



CapitaLand Integrated Commercial Trust  
**Proposed Acquisition of  
50.0% Interest in ION Orchard**  
For Meetings in Hong Kong and London

4 September 2024

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This presentation should be read together with the announcement released on the same date titled "Proposed Acquisition of 50% interest in ION Orchard and ION Orchard Link."

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# Overview

LOUIS VUITTON

ION Orchard, Singapore



LOUIS VUITTON

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TIFFANY & Co.

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BANA

# Proposed acquisition of 50.0% interest in ION Orchard and ION Orchard Link (“ION Orchard”)



- **Transformative acquisition** of Singapore’s iconic destination mall with **universal appeal**
- Consolidates CICT’s retail presence in **tightly held downtown** precinct
- Reinforces CICT’s proposition as **the proxy for high quality Singapore commercial real estate**
- Immediate **DPU accretion** and well positioned for **growth**



**Gross Yield**

~7.1%<sup>(1)</sup>



**Immediate  
DPU Accretion**

0.9%<sup>(2)</sup>

Notes:

(1) Based on the annualised 1H 2024 gross revenue for ION Orchard and agreed property value

(2) 1H 2024 proforma DPU accretion. Please refer to slide 18 for detailed assumptions

# Property highlights



*As of 30 June 2024, unless otherwise indicated*

<b>Location</b>	2 Orchard Turn, Singapore 238801, and ION Orchard Link
<b>Start of Operations</b>	July 2009
<b>Area</b>	Strata area of ION Orchard <sup>(1)</sup> : 93,694 square metres (sq m) Lot area of ION Orchard Link: 182 sq m of airspace, 1,048 sq m of subterranean space
<b>Land Tenure</b>	Leasehold tenure of 99 years with effect from 13 March 2006
<b>Gross Floor Area (“GFA”)</b>	945,311 square feet (sq ft)
<b>Net Lettable Area (“NLA”)</b>	Approximately 623,600 sq ft
<b>Committed Occupancy</b>	Approximately 96%
<b>Agreed Property Value (100% basis)</b>	S\$3,697.0m <sup>(2)</sup>
<b>Independent Valuation (100% basis)<sup>(3)</sup></b>	(1) S\$3,690.0m by Cushman & Wakefield VHS Pte Ltd (2) S\$3,715.0m by Savills Valuation and Professional Services (S) Pte Ltd
<b>Gross Yield (100% basis)<sup>(4)</sup></b>	Approximately 7.1%
<b>Carpark Lots</b>	Approximately 520
<b>Green ratings</b>	BCA Green Mark Gold; LEED Gold

**Notes:**

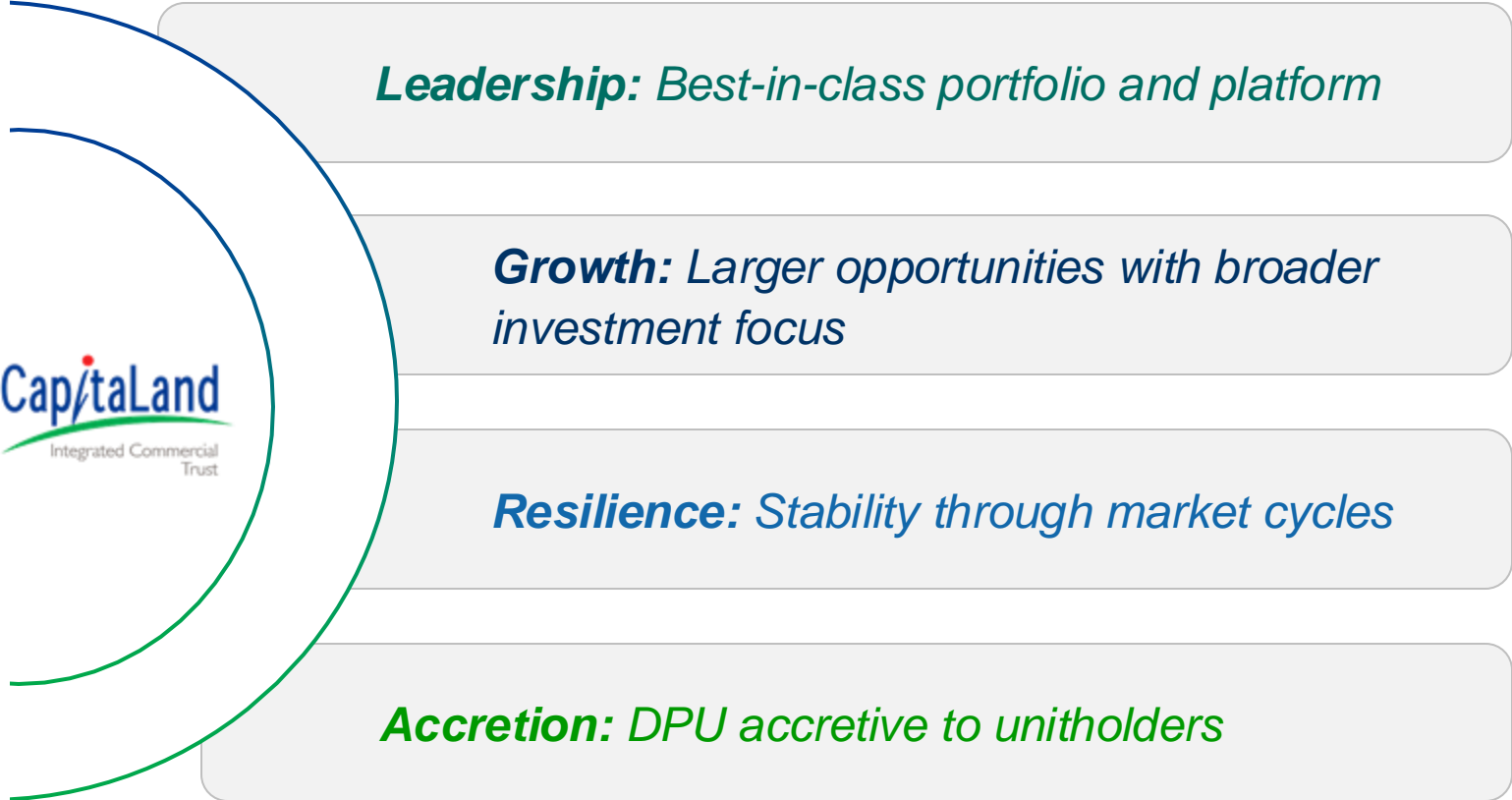
(1) ION Orchard comprises three (3) strata lots (together with accessory lots), representing 80.5% of the total share value of the strata lots in the development.

(2) CICT is acquiring 50.0% interest in ION Orchard

(3) Independent valuation as of 31 July 2024 based on the Income Capitalisation and Discounted Cash Flow methods. Cushman & Wakefield VHS Pte. Ltd. is appointed by the trustee of CICT and Savills Valuation and Professional Services (S) Pte Ltd is appointed by CapitaLand Integrated Commercial Trust Management Limited (“CICTML”)

(4) Based on the annualised 1H 2024 gross revenue for ION Orchard

# Delivering on CICT's growth strategy with ION Orchard





ION  
ORCHARD

Expect nothing but VIP treatment when you're at CapitaLand.  
Our Concierge welcomes you with personalized service.

Orchard

150%  
400%

# Investment Merits



# Investment merits

1



**Transformative acquisition of Singapore's iconic destination mall with universal appeal**

2



**Consolidates CICT's retail presence in the tightly held downtown precinct**

3



**Reinforces CICT's proposition as the proxy for high quality Singapore commercial real estate**

4



**Immediate DPU accretion and well positioned for growth**

# 1 Iconic destination mall in Singapore

## Architectural landmark

- ✓ Redefines Orchard Road skyline
- ✓ Award-winning architectural design and construction<sup>(1)</sup>
- ✓ Retail Asia Awards 2024: **Mall of the Year and Marketing Initiative of the Year**



## Excellent interconnectivity

- ✓ Seamless underground integration with two MRT lines<sup>(2)</sup> and neighbouring malls



## Prominent façade

- ✓ Expansive ~120m frontage at the focal point of Orchard Road
- ✓ Entire façade enveloped by one of Orchard's **largest LED digital wall**



## Top-tier specifications

- ✓ Interior spatial design maximises shopper flow and shopfront visibility



### Notes:

- (1) Includes BCA Construction Excellence Award, BCA Design and Engineering Safety Excellence Award, FIABCI World Prix d'Excellence Awards (World Gold, Retail), SIA Architectural Design Awards, and Singapore Good Design Mark (SG Mark, Retail), among others
- (2) North-South Line and Thomson-East Coast Line

# 1 Universal appeal, something for everyone

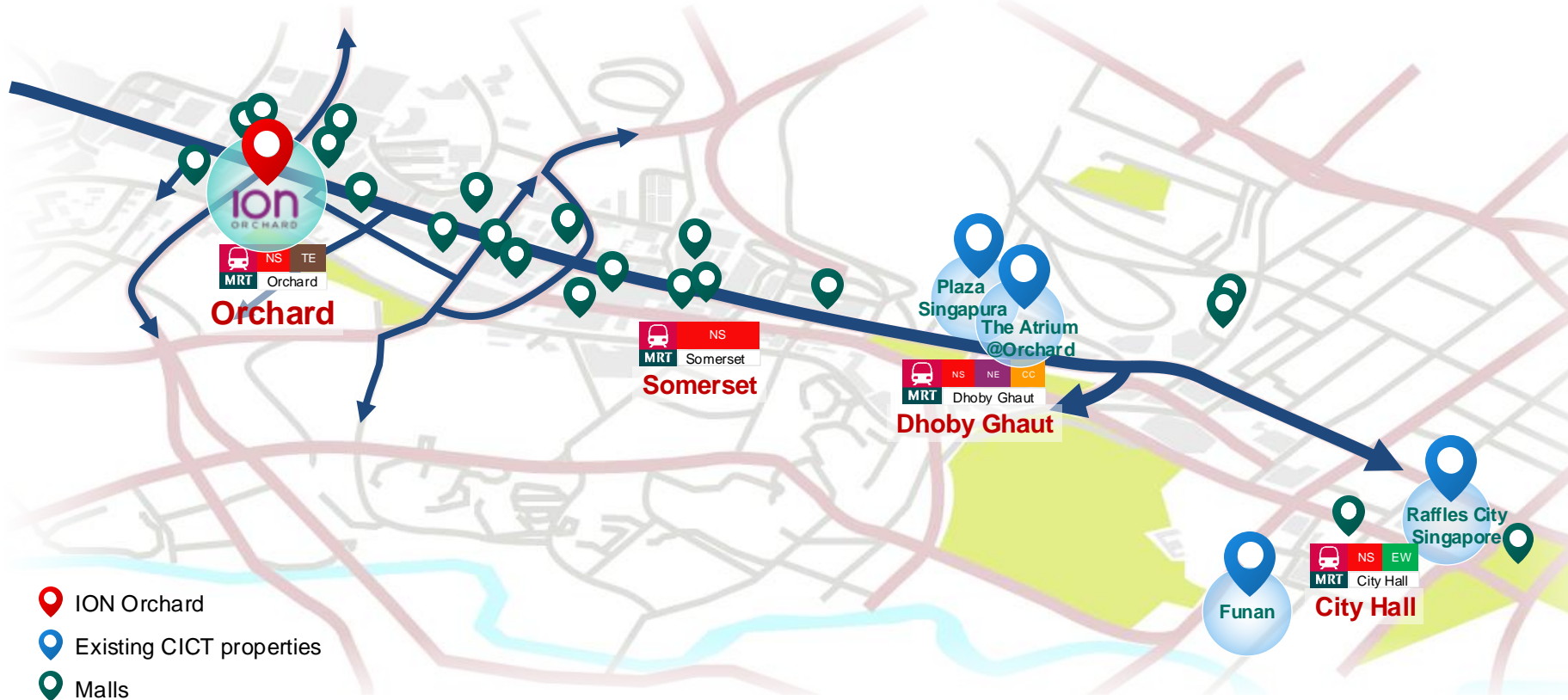
Diverse trade mix, from luxury to essentials spanning 8 storeys with ~300 tenants



Source: ION Orchard website

Consolidates CICT's retail presence in the tightly held downtown precinct

## 2 Consolidates presence in tightly held downtown precinct



### Orchard Road

**~160,000**

MRT passengers per day on average<sup>(1)</sup>

**~4.5m**

Tourists in 2023

**>10,600**

Hotel rooms<sup>(2)</sup>

**>20,000**

Residential units<sup>(3)</sup>

**Encompassing major transport hubs and shopping areas**

Notes:

(1) Land Transport Authority data for the month of June 2024; Based on aggregate passengers per day for Orchard, Somerset, Dhoby Ghaut and City Hall MRT stations

(2) Singapore Tourism Board data as of 30 August 2024

(3) As of latest URA data within 60 months - Includes private residences in Singapore District 9 that covers Dhoby Ghaut, Orchard, Somerset, Great World, Orchard Boulevard, and Havelock MRT stations

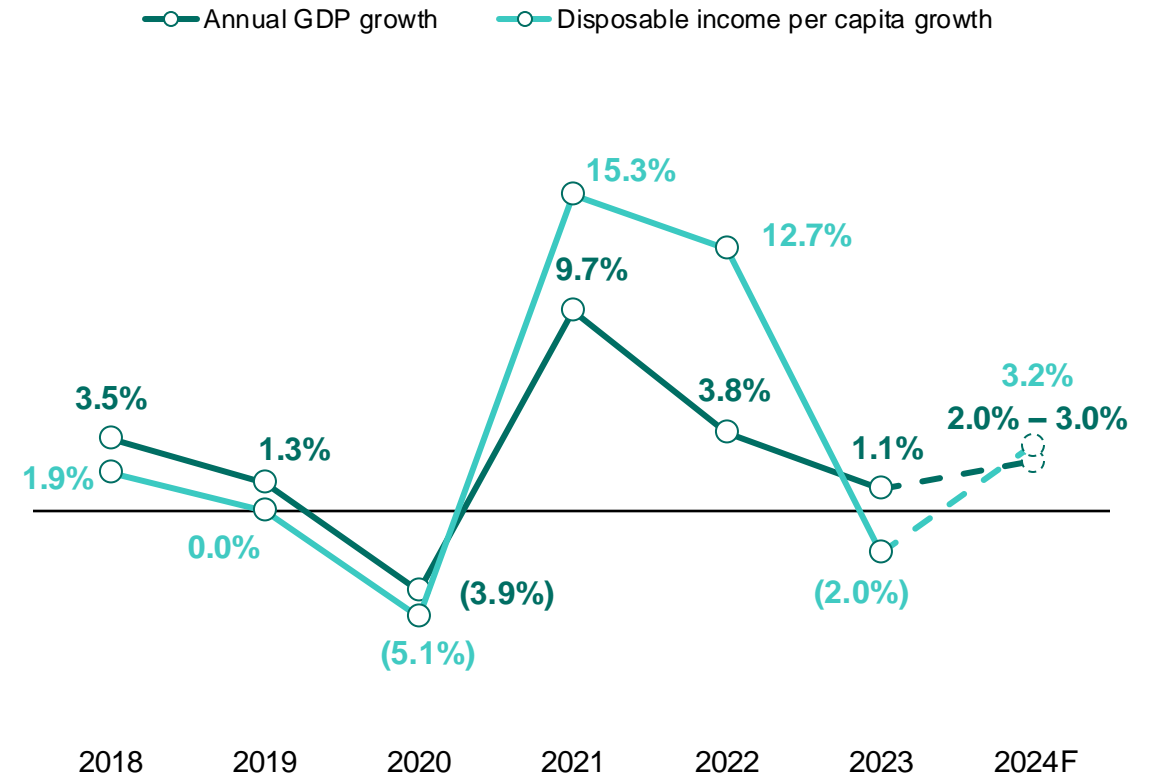
Source: Singapore Tourism Board, Land Transport Authority – DataMall, URA

## 2 Downtown retail expected to benefit from tailwinds of tourism recovery and healthy economy

### Singapore's tourism arrivals and receipts are recovering well



### Singapore economy outlook is positive



Note:

(1) As at YTD July 2024

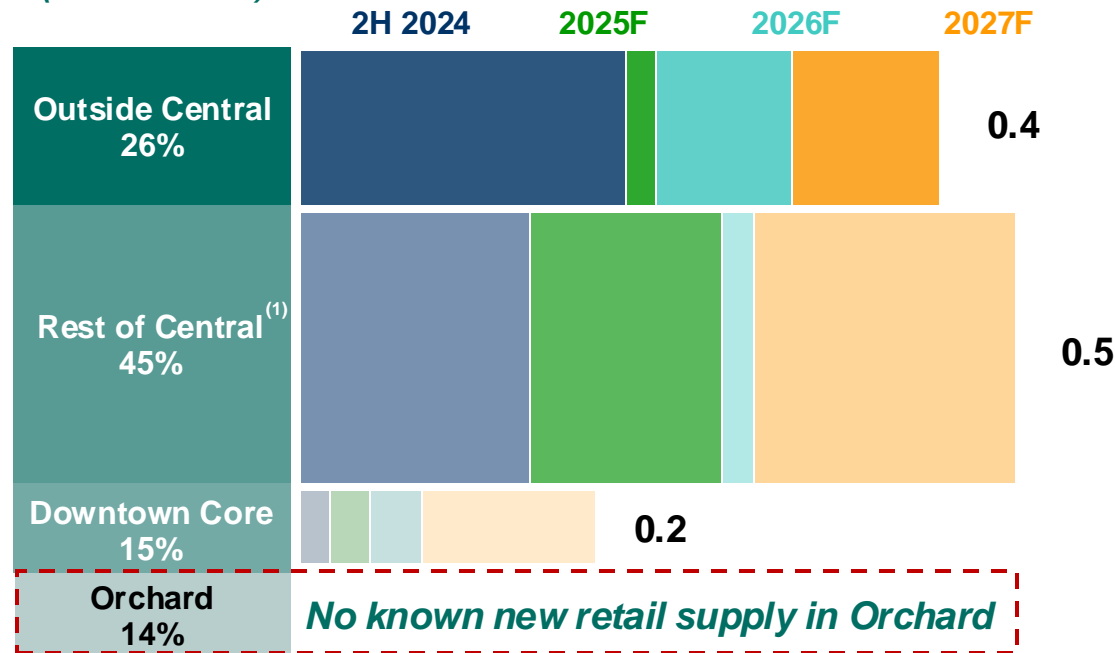
Source: Singapore Department of Statistics, Singapore Tourism Board, BMI Research

## 2 Attractive fundamentals support positive rental outlook

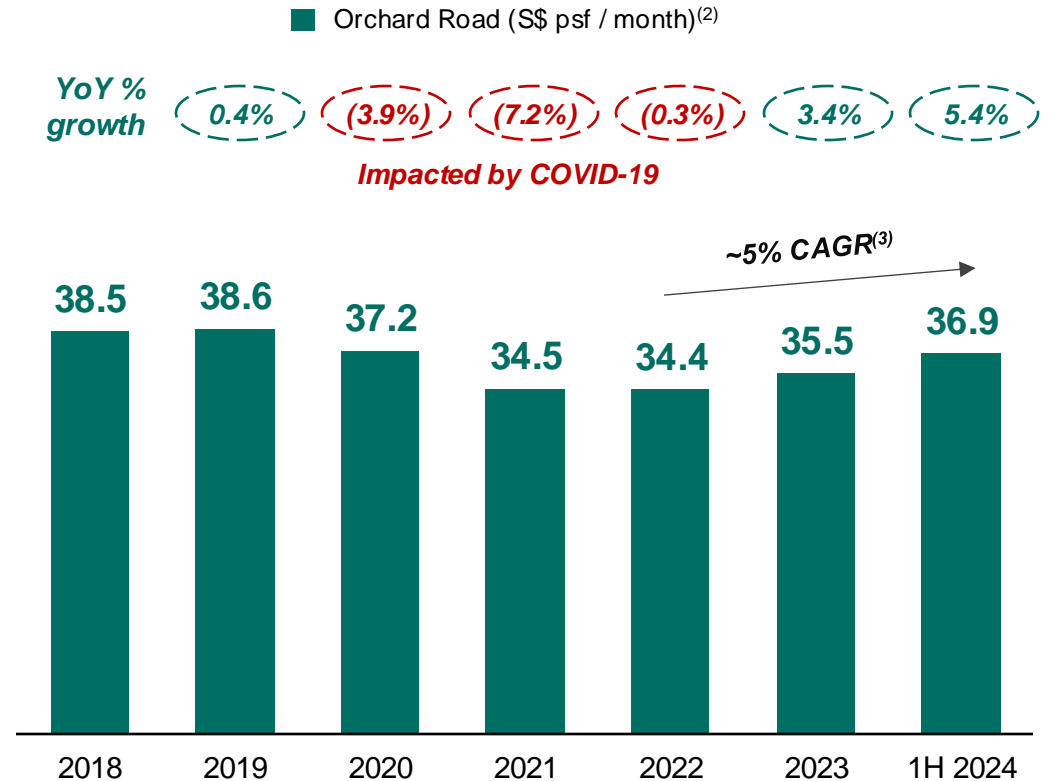
No known new retail supply in Orchard until 2027...

Private retail stock split by submarket (as at 2Q 2024)

Known future retail supply in Singapore (as at 30 June 2024) (m sq ft)



... expected to support growing Orchard Road rents



Notes:

(1) Includes Rest of Central Region and Fringe Area as per CBRE categorisation

(2) Based on average of quarterly retail rents of the respective time period (figures as at end of each quarter)

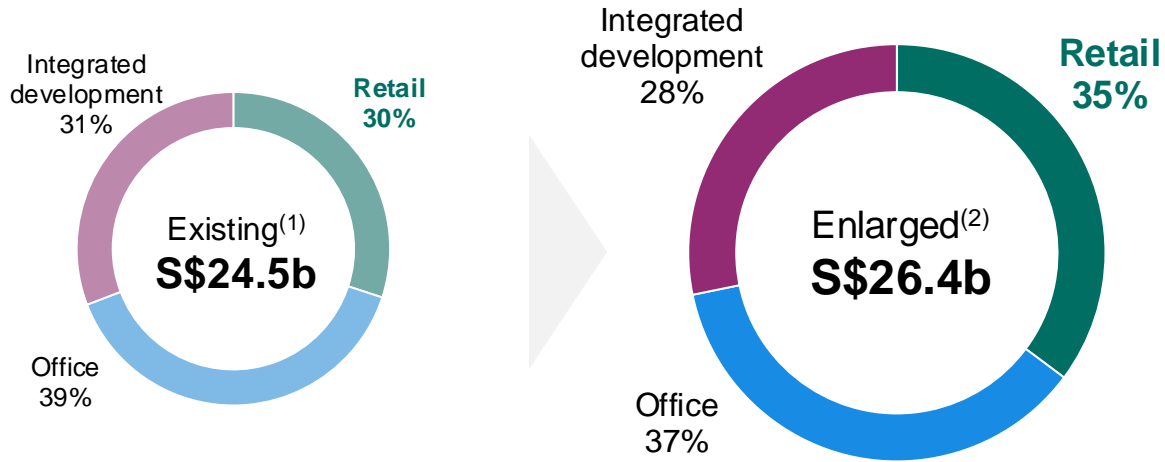
(3) 2022 to 1H 2024 Orchard Road rent (S\$ psf / month); Based on average of quarterly retail rents of 2022, 2023 and 1H 2024 (figures as at end of each quarter)

Source: URA, CBRE Research as at 2Q 2024

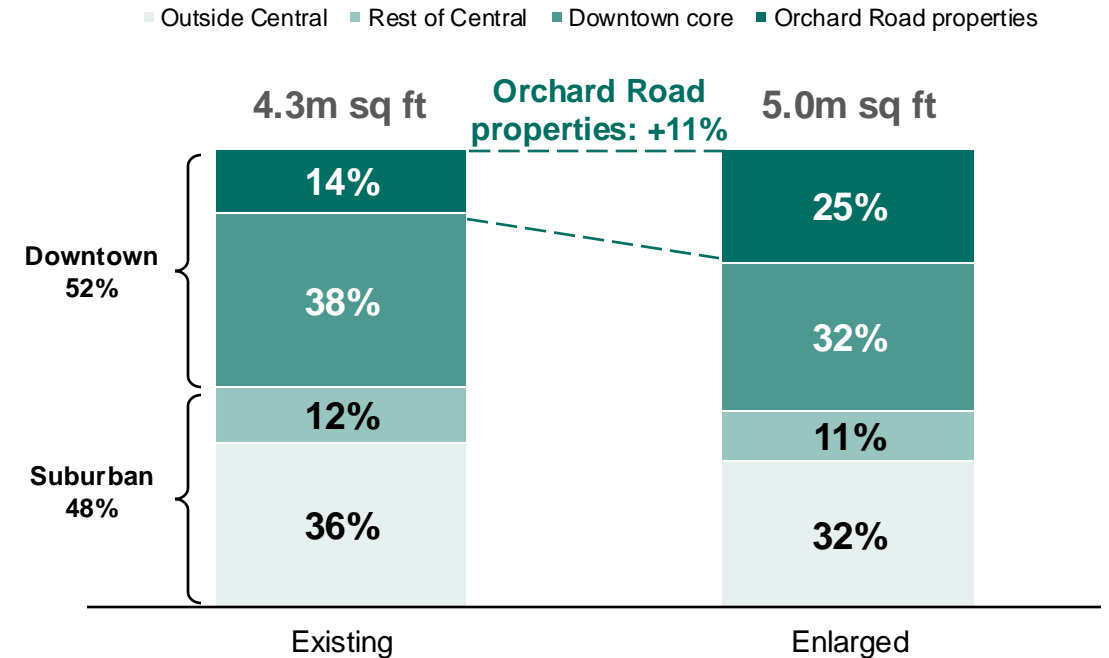
### 3 Maintaining a balanced exposure for stability through cycles

✓ Enhances portfolio diversity

Portfolio property value by asset class



CICT Singapore retail NLA<sup>(3)</sup>



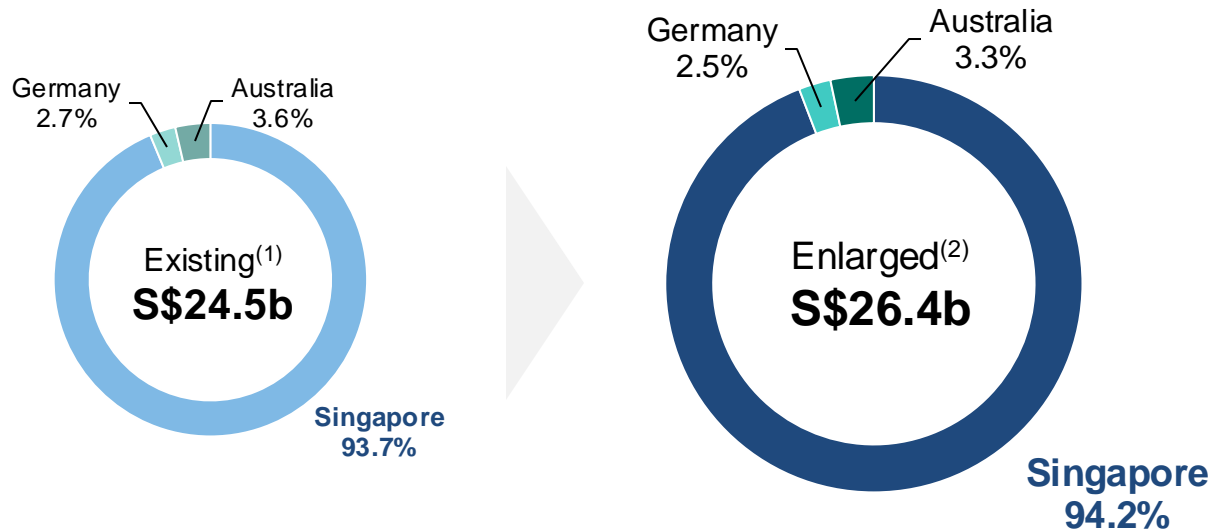
Notes:

- (1) Based on valuation of CICT's portfolio as at 31 December 2023 and includes CICT's proportionate interest in Gallileo and Main Airport Center (94.9% respectively), CapitaSky (70.0%), CapitaSpring (45.0%), 101-103 Miller Street & Greenwood Plaza (50.0%)
- (2) Enlarged portfolio property value includes existing portfolio value and 50% of the agreed property value of S\$3,697.0m for ION Orchard
- (3) Retail comprises retail-only properties and the retail component in integrated developments.

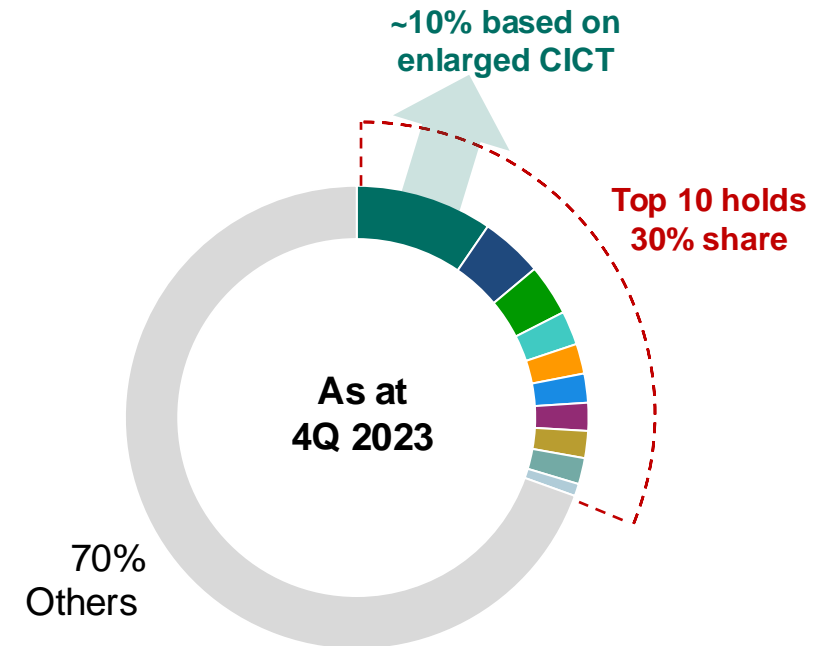
### 3 Reinforcing our Singapore focus

 **Increases Singapore-centricity**

Portfolio property value by geography



**#1** Enlarged CICT market share in private retail stock<sup>(3)</sup>



Notes:

(1) Based on valuation of CICT's portfolio as at 31 December 2023 and includes CICT's proportionate interest in Gallileo and Main Airport Center (94.9% respectively), CapitaSky (70.0%), CapitaSpring (45.0%), 101-103 Miller Street & Greenwood Plaza (50.0%)

(2) Enlarged portfolio property value includes existing portfolio value and 50% of the agreed property value of S\$3,697.0m for ION Orchard

(3) Total private retail stock, CBRE, 4Q 2023



### 3 Expanding our new tenant offerings and new concepts

#### New-to-portfolio tenants across a broad range of trade

**Fendi**

**Gentle  
Monster**

**Loewe**

**Louis Vuitton**

**Taste  
Paradise**

**The Onitsuka**

**Tiffany & Co.**

**Singapore  
Airlines**

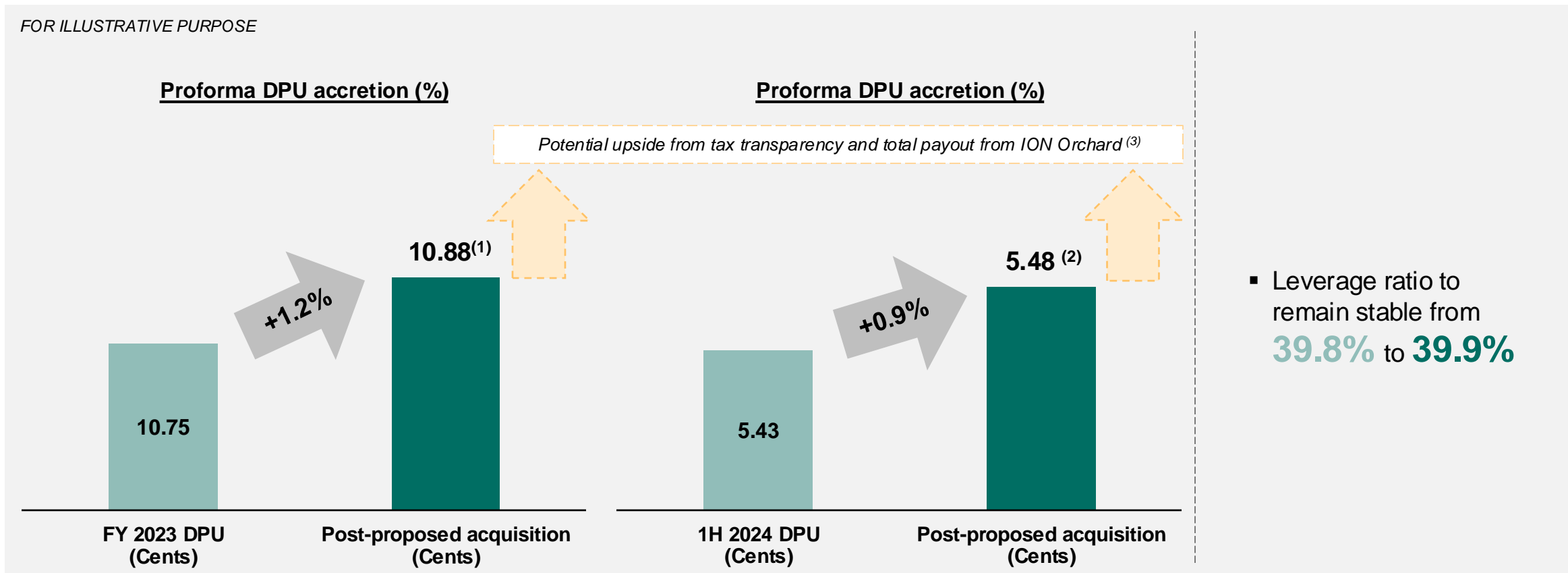
**ZARA**

#### New retail concepts, experiences and launches



Source: The Straits Times

## 4 Immediate DPU accretion



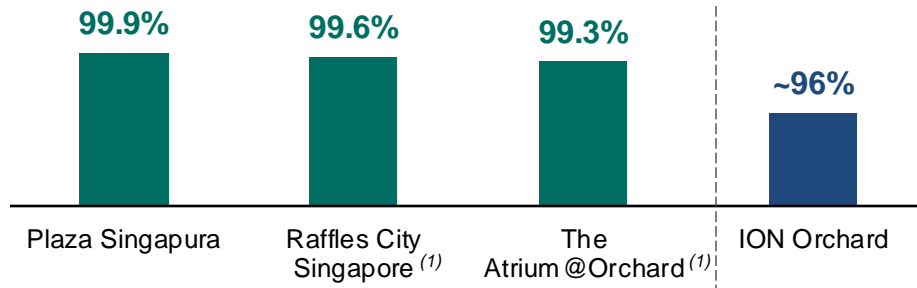
Notes: DPU accretion for illustrative purpose above is shown assuming illustrative PP unit issue price of S\$2.038 and PO unit issue price of S\$2.007.

- (1) The FY 2023 proforma DPU accretion is for illustrative purposes and is prepared based on CICT's audited financial statements for FY 2023. It is calculated assuming (a) the proposed acquisition had been completed on 1 January 2023 and CICT had held and operated the Property for the FY 2023 period; (b) the proposed acquisition is funded by net proceeds from EFR; and (c) on the basis that 70.0% of the total management fees for the whole portfolio (including ION Orchard) will be payable to the Manager in the form of Units. Assuming that 50.0% of the total management fees for the whole portfolio (including ION Orchard) will be payable to the Manager in the form of Units and that tax transparency at ION Orchard is achieved, pro forma DPU would be 0.1% for the FY 2023 period
- (2) The 1H 2024 proforma DPU accretion is for illustrative purposes and is prepared based on CICT's interim financial statements for 1H 2024. It is calculated assuming (a) the proposed acquisition had been completed on 1 January 2024 and CICT had held and operated the Property for the 1H 2024 period; (b) the proposed acquisition is funded by net proceeds from EFR; and (c) on the basis that 70.0% of the total management fees for the whole portfolio (including ION Orchard) will be payable to the Manager in the form of Units. Assuming that 50.0% of the total management fees for the whole portfolio (including ION Orchard) will be payable to the Manager in the form of Units and that tax transparency at ION Orchard is achieved, pro forma DPU would be (0.4%) for the 1H 2024 period
- (3) ION Orchard is currently subject to corporate income tax rate of 17% given corporate structure; Potential conversion of ION Orchard's holding entity to achieve tax transparency will result in tax savings and enhanced earnings, subject to joint venture partner's agreement and relevant authorities' approval

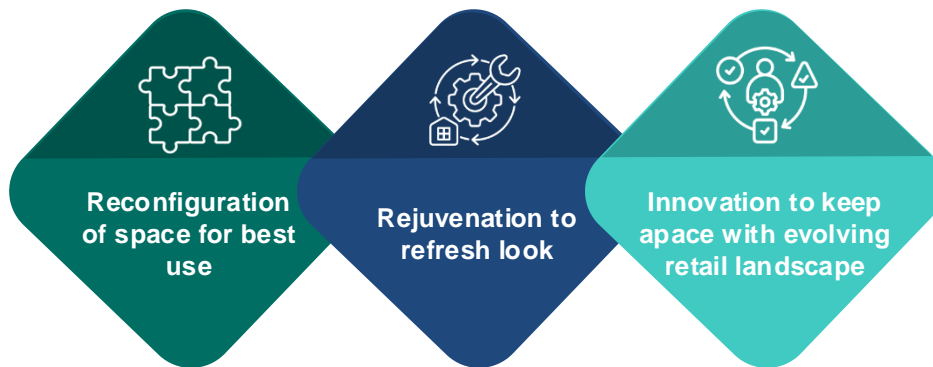
# 4 Driving growth through active asset management

## CICT's track record in achieving high occupancy

Committed occupancy rate as at 30 June 2024 (%)



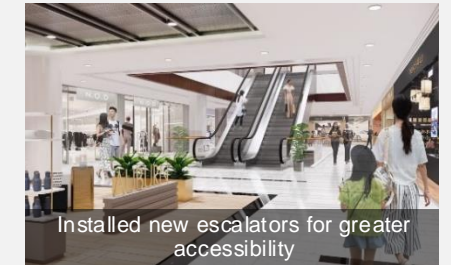
## Proactive management toolkits



Note:  
 (1) Committed occupancy for retail portion  
 Source: CICT website

## Case study: Raffles City Singapore 2022 rejuvenation plan

**Occupancy improved**  
 From 91% (Dec 2022) To 97.4% (Dec 2023)



**Reconfigured ~111,000 sq ft of retail space to accommodate more specialty retail**



**Over 65 new brands introduced**

## 4 Driving growth through partnership



### Leveraging on SHKP's strong track record in asset management



Deep insights on latest consumer preferences across region



Complementary network of global tenant relationships



Shared **best practices** and **marketing** efforts

### Sun Hung Kai Properties – leading property developer and operator in Greater China

- ✓ Owner of one of the largest mall networks in Hong Kong and China
- ✓ Renowned for premium large scale integrated developments





# Transaction Details



ION  
ORCHARD

# Method of financing

Estimated total acquisition outlay of S\$1,101.3m

	ION Orchard (50.0% interest) (S\$ m)
<b>Estimated Purchase Consideration<sup>(1)</sup></b>	1,076.3
<b>Other Expenses<sup>(2)</sup></b>	6.4
<b>Acquisition Fees in Units<sup>(3)</sup></b>	18.7
<b>Estimated Total Acquisition Outlay</b>	<b>1,101.3</b>

- Estimated total acquisition outlay (save for Acquisition Fee) to be funded by net proceeds from concurrent equity fund raising (“EFR”)
- The concurrent EFR comprises:
  - No less than approximately S\$350m private placement (“PP”) and
  - Approximately S\$757m non-renounceable preferential offering (“PO”) (with pro-rata subscription by CICT’s Sponsor, CapitalLand Investment Limited)

**Notes:**

- (1) Based on, among others, (a) 50% of the Agreed Property Value of S\$3,697.0m for both ION Orchard and ION Orchard Link; and (b) 50% of the agreed value of S\$34.0m for the Orchard Turn Developments Pte. Ltd. (the property manager), and (c) taking into account 50% of the secured bank loan taken out by Orchard Turn Retail Investment Pte. Ltd. (“OTRI”), subject to customary completion adjustments
- (2) The fees and expenses incurred or to be incurred by CICT in connection with the proposed acquisition, including stamp duty, goods and services tax, professional fees and other fees and expenses
- (3) As the proposed acquisition will constitute an ‘interested party transaction’ under the Property Funds Appendix, the acquisition fee is in the form of Units in accordance with Paragraph 5.7 of the Property Funds Appendix

# Unitholder approval required and indicative timetable

## Approval required

Approval	Details
Ordinary resolution	<ul style="list-style-type: none"><li>More than 50% of the total number of votes cast<sup>(1)</sup></li><li>EGM circular containing the opinion of an independent financial adviser to be despatched around early October</li></ul>

## Indicative timetable

Date	Action
3 September 2024	<ul style="list-style-type: none"><li>Announcement of the acquisition of ION Orchard</li></ul>
Early October 2024	<ul style="list-style-type: none"><li>EGM notice and despatch of EGM circular</li></ul>
Late October / Early November 2024	<ul style="list-style-type: none"><li>Expected date of CICT's EGM</li></ul>
4Q 2024	<ul style="list-style-type: none"><li>Completion of the acquisition of ION Orchard</li></ul>

Note: The timeline above is indicative only and subject to change. Please refer to future SGXNET announcement(s) by CICT Manager for the exact dates of these events

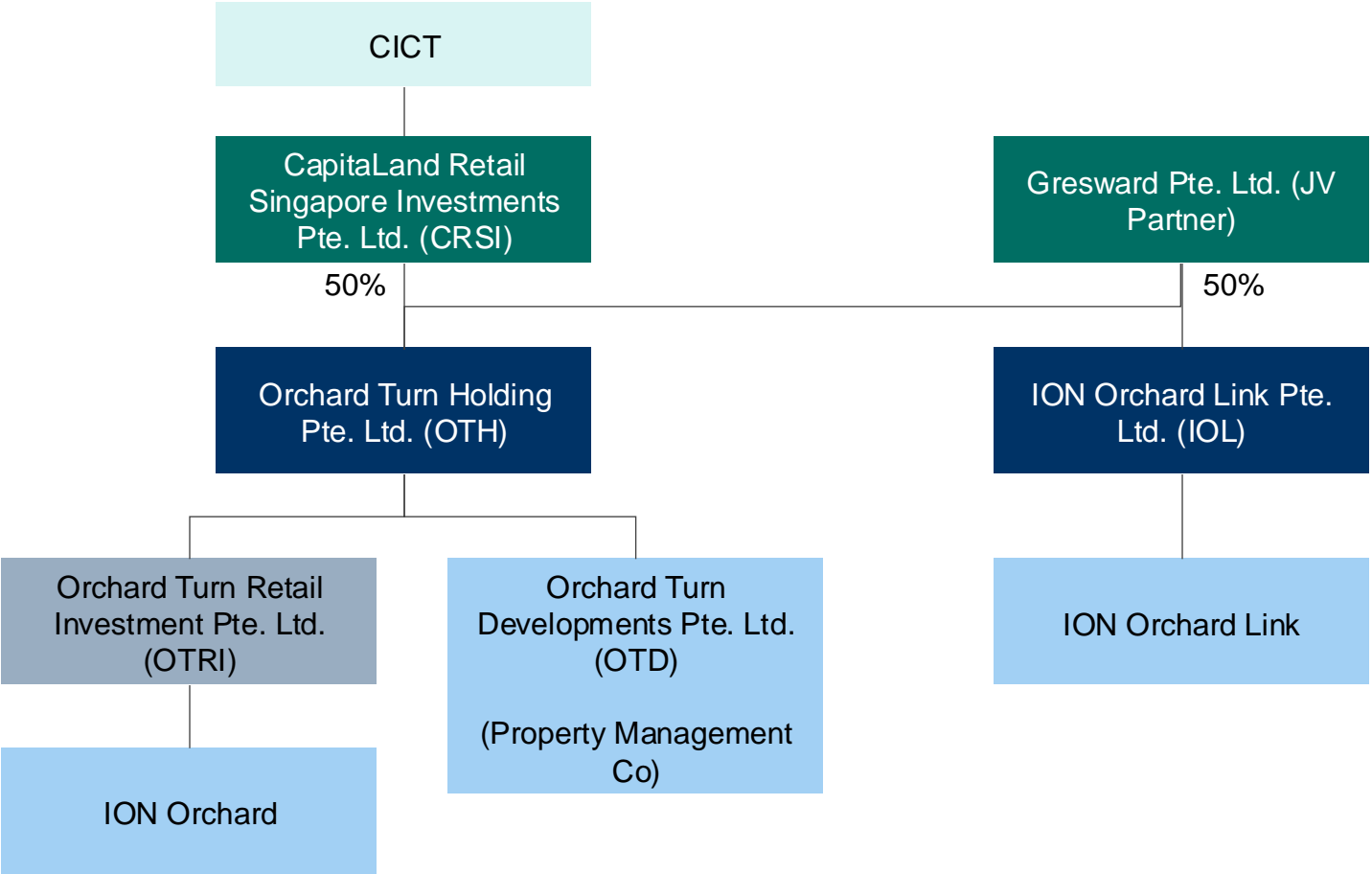
(1) Based on CICT unitholders present and voting either in person or by proxy at the EGM

# Additional Information



# Proposed investment structure

## Post-proposed acquisition ownership structure



# CICT's portfolio post acquisition



## FRANKFURT, GERMANY

### OFFICE

1. Gallileo (94.9% interest)
2. Main Airport Center (94.9% interest)

## SINGAPORE

### RETAIL

1. Bedok Mall
2. Bugis+
3. Bugis Junction
4. CQ @ Clarke Quay
5. IMM Building
6. Junction 8
7. Lot One Shoppers' Mall
8. Tampines Mall
9. Westgate
10. Bukit Panjang Plaza  
(90 out of 91 strata lots)

**11. ION Orchard**  
**(50.0% interest)**

### INTEGRATED DEVELOPMENTS

1. Funan
2. Plaza Singapura
3. The Atrium@Orchard
4. Raffles City Singapore
5. CapitaSpring (45.0% interest)

### OFFICE

1. Asia Square Tower 2
2. CapitaGreen
3. Capital Tower
4. Six Battery Road
5. 21 Collyer Quay
6. CapitaSky (70.0% interest)



## SYDNEY, AUSTRALIA

### OFFICE

1. 66 Goulburn Street
2. 100 Arthur Street
3. 101-103 Miller Street & Greenwood Plaza  
(50.0% interest)

#### Notes:

(1) Based on valuation of CICT's portfolio as at 31 December 2023 and includes CICT's proportionate interest in Gallileo and Main Airport Center (94.9% respectively), CapitaSky (70.0%), CapitaSpring (45.0%), 101-103 Miller Street & Greenwood Plaza (50.0%) and ION Orchard (50.0%); 50% of the agreed property value of S\$3,697.0m for ION Orchard, subject to customary completion adjustments

(2) Based on 100.0% interest for the properties (including IMM Building's warehouse space)



CapitaLand

Integrated Commercial  
Trust

# The End

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