



CAPITALAND MALL TRUST

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

ANNOUNCEMENT

ENTRY INTO INTERESTED PERSON TRANSACTIONS -

- (I) **PAYMENT OF FEES FOR MAINTENANCE AND DATA ANALYTICS SERVICES PROVIDED BY CAPITALAND PROJECT MANAGEMENT PTE. LTD. FOR AN INTELLIGENT BUILDING PLATFORM SYSTEM;**
 - (II) **APPOINTMENT OF CAPITALAND RETAIL MANAGEMENT PTE LTD FOR THE PRE-OPENING SERVICES FOR FUNAN; AND**
 - (III) **PAYMENT OF FEE TO CAPITALAND RETAIL MANAGEMENT PTE LTD FOR THE USE OF CENTRALISED CARPARK MANAGEMENT SYSTEM AT CAPITALAND MALL TRUST'S PROPERTIES**
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1. INTRODUCTION

1.1 Services Agreement entered into with CapitaLand Project Management Pte. Ltd.

CapitaLand Mall Trust Management Limited, as manager of CapitaLand Mall Trust ("**CMT**" and the manager of CMT, the "**Manager**") wishes to announce that each of HSBC Institutional Trust Services (Singapore) Limited as trustee of CMT, JG Trustee Pte. Ltd. as trustee of Infinity Mall Trust ("**IMT**") and HSBC Institutional Trust Services (Singapore) Limited as trustee-manager of RCS Trust ("**RCS Trust**") has entered into a services agreement with CapitaLand Project Management Pte. Ltd. ("**CLPM**"), a wholly owned subsidiary of CapitaLand Limited ("**CL**") on 1 November 2018 (collectively, the "**Services Agreements**"). CMT holds 40% of the units in RCS Trust, and the remaining 60% is held by CapitaLand Commercial Trust. RCS Trust holds Raffles City Singapore, an integrated development comprising office, retail and hotel components.

Pursuant to the Services Agreements, CLPM will provide to CMT, IMT and RCS Trust maintenance and data analytics services (the "**Services**") in relation to an intelligent building platform system to be implemented at certain properties held by CMT (including IMT) as well as Raffles City Singapore (the "**Centralised Intelligent Building Appointment**").

1.2 Funan Pre-Opening Services

The Manager wishes to announce that HSBC Institutional Trust Services (Singapore) Limited as trustee of CMT and the Manager have entered into a services agreement with CapitaLand Retail Management Pte. Ltd. ("**CRMPL**"), a wholly owned subsidiary of CL on 1 November 2018 (the "**Funan Services Agreement**"). Pursuant to the Funan Services Agreement, CRMPL will provide to CMT pre-opening services, including to set up the centre management office and develop standard operating procedures for the management of the retail mall, coordinate and maintain the relevant insurance policies for the mall, manage the fit-out of the centre management office prior to the opening of the retail component (the "**Funan Services**") in respect of the retail component of Funan for the duration of the nine months pre-opening period of Funan (the "**Funan Appointment**").

1.3 Centralised Carpark Management System

The Manager wishes to announce that HSBC Institutional Trust Services (Singapore) Limited as trustee of CMT has entered into a services agreement with CRMPL, a wholly owned subsidiary of CL on 1 November 2018 (the “**CCMS Agreement**”). Pursuant to the CCMS Agreement, CRMPL will set up, manage, market, service, coordinate and maintain (the “**CCMS Services**”) a centralised carpark management system to be implemented at properties held by CMT (the “**CCMS Appointment**”).

1.4 Disclosure Requirements

As at the date of this announcement, CL, through Pyramex Investments Pte Ltd (“**PIPL**”), Albert Complex Pte Ltd (“**ACPL**”), Premier Healthcare Services International Pte Ltd (“**PHSIPL**”) and the Manager, holds an aggregate interest in 1,044,933,659 units in CMT (“**Units**”), which is equivalent to approximately 29.44% of the total number of Units in issue, and is therefore regarded as a “controlling unitholder” of CMT under both the Listing Manual of the SGX-ST (the “**Listing Manual**”) and Appendix 6 of the Code on Collective Investment Schemes issued by the Monetary Authority of Singapore (the “**Property Funds Appendix**”). In addition, as the Manager is a wholly owned subsidiary of CL, CL is therefore regarded as a “controlling shareholder” of the Manager under both the Listing Manual and the Property Funds Appendix.

As CLPM and CRMPL are wholly owned subsidiaries of CL, for purposes of Chapter 9 of the Listing Manual, CLPM and CRMPL (each being a subsidiary of a “controlling unitholder” of CMT and a “controlling shareholder” of the Manager) are “interested persons” of CMT.

Therefore, each of the Centralised Intelligent Building Appointment, the Funan Appointment and the CCMS Appointment constitutes an “interested person transaction” under Chapter 9 of the Listing Manual. Each of the Centralised Intelligent Building Appointment, the Funan Appointment and the CCMS Appointment, when aggregated with the existing interested person transactions with CL and its subsidiaries and associates for the current financial year would exceed 3.0% of the latest audited net tangible assets (“**NTA**”) of CMT, and accordingly under Rule 905 of the Listing Manual, the Manager must make an announcement of such interested person transaction.

2. CERTAIN PRINCIPAL TERMS OF THE INTERESTED PERSON TRANSACTIONS

2.1 Key Terms of the Centralised Intelligent Building Appointment

CLPM had engaged a third party vendor to develop and implement a centralised intelligent building platform system (the “**System**”) for certain properties managed by entities within the CL Group, including ten properties held by CMT (including IMT)¹ and Raffles City Singapore (collectively, the “**Properties**”), which aims to optimise energy efficiency and equipment maintenance in the Properties. The System comprises a central platform to be housed on a virtual cloud, and local platforms to be located at the Properties. Certain data relating to the chiller plant energy usage patterns and equipment operating status of the Properties will be collated by the local platforms and transmitted to the central platform. Under the Services Agreements, CLPM shall manage the central platform and provide maintenance services in relation to the central platform. In addition, CLPM shall perform data analytics services in relation to the data collected from the Properties.

¹ The ten properties are Bugis+, Clarke Quay, IMM Building, Junction 8, JCube, Lot One Shoppers' Mall, Plaza Singapura, Tampines Mall, The Atrium@Orchard and Westgate.

Pursuant to the Services Agreements, CMT shall pay CLPM an aggregate of S\$2,292,590 as fees for the Services provided by CLPM (the “**Centralised Intelligent Building Appointment Fees**”), comprising:

- (i) S\$1,859,430 for the Services provided to CMT²; and
- (ii) S\$433,160 for the Services provided to RCS Trust³. The total fees payable by RCS Trust for the Services is S\$1,082,900, of which CMT will bear 40%, being S\$433,160, in accordance with its proportion of unitholding in RCS Trust.

The Centralised Intelligent Building Appointment Fees are calculated based on the costs incurred by CLPM to set up and maintain the central platform which are payable by CLPM to the third party vendor. The third party vendor was engaged following a tender process during which the proposals from the various tenderers were reviewed and evaluated based on various factors including pricing and technical capabilities. Accordingly, the Manager is of the view that the Centralised Intelligent Building Appointment is on normal commercial terms and not prejudicial to the interests of CMT and its minority unitholders.

2.2 Key Terms of the Funan Appointment

The expected contractual completion of the retail component of Funan is in 2Q 2019, and the mall is expected to open soon after. To ensure a smooth opening of the mall, a pre-opening period of nine months is necessary to phase in the staff of the centre management office. Under the Funan Services Agreement, CRMPL will provide a number of services including to set up the centre management office, develop standard operating procedures for the management of the retail component, coordinate and maintain the insurance policies, manage the fit-out of the centre management office, starting 1 October 2018 for a period of nine months.

Pursuant to the Funan Services Agreement, CMT shall pay CRMPL an aggregate of S\$423,783 as fees for the Funan Services provided by CRMPL (the “**Funan Appointment Fees**”).

The Funan Appointment Fees are calculated based on job grades and are consistent with industry pay level, as verified by an independent Human Resources consultant, Mercer (Singapore) Pte. Ltd. Accordingly, the Manager is of the view that the Funan Appointment is on normal commercial terms and not prejudicial to the interests of CMT and its minority unitholders.

2.3 Key Terms of the CCMS Appointment

CRMPL had engaged a third party vendor to develop and implement a carpark management system (the “**CCMS System**”) for certain properties managed by entities within the CL Group, including eleven properties held by CMT⁴ collectively, the “**CCMS Properties**”), which aims to integrate various car park systems into a single platform. The CCMS System comprises a central platform to be housed on a virtual cloud, and local platforms to be located at the CCMS Properties. Certain data relating to real-time information such as carpark occupancy and daily revenue will be collated by the local platforms and transmitted to the central platform. Under the CCMS Services Agreement, CRMPL shall manage the central platform and provide maintenance services in relation to the central platform.

² CLPM will provide the Services to CMT (including IMT) for the following properties (i) from 1 December 2018 to 30 November 2023: JCube, Clarke Quay, The Atrium@Orchard and Bugis+; and (ii) from 1 April 2019 to 31 March 2024: Junction 8, Westgate, Tampines Mall, Lot One Shoppers' Mall, Plaza Singapura and IMM Building.

³ CLPM will provide Services to RCS Trust for Raffles City Singapore from 1 April 2019 to 31 March 2024.

⁴ The eleven properties are Bedok Mall, Bugis+, Bukit Panjang Plaza, Clarke Quay, IMM Building, JCube, Junction 8, Lot One Shoppers' Mall, Plaza Singapura, Tampines Mall and The Atrium@Orchard.

Pursuant to the CCMS Services Agreements, CMT shall pay CRMPL an aggregate of S\$2,091,550 as fees for the CCMS Services provided by CRMPL (the “**CCMS Appointment Fees**”) for the period commencing 1 October 2018 to 30 September 2023.

The CCMS Appointment Fees are calculated based on the costs incurred by CRMPL to set up and maintain the central platform, and the costs which are payable by CRMPL to the third party vendor. The costs incurred by CRMPL to set up and maintain the central platform was benchmarked against comparable quotations by cloud solution providers and evaluated based on various factors including pricing. The third party vendor was engaged following a tender process during which the proposals from the various tenderers were reviewed and evaluated based on various factors including pricing, track record and technical capabilities. Accordingly, the Manager is of the view that the CCMS Appointment is on normal commercial terms and not prejudicial to the interests of CMT and its minority unitholders.

3. RATIONALE FOR AND BENEFITS OF THE INTERESTED PERSON TRANSACTIONS

3.1 Rationale and Benefit of the Centralised Intelligent Building Appointment

The implementation of the System will optimise energy efficiency and equipment maintenance in the Properties. The Services provided by CLPM, through the Centralised Intelligent Building Appointment, will further enhance the advantages of the System by ensuring that the central platform of the System which houses the data collected from the Properties can be effectively managed to achieve the following benefits:

- (i) prompt rectification of issues through advance detection of potential faults in the equipment used in the Properties;
- (ii) cost savings through efficient energy usage achieved by applying the diagnostic features of the System and data analytics services carried out by CLPM; and
- (iii) preventive maintenance of equipment made possible through machine learning and data analytics services carried out by CLPM.

3.2 Rationale and Benefits of the Funan Appointment

CRMPL has a proven track record in its pre-opening efforts and achieving high operational excellence for other properties, such as Bedok Mall and Westgate.

In addition, the projected staff headcount which are required for the pre-opening services will be phased into the Centre Management Team progressively over the engagement period. They will form the team to manage the mall when it opens.

3.3 Rationale and Benefit of the CCMS Appointment

Besides being an enhancement and integration of current carpark systems, the centralised system allows integration of existing loyalty programme to allow privilege or complimentary parking as well as facilitate changes in fee structure to tie in with the malls' promotions. These will enhance the overall customer experience in the malls.

The system also provides management with real-time information on carpark operations and assist in analytics of the operations.

4. **AUDIT COMMITTEE STATEMENT**

The Audit Committee (except for Mr Lim Cho Pin Andrew Geoffrey who has abstained from participating in the review of this transaction as he is an officer of CL) has considered the terms of the Centralised Intelligent Building Appointment and is of the view that the Centralised Intelligent Building Appointment is on normal commercial terms and is not prejudicial to the interests of CMT and its minority unitholders.

The Audit Committee (except for Mr Lim Cho Pin Andrew Geoffrey who has abstained from participating in the review of this transaction as he is an officer of CL) has considered the terms of the Funan Appointment and is of the view that the Funan Appointment is on normal commercial terms and is not prejudicial to the interests of CMT and its minority unitholders.

The Audit Committee (except for Mr Lim Cho Pin Andrew Geoffrey who has abstained from participating in the review of this transaction as he is an officer of CL) has considered the terms of the CCMS Appointment and is of the view that the CCMS Appointment is on normal commercial terms and is not prejudicial to the interests of CMT and its minority unitholders.

5. **TOTAL VALUE OF INTERESTED PERSON TRANSACTIONS WITH CL FOR THE CURRENT FINANCIAL YEAR**

As at the date of this announcement, the value of all interested person transactions entered into between (1) CMT and (2) CL and their subsidiaries and associates (excluding Temasek Holdings (Private) Limited (“**THPL**”) and its subsidiaries and associates) (the “**CL Group**”) during the course of the current financial year (including the Centralised Intelligent Building Appointment, the Funan Appointment and the CCMS Appointment) is approximately S\$839.1 million.

The value of all interested person transactions entered into between (1) CMT and (2) all interested persons during the course of the current financial year (including the Centralised Intelligent Building Appointment, the Funan Appointment and the CCMS Appointment) is approximately S\$850.9 million.

6. **INTERESTS OF DIRECTORS AND CONTROLLING UNITHOLDERS⁵**

As at the date of this announcement, certain directors of the Manager collectively hold an aggregate direct and indirect interest in 423,991 Units and 1,014,101 shares in CL.

Adj Prof Richard R. Magnus is the Chairman and a Non-Executive Independent Director of the Manager. Mr Tony Tan Tee Hieong is the Chief Executive Officer and an Executive Non-Independent Director of the Manager. Mr Tan Kian Chew is a Non-Executive Non-Independent Director of the Manager. Mr Ng Chee Khern, Mr Lee Khai Fatt, Kyle, Mr Fong Kwok Jen and Mr Gay Chee Cheong are Non-Executive Independent Directors of the Manager. Mr Jason Leow Juan Thong and Mr Lim Cho Pin Andrew Geoffrey are Non-Executive Non-Independent Directors of the Manager.

Mr Jason Leow Juan Thong is concurrently the President (Asia & Retail) of CL. Mr Lim Cho Pin Andrew Geoffrey is concurrently the Group Chief Financial Officer of CL.

⁵ “**Controlling Unitholders**” refers to a person with an interest in Units constituting not less than 15.0% of all Units in issue.

As at the date of this announcement and based on information available to the Manager, THPL, through its subsidiaries and associated companies (including CL and its subsidiaries), has an aggregate deemed interest in 1,060,945,105 Units, which is equivalent to approximately 29.89% of the total number of Units in issue.

As at the date of this announcement and based on information available to the Manager, CL, through its subsidiaries, namely ACPL, PIPL, PHSIPL and the Manager, holds an aggregate interest in 1,044,933,659 Units, which is equivalent to approximately 29.44% of the total number of Units in issue.

Save as disclosed above and as at the date of this announcement, none of the directors of the Manager or Controlling Unitholders has an interest, direct or indirect, in the Centralised Intelligent Building Appointment, the Funan Appointment and the CCMS Appointment.

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
1 November 2018

IMPORTANT NOTICE

The past performance of CapitaLand Mall Trust ("**CMT**") and CapitaLand Mall Trust Management Limited (the "**Manager**"), as manager of CMT, is not necessarily indicative of their respective future performances.

The value of units in CMT ("**Units**") and the income from them may fall as well as rise. Units are not obligations of, deposits, 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 have no right to request the Manager to redeem their Units while the Units are listed. It is intended that unitholders may only deal in their Units through trading on the Singapore Exchange Securities Trading Limited ("**SGX-ST**"). Listing of the Units on the SGX-ST does not guarantee a liquid market for the Units.

This announcement 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 terms necessary to support future business. You are cautioned not to place undue reliance on these forward-looking statements, which are based on the Manager's current view of future events.