



CAPITALAND MALL TRUST

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

ANNOUNCEMENT

DIVESTMENT OF VICTORY SR TRUST

1. INTRODUCTION

CapitaLand Mall Trust Management Limited, in its capacity as manager of CapitaLand Mall Trust (“**CMT**”, and the manager of CMT, the “**Manager**”), is pleased to announce that HSBC Institutional Trust Services (Singapore) Limited, in its capacity as trustee of CMT (the “**Trustee**”), has on 3 August 2017 entered into a conditional unit sale and purchase agreement (the “**Unit Purchase Agreement**”) with Victory SR Pte. Ltd., a wholly owned subsidiary of Ascott Serviced Residence (Global) Fund Pte Ltd (the “**Purchaser**”) to sell all the units in Victory SR Trust (“**Victory SR Trust Units**”, and the sale of the Victory SR Trust Units, the “**Divestment**”).

Victory SR Trust currently holds certain undivided shares of and in the property located at 109 North Bridge Road Singapore 179097 known as Funan (the “**Property**”) and will, on completion of the redevelopment of the Property, hold the strata lot comprised in the Property, which is being developed for serviced residence use (the “**SR Unit**”). The SR Unit is expected to have a gross floor area of approximately 121,000 square feet.

2. PRINCIPAL TERMS OF THE DIVESTMENT

2.1 Total Divestment Proceeds and Valuation

On completion of the Divestment (“**Completion**”), the total proceeds expected to be received by the Trustee from the Purchaser in connection with the Divestment (“**Total Divestment Proceeds**”) is S\$101.8 million¹, which comprises the aggregate of:

- (a) the estimated consideration payable by the Purchaser for the purchase of the Victory SR Trust Units of S\$58.8 million¹ (the “**Sale Consideration**”); and
- (b) the estimated amount payable by the Purchaser for the repayment and discharge of the existing unitholders’ loans and outstanding payables to CMT, Victory Office 1 Trust, and Victory Office 2 Trust totalling approximately S\$43.0 million¹ (“**Unitholder’s Loans and Outstanding Payables**”).

¹ Subject to completion adjustments.

The Sale Consideration is derived from the net asset value (“NAV”) of Victory SR Trust of S\$58.8 million² after taking into account:

- (i) the agreed land value of the land component of the SR Unit (“SR Land”) of S\$90.5 million, which was negotiated on a willing-buyer and willing-seller basis after taking into account the independent valuations of the SR Land; plus
- (ii) other net assets, comprising mainly capitalised development costs projected to be incurred till the date of Completion (the “Completion Date”), of approximately S\$11.3 million²; less
- (iii) Unitholder’s Loans and Outstanding Payables totalling approximately S\$43.0 million².

The Manager has commissioned an independent valuer, Savills Valuation & Professional Services (S) Pte Ltd (“Savills”), and the Trustee has commissioned another independent valuer, Knight Frank Pte Ltd (“Knight Frank”, and together with Savills, the “Independent Valuers”), to value the SR Land. The valuation of the SR Land as at 1 August 2017 is (i) S\$86.5 million and (ii) S\$75.0 million as stated by Savills and Knight Frank in their respective valuation reports. The methods used by the Independent Valuers were the residual land value method, capitalisation method and the discounted cash flow method.

The final Sale Consideration payable by the Purchaser to the Trustee on Completion will be subject to adjustments for Victory SR Trust’s NAV on the Completion Date, and the final amount of the Unitholder’s Loans and Outstanding Payables will depend on the final amount of principal and payables outstanding on the Completion Date.

2.2 Principal Terms of the Unit Purchase Agreement

The principal terms of the Unit Purchase Agreement include, among others, the condition precedent that certain project-related contracts for the redevelopment of the Property have been awarded in accordance with the terms of the Unit Purchase Agreement.

3. FINANCIAL EFFECTS

The Divestment is not expected to have any material impact on the distribution per unit or net asset value per unit of CMT and its subsidiaries (the “CMT Group”) for the financial year ending 31 December 2017.

4. INTERESTED PERSON TRANSACTION AND INTERESTED PARTY TRANSACTION

As the Purchaser is an associate of the controlling shareholder of the Manager (being CapitaLand Limited, “CL”), for the purposes of Chapter 9 of the Listing Manual of Singapore Exchange Securities Trading Limited (“SGX-ST”) and Paragraph 5 of Appendix 6 of the Code on Collective Investment Schemes issued by the Monetary Authority of Singapore (the “Property Funds Appendix”), the Purchaser is an “interested person” (for the purposes of the Listing Manual of SGX-ST) and an “interested party” (for the purposes of the Property Funds Appendix) of CMT.

² Subject to completion adjustments.

However, the value of the Divestment, aggregated with all transactions entered into by the CMT Group with CL and its subsidiaries (the “**CL Group**”) as at the date of this announcement, is less than 3.0% of the CMT Group’s latest audited net tangible assets and net asset value.

5. INTERESTS OF DIRECTORS AND CONTROLLING UNITHOLDERS

Mr Lim Ming Yan is the Deputy Chairman and a Non-Executive Non-Independent Director of the Manager and the President and Group Chief Executive Officer of CL. Mr Lim Cho Pin Andrew Geoffrey is a Non-Executive Non-Independent Director of the Manager and the Group Chief Financial Officer of CL. Mr Jason Leow Juan Thong is a Non-Executive Non-Independent Director of the Manager and the Chief Executive Officer of CapitaLand Mall Asia Limited, a wholly owned subsidiary of CL.

As at the date of this announcement and based on information available to the Manager as at the date of this announcement, save for the unitholding interests in CMT held by certain directors of the Manager and by the controlling unitholders of CMT (“**Unitholders**”), and save for the shareholding interests in CL held by certain directors of the Manager, and save as described above, none of the directors of the Manager or the controlling Unitholders has an interest, direct or indirect, in the Divestment.

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
4 August 2017

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 Singapore Exchange Securities Trading Limited (the “**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 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 Manager’s current view of future events.