

## CAPITALAND MALL TRUST

(Constituted in the Republic of Singapore pursuant to  
a trust deed dated 29 October 2001 (as amended))

### MINUTES OF THE ANNUAL GENERAL MEETING HELD ON THURSDAY, 13 APRIL 2017 AT 2.30 P.M. AT THE STAR GALLERY, LEVEL 3, THE STAR PERFORMING ARTS CENTRE, 1 VISTA EXCHANGE GREEN, SINGAPORE 138617

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Present: Unitholders/proxies  
As per attendance lists

In attendance: Directors of CapitaLand Mall Trust Management Limited, as manager of CapitaLand Mall Trust (the "Manager")

- 1) Mr Richard Rokmat Magnus, Chairman
- 2) Mr Lim Ming Yan, Deputy Chairman
- 3) Mr Tan Wee Yan, Wilson, Chief Executive Officer
- 4) Mr Tan Kian Chew
- 5) Mr Ng Chee Khern
- 6) Mr Lee Khai Fatt, Kyle
- 7) Mr Fong Kwok Jen
- 8) Mr Gay Chee Cheong
- 9) Mr Jason Leow Juan Thong

HSBC Institutional Trust Services (Singapore) Limited, as trustee of CapitaLand Mall Trust

Mr Antony Wade Lewis, Chief Executive Officer

Company Secretaries of the Manager

Ms Lee Ju Lin, Audrey

Ms Tan Lee Nah

Management of the Manager

Ms Tan Lei Keng, Head, Finance

Ms Audrey Tan Loo Ming, Vice President, Investor Relations

Ms Jacqueline Lee Yu Ching, Head, Investment & Asset Management

#### 1. Introduction

- 1.1. On behalf of HSBC Institutional Trust Services (Singapore) Limited, the trustee of CapitaLand Mall Trust ("**CMT**", and the trustee of CMT, the "**Trustee**"), and the Board of Directors of CapitaLand Mall Trust Management Limited, the manager of CMT ("**CMTML**" or the "**Manager**"), Ms Audrey Tan, the Master of Ceremonies (the "**Emcee**"), welcomed the unitholders of CMT (the "**Unitholders**") to the annual general meeting of CMT ("**AGM**" or

the “**Meeting**”).

- 1.2. Mr Tan Wee Yan, Wilson, the Chief Executive Officer (“**CEO**”) of the Manager, gave a presentation on CMT’s key highlights for the financial year ended 31 December 2016 (“**FY 2016**”).
- 1.3. The Emcee then introduced the panellists. Following the introduction, the proceedings of the Meeting were handed over to Mr Richard Rokmat Magnus, the Chairman of the Board of Directors of the Manager, who had been nominated by the Trustee to preside as Chairman of the Meeting (“**Chairman**”) in accordance with paragraph 7 of the schedule to the trust deed constituting CMT dated 29 October 2001 (as amended) (the “**Trust Deed**”).
- 1.4. Chairman noted that a quorum was present and declared the Meeting open at 3.02 p.m. The notice of Meeting dated 16 March 2017 (“**Notice of Meeting**”) contained in CMT’s annual report (“**Annual Report**”) circulated to the Unitholders on the same date was, with the consent of the Meeting, taken as read.
- 1.5. In line with corporate governance best practices and in accordance with the Trust Deed and Rule 730A(2) of the Listing Manual of the SGX-ST, Chairman directed that voting on each Resolution as set out in the Notice of Meeting be conducted by electronic poll. Chairman informed the Meeting that DrewCorp Services Pte Ltd had been appointed as the scrutineers to conduct the electronic poll and invited Mr Raymond Lam of DrewCorp Services Pte Ltd to explain the voting procedure.
- 1.6. Mr Raymond Lam of DrewCorp Services Pte Ltd proceeded to brief Unitholders on the use of the electronic handset device provided to Unitholders to vote. A test poll was carried out to ensure that Unitholders understood the instructions on voting.

## **ORDINARY BUSINESS**

2. **Resolution 1:**  
**Adoption of Report of the Trustee, Statement by the Manager, and the Audited Financial Statements of CMT for the financial year ended 31 December 2016 and the Auditors’ Report thereon**
- 2.1. Resolution 1 to receive and adopt the Report of the Trustee, the Statement by the Manager and the Audited Financial Statements of CMT for FY 2016 and the Auditors’ Report was read and duly proposed by Mr Lim Teck Kwang, and seconded by Ms Liew Wan Dorin.
- 2.2. Chairman invited questions and comments from the floor.
- 2.3. Mr Tan See Peng (“**Mr Tan**”) referred the Meeting to page 195 of the Annual Report and noted that the section on “Income tax expense” did not contain details of past tax losses carried forward and wear and tear allowances from CMT’s properties which Mr Tan opined could be used to offset against future income.
- 2.4. In response to Mr Tan’s query, Ms Tan Lei Keng said that CMT enjoyed tax transparency treatment so long as certain conditions were fulfilled and this included the distribution of at least 90% of the taxable income of CMT. She added that CMT, as a real estate investment trust (“**REIT**”), did claim capital allowances to retain cash for purposes of capital expenditure.
- 2.5. Mr Tan proceeded with his second question by asking whether CMT would consider

investments in foreign markets such as Vietnam and Myanmar.

- 2.6. CEO said that while CMT would consider investments in markets outside of Singapore as and when the opportunities arose, one of the factors which would be considered was whether or not the inclusion of such properties in CMT's portfolio were accretive to CMT's distribution per Unit ("DPU"). Mr Tan added that CMT could consider working with reliable foreign partners to undertake joint ventures for the purposes of such foreign investments.
- 2.7. With respect to the redevelopment of Funan, Mr Tan commented that he hoped that there would be food and beverage outlets serving affordable food in the new Funan. CEO replied that the management would bear this in mind in determining the tenant and trade mix in the new Funan.
- 2.8. Mr Vincent Tan referred the Meeting to page 78 of the Annual Report, and wanted to understand the reasons behind the negative rental reversions for Bugis+, Westgate and Bedok Mall.
- 2.9. In response to Mr Vincent Tan's query, CEO explained that CMT had taken the opportunity to address tenants' concerns by improving and recalibrating the tenant mix at Bedok Mall, Westgate and Bugis+. With respect to Bedok Mall and Westgate, CEO said that as 2017 was the first year of tenant renewals, the management had taken pre-emptive steps and adopted proactive measures to re-curate the trade mix at these properties and this had, in turn, resulted in negative rental reversions. CEO highlighted that with respect to Bugis+, the management had undertaken works to re-curate certain vacant spaces on levels 3 and 4 of Bugis+ and the length of time required to re-curate these spaces had resulted in negative rental reversions.
- 2.10. Mr Vincent Tan then referred the Meeting to page 87 of the Annual Report and commented that in his opinion, asset enhancement initiatives ("AEIs") were a key factor in influencing the outperformance of DPU. Mr Vincent Tan complimented the Manager for providing a very good operational review in the Annual Report and commented that the Manager could place more attention on explaining the AEIs implemented throughout the year which would, in turn, demonstrate the Manager's performance through the creation of value-add to CMT's portfolio.
- 2.11. Addressing Mr Vincent Tan's second question, CEO informed the Meeting that the Manager would typically issue an announcement to inform unitholders of material or significant AEIs. CEO explained that there were two types of AEIs and these were AEIs which brought in tangible returns and AEIs with non-tangible returns. In respect of AEIs which had tangible returns, CEO cited the example of Tampines Mall where an additional level 5 was created to bring in educational services tenants and this, in turn, resulted in additional returns on investment ("ROI"). In the case of AEIs with non-tangible returns, CEO cited the example of Plaza Singapura and explained that refurbishment had to be carried out to maintain the relevance and attractiveness of the 42-year old mall. CEO noted that for some of these AEIs, there were no immediate results in the form of additional ROI but such AEIs were necessary to create added value to tenants and this would, in turn, contribute to positive rental reversions.
- 2.12. Mr Vincent Tan referred the Meeting to pages 88-89 of the Annual Report which set out the gross revenue and net property income ("NPI") of CMT's properties. In particular, Mr Vincent Tan singled out IMM and noted that IMM's gross revenue for FY 2016 outperformed IMM's

gross revenue for the financial year ended 31 December 2015 (“**FY 2015**”) by 10.4% and IMM’s NPI for FY 2016 outperformed IMM’s NPI for FY 2015 by 15.6% with NPI margins improving from 64% in FY 2015 to 67% in FY 2016. Mr Vincent Tan wanted to understand the reasons for the significant improvements in IMM’s performance and how the Manager conceptualised the idea of an outlet mall.

- 2.13. CEO noted that Unitholders were pleased with the performance of IMM. CEO added that despite IMM being situated in a fairly crowded area of Jurong East, CMT was able to re-define business parameters in establishing Singapore’s first outlet mall. CEO highlighted that IMM’s good performance for FY 2016 was primarily the result of efforts to reduce the cost structure and increase top-line gross revenue numbers. CEO added that the refurbishment of the mechanical and electrical (M&E) facilities at IMM, which were still ongoing, also allowed IMM to enjoy additional savings in the costs of utilities.
- 2.14. Mr Vincent Tan referred the Meeting to page 91 of the Annual Report and noted that the valuation of Funan as at 31 December 2016 was S\$421 million, which was higher than the valuation of Funan as at 31 December 2015 which was S\$367 million. Mr Vincent Tan wanted to know why the residual land value of Funan (as at 31 December 2016) was higher than the valuation of Funan as at 31 December 2015 when a physical mall with income and cashflow was present.
- 2.15. CEO replied that the reason for the higher land value for Funan as reported on page 91 of the Annual Report was because the development plans for Funan, which would comprise an integrated development consisting of 2 office blocks, serviced residences and retail space, had been finalised. On this basis, the valuers had made their assessments based on the development plans for the integrated development and arrived at a higher valuation for the land value of Funan.
- 2.16. Mr Vincent Tan referred the Meeting to page 95 of the Annual Report and acknowledged the Manager’s efforts to lower CMT’s average cost of debt. Mr Vincent Tan noted that CMT MTN Pte Ltd (“**CMT MTN**”), a subsidiary of CMT, was incorporated for the purposes of issuing notes under the respective note programmes for the benefit of CMT. In this regard, Mr Vincent Tan wanted to understand whether similar subsidiaries could be incorporated for the purposes of facilitating debt financing for CMT’s associates and joint ventures.
- 2.17. Ms Tan Lei Keng explained that CMT MTN was CMT’s treasury vehicle for the issuance of bonds in connection with any fund-raising activities undertaken by CMT. Citing the example of Westgate, Ms Tan mentioned that CMT had utilised the funds raised through the issuance of bonds by way of a unitholder’s loan to the joint venture vehicle based on its proportionate share in the joint venture vehicle. Mr Vincent Tan further enquired about other joint venture vehicles such as RCS Trust. In response, Ms Tan shared that in the case of RCS Trust, funding was undertaken at the RCS Trust level and highlighted that to the extent that it was possible for borrowings to be undertaken at the joint venture level, the joint venture partners would consider such an option on a case-by-case basis.
- 2.18. Mr Tan Hock Leong expressed his appreciation to the management for bringing down CMT’s average cost of debt from 3.3% for FY 2015 to 3.2% for FY 2016. Mr Tan Hock Leong then posed two questions to the panel. Firstly, Mr Tan Hock Leong asked the panel for their views on the impact of a possible rise in the interest rates in the United States on CMT’s average cost of debt. Secondly, Mr Tan Hock Leong noted that CMT’s average cost of debt was

- above 3% while there were several other real estate investment trusts (“REITs”) that were able to bring their cost of debt to below 3% and wanted to understand if there were any particular reasons for this.
- 2.19. In relation to the first question, CEO shared that the management had a proactive capital management programme to manage CMT’s debt. CEO shared with the Meeting that while CMT had S\$100 million debt due in March 2017, the management had issued a S\$100 million 2.8% MTN note in March 2017 which allowed CMT to refresh the debt that was due in March 2017. In respect of the debts due in 2017 and 2018, CEO informed Unitholders that CMT had banking facilities in place to refinance these debts as and when they became due. CEO further added that CMT had the flexibility to use floating-rates debt or to take up short-term loans to reduce cost which could, in turn, mitigate against any impact from interest rate movements in the United States.
- 2.20. CEO then addressed the query on CMT’s higher average cost of debt (when compared with several other REITs) and said that this was due to the longer tenure of CMT’s debt facilities. CEO added that as CMT enjoyed a good “A2” credit rating, CMT was able to enjoy a relatively low spread for loans with a longer tenure. CEO shared that as at 31 December 2016, approximately 97% of CMT’s debt was on fixed-rates and from a funding standpoint, having fixed-rate debt made CMT’s business structure more predictable.
- 2.21. Mr Law Ren Hui then posed a question on Funan. He noted that the integrated development would comprise office and serviced residence components and wanted to know if CMT’s partners would be invited to co-manage certain aspects of the integrated development.
- 2.22. CEO responded that based on current plans, the integrated development for Funan was part of CMT’s portfolio. The serviced residence and office components were held through sub-trust structures which provide flexibility for CMT to work with other parties as and when there were suitable opportunities. CEO added that the projected incremental NPI per annum that would be contributed by the new Funan integrated development was expected to be in the region of S\$36 million per annum and this included the expected contributions from the retail, office and serviced residence components.
- 2.23. Chairman emphasised that oversight of the Funan redevelopment remained with CMT notwithstanding the fact that certain components were held through sub-trust structures.
- 2.24. As there were no further questions, Chairman proceeded to put Resolution 1 to vote. The result of the poll on Resolution 1 was as follows:

**Resolution 1 (Ordinary Resolution)**

For		Against	
No. of Units	%	No. of Units	%
2,390,737,968	99.91	2,042,900	0.09

Based on the results of the poll, Chairman declared Resolution 1 carried as an Ordinary Resolution.

**3. Resolution 2:**  
**Re-appointment of KPMG LLP as Auditors of CMT and grant of authority to the Manager to fix their remuneration**

- 3.1. Resolution 2 to re-appoint KPMG LLP as Auditors of CMT to hold office until the conclusion of the next AGM of CMT, and to authorise the Manager to fix their remuneration, was read and duly proposed by Mr Chua Sew Tay, and seconded by Mr Low Khiong Heng.
- 3.2. Chairman invited questions and comments from the floor.
- 3.3. As there were no questions on Resolution 2, Chairman proceeded to put Resolution 2 to vote. The result of the poll on Resolution 2 was as follows:

**Resolution 2 (Ordinary Resolution)**

For		Against	
No. of Units	%	No. of Units	%
2,384,609,801	99.70	7,215,100	0.30

Based on the results of the poll, Chairman declared Resolution 2 carried as an Ordinary Resolution.

**SPECIAL BUSINESS**

**4. Resolution 3:**  
**Authority for the Manager to issue units in CapitalLand Mall Trust (“Units”) and to make or grant instruments convertible into Units**

- 4.1. Resolution 3 to authorise the Manager to issue Units and to make or grant convertible instruments (such as warrants or debentures) convertible into Units, and to issue Units in pursuance of such instruments was read and proposed by Mr Sung Poon Oi Yin, and seconded by Ms Tan Lee Hua.
- 4.2. Chairman invited questions and comments from the floor.
- 4.3. As there were no questions on Resolution 3, Chairman proceeded to put Resolution 3 to vote. The result of the poll on Resolution 3 was as follows:

**Resolution 3 (Ordinary Resolution)**

For		Against	
No. of Units	%	No. of Units	%
2,111,442,602	88.29	279,990,251	11.71

Based on the results of the poll, Chairman declared Resolution 3 carried as an Ordinary Resolution.

**5. Resolution 4:****Approval of the Renewal of the Unit Buy-Back Mandate**

- 5.1. Resolution 4 to approve the renewal of the unit buy-back mandate authorising the Manager to repurchase issued Units for and on behalf of CMT was read and duly proposed by Mr Lee Kim Ming, and seconded by Mr Ho Shi Yong Adrian.
- 5.2. Chairman invited questions and comments from the floor.
- 5.3. As there were no questions on Resolution 4, Chairman proceeded to put Resolution 4 to vote. The result of the poll on Resolution 4 was as follows:

**Resolution 4 (Ordinary Resolution)**

For		Against	
No. of Units	%	No. of Units	%
2,389,927,163	99.95	1,127,600	0.05

Based on the results of the poll, Chairman declared Resolution 4 carried as an Ordinary Resolution.

**6. CLOSING ADDRESS**

There being no other business, on behalf of the Trustee and the Manager, the Chairman thanked all present for their attendance and support, and declared the Meeting closed at 3.48 p.m.

Confirmed By

Mr Richard Rokmat Magnus

Chairman of Meeting