



# CapitaLand Malaysia Mall Trust

Malaysia-Singapore  
Non-Deal Roadshow 2019

March 2019



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# Introduction



Gurney Plaza, Penang, Malaysia



# CapitaLand Malaysia Mall Trust

**Malaysia's shopping mall-focused REIT with an income and geographically-diversified portfolio**

Five shopping malls and one complementary office tower valued at approximately RM4.0 billion<sup>1</sup>

Total net lettable area (NLA) of approximately 2.9 million sq ft<sup>2</sup>

**Access to Sponsor's**  
unique integrated retail and capital management platform

1. Based on valuations for CMMT portfolio (as at 31 December 2018), commissioned by MTrustee, trustee of CMMT.
2. As at 31 December 2018 and area under asset enhancement initiatives is removed from computation.



# Integrated Retail and Capital Management Platform

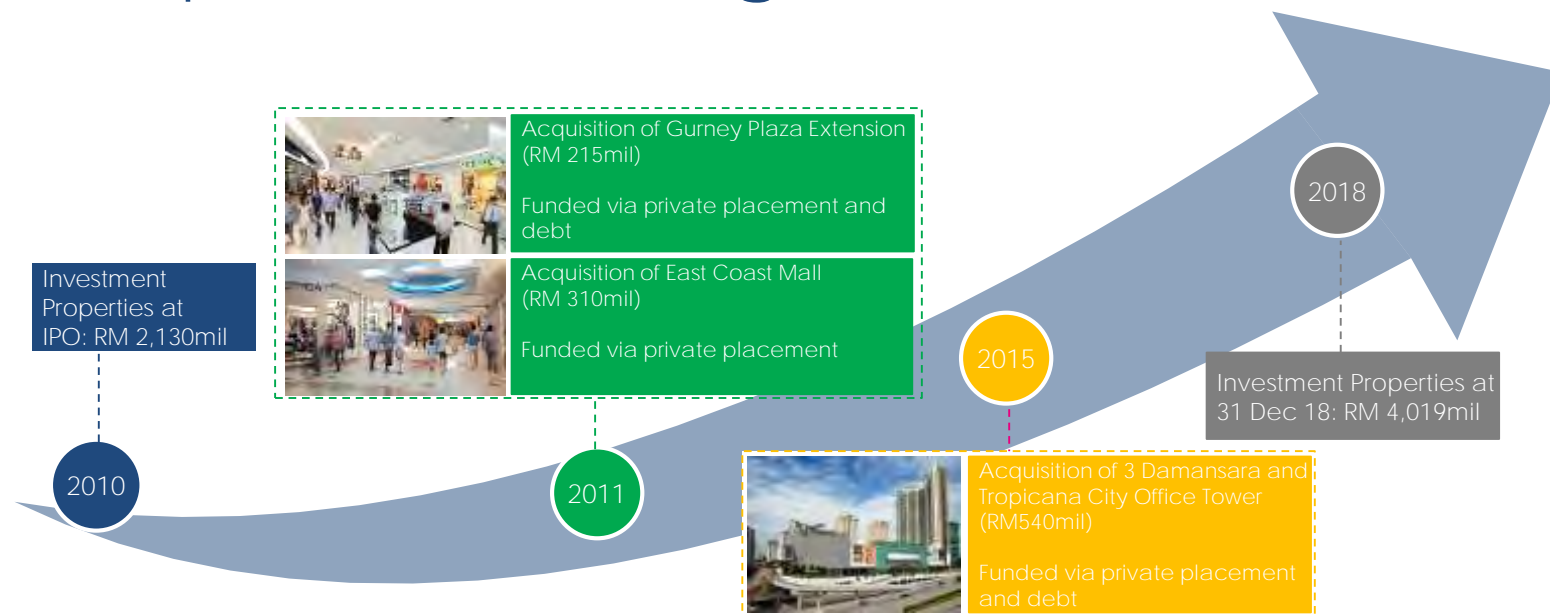


- 1 Pan-Asian retail mall management platform and delivery capabilities
- 2 Strategic partnerships and extensive international network of brand name retailers
- 3 Professional management to drive shopper traffic and retail sales
- 4 Professional design team to create attractive shopping ambiance
- 5 One of the few REITs in Asia to have an internalised lease and design management function

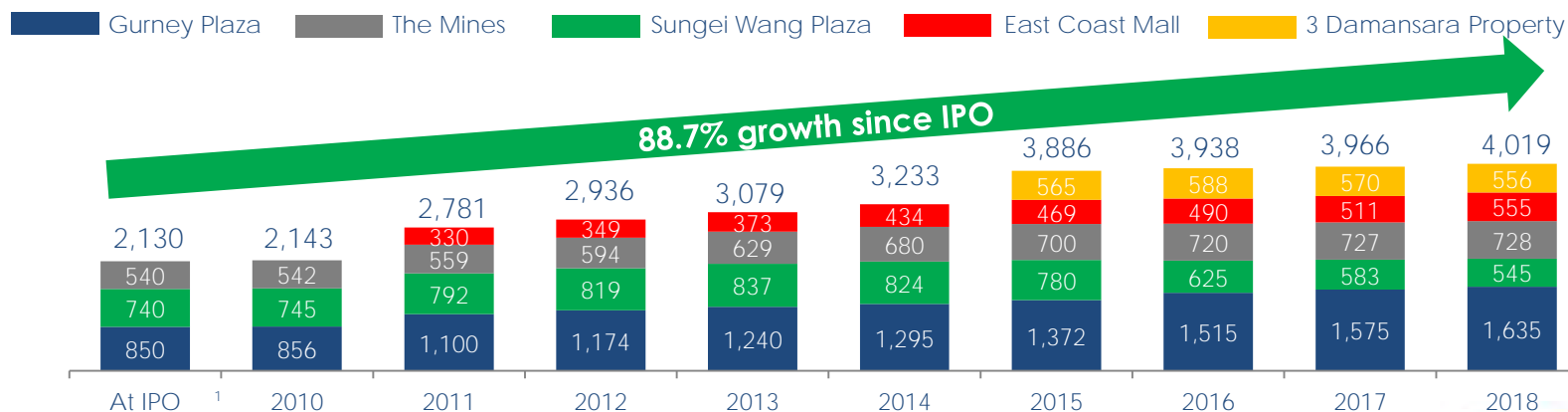
**Ability to tap on Sponsor's strong retail network in Asia across Singapore, China, Malaysia, Japan and Cambodia**



# Acquisitions and growth since IPO



## Assets under Management (RM mil)



1. Listed on the Main Market of Bursa Malaysia on 16 July 2010.

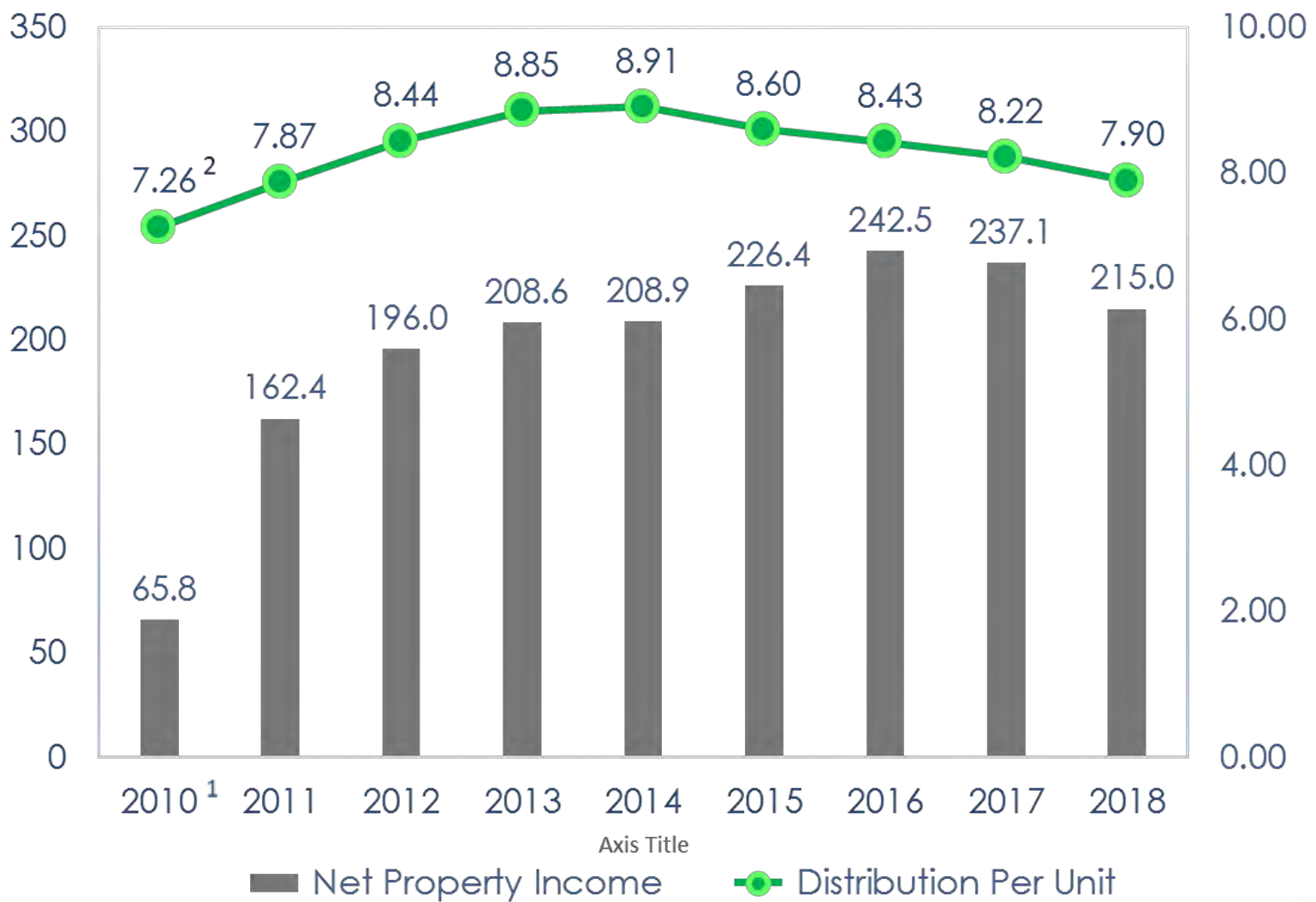




# CMMT Track Record Since IPO

RM mil

RM sen



1. For the financial period from 14 July 2010 to 31 December 2010.

2. Based on annualised DPU for the financial period from 14 July 2010 to 31 December 2010.





# Strategically located portfolio

## Gurney Plaza, Penang

- Penang's premier lifestyle mall
- Located at Gurney Drive
- Large middle/upper income catchment population
- Includes a 9-storey retail extension block



NLA (sq ft) <sup>2</sup>	: 897,847
Valuation (RM mm) <sup>1</sup>	: 1,635.0
Occupancy (%) <sup>2</sup>	: 99.9

## The Mines, Selangor

- Lifestyle 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



NLA (sq ft) <sup>2,4</sup>	: 707,811
Valuation (RM mm) <sup>1</sup>	: 728.0
Occupancy (%) <sup>2</sup>	: 89.1

## Sungei Wang<sup>3</sup>, 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



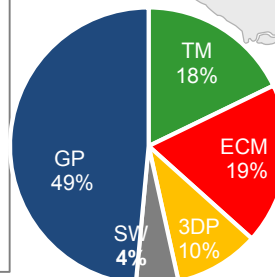
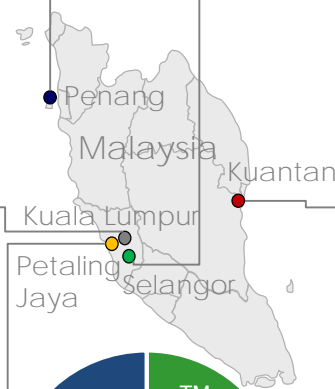
NLA (sq ft) <sup>2,4</sup>	: 300,819
Valuation (RM mm) <sup>1</sup>	: 545.0
Occupancy (%) <sup>2</sup>	: 75.3

## East Coast Mall, Kuantan

- Modern family lifestyle mall
- 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



NLA (sq ft) <sup>2</sup>	: 464,849
Valuation (RM mm) <sup>1</sup>	: 555.0
Occupancy (%) <sup>2</sup>	: 99.0



**FY 2018 NPI: RM215.0m**

## Portfolio Overview

NLA <sup>2,4</sup> ('000 sq ft)	2,939
Portfolio property valuation <sup>1</sup> (RM'mil)	4,019.0
Number of leases <sup>2</sup>	1,292
Occupancy <sup>2</sup> (%)	93.2

1. Based on valuations as at 31 December 2018
2. As at 31 December 2018
3. CMMT's interest in Sungei Wang consists of approximately 61.9% of the aggregate retail floor area of Sungei Wang and 100% of the car park lots in Sungei Wang. All information in this presentation pertains solely to CMMT's strata area.
4. Area under asset enhancement initiatives is removed from computation.

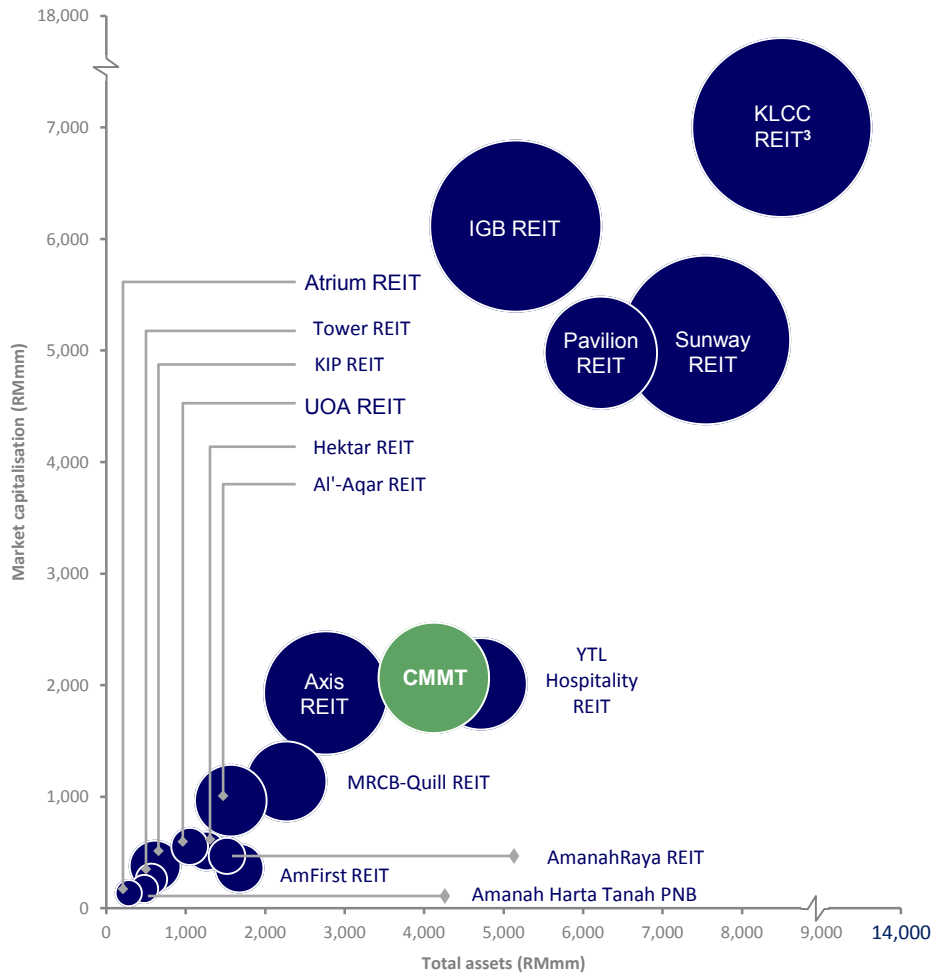
# Structure of CMMT



1. The REIT Manager is 30.0% owned by Malaysian Industrial Development Finance Berhad, a wholly-owned subsidiary of Permodalan Nasional Berhad providing services in its three core businesses namely, investment banking, asset management and development finance.
2. CapitaLand's interest in CMMT is via its indirect wholly owned subsidiaries, namely CMMT Investment Limited (34.8%) and Menang Investment Limited (2.0%).



# Malaysia REIT Landscape



Malaysian REITS	M.Cap (RMmm)	Total Assets (RMmm)	Free Float <sup>1</sup>		CY19E Yield <sup>2,4</sup> (%)
			(%)	(RMmm)	
<b>CMMT</b>	<b>2,289</b>	<b>4,143</b>	<b>63.3%</b>	<b>1,449</b>	<b>7.0%</b>
KLCC REIT	13,829	17,844	24.5%	3,392	4.9%
IGB REIT	6,115	5,153	50.8%	3,107	5.4%
Sunway REIT	5,095	7,543	59.1%	3,012	5.8%
Pavilion REIT	4,980	6,225	27.2%	1,353	5.5%
YTL Hospitality REIT	2,011	4,716	45.0%	905	6.8%
Axis REIT	1,930	2,763	84.2%	1,625	5.6%
MRCB-Quill REIT	1,136	2,268	61.3%	696	7.8%
Al'-Aqar REIT	964	1,565	58.2%	561	5.3%
UOA REIT	554	1,049	28.4%	157	N/A
Hektar REIT	513	1,258	33.3%	171	N/A
AmanahRaya REIT	470	1,519	32.0%	151	7.2%
KIP REIT	379	615	75.7%	287	8.1%
AmFirst REIT	360	1,673	73.3%	264	N/A
Tower REIT	258	568	44.0%	114	N/A
Amanah Harta Tanah PNB	172	478	53.9%	93	N/A
Atrium REIT	135	283	61.5%	83	N/A
<b>Average</b>	<b>2,410</b>	<b>3,508</b>	<b>51.5%</b>	<b>1,016</b>	<b>6.3%</b>
<b>Median</b>	<b>964</b>	<b>1,673</b>	<b>53.9%</b>	<b>561</b>	<b>5.8%</b>
	<b>41,190</b>				

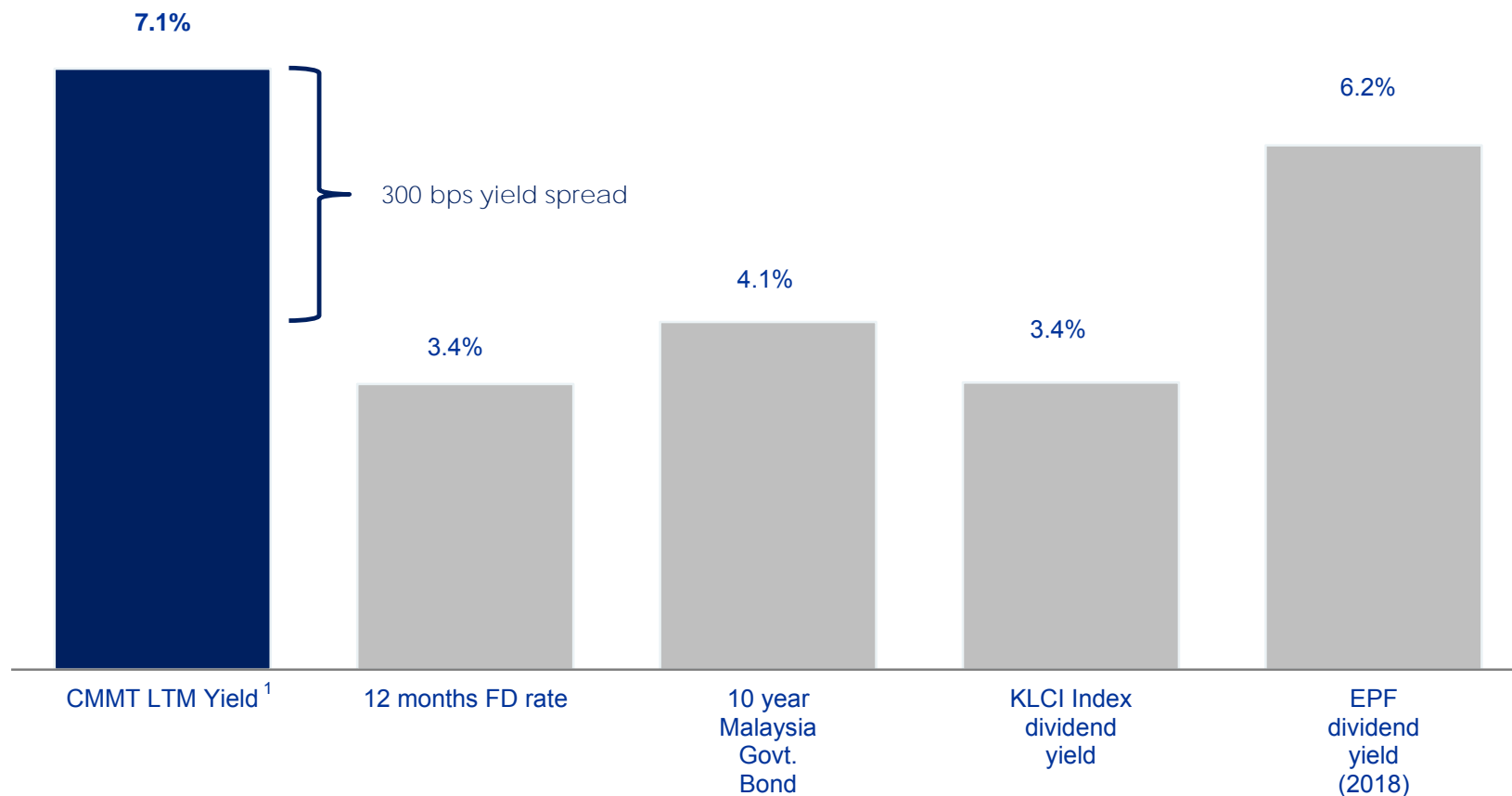
Source: Company filings, Bloomberg and FactSet as of 8 Mar 2019

Note: Size of bubble represents value of free float of each M-REIT

1. According to Bloomberg, excludes sponsor/vendor shares; 2. DPU estimates from FactSet; 3. KLCC REIT is a stapled structure and has been adjusted within the bubble chart due to huge market capitalisation and total asset figures; 4. DPU estimate has been calendarised



# Attractive Yield versus Other Investments



Source: Bloomberg as at 8 Mar 2019

1. Based on FY 2018 DPU of 7.90 sen and the unit closing price of RM1.12 on 8 Mar 2019





# Beneficial Tax Treatment Extended Till 2019

Type of Investor	Withholding Tax
Resident	
a) Corporate	Tax flow through, no withholding tax
b) Other than corporate	10%
Non-resident	
c) Corporate	24%
d) Institutional investors	10%
e) Individuals	10%

# Key Highlights



3 Damansara, Petaling Jaya, Selangor



# Review of FY 2018

## Operational Performance

- Rental reversion of -2.9%
- Portfolio occupancy rate: 93.2%
  - Net lettable area more than 2.9 million sq ft<sup>1</sup>
  - Committed leases of about 1,300
- Shopper Traffic of 57.5 million
- Average tenants sales per square foot increased 6.8% year-on-year

## Optimal Capital Management

- CMMT obtained additional RM50.0 million unsecured uncommitted revolving credit facilities

1. Area under asset enhancement initiatives is removed from computation



# Review of FY 2018 (cont'd)

## Proactive Asset Management

- East Coast Mall
  - With the resizing of Aeon Big, the former area occupied by Aeon Big on Level 1 was reconfigured to create a new international fashion cluster
  - Other improvements included new escalators, tiling and ceiling works from Ground Floor to Level 1
- Gurney Plaza
  - Carried out space reconfiguration works on Level 4 to offer homegrown fashion brands and café kiosks
- Sungei Wang
  - Embarked on RM54.5 million asset enhancement initiative (AEI) to reconfigure the annex space into a vibrant and energetic lifestyle zone. Known as Jumpa, shoppers can look forward to more than 80 specialty shops when it opens in 2H 2019
- The Mines
  - Embarked on two AEIs to expand dining and lifestyle offerings on Level 2





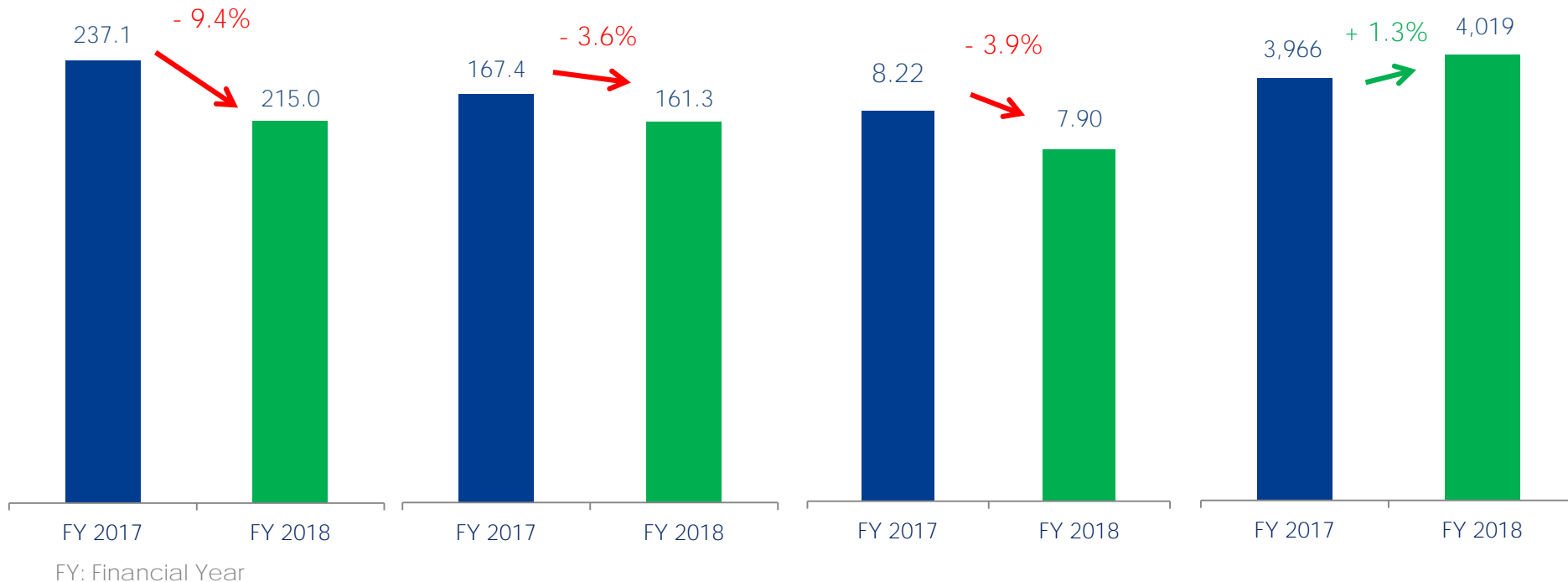
# FY 2018 Financial Highlights

Net Property Income  
(RM million)

Distributable Income  
(RM million)

Distribution Per Unit  
(sen)

Portfolio Valuation  
(RM million)



## Distribution Policy

Payout policy ratio: at least 90.0% of CMMT's total distributable income in each financial year.

Distribution payment: semi-annual basis for each six-month period ending 30 June and 31 December of each year.



# FY 2018 Financial Highlights (cont'd)

## Balance Sheet

As at 31 December 2018	RM million		
Non-current Assets	4,020	NAV (RM million)	
Current Assets	123	- before income distribution	2,667
Total Assets	4,143	- after income distribution	2,587
Current Liabilities	485		
Non-current Liabilities	991	NAV per unit (RM)	
Total Liabilities	1,476	- before income distribution	1.30
Net Assets	2,667	- after income distribution	1.27
Total Unitholders' Funds	2,667		
Number of Units in Circulation (in million units)	2,044		



# Key Financial Indicators

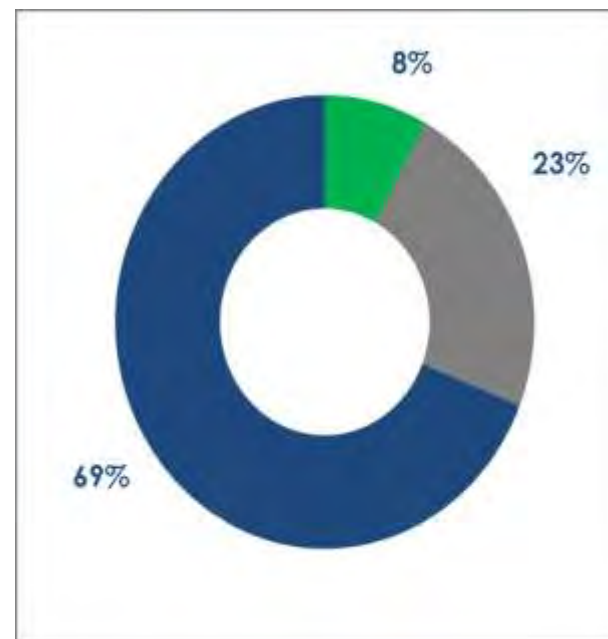
	2017	2018
Unencumbered Assets as a % of Total Assets	29.7%	28.0%
Gearing Ratio	32.8%	32.5%
Average Cost of Debt	4.4%	4.5%
Fixed:Floating rate debt ratio	80%:20%	87%:13%
Net debt/EBITDA (times)	6.3	6.9
Interest Coverage (times)	3.7	3.2
Average term to maturity (years)	5.7	4.8



# Debt Profile (As at 31 December 2018)

## Well-Spread Debt Maturity Profile

## Diversified Sources of Funding



- Term Loan facilities
- Unrated Medium Term Notes
- Revolving Credit facilities





# Portfolio Highlights

## Occupancy Rate Above 90.0%

As at 31 December	2014	2015	2016	2017	2018
Gurney Plaza	97.3%	98.3%	99.1%	99.4%	99.9%
East Coast Mall	99.5%	99.7%	98.4%	98.9%	99.0%
Sungei Wang	95.4%	90.4%	91.0%	90.1%	75.3%
3 Damansara	N/A <sup>1</sup>	91.5%	92.5%	92.6%	90.6%
The Mines	98.5%	96.3%	98.0%	94.4%	89.1%
CMMT (Retail)	97.7%	95.8%	96.5%	95.7%	92.9%
Tropicana City Office Tower	N/A <sup>1</sup>	100.0%	95.2%	86.7%	100.0%
CMMT Portfolio (Retail & Office)	N/A <sup>1</sup>	96.0%	96.5%	95.4%	93.2%

1. Not applicable as the acquisition of 3 Damansara and Tropicana City Office Tower was completed on 10 July 2015.



# Portfolio Lease Expiry (By Year)

As at 31 December 2018	CMMT (Retail)		
	No of Leases <sup>1</sup>	Gross Rental Income <b>RM'000</b>	% of Total Gross Rental Income <sup>2</sup>
2019	661	9,037	41.5%
2020	360	7,633	35.1%
2021	243	4,768	21.9%
Beyond 2021	15	318	1.5%

As at 31 December 2018	CMMT (Office)		
	No of Leases <sup>1</sup>	Gross Rental Income <b>RM'000</b>	% of Total Gross Rental Income <sup>3</sup>
2019	2	109	20.4%
2020	1	226	42.3%
Beyond 2020	5	200	37.3%

1. Based on all committed leases as at 31 December 2018.

2. Based on committed gross rental income for CMMT (Retail) as at 31 December 2018.

3. Based on committed gross rental income for CMMT (Office) as at 31 December 2018.



# Portfolio Lease Expiry Profile for 2019

As at 31 December 2018	No. of Leases <sup>1</sup>	Net Lettable Area (NLA)		Gross Rental Income (GRI)	
		sq ft	% of Total NLA <sup>1</sup>	RM'000	% of Total GRI <sup>1</sup>
Gurney Plaza	174	455,346	16.7%	3,810	17.1%
East Coast Mall	89	85,009	3.1%	1,277	5.7%
Sungei Wang	124	113,414	4.1%	694	3.1%
3 Damansara	101	175,333	6.4%	1,052	4.7%
The Mines	173	333,550	12.2%	2,204	9.9%
CMMT (Retail)	661	1,162,652	42.5%	9,037	40.5%
Tropicana City Office Tower	2	18,846	0.7%	109	0.5%
CMMT Portfolio (Retail & Office)	663	1,181,498	43.2%	9,146	41.0%

1. Based on committed leases for CMMT Portfolio(Retail + Office) as at 31 December 2018.

# Enhancing Portfolio With New Initiatives & Improvement Works







# New Initiatives

## East Coast Mall – Reconfiguration of space

- The works involved resizing of Aeon Big from two levels to one level. The area formerly occupied by AEON Big on Level 1 was reconfigured into a new international fashion cluster with five new-to-region brands. Other improvements included new escalators, tiling and ceiling works from Ground Floor to Level 1 and creation of additional kiosks at the surrounding of the new set of escalators.

### Level 1

BEFORE



BABYSHOP



MAX

AFTER



NAVY & NAVY



COCO



COMMON SENSE



# New Initiatives (cont'd)

## Gurney Plaza – Lifestyle Avenue

- Enhancement of trade offerings by slabbing over the existing void and realignment of existing units to create additional retail space.

**BEFORE**



**AFTER**





# New Initiatives (cont'd)

## Major Renovation by Anchor Tenant

- Gurney Plaza: The first Parkson Elite outside the Klang Valley, and is scheduled to complete by 2Q 2019.
- East Coast Mall: The first flagship store in the East Coast region.





# New Initiatives (cont'd)

## Renaming of Tropicana City Mall

- 3 Damansara is set to become the preferred dining and gourmet shopping destination of Petaling Jaya-Damansara.
- To commemorate the renaming exercise, an event was organised to unveil 3 Damansara's "kinetic rainbow" logo on 26 June 2018.







# Cashless Parking

- To elevate the customer experience in our malls, we are in the midst of implementing cashless parking system to all CMMT malls to bring greater convenience to shoppers.
- The cashless payment system has been implemented at East Coast Mall.



# Jumpa @ Sungei Wang

- A RM54.5 million asset enhancement initiative commenced to reconfigure the annex into a vibrant and energetic lifestyle zone, known as Jumpa.
- Slated for opening in 2H 2019, shoppers can look forward to an exciting line-up of more than 80 specialty shops offering fashion, food and beverage, family entertainment and athleisure.
- Anchor tenant Giant unveiled a new urban store concept sporting a fresh look with the introduction of an enlarged fresh produce area, new in-house bakery concept, Grab & Go and Malaysian food souvenir sections.



AN ARTIST'S IMPRESSION OF SUNGAI WANG'S EXTERIOR FAÇADE



RETAILERS GETTING ACQUAINTED WITH JUMPA AT THE LET'S JUMPA RETAILERS' GATHERING



COMPLETION OF **JUMPA'S** EXTERIOR FAÇADE



THE NEW AND IMPROVED NEW URBAN STORE CONCEPT OFFERING BY GIANT







# More than 85 Fresh Brands Introduced to CMMT

CMMT remains competitive with new relationships built-up with a wide profile of retailers

Food & Beverages	
Fashion & Accessories	
Beauty & Health	
Services	
Electricals & IT	
Others	



# New Brands Introduced to the Regions

Out of the >85 brands being introduced to CMMT, about 38 brands are new to the respective regions

## Northern (Penang)



## Klang Valley



## East Coast (Pahang)





# Improvement Works

## Gurney Plaza – Building Façade

- Repainted the external building to refresh the mall and uplift its appeal.

B  
E  
F  
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E



A  
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# Improvement Works (cont'd)

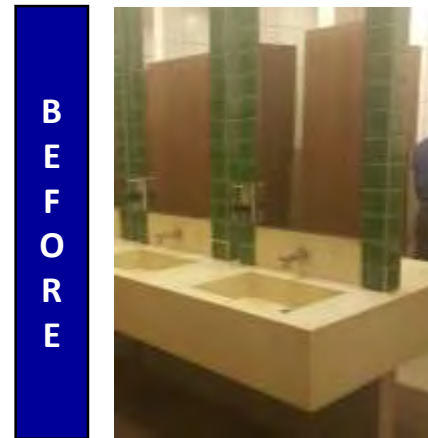
## East Coast Mall

- Upgrading of wet bin area for hygiene improvement



## 3 Damansara

- Renovation of the existing restrooms to improve shoppers' experience





# Stakeholder Engagement & Community Initiatives





## Biz+ Series : Building The Right Shopper Personas

- Biz+ 2018 seminar was themed “Building The Right Shopper Personas” where various guest speakers shared how retailers can turn their business data into profitable and actionable insights to ensure business growth and sustainability.



FROM LEFT TO RIGHT: GUEST SPEAKERS KUMAR KATRA, MOBIKON PRESIDENT; THOMAS GREYSSON, OMNISTREAM EXECUTIVE VICE PRESIDENT; AND IAN CHAPMAN, CEO SOREEM TECHNOLOGIES



GUESTS IN DISCUSSION



CONFERENCE SESSION



EXPERIENTIAL BOOTHS

## Nationwide Launch of Mobile Applications

- Shoppers can download the CapitaStar mobile applications to enjoy greater shopping convenience and rewards when shopping at participating CapitaLand malls<sup>1</sup> in Malaysia. The mobile applications were launched in September 2018.



CHECKING OUT THE CONVENIENCE OF THE MOBILE APPS



MEMBERS PARTICIPATED IN "CATCH THE STAR\$" GAME



SHOPPERS DOWNLOADING THE MOBILE APPS

1. Participating CapitaLand malls include Gurney Plaza, Queensbay Mall in Penang; The Mines, 3 Damansara and Melawati Mall in the Klang Valley; East Coast Mall in Kuantan



## Selected Thematic Activities to Drive Shopper Traffic



GURNEY PLAZA: (L-R) PENANG INTERNATIONAL FOOD FESTIVAL, FASHION REDEFINED AND AMAZING JAPAN



EAST COAST MALL: FASHIONISTA 2018



3 DAMANSARA: PETTING ZOO



THE MINES: FOODTOPIA





# Sustainability Management & Awards

# Sustainability Management

## Economically, Socially and Environmentally Sustainable Operational Manner

61% middle and senior management positions filled by women (REIT Manager and Property Managers)



All 5 CMMT malls participated in the Earth Hour initiative

**CAPITALAND**  
SUPPORTS  
**EARTH HOUR**



73% of CMMT portfolio has achieved green rating



RM17.1 million cost avoidance for utilities since 2009

17.7% reduction in energy usage in KWh/sq m<sup>1</sup>

22.1% reduction in water usage in cubic metre/sq m<sup>1</sup>

18.4% reduction in carbon intensity in kg/sq m<sup>1</sup>



1. From the 2009 baseline.



## CapitaLand Volunteer Day

- In conjunction with My Schoolbag 2018, the second CapitaLand Volunteer Day was held in Malaysia in November 2018 with the participation of more than 150 staff.
- Four primary schools in Klang Valley, Kuantan and Penang were provided with new books, refurbished classrooms, libraries and computer labs while 386 students from low-income families benefited donation of school and daily necessities.





# Award

## EdgeProp Malaysia's Best Managed Property Awards – Above 10 Years Retail Category Joint Silver Winner

- Gurney Plaza was recognised for its building excellence in property management when it was awarded the Silver Award for the Above 10 Years Retail Category in EdgeProp Malaysia's Best Managed Property Awards 2018.







# Thank You

For enquiries, please contact:

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