



CAPITALAND MALL TRUST

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

ANNOUNCEMENT

Annual General Meeting to be held on 26 June 2020 Responses to Substantial and Relevant Questions

CapitaLand Mall Trust Management Limited, in its capacity as manager of CapitaLand Mall Trust (“**CMT**”, and the manager of CMT, the “**Manager**”) would like to thank all unitholders of CMT (the “**Unitholders**”) who submitted their questions in advance of our Annual General Meeting (“**AGM**”) to be held virtually via “live” audio-visual webcast and audio-only stream at 4.00 p.m. on Friday, 26 June 2020.

We have grouped the most asked questions into the following key topics:

1. COVID-19 updates
2. Capital management and distributions
3. Strategy and outlook
4. Proposed merger with CapitaLand Commercial Trust
5. Others

Questions asked during the pre-AGM session jointly organised with Securities Investors Association (Singapore) are also included. As there are areas of overlap in the scope of the questions asked, we have grouped related and similar questions together and provided our corresponding responses to them. Please refer to the list of substantial and relevant questions, and the Manager’s responses to these questions in the following pages.

Mr. Tony Tan, Chief Executive Officer, will deliver a presentation to the Unitholders at the AGM. Please refer to the 2020 AGM Presentation and all AGM-related documents at: https://cmt.listedcompany.com/agm_egm.html.

Following the conclusion of the AGM, the voting results of the AGM will be uploaded on SGXNet and made available on CMT's website. The minutes of the AGM will be published on CMT's website on or before 31 July 2020.

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
25 June 2020

Important Notice

The past performance of CapitaLand Mall Trust ("**CMT**") is not indicative of future performance. The listing of the units in CMT ("**Units**") on the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") does not guarantee a liquid market for the Units. The value of the Units and the income derived from them may fall as well as rise. Units are not obligations of, deposits in, or guaranteed by, CapitaLand Mall Trust Management Limited, as manager of CMT (the "**Manager**") or any of its affiliates. An investment in the Units is subject to investment risks, including the possible loss of the principal amount invested. Investors have no right to request that the Manager redeem or purchase their Units while the Units are listed on the SGX-ST. It is intended that holders of Units may only deal in their Units through trading on the SGX-ST.

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

**CAPITALAND MALL TRUST
RESPONSES TO SUBSTANTIAL AND RELEVANT QUESTIONS**

COVID-19 UPDATES	
Q1	<p>1. What is the impact of COVID-19, the COVID-19 related regulatory measures and the provision for tenant support on CMT's financial performance and operations?</p> <p>2. Will COVID-19 have any permanent impact on CMT's operations going forward?</p> <p>3. What will be the revenue impact from the COVID-19 (Temporary Measures) (Amendment) Bill?</p> <p>4. How much have shopper traffic and tenants' sales recovered since the re-opening of the malls in Phase Two?</p> <p>5. How is CMT helping its tenants to weather the fallout from the COVID-19 pandemic?</p>
A1	<p>We are committed to preserving the vitality of the retail ecosystem and have been maintaining regular and constructive communications with our stakeholders. We have granted the following tenant support and relevant assistance to almost all retail tenants and tenants restricted from operating since 27 March 2020:</p> <ul style="list-style-type: none"> • One-month security deposit to offset rents in March 2020; • 100% rental rebates from April to June 2020, including the value of the property tax rebates; and • Waiver of turnover rent from April to June 2020. <p>The above assistance package complements any government-assisted rental relief for qualifying SME tenants following the passing of the COVID-19 (Temporary Measures) (Amendment) Bill. Please refer to the news releases dated 30 April 2020 and 8 June 2020 in the following URLs for more details:</p> <p>https://cmt.listedcompany.com/newsroom/News_Release_1Q_2020_Financial_Results_20200430.pdf;and</p> <p>https://cmt.listedcompany.com/newsroom/CapitaLand_responds_to_COVID19_Temp_Measures_Amendment_Bill_in_SG_20200608.pdf</p> <p>Phase Two re-opening on 19 June 2020 saw a large majority of our tenants resuming operations. Correspondingly, shopper traffic on that first weekend was encouraging. As the COVID-19 situation continues to evolve, the extent of the impact of COVID-19, the COVID-19 related regulatory measures as a whole and the provision for the aforementioned tenant assistance on CMT's financial performance and operations for the current financial year cannot be ascertained at this stage.</p>
Q2	What percentage of tenants have requested for rent deferment?
A2	<p>We have been engaging our tenants regularly since the onset of the COVID-19 pandemic and have put in place various tenant support since March 2020. Given we have granted 100% rental rebates to almost all retail tenants until June 2020, only a small percentage of tenants have made a formal application for rent deferment. We are monitoring the situation and will continue to maintain open communications with them to ride through these unprecedented times.</p>

COVID-19 UPDATES	
Q3	With the start of Phase Two, what marketing and digital/technological measures are implemented to ensure that the malls are able to improve performance (i.e. tenant sales online and offline)?
A3	<p>We work closely with our sponsor, CapitaLand Limited, to leverage digital tools, embrace smart building technologies, harness data to strengthen our customer engagement and enhance the user experience at our malls. We also continuously source new brands and retail concepts to introduce in the malls to cater to evolving trends and consumer demands. In addition, we curate shopping experiences through marketing activities and experiential retail offerings.</p> <p>With over one million CapitaStar members in Singapore, we are able to leverage our retail ecosystem to strengthen stakeholder engagement with retailers and shoppers. To drive sales for retailers during Phase One re-opening and beyond, an ecommerce platform, eCapitaMall and online food ordering platform, Capita3Eats were launched on 1 June 2020. For both platforms, CapitaStar members get to earn instant STAR\$® for every transaction. These platforms provide retailers with an added avenue to drive sales that can complement the sales at our shopping malls.</p>
Q4	When will the retail environment normalise?
A4	It is difficult to determine when the retail environment will normalise considering the fluid and evolving nature of the COVID-19 situation which brings with it a high level of uncertainty. With the measures put in place by the Singapore government to provide relief to the business community and mitigate the spread of the virus with phased re-opening of the economy, we expect normalisation of the retail environment to pre-COVID levels to take some time and potentially extending beyond Phase Three. When it eventually normalises, our quality portfolio will be well-placed to ride the recovery phase.

CAPITAL MANAGEMENT AND DISTRIBUTIONS	
Q1	<p>1. Monetary Authority of Singapore (MAS) has announced a further extension of timelines for S-REITs to distribute their taxable income derived in FY 2020 and FY 2021. As retail investors, especially retirees dependent on distributions for their income, what is the guidance on CMT's distribution policy during this period?</p> <p>2. 2Q and 3Q 2020 results will be impacted by COVID-19 despite the lifting of the circuit breaker on 27 May 2020. What will happen if CMT is unable to commit to the full year distribution payout of 90%?</p> <p>3. What is the impact of COVID-19 on distribution per unit (DPU) for the rest of the year and post COVID-19?</p> <p>4. How is the provision for rent deferment and rebate affecting the distribution going forward? How much has CMT provided so far?</p> <p>5. What is the estimated net income for FY 2020 after deducting rental rebates to tenants? What has been the percentage impact to profits so far this year?</p>
A1	<p>Supporting our tenants to preserve the retail ecosystem during this unprecedented time is our priority. While we are unable to ascertain the extent of the impact of COVID-19, the COVID-19 related regulatory measures as a whole and the provision for the rental assistance on CMT's financial performance and operations for the current financial year, we will focus on mitigating the negative impact of this challenging operating environment on our DPU.</p> <p>We have exercised prudence by retaining about 69% of CMT's 1Q 2020 taxable income to maintain our financial capacity and flexibility. We have also secured sufficient bank facilities which allow us to finance ongoing operations into 2021. To help S-REITs navigate operating challenges posed by COVID-19, the Singapore government has extended the timeline to distribute at least 90% of their taxable income to 12 months (after the end of FY 2020) to qualify for tax transparency. This is timely in strengthening CMT's financial resilience.</p> <p>Operationally, we are enhancing our efficiencies, and suspending non-essential operating and capital expenditures. Asset enhancement plans are deferred except for upgrading works at Lot One Shoppers' Mall which commenced in 3Q 2019.</p>
Q2	<p>1. What is the impact of COVID-19 on property valuations?</p> <p>2. How would a potential decline in portfolio valuation affect the debt headroom?</p>
A2	<p>The COVID-19 outbreak continues to affect the retail sector negatively. Given the potential impact of COVID-19 is fluid and evolving, there is significant market uncertainty. Consequently, property valuations could be under pressure on the back of a softer retail operating environment. Assuming an aggregate leverage of 40%, the debt headroom as at 31 December 2019 is about S\$1.4 billion. A decline in portfolio valuation would correspondingly lower the debt headroom.</p>
Q3	<p>With \$310.2m debt due in 2020, what are your plans to repay or refinance this?</p>
A3	<p>We have existing bank facilities to refinance the debt due in 2020.</p>
Q4	<p>How likely is it for the REIT to undertake rights issuance within 2020 and 2021?</p>
A4	<p>We have secured sufficient bank facilities to finance ongoing operations into 2021.</p>
Q5	<p>As part of prudent capital management, would CMT introduce scrip units for distribution during this challenging period brought about by COVID-19 so as to conserve more capital at hand?</p>
A5	<p>We have a programme in place and, we will review and evaluate the option of introducing scrip units for distribution when appropriate.</p>

STRATEGY AND OUTLOOK	
Q1	<p>1. What is the outlook on CMT's results for 2Q 2020 given the impact from circuit breaker? What are the plans for recovery?</p> <p>2. What is the management doing to overcome the challenges ahead?</p> <p>3. What are the future retail trends that the management envision and what are some pre-emptive measures that will be adopted in the "new world"?</p>
A1	<p>Consumer sentiment has turned cautious in light of continuing weakness in the Singapore and global economies. Retail headwinds are expected this year with softer demand for retail space. Retailers, in general, are adopting a cautious stance to ride through the pandemic and recalibrate their expectations moving forward. Therefore, we expect muted shopper traffic and tenants' sales as well as near term pressure on rental reversion and occupancy due to the overall cautious sentiment.</p> <p>2Q 2020 has been a challenging period. To support our tenants, we have granted 100% rental rebate from April to June 2020, including the value of property tax rebates. Operationally, we are enhancing our efficiencies, and suspending non-essential operating and capital expenditures to maintain our financial resilience. We have deferred other asset enhancement plans except for upgrading works at Lot One Shoppers' Mall which is ongoing. We have also secured sufficient bank facilities to finance operations into 2021. The recent timely announcement of regulations to provide S-REITs with greater flexibility to manage their loan and cashflow obligations will enhance CMT's financial resilience.</p> <p>As we progress through the phased re-opening of the economy, we will continue to focus on proactive lease management, enhancing positioning and tenant mix, optimising the use of space and deepening engagement with stakeholders. Amidst the caution, we are confident that CMT's retail ecosystem will emerge stronger to ride the upturn.</p>
Q2	Can management share their views on how negotiation of lease agreements would change post-COVID-19 in view of the louder cries by tenants for a more level playing field with landlords?
A2	We are committed towards building a sustainable retail ecosystem in Singapore with all stakeholders. As part of this commitment, we have kept and will continue to keep our channels of communication open.
Q3	How is CMT mitigating the growing threat of online shopping? Is the Manager still confident of the retail outlook in Singapore post-COVID-19?
A3	<p>Despite technology disrupting business models, we are confident of the retail outlook in Singapore as real estate remains an important part of a holistic customer journey. There has been a growing trend of leading digital players who have sought to gain a foothold in the physical space, embracing both physical and digital channels to create offline-and-online experiences sought after by consumers.</p> <p>With over one million CapitaStar members in Singapore, we are able to leverage our retail ecosystem to strengthen stakeholder engagement with retailers and shoppers. To drive sales for retailers during Phase One re-opening and beyond, an ecommerce platform, eCapitaMall and online food ordering platform, Capita3Eats were launched on 1 June 2020. For both platforms, CapitaStar members get to earn instant STAR\$® for every transaction. These platforms provide retailers with an added avenue to drive sales that can complement the sales at our shopping malls.</p>

STRATEGY AND OUTLOOK	
	In addition, we continuously source new brands and retail concepts to cater to evolving trends and consumer demands. We also curate shopping experiences through marketing activities and experiential retail offerings to drive shoppers to the malls.
Q4	What is the management's outlook on rents and occupancy for FY 2020?
A4	We expect near term pressure on rental reversion and occupancy due to cautious retailer sentiment. We are open to exploring alternative leasing strategies to adapt to the new operating environment and sustain healthy occupancy levels. We strive to balance between rental reversions and occupancy to ensure sustainability in the long-term financial performance of the malls.
Q5	1. Given the lull in activity, would CMT plan for any asset enhancement this year? 2. Are there any upcoming rejuvenation and redevelopment projects for CMT in the coming few years?
A5	We are adopting a prudent stance on cost management this year which includes enhancing efficiencies and suspending non-essential operating and capital expenditures. Additionally, we have deferred asset enhancement plans except for the upgrading works at Lot One Shoppers' Mall which commenced in 3Q 2019. As a proactive manager, we will continue to evaluate our asset plans and unlock opportunities to enhance the performance of the assets.
Q6	What is CMT's strategy on rejuvenation and redevelopment of assets under portfolio?
A6	As the manager of CMT, we are committed to driving intrinsic growth from the portfolio through active asset management and creative asset planning with the property managers to unlock potential value and deliver sustainable returns. We also identify value-adding opportunities to promote growth and enhance the quality of the portfolio through a disciplined portfolio reconstitution strategy guided by key investment considerations.
Q7	1. With MAS revising the aggregate leverage for S-REITs to 50%, would CMT be making any acquisitions this year? For overseas acquisition, which countries/markets has CMT set its sight on and why? 2. Is CMT interested at some point in time to acquire CapitaLand's stakes in ION Orchard and Jewel Changi?
A7	Our immediate focus is to support our tenants and navigate this challenging period. That said, we are open to exploring opportunities should they be compelling investment propositions, taking into consideration our current operating climate, aggregate leverage and risk profile.
Q8	What are the plans for Clarke Quay, since the occupancy rate is the lowest based on 1Q 2020 results and will continue to be affected by the COVID-19 measures?
A8	Clarke Quay has been most adversely impacted by COVID-19 as its performance is dependent, to a larger extent, on tourist visitorship. We expect international visitor arrivals to remain muted for the rest of this year. On an ongoing basis, we evaluate our asset plans to unlock opportunities to enhance the performance of the assets. We are currently studying various options for Clarke Quay.

PROPOSED MERGER WITH CAPITALAND COMMERCIAL TRUST (CCT)

Note:

The directors of the CMT Manager (including those who may have delegated detailed supervision of the responses under this section “Proposed Merger with CapitaLand Commercial Trust (CCT)” (this “**Section**”)) have taken all reasonable care to ensure that the facts stated and opinions expressed in this Section which relate to CMT and/or the CMT Manager (excluding those relating to CCT and/or the CCT Manager) are fair and accurate and that there are no other material facts not contained in this Section, the omission of which would make any statement in this Section misleading. The directors of the CMT Manager jointly and severally accept responsibility accordingly.

Where any information has been extracted or reproduced from published or otherwise publicly available sources or obtained from CCT and/or the CCT Manager, the sole responsibility of the directors of the CMT Manager 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 Section. The directors of the CMT Manager 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.

Q1	<ol style="list-style-type: none"> 1. What is the status of the CMT-CCT merger? When would the meeting for the CCT/CMT merger take place? 2. Is the proposed merger with CCT still proceeding as planned? Will the timeline be affected and when is the merger expected to be completed if it is still going ahead? 3. Will CMT reconsider the management fee structure for the new merged entity? 4. Considering office properties are also affected by COVID-19, is this an appropriate time to proceed?
A1	<p>The ongoing COVID-19 pandemic has presented unprecedented challenges for the Singapore property sector. Both the CCT Manager and the CMT Manager will continue to closely monitor and assess the situation, whilst prioritising our near-term focus towards supporting tenants. We will continue to stay engaged with the unitholders of CMT and provide further updates in due course.</p> <p>The Long-Stop Date under the Implementation Agreement remains at 30 September 2020.</p>
Q2	<p>As the current market conditions, especially the unit trading price have materially changed from the time of announcement on 22 January 2020, will the managers change the terms and conditions of the proposed merger? E.g. exchange ratio and cash component? Is the closing price of CMT at the point of merger fixed at \$2.59?</p>
A2	<p>The terms of the merger have been agreed between the parties pursuant to the Implementation Agreement dated 22 January 2020, as announced on that same date. The scheme consideration for each CCT unit comprises (i) 0.720 CMT new units in CMT, and (ii) S\$0.259 in cash. The issue price of S\$2.59 for the unit component was assumed for illustration purposes to derive the scheme consideration.</p>
Q3	<ol style="list-style-type: none"> 1. What is the purpose for merging CMT and CCT when they are two different types of business? How would the proposed merger benefit unitholders? 2. Post-merger with CCT, will there be a possibility to look at cheaper financing and to look at overseas assets?
A3	<p>Please refer to the announcement on the Proposed Merger of CapitaLand Mall Trust and CapitaLand Commercial Trust by way of trust scheme of arrangement dated 22 January 2020 in the URL: https://cmt.listedcompany.com/newsroom/Annc_CMT_Aquisition_20200122.pdf</p>

PROPOSED MERGER WITH CAPITALAND COMMERCIAL TRUST (CCT)	
Q4	Post-merger, how much costs savings can be achieved annually through reduction of the financial costs, board members/audit fees etc? Will there be a newer, stronger but leaner management team be put in place, if so how is the selection process be like, in house or with the help of consultants?
A4	The increased asset diversification is expected to reduce earnings vulnerability, with greater flexibility and asset base post-merger. Assuming completion of the merger, the board of directors of the CMT Manager will review the composition of the management of the CMT Manager.

OTHERS	
Q1	<p>1. What is the target number or percentage of units that the Manager intends to issue under Ordinary Resolution 3?</p> <p>2. How is the issue price of the units issued under the 100% Pro Rata Issuance determined?</p> <p>3. How will the proceeds from the issue of units be used and what is the apportionment of the use of proceeds?</p>
A1	<p>Singapore's economic outlook is closely linked to global conditions. Sudden adverse events such as the financial crisis in 2009 and the current unprecedented COVID-19 pandemic are unpredictable. Given the increasing volatility in global financial conditions, this resolution is necessary to mitigate the impact of such adverse events on CMT.</p> <p>This mandate will provide the Manager with, amongst others, an option to strengthen its balance sheet and the flexibility to raise funds expediently (in each case, if required). Given CMT's established track record since 2002, the Manager would continue to act in the interest of CMT's Unitholders when exercising the authority granted under this Resolution to issue units and/or make or grant convertible instruments.</p> <p>We are not able to comment at this point in time the number and/or percentage of units that it will issue pursuant to Ordinary Resolution 3. Whether or not there would be an issue of units pursuant to Ordinary Resolution 3, and the extent of such issue, would depend on the business and/or financial requirements of CMT.</p> <p>The price at which the units are issued would depend on the type of fund-raising exercise. For instance, units may be issued under the 100% Pro Rata Issuance via a non-renounceable rights issue (i.e. preferential offering) or a renounceable rights issue.</p> <p>In a non-renounceable rights issue (i.e. preferential offering), the issue would be priced at not more than 10% discount to the weighted average price for trades done on the SGX for the full market day on which the non-renounceable rights issue is announced. If trading in the units is not available for a full market day, the weighted average price will be based on the trades done on the preceding market day up to the time the non-renounceable rights issue is announced.</p> <p>In a renounceable rights issue, the issue price will be determined by the Manager and is typically the trading price of the units on the SGX subject to a discount. The exact value of the discount may be determined by the Manager taking into consideration commercial and market considerations.</p> <p>Some of the possible use of proceeds from the issue of units are set out in Explanatory Note 1 to Ordinary Resolution 3 in the Notice of AGM. We are not able to comment at this point in time the apportionment of the use of proceeds from the issue of units, which would depend on the business and/or financial requirements of CMT at such relevant time.</p>