

NEWS RELEASE

**CMT divests Funan’s serviced residence component at
an agreed land value of S\$90.5 million**

Singapore, 4 August 2017 – CapitaLand Mall Trust Management Limited (CMTML), the manager of CapitaLand Mall Trust (CMT), announced today that CMT, through its trustee HSBC Institutional Trust Services (Singapore) Limited, has entered into an agreement to divest its entire unitholding interest in Victory SR Trust – which owns the serviced residence component in the Funan integrated development – to Victory SR Pte. Ltd., a wholly owned subsidiary of Ascott Serviced Residence (Global) Fund Pte Ltd. The nine-storey serviced residence with an estimated Gross Floor Area (GFA) of about 121,000 square feet (sq ft) will be managed by The Ascott Limited (Ascott) as the Singapore flagship of its millennial-focused lyf brand. Currently under construction, Funan is expected to be completed in 4Q 2019.

The transaction is based on an agreed land value¹ of S\$90.5 million for Funan’s serviced residence component, and other assets of approximately S\$11.3 million, which includes capitalised development costs up to the completion date of the transaction. The transaction is expected to be completed in 4Q this year. The buyer will pay for all development costs in relation to Funan’s serviced residence thereafter. The divestment is expected to generate for CMT proceeds of about S\$101.8 million and a net gain of about S\$20.6 million.

Mr Tony Tan, CEO of CMTML, said: “CMT is excited to have Ascott onboard this journey to redevelop Funan into an aspirational and experiential space that brings to life a brand new live-work-play paradigm. We are looking forward to welcoming the Singapore flagship of Ascott’s lyf brand of coliving apartments at Funan. Together with Funan’s cutting-edge retail innovations and coworking space offerings, we will be creating a unique value proposition for our customers. The divestment of the serviced residence component will also lower CMT’s overall development risks, enhance our financial flexibility and uplift the return on investment for Funan’s redevelopment.”

Located in Singapore’s Civic & Cultural District at 109 North Bridge Road, Funan is an integrated development with a total GFA of approximately 887,000 sq ft. In addition to the serviced residence, Funan comprises a six-storey retail podium with a GFA of about 500,000 sq ft and two six-storey Grade A office towers with a GFA of about 266,000 sq ft. Funan is held on a 99-year leasehold title commencing from 12 December 1979, with a remaining lease term of approximately 61 years.

¹ As at 1 August 2017, Savills – an independent property valuer appointed by CMTML – has valued the land component of Funan’s serviced residence at S\$86.5 million, while Knight Frank – an independent valuer appointed by CMT’s trustee, has valued the same land component at S\$75.0 million.

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\$7.0 billion (as at 30 June 2017) 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 2017, CMT's portfolio comprised a diverse list of about 2,900 leases with local and international retailers and achieved a committed occupancy of 98.6%. CMT's 16 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, Sembawang Shopping Centre, 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.

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