTV**") represented 0.4% of its free float which is within the range of the Top 15 STI Companies of 0.1% to 0.4% and above the mean and median of 0.2%; and

(ii) CCT's average daily trading value represented 0.2% of its market capitalisation which is within the range of the Top 15 STI Companies of 0.0% to 0.3% and above the mean and median of 0.1%.

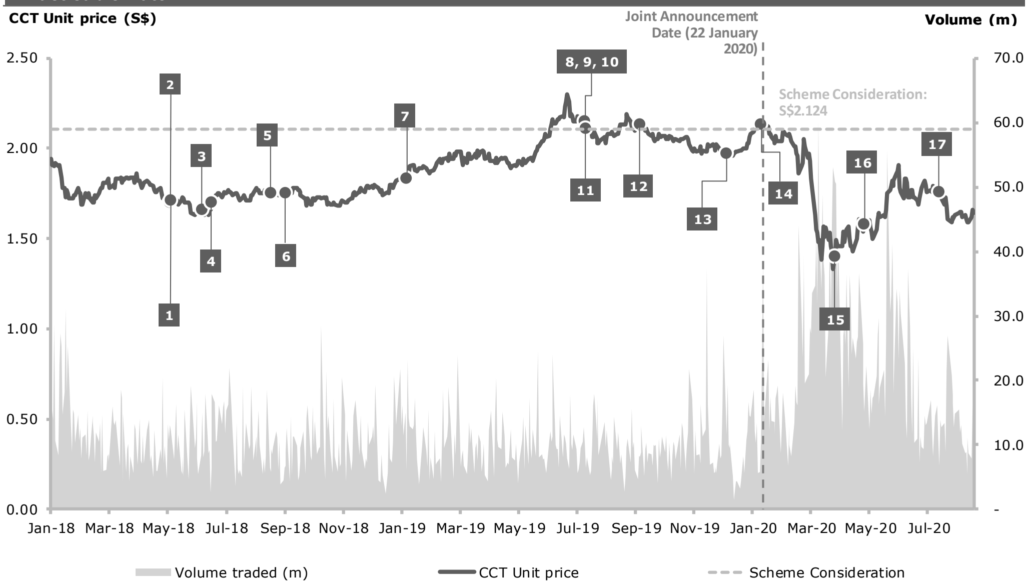
Based on our analysis of the ADTV relative to the Top 15 STI Companies, it appears that there is high liquidity in the CCT Units in the 6-month period up to the Last Trading Date. This suggests that the market prices of the CCT Units should generally reflect the fundamental, market-based value of the CCT Units.

**We wish to highlight that the above analysis of the historical trading liquidity of the CCT Units serves only as an illustrative guide and is not an indication of the future trading liquidity of the CCT Units, which will be governed by amongst other factors, the performance and prospects of the trust, prevailing economic conditions, economic outlook, and stock market conditions and sentiment.**

### 10.1.2 Historical Market Performance and Trading Activity of the CCT Units

We set out below a chart outlining the daily closing prices and trading volume of the CCT Units for the period between the 24-month prior to the Joint Announcement Date and up to the Latest Practicable Date.

**CCT Unit price performance for the period 24-month prior to the Joint Announcement Date and up to the Latest Practicable Date**




*Source: Capital IQ, CCT Managers' announcements.*
*Note: Share prices based on daily closing and unadjusted share prices.*

A summary of the salient announcements made by the CCT Manager during the period between the 24-month prior to the Joint Announcement Date and up to the Latest Practicable Date is set out below:

| | | |
|---|---|---|
| (1) | 17 May 2018 | Announced the acquisition of a freehold Grade A commercial property, known as Gallileo, in the prime Central Business District of Frankfurt, Germany, at an agreed property value of EUR356.0 million (approximately S$569.6 million) (on 100% basis). CCT would hold a 94.9% stake and CapitaLand would hold the remaining 5.1% stake in Gallileo through a special purpose vehicle. |
| (2) | 18 May 2018 | Closed the private placement of 130,000,000 new CCT Units at an issue price of S$1.676, which represents a discount of approximately 3.2% to the VWAP of S$1.731 per CCT Unit on 16 May 2018, being |

| | | |
|---|---|---|
| | | the precedent market day on which the placement agreement was signed. Gross proceeds from the private placement amounted to approximately S$217.9 million. |
| (3) | 19 Jun 2018 | Completed the acquisition of 94.9% interest in Gallileo located in Frankfurt, Germany. |
| (4) | 29 Jun 2018 | Announced the divestment of Twenty Anson to an unrelated third party for S$516.0 million or S$2,503 per square feet based on the building's net lettable area. |
| (5) | 29 Aug 2018 | Completed the divestment of Twenty Anson. |
| (6) | 12 Sep 2018 | Announced the signing of a one-year lease extension for the whole of 21 Collyer Quay with The Hongkong and Shanghai Banking Corporation Limited ("HSBC"). The total rent payable by HSBC for the extended term commencing 30 April 2019 would be S$27.7 million. HSBC contributes approximately 4% to CCT's monthly gross rental income as at 30 June 2018. |
| (7) | 14 Jan 2019 | CapitaLand announced its acquisition of Ascendas Pte. Ltd. and Singbridge Pte. Ltd. for a total consideration of S$6,035.9 million comprising a combination of cash and new ordinary shares in CapitaLand. |
| (8) | 17 Jul 2019 | Announced the proposed acquisition of 94.9% interest in Main Airport Center, a freehold office property in Frankfurt, Germany, from CapitaLand and Lum Chang Holdings Limited for EUR251.5 million. |
| (9) | 17 Jul 2019 | Announced the lease agreement with WeWork Singapore Pte. Ltd. for the entire building at 21 Collyer Quay commencing in the second quarter of 2021, for a period of seven years. The Manager plans to capitalise on the transitional occupancy downtime during changeover of tenants to upgrade the building. The expected return on investment is approximately 9% on an estimated cost of S$45 million to upgrade the property. |
| (10) | 17 Jul 2019 | Announced asset enhancement work for Six Battery Road to commence in 1Q 2020 and expected to complete in 3Q 2021, during which time the main office tower will remain operational. Contribution from the upgraded space at Six Battery Road will resume progressively in 4Q 2020. |
| (11) | 18 Jul 2019 | Closed the private placement of 105,012,000 new CCT Units at an issue price of S$2.095 per new CCT Unit, which represented an approximately 3.7% discount to the VWAP of S$2.176 per CCT Unit for the market day on 17 July 2019, being the market day on which the placement agreement was signed). Gross proceeds from the private placement amounted to S$220.0 million. |
| (12) | 18 Sep 2019 | Completed the acquisition of 94.9% interest in Main Airport Center. |
| (13) | 16 Dec 2019 | Set up a Sustainability Financing Framework and issued its first green bond comprising JPY10.0 billion of unsecured bonds due in November 2027 under the Framework. |
| (14) | 22 Jan 2020 | CMT and CCT jointly announced the Proposed Merger to create a diversified commercial REIT to be named "CapitaLand Integrated Commercial Trust". |
| (15) | 6 Apr 2020 | Announced waiver from SGX-ST for an extension of time to hold its AGM in respect of FY 2019 until 30 June 2020, in view of the recent |

| | | |
|---|---|---|
| | | tightened safe-distancing measures issued by the Ministry of Health in relation to the COVID-19 situation in Singapore. |
| (16) | 6 May 2020 | The CMT Manager and the CCT Manager announced that the CMT EGM, the CCT EGM and the Trust Scheme Meeting in relation to the proposed Merger would not be held by May 2020 as communicated previously and that the Long-Stop Date under the Implementation Agreement remains at 30 September 2020. |
| (17) | 22 Jul 2020 | Announced that both the CCT Manager and the CMT Manager would work towards convening the CCT EGM, CMT EGM and Trust Scheme Meeting before 30 September 2020, being the Long-Stop Date announced. |

*Source: CCT Manager announcements.*

**Historical VWAPs of the CCT Units**

We set out in the table below the historical volume weighted average prices ("**VWAPs**") of the CCT Units for various reference periods up to and including the Last Trading Date and the Latest Practicable Date.

**Historical VWAPs Analysis**

| | | Evaluation of the Scheme Consideration (S$2.124 per CCT Unit) | | | | | |
|---|---|---|---|---|---|---|---|
| Reference period | Price Basis | Historical CCT VWAPs (S$)(1) | Premium / (discount) to historical CCT VWAPs | ADTV ('000 shares)(2) | ADTV / free float (%)(3) | ADTV (S$'000)(4) | ADTV / market cap (%) |
| **(A) Periods up to the Last Trading Date (21 January 2020):** | | | | | | | |
| Last Trading Date | Closing Price | 2.130 | (0.3%) | 8,634 | 0.3% | 18,341 | 0.2% |
| 30-day | VWAP(1) | 2.041 | 4.1% | 9,356 | 0.3% | 19,097 | 0.2% |
| 90-day | VWAP(1) | 2.042 | 4.0% | 9,386 | 0.3% | 19,164 | 0.2% |
| 180-day | VWAP(1) | 2.061 | 3.0% | 11,214 | 0.4% | 23,114 | 0.3% |
| 360-day | VWAP(1) | 1.952 | 8.8% | 11,154 | 0.4% | 21,776 | 0.3% |
| **(B) Period from the Joint Announcement Date up to the Latest Practicable Date (22 January 2020 to 26 August 2020):** | | | | | | | |
| From the Joint Announcement Date up to the Latest Practicable Date | VWAP(1) | 1.704 | 24.6% | 15,834 | 0.6% | 26,986 | 0.4% |
| As at the Latest Practicable Date | Closing Price | 1.640 | 29.5% | 7,457 | 0.3% | 12,201 | 0.2% |

*Source: Bloomberg.*

Notes:

(1) The VWAP is weighted based on the volume of the CCT Units traded and transacted prices of the CCT Units for the Market Days in the reference periods. VWAP figures shown are rounded to the nearest three decimal places. No adjustment to unit price has been made for dividends, bonus issues or other corporate transactions in each respective reference period.

(2) The average daily trading volume of the CCT Units is calculated based on the total volume of CCT Units traded divided by the number of Market Days during the relevant periods.

(3) Free float is based on Bloomberg and refers to the number of CCT Units that are available to the public. This figure is calculated by subtracting the CCT Units held by insiders and those deemed to be stagnant shareholders from the CCT Units outstanding. Stagnant holders include employee stock ownership plans, employee share ownership trusts, qualifying employee share ownership trusts, employee benefit trusts, corporations not actively managing money, venture capital companies and CCT Units held by governments.

(4) The average daily traded value of the CCT Units is calculated based on the total value of CCT Units traded divided by the number of Market Days during the relevant periods.

Based on the above table, we note that:

A. Periods up to the Last Trading Date (21 January 2020):

(i) The Scheme Consideration of S$2.124 represents a discount of 0.3% to the closing price of the CCT Units on the Last Trading Date;

(ii) The Scheme Consideration of S$2.124 represents a premium of 4.1%, 4.0%, 3.0% and 8.8% to the 30-day, 90-day, 180-day and 360-day VWAPs of the CCT Units, respectively;

(iii) The average daily trading volume of the CCT Units as a percentage of the free float ranged between 0.3% and 0.4%, in the 30-day, 90-day, 180-day and 360-day periods up to the Last Trading Date;

(iv) The average daily trading volume of the CCT Units as a percentage of the market capitalisation ranged between 0.2% and 0.3%, in the 30-day, 90-day, 180-day and 360-day periods up to the Last Trading Date;

B. Period from the Joint Announcement Date up to the Latest Practicable Date (21 January 2020 to 26 August 2020):

We wish to highlight that as at the Latest Practicable Date, the market valuation of the CCT Units had been adversely affected by the COVID-19 outbreak and the resulting heightened uncertainty and fluctuations in the market valuations compared to normal market conditions:

(i) The CCT Unit price decreased from S$2.130 on 21 January being the last trading date prior to the Joint Announcement Date, to S$1.640 on the Latest Practicable Date. As a result, the Scheme Consideration of S$2.124 represents a premium of 29.5% to the closing price of the CCT Units on the Latest Practicable Date and a premium of 24.6% over the VWAP of the CCT Units for the period from the Joint Announcement Date up to the Latest Practicable Date.

Based on the CMT Unit price as at the Latest Practicable Date, for illustrative purposes, the implied CCT consideration of S$1.627 would represent a discount of 0.8% to the closing price of the CCT Units as at the Latest Practicable Date and a premium of 3.4% over the VWAP of the CCT Units for the period from the Joint Announcement Date up to the Latest Practicable Date;

(ii) The average daily trading volume of the CCT Units as a percentage of the free float and market capitalisation was 0.6% and 0.4%, respectively, for the period from the Joint Announcement Date to the Latest Practicable Date.

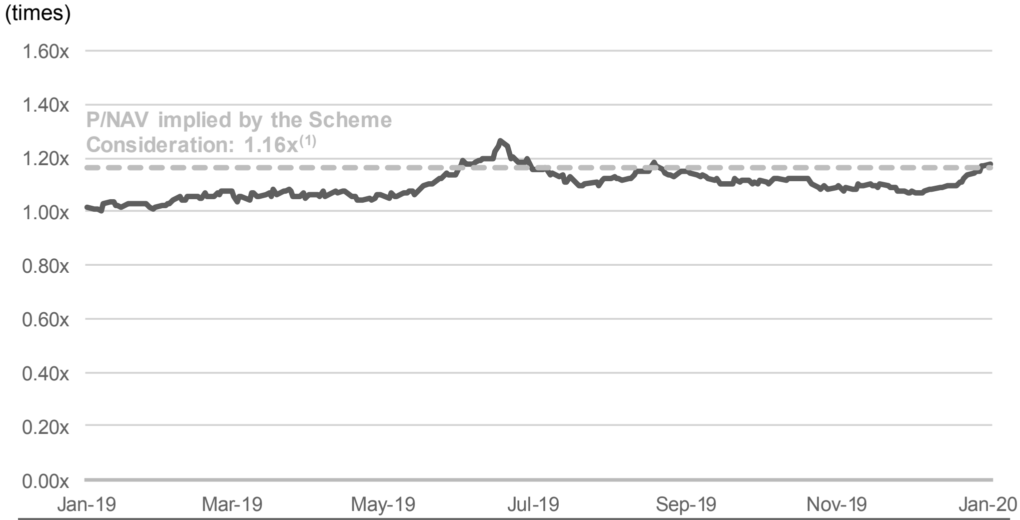
**We wish to highlight that our analysis of the past price performance of the CCT Units is not indicative of their future price performance, which will be governed by other factors such as, *inter alia*, the performance and prospects of the Merged Entity, prevailing economic conditions, economic outlook, market conditions and sentiments.**

### 10.1.3 Trailing Latest P/NAV multiples of the CCT Units relative to the Latest P/NAV multiple implied by the Scheme Consideration

For the purpose of evaluating the financial terms of the Merger, we have made reference to the trailing latest ("**Latest**") P/NAV multiples (based on the latest reported net asset values) of the CCT Units to evaluate how the Latest P/NAV multiple implied by the Scheme Consideration compares to them.

In the chart below, we have compared the Latest P/NAV multiple implied by the Scheme Consideration to the trailing Latest P/NAV multiples of the CCT Units over the 12-month period up to and including the Last Trading Date.

**Trailing Latest P/NAV multiples of the CCT Units over the 12-month period up to the LTD**




| Scheme Consideration: Latest P/NAV | 1.16x | |
|---|---|---|
| **Period up to the LTD** | **6-month** | **12-month** |
| Min | 1.07x | 1.01x |
| Mean | 1.12x | 1.10x |
| Median | 1.12x | 1.10x |
| Max | 1.18x | 1.27x |
| **Mean - Median** | Broadly in Line | Above |
| **Min - Max** | Within | Within |

*Source: Capital IQ.*
Note:
(1) Based on the Scheme Consideration of S$2.124 and reported NAV per CCT Unit of S$1.828 as of 30 September 2019.

Based on the above, we note that:

(i) The Latest P/NAV multiple implied by the Scheme Consideration of 1.16x is within the range of the trailing Latest P/NAV multiples of the CCT Units of 1.07x to 1.18x and broadly in line with the mean and median of 1.12x, over the 6-month period up to and including the Last Trading Date; and

(ii) The Latest P/NAV multiple implied by the Scheme Consideration of 1.16x is within the range of the trailing Latest P/NAV multiples of the CCT Units of 1.01x to 1.27x and above the mean and median of 1.10x, over the 12-month period up to and including the Last Trading Date.

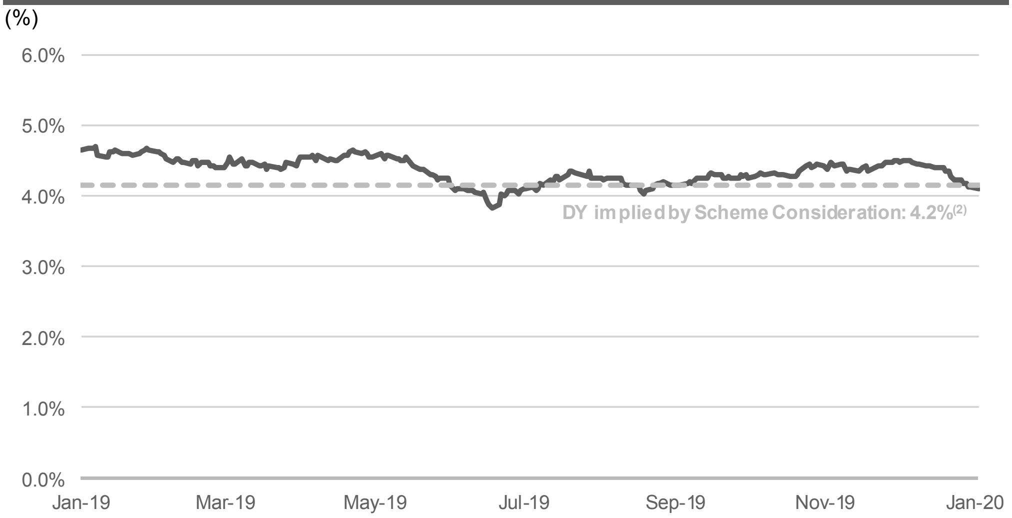
**We wish to highlight that the historical trading patterns or performance of the CCT Units should not, in any way, be relied upon as an indication of its future trading patterns or performance, which will be governed by, inter alia, the performance and prospects of the trusts, prevailing economic conditions, economic outlook and market conditions and sentiments.**

### 10.1.4 Trailing LTM DYs of the CCT Units relative to the DY implied by the Scheme Consideration

For the purpose of evaluating the financial terms of the Merger, we have referred to the trailing LTM DYs of the CCT Units to evaluate how the LTM DY implied by the Scheme Consideration compares to them.

In the chart below, we have compared the LTM DY implied by the Scheme Consideration to the trailing LTM DYs of the CCT Units over the 12-month period up to and including the Last Trading Date.

**Trailing LTM DYs of the CCT Units over the 12-month period up to the LTD[(1)]**




| Scheme Consideration: LTM DY | 4.2% | |
|---|---|---|
| **Period up to the LTD** | **6-month** | **12-month** |
| Min | 4.0% | 3.8% |
| Mean | 4.3% | 4.4% |
| Median | 4.3% | 4.4% |
| Max | 4.5% | 4.7% |
| **Mean - Median Range** | Broadly in Line | Below |
| **Min - Max Range** | Within | Within |

*Source: Capital IQ.*

Note:

(1) The trailing LTM DY values are based on trailing 12-month DPU.

(2) Based on the Scheme Consideration of S$2.124 and reported DPU per CCT Unit of LTM S$8.822 as of 30 September 2019.

Based on the above, we note that:

(i) The LTM DY implied by the Scheme Consideration of 4.2% is within the range of the trailing LTM DYs of the CCT Units of 4.0% to 4.5% and broadly in line with the mean and median of 4.3%, over the 6-month period up to and including the Last Trading Date; and

(ii) The LTM DY implied by the Scheme Consideration of 4.2% is within the range of the trailing LTM DYs of the CCT Units of 3.8% to 4.7% but below the mean and median of 4.4%, over the 12-month period up to and including the Last Trading Date.

**We wish to highlight that the historical trading patterns or performance of the CCT Units should not, in any way, be relied upon as an indication of its future trading patterns or performance, which will be governed by, inter alia, the performance and prospects of the trust, prevailing economic conditions, economic outlook and market conditions and sentiments.**

#### 10.1.5 Valuation Multiples of selected Comparable Commercial S-REITs

For the purpose of evaluating the Scheme Consideration, references were made to SGX-ST listed REITs which invest primarily in office real estate properties and are considered to be broadly comparable to CCT to provide an indication of the current market expectation with regards to the valuation of such trusts, as implied by their respective closing market prices as at the Latest Practicable Date.

The statistics for the Comparable Commercial S-REITs are based on their closing prices as at the Latest Practicable Date and their latest publicly available financial results.

We have conducted our analysis based on the Latest P/NAV and LTM DY as key parameters for the comparison of the implied valuation metrics for the Comparable Commercial S-REITs along with certain other financial parameters as set out below:

**Valuation Multiples of Comparable Commercial S-REITs (1)**

| Name | Market Capitalisation (S$m) | Latest P/NAV(2) | LTM DY(3) |
|---|---|---|---|
| **Office (pure play) S-REITs** | | | |
| Suntec Real Estate Investment Trust | 3,893 | 0.66x | 5.8% |
| Keppel REIT | 3,637 | 0.80x | 5.2% |
| OUE Commercial Real Estate Investment Trust | 2,031 | 0.61x | 7.0% |
| **Retail / office S-REITs** | | | |
| Mapletree Commercial Trust | 6,562 | 1.13x | 4.0% |
| | **Min** | **0.61x** | **4.0%** |
| | **Mean** | **0.80x** | **5.5%** |
| | **Median** | **0.73x** | **5.5%** |
| | **Max** | **1.13x** | **7.0%** |
| **Scheme Consideration(4)** | | **1.16x** | **4.2%** |
| Mean - Median Range | | **Above** | **Below** |
| Min - Max Range | | **Broadly in Line** | **Within** |

*Source: Capital IQ, published financial statements of the respective Comparable Commercial S-REITs.*

Notes:
(1) All figures relating to the Comparable Commercial S-REITs as of the Latest Practicable Date.
(2) Calculated using the historical book value per unit as disclosed in the latest reported financial statements of the respective REITs.
(3) Calculated using the aggregate dividend per unit amount that has been declared for distribution by the respective REITs.
(4) P/NAV is based on reported NAV per CCT Unit of S$1.828 as of 30 September 2019. LTM DY implied by the Scheme Consideration is based on trailing 12-month DPU of 8.822 cents as of 30 September 2019.

Based on the above, we note that:

(i) The Latest P/NAV multiple implied by the Scheme Consideration of 1.16x is broadly in line with the range of the P/NAV multiples of the Comparable Commercial S-REITs of 0.61x to 1.13x but above the mean and median of 0.80x and 0.73x, respectively; and

(ii) The LTM DY implied by the Scheme Consideration of 4.2% is within the range of the LTM DY of the Comparable Commercial S-REITs of 4.0% to 7.0% but below the mean and median of 5.5%.

We note that the Latest P/NAV of 1.16x implied by the Scheme Consideration is above the mean and median of the Comparable Commercial S-REITs. We further note that the LTM DY of 4.2% implied by the Scheme Consideration is below the mean and median of the Comparable Commercial S-REITs. This could be driven by a combination of factors including but not limited to: relatively longer portfolio weighted average lease expiry, relatively lower aggregate leverage ratio, relatively lower all-in cost of debt, as well as lower management fees relative to revenue of CCT compared to the other Comparable Commercial S-REITs. In addition, we note that as at the Latest Practicable Date, the market valuations of the Comparable Commercial S-REITs had been adversely affected by the COVID-19 outbreak and the resulting heightened uncertainty and fluctuations in the market valuations compared to normal market conditions.

**We recognise, however, that the list of the Comparable Commercial S-REITs is not exhaustive and there may not be any companies listed on the SGX-ST or other stock exchanges that is directly comparable to CCT in terms of business activities, scale of operations, geographical markets, track record, future prospects, asset base, risk profile, customer base and other relevant criteria. We also note that the accounting principles used by the respective Comparable Commercial S-REITs and CCT may be different. Such differences may therefore render any comparisons carried out less useful than if the same accounting principles were being used. As such, any comparison made with respect to the Comparable Commercial S-REITs is therefore intended to serve as an illustrative guide only.**

**10.1.6 Premium / (discount) of selected Precedent Transactions**

We have considered Precedent Transactions with respect to merger of business trusts and/or real estate investment trusts listed on the SGX-ST involving scrip as the primary transaction consideration.

We have conducted our analysis based on premium to the closing price as at their respective last undisturbed trading dates and premium over the 30-day VWAP, 90-day VWAP and 180-day VWAP prior to their respective last undisturbed trading dates as the key parameters for comparison.

**Premium / (discount) to VWAPs of the Precedent Transactions**

| Notes | Announcement Date | Target | Acquirer | Period prior to the Announcement: Last Traded Price | 30-day VWAP | 90-day VWAP | 180-day VWAP |
|---|---|---|---|---|---|---|---|
| (1) | 16-Jul-20 | Sabana Real Estate Investment Trust | ESR-REIT | 0.0% | 0.3% | 4.7% | (1.4%) |
| (2) | 2-Dec-19 | Frasers Commercial Trust | Frasers Logistics & Industrial | 0.6% | 3.5% | 3.1% | 3.6% |
| (3) | 3-Jul-19 | Ascendas Hospitality Trust | Ascott Residence Trust | 11.5% | 13.8% | 19.0% | 24.2% |
| (4) | 8-Apr-19 | OUE Hospitality Trust | OUE Commercial REIT | 1.6% | 3.0% | 4.5% | 6.7% |
| (5) | 17-May-18 | Viva Industrial Trust | ESR-REIT | 2.1% | 2.1% | 0.7% | 1.5% |
| (6) | 18-Nov-14 | Keppel Infrastructure Trust | Citysptring Infrastructure Trust | 0.4% | 0.3% | 0.2% | 0.0% |
| | | | **Min** | **0.0%** | **0.3%** | **0.2%** | **(1.4%)** |
| | | | **Mean** | **2.7%** | **3.8%** | **5.4%** | **5.8%** |
| | | | **Median** | **1.1%** | **2.6%** | **3.8%** | **2.5%** |
| | | | **Max** | **11.5%** | **13.8%** | **19.0%** | **24.2%** |
| **Scheme Consideration(7)** | | | | **(0.3%)** | **4.1%** | **4.0%** | **3.0%** |
| Mean-Median Range | | | | Below | Above | Within | Within |
| Min-Max Range | | | | Below | Within | Within | Within |

*Source: Relevant SGX-ST filings and the respective companies' announcements, circulars and offer documents. VWAPs information is with reference to the relevant periods up to and including the last full trading date prior to relevant announcements as reported in the respective filings.*

Notes:

(1) Based on the historical VWAPs of the Sabana Real Estate Investment Trust with reference to the relevant period up to the full market trading date on 16 July 2020 prior to the joint announcement date.

(2) Based on the historical VWAPs of the Frasers Commercial Trust with reference to the relevant period up to and including 27 November 2019 (last trading date), except for the 30-day VWAP. The 30-day VWAP is with reference to the period from 25 October 2019 to 27 November 2019 taking into consideration the public holiday falling on 28 October 2019 (Monday).

(3) Based on the historical VWAPs of the Ascendas Hospitality Trust with reference to the relevant periods up to the full market trading date on 3 July 2019 prior to the joint announcement date.

(4) Based on the historical VWAPs of the OUE Hospitality Trust with reference to the relevant periods up to the last full market trading date on 5 April 2019 prior to the joint announcement date.

(5) Based on the historical VWAPs of the VIT stapled securities with reference to the relevant periods up to the full market trading date on 25 January 2018 (last undisturbed trading date) prior to the article published by Bloomberg on 26 January 2018 titled "Warburg-Backed ESR-REIT is said to plan Viva Industrial Merger".

(6) The last traded price of the KIT units on the last trading date was S$1.0400. The transaction unit price is based on the swap ratio which was derived using the 180-day VWAP of CIT units (being approximately S$0.4960 per CIT unit) and KIT units (being approximately S$1.0446 per KIT unit).

(7) Based on the Scheme Consideration of S$2.124 and historical VWAPs of the CCT Units based on the Market Days with reference to the relevant reference periods up to the full market trading date 21 January 2020.

Based on the above, we note that:

(i) The discount of 0.3% implied by the Scheme Consideration over the last transacted market price of CCT as at the Last Trading Date is below the range of the premia implied by the Precedent Transactions of 0.0% to 11.5%;

(ii) The premium of 4.1% implied by the Scheme Consideration over the 30-day VWAP as at the Last Trading Date is within the range of the premia implied by the Precedent Transactions of 0.3% to 13.8% but above the mean and median of 3.8% and 2.6%, respectively;

(iii) The premium of 4.0% implied by the Scheme Consideration over the 90-day VWAP as at the Last Trading Date is within the range of the premia implied by the Precedent Transactions of 0.2% to 19.0% and within the mean and median of 5.4% and 3.8%, respectively; and

(iv) The premium of 3.0% implied by the Scheme Consideration over the 180-day VWAP as at the Last Trading Date is within the range of the premia implied by the Precedent Transactions of (1.4%) to 24.2% and within the mean and median of 5.8% and 2.5%, respectively.

**We wish to highlight that the list of target companies set out under the Precedent Transactions are not directly comparable with CCT in terms of business activities, market capitalisation, size of operations, accounting policies, financial performance, future prospects and other relevant criteria. Each transaction must be judged on its own commercial and financial merits. The premium (if any) that an offeror would pay in respect of any particular takeover depends on various factors, inter alia, the offeror's intention with regard to the target company, the potential synergy that the offeror can derive from acquiring the target company, the presence of competing bids for the target company, prevailing market conditions and sentiments, attractiveness and profitability of the target's business and assets and existing and desired level of control in the target company. Therefore, the comparison of the Scheme Consideration with the Precedent Transactions set out below is for illustrative purposes only.**

**10.1.7 Broker target prices of the CCT Units**

As part of our evaluation of the Scheme Consideration, we have reviewed the price targets for the CCT Units issued by brokerage and research entities in the period from CCT's Q3 2019 financial results announcement date (23 October 2019) up to the Last Trading Date ("**Period up to the LTD**"), as well as the period from the Joint Announcement Date up to the Latest Practicable Date ("**Period up to the Latest Practicable Date**"), which are set out below.

#### 10.1.7.1 Broker target prices of the CCT Units (Period up to the LTD)

| CCT Units broker target prices | | |
|---|---|---|
| **Brokers** | **Date** | **Price Target (S$)** |
| Macquarie | 17-Jan-20 | 2.200 |
| J.P. Morgan | 16-Jan-20 | 1.900 |
| Credit Suisse | 10-Jan-20 | 1.820 |
| Morgan Stanley | 8-Jan-20 | 2.100 |
| Jefferies | 6-Jan-20 | 2.300 |
| RHB Research | 10-Dec-19 | 1.980 |
| CIMB | 9-Dec-19 | 2.250 |
| DBS Bank | 4-Dec-19 | 2.300 |
| Phillip Securities | 22-Nov-19 | 2.181 |
| HSBC | 19-Nov-19 | 2.050 |
| Goldman Sachs | 14-Nov-19 | 2.220 |
| Mizuho Securities | 7-Nov-19 | 2.010 |
| UOB Kay Hian | 24-Oct-19 | 2.300 |
| OCBC | 24-Oct-19 | 1.920 |
| Daiwa Securities | 23-Oct-19 | 1.610 |
| UBS | 23-Oct-19 | 2.250 |
| Morningstar | 23-Oct-19 | 1.900 |

| **Broker target price (S$ per CCT Unit)** | **Premium/(discount) implied by the Scheme Consideration** | |
|---|---|---|
| **Min** | **24.2%** | **1.610** |
| **Mean** | **2.3%** | **2.076** |
| **Median** | **1.1%** | **2.100** |
| **Max** | **(8.3%)** | **2.300** |
| **Scheme Consideration** | | **2.124** |
| **Mean - Median Range** | | **Broadly in Line** |
| **Min - Max Range** | | **Within** |

*Source: Bloomberg.*

Based on the above, we note that the Scheme Consideration of S$2.124 is within the range of the target prices issued by brokerage and research entities in the Period up to the LTD of S$1.610 and S$2.300 and broadly in line with the mean and median of S$2.076 and S$2.100, respectively.

#### 10.1.7.2 Broker Target Prices of the CCT Units (Period up to the Latest Practicable Date)

| CCT Unit broker target prices | | |
|---|---|---|
| **Brokers** | **Date** | **Price Target (S$)** |
| Macquarie | 25-Aug-20 | 2.020 |
| Phillip Securities | 24-Aug-20 | 1.910 |
| HSBC | 12-Aug-20 | 1.725 |
| Mizuho Securities | 5-Aug-20 | 1.720 |
| Morningstar, Inc | 3-Aug-20 | 2.080 |
| UOB Kay Hian | 24-Jul-20 | 1.660 |
| SooChow CSSD Capital Markets (Asia) | 24-Jul-20 | 1.880 |
| Morgan Stanley | 23-Jul-20 | 1.800 |
| CGS-CIMB | 23-Jul-20 | 1.980 |
| Daiwa Securities | 23-Jul-20 | 2.070 |
| DBS Bank | 7-Jul-20 | 1.950 |
| RHB Research | 23-Jun-20 | 1.700 |
| Goldman Sachs | 13-May-20 | 1.860 |
| Jefferies | 6-Apr-20 | 1.500 |

| Broker target price (S$ per CCT Unit) | Premium/(discount) implied by the Scheme Consideration | |
|---|---|---|
| **Min** | **29.4%** | **1.500** |
| **Mean** | **13.0%** | **1.847** |
| **Median** | **12.0%** | **1.870** |
| **Max** | **2.1%** | **2.080** |
| **Scheme Consideration** | | **2.124** |
| **Mean - Median Range** | | **Above** |
| **Min - Max Range** | | **Broadly in Line** |

*Source: Bloomberg.*

Based on the above, we note that the Scheme Consideration of S$2.124 is broadly in line with the range of the target prices issued by brokerage and research entities in the Period up to the Latest Practicable Date of S$1.500 to S$2.080 but above the mean and median of S$1.847 and S$1.870, respectively.

**We wish to highlight that the above broker research report universe may not be exhaustive and price targets for the CCT Units and other statements and opinions contained in the reports within the universe used represent the individual views of the broker research analyst based on the circumstances (including, *inter alia*, market, economic, industry and monetary conditions as well as market sentiment and investor perceptions regarding the future prospects of the CCT Units) prevailing at the date of the publication of the respective broker research reports. The opinions of the brokers may change over time as a result of, among other things, changes in market conditions, CCT's market development and the emergence of new information relevant to CCT. As such, the above price targets may not be an accurate prediction of future market prices of the CCT Units.**

### 10.1.8 Independent valuation of CCT Properties

We set out below a summary of the carrying value of the CCT Properties on the following basis:

(i) the independent valuations of the CCT Properties as at 31 December 2019, commissioned by CCT (the "**CCT Valuation as at 31 December 2019**);

(ii) the independent desktop valuations of the CCT Properties as at 30 June 2020, commissioned by CCT (the "**CCT Valuation as at 30 June 2020**).

The carrying value of the CCT Properties is S$11,123.2 million based on the CCT Valuation as at 31 December 2019 and S$10,929.7 million based on the CCT Valuation as at 30 June 2020.

**Carrying value of the CCT Properties (in S$ million)**

| Name | Valuer | Effective CCT Shareholding | CCT Valuation (as of 31 December 2019) | CCT Valuation (as of 30 June 2020) | Variance |
|---|---|---|---|---|---|
| Asia Square Tower 2 | CBRE Pte. Ltd. | 100.0% | 2,186.0 | 2,134.0 | (52.0) |
| CapitaGreen | CBRE Pte. Ltd. | 100.0% | 1,646.0 | 1,618.0 | (28.0) |
| Capital Tower | Cushman & Wakefield VHS Pte. Ltd. | 100.0% | 1,394.0 | 1,389.0 | (5.0) |
| Six Battery Road | CBRE Pte. Ltd. | 100.0% | 1,438.0 | 1,414.0 | (24.0) |
| 21 Collyer Quay | Cushman & Wakefield VHS Pte. Ltd. | 100.0% | 466.1 | 465.5 | (0.6) |
| Raffles City Singapore(1) | CBRE Pte. Ltd. | 60.0% | 2,030.4 | 1,959.6 | (70.8) |
| One George Street(2) | Knight Frank Pte Ltd | 50.0% | 572.0 | 561.0 | (11.0) |
| CapitaSpring(3) | Knight Frank Pte Ltd | 45.0% | 477.9 | 466.7 | (11.2) |
| Gallileo(4) | C&W (U.K.) LLP German Branch | 94.9% | 527.6 | 534.3 | 6.7 |
| Main Airport Center(5) | C&W (U.K.) LLP German Branch | 94.9% | 385.2 | 387.6 | 2.4 |
| **Total** | | | **11,123.2** | **10,929.7** | **(193.5)** |
| ***% differential*** | | | | | ***(1.7%)*** |

*Source: The valuations for the respective properties as at 31 December 2019 and 30 June 2020.*

Notes:

(1) Figures relate to CCT's 60.0% interest in Raffles City Singapore held through RCS Trust. Valuation of the property on a 100% basis as at 30 June 2019 and 31 December 2019 is S$3,340.0 million and S$3,384.0 million, respectively.

(2) Figures relate to CCT's 50.0% interest in One George Street held through One George Street LLP. Valuation of the property on a 100% basis as at 30 June 2019 and 31 December 2019 is S$1,141.0 million and S$1,144.0 million, respectively.

(3) The valuation of CapitaSpring was based on the residual land value approach as it is a development under construction, expected to be completed in first half 2021. Figures relate to CCT's 45.0% interest in the land value of CapitaSpring held through Glory Office Trust and Glory SR Trust. Valuation of the property on a 100% basis as at 30 June 2019 and 31 December 2019 is S$1,062.0 million.

(4) Figures relate to CCT's 94.9% interest in Gallileo held through Gallileo Property S.a.r.l. (based on exchange rate of EUR 1 = S$1.53269 and EUR 1 = S$1.50352 for the 30 June 2019 and 31 December 2019 valuations, respectively). Valuation of the property on a 100% basis as at 30 June 2019 and 31 December 2019 is S$553.8 million and S$556.0 million, respectively.

(5) Figures relate to CCT's 94.9% interest in Main Airport Center held through MAC Property Company B.V. and MAC Car Park Company B.V. (based on exchange rate of EUR 1 = S$1.50352). Valuation of the property on a 100% basis as at 31 December 2019 is S$406.0 million.

Based on the above, we note that the CCT Valuation as at 30 June 2020 is 1.7% lower than the CCT Valuation as at 31 December 2020.

The valuation reports obtained from independent property valuers for the investment properties have highlighted the heightened uncertainty of the COVID-19 outbreak. Accordingly, the valuation of these investment properties may be subjected to more fluctuation subsequent to 30 June 2020 than during normal market conditions.

The above analysis serves as one factor considered by us in our evaluation and may not on its own be meaningful. Consequently, the Audit Committee, the CMT Independent Directors and the CMT Trustee should note that the above comparison serves as a general guide only.

### 10.2 Evaluation of the Consideration Unit Price

#### 10.2.1 Liquidity analysis of the CMT Units

In order to evaluate whether the historical market prices of the CMT Units provide a meaningful reference point for comparison with the Consideration Unit Price, we have considered the liquidity and free float of CMT relative to the Top 15 STI Companies as at the Last Trading Date, as outlined below:

**Liquidity analysis of the Top 15 STI Companies by market capitalisation(1)**

| Company Name | Market capitalisation (S$m) | Free Float (%)(2) | Past 6 months ADTV ('000 shares) | Past 6 months ADTV (S$'000) | 6-mth ADTV / Free Float (%)(3) | 6-mth ADTV / Market cap. (%)(4) |
|---|---|---|---|---|---|---|
| DBS Group Holdings Ltd | 67,173 | 69.9% | 3,465 | 88,275 | 0.2% | 0.1% |
| Singapore Telecommunications Limited | 53,396 | 47.4% | 21,156 | 69,284 | 0.3% | 0.1% |
| Oversea-Chinese Banking Corporation Li | 48,932 | 83.4% | 4,171 | 45,633 | 0.1% | 0.1% |
| United Overseas Bank Limited | 44,177 | 85.2% | 1,980 | 51,541 | 0.1% | 0.1% |
| Jardine Matheson Holdings Limited | 42,436 | 34.9% | 178 | 9,926 | 0.1% | 0.0% |
| Jardine Strategic Holdings Limited | 36,236 | 15.6% | 241 | 7,648 | 0.1% | 0.0% |
| Wilmar International Limited | 26,447 | 31.0% | 5,325 | 20,954 | 0.3% | 0.1% |
| Thai Beverage Public Company Limited | 20,468 | 32.2% | 13,631 | 12,068 | 0.2% | 0.1% |
| CapitaLand Limited | 19,363 | 49.4% | 6,166 | 22,290 | 0.2% | 0.1% |
| Hongkong Land Holdings Limited | 13,364 | 50.0% | 2,378 | 13,345 | 0.2% | 0.1% |
| Singapore Technologies Engineering Ltd | 12,834 | 47.9% | 4,214 | 17,013 | 0.3% | 0.1% |
| Keppel Corporation Limited | 12,351 | 78.7% | 3,447 | 22,106 | 0.2% | 0.2% |
| Jardine Cycle & Carriage Limited | 12,055 | 25.0% | 264 | 8,235 | 0.3% | 0.1% |
| Ascendas Real Estate Investment Trust | 11,325 | 80.3% | 11,320 | 34,106 | 0.4% | 0.3% |
| Genting Singapore PLC | 11,213 | 47.1% | 18,573 | 16,970 | 0.3% | 0.2% |
| **Min** | **11,213** | **15.6%** | **178** | **7,648** | **0.1%** | **0.0%** |
| **Mean** | **28,785** | **51.9%** | **6,434** | **29,293** | **0.2%** | **0.1%** |
| **Median** | **20,468** | **47.9%** | **4,171** | **20,954** | **0.2%** | **0.1%** |
| **Max** | **67,173** | **85.2%** | **21,156** | **88,275** | **0.4%** | **0.3%** |
| **CMT** | **9,554** | **65.3%** | **9,679** | **24,765** | **0.4%** | **0.3%** |

*Source: Bloomberg.*

Notes:

(1) All figures as of Last Trading Date.

(2) Free float percentages are based on Bloomberg.

(3) 6-month average daily trading volume leading up to the Last Trading Date, divided by free float number of units.

(4) 6-month average daily trading value leading up to the Last Trading Date, divided by market capitalisation.

With respect to the above table, we note that in the 6-month period leading up to the Last Trading Date:

(i) CMT's average daily trading volume represented 0.4% of its free float which is within the range of the Top 15 STI Companies of 0.1% to 0.4% and above the mean and median of 0.2%; and

(ii) CMT's average daily trading value represented 0.3% of its market capitalisation, which is within the range of the Top 15 STI Companies of 0.0% to 0.3% and above the mean and median of 0.1%.

Based on our analysis of the ADTV relative to the Top 15 STI Companies, we note that there is high liquidity in the CMT Units in the 6-month period up to the Last Trading Date. This suggests that the market prices of the CMT Units should generally reflect the fundamental, market-based value of the CMT Units.

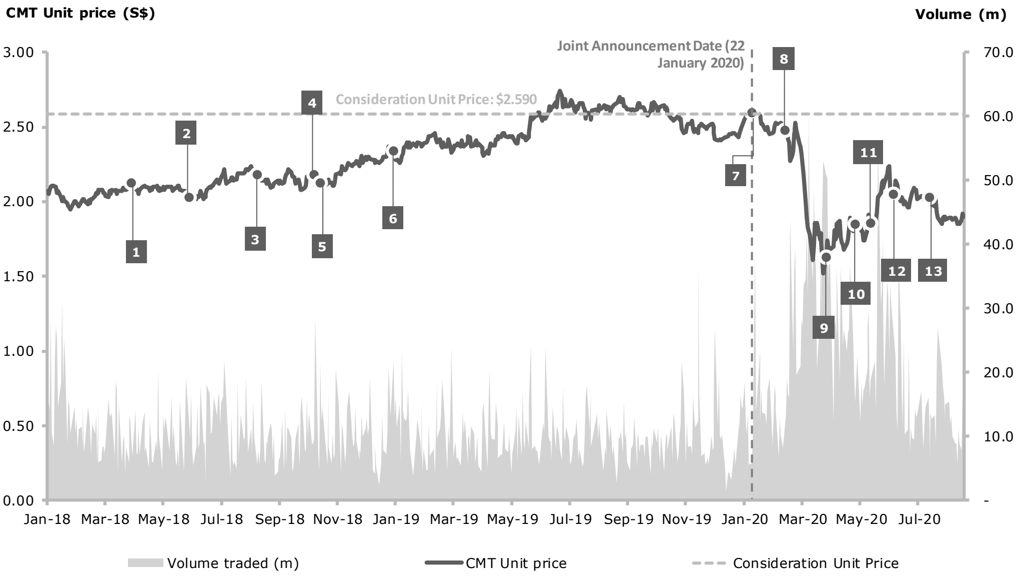
**We wish to highlight that the above analysis of the historical trading liquidity of the CMT Units serves only as an illustrative guide and is not an indication of the future trading liquidity of the CMT Units, which will be governed by amongst other factors, the performance and prospects of the trust, prevailing economic conditions, economic outlook, and stock market conditions and sentiment.**

### 10.2.2 Historical Market Performance and Trading Activity of the CMT Units

Pursuant to the Implementation Agreement and subject to the Merger becoming effective in accordance with its terms, the Scheme Consideration shall be satisfied by the allotment and issue by CMT of new Consideration Units.

Accordingly, we have considered the current and historical trading performance of the CMT Units for the period between the 24-month prior to the Joint Announcement Date and up to the Latest Practicable Date.

**CMT Unit price performance for the period 24-month prior to the Joint Announcement Date and up to the Latest Practicable Date**




*Source: Capital IQ, CMT Manager announcements.*

A summary of the salient events and announcements made by the CMT Manager during the 24-month period prior to the Joint Announcement Date and up to the Latest Practicable Date is set out below:

| | | |
|---|---|---|
| (1) | 19 April 2018 | Announced the sale of Sembawang Shopping Centre, a suburban mall consisting of four retail levels (including a basement level) and three car park levels, to Lian Beng - Apricot (Sembawang) Pte. Ltd. Sembawang Shopping Centre had a total net lettable area of 143,631 |

| | | |
|---|---|---|
| | | square feet at the point of announcement. The consideration for the sale (including plant and equipment) was S$248.0 million and was arrived at through a bidding process conducted by an appointed property consultant. |
| (2) | 18 June 2018 | Completed the sale of Sembawang Shopping Centre. |
| (3) | 27 August 2018 | Announced the acquisition of the balance 70.0% of the units in Infinity Mall Trust, which holds Westgate from CMA Singapore Investments (4) Pte. Ltd. and CL JM Pte. Ltd., for an agreed market value of Westgate of S$1,128 million. CMT already owned 30.0% units in Infinity Mall Trust. |
| (4) | 25 October 2018 | Closed the private placement of 134,089,000 new units in CMT at an issue price S$2.07 per unit, which represented a discount of approximately 3.77% to the VWAP of S$2.1512 per CMT Unit on 25 October 2018, being the day on which the placement agreement was signed. Gross proceeds from the private placement amounted to approximately S$277.6 million. |
| (5) | 1 November 2018 | Completed the acquisition of the balance 70.0% of the units in Infinity Mall Trust which holds Westgate. |
| (6) | 14 January 2019 | CapitaLand announced its acquisition of Ascendas Pte. Ltd. and Singbridge Pte. Ltd. for a total consideration of S$6,035.9 million comprising a combination of cash and new ordinary shares in CapitaLand. |
| (7) | 22 January 2020 | CMT and CCT jointly announced the Proposed Merger to create a diversified commercial REIT to be named "CapitaLand Integrated Commercial Trust". |
| (8) | 24 February 2020 | Committed support for CapitaLand's relief package for shopping mall tenants affected by COVID-19, which includes rental relief and S$10 million in marketing assistance. These come on top of the 15% property tax rebate granted by the Government under Budget 2020, which CapitaLand would pass on in full to its tenants. |
| (9) | 6 April 2020 | Announced waiver from SGX-ST for an extension of time to hold its AGM in respect of FY 2019 until 30 June 2020, in view of the recent tightened safe-distancing measures issued by the Ministry of Health in relation to the COVID-19 situation in Singapore. |
| (10) | 6 May 2020 | The CMT Manager and the CCT Manager announced that the CMT EGM, the CCT EGM and the Trust Scheme Meeting in relation to the proposed Merger would not be held by May 2020 as communicated previously and that the Long-Stop Date under the Implementation Agreement remains at 30 September 2020. |
| (11) | 22 May 2020 | Announced the launch of an ecommerce platform eCapitaMall, and an online food ordering platform Capita3Eats, to complement sales of its shopping malls in Singapore. Both platforms are accessible by the public via CapitaLand's CapitaStar app and mall websites from 1 June 2020. |
| (12) | 15 June 2020 | Announced that, pursuant to the passing of the COVID-19 (Temporary Measures) (Amendment) Bill (the "**Bill**"), CMT would be granting rental waivers for June 2020 (and where required, rental deferral) to qualifying Small and Medium Enterprises. Further, CMT also expects to provide additional rental relief of up to one month of |

| | |
|---|---|
| | rental or other forms of rental assistance for June 2020 as may be necessary for non-Qualifying SME Tenants with businesses that are restricted from operating or which are otherwise materially affected by COVID-19. |
| (13) 22 Jul 2020 | Announced that both the CMT Manager and the CCT Manager would work towards convening the CMT EGM, CCT EGM and Trust Scheme Meeting before 30 September 2020, being the Long-Stop Date announced. |

*Source: CMT Manager announcements.*

**Historical VWAPs of the CMT Units**

We set out in the table below the historical VWAPs of the CMT Units for various reference periods up to the Last Trading Date and the Latest Practicable Date, respectively.

| | | Evaluation of the Consideration Unit Price (S$2.590 per CMT Unit) | | | | | |
|---|---|---|---|---|---|---|---|
| Reference period | Price Basis | Historical CMT VWAPs (S$)(1) | Premium / (discount) to historical CMT VWAPs | ADTV ('000 shares)(2) | ADTV / free float (%)(3) | ADTV (S$'000)(4) | ADTV / market cap (%) |
| **(A) Periods up to the Last Trading Date (21 January 2020):** | | | | | | | |
| Last Trading Date | Closing Price | 2.590 | 0.0% | 11,032 | 0.5% | 28,535 | 0.3% |
| 30-day | VWAP(1) | 2.485 | 4.2% | 10,101 | 0.4% | 25,103 | 0.3% |
| 90-day | VWAP(1) | 2.534 | 2.2% | 9,772 | 0.4% | 24,758 | 0.3% |
| 180-day | VWAP(1) | 2.555 | 1.4% | 9,677 | 0.4% | 24,724 | 0.3% |
| 360-day | VWAP(1) | 2.417 | 7.2% | 9,705 | 0.4% | 23,461 | 0.2% |
| **(B) Period from the Joint Announcement Date up to the Latest Practicable Date (22 January 2020 to 26 August 2020):** | | | | | | | |
| From the Joint Announcement Date up to the Latest Practicable Date | VWAP(1) | 1.995 | 29.8% | 21,735 | 0.9% | 43,366 | 0.6% |
| As at the Latest Practicable Date | Closing Price | 1.900 | 36.3% | 13,255 | 0.6% | 25,168 | 0.4% |

*Source: Bloomberg.*

Notes:

(1) The VWAP is weighted based on the volume of the CMT Units traded and transacted prices of the CMT Units for the Market Days in the reference periods. VWAP figures shown are rounded to the nearest three decimal places. No adjustment to unit price has been made for dividends, bonus issues or other corporate transactions in each respective reference period.

(2) The average daily trading volume of the CMT Units is calculated based on the total volume of CMT Units traded divided by the number of Market Days during the relevant periods.

(3) Free float is based on Bloomberg and refers to the number of CMT Units that are available to the public. This figure is calculated by subtracting the CMT Units held by insiders and those deemed to be stagnant shareholders from the CMT Units outstanding. Stagnant holders include employee stock ownership plans, employee share ownership trusts, qualifying employee share ownership trusts, employee benefit trusts, corporations not actively managing money, venture capital companies and CMT Units held by governments.

(4) The average daily traded value of the CMT Units is calculated based on the total value of CMT Units traded divided by the number of Market Days during the relevant periods.

Based on the above table, we note that:

A. <u>Periods up to the Last Trading Date (21 January 2020):</u>

(i) The Consideration Unit Price of S$2.590 is the same as the closing price of the CMT Units on the Last Trading Date;

(ii) The Consideration Unit Price of S$2.590 represents a premium of 4.2%, 2.2%, 1.4% and 7.2% to the 30-day, 90-day, 180-day and 360-day VWAPs of the CMT Units, respectively;

(iii) The average daily trading volume of the CMT Units as a percentage of the free float was 0.4% in the 30-day, 90-day, 180-day and 360-day periods up to the Last Trading Date;

(iv) The average daily trading volume of the CMT Units as a percentage of the market capitalisation ranged between 0.2% and 0.3%, in the 30-day, 90-day, 180-day and 360-day periods up to the Last Trading Date;

B. <u>Period from the Joint Announcement Date up to the Latest Practicable Date (22 January 2020 to 26 August 2020):</u>

We wish to highlight that as at the Latest Practicable Date, the market valuation of the CMT Units had been adversely affected by the COVID-19 outbreak and the resulting heightened uncertainty and fluctuations in the market valuations compared to normal market conditions:

(i) The CMT Unit price decreased from S$2.590 on 21 January being the last trading date prior to the Joint Announcement Date, to S$1.900 on the Latest Practicable Date. As a result, the Consideraiton Unit Price of S$2.590 represents a premium of 36.3% to the closing price of the CMT Units on the Latest Practicable Date and a premium of 29.8% over the VWAP of the CMT Units for the period from the Joint Announcement Date up to the Latest Practicable Date;

(ii) The average daily trading volume of the CMT Units as a percentage of the free float and market capitalisation was 0.6% and 0.4%, respectively, for the period from the Joint Announcement Date to the Latest Practicable Date.

**We wish to highlight that our analysis of the past price performance of the CMT Units is not indicative of their future price performance, which will be governed by other factors such as, *inter alia*, the performance and prospects of the trust, prevailing economic conditions, economic outlook, market conditions and sentiments.**

**10.2.3 Trailing Latest P/NAV multiples of the CMT Units relative to the Latest P/NAV multiple implied by the Consideration Unit Price**

For the purpose of evaluating the financial terms of the Merger, we have made reference to the trailing Latest P/NAV multiples (based on the latest reported net asset values) of the CMT Units to evaluate how the Latest P/NAV multiple implied by the Consideration Unit Price compares to them.

In the chart below, we have compared the Latest P/NAV multiple implied by the Consideration Unit Price to the trailing Latest P/NAV multiples of the CMT Units over the 12-month period up to and including the Last Trading Date.

**Trailing Latest P/NAV multiples over the 12-month period up to the Last Trading Date**


| **Consideration Unit Price: Latest P/NAV** | **1.25x** | |
|---|---|---|
| **Period up to the LTD** | **6-month** | **12-month** |
| Min | 1.16x | 1.12x |
| Mean | 1.23x | 1.22x |
| Median | 1.24x | 1.21x |
| Max | 1.30x | 1.34x |
| **Mean - Median** | Above | Above |
| **Min - Max** | Within | Within |

*Source: Capital IQ.*
Note:
(1) Based on the Consideration Unit Price of S$2.590 and NAV per CMT Unit of S$2.08 as at 30 September 2019.

Based on the above, we note that:

(i) The Latest P/NAV multiple implied by the Consideration Unit Price of 1.25x is within the range of the trailing Latest P/NAV multiples of the CMT Units of 1.16x to 1.30x over the 6-month period up to and including the Last Trading Date and above the mean and median of 1.23x and 1.24x, respectively; and

(ii) The Latest P/NAV multiple implied by the Consideration Unit Price of 1.25x is within the range of the trailing Latest P/NAV multiples of the CMT Units of 1.12x to 1.34x over the 12-month period up to and including the Last Trading Date and above the mean and median of 1.22x and 1.21x, respectively.

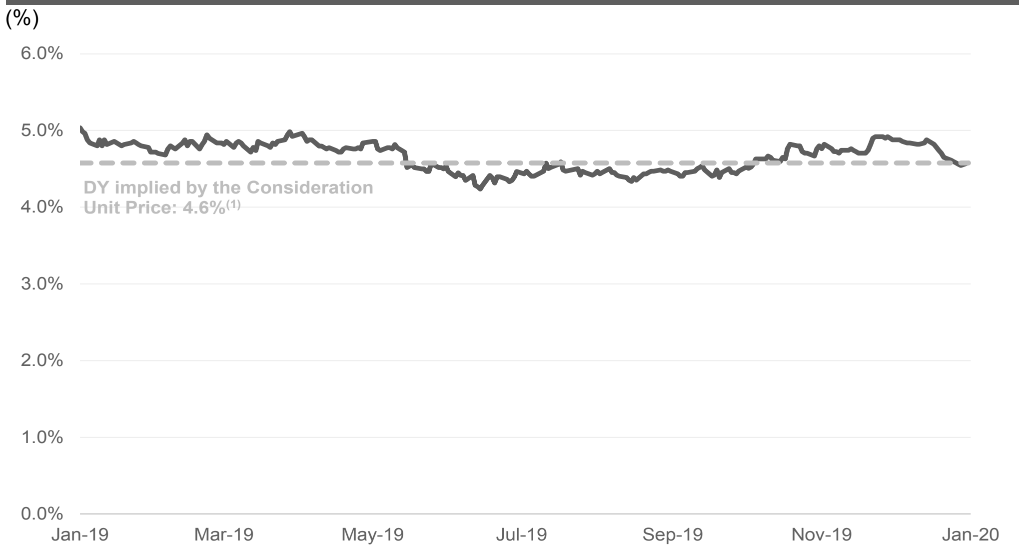
**We wish to highlight that the historical trading patterns or performance of the CMT Units should not, in any way, be relied upon as an indication of its future trading patterns or performance, which will be governed by, inter alia, the performance and prospects of the trusts, prevailing economic conditions, economic outlook and market conditions and sentiments.**

### 10.2.4 Trailing LTM DYs of the CMT Units relative to the LTM DY implied by the Consideration Unit Price

For the purpose of evaluating the financial terms of the Merger, we have referred to the trailing LTM DYs of the CMT Units to evaluate how the LTM DY implied by the Consideration Unit Price compares to them.

In the chart below, we have compared the LTM DY implied by the Consideration Unit Price to the trailing DYs of the CMT Units over the 12-month period up to and including the Last Trading Date.

**Trailing LTM DYs of the CMT Units over the 12-month period up to the Last Trading Date**




| Consideration Unit Price: LTM DY | 4.6% | |
|---|---|---|
| **Period up to the LTD** | **6-month** | **12-month** |
| Min | 4.3% | 4.2% |
| Mean | 4.6% | 4.7% |
| Median | 4.6% | 4.7% |
| Max | 4.9% | 5.1% |
| **Mean - Median Range** | Within | Below |
| **Min - Max Range** | Within | Within |

*Source: Capital IQ.*

Note:

(1) Based on Consideration Unit Price of S$2.590.

Based on the above, we note that:

(i) The LTM DY implied by the Consideration Unit Price of 4.6% is within the range of the trailing DYs of the CMT Units of 4.3% to 4.9% over the 6-month period up to and including the Last Trading Date and within the mean and median of 4.6%; and

(ii) The LTM DY implied by the Consideration Unit Price of 4.6% is within the range of the trailing DYs of the CMT Units of 4.2% to 5.1% over the 12-month period up to and including the Last Trading Date and below the mean and median of 4.7%.

**We wish to highlight that the historical trading patterns or performance of the CMT Units should not, in any way, be relied upon as an indication of its future trading patterns or performance, which will be governed by, inter alia, the performance and prospects of the trust, prevailing economic conditions, economic outlook and market conditions and sentiments.**

### 10.2.5 Valuation Multiples of selected Comparable Retail S-REITs

For the purpose of evaluating the Consideration Unit Price, references were made to SGX-ST listed REITs which invest primarily in retail real estate properties and are considered to be broadly comparable to CMT to provide an indication of the current market expectation with regards to the valuation of such trusts, as implied by their respective closing market prices as at the Latest Practicable Date.

The statistics for the Comparable Retail S-REITs are based on their closing prices as at the Latest Practicable Date and their latest publicly available financial results.

We have conducted our analysis based on the Latest P/NAV and LTM DY as key parameters for the comparison of the implied valuation metrics for the Comparable Retail S-REITs along with certain other financial parameters as set out below:

**Valuation Multiples of Comparable Retail S-REITs [1]**

| Name | Market Capitalisation (S$m) | Latest P/NAV [2] | LTM DY [3] |
|---|---|---|---|
| **Retail (pure play) S-REITs** | | | |
| Frasers Centrepoint Trust | 2,754 | 1.11x | 4.3% |
| SPH REIT | 2,376 | 0.91x | 4.2% |
| Starhill Global Real Estate Investment Trust | 977 | 0.55x | 6.7% |
| **Retail / office S-REITs** | | | |
| Mapletree Commercial Trust | 6,562 | 1.13x | 4.0% |
| | **Min** | **0.55x** | **4.0%** |
| | **Mean** | **0.92x** | **4.8%** |
| | **Median** | **1.01x** | **4.3%** |
| | **Max** | **1.13x** | **6.7%** |
| **Consideration Unit Price [4]** | | **1.25x** | **4.6%** |
| Mean - Median Range | | Above | Within |
| Min - Max Range | | Above | Within |

*Source: Capital IQ, published financial statements of the respective Comparable Commercial S-REITs.*

Notes:
(1) All figures as of the Latest Practicable Date.
(2) Calculated using the historical book value per unit as disclosed in the latest reported financial statements of the respective REITs.
(3) Calculated using the aggregate dividend per unit amount that has been declared for distribution by the respective REITs.
(4) Based on NAV per CMT Unit of S$2.08 as of 30 September 2019. DY implied by the Consideration Unit Price based on LTM DPU of 11.85 cents as of 30 September 2019.

Based on the above, we note that:

(i) The Latest P/NAV multiple implied by the Consideration Unit Price of 1.25x is above the range of the P/NAV multiples of the Comparable Retail S-REITs of 0.55x to 1.13x; and

(ii) The LTM DY implied by the Consideration Unit Price of 4.6% is within the range of the LTM DY of the Comparable Retail S-REITs of 4.0% to 6.7% and within the mean and median of 4.8% and 4.3%, respectively.

We note that as at the Latest Practicable Date, the market valuations of the Comparable Retail S-REITs had been adversely affected by the COVID-19 outbreak and the resulting heightened uncertainty and fluctuations in the market valuations compared to normal market conditions.

**We recognise, however, that the list of the Comparable Retail S-REITs is not exhaustive and there may not be any companies listed on the SGX-ST or other stock exchanges that is directly comparable to CMT in terms of business activities, scale of operations, geographical markets, track record, future prospects, asset base, risk profile, customer base and other relevant criteria. We also note that the accounting principles used by the respective Comparable Retail S-REITs and CMT may be different. Such differences may therefore render any comparisons carried out less useful than if the same accounting principles were being used. As such, any comparison made with respect to the Comparable Retail S-REITs is therefore intended to serve as an illustrative guide only.**

**10.2.6 Broker target prices of the CMT Units**

As part of our evaluation of the Consideration Unit Price, we have reviewed the price targets for the CMT Units issued by brokerage and research entities in the period from CMT's Q3 2019 financial results announcement date (21 October 2019) up to the Last Trading Date ("**Period up to the LTD**"), as well as the Period up to the Latest Practicable Date, which are set out below:

#### 10.2.6.1 Broker target prices of the CMT Units (Period up to the LTD)

| CMT Units broker target prices | | |
|---|---|---|
| **Brokers** | **Date** | **Price Target (S$)** |
| Macquarie | 17-Jan-20 | 2.750 |
| J.P. Morgan | 14-Jan-20 | 2.900 |
| Credit Suisse | 10-Jan-20 | 2.700 |
| RHB Research | 10-Dec-19 | 2.380 |
| CIMB | 9-Dec-19 | 2.640 |
| UBS | 26-Nov-19 | 2.800 |
| Phillip Securities | 22-Nov-19 | 2.680 |
| Morgan Stanley | 20-Nov-19 | 2.600 |
| HSBC | 19-Nov-19 | 2.560 |
| OCBC | 15-Nov-19 | 2.730 |
| Mizuho Securities | 29-Oct-19 | 2.520 |
| DBS Bank | 22-Oct-19 | 2.950 |
| Maybank Kim Eng | 22-Oct-19 | 2.650 |
| UOB Kay Hian | 22-Oct-19 | 2.880 |
| Morningstar | 22-Oct-19 | 2.580 |
| Daiwa Securities | 21-Oct-19 | 2.530 |

| Broker target price (S$ per CMT Unit) | Premium/(discount) implied by the Consideration Unit Price | |
|---|---|---|
| Min | 8.1% | 2.380 |
| Mean | (3.4%) | 2.678 |
| Median | (2.9%) | 2.665 |
| Max | (13.9%) | 2.950 |
| Consideration Unit Price | | 2.590 |
| Mean - Median Range | | Broadly in Line |
| Min - Max Range | | Within |

*Source: Bloomberg.*

Based on the above, we note that the Consideration Unit Price of S$2.590 is within the range of the target prices issued by brokerage and research entities in the Period up to the LTD of S$2.380 to S$2.950 and broadly in line with the mean and median of S$2.678 and S$2.665, respectively.

#### 10.2.6.2 Broker Target Prices of the CMT Units (Period up to the Latest Practicable Date)

| CMT Unit broker target prices | | |
|---|---|---|
| Brokers | Date | Price Target (S$) |
| Macquarie | 25-Aug-20 | 2.450 |
| Phillip Securities | 24-Aug-20 | 2.330 |
| UOB Kay Hian | 20-Aug-20 | 2.550 |
| HSBC | 12-Aug-20 | 1.990 |
| Mizuho Securities | 5-Aug-20 | 2.010 |
| Maybank Kim Eng | 24-Jul-20 | 2.350 |
| RHB Research | 23-Jul-20 | 2.030 |
| SooChow CSSD Capital Markets (Asia) | 23-Jul-20 | 2.410 |
| Morgan Stanley | 22-Jul-20 | 2.100 |
| CGS-CIMB | 22-Jul-20 | 2.260 |
| Daiwa Securities | 22-Jul-20 | 2.650 |
| Morningstar | 22-Jul-20 | 2.540 |
| DBS Bank | 7-Jul-20 | 2.400 |
| Goldman Sachs | 13-May-20 | 2.320 |

| Broker target price (S$ per CMT Unit) | Premium/(discount) implied by the Consideration Unit Price | |
|---|---|---|
| **Min** | **23.2%** | **1.990** |
| **Mean** | **10.7%** | **2.314** |
| **Median** | **9.7%** | **2.340** |
| **Max** | **(2.3%)** | **2.650** |
| **Consideration Unit Price** | | **2.590** |
| **Mean - Median Range** | | Above |
| **Min - Max Range** | | Within |

*Source: Bloomberg.*

Based on the above, we note that the Consideration Unit Price of S$2.590 is within the range of the target prices issued by brokerage and research entities in the Period up to the Latest Practicable Date of S$1.990 to S$2.650 and above the mean and median of S$2.314 and S$2.340, respectively.

**We wish to highlight that the above broker research report universe may not be exhaustive and price targets for the CMT Units and other statements and opinions contained in the reports within the universe used represent the individual views of the broker research analyst based on the circumstances (including, *inter alia*, market, economic, industry and monetary conditions as well as market sentiment and investor perceptions regarding the future prospects of the CMT Units) prevailing at the date of the publication of the respective broker research reports. The opinions of the brokers may change over time as a result of, among other things, changes in market conditions, CMT's market development and the emergence of new information relevant to CMT. As such, the above price targets may not be an accurate prediction of future market prices of the CMT Units.**

### 10.2.7 Independent valuation of CMT Properties

We set out below a summary of the carrying value of the CMT Properties on the following basis:

(i) the independent valuations of the CMT Properties as at 31 December 2019, commissioned by CMT (the "**CMT Valuation as at 31 December 2019**);

(ii) the independent desktop valuations of the CMT Properties as at 30 June 2020, commission by CMT (the "**CMT Valuation as at 30 June 2020**).

The carrying value of the CMT Properties is S$11,757.6 million based on the CMT Valuation as at 31 December 2019 and S$11,445.4 million based on the CMT Valuation as at 30 June 2020.

| Carrying value of the CMT Properties (in S$ million) | | | | | |
|---|---|---|---|---|---|
| **Name** | **Valuer** | **Effective CMT Shareholding** | **CMT Valuation (as of 31 December 2019)** | **CMT Valuation (as of 30 June 2020)** | **Variance** |
| Tampines Mall | Knight Frank Pte Ltd | 100.0% | 1,085.0 | 1,072.0 | (13.0) |
| Junction 8 Shopping Centre | CBRE Pte. Ltd. | 100.0% | 799.0 | 794.0 | (5.0) |
| Funan[(1)] | CBRE Pte. Ltd. | 100.0% | 775.0 | 742.0 | (33.0) |
| IMM Building | Knight Frank Pte Ltd | 100.0% | 675.0 | 660.0 | (15.0) |
| Plaza Singapura | Colliers International Consultancy & Valuation (Singapore) | 100.0% | 1,349.0 | 1,300.0 | (49.0) |
| Bugis Junction | Jones Lang LaSalle Property Consultants | 100.0% | 1,106.0 | 1,087.0 | (19.0) |
| JCube | Knight Frank Pte Ltd | 100.0% | 288.0 | 276.0 | (12.0) |
| Lot One Shoppers' Mall | Knight Frank Pte Ltd | 100.0% | 537.0 | 531.0 | (6.0) |
| Bukit Panjang Plaza | Knight Frank Pte Ltd | 100.0% | 330.0 | 324.0 | (6.0) |
| The Atrium@Orchard | Colliers International Consultancy & Valuation (Singapore) | 100.0% | 764.0 | 740.0 | (24.0) |
| Clarke Quay | CBRE Pte. Ltd. | 100.0% | 414.0 | 394.0 | (20.0) |
| Bugis+ | Jones Lang LaSalle Property Consultants | 100.0% | 357.0 | 353.0 | (4.0) |
| Bedok Mall[(2)] | Knight Frank Pte Ltd | 100.0% | 794.0 | 779.0 | (15.0) |
| Westgate[(3)] | Colliers International Consultancy & Valuation (Singapore) | 100.0% | 1,131.0 | 1,087.0 | (44.0) |
| **Subtotal** | | | **10,404.0** | **10,139.0** | **(265.0)** |
| Raffles City Singapore[(4)] | CBRE Pte. Ltd. | 40.0% | 1,353.6 | 1,306.4 | (47.2) |
| **Total** | | | **11,757.6** | **11,445.4** | **(312.2)** |
| ***% differential (including Raffles City Singapore)*** | | | | | ***(2.7%)*** |

*Source: The valuations for the respective properties as at 31 December 2019 and 30 June 2020.*

Notes:

(1) Funan is held through CMT, Victory Office 1 Trust and Victory Office 2 Trust (each of Victory Office 1 Trust and Victory Office 2 Trust are wholly owned by CMT). As at 30 June 2019, the value reflected is the total property value of the retail and office components of the integrated development upon obtaining the Temporary Occupation Permit in April 2019.

(2) Bedok Mall is held through Brilliance Mall Trust, which is wholly owned by CMT.

(3) Westgate is held through Infinity Mall Trust, which is wholly owned by CMT.

(4) Figures relate to CMT's 40.0% interest in Raffles City Singapore. Valuation of the property on a 100% basis as at 30 June 2019 and 31 December 2019 is S$3,340.0 million and S$3,384.0 million, respectively.

Based on the above, we note that the CMT Valuation as at 30 June 2020 is 2.7% lower than the CMT Valuation as at 31 December 2019.

The valuation reports obtained from independent property valuers for the investment properties have highlighted the heightened uncertainty of the COVID-19 outbreak. Accordingly, the valuation of these investment properties may be subjected to more fluctuation subsequent to 30 June 2020 than during normal market conditions.

The above analysis serves as one factor considered by us in our evaluation and may not on its own be meaningful. Consequently, the Audit Committee, the CMT Independent Directors and the CMT Trustee should note that the above comparison serves as a general guide only.

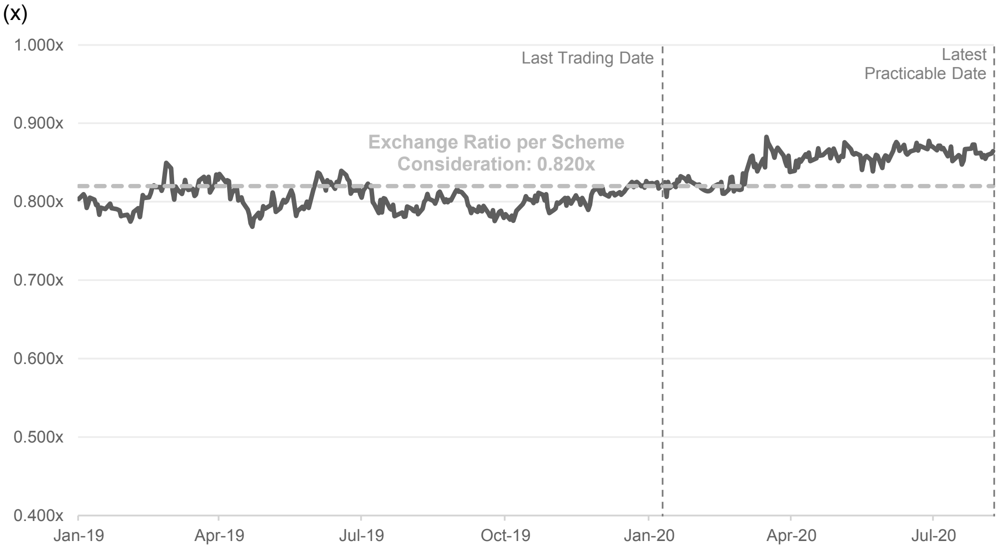
### 10.3 Other evaluation relating to the Merger

#### 10.3.1 Implied Exchange Ratio Analysis

As part of our evaluation of the financial terms of the Merger, we have considered the exchange ratios implied by the historical VWAPs of the CCT Units and CMT Units.

We set out below the trailing implied exchange ratios between the CCT Units and the CMT Units implied by their daily last close prices for the 12-month period up to the Last Trading Date as well as from the Last Trading Date up to the Latest Practicable Date.

**Trailing implied exchange ratio between the CCT Units and the CMT Units (1)**




*Source: Bloomberg.*
Note:
1. Calculated as daily closing prices of the CCT Units, divided by the daily closing prices of CMT Units.

The table below shows the exchange ratios implied by the historical closing prices and VWAPs of the CCT Units and CMT Units for various periods up to the Latest Practicable Date.

| Exchange ratios implied by the VWAPs of the CCT Units and the CMT Units across various historical periods | | | | |
|---|---|---|---|---|
| Metric | CMT Unit (S$) | CCT Unit (S$) | Implied Exchange Ratio[1] | Comments |
| **Various Periods from Joint Announcement Date to Latest Practicable Date**[2] | | | | |
| Closing Price (Latest Practicable Date) | 1.900 | 1.640 | 0.863x | Below |
| VWAP (Joint Announcement Date to Latest Practicable Date) | 1.995 | 1.704 | 0.854x | Broadly in Line |
| **Various Periods up to Last Trading Date** | | | | |
| Closing Price (LTD) | 2.590 | 2.130 | 0.822x | In Line |
| 30-day VWAP | 2.485 | 2.041 | 0.821x | In Line |
| 90-day VWAP | 2.534 | 2.042 | 0.806x | Broadly in Line |
| 180-day VWAP | 2.555 | 2.061 | 0.807x | Broadly in Line |
| 360-day VWAP | 2.412 | 1.948 | 0.808x | Broadly in Line |
| **Scheme Consideration** | **2.590** | **2.124** | **0.820x** | |

*Source: Bloomberg.*

Note:

1. For the purpose of this calculation, the implied Exchange Ratio includes the Cash Consideration of 0.2590 cents per CCT Unit. VWAPs are not adjusted retrospectively for dividends, bonus issues or other corporate transactions
2. Based on the CMT Unit price as at the Latest Practicable Date for illustrative purposes, the implied CCT consideration of S$1.627 would represent a discount of 0.8% to the closing price of the CCT Units of S$1.640 as at the Latest Practicable Date and a premium of 3.4% over the VWAP of the CCT Units of S$1.704 for the period from the Joint Announcement Date up to the Latest Practicable Date.

Based on the table above, we observe that the Exchange Ratio as per the Scheme Consideration of 0.820x is:

(i) Below the exchange ratio of 0.863x implied by the last closing prices of the CMT Units and the CCT Units as at the Latest Practicable Date;

(ii) Broadly in line with the exchange ratio of 0.854x implied by the VWAPs of the CMT Units and the CCT Units for the period from the Joint Announcement Date to Latest Practicable Date;

(iii) In line with the exchange ratios of 0.822x and 0.821x implied by the last closing prices and 30-day VWAPs of the CMT Units and the CCT Units as at the Last Trading Date, respectively; and

(iv) Broadly in line with the exchange ratios of 0.806x, 0.807x and 0.808x implied by the 90-day, 180-day and 360-day VWAPs of the CMT Units and the CCT Units as at the Last Trading Date.

**We wish to highlight that our analysis of the past price performances of the CCT Units and the CMT Units is not indicative of their future price performance, which will be governed by other factors such as, *inter alia*, the performance and prospects of the trusts, prevailing economic conditions, economic outlook, market conditions and sentiments.**

### 10.3.2 Unaudited *pro forma* consolidated financial effects of the Merger

### (A) Bases and assumptions underlying the unaudited *pro forma* financial information of the Merged Entity

Please refer to **paragraph 8** of the Circular for the *pro forma* financial information of the Merged Entity for LTM June 2020 or as at 30 June 2020, and the financial year ended 31 December 2019 ("**FY2019**") or as at 31 December 2019 (the "***Pro forma* Financials**"). The bases and assumptions on which the *Pro forma* Financials of the Merger have been prepared are set out in italics below:

*"Bases and Assumptions for pro forma DPU for LTM June 2020*

*The pro forma DPU of the Merger on CMT for LTM June 2020 have been prepared based on the unaudited financial information of the CMT Group for the period 1 July 2019 to 30 June 2020. The key bases and assumptions are set out as follows:*

*(a) assumes that the distributable income to CMT Unitholders comprises declared distributable income for the period from 1 July 2019 to 30 June 2020, S$46.4 million taxable income retained by CMT and S$5.0 million taxable income retained by RCS Trust (CMT's 40.0% interest) for the period from 1 January 2020 to 30 June 2020;*

*(b) the acquisition of Main Airport Center, which was completed on 18 September 2019, was assumed to have occurred on 1 July 2019. The financial information of Main Airport Center used in the preparation of the pro forma financial effects of the Merger for LTM June 2020 was based on the unaudited financial information for the period from 18 September 2019 to 31 December 2019, prorated as if the acquisition was completed on 1 July 2019 and adjusted for the finance cost effects in relation to the acquisition. The amount available for distribution to the CMT Unitholders after the Merger also includes S$7.5 million taxable income retained by RCS Trust (CCT's 60.0% interest) for the period from 1 January 2020 to 30 June 2020;*

*(c) assumes that an additional S$1,022.2 million of Acquisition Debt was drawn down on 1 July 2019 to fund the Cash Consideration (based on the total number of CCT units issued as of 30 June 2020) and Transaction Costs at an effective interest rate of 2.75% per annum;*

*(d) assumes 50.0% of the management fee associated with the Merged Entity for LTM June 2020 will be paid in CMT Units. Hence, an additional S$37.1 million of management fee was adjusted to arrive at the amount available for distribution for the Merged Entity and an additional 19.5 million new CMT Units issued at an illustrative issue price of S$1.90 per new CMT Unit, being the closing price of a CMT Unit on the SGX-ST on 26 August 2020;*

*(e) assumes that the private placement of 105,012,000 new CCT Units issued on 29 July 2019 to partially fund the acquisition of Main Airport Center, had occurred on 1 July 2019;*

*(f) assumes 2,780.6 million Consideration Units issued (based on the total number of CCT Units issued as at 30 June 2020) pursuant to the Merger, and no new CMT units will be issued as payment of the Acquisition Fee as the CMT Manager has waived 100.0% of the Acquisition Fee on a one-off basis in recognition of the unprecedented circumstances brought about by the COVID-19 pandemic; and*

*(g) assumes the discount on NAV of CCT and Transaction Costs are recognized in the Statement of Total Return, which has no impact to distribution income or DPU.*

*Bases and Assumptions for pro forma NAV and NTA as at 30 June 2020*

*The pro forma NTA and NAV of the Merger on CMT as at 30 June 2020 have been prepared based on the unaudited financial information of the CMT Group for the period 1 July 2019 to 30 June 2020. The key bases and assumptions are set out as follows:*

*(a) assumes that CMT's declared distributable income for the period from 1 April 2020 to 30 June 2020 and CCT's declared distributable income for the period from 1 January 2020 to 30 June 2020 as well as taxable income retained for the period from 1 January 2020 to 30 June 2020 by CMT and RCS Trust, are excluded to arrive at the pro forma NAV and NTA;*

*(b) assumes that an additional S$1,022.2 million of Acquisition Debt was drawn down on 30 June 2020 to fund the Cash Consideration (based on total number of CCT units issued as of 30 June 2020) and Transaction Costs;*

*(c) assumes the discount on NAV of CCT is recognized in the Statement of Total Return and excludes Transaction Costs;*

*(d) assumes that the value of the Consideration Units was derived from an illustrative issue price of S$1.90 per Consideration Unit, being the closing price of a CMT Unit on the SGX-ST on 26 August 2020 (as if 26 August 2020 was the last trading day immediately prior to the date on which the Implementation Agreement was entered into). CMT Unitholders should note that the aforementioned issue price is purely illustrative only and is used in the context of calculating the pro forma financial effects of the Merger on CMT and the Merged Entity for LTM June 2020 or as at 30 June 2020. For the avoidance of doubt, the Scheme Consideration that will be received by the CCT Unitholders for each CCT Unit under the Trust Scheme will be 0.720 new CMT Units (i.e. the Consideration Units) and S$0.2590 in cash (i.e. the Cash Consideration).* ***Each Consideration Unit may trade at a price which is above or below S$1.90. There will not be any adjustment to the amount of the Cash Consideration or the number of Consideration Units to be issued for each CCT Unit to reflect any such price differential****; and*

*(e) assumes 2,780.6 million Consideration Units issued (based on the total number of CCT Units issued as at 30 June 2020) pursuant to the Merger, and no new CMT units will be issued as payment of Acquisition Fee as the CMT Manager has waived 100.0% of the Acquisition Fee on a one-off basis in recognition of the unprecedented circumstances brought about by the COVID-19 pandemic.*

*Bases and Assumptions for the pro forma DPU for FY2019*

*The pro forma DPU of the Merger on CMT for FY2019 have been prepared based on the latest audited financial statements of the CMT Group (the "****CMT Group FY2019 Audited Financial Statements****"), as disclosed in the annual report of CMT for FY2019. The key bases and assumptions are set out as follows:*

*(a) the acquisition of Main Airport Center, which was completed on 18 September 2019, was assumed to have occurred on 1 January 2019. The financial information of Main Airport Center used in the preparation of the pro forma financial effects of the Merger for FY2019 was based on the unaudited financial information for the period from 18 September 2019 to 31 December 2019, extrapolated to 365 days (as if the acquisition was completed on 1 January 2019) and adjusted for the finance cost effects in relation to the acquisition;*

*(b) assumes that an additional S$1,021.1 million of Acquisition Debt was drawn down on 1 January 2019 to fund the Cash Consideration based on the total number of CCT units issued as of 31 December 2019 and Transaction Costs at an effective interest rate of 2.75% per annum;*

*(c) assumes 50.0% of the management fee associated with the Merged Entity for FY2019 will be paid in CMT Units. Hence, an additional S$27.7 million of management fee was adjusted to arrive at the amount available for distribution for the Merged Entity and an additional 10.7 million new CMT Units issued at an illustrative issue price of S$2.59 per new CMT Unit, being the closing price of a CMT unit on 21 January 2020 (being the last trading day immediately prior to the Joint Announcement Date);*

*(d) assumes that the private placement of 105,012,000 new CCT Units issued on 29 July 2019 to partially fund the acquisition of Main Airport Center, had occurred on 1 January 2019;*

*(e) assumes 2,777.5 million Consideration Units issued (based on the total number of CCT Units issued as at 31 December 2019) pursuant to the Merger, and no new CMT Units will be issued as payment of the Acquisition Fee as the CMT Manager has waived 100.0% of the Acquisition Fee on a one-off basis in recognition of the unprecedented circumstances brought about by the COVID-19 pandemic; and*

*(f) assumes the premium over NAV of CCT and Transaction Costs are recognised in the Statement of Total Return, which has no impact to distribution income or DPU.*

*Bases and Assumptions for pro forma NAV and NTA as at 31 December 2019*

*The pro forma NAV and NTA of the Merger on CMT as at 31 December 2019 have been prepared based on the CMT Group FY2019 Audited Financial Statements, as disclosed in the annual report of CMT for FY2019. The key bases and assumptions are set out as follows:*

*(a) assumes that CMT's declared distributable income for the period from 1 October 2019 to 31 December 2019 and CCT's declared distributable income for the period from 29 July 2019 to 31 December 2019, is excluded to arrive at the pro forma NAV and NTA;*

*(b) assumes that an additional S$1,021.1 million of Acquisition Debt was drawn down on 31 December 2019 to fund the Cash Consideration (based on the total number of CCT units issued as of 31 December 2019) and Transaction Costs;*

*(c) assumes the premium over NAV of CCT is recognised in the Statement of Total Return and excludes Transaction Costs; and*

*(d) assumes 2,777.5 million Consideration Units issued (based on the total number of CCT Units issued as at 31 December 2019) at the issue price of S$2.59 per Consideration Unit, and no new CMT units will be issued as payment of the Acquisition Fee as the CMT Manager has waived 100.0% of the Acquisition Fee on a one-off basis in recognition of the unprecedented circumstances brought about by the COVID-19 pandemic. For the avoidance of doubt, the Scheme Consideration that will be received by the CCT Unitholders for each CCT Unit under the Trust Scheme will be 0.720 new CMT Units (i.e. the Consideration Units) and S$0.2590 in cash (i.e. the Cash Consideration).* ***Each Consideration Unit may trade at a price which is above or below S$2.59. There will not be any adjustment to the amount of the Cash Consideration or the number of Consideration Units to be issued for each CCT Unit to reflect any such price differential.***

*Illustrative Purposes Only*

*The pro forma financial effects of the Merger presented above have been prepared for illustrative purposes only to show:*

*(a) what the DPU of the Merged Entity for LTM June 2020 would have been if the Merger had been completed on 1 July 2019;*

(b) *what the NAV per unit, NTA per unit and aggregate leverage of the Merged Entity as at 30 June 2020 would have been if the Merger had been completed as at 30 June 2020;*

(c) *what the DPU of the Merged Entity for FY2019 would have been if the Merger had been completed on 1 January 2019; and*

(d) *what the NAV per unit, NTA per unit and aggregate leverage of the Merged Entity as at 31 December 2019 would have been if the Merger had been completed as at 31 December 2019.*

***Due to their nature, the pro forma financial effects of the Merger presented above may not give a true picture of what the amount of:***

(i) ***the DPU of the Merged Entity for LTM June 2020 or FY2019; or***

(ii) ***the NAV per unit, NTA per unit and aggregate leverage of the Merged Entity as at 30 June 2020 or 31 December 2019,***

***might have been if the Merger had actually been completed on 1 July 2019 or as at 30 June 2020, or on 1 January 2019, or as at 31 December 2019, as the case may be.****"*

**(B) *Pro Forma* Financial Effects for LTM June 2020 or as at 30 June 2020**

The full text of the financial effects of the Proposed Merger based on the audited financial statements for CMT and CCT for LTM June 2020 or as at 30 June 2020 is set out in **paragraph 8.1** of the Circular and has been reproduced in italics below. CMT Unitholders should note that the financial effects have been prepared for illustrative purposes only and they do not reflect the future actual financial position of the Merged Entity after the Proposed Merger. All terms and expressions used in the extract below shall have the same meaning as those defined in the Circular, unless otherwise defined.

***"Pro Forma DPU***

*For the information of the CMT Unitholders, the pro forma financial effects of the Merger on the amount available for distribution to the CMT Unitholders, the number of CMT Units in issue, the DPU of CMT and the accretion thereof, in each case, for LTM June 2020, assuming the Merger was completed on 1 July 2019 and CMT held and operated the CCT Properties through to 30 June 2020, are as follows:*

| | ***Effects of Merger*** | |
|---|---|---|
| | ***Before Merger*** | ***After Merger*** |
| *Amount available for distribution to the CMT Unitholders (S$ million)* | *388.7*(1) | *709.6*(2)(3)(4) |
| *Number of CMT Units in issue (million)* | *3,690.2* | *6,490.2*(4)(5)(6) |
| *DPU (Singapore cents)* | *10.52*(1) | *10.95* |
| *Accretion (%)* | *–* | *4.1* |

*Notes:*

*(1) Refers to the distributable income to CMT Unitholders, comprising declared distributable income for the period from 1 July 2019 to 30 June 2020, S$46.4 million taxable income retained by CMT and S$5.0 million taxable income retained by RCS Trust (CMT's 40.0% interest) for the period from 1 January 2020 to 30 June 2020. For the period from 1 July 2019 to 31 December 2019, the taxable income of CMT and RCS Trust was fully paid out and included in CMT's distributable income for the same period.*

*(2) Assumes full year contribution from Main Airport Center which is based on the unaudited financial information for the period from 18 September 2019 to 31 December 2019, prorated as if the acquisition was completed on 1 July 2019 and adjusted for the finance cost effects in relation to the acquisition. The amount available for distribution to the CMT Unitholders also includes S$7.5 million taxable income retained by RCS Trust (CCT's 60.0% interest) for the period from 1 January 2020 to 30 June 2020.*

*(3) Assumes that an additional S$1,022.2 million of Acquisition Debt was drawn down on 1 July 2019 to fund the Cash Consideration (based on the total number of CCT units issued as of 30 June 2020) and Transaction Costs of the Merger at an effective interest rate of 2.75% per annum.*

*(4) Assumes 50.0% of the management fee associated with the Merged Entity for LTM June 2020 will be paid in CMT Units. Hence, an additional S$37.1 million of management fee was adjusted to arrive at the amount available for distribution for the Merged Entity and an additional 19.5 million new CMT Units issued at an illustrative issue price of S$1.90 per new CMT Unit, being the closing price of a CMT Unit on the SGX-ST on 26 August 2020.*

*(5) Assumes the private placement of 105,012,000 new CCT Units issued on 29 July 2019 to partially fund the acquisition of Main Airport Center, had occurred on 1 July 2019.*

*(6) Assumes 2,780.6 million Consideration Units issued (based on the total number of CCT Units issued as at 30 June 2020) pursuant to the Merger, and no new CMT Units will be issued as payment of the Acquisition Fee as the CMT Manager has waived 100.0% of the Acquisition Fee on a one-off basis in recognition of the unprecedented circumstances brought about by the COVID-19 pandemic."*

Based on the LTM June 2020 *Pro forma* Financials, we note that the Merger will be approximately 4.1% accretive to the CMT Unitholders from a DPU perspective with the DPU increasing from 10.52 cents to 10.95 cents.

***"Pro Forma NAV and NTA***

*For the information of the CMT Unitholders, the pro forma financial effects of the Merger on the NAV and NTA of the CMT Group, number of CMT Units in issue and the NAV and NTA for each CMT Unit as at 30 June 2020, assuming the Merger was completed on 30 June 2020, are as follows:*

| | ***Effects of Merger*** | |
|---|---|---|
| | ***Before Merger*** | ***After Merger*** |
| *NAV/NTA (S$ million)* | *7,292.3(1)* | *13,073.6(2)(3)(4)(5)* |
| *Number of CMT Units in issue (million)* | *3,690.2* | *6,470.7(6)* |
| *NAV/NTA for each CMT Unit (S$)* | *1.98(1)* | *2.02(2)(3)(4)* |

*Notes:*

*(1) Excludes CMT's declared distributable income for the period from 1 April 2020 to 30 June 2020 and taxable income retained for the period from 1 January 2020 to 30 June 2020 by CMT and RCS Trust.*

*(2) Excludes CMT's declared distributable income for the period from 1 April 2020 to 30 June 2020 and CCT's declared distributable income for the period from 1 January 2020 to 30 June 2020 as well as taxable income retained by CMT and RCS Trust for the period from 1 January 2020 to 30 June 2020.*

*(3) Assumes that an additional S$1,022.2 million of Acquisition Debt was drawn down on 30 June 2020 to fund the Cash Consideration based on the total number of CCT units issued as of 30 June 2020 and Transaction Costs.*

*(4) Assumes the discount on NAV of CCT is recognised in the Statement of Total Return and excludes Transaction Costs.*

*(5) Assumes that the value of the Consideration Units was derived from an illustrative issue price of S$1.90 per Consideration Unit, being the closing price of a CMT Unit on the SGX-ST on 26 August 2020 (as if 26 August 2020 was the last trading day immediately prior to the date on which the Implementation Agreement was entered into). CMT Unitholders should note that the aforementioned issue price is purely illustrative only and is used in the context of calculating the pro forma financial effects of the Merger on CMT and the Merged Entity for LTM June 2020 or as at 30 June 2020. For the avoidance of doubt, the Scheme Consideration that will be received by the CCT Unitholders for each CCT Unit under the Trust Scheme will be 0.720 new CMT Units (i.e. the Consideration Units) and S$0.2590 in cash (i.e. the Cash Consideration). **Each Consideration Unit may trade at a price which is above or below S$1.90. There will not be any adjustment to the amount of the Cash Consideration or the number of Consideration Units to be issued for each CCT Unit to reflect any such price differential.***

*(6) Assumes 2,780.6 million Consideration Units issued (based on the total number of CCT Units issued as at 30 June 2020) pursuant to the Merger, and no new CMT units will be issued as payment of the Acquisition Fee as the CMT Manager has waived 100.0% of the Acquisition Fee on a one-off basis in recognition of the unprecedented circumstances brought about by the COVID-19 pandemic."*

Based on the LTM June 2020 *Pro forma* Financials, we note that the Merger will be approximately 2.2% accretive to the CMT Unitholders from a NAV perspective with the NAV per CMT Unit increasing from S$1.98 to S$2.02.

*"Pro Forma Aggregate Leverage*

*For the information of the CMT Unitholders, the pro forma financial effects of the Merger on the aggregate leverage of the CMT Group as at 30 June 2020, as if the Merger was completed on 30 June 2020, are as follows:*

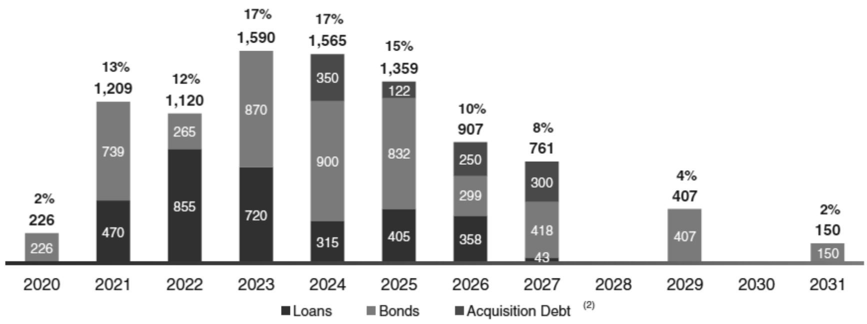
| | ***Effects of Merger*** | |
|---|---|---|
| | ***Before Merger*** | ***After Merger*** |
| *Aggregate leverage (%)* | *34.4* | *39.7* |

***Note:***

*(1) Assumes that an additional S$1,022.2 million of Acquisition Debt was drawn down on 30 June 2020 to fund the Cash Consideration (based on the total number of CCT units issued as of 30 June 2020) and Transaction Costs.*

***Pro forma debt maturity profile as at 30 June 2020**[(1)]*

(S$m)




***Notes:***

*(1) Including proportionate share of debts from joint ventures.*

*(2) The Acquisition Debt is assumed to be drawn on 30 June 2020."*

Based on the above, we note that:

(i) Following the Merger, the *pro forma* aggregate leverage of the Merged Entity as at 30 June 2020 will be 39.7%, taking into consideration the Acquisition Debt;

(ii) The aforementioned *pro forma* aggregate leverage is below the aggregate leverage limit of 45.0% as stipulated in Appendix 6 of the Property Funds Appendix issued by the MAS (now increased to 50.0% up to (and including) 31 December 2021 pursuant to the revision of the Property Funds Appendix on 16 April 2020); and

(iii) Upon completion of the Merger, the Acquisition Debt is expected to be refinanced with tenors of four years and longer.

**CMT Unitholders are advised to read the relevant paragraph of the Circular carefully. CMT Unitholders should note that the financial effects have been prepared for illustrative purposes only and do not reflect the future financial position of the Merged Entity.**

**(C)** ***Pro Forma* Financial Effects for FY2019 or as at 31 December 2019**

The full text of the financial effects of the Proposed Merger based on the audited financial statements for CMT and CCT for FY2019 or as at 31 December 2019 is set out in **paragraph 8.2** of the Circular and has been reproduced in italics below. CMT Unitholders should note that the financial effects have been prepared for illustrative purposes only and they do not reflect the future actual financial position of the Merged Entity after the Proposed Merger. All terms and expressions used in the extract below shall have the same meaning as those defined in the Circular, unless otherwise defined.

***"Pro Forma DPU***

*The pro forma financial effects of the Merger on the amount available for distribution to the CMT Unitholders, the number of CMT Units in issue, the DPU of CMT and the accretion thereof, in each case, for FY2019, assuming the Merger was completed on 1 January 2019 and CMT held and operated the CCT Properties through to 31 December 2019, are as follows:*

| | ***Effects of Merger*** | |
|---|---|---|
| | ***Before Merger*** | ***After Merger*** |
| *Amount available for distribution to the CMT Unitholders (S$ million)* | *441.6* | *790.3*(1)(2)(3) |
| *Number of CMT Units in issue (million)* | *3,688.8* | *6,477.0*(3)(4)(5) |
| *DPU (Singapore cents)* | *11.97* | *12.21* |
| *Accretion (%)* | *–* | *2.0* |

***Notes:***

*(1) Assumes full year contribution from Main Airport Center which is based on the unaudited financial information for the period from 18 September 2019 to 31 December 2019, extrapolated to 365 days (as if the acquisition was completed on 1 January 2019) and adjusted for the finance cost effects in relation to the acquisition.*

*(2) Assumes that an additional S$1,021.1 million of Acquisition Debt was drawn down on 1 January 2019 to fund the Cash Consideration (based on the total number of CCT units issued as of 31 December 2019) and Transaction Costs of the Merger at an effective interest rate of 2.75% per annum.*

*(3) Assumes 50.0% of the management fee associated with the Merged Entity for FY2019 will be paid in CMT Units. Hence, an additional S$27.7 million of management fee was adjusted to arrive at the amount available for distribution for the Merged Entity and an additional 10.7 million new CMT Units issued at illustrative issue price of S$2.59 per new CMT Unit, being the closing price of a CMT unit on 21 January 2020 (being the last trading day immediately prior to the Joint Announcement Date).*

*(4) Assumes the private placement of 105,012,000 new CCT Units issued on 29 July 2019 to partially fund the acquisition of Main Airport Center, had occurred on 1 January 2019.*

*(5) Assumes 2,777.5 million Consideration Units issued (based on the total number of CCT Units issued as at 31 December 2019) pursuant to the Merger and no new CMT Units will be issued as payment of the Acquisition Fee as the CMT Manager has waived 100.0% of the Acquisition Fee on a one-off basis in recognition of the unprecedented circumstances brought about by the COVID-19 pandemic."*

Based on the FY2019 *Pro forma* Financials, we note that the Merger will be approximately 2.0% accretive to the CMT Unitholders from a DPU perspective with the DPU increasing from 11.97 cents to 12.21 cents.

***"Pro Forma NAV and NTA***

*The pro forma financial effects of the Merger on the NAV and NTA of the CMT Group, number of CMT Units in issue and the NAV and NTA for each CMT Unit, as at 31 December 2019, assuming the Merger was completed on 31 December 2019, are as follows:*

| | *Effects of Merger* | |
|---|---|---|
| | ***Before Merger*** | ***After Merger*** |
| *NAV/NTA (S$ million)* | *7,652.6(1)* | *13,690.0(2)(3)(4)(5)* |
| *Number of CMT Units in issue (million)* | *3,688.8* | *6,466.3(5)* |
| *NAV/NTA for each CMT Unit (S$)* | *2.07(1)* | *2.12(2)(3)(4)* |

***Notes:***

*(1) Excludes CMT's declared distributable income for the period from 1 October 2019 to 31 December 2019.*

*(2) Excludes CMT's declared distributable income for the period from 1 October 2019 to 31 December 2019 and CCT's declared distributable income for the period from 29 July 2019 to 31 December 2019.*

*(3) Assumes that an additional S$1,021.1 million of Acquisition Debt was drawn down on 31 December 2019 to fund the Cash Consideration (based on the total number of CCT Units issued as at 31 December 2019) and Transaction Costs.*

*(4) Assumes the premium over NAV of CCT is recognised in the Statement of Total Return and excludes Transaction Costs.*

*(5) Assumes 2,777.5 million Consideration Units issued (based on the total number of CCT Units issued as at 31 December 2019) at the price of S$2.59 per Consideration Unit, and no new CMT units will be issued as payment of the Acquisition Fee as the CMT Manager has waived 100.0% of the Acquisition Fee on a one-off basis in recognition of the unprecedented circumstances brought about by the COVID-19 pandemic. For the avoidance of doubt, the Scheme Consideration that will be received by the CCT Unitholders for each CCT Unit under the Trust Scheme will be 0.720 new CMT Units (i.e. the Consideration units) and S$0.2590 in cash (i.e. the Cash Consideration).* ***Each Consideration Unit may trade at a price which is above or below S$2.59. There will not be any adjustment to the amount of the Cash Consideration or the number of Consideration Units to be issued for each CCT Unit to reflect any such price differential.****"*

Based on the FY2019 *Pro forma* Financials, we note that the Merger will be approximately 2.1% accretive to the CMT Unitholders from a NAV perspective with the NAV per CMT Unit increasing from S$2.07 to S$2.12.

***"Pro Forma Aggregate Leverage***

*The pro forma financial effects of the Merger on the aggregate leverage of the CMT Group as at 31 December 2019, as if the Merger was completed on 31 December 2019, are as follows:*

| | *Effects of Merger* | |
|---|---|---|
| | ***Before Merger*** | ***After Merger*** |
| *Aggregate leverage (%)* | *32.9* | *38.3(1)* |

***Note:***

*(1) Assumes that an additional S$1,021.1 million of Acquisition Debt was drawn down on 31 December 2019 to fund the Cash Consideration (based on the total number of CCT units issued as of 31 December 2019) and Transaction Costs."*

Based on the above, we note that:

(i) Following the Merger, the *pro forma* aggregate leverage of the Merged Entity as at 31 December 2019 will be 38.3%, taking into consideration the Acquisition Debt;

(ii) The aforementioned *pro forma* aggregate leverage is below the aggregate leverage limit of 45.0% as stipulated in Appendix 6 of the Property Funds Appendix issued by the MAS (now increased to 50.0% up to (and including) 31 December 2021 pursuant to the revision of the Property Funds Appendix on 16 April 2020); and

(iii) Upon completion of the Merger, the Acquisition Debt is expected to be refinanced with tenors of four years and longer.

**CMT Unitholders are advised to read the relevant paragraph of the Circular carefully. CMT Unitholders should note that the financial effects have been prepared for illustrative purposes only and do not reflect the future financial position of the Merged Entity.**

### 10.3.3 Other relevant considerations which have a bearing on our assessment

We wish to further highlight the following additional considerations that we consider relevant for the attention of the Audit Committee, the CMT Independent Directors and the CMT Trustee, in relation to the Merger.

### (A) Rationale and Key Benefits for the Merger

Details on the rationale and key benefits for the Merger are set out in **paragraph 3 and 4** of the Circular and the CMT Unitholders are advised to read the information carefully.

We have considered the rationale and key benefits that the CMT Manager believes the Merger will bring to the CMT Unitholders, which we view as reasonable. A summary of the rationale and key benefits for the Merger is extracted from the Circular and set out below:

<u>Rationale:</u>

(a) The Merger is a proactive response to the evolving Singapore real estate landscape. The trend towards decentralisation, mixed use precincts and integrated developments is expected to accelerate post COVID-19 as people demand a shift towards more flexible work arrangements and place higher emphasis on health and wellness. Retail and office remain key components in integrated developments.

(b) The Merged Entity will be able to leverage its footprint of strategically located prime assets in both central and decentralised locations island-wide to capture evolving demand. The combined domain expertise and potential redevelopment pipeline will also enable the Merged Entity to create opportunities for growth and unlock synergies through the Merged Entity's enlarged diversified portfolio and platform capabilities.

<u>Key benefits:</u>

(i) LEADERSHIP: Best-in-class portfolio supported by a stronger and more efficient platform;

(ii) RESILIENCE: Enhanced resilience and stability through market cycles;

(iii) GROWTH: Greater optionality for growth with broader focus and larger capacity for investment; and

(iv) ACCRETION: DPU and NAV per unit accretive to CMT Unitholders.

**(B) Management fee structure of the Merged Entity**

As the CMT Manager will be the manager of the Merged Entity (including CCT), it is currently intended that the fees which would otherwise have been payable to the CCT Manager (including base management fees, performance management fees, acquisition and divestment fees) will, instead, be payable to the CMT Manager. The fees for the properties and investments of the Merged Entity will be based on the fee structure of the CMT Group presently adopted. Notwithstanding the foregoing, the fees for the existing properties and investments of CCT (including CCT's existing 45.0% interest in CapitaSpring which is currently undergoing redevelopment) will be based on the fee structure of the CCT Group, as presently adopted, save for existing properties of CCT which may undergo redevelopment post-Merger to which the fee structure of CMT Group shall apply.

**(C) Switch Option**

Paragraph 6.8 of the Circular sets out certain information relating to the Switch Option.

We note that in the event of a CCT Switch Option Competing, the CMT Trustee has the right at its discretion to elect at any time, subject to prior consultation with the SIC, to proceed with a Merger by way of a voluntary conditional offer to acquire all the CCT Units (an "**Offer**") in lieu of proceeding with the Merger by way of the Trust Scheme.

Such Offer to be on the same or better terms as those which apply to the Trust Scheme or the CCT Switch Option Competing Offer (whichever is higher) and conditional upon a level of acceptances set at only more than 50% of the units to which the Offer relates and not conditional on a higher level of acceptances.

**(D) Exclusivity**

The CCT Trustee and the CCT Manager have agreed to grant the CMT Trustee and the CMT Manager exclusivity for a period commencing on the date of the Implementation Agreement and ending on the earliest of the date on which the Implementation Agreement is terminated, the date falling not later than seven business days after the Effective Date and the Long-Stop Date, during which the CCT Trustee and the CCT Manager shall not solicit, invite, encourage or initiate any enquiries, negotiations or discussions, negotiate or enter into any CCT competing offer which would lead to any CCT competing offer.

**(E) Break fee and reverse break fee**

We noted that the Parties have agreed to certain matters in relation to the payment of an amount up to S$30.2 million by:

(i) the CCT Trustee to the CMT Trustee; and

(ii) the CMT Trustee to the CCT Trustee.

as further described in **Schedule 3**, **Part 4** of the Circular.

We note that the Break Fee (payable to CMT Trustee) and Reverse Break Fee (payable to CCT Trustee) is approximately 0.4% of the agreed Scheme Consideration. We further note that, upon the termination of the Implementation Agreement, no Party shall have a claim against any other Party except for claims in relation to the Break Fee or the Reverse Break Fee (or in relation to certain surviving provisions after such termination), as the case may be.

**(F) Conditions to complete the Merger**

We note that the completion of the Merger is conditional upon certain condition precedents being satisfied. We wish to highlight to CMT Unitholders that The Trust Scheme Resolution is contingent upon the approval of the CCT Trust Deed Amendments Resolution at the CCT EGM. In the event that the CCT Trust Deed Amendments Resolution is not passed at the CCT EGM, the CCT Manager will not proceed with the Trust Scheme Meeting. This means that the Trust Scheme cannot be implemented by the CMT Manager and the CCT Manager unless both the CCT Trust Deed Amendments Resolution and the Trust Scheme Resolution are passed at the CCT EGM and the Trust Scheme Meeting respectively.

In addition, the Trust Scheme will only come into effect if all the other Conditions have been satisfied or, as the case may be, waived in accordance with the Implementation Agreement. Please refer to **Schedule 3, Part 1** of the Circular for the full list of Scheme Conditions.

**(G) Permitted Distributions**

Paragraph 6.6 of the Circular sets out certain information relating to Permitted Distributions.

We note that the CMT Manager reserves the right to adjust the Scheme Consideration by reducing the Cash Consideration, the number of Consideration Units issued or by any combination of such cash and unit components, if and to the extent any distribution in excess of the CCT Permitted Distributions is declared, made or paid by the CCT Manager on or after the Joint Announcement Date.

**(H) Waiver of 100.0% of the Acquisition Fees**

Notwithstanding what was announced in the Joint Announcement, the CMT Manager has waived 100.0% of the Acquisition Fee on a one-off basis (amounting to approximately S$111.2 million[21]) in recognition of the unprecedented circumstances brought about by the COVID-19 pandemic. Further details with respect to the fees payable to the CMT Manager are set out in **Schedule 1, Part 3** of the Circular.

**(I) Abstention from voting**

Under Rule 919 of the Listing Manual, where a meeting is held to obtain unitholders' approval, the interested person and any associate of the interested person must not vote on a resolution in respect of which such person is interested, nor accept appointments as proxies, unless specific instructions as to voting are given.

21 Equivalent to 1% of the property valuation of the CCT portfolio (including the proportionate share of its joint venture assets) as at 31 December 2019, which the CMT Manager is entitled to under the CMT Trust Deed.

Accordingly, PIPL, ACPL, Premier, CMTML and their associates will abstain from voting (either in person or by proxy) in respect of Resolution 2 and Resolution 3 and shall decline to accept appointments as proxies in respect of Resolution 2 and Resolution 3. In view of the COVID-19 situation, all CMT Unitholders (whether individual or corporate) who wish to exercise his/her/its voting rights are required to complete the Proxy Form to appoint the Chairman of the Meeting as proxy to attend, speak and vote on his/her/its behalf at the EGM. In appointing the Chairman of the Meeting as proxy, a CMT Unitholder must give specific instructions as to voting, or abstention from voting, in respect of a resolution in the Proxy Form, failing which the appointment of the Chairman of the Meeting as proxy for that resolution will be treated as invalid.

The CMT Manager will also disregard any votes cast by persons required to abstain from voting, whether pursuant to a listing rule or a court order.

For purposes of good corporate governance, Mr Jason Leow Juan Thong and Mr Jonathan Yap Neng Tong will also abstain from voting on Resolution 2 and Resolution 3.

**(J) CMT 805 Auditor's Opinion**

The CMT Manager has appointed PricewaterhouseCoopers LLP (the "**CMT 805 Auditor**") to perform an audit, in accordance with the Singapore Standard on Auditing 805 (Revised) "Special Considerations – Audits of Single Financial Statements and Specific Elements, Accounts or Items of a Financial Statement", on the following line items in respect of the statements of financial position of the CCT Group, as reflected in the unaudited financial statements of the CCT Group for 1H2020 dated 23 July 2020 (the "**CCT Group 1H2020 Financial Results**") titled:

(a) "investment properties"; and

(b) "joint ventures" (only in respect of the amounts titled "investment properties held by joint ventures") as reflected in the notes to the CCT Group 1H2020 Financial Results,

(collectively, the "**CCT Relevant Line Items**"), including by, among other things, reviewing the valuation certificates as at 30 June 2020 commissioned by the CCT Manager in respect of the CCT Properties. Please refer to Appendix H to the scheme document dated 4 September 2020 issued to the CCT Unitholders in connection with the Trust Scheme for copies of such valuation certificates**.**

A reciprocal arrangement was undertaken by CCT on the following line items in respect of the statements of financial position of the CMT Group, as reflected in CMT Group 1H2020 Financial Results titled:

(i) "investment properties"; and

(ii) "joint ventures" (only in respect of the amounts titled "investment property held by a joint venture") as reflected in the notes to the CMT Group 1H2020 Financial Results in relation to RCS Trust.

The intention in carrying out such audit is to give additional comfort to the CMT Unitholders that such carrying values were stated, in all material respects, in accordance with the basis of accounting of the CCT Group.

Pursuant to such audit, the CMT 805 Auditor has delivered an audit opinion dated 2 September 2020 setting out its opinion that the CCT Relevant Line Items were prepared, in all material respects, in accordance with the basis of accounting of the CCT Group described in Note 2 of the statement of investment properties (the "**CMT 805 Auditor's Opinion**").

We have held discussions with the CMT 805 Auditors and have considered their opinion. We further note that the CMT 805 Auditors have rendered an unqualified opinion.

Please refer to **Appendix B** to the Circular for the CMT 805 Auditor's Opinion.

**(K) Novel Coronavirus (COVID-19)**

The outbreak of the COVID-19 since early 2020 has negatively impacted the retail sector in Singapore and brought about additional uncertainties in the CMT Group's operating environment. We note the CMT Manager's commentary in the 2020 Second Quarter Unaudited Financial Statement ("**Q2 FY2020 Unaudited Financial Statement**") on the competitive conditions of the industry in which the CMT Group operates in and potential implications on the CMT Group in the next reporting period and the rest of the FY2020. The commentary has been reproduced below in italics and should be read in the context of the entire Q2 FY2020 Unaudited Financial Statement:

*"Since the COVID-19 global outbreak in January 2020, the Singapore Government has imposed various measures to minimise its further spreading in Singapore, including the 'circuit breaker' whereby all non-essential businesses must stop operations at their workplaces from 7 April 2020 to 1 June 2020. In order to assist businesses that are impacted during this period, the Singapore Government passed various legislations and regulations to support tenants and landlords alike. As at 30 June 2020, CMT has extended tenant support that includes but is not limited to: 1) a S$154.5-million rental relief package comprising 100% rental rebates, and the value of property tax rebates and cash grants, 2) waiver of turnover rent, 3) release of one-month security deposits to offset rents and 4) rental relief to qualifying SME tenants. The government measures may continue to impact the cashflow and financial performance of the portfolio and CMT for the next reporting period and 12 months forward. CMT remains committed to preserve the retail ecosystem and will exercise caution amidst uncertainty with sufficient bank facilities to finance ongoing operations into 2021.*

*The outbreak of the COVID-19 continues to affect the retail sector negatively. Given that, the potential impact of COVID-19 is fluid and evolving, significant market uncertainty exists. Consequently, valuations of investment properties are subject to significant estimation uncertainty. Therefore the carrying amounts of the investment properties may change significantly after 30 June 2020."*

The above commentary by the CMT Manager was not made in connection with the Merger.

We further note that the COVID-19 outbreak has resulted in heightened uncertainty and fluctuations in the market valuations of S-REITs in general compared to normal market conditions.

## 11. RECOMMENDATION

In arriving at our opinion whether the Merger is on normal commercial terms and not prejudicial to the interests of CMT and its minority unitholders, we have evaluated, *inter alia*, whether the CCT Units and the Consideration Units are fairly valued based on the Scheme Consideration and the Consideration Unit Price, respectively, and have considered, *inter alia*, the following factors below which should be read in conjunction with, and interpreted, in the full context of this Letter:

(a) Based on the LTM June 2020 and FY2019 *Pro forma* Financials, the Merger is accretive to CMT Unitholders on both a DPU basis and NAV per CMT Unit basis;

(b) The Exchange Ratio of 0.820x is below the exchange ratio of 0.863x implied by the last closing prices of the CMT Units and the CCT Units as at the Latest Practicable Date;

(c) The Exchange Ratio of 0.820x is broadly in line with the exchange ratio of 0.854x implied by the VWAPs of the CMT Units and the CCT Units for the period from the Joint Announcement Date to Latest Practicable Date;

(d) The Exchange Ratio of 0.820x is in line with the exchange ratios of 0.822x and 0.821x implied by the last closing prices and 30-day VWAPs of the CMT Units and the CCT Units as at the Last Trading Date, respectively;

(e) The Exchange Ratio of 0.820x is broadly in line with the exchange ratios of 0.806x, 0.807x and 0.808x implied by the 90-day, 180-day and 360-day VWAPs of the CMT Units and the CCT Units as at the Last Trading Date, respectively;

(f) As disclosed in the Circular, the completion of the Merger will result in the creation of a Merged Entity, which is expected to be the largest REIT in Singapore and the third largest REIT in APAC by market capitalisation[22]. The enlarged scale of the combined portfolio will allow the Merged Entity to compete better in Singapore and overseas developed countries across retail, office, as well as integrated developments, bringing new opportunities for growth. In addition, the enlarged scale will enhance the Merged Entity's visibility within the APAC REIT universe which may result in higher trading liquidity and a potential for positive re-rating to achieve a more competitive cost of capital;

(g) The rationale and key benefits that the CMT Manager believes the Merger will bring to the CMT Unitholders; and

(h) Other relevant considerations that have a significant bearing on our assessment in relation to the Merger;

<u>In the evaluation of the Scheme Consideration:</u>

1. The liquidity analysis of the CCT Units and the Top 15 STI Companies indicates that there is high liquidity in the CCT Units and that the market prices of the CCT Units should generally reflect the fundamental, market-based value of the CCT Units;

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22 As at 30 June 2020.

2. The historical market performance and trading activity of the CCT Units indicate that:

- the Scheme Consideration of S$2.124 represents a discount of 0.3% to the closing price of the CCT Units on the Last Trading Date;

- the Scheme Consideration of S$2.124 represents a premium of 4.1%, 4.0%, 3.0% and 8.8% to the 30-day, 90-day, 180-day and 360-day VWAPs as at the Last Trading Date of the CCT Units, respectively;

- the Scheme Consideration of S$2.124 represents a premium of 24.6% over the VWAP of the CCT Units for the period from the Joint Announcement Date up to the Latest Practicable Date;

- Based on CMT's Unit price as at the Latest Practicable Date, for illustrative purposes, the implied CCT consideration of S$1.627 would represent a discount of 0.8% to the closing price of the CCT Units as at the Latest Practicable Date and a premium of 3.4% over the VWAP of the CCT Units for the period from the Joint Announcement Date up to the Latest Practicable Date

- the average daily trading volume of the CCT Units as a percentage of the free float ranged between 0.3% and 0.4%, in the 30-day, 90-day, 180-day and 360-day periods up to the Last Trading Date;

- the average daily trading volume of the CCT Units as a percentage of the market capitalisation ranged between 0.2% and 0.3%, in the 30-day, 90-day, 180-day and 360-day periods up to the Last Trading Date;

- the average daily trading volume of the CCT Units as a percentage of the free float and market capitalisation was 0.6% and 0.4%, respectively, for the period from the Joint Announcement Date to the Latest Practicable Date;

3. The comparison of the Latest P/NAV multiple implied by the Scheme Consideration of 1.16x to the trailing Latest P/NAV multiples of the CCT Units indicates that the Latest P/NAV multiple of 1.16x implied by the Scheme Consideration is:

- within the range of the trailing Latest P/NAV multiples of the CCT Units of 1.07x to 1.18x over the 6-month period up to and including the Last Trading Date and broadly in line with the mean and median of 1.12x;

- within the range of the trailing Latest P/NAV multiples of the CCT Units of 1.01x to 1.27x over the 12-month period up to and including the Last Trading Date but above the mean and median of 1.10x;

4. The comparison of the LTM DY of the CCT Units implied by the Scheme Consideration of 4.2% to the trailing LTM DYs of the CCT Units indicates that the LTM DY of 4.2% implied by the Scheme Consideration is:

- Within the range of the trailing LTM DYs of the CCT Units of 4.0% to 4.5% over the 6-month period up to and including the Last Trading Date and broadly in line with the mean and median of 4.3%;

- within the range of the trailing LTM DYs of the CCT Units of 3.8% to 4.7% over the 12-month period up to and including the Last Trading Date but below the mean and median of 4.4%;

5. The comparison of valuation multiples implied by the Scheme Consideration to those of the Comparable Commercial S-REITs indicates that:

   - the Latest P/NAV multiple implied by the Scheme Consideration of 1.16x is broadly in line with the range of the P/NAV multiples of the Comparable Commercial S-REITs of 0.61x to 1.13x but above the mean and median of 0.80x and 0.73x, respectively;

   - the LTM DY implied by the Scheme Consideration of 4.2% is within the range of the LTM DY of the Comparable Commercial S-REITs of 4.0% to 7.0% but below the mean and median of 5.5%;

6. The comparison of premium/discount to the prevailing VWAPs implied by the Scheme Consideration to those implied in the Precedent Transactions indicates that:

   - the discount of 0.3% implied by the Scheme Consideration over the last transacted market price of the CCT Units as at the Last Trading Date is below the range of the premia implied by the Precedent Transactions of 0.0% to 11.5%;

   - the premium of 4.1% implied by the Scheme Consideration over the 30-day VWAP as at the Last Trading Date is within the range of the premia implied by the Precedent Transactions of 0.3% to 13.8% but above the mean and median of 3.8% and 2.6%, respectively;

   - the premium of 4.0% implied by the Scheme Consideration over the 90-day VWAP as at the Last Trading Date is within the range of the premia implied by the Precedent Transactions of 0.2% to 19.0% and within the mean and median of 5.4% and 3.8%, respectively;

   - the premium of 3.0% implied by the Scheme Consideration over the 180-day VWAP as at the Last Trading Date is within the range of the premia implied by the Precedent Transactions of (1.4%) to 24.2% and within the mean and median of 5.8% and 2.5%, respectively;

7. The comparison of the Scheme Consideration to broker target prices of the CCT Units indicates that the Scheme Consideration of S$2.124 is:

   - within the range of the target prices issued by brokerage and research entities in the Period up to the LTD of S$1.610 to S$2.300 and broadly in line with the mean and median of S$2.076 and S$2.100, respectively;

   - broadly in line with the range of the target prices issued by brokerage and research entities in the Period up to the Latest Practicable Date of S$1.500 to S$2.080 but above the mean and median of S$1.847 and 1.870, respectively:

In the evaluation of the Consideration Unit Price:

1. The liquidity analysis of the CMT Units and the Top 15 STI Companies indicate that there is high liquidity in the CMT Units and that the market prices of the CMT Units should generally reflect the fundamental, market-based value of the CMT Units;

2. The historical market performance and trading activity of the CMT Units indicate that:

   - the Consideration Unit Price of S$2.590 is the same as the closing price of the CMT Units on the Last Trading Date;

   - the Consideration Unit Price of S$2.590 represents a premium of 4.2%, 2.2%, 1.4% and 7.2% to the 30-day, 90-day, 180-day and 360-day VWAPs as at the Last Trading Date of the CMT Units, respectively;

   - the Consideration Unit Price of S$2.590 represents a premium of 29.8% over the VWAP of the CMT Units for the period from the Joint Announcement Date up to the Latest Practicable Date; and

   - the average daily trading volume of the CMT Units as a percentage of the free float was 0.4% in the 30-day, 90-day, 180-day and 360-day periods up to the Last Trading Date;

   - the average daily trading volume of the CMT Units as a percentage of the market capitalisation ranged between 0.2% and 0.3%, in the 30-day, 90-day, 180-day and 360-day periods up to the Last Trading Date;

   - the average daily trading volume of the CMT Units as a percentage of the free float and market capitalisation was 0.9% and 0.6%, respectively, for the period from the Joint Announcement Date to the Latest Practicable Date.

3. The comparison of the Latest P/NAV multiple implied by the Consideration Unit Price of 1.25x to the trailing Latest P/NAV multiples of the CMT Units indicates that the Latest P/NAV multiple of 1.25x implied by the Consideration Unit Price is:

   - within the range of the trailing Latest P/NAV multiples of the CMT Units of 1.16x to 1.30x over the 6-month period up to and including the Last Trading Date and above the mean and median of 1.23x and 1.24x, respectively;

   - within the range of the trailing Latest P/NAV multiples of the CMT Units of 1.12x to 1.34x over the 12-month period up to and including the Last Trading Date and above the mean and median of 1.22x and 1.21x, respectively;

4. The comparison of the LTM DY of the CMT Units implied by the Consideration Unit Price of 4.6% to the trailing LTM DYs of the CMT Units indicates that the LTM DY of 4.6% implied by the Consideration Unit Price is:

- within the range of the trailing DYs of the CMT Units of 4.3% to 4.9% over the 180-day period up to and including the Last Trading Date and below the mean and median of 4.6%, respectively;

- within the range of the trailing DYs of the CMT Units of 4.2% to 5.1% over the 360-day period up to and including the Last Trading Date and below the mean and median of 4.7%, respectively;

5. The comparison of valuation multiples implied by the Consideration Unit Price to those of the Comparable Retail S-REITs indicates that:

   - the Latest P/NAV multiple implied by the Consideration Unit Price of 1.25x is above the range of the P/NAV multiples of the Comparable Retail S-REITs of 0.55x to 1.13x;

   - the LTM DY implied by the Consideration Unit Price of 4.6% is within the range of the LTM DY of the Comparable Retail S-REITs of 4.0% to 6.7% and within the mean and median of 4.8% and 4.3%, respectively;

6. The comparison of the Consideration Unit Price to broker target prices of the CMT Units indicates that the Consideration Unit Price of S$2.590 is:

   - within the range of the target prices issued by brokerage and research entities in the Period up to the LTD of S$2.380 to S$2.950 and broadly in line with the mean and median of S$2.678 and S$2.665, respectively; and

   - within the range of the target prices issued by brokerage and research entities in the Period up to the Latest Practicable Date of S$1.990 to S$2.650 and above the mean and median of S$2.314 and S$2.340, respectively.

The below table summarises the above mentioned financial analyses performed and other factors taken into account in arriving at our opinion.

| Summary of financial analyses and other factors | | |
|---|---|---|
| Section | Factors considered | IFA Opinion |
| | **Whether the CCT Units as implied by the Scheme Consideration are fairly valued** | ☑ |
| 10.1.1 | Liquidity analysis of the CCT Units | |
| 10.1.2 | Historical market performance and trading activity of the CCT Units | |
| 10.1.3 | Trailing Latest P/NAV multiples of the CCT Units relative to the Latest P/NAV multiples implied by the Scheme Consideration | |
| 10.1.4 | Trailing LTM DYs of the CCT Units relative to the DY implied by the Scheme Consideration | |
| 10.1.5 | Valuation Multiples of selected Comparable Commercial S-REITs | |
| 10.1.6 | Premium / (discount) of selected Precedent Transactions | |
| 10.1.7 | Broker target prices of the CCT Units | |
| 10.1.8 | Independent valuation of CCT Properties | |
| | **Whether the CMT Units as implied by the Consideration Unit Price are fairly valued** | ☑ |
| 10.2.1 | Liquidity analysis of the CMT Units | |
| 10.2.2 | Historical market performance and trading activity of the CMT Units | |
| 10.2.3 | Trailing Latest P/NAV multiples of the CMT Units relative to the Latest P/NAV multiples implied by the Consideration Unit Price | |
| 10.2.4 | Trailing LTM DYs of the CMT Units relative to the DY implied by the Consideration Unit Price | |
| 10.2.5 | Valuation Multiples of selected Comparable Retail S-REITs | |
| 10.2.6 | Broker target prices of the CMT Units | |
| 10.2.7 | Independent valuation of CMT Properties | |
| | **Other factors** | ☑ |
| 10.3.1 | Implied Exchange Ratio Analysis | |
| 10.3.2 | Pro forma consolidated financial effects of the Merger | |
| 10.3.3 | Rationale for the Merger | |
| 10.3.4 | CMT 805 Auditors Opinion | |
| 10.3.5 | Other factors of the Scheme Implementation Agreement and the CMT Trust Deed | |

Based upon, and having considered, *inter alia*, the factors described above and the information that has been made available to us as at the Latest Practicable Date, we are of the opinion that as at the Latest Practicable Date, the Scheme Consideration is fairly valued and the Merger is on normal commercial terms and not prejudicial to the interests of CMT and its minority unitholders. Accordingly, we advise the Audit Committee and the CMT Independent Directors to recommend that the independent CMT Unitholders **VOTE IN FAVOUR OF THE MERGER**.

The Audit Committee, the CMT Independent Directors and the CMT Trustee should note that we have arrived at these conclusions based on information made available to us prior to and including the Latest Practicable Date. CMT Unitholders should also note that our opinion on the Merger cannot and does not take into account the future trading activity or patterns or price levels that may be established for the CMT Units and the CCT Units as these are governed by factors beyond the scope of our review and would not fall within our terms of reference in connection with the Merger. CMT Unitholders should not rely on our opinion as the sole basis for deciding whether or not to vote in favour of the Merger.

Yours faithfully
For and on behalf of
**Australia and New Zealand Banking Group Limited, Singapore Branch**

Ilhem Dib
Head of Corporate Advisory, Asia

# STEPS FOR PRE-REGISTRATION, PRE-SUBMISSION OF QUESTIONS AND VOTING AT THE EGM

Steps for pre-registration, pre-submission of questions and voting at the EGM

CMT Unitholders will be able to observe and/or listen to the EGM proceedings through a live audio-visual webcast or live audio-only stream by pre-registering, submit questions relating to the resolutions to be tabled for approval at the EGM in advance of the EGM and vote by appointing the Chairman of the Meeting as proxy to attend, speak and vote on their behalf at the EGM.

To do so, they will need to complete the following steps:

| No. | Steps | Details |
|---|---|---|
| 1. | Pre-registration | CMT Unitholders and CPF and SRS investors must pre-register at https://cmt.listedcompany.com/agm_egm.html from 4 September 2020 to 10.30 a.m. (Singapore time) on 26 September 2020 to enable the CMT Manager to verify their status as CMT Unitholders.<br><br>Following the verification, authenticated persons will receive an email which will contain user ID and password details, as well as instructions on how to access the live audio-visual webcast and a toll-free telephone number to access the live audio-only stream of the EGM proceedings (the "**Confirmation Email**").<br><br>CMT Unitholders and CPF and SRS investors who do not receive the Confirmation Email by **5.00 p.m. (Singapore time) on 26 September 2020**, but have registered by the deadline on **26 September 2020** should contact CMT's Unit Registrar, Boardroom Corporate & Advisory Services Pte. Ltd., at **+65 6536 5355 (during office hours)** or email **CMT2020@boardroomlimited.com**.<br><br>Investors who hold Units through a relevant intermediary (other than SRS investors) will not be able to pre-register at https://cmt.listedcompany.com/agm_egm.html for the live broadcast of the EGM. Such investors who wish to participate in the live broadcast of the EGM should instead approach their relevant intermediary as soon as possible in order to make the necessary arrangements. |
| 2. | Pre-submission of questions | **CMT Unitholders will not be able to ask questions at the EGM "live" during the audio-visual webcast or audio-stream, and therefore it is important for CMT Unitholders who wish to ask questions to submit their questions in advance of the EGM.** |

| No. | Steps | Details |
|---|---|---|
| | | **Submission of questions:** CMT Unitholders may submit questions relating to the resolutions to be tabled for approval at the EGM in advance of the EGM, in the following manner:<br><br>(a) via the pre-registration website at https://cmt.listedcompany.com/agm_egm.html; or<br><br>(b) by post to CMT's Unit Registrar, Boardroom Corporate & Advisory Services Pte. Ltd., at 50 Raffles Place #32-01 Singapore Land Tower Singapore 048623.<br><br>CMT Unitholders who submit questions by post to CMT's Unit Registrar must provide the following details:<br><br>• the CMT Unitholder's full name;<br><br>• the CMT Unitholder's address; and<br><br>• the manner in which the CMT Unitholder holds CMT Units (e.g., via CDP, CPF or SRS).<br><br>In view of the current COVID-19 restriction orders in Singapore and the related safe distancing measures which may make it difficult to submit questions by post, CMT Unitholders are strongly encouraged to submit their questions electronically via the pre-registration website.<br><br>**Deadline to submit questions:** All questions must be submitted by 10.30 a.m. (Singapore time) on 26 September 2020.<br><br>**Addressing substantial and relevant questions:** The CMT Manager will endeavour to address all substantial and relevant questions received in advance of the EGM from CMT Unitholders, prior to or during the EGM. However, as there may not be sufficient time to address all such questions during the EGM itself, the CMT Manager will also publish responses to the substantial and relevant questions which the CMT Manager is unable to address during the EGM on CMT's website and on SGXNet prior to the EGM.<br><br>**Minutes of EGM:** The CMT Manager will publish the minutes of the EGM on CMT's website and on SGXNet within one month from the date of EGM, and the minutes will include the responses to the substantial and relevant questions which are addressed during the EGM. |

| No. | Steps | Details |
|---|---|---|
| 3. | Submission of Proxy Form to vote | **Appointment of Chairman of the Meeting as proxy:** CMT Unitholders (whether individual or corporate) who wish to exercise their voting rights on the resolutions to be tabled at the EGM must appoint the Chairman of the Meeting as their proxy to attend, speak and vote on their behalf at the EGM, in accordance with the instructions on the Proxy Form.<br><br>**Specific voting instructions to be given:** In appointing the Chairman of the Meeting as proxy, CMT Unitholders must give specific instructions as to voting, or abstention from voting, in respect of a resolution in the Proxy Form, failing which the appointment of the Chairman of the Meeting as proxy for that resolution will be treated as invalid.<br><br>**Submission of Proxy Forms:** Proxy Forms must be submitted in the following manner:<br><br>(a) if submitted electronically, be submitted via email to CMT's Unit Registrar at CMT2020@boardroomlimited.com; or<br><br>(b) if submitted by post, be lodged at the office of CMT's Unit Registrar at 50 Raffles Place #32-01 Singapore Land Tower, Singapore 048623,<br><br>in either case, by 10.30 a.m. (Singapore time) on Sunday, 27 September 2020, being 48 hours before the time fixed for the EGM.<br><br>A CMT Unitholder who wishes to submit the Proxy Form must complete and sign the Proxy Form before submitting it by post to the address provided above, or before scanning and sending it by email to the email address provided above.<br><br>**In view of the current COVID-19 restriction orders in Singapore and the related safe distancing measures which may make it difficult for the CMT Unitholders to submit completed Proxy Forms by post, the CMT Unitholders are strongly encouraged to submit completed Proxy Forms electronically via email.**<br><br>CPF and SRS investors who wish to appoint the Chairman of the Meeting as proxy should approach their respective CPF Agent Banks or SRS Operators to submit their votes by 5.00 p.m. (Singapore time) on 17 September 2020. Other persons holding CMT Units through other relevant intermediary who wish to vote should approach their relevant intermediary as soon as possible to specify voting instructions. |

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CapitaLand Mall Trust

# CAPITALAND MALL TRUST

(Constituted in the Republic of Singapore pursuant to a trust deed
dated 29 October 2001 (as amended))

## NOTICE OF EXTRAORDINARY GENERAL MEETING

**NOTICE IS HEREBY GIVEN** that an Extraordinary General Meeting ("**EGM**") of the holders of units in CapitaLand Mall Trust ("**CMT**", and the holders of units in CMT, "**CMT Unitholders**") will be held by way of electronic means on Tuesday, 29 September 2020 at 10.30 a.m. (Singapore Time), for the purpose of considering and, if thought fit, passing, with or without modifications, the following resolutions (capitalised terms not otherwise defined herein shall bear the meanings ascribed to them in the circular dated 4 September 2020 to the CMT Unitholders (the "**Circular**")):

**(1) PROPOSED AMENDMENTS TO THE DEED OF TRUST CONSTITUTING CAPITALAND MALL TRUST (EXTRAORDINARY RESOLUTION)**

That:

(a) approval be and is hereby given to amend the deed of trust dated 29 October 2001 constituting CMT (as amended) (the "**CMT Trust Deed**") as described and set out in the Circular; and

(b) CapitaLand Mall Trust Management Limited, as manager of CMT (the "**CMT Manager**"), any director of the CMT Manager, and HSBC Institutional Trust Services (Singapore) Limited, as trustee of CMT (the "**CMT Trustee**"), be and are hereby severally authorised to complete and do all such acts and things (including executing all such documents as may be required) as the CMT Manager, such director of the CMT Manager or, as the case may be, the CMT Trustee may consider expedient or necessary or in the interests of CMT to give effect to the proposed amendments to the CMT Trust Deed.

**(2) PROPOSED MERGER OF CAPITALAND MALL TRUST AND CAPITALAND COMMERCIAL TRUST BY WAY OF A TRUST SCHEME OF ARRANGEMENT (THE "MERGER") (ORDINARY RESOLUTION)**

That, subject to the passing of Resolution 1 and Resolution 3:

(a) approval be and is hereby given for the Merger on the terms and conditions set out in the Implementation Agreement (as defined in the Circular);

(b) approval be and is hereby given for the payment of all fees and expenses relating to the Merger; and

(c) the CMT Manager, any director of the CMT Manager, and the CMT Trustee be and are hereby severally authorised to complete and do all such acts and things (including executing all such documents as may be required) as the CMT Manager, such director of the CMT Manager or, as the case may be, the CMT Trustee may consider expedient or necessary or in the interests of CMT to give effect to the Merger.

**(3) PROPOSED ALLOTMENT AND ISSUANCE OF UNITS OF CAPITALAND MALL TRUST TO THE HOLDERS OF UNITS IN CAPITALAND COMMERCIAL TRUST AS PART OF THE CONSIDERATION FOR THE MERGER (ORDINARY RESOLUTION)**

That, subject to the passing of Resolution 1 and Resolution 2:

(a) approval be and is hereby given for the CMT Manager to issue, in the manner described in the Circular, new CMT Units to the unitholders of CapitaLand Commercial Trust as part of the consideration for the CMT Acquisition (as defined in the Circular) in connection with the Merger (such units issued, the "**Consideration Units**");

(b) approval be and is hereby given for the payment of all fees and expenses relating to the issue of Consideration Units; and

(c) the CMT Manager, any director of the CMT Manager, and the CMT Trustee be and are hereby severally authorised to complete and do all such acts and things (including executing all such documents as may be required) as the CMT Manager, such director of the CMT Manager or, as the case may be, the CMT Trustee may consider expedient or necessary or in the interests of CMT to give effect to the issue of the Consideration Units.

BY ORDER OF THE BOARD
**CAPITALAND MALL TRUST MANAGEMENT LIMITED**
(Registration Number: 200106159R)
as manager of **CapitaLand Mall Trust**

**LEE JU LIN, AUDREY**
Company Secretary

Singapore
4 September 2020

**Notes:**

1 The EGM is being convened, and will be held, by electronic means pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020. This Notice will be sent to CMT Unitholders by electronic means via publication on CMT's website at https://cmt.listedcompany.com/agm_egm.html and be made available on the SGX website at https://www.sgx.com/securities/company-announcements. Printed copies of this Notice will also be sent to CMT Unitholders.

2. **Due to the current COVID-19 restriction orders in Singapore, a CMT Unitholder will not be able to attend the EGM in person.** Alternative arrangements relating to attendance at the EGM via electronic means (including arrangements by which the meeting can be electronically accessed via live audio-visual webcast or live audio-only stream), submission of questions to the Chairman of the Meeting in advance of the EGM, addressing of substantial and relevant questions either before or at the EGM, and voting by appointing the Chairman of the Meeting as proxy at the EGM, are set out in the accompanying circular dated **4 September 2020**. The circular may be accessed at CMT's website at https://cmt.listedcompany.com/agm_egm.html, and will also be made available on the SGX website at https://www.sgx.com/securities/company-announcements. Any reference to a time of day is made by reference to Singapore time.

3. CMT Unitholders and CPF and SRS investors will be able to observe and/or listen to the EGM proceedings through a live audio-visual webcast or live audio-only stream via their mobile phones, tablets or computers. In order to do so, CMT Unitholders and CPF and SRS investors must pre-register at CMT's pre-registration website at **https://cmt.listedcompany.com/agm_egm.html** from now till **10.30 a.m. on Saturday, 26 September 2020** to enable the CMT Manager to verify their status as CMT Unitholders.

   Following the verification, authenticated CMT Unitholders and CPF and SRS investors will receive an email, which will contain user ID and password details as well as instructions on how to access the live audio-visual webcast and live audio-only stream of the EGM proceedings, by **5.00 p.m. on Saturday, 26 September 2020**. CMT Unitholders and CPF and SRS investors who do not receive an email by **5.00 p.m. on Saturday, 26 September 2020** but have registered by the deadline on **26 September 2020** should contact CMT's Unit Registrar, Boardroom Corporate & Advisory Services Pte. Ltd., at +65 6536 5355 (during office hours) or email CMT2020@boardroomlimited.com.

4. CMT Unitholders may also submit questions related to the resolutions to be tabled for approval at the EGM to the Chairman of the Meeting, in advance of the EGM. In order to do so, their questions must be submitted in the following manner by **10.30 a.m.** on **Saturday, 26 September 2020**:

   (a) if submitted electronically, be submitted via the CMT's pre-registration website at https://cmt.listedcompany.com/agm_egm.html; or

   (b) if submitted by post, be deposited at the office of CMT's Unit Registrar, Boardroom Corporate & Advisory Services Pte. Ltd., at 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623.

   CMT Unitholders who submit questions by post to CMT's Unit Registrar must provide the following information:

   (1) the CMT Unitholder's full name;

   (2) the CMT Unitholder's address; and

   (3) the manner in which the CMT Unitholder holds CMT Units (e.g., via CDP, CPF or SRS).

   The CMT Manager's Chairman, Ms Teo Swee Lian, and Chief Executive Officer, Mr Tony Tan Tee Hieong, will conduct the proceedings of the EGM. The CMT Manager will endeavour to address all substantial and relevant questions received in advance of the EGM from CMT Unitholders, prior to or during the EGM. The CMT Manager will publish the responses to the substantial and relevant questions which the CMT Manager is unable to address during the EGM, on CMT's website and on SGXNET prior to the EGM. The CMT Manager will publish the minutes of the EGM on CMT's website and on SGXNET within one month from the date of the EGM, and the minutes will include the responses to the substantial and relevant questions which are addressed during the EGM.

   CMT Unitholders will not be able to ask questions at the EGM "live" during the audio-visual webcast or audio-stream, and therefore it is important for CMT Unitholders who wish to ask questions to submit their questions in advance of the EGM.

5. **A CMT Unitholder will not be able to vote online on the resolutions to be tabled for approval at the EGM. A CMT Unitholder (whether individual or corporate) must appoint the Chairman of the Meeting as his/her/its proxy to attend, speak and vote on his/her/its behalf at the EGM if such CMT Unitholder wishes to exercise his/her/its voting rights at the EGM. The Chairman of the Meeting, as proxy, need not be a CMT Unitholder.** The instrument appointing the Chairman of the Meeting as proxy ("**Proxy Form**") is available on CMT's website at https://cmt.listedcompany.com/agm_egm.html and on the SGX website at https://www.sgx.com/securities/company-announcements. Printed copies of the Proxy Form will also be sent to CMT Unitholders.

In appointing the Chairman of the Meeting as proxy, a CMT Unitholder must give specific instructions as to voting, or abstention from voting, in respect of a resolution in the Proxy Form, failing which the appointment of the Chairman of the Meeting as proxy for that resolution will be treated as invalid.

6. The Proxy Form appointing the Chairman of the Meeting as proxy must be submitted to the CMT Manager c/o CMT's Unit Registrar, Boardroom Corporate & Advisory Services Pte. Ltd., in the following manner:

   (a) if submitted electronically, be submitted via email to CMT's Unit Registrar at CMT2020@boardroomlimited.com; or

   (b) if submitted by post, be lodged at the office of CMT's Unit Registrar at 50 Raffles Place #32-01 Singapore Land Tower, Singapore 048623,

   in either case, by **10.30 a.m. on Sunday, 27 September 2020**, being 48 hours before the time fixed for the EGM.

   A CMT Unitholder who wishes to submit the Proxy Form must complete and sign the Proxy Form before submitting it by post to the address provided above, or before scanning and sending it by email to the email address provided above.

   **In view of the current COVID-19 restriction orders in Singapore and the related safe distancing measures which may make it difficult for CMT Unitholders to submit completed Proxy Forms by post, CMT Unitholders are strongly encouraged to submit completed Proxy Forms electronically via email.**

7. Persons who hold CMT Units through relevant intermediaries (as defined below) and who wish to participate in the EGM by (a) observing and/or listening to the EGM proceedings through live audio-visual webcast or live audio-only stream; (b) submitting questions in advance of the EGM; and/or (c) appointing the Chairman of the Meeting as proxy to attend, speak and vote on their behalf at the EGM, should approach the relevant intermediary through which they hold such CMT Units as soon as possible in order to make the necessary arrangements for them to participate in the EGM.

   In addition, CPF and SRS investors who wish to appoint the Chairman of the Meeting as proxy should approach their respective CPF Agent Banks or SRS Operators to submit their votes by **5.00 p.m. on Thursday, 17 September 2020**, being 7 working days before the date of the EGM.

   "**relevant intermediary**" means:

   (i) a banking corporation licensed under the Banking Act, Chapter 19 of Singapore or a wholly owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds CMT Units in that capacity; or

   (ii) a person holding a capital markets services licence to provide custodial services for securities under the Securities and Futures Act, Chapter 289 of Singapore and who holds CMT Units in that capacity; or

   (iii) the Central Provident Fund Board ("**CPF Board**") established by the Central Provident Fund Act, Chapter 36 of Singapore, in respect of CMT Units purchased under the subsidiary legislation made under that Act providing for the making of investments from the contributions and interest standing to the credit of members of the Central Provident Fund, if the CPF Board holds those CMT Units in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.

**Due to the constantly evolving COVID-19 situation in Singapore, the CMT Manager may be required to change the arrangements for the EGM at short notice. CMT Unitholders should check CMT's website at https://cmt.listedcompany.com/agm_egm.html for the latest updates on the EGM.**

**Personal Data Privacy:**

By submitting an instrument appointing the Chairman of the Meeting as proxy to attend, speak and vote at the EGM of CMT and/or any adjournment thereof, a CMT Unitholder consents to the collection, use and disclosure of the CMT Unitholder's personal data by the CMT Manager and the CMT Trustee (or their agents or service providers) for the purpose of the processing and administration by the CMT Manager and the CMT Trustee (or their agents or service providers) of appointment of the Chairman of the Meeting as proxy for the EGM of CMT (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the EGM of CMT (including any adjournment thereof), and in order for the CMT Manager and the CMT Trustee (or their agents or service providers) to comply with any applicable laws, listing rules, regulations and/or guidelines.

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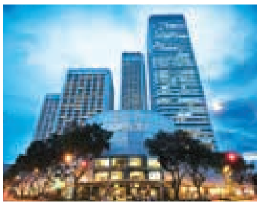
# COMBINED PROPERTY PORTFOLIO

## INTEGRATED DEVELOPMENTS

1 CAPITASPRING (UNDER DEVELOPMENT)

2 FUNAN



3 RAFFLES CITY SINGAPORE

4 PLAZA SINGAPURA

5 THE ATRIUM@ ORCHARD

## RETAIL

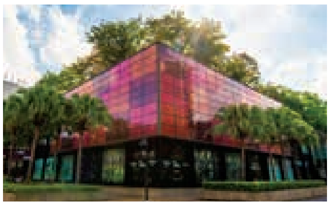
1 BEDOK MALL

2 BUGIS+

3 BUGIS JUNCTION

4 BUKIT PANJANG PLAZA

5 CLARKE QUAY



6 IMM BUILDING

7 JCUBE

8 JUNCTION 8

9 LOT ONE SHOPPERS' MALL

10 TAMPINES MALL

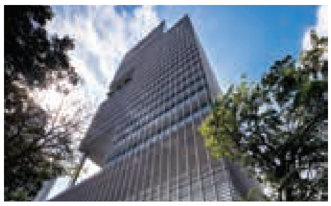
11 WESTGATE

## OFFICE

1 ASIA SQUARE TOWER 2

2 CAPITAGREEN

3 CAPITAL TOWER



4 ONE GEORGE STREET

5 SIX BATTERY ROAD

6 21 COLLYER QUAY

GALLILEO (GERMANY)

MAIN AIRPORT CENTER (GERMANY)

**CAPITALAND MALL TRUST MANAGEMENT LIMITED**
**As Manager of CapitaLand Mall Trust**
**Company Registration No. 200106159R**

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Singapore 068912

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