

# **CAPITAMALLS MALAYSIA TRUST**

*Malaysia's Largest "Pure-Play"  
Shopping Mall REIT*



***Proposed Acquisition of East Coast Mall ("ECM"), Kuantan***

14 June 2011



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The information in this presentation is qualified in its entirety by, and is subject to, the more detailed information set out in the Announcement dated 14 June 2011 released by CIMB Investment Bank Berhad on behalf of the Board of Directors of CapitaMalls Malaysia REIT Management Sdn. Bhd. to Bursa Malaysia Securities Berhad, the Prospectus dated 28 June 2010 registered with the Securities Commission of Malaysia and any subsequent announcements released by CMMT thereafter.

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# Transaction Summary







# Transaction Summary

- Proposed acquisition of quality shopping mall in Kuantan
- Quality asset with high occupancy of 97.0%
- Strategically located and has an established tenant mix
- Purchase consideration: RM310.0 million
- Forecast property yield of approximately 7.1% for 2011
- Yield accretion to CMMT unitholders and further geographical and income diversification



# Overview of East Coast Mall and CMMT's Portfolio

## Gurney Plaza & Extension, Penang

- Penang's premier lifestyle mall
- Located at Gurney Drive
- Large middle/upper income catchment population



**Solid Platform**

## Sungei Wang Plaza, Kuala Lumpur

- Unique shopping mall with wide range of products and services
- Strategically located within KL's CBD
- Easily accessible via SMART tunnel and monorail



**Revenue Driver**

## The Mines, Selangor

- Suburban shopping mall with Venetian-like canal
- Part of Mines Resort City, an integrated retail, entertainment and business destination
- Accessible via highways and public transport



**Growth Engine**



## East Coast Mall, Kuantan



- A modern family lifestyle mall
- Established tenant mix with domestic and international tenants
- Part of Putra Square Development (a mixed development comprising the 519-room Zenith Hotel and the 6,000 seating capacity Sultan Ahmad Shah International Convention Centre)
- Started operations on 30 April 2008

## Portfolio Details

	Existing Portfolio	East Coast Mall	Enlarged Portfolio
NLA <sup>1</sup> (mm sq ft)	2,014	0.441	2,455
Valuation <sup>2</sup> (RM mm)	2,368	330	2,698
Occupancy <sup>1</sup> (%)	98.7	97.0	98.4

<sup>1</sup> NLA and occupancy for existing portfolio and East Coast Mall are as at 31 March 2011 and 1 May 2011 respectively.

<sup>2</sup> Valuation for existing portfolio as at 31 December 2010 for all assets except for that of Gurney Plaza Extension which was as at 30 September 2010. Valuation of East Coast Mall as at 1 May 2011.

# Project Highlights



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# Background on Kuantan



- Kuantan is the capital city of Pahang
- Population<sup>1</sup> : approximately 600,000
- Approximately two and half hours' drive from Kuala Lumpur
- Established hotels in city centre and resorts at nearby beaches
- Social, economic and commercial hub for East Coast Peninsular Malaysia
- Special Economic Zone (SEZ)<sup>2</sup> under the East Coast Economic Region (ECER)<sup>3</sup>

<sup>1</sup> Source: <http://www.pahangtourism.com.my/aboutphg/kuantan/index/html>

<sup>2</sup> SEZ is a concentration of high-impact projects within an integrated development zone located at the nucleus of the ECER – the 25km by 140km strip that extends from Kertih, in Terengganu to Pekan, in Pahang. Refer to <http://www.ecercd.com.my/ecercd/sezabout.aspx> for more information.

<sup>3</sup> ECER is a new economic development corridor in Malaysia implemented in 2007, covering states of Kelantan, Terengganu, Pahang and the north of Mersing district of Johor. The objective is to accelerate the growth of the East Coast Economic Region to realise the noble vision to make ECER a developed region by 2020. Refer to <http://www.ecercd.com.my/ecercd/about.htm> for more information.

# Location of East Coast Mall



- Strategically located in the heart of Kuantan city centre
- Part of Putra Square development, which also comprises Zenith Hotel and Sultan Ahmad Shah International Convention Centre
- Attracts shoppers from secondary catchment of Terengganu

# Rationale



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# Rationale for the Acquisition

1

**In Line with Investment Objective to Acquire Quality Assets**

2

**Stable Prospects for Kuantan's Retail Industry**

3

**Geographical and Income Diversification**

4

**Enhancing CMMT's Position as the Largest "Pure-Play" Shopping Mall REIT**



# In line with Investment Objective to Acquire Quality Assets

- Excellent location and catchment
  - Located in the heart of Kuantan city centre
  - Part of mixed development with a hotel and convention centre
  - Popular among locals and secondary catchment includes Terengganu
- Good layout and established tenancy mix
- High occupancy of 97.0%
- Site area of 339,752 sq ft may present future development opportunities
- 2011 Forecast NPI yield of East Coast Mall at about 7.1%<sup>1</sup> is attractive
- Yield accretive acquisition
  - CMMT's implied property yield for 2011 is about 6.4%<sup>2</sup>

<sup>1</sup> Forecast Net Property Income (NPI) yield of East Coast Mall for 2011 is calculated by dividing East Coast Mall's forecast NPI of RM22.0 million for 2011 by the acquisition price of RM310.0 million.

<sup>2</sup> There are 1,494,859,000 CMMT units in issue (as at 1 May 2011). The implied yield is calculated by dividing the 2011 NPI forecast of RM163.6 million by the implied property value. The implied property value is the total borrowings of RM819.75 million (as at 31 March 2011) and market capitalisation of RM1.72 billion based on unit price of RM1.15, being the weighted average market price of each CMMT unit for the five market days immediately prior to 1 May 2011.





# East Coast Mall

## Exterior Snapshots



## Interior Snapshots





# Quality Asset with Established Tenants

Carrefour



Parkson



Golden Screen Cinema







# Quality Asset with Established Tenants

Starbucks Coffee



Quiksilver



Osim



Padini Concept Store and Brands Outlet

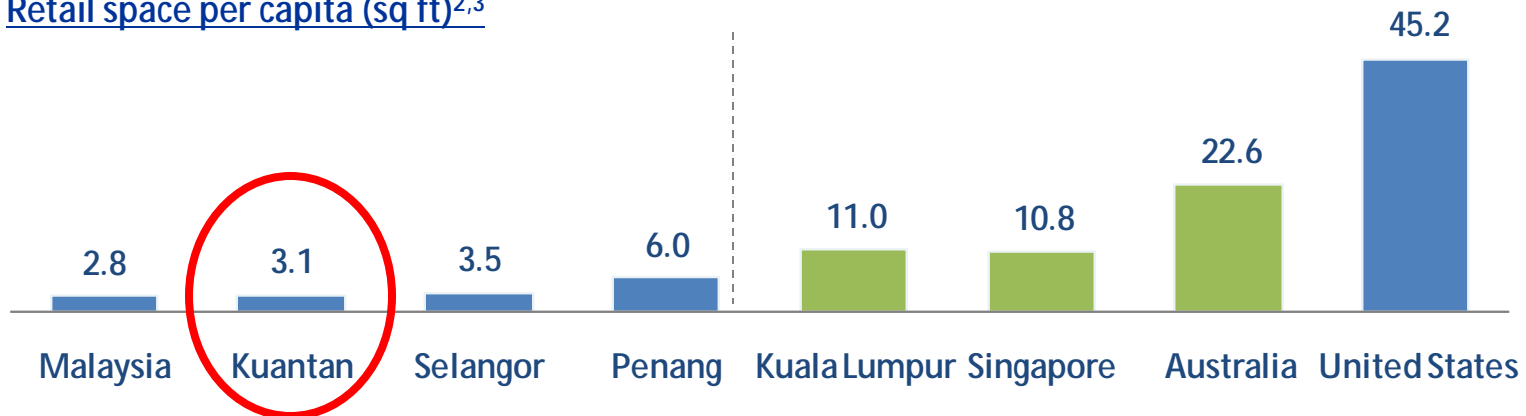




# Stable Prospects for Kuantan's Retail Industry

- Pahang's state capital and largest city
- Social, economic and commercial hub for east coast of peninsular Malaysia
- Approximately 600,000 population<sup>1</sup>
- Thriving tourism industry
- Kuantan's retail space per capita is relatively low

Retail space per capita (sq ft)<sup>2,3</sup>



<sup>1</sup> Source: <http://www.pahangtourism.com.my//aboutphg/kuantan/index/html>

<sup>2</sup> Information on Malaysia, Selangor, Penang and Kuala Lumpur are from the Independent Property Market Report (IMR) as set out in the CMMT IPO Prospectus dated 28 June 2010. Estimated retail space per capita for Kuantan is based on dividing the estimated retail space of 171,508 sq m (or approximately 1.85 mil sq ft) for Kuantan (Source: National Property Information Centre) and Kuantan's estimated population of approximately 600,000.

<sup>3</sup> Information on Singapore, Australia and the United States are from Urbis as set out in the CapitaMalls Asia Limited IPO Prospectus dated 17 November 2009



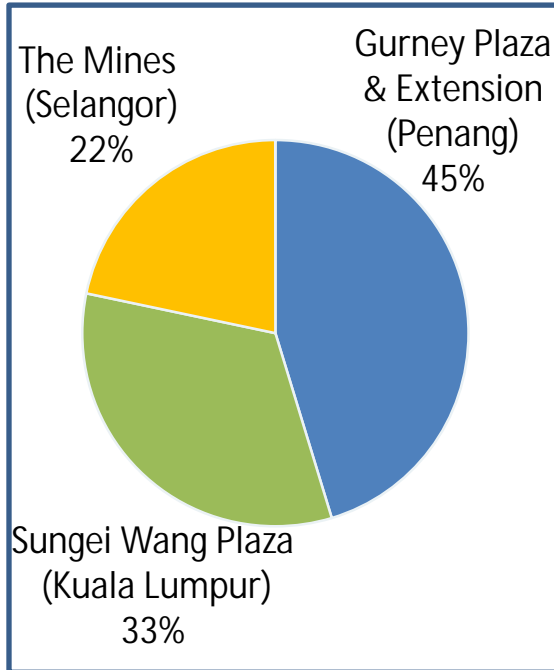
# Geographical and Income Diversification

## NPI Contribution for 2011

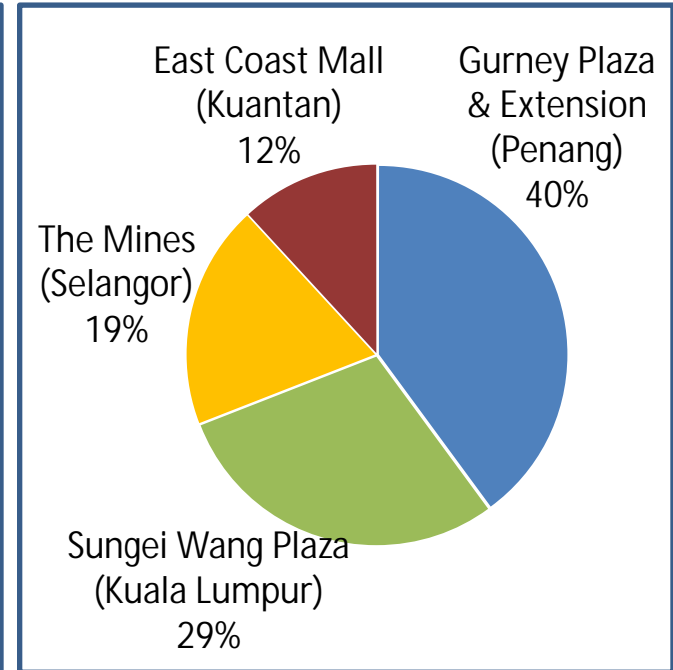
### Map of Malaysia



### Existing Portfolio<sup>1</sup>



### Enlarged Portfolio<sup>2</sup>



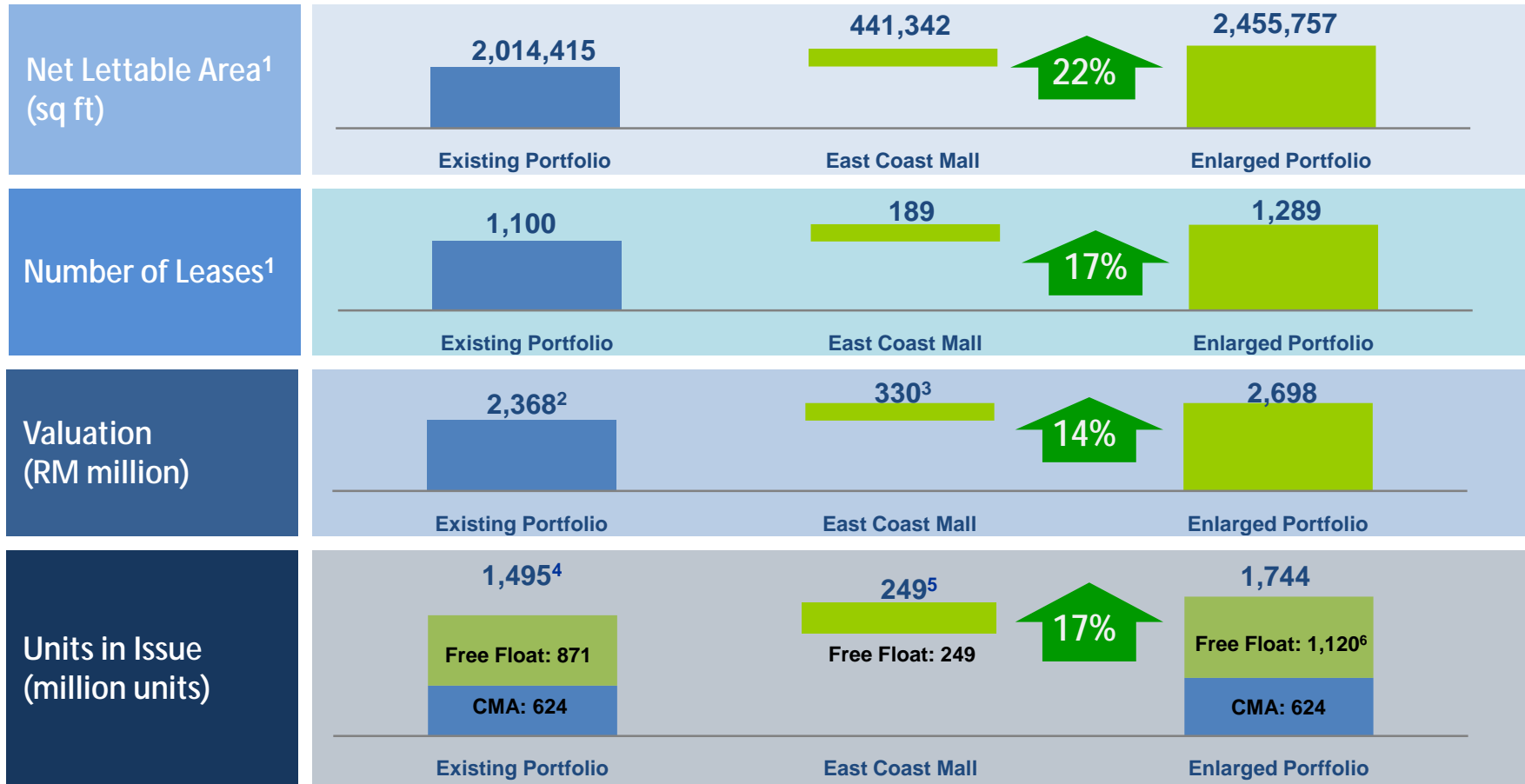
<sup>1</sup> 2011 NPI contribution for Existing Portfolio is based on the combined 2011 NPI forecast of RM163.6 million comprising (i) the portfolio (without Gurney Plaza Extension) as disclosed in the prospectus of CMMT dated 28 June 2010, and (ii) Gurney Plaza Extension as disclosed in the circular dated 23 February 2011.

<sup>2</sup> NPI contribution for Enlarged Portfolio is based on combined NPI for Existing Portfolio and the East Coast Mall's NPI of RM22.0 million.





# Enhancing CMMT's Position as the Largest "Pure-Play" Shopping Mall REIT



<sup>1</sup> As at 1 May 2011. <sup>2</sup> The valuation is a sum of: (a) the valuation of RM22.5 million for Gurney Plaza Extension Property as at 30 September 2010; and (b) the valuation of RM2,143 million for Gurney Plaza, Sungei Wan Plaza Property and the Mines as at 31 December 2010.

<sup>3</sup> Based on the valuation of East Coast Mall as at 1 May 2011 by PPC International Sdn. Bhd. <sup>4</sup> As at 1 May 2011.

<sup>5</sup> Assuming minimum gearing scenario is used, whereby debt financing is procured at a Loan-to-Value ratio of 20% while the remaining acquisition cost is funded via equity financing at an illustrative Issue Price of RM1.06 per Unit.

<sup>6</sup> CMMT's free float will potentially increase from 871 million units to 1,120 million units based on the assumption that CMA will not subscribe for any placement units.

# Project Details





# Property Details

East Coast Mall	
Site area	339,752 sq ft
Tenor	Leasehold of 99 years expiring in 2106 (i.e. balance of 95 years)
Number of storeys <sup>1</sup>	4 storeys with 1 basement car park level
Gross floor area ("GFA") <sup>2</sup>	996,902 sq ft
NLA <sup>3</sup>	441,342 sq ft
No. of leases <sup>3</sup>	189
Occupancy <sup>3</sup>	97.0%
No. of car parking bays <sup>2</sup>	1,170
Tenant mix	Department Store, Fashion, Food & Beverage, Beauty & Wellness, Entertainment
Anchor tenants	Parkson, Carrefour, Golden Screen Cinemas (9 screens)
Purchase consideration	RM310.0 million
Independent Valuation	RM330.0 million
Commencement of Operations	30 April 2008

<sup>1</sup> comprises retail space on ground, first, second and third floors, and car parking bays at the basement level, surface car park on the ground floor, third floor and on the rooftop.

<sup>2</sup> As per the approved building plan drawings dated 3 December 2007.

<sup>3</sup>As at 1 May 2011



# Sectional Plan





# Estimated Total Acquisition Cost

Estimated Total Acquisition Cost	RM million
Purchase Price	310.0
Acquisition Fee	3.1
Estimated Expenses for the Proposals <sup>1</sup>	12.9
Working Capital <sup>2</sup>	4.0
<b>Total</b>	<b>330.0</b>

<sup>1</sup> The expenses for the Proposals comprise the professional fees, service tax, fees payable to the relevant authorities and other incidental expenses to be incurred in relation to the Proposals, and inclusive of initial capital expenditure to be incurred in the course of normal operations of East Coast Mall.

<sup>2</sup> This is the working capital to be incurred over a 12-month period for East Coast Mall. Any portion not utilised on the expiry of this period may, at CMMT's discretion, be also used by CMMT as working capital for its Existing Portfolio (as defined in Section 2.4.1 of the Announcement to Bursa Malaysia dated 14 June 2011)





# Proposed Acquisition and Placement

- **Proposed Acquisition as follows:**
  - Subject to approval of relevant authorities
  - Financed through a combination of debt and equity
  - Raised via placement of new CMMT units
  - Placement of up to 298,971,000<sup>1</sup> new units in CMMT by way of bookbuilding representing up to 20% of the approved fund size of 1,494,859,000

<sup>1</sup> The allotment and issuance of new units of up to 20% of the approved fund size of CMMT has been approved via the general mandate obtained at the unitholders' meeting held on 10 March 2011"



# Thank You

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