



# CAPITALAND MALL TRUST

Singapore's First & Largest Retail REIT

## Extraordinary General Meeting

25 October 2018



# Disclaimer

This presentation 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. You are cautioned not to place undue reliance on these forward-looking statements, which are based on the current view of management on future events.

The information contained in this presentation has not been independently verified. No representation or warranty expressed or implied is made as to, and no reliance should be placed on, the fairness, accuracy, completeness or correctness of the information or opinions contained in this presentation. Neither CapitaLand Mall Trust Management Limited (the 'Manager') or any of its affiliates, advisers or representatives shall have any liability whatsoever (in negligence or otherwise) for any loss howsoever arising, whether directly or indirectly, from any use, reliance or distribution of this presentation or its contents or otherwise arising in connection with this presentation.

The past performance of CapitaLand Mall Trust ('CMT') is not indicative of the future performance of CMT. Similarly, the past performance of the Manager is not indicative of the future performance of the Manager.

The value of units in CMT ('Units') and the income derived from them may fall as well as rise. Units are not obligations of, deposits in, or guaranteed by, the Manager or any of its affiliates. An investment in Units is subject to investment risks, including the possible loss of the principal amount invested.

Investors should note that they will have no right to request the Manager to redeem or purchase their Units for so long as the Units are listed on the Singapore Exchange Securities Trading Limited (the 'SGX-ST'). It is intended that unitholders of CMT may only deal in their Units through trading on the SGX-ST. Listing of the Units on the SGX-ST does not guarantee a liquid market for the Units.

This presentation is for information only and does not constitute an invitation or offer to acquire, purchase or subscribe for Units.



# Contents

- Unitholders' Approval Sought for Ordinary Resolution
- Westgate Overview
- Total Acquisition Outlay and Funding Structure
- Rationale for and Benefits to Unitholders
- Conclusion

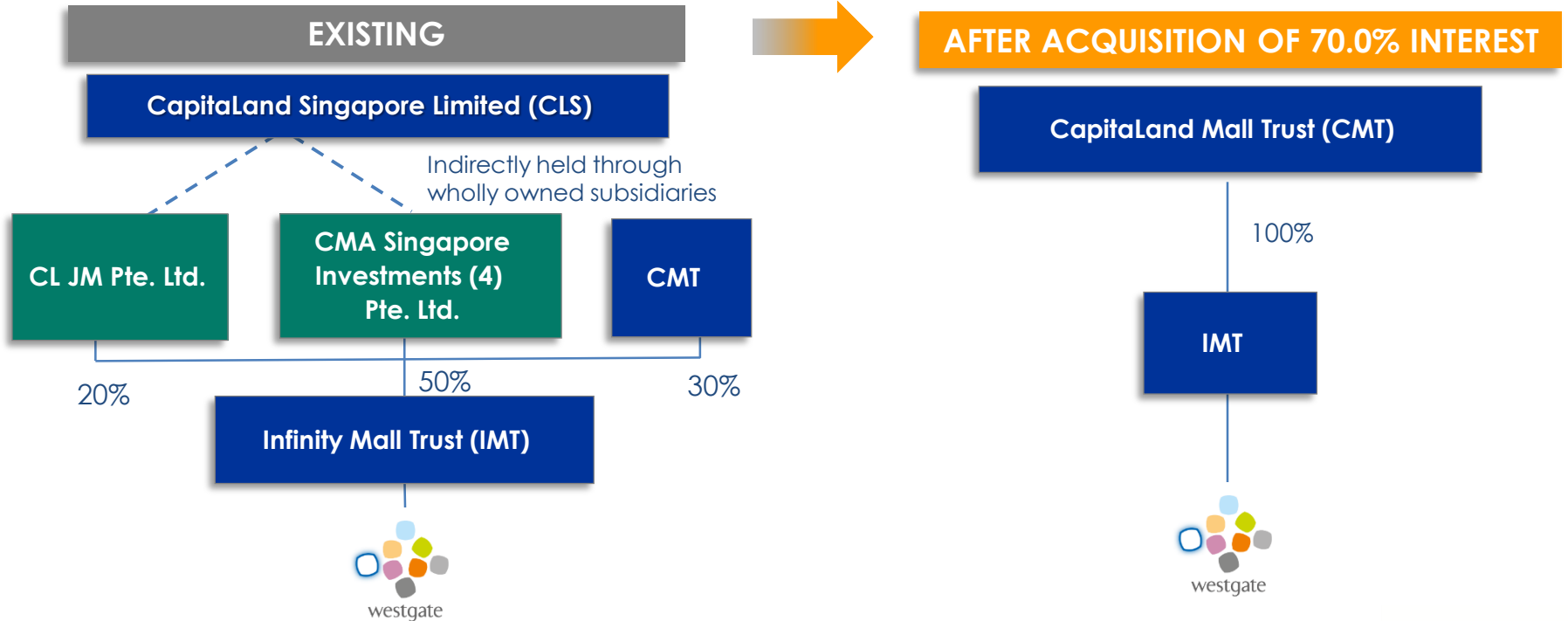
# Unitholders' Approval Sought for Ordinary Resolution





# Unitholders' Approval Sought<sup>(1),(2)</sup>

- For the proposed acquisition of the balance 70.0% of the units in Infinity Mall Trust which holds Westgate



(1) Proposed acquisition is an interested person and party transaction under the Listing Manual of Singapore Exchange Securities Trading Limited and the Property Funds Appendix of the Code on Collective Investment Schemes. Thus, it is subject to CMT Unitholders' approval.

(2) Temasek Holdings (Private) Limited, CapitaLand and their associates will abstain from voting on the proposed resolution as the proposed acquisition involves a transaction with an interested person of CMT.



# Recommendations by Independent Financial Adviser (IFA)

- Australia and New Zealand Banking Group Limited (ANZ) was appointed as the independent financial adviser for the Proposed Acquisition<sup>(1)</sup>
- The IFA is of the opinion that the Proposed Acquisition is on normal commercial terms and is not prejudicial to the interests of CMT and its minority Unitholders
- ANZ is of the opinion that the Independent Directors and Audit Committee can recommend that Unitholders vote in favour of the Proposed Acquisition at the EGM

(1) Refers to the proposed acquisition of the balance 70.0% of the units in IMT which holds Westgate.

# Westgate Overview





# Strategically Located in the Jurong Lake District

Retail component of an integrated mixed-use retail and office development in Singapore's up-and-coming second CBD



- Seven levels of retail space (five levels above ground and two basement levels) and commercial space at Level 26
- Direct connectivity to both the Jurong East MRT station and bus interchange
- Near amenities such as the Ng Teng Fong General Hospital and Jurong Regional Library





# Property Details<sup>(1)</sup>

Site Area <b>195,463 sq ft</b>	Gross Floor Area <b>593,928 sq ft</b>	Net Lettable Area <b>410,825 sq ft<sup>(2)</sup></b>	Car Park Lots <b>610<sup>(3)</sup></b>
-----------------------------------	--	---	---

Land Tenure <b>Leasehold tenure of 99 years w.e.f. 29 August 2011</b>	Committed Occupancy <b>98.0% as at 31 July 2018</b>	No. of Leases <b>246</b>
--	--	-----------------------------

**Operating Performance**  
**NPI (1H 2018): stabilised at S\$24.8 million**  
**Tenant sales growth (1H 2018): +2.1% vs -3.3% for FY 2017**

Valuation<sup>(4)</sup> (as at 21 August 2018 on a completed basis)  
**Colliers: S\$1,130.0 million (S\$2,751 psf)      JLL: S\$1,125.0 million (S\$2,738 psf)**  
**Average valuation: S\$1,127.5 million (S\$2,744 psf)**

**Agreed Value<sup>(5)</sup>**  
**S\$1,128.0 million (S\$2,746 psf)**  
**- within range of the two valuations and in line with the average valuation**

**NPI Yield on Agreed Value**  
**4.4% (based on 1H 2018, annualised)**  
**4.3% (based on FY 2017)**



3 Gateway Drive Singapore 608532

(1) As at 30 June 2018, unless otherwise stated.  
(2) Upon completion of the improvement works, the net lettable area of Westgate is expected to be approximately 410,825 sq ft.  
(3) The car park lots are owned by the management corporation of Westgate.  
(4) Using capitalisation method, the discounted cash flow method and comparison method.  
(5) The agreed market value of Westgate on a completed basis, after carrying out the Agreed Works, including fixed assets, at S\$1,128.0 million. The Agreed Works for IMT amounts to S\$6.0 million.



# Tenant Diversity

Offers city lifestyle shopping experiences in a suburban mall

# ISETAN

SINGAPORE

[www.isetan.com.sg](http://www.isetan.com.sg)



# SEPHORA

CREATIVE LIFE STORE



# SPOTLIGHT

# ABC Cooking Studio



The Courtyard



Thematic Children's Playground



# Trade Sector Analysis

Trade Sector	% of Gross Rental Income for the Month of June 2018 <sup>(1)</sup>
Food & Beverage	37.5
Beauty & Health	16.4
Department Store	11.4
Services	8.1
Fashion	7.9
Education	4.8
Gifts & Souvenirs / Toys & Hobbies / Books & Stationery / Sporting Goods	3.9
Shoes & Bags	3.5
IT & Telecommunications	3.4
Home Furnishing	1.6
Jewellery & Watches	0.7
Leisure & Entertainment / Music & Video	0.5
Electrical & Electronics	0.3
<b>Total</b>	<b>100.0</b>

(1) Excludes gross turnover rent.



# Top Ten Tenants

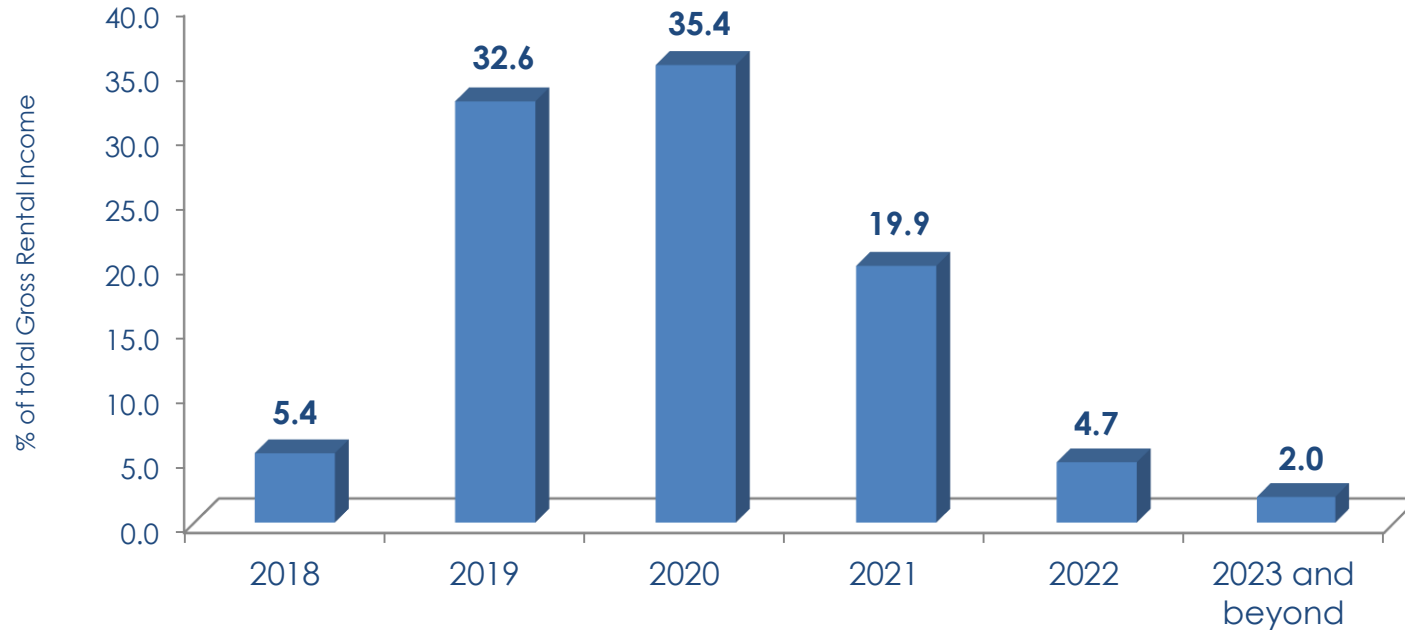
- Single tenant contribution to Gross Rental Income is not more than 9.1%
- Top ten tenants' contribution to Gross Rental Income is 26%

No.	Tenant	Trade Sector	% of Gross Rental Income <sup>(1)</sup> for the month of June 2018
1	Isetan (Singapore) Limited	Department Store	9.1
2	BreadTalk Group Limited	Food & Beverage	5.5
3	Fitness First Singapore Pte. Ltd.	Beauty & Health	1.9
4	Samsung Asia Pte Ltd	IT & Telecommunication	1.5
5	RHB Bank Berhad	Services	1.5
6	Japan Foods Holding Ltd.	Food & Beverage	1.4
7	Paradise Group Holdings Pte. Ltd.	Food & Beverage	1.4
8	Tokyu Hands Singapore Pte. Ltd.	Department Store	1.3
9	AmorePacific Singapore Pte. Ltd.	Beauty & Health	1.2
10	DBS Bank Ltd.	Services	1.2
<b>Top Ten Tenants</b>			<b>26.0</b>
<b>Other Tenants</b>			<b>74.0</b>
<b>Total</b>			<b>100.0</b>

(1) Excludes gross turnover rent.



# Lease Expiry Profile<sup>(1)</sup>



(1) Based on committed leases. Figures as at 30 June 2018. Based on the month in which the lease expires and excludes gross turnover rent.

# Total Acquisition Outlay And Funding Structure





# Total Acquisition Outlay

- S\$805.5 million for 70% of the Units in IMT

Estimated Total Acquisition Outlay	S\$ million
<b>Cash Outlay</b> Includes: <ul style="list-style-type: none"> <li>a. Purchase consideration of S\$17.9 million<sup>(1)</sup> to Vendor</li> <li>b. 70% of Unitholders' Loan owed by IMT to the Trustee and Vendors of S\$379.7 million, repaid with new Trustee's Loan</li> <li>c. Professional and other fees and expenses of S\$8.0 million</li> </ul>	405.6
<b>Acquisition fee in units<sup>(2)</sup></b> To be paid in the form of Units to the Manager with one year moratorium	7.9
<b>70% of the Bank Loan owed by IMT to certain financial institutions<sup>(3)</sup></b>	392.0
<b>Total Acquisition Outlay</b>	<b>805.5</b>

- (1) Derived from 70.0% of IMT's NAV (based on the pro forma completion balance sheet of IMT as at 30 June 2018 and subject to completion adjustments up to the day preceding the Completion Date). IMT's NAV is estimated at S\$25.6 million as at Completion Date.
- (2) As the Acquisition constitutes an 'interested party transaction' under the Property Funds Appendix, the Acquisition Fee shall be in the form of Units and shall not be sold within one year from the date of issuance in accordance with Paragraph 5.7 of the Property Funds Appendix.
- (3) Bank Loan will remain in IMT after Completion.

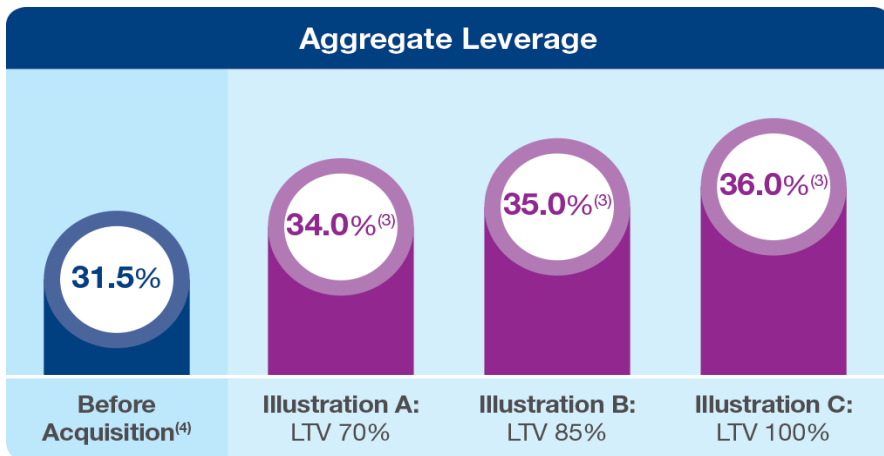


# Method of Financing

Cash Outlay may be financed through debt or a combination of debt and equity

For illustrative purposes only

	Cash Outlay		
LTV <sup>(1)</sup>	70%	85%	100%
Debt <sup>(2)</sup> (\$\$ million)	166.3	286.0	405.6
Equity (\$\$ million)	239.3	119.6	-
Cash Outlay (\$\$ million)	<b>405.6</b>	<b>405.6</b>	<b>405.6</b>



- (1) The respective LTV scenarios refer to the amount of debt (including 70.0% of the Bank Loan owed by IMT to certain financial institutions, being S\$392.0 million) as a percentage of the Total Acquisition Outlay less the Acquisition Fee.
- (2) The amount of debt to be raised excludes 70.0% of the Bank Loan owed by IMT to certain financial institutions, being S\$392.0 million, which will remain in IMT after Completion.
- (3) Based on CMT Group's Aggregate Leverage as at 30 June 2018, adding the incremental gross borrowings as a result of the Acquisition at the respective LTVs, and adding the incremental deposited property as a result of the Acquisition.
- (4) CMT's Group aggregate leverage as at 30 June 2018.



# Rationale for and Benefits to Unitholders





# Rationale for and Benefits of the Acquisition

**1** Increased Exposure to the Jurong Lake District with Long-term Growth Potential

**2** Redeployment of Capital Towards Higher Yielding Assets with Better Fundamentals

**3** Pricing is Within Valuations of Comparable Malls and Range of Recent Transactions

**4** Strategically Located High Quality Asset

**5** Enhances CMT Group Portfolio's Resilience and Diversification



# 1 Increased Exposure to the Jurong Lake District<sup>(1)</sup> with Long-term Growth Potential

- **Jurong Lake District (JLD)<sup>(1)</sup> - Singapore's planned second central business district with long-term potential for increased working and resident population catchment**
  - Expected to accommodate 100,000 jobs and 20,000 homes
  - Attractive street life, network of parks, water features and leisure options
- **Additional catchment potential from Tengah New Town**
  - 700-hectare Tengah<sup>(2)</sup> - new HDB town expected to accommodate 42,000<sup>(3)</sup> new homes when completed
  - Connectivity to the Jurong East MRT station via the future Jurong Region Line
- **Proximity to existing amenities and well poised to benefit from this ready catchment**
  - Ng Teng Fong Hospital, Jurong Regional Library and commercial buildings including adjoining Westgate Tower

(1) Source: Urban Redevelopment Authority ([www.jld.sg](http://www.jld.sg)).

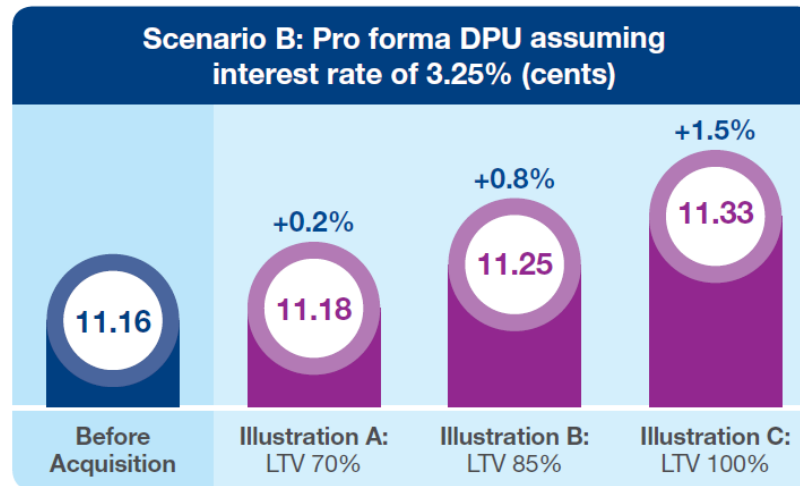
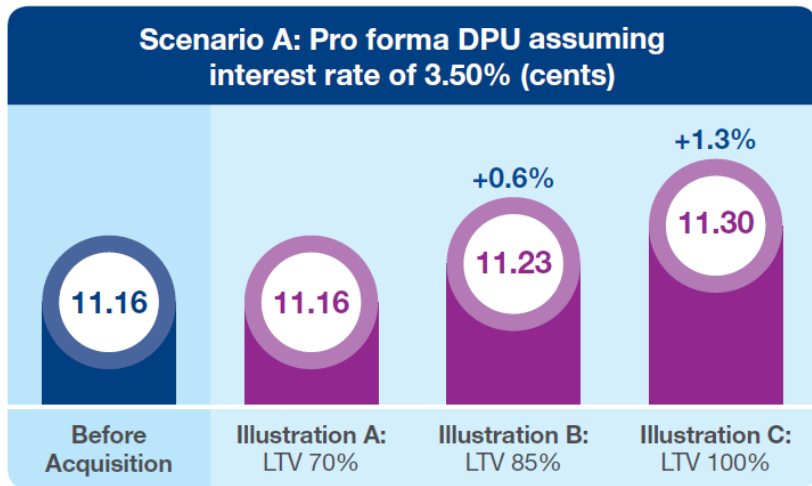
(2) 1,500 flats to be launched in Singapore's first 'Forest Town', 14 May 2018, The Straits Times.

(3) Unveiling the Masterplan for Tengah : At Home With Nature, 8 September 2016, Housing & Development Board.



# 2 Redeployment of Capital Towards Higher Yielding Assets with Better Fundamentals

- Sale of Sembawang Shopping Centre provides opportunity to redeploy capital at a higher property yield of approximately 4.3%
- Rejuvenate and rebalance portfolio towards higher yielding premium assets with greater long-term potential
- Based on pro forma DPU<sup>(1)</sup> illustration, the Acquisition is expected to result in DPU accretion of up to 1.5% (for illustrative purposes and assuming LTV between 70% to 100%)

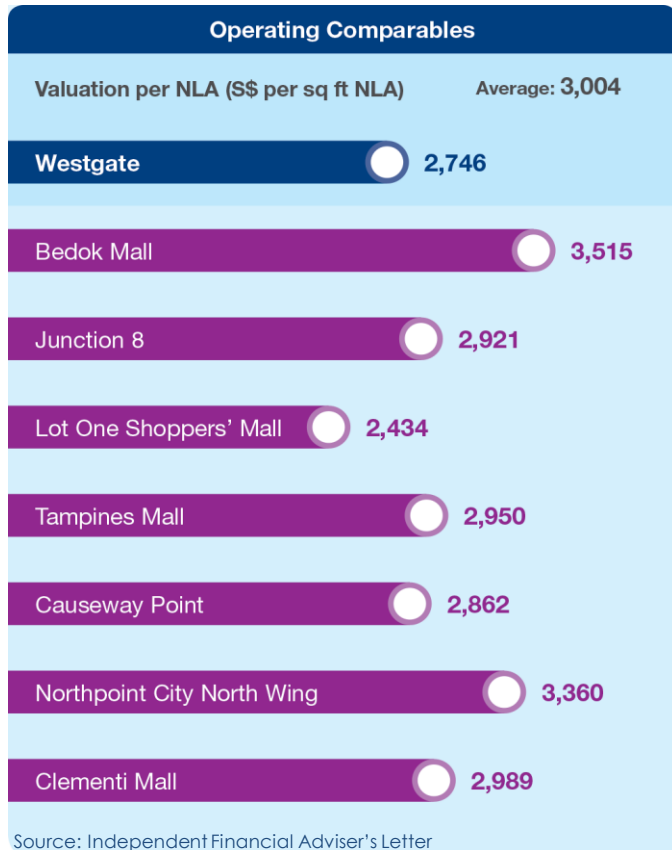


(1) Based on the financial year ended 31 December 2017, and at an illustrative Unit price of S\$2.00 for the portion to be funded by equity, where applicable.



# 3

## Pricing is Within Valuations of Comparable Malls and Range of Recent Transactions



- Transaction yield of 4.3% for the Proposed Acquisition is within range of transaction comparables
  - Price per NLA is below Jurong Point transacted in April 2017 at S\$3,343 psf NLA (implied NPI yield of 4.2%)
- Agreed Value of S\$1,128.0 million (S\$2,746 psf NLA) on a completed basis is in line with the two independent valuations commissioned for the Acquisition
  - Colliers: S\$1,130.0 million (S\$2,751 psf NLA)
  - JLL: S\$1,125.0 million (S\$2,738 psf NLA)
- Transaction premium over carrying value for the Acquisition is 13.8%<sup>(1)</sup>
  - Lower than the transaction premiums for recent acquisitions of 55 Market Street, Twenty Anson, Sembawang Shopping Centre and Wilkie Edge which ranged from 16.7% to 96.8%<sup>(2)</sup>

(1) Based on the Agreed Value over the latest preceding property valuation of S\$991.0 million as at 30 June 2018.

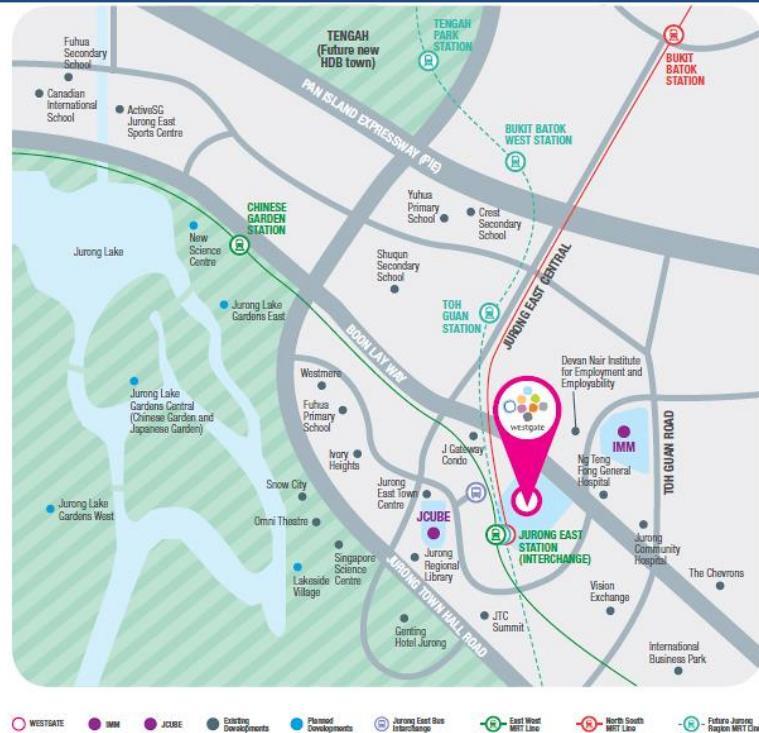
(2) As indicated in the Independent Financial Adviser's Letter.



# 4 Strategically Located High Quality Asset

Westgate enjoys high shopper traffic of about 4 million per month and consistently high occupancy rates<sup>(1)</sup>

- **Excellent transport connectivity** with seamless connection to the Jurong East MRT station and close proximity to the bus interchange and major expressways
- **Direct connectivity to** Ng Teng Fong Hospital and IMM Building via an elevated pedestrian network
- **Future Jurong Region Line<sup>(2)</sup> expected to enhance Jurong East MRT station** as key transport node in the Jurong region



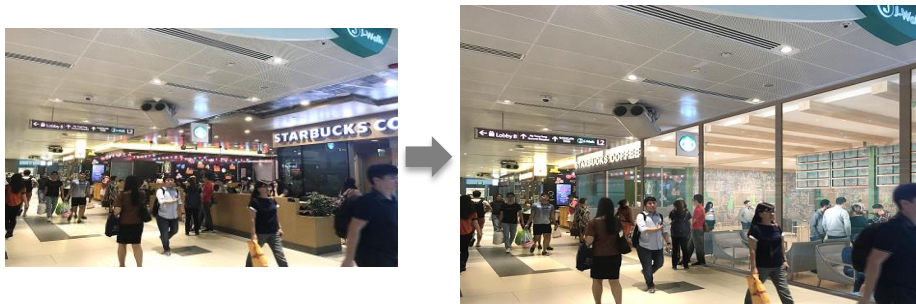
(1) Westgate's committed occupancy was 98.0% as at 31 July 2018  
(2) Source: Land Transport Authority ([www.lta.gov.sg](http://www.lta.gov.sg))



# 4 Strategically Located High Quality Asset

## Ongoing works to enhance shopper experience

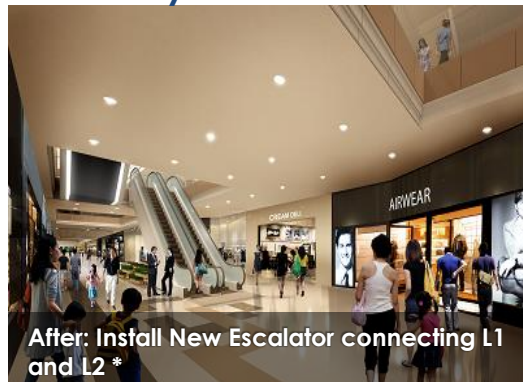
- Enclosure of selected alfresco F&B outlets with air-conditioning



- Improving shopper accessibility into the Mall and from Level 1 to Level 2



Before



After: Install New Escalator connecting L1 and L2 \*



After: Create New Entrance Point from Taxi Stand to Mall \*



## 4 Strategically Located High Quality Asset

High quality multi-award winning development – recognition for building excellence



**BCA GREEN MARK**

**Green Mark  
Platinum**  
Building and Construction  
Authority, Singapore



**BCA UD MARK**

**Universal Design Mark Platinum**  
Building and Construction  
Authority, Singapore



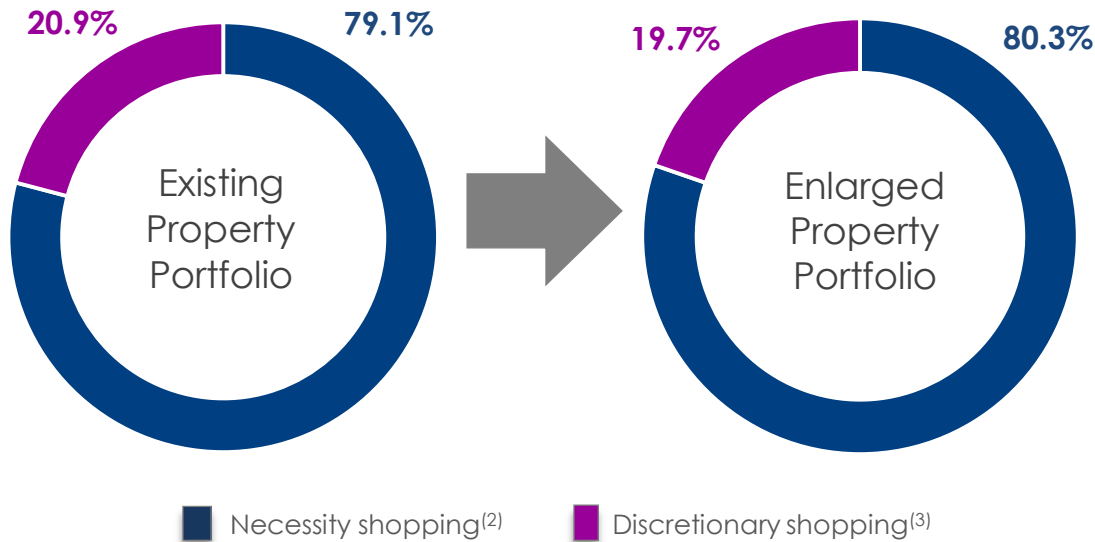


5

# Enhances CMT Group's Portfolio's Resilience and Diversification

- Increases exposure of portfolio to necessity shopping segment from 79.1% to 80.3% which has shown resilience over the years
- Reduces reliance of CMT Group's revenue on a single property from 11.8% to 11.1%
- Strengthens the asset profile of the CMT Group

Percentage of Portfolio by Gross Revenue<sup>(1)</sup>



(1) Based on gross revenue for FY 2017, adjusted for Sembawang Shopping Centre which was divested on 18 June 2018.

(2) In relation to the Existing Property Portfolio, necessity shopping malls comprise Tampines Mall, Junction 8, IMM Building, Plaza Singapura, Bugis Junction, JCube, Lot One Shoppers' Mall, Bukit Panjang Plaza, The Atrium@Orchard, Bedok Mall and CMT's 30.0% interest in Westgate. In relation to the Enlarged Property Portfolio, necessity shopping malls comprise the above and the balance 70.0% interest in Westgate.

(3) Comprises Clarke Quay, Bugis+ and CMT's 40.0% interest in Raffles City Singapore.

# Conclusion





# Conclusion

- Unitholders' approval is sought<sup>(1),(2)</sup> for the Proposed Acquisition of the balance 70.0% of the units in Infinity Mall Trust which holds Westgate
- Target Completion Date of Proposed Acquisition (assuming Unitholders' approval obtained) – Thursday, 1 November 2018<sup>(3)</sup>

(1) Proposed acquisition is an interested person and party transaction under the Listing Manual of Singapore Exchange Securities Trading Limited and the Property Funds Appendix of the Code on Collective Investment Schemes. Thus, it is subject to CMT Unitholders' approval.

(2) Temasek Holdings (Private) Limited, CapitaLand and their associates will abstain from voting on the proposed resolution as the proposed acquisition involves a transaction with an interested person of CMT.

(3) Or such date as may be agreed between the Trustee and the Vendors



# Thank you

For enquiries, please contact: Ms. Lo Mun Wah, Vice President, Investor Relations,  
Direct: (65) 6713 3667 Email: lo.munwah@capitaland.com

**CapitalLand Mall Trust Management Limited (<http://www.cmt.com.sg>)**

168 Robinson Road, #30-01 Capital Tower, Singapore 068912

Tel: (65) 6713 2888; Fax: (65) 6713 2999