

NEWS RELEASE

**CMT to acquire remaining 70.0% stake in Westgate
for S\$789.6 million**

Proposed acquisition will reinforce CMT's market leadership in Jurong Lake District while boosting portfolio resilience and income diversification

Singapore, 27 August 2018 – CapitaLand Mall Trust Management Limited (CMTML), the manager of CapitaLand Mall Trust (CMT), is pleased to announce that HSBC Institutional Trust Services (Singapore) Limited, the trustee of CMT, has entered into a sale and purchase agreement with wholly owned subsidiaries of CapitaLand Limited to acquire the remaining 70.0% of the units in Infinity Mall Trust that CMT does not own. Upon completion of the proposed acquisition, CMT will own 100.0% of Westgate through Infinity Mall Trust. The acquisition is based on an agreed market value of Westgate at S\$1,128.0 million (S\$2,746 per square foot) on a 100% basis, 70.0% of which is S\$789.6 million.

Including acquisition-related expenses, CMT's total acquisition outlay is estimated at S\$805.5 million. CMT will leverage its strong balance sheet to fund this acquisition through debt or a combination of debt and equity funding, the decision which will be made at a later date according to market conditions. The transaction, which is conditional upon CMT unitholders' approval, is expected to be completed in 4Q 2018.

Opened in December 2013, Westgate is the retail component of an integrated retail and office development in Jurong Lake District, Singapore's up-and-coming second Central Business District. It enjoys direct connectivity to both the Jurong East MRT station and bus interchange and is near amenities such as the Ng Teng Fong General Hospital and Jurong Regional Library. As at 31 July 2018, Westgate has a committed occupancy of 98.0%.

Adj Professor Richard R. Magnus, Chairman of CMTML, said: "Strategically located with excellent transportation links, Westgate is a multiple-award winning property that CMT co-developed with its sponsor, CapitaLand. In view of the Government's plans to add 20,000 homes and create 100,000 new jobs in Jurong Lake District, as well as the upcoming Jurong Region Line that will connect to the Jurong East MRT station, CMT remains confident about the long-term growth prospects of the Jurong area. The proposed acquisition of the remaining interest in Westgate will enable CMT to fully capitalise on the strengths of Westgate, together with IMM Building and JCube in the same area, to tap the growth in Jurong."

Mr Tony Tan, CEO of CMTML, said: “The proposed acquisition is in line with our strategy of continually optimising CMT’s portfolio to achieve sustainable returns and growth. It enables us to recycle the capital from the sale of Sembawang Shopping Centre¹ into a newer asset with stronger growth potential at an entry yield of 4.3%², which is in line with recent market transactions. At S\$2,746 per square foot, the acquisition price is attractive for an asset of Westgate’s quality. In terms of gross revenue, the proportion of CMT’s portfolio³ focused on necessity shopping – which has shown resilience over the years – would have increased from 79.1%⁴ to 80.3%⁴ with the proposed acquisition. In addition, the maximum contribution by any single property to CMT’s portfolio gross revenue would also have decreased from about 11.8%⁴ to about 11.1%⁴. The proposed acquisition will therefore enhance CMT’s portfolio resilience and income diversification.”

Valuation and conditions for the acquisition

As CapitaLand is a controlling unitholder of CMT, the acquisition is an interested person/party transaction (IPT) under the Listing Manual of Singapore Exchange Securities Trading Limited (SGX) and the Property Funds Appendix of the Code of Collective Investment Schemes. As the value of the acquisition exceeds 5% of CMT Group’s latest audited net tangible assets, the acquisition is subject to the approval of CMT’s unitholders at an extraordinary general meeting which will be held at an appropriate time.

According to the Property Funds Appendix, in the case of an IPT, two independent valuations of the property must be obtained, with one of the valuers commissioned independently by the trustee. As at 21 August 2018, Colliers International Consultancy & Valuation (Singapore) Pte Ltd – an independent property valuer appointed by CMTML – has valued Westgate at S\$1,130.0 million, while Jones Lang LaSalle Property Consultants Pte Ltd – an independent property valuer appointed by the trustee – has valued Westgate at S\$1,125.0 million.

¹ The sale of Sembawang Shopping Centre for S\$248.0 million was completed on 18 June 2018.

² Based on net property income for the financial year ended 31 December 2017.

³ 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. Both existing and enlarged property portfolios include discretionary shopping malls, which comprise Clarke Quay, Bugis+ and CMT’s 40.0% interest in Raffles City Singapore.

⁴ Based on gross revenue for the financial year ended 31 December 2017, adjusted for Sembawang Shopping Centre which was divested on 18 June 2018.

Summary of Westgate

Address	3 Gateway Drive, Singapore 608532
Description	Westgate is the retail component of an integrated retail and office development in Jurong Lake District, Singapore's up-and-coming second Central Business District. It comprises seven levels of retail space (five levels above ground and two basement levels) and commercial space at Level 26. The mall enjoys direct connectivity to both the Jurong East MRT station and bus interchange and is near amenities such as the Ng Teng Fong General Hospital and Jurong Regional Library. The mall offers a holistic shopping experience with unique features such as a naturally ventilated courtyard, alfresco dining options and a thematic children's playground.
Opening date	2 December 2013
Site area	195,463 sq ft
Gross floor area (GFA)	593,928 sq ft
Net lettable area (NLA)	Approximately 411,000 sq ft (as at 30 June 2018)
Number of car park spaces	610 ⁽¹⁾ over two basement levels
Number of leases	246 (as at 30 June 2018)
Committed occupancy	98.0% (as at 31 July 2018)
Major tenants by NLA	Isetan, BreadTalk, Samsung, Fitness First
Land tenure	99 years from 2011
Monthly shopper traffic	Approximately 4 million
Awards	<ul style="list-style-type: none"> • Building and Construction Authority Green Mark Platinum Award 2013 • Best Retail Development Gold Award at MIPIM Asia Awards 2014 • Best Mixed-Use Architecture Singapore at Asia Pacific Property Awards 2014 • Building and Construction Authority Universal Design Mark Platinum Award 2015 • National Parks Board Skyrise Greenery Awards 2015 – Outstanding Award • Landscape Excellence Assessment Framework 2016 – Outstanding Project

Note:

(1) The car park lots are owned by the management corporation of Westgate.

About CapitaLand Mall Trust (www.cmt.com.sg)

CMT is the first real estate investment trust (REIT) listed on Singapore Exchange Securities Trading Limited (SGX-ST) in July 2002. CMT is also the largest retail REIT by market capitalisation, S\$7.3 billion (as at 30 June 2018) in Singapore. CMT has been affirmed an 'A2' issuer rating by Moody's Investors Service on 16 July 2015. The 'A2' issuer rating is the highest rating assigned to a Singapore REIT.

CMT owns and invests in quality income-producing assets which are used, or predominantly used, for retail purposes primarily in Singapore. As at 30 June 2018, CMT's portfolio comprised a diverse list of close to 2,800 leases with local and international retailers and achieved a committed occupancy of 98.0%. CMT's 15 quality shopping malls, which are strategically located in the suburban areas and downtown core of Singapore, comprise Tampines Mall, Junction 8, Funan, IMM Building, Plaza Singapura, Bugis Junction, JCube, Raffles City Singapore (40.0% interest), Lot One Shoppers' Mall, 90 out of 91 strata lots in Bukit Panjang Plaza, The Atrium@Orchard, Clarke Quay, Bugis+, Westgate (30.0% interest) and Bedok Mall. CMT also owns 122.7 million units in CapitaLand Retail China Trust, the first China shopping mall REIT listed on SGX-ST in December 2006.

CMT is managed by an external manager, CapitaLand Mall Trust Management Limited, which is an indirect wholly owned subsidiary of CapitaLand Limited, one of Asia's largest real estate companies headquartered and listed in Singapore.

Issued by: CapitaLand Mall Trust Management Limited (Co. Regn.: 200106159R)

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