

CAPITAMALL 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, 16 APRIL 2015 AT 2.30 P.M. AT THE STAR GALLERY, LEVEL 3, THE STAR PERFORMING ARTS CENTRE, 1 VISTA EXCHANGE GREEN, SINGAPORE 138617

Present: Unitholders/proxies
As per attendance lists

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

Mr Danny Teoh Leong Kay, Chairman
Mr Lim Ming Yan, Deputy Chairman
Mr Fong Kwok Jen
Mr Gay Chee Cheong
Mr Lee Khai Fatt, Kyle
Mr Jason Leow Juan Thong
Mr Richard Rokmat Magnus
Maj-Gen (MS) Ng Chee Khern
Mr Tan Kian Chew
Mr Tan Wee Yan, Wilson, Chief Executive Officer

HSBC Institutional Trust Services (Singapore) Limited, as trustee of CapitaMall Trust
Mr Antony Wade Lewis, Chief Executive Officer

Company Secretary of the Manager
Ms Goh Mei Lan

Management of the Manager
Ms Tan Lei Keng, Head, Finance
Ms Jacqueline Lee, Head, Investment & Asset Management
Ms Audrey Tan, Assistant Vice President, Investor Relations

1. Introduction

- 1.1 On behalf of HSBC Institutional Trust Services (Singapore) Limited, the trustee of CapitaMall Trust ("**CMT**", and the trustee of CMT, the "**Trustee**"), and the Board of Directors of CapitaMall 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 Wilson Tan Wee Yan, the Chief Executive Officer ("**CEO**") of the Manager, gave a presentation on CMT's results for the financial year ended 31 December 2014.

- 1.3 The Emcee then introduced the panellists. Following the introduction, the proceedings of the Meeting were handed over to Mr Danny Teoh Leong Kay, 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 the trust deed constituting CMT dated 29 October 2001 (as amended) (the "**Trust Deed**").
- 1.4 The Chairman noted that a quorum was present and declared the Meeting open at 3.00 p.m. The notice of Meeting dated 18 March 2015 contained in the appendix to the Annual Report circulated to the Unitholders of 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, the Chairman directed that the vote on each Resolution as set out in the notice of Meeting be conducted by poll. The Chairman also advised that, in order not to disrupt the proceedings of the Meeting, the poll on all the Resolutions would be taken together after the last item on the agenda had been dealt with and all the Resolutions have been moved and put to vote.
- 2. Resolution 1:**
Adoption of the Report of the Trustee, the Statement by the Manager, and the Audited Financial Statements of CMT for the financial year ended 31 December 2014 and the Auditors' Report thereon
- 2.1 The Chairman invited a Unitholder to propose, and another to second Resolution 1 set out in the notice of Meeting. Unitholder A proposed and Unitholder B seconded the Resolution, as follows:
- "THAT the Report of HSBC Institutional Trust Services (Singapore) Limited, as trustee of CMT, the Statement by CapitaMall Trust Management Limited, as manager of CMT and the Audited Financial Statements of CMT for the financial year ended 31 December 2014 and the Auditors' Report thereon be and are hereby received and adopted."
- 2.2 The Chairman invited questions and comments from the floor.
- 2.3 Unitholder C noted that the Chairman and Mr Kyle Lee had increased their unitholdings in CMT significantly over the financial year ended 31 December 2014 and enquired why Mr Wilson Tan's unitholdings had remained the same. Unitholder C then suggested that the key executives of the Manager hold more units in CMT ("**Units**") for greater alignment of interests between the Manager and Unitholders.
- 2.4 The Chairman replied that Mr Wilson Tan's interest was very much aligned with that of Unitholders as his remuneration was pegged to the key performance indicators of CMT. Mr Wilson Tan also assured Unitholders that his interest was aligned with that of Unitholders and shared that based on the advice from both internal and external legal and financial advisers, it would be difficult for him to acquire Units in view of his possession of specific price-sensitive information regarding CMT. Mr Wilson Tan also explained that the increase in the unitholdings of other directors was due to the issue of Units as part of the directors' compensation package so as to align the interests of directors with Unitholders.

- 2.5 Unitholder C asked about the Manager's plans on the space vacated by Lifebrandz in Clarke Quay arising from its decision to wind down its business. Mr Wilson Tan shared that the Manager was seeking to sub-divide the space into smaller units for leasing. Mr Wilson Tan added that regulatory approvals needed to be obtained before such sub-division could take place, which would take approximately four to six months. In the meantime, the Manager had been actively marketing the space and had received preliminary feedback that there was a demand for the space.
- 2.6 Unitholder C further queried on whether the alignment of interests between the CEO, the Manager and Unitholders was structured for the long-term. The Chairman replied that the key performance indicators upon which remuneration of the CEO was assessed contained both long-term and short-term performance measures to ensure an optimal balance. Mr Lim Ming Yan added that the remuneration package of the CEO was based on performance indicators for the immediate year as well as subsequent years. He shared that the remuneration framework also contained clawback mechanisms which permitted the Manager to clawback compensation which had already been paid out in the event of adverse events in subsequent years. Mr Wilson Tan further assured Unitholders that the Manager had strived to extend CMT's debt maturity profile and this demonstrated practically, that the Manager was acting in the long-term interest of Unitholders and also represented the Manager's consistent focus and objective to secure stable and sustainable growth for investors in the long-term.
- 2.7 Unitholder D referred the Meeting to pages 204 and 205 of the Annual Report (the "**AR**") and enquired about the drop in net property income ("**NPI**") margin, the increase in operating expenses, and the implications of the foregoing on CMT. Unitholder D also noted that the NPI of Funan DigitalLife Mall and JCube had weakened compared to the previous year and asked about the reasons for the decrease. Mr Wilson Tan replied that the NPI margin had always ranged from 68% to 69% on a blended average basis for the CMT portfolio. Mr Wilson Tan also explained that in relation to JCube, there were two new malls in the vicinity (Jem and Westgate) which had changed the retail profile in Jurong East. CMT had initiated the re-positioning of JCube by the introduction of J.Avenue, in order to adapt to the change in retail profile. Accordingly, the change in the retail profile, coupled with the asset enhancement initiatives for the introduction of J.Avenue ("**AEI**"), and the implementation of marketing measures to attract tenants and shoppers, had affected the current NPI for JCube. Mr Wilson Tan cited the successful re-positioning of IMM Building as an example of the Manager's efforts to improve the mall's NPI. In relation to Funan DigitalLife Mall ("**Funan**"), Mr Wilson Tan assured Unitholders that despite a shift in the shopping patterns in the electronics and IT market, Funan remained accretive and positive based on its NPI and yield on valuation. Mr Wilson Tan also shared that the Manager was fully aware of the shift in shopping patterns in the electronics and IT market and was already looking into measures to explore new shopping concepts for Funan. As and when appropriate, the Manager would make the relevant announcements.
- 2.8 In response to Unitholder D's queries on the implications to the NPI margin arising from the provision of new value-added services (e.g. WiFi) in the malls, Mr Wilson Tan clarified that NPI was influenced by operating expenditure which would increase, for example due to labour costs. However, the increase of such operating expenditure was mitigated by productivity tools implemented by the Manager as well as reduction in electricity and utilities costs. Mr Wilson Tan also explained that the increase in marketing expenses in the second quarter of 2014 in order to increase shopper traffic was a proactive move by the Manager that reaped positive results by softening the reduction in shopper traffic over the course of year 2014.

- 2.9 Unitholder D noted from page 66 of the AR that the occupancy cost of CMT's portfolio had increased from 15.8% to 17.6% and enquired as to the reasons behind the increase. Mr Wilson Tan clarified that three malls, JCube, Bugis+ and The Atrium@Orchard were added to the CMT portfolio in 2014 and if these malls had been added in 2013 instead, the occupancy cost would have restated to 16.9% instead of 15.8%. Further, Mr Wilson Tan informed that CMT's occupancy cost was sustainable compared to the occupancy cost in the regional market of 18% to 20%. Mr Wilson Tan also shared some of the initiatives that the Manager had introduced to attract shoppers and increase tenants' sales, including the CapitaStar and CapitaCard programmes.
- 2.10 In response to Unitholder D's observation on the higher occupancy cost for JCube, Bugis+ and The Atrium@Orchard, Mr Wilson Tan replied that the higher occupancy cost for the three malls was due to inflation and the fact that these malls were acquired in 2012 at a higher cost structure. Mr Lim Ming Yan further explained that each mall had a different tenant mix and that each of the tenants from different trade categories would have different cost structures as well as occupancy cost. Mr Lim Ming Yan said that certain trade categories might tolerate a higher occupancy cost of 30%, compared to only 10% for other trade categories. The Chairman said that Management was aware of the challenges and had been taking measures to increase shopper traffic and tenant sales, as evinced from the implementation of marketing programmes like CapitaStar and the creation of cost efficiencies like centralised cleaning.
- 2.11 Unitholder D moved on to his next question on the positioning of CMT's malls as necessity shopping malls and suggested that CMT consider re-positioning its malls as destination shopping malls instead in view of the type of tenants and services provided. The Chairman thanked Unitholder D for his observations and suggestions.
- 2.12 Unitholder E complimented the directors for putting together a comprehensive and well written annual report, and further suggested that the page numbers be indicated at the top corner in a larger font for greater ease of reference. Unitholder E also asked whether there would be a special distribution to Unitholders in view of the profits from the divestment of Westgate Tower.
- 2.13 The Chairman thanked Unitholder E for his compliments and suggestion. He also shared that CMT had received a distribution of S\$30 million from Infinity Office Trust in connection with the divestment of Westgate Tower, and made a one-off distribution of S\$4.5 million to Unitholders. As there was a need to retain some funds for AEI and general maintenance of CMT's malls, the Manager would continue to maintain a balance between CMT's working capital requirements and distribution to Unitholders, and consider whether to make any special distribution should there be any surplus funds.
- 2.14 Unitholder E observed an increase in cleaning and security costs and suggested that the Manager explore automation and technology to reduce costs. The Chairman replied that the Manager had been monitoring means to manage operation costs and increase productivity. Mr Wilson Tan added that CMT had been encouraging cleaning contractors to use mechanised cleaning and had also implemented the use of technology to track usage of toilet facilities to optimise cleaning frequency.
- 2.15 In response to Unitholder E's suggestion to install solar panels on the available roof spaces of the malls to improve greening efforts, Mr Wilson Tan replied that the Manager would consider

- the suggestion and added that it was part of the Manager's sustainability and greening efforts to provide a cleaner environment for future generations.
- 2.16 Unitholder F raised a query regarding the board's long-term plans for CMT in the next five years. Noting that the Manager had managed CMT's portfolio well, he asked for the Manager's opinion on how they had fared compared to other major mall operators.
- 2.17 The Chairman replied that CMT had the largest retail mall portfolio in Singapore with 16 malls and enjoyed economies of scale over other mall operators which gave CMT an advantage in providing stable returns. CMT should continue to provide stable returns through its portfolio which, in Chairman's opinion, was low risk due to the fact that the malls were all located in Singapore. The Chairman also shared that the Manager would continue to look out for opportunities to acquire assets that could provide sustainable rental and accretive yield. However, there had been few assets meeting such criteria which were available at the right price, considering the presence of other competitors with their own REITs. He added that the Manager would be ready to discuss and consider acquiring from CMT's sponsor, especially if an asset was available at the right price. The Chairman summarised that the Manager would be opportunistic but Unitholders had to note the challenges in the Singapore market.
- 2.18 Mr Wilson Tan thanked Unitholder F for his second question and referred the Meeting to page 82 of the AR where Urbis had reported that CMT held 14.3% of the organised mall marketplace in Singapore, the largest share among its competitors. He added that CMT would continue to strive to be the market leader and CMT's efforts were apparent in its various initiatives (e.g. changes to interiors of the malls) to innovate and improvise so that CMT stayed ahead of its competitors, despite the competitors' efforts to adopt and keep up with CMT's innovations. Mr Wilson Tan also described how CMT had been changing the scale of its innovations by for example, re-designing the shopping concept for Westgate by introducing a courtyard. He shared that CMT would continue to harness digital technology to create programmes to attract shoppers and cited the example of CapitaStar which allowed CMT to communicate better with shoppers and to better understand shoppers' needs. Mr Wilson Tan also shared that these initiatives had provided CMT with deeper insight of the shoppers which would eventually benefit CMT's tenants and retailers.
- 2.19 Unitholder G asked about the total penetration of the CapitaCard, CapitaStar and CapitaVouchers programmes. Mr Wilson Tan explained that CapitaCard was a credit card scheme which had approximately 292,000 members who spent approximately S\$325 million in 2014, whether in CMT's malls or elsewhere. Members of CapitaCard may or may not be CapitaStar members. On the other hand, CapitaStar was a cardless loyalty programme which had approximately 650,000 members, whereby members could accumulate points from their spending in CMT's malls to be converted to CapitaVouchers. CapitaVouchers were vouchers which could be purchased by institutions, corporations or individuals to be used in CMT's malls. Mr Wilson Tan updated the Meeting that over S\$59 million worth of CapitaVouchers were sold in 2014, meaning that CMT managed to create S\$59 million worth of business for the tenants of malls within the CapitaLand group.
- 2.20 Unitholder H commented that she was a CapitaStar member and she was appreciative of the programme. She further congratulated the board for CMT being rated as the Regional Sector Leader for Asia/Retail/large Cap in the 2014 Global Real Estate Sustainability Benchmark (GRESB) Survey. She added that it was most important for the Manager to deliver to Unitholders, which CMT had done. The Chairman thanked Unitholder H for her compliments.

2.21 Unitholder I queried if there were any unit buy-backs conducted in the previous years and the treatment of the units bought back, if any. The Chairman replied that there had not been any unit buy-backs conducted to date and shared that all units bought back under the unit buy-back mandate would be cancelled.

2.22 As there were no further questions, the Chairman proceeded to put Resolution 1 to vote. So as not to disrupt the proceedings of the Meeting, the Chairman informed the Meeting that the poll on Resolution 1 would be taken after the last item on the agenda had been dealt with, and continued with the next item on the agenda.

**3. Resolution 2:
Re-appointment of KPMG LLP as Auditors of CMT**

3.1. The Chairman invited a Unitholder to propose, and another to second Resolution 2. Unitholder J proposed and Unitholder K seconded the Resolution, as follows:

“THAT KPMG LLP be re-appointed as Auditors of CMT to hold office until the conclusion of the next annual general meeting of CMT, and that the Manager be authorised to fix their remuneration.”

3.2. The Chairman invited questions and comments from the floor.

3.3. As there were no questions on Resolution 2, the Chairman proceeded to put Resolution 2 to vote. So as not to disrupt the proceedings of the Meeting, the Chairman informed the Meeting that the poll on Resolution 2 would be taken after the last item on the agenda had been dealt with, and continued with the next item on the agenda.

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

4.1. The Chairman invited a Unitholder to propose, and another to second Resolution 3. Unitholder L proposed and Unitholder M seconded the Resolution, as follows:

“THAT authority be and is hereby given to the Manager to:

- (a) (i) issue Units whether by way of rights, bonus or otherwise; and/or
- (ii) make or grant offers, agreements or options (collectively, “**Instruments**”) that might or would require Units to be issued, including but not limited to the creation and issue of (as well as adjustments to) securities, warrants, debentures or other instruments convertible into Units,

at any time and upon such terms and conditions and for such purposes and to such persons as the Manager may in its absolute discretion deem fit; and

- (b) issue Units in pursuance of any Instrument made or granted by the Manager

while this Resolution was in force (notwithstanding that the authority conferred by this Resolution may have ceased to be in force at the time such Units are issued),

provided that:

- (1) the aggregate number of Units to be issued pursuant to this Resolution (including Units to be issued in pursuance of Instruments made or granted pursuant to this Resolution) shall not exceed fifty per cent. (50.0%) of the total number of issued Units (as calculated in accordance with sub-paragraph (2) below), of which the aggregate number of Units to be issued other than on a *pro rata* basis to Unitholders (including Units to be issued in pursuance of Instruments made or granted pursuant to this Resolution) shall not exceed twenty per cent. (20.0%) of the total number of issued Units (as calculated in accordance with sub-paragraph (2) below);
- (2) subject to such manner of calculation as may be prescribed by Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) for the purpose of determining the aggregate number of Units that may be issued under sub-paragraph (1) above, the total number of issued Units shall be based on the total number of issued Units at the time this Resolution is passed, after adjusting for:
 - (a) any new Units arising from the conversion or exercise of any convertible securities or options which are outstanding or subsisting at the time this Resolution is passed; and
 - (b) any subsequent bonus issue, consolidation or subdivision of Units;
- (3) in exercising the authority conferred by this Resolution, the Manager shall comply with the provisions of the Listing Manual of the SGX-ST for the time being in force (unless such compliance has been waived by the SGX-ST) and the Trust Deed for the time being in force (unless otherwise exempted or waived by the Monetary Authority of Singapore);
- (4) (unless revoked or varied by the Unitholders in a general meeting) the authority conferred by this Resolution shall continue in force until (i) the conclusion of the next annual general meeting of CMT or (ii) the date by which the next annual general meeting of CMT is required by applicable laws and regulations or the Trust Deed to be held, whichever is the earlier;
- (5) where the terms of the issue of the Instruments provide for adjustment to the number of Instruments or Units into which the Instruments may be converted in the event of rights, bonus or other capitalisation issues or any other events, the Manager is authorised to issue additional Instruments or Units pursuant to such adjustment notwithstanding that the authority conferred by this Resolution may have ceased to be in force at the time the Instruments or Units are issued; and
- (6) the Manager and the Trustee be and are hereby severally authorised to complete and do all such acts and things (including executing all such documents as may be required) as the Manager, or as the case may be, the Trustee may consider expedient or necessary or in the interests of CMT to give effect to the authority

conferred by this Resolution.”

- 4.2. The Chairman invited questions and comments from the floor.
- 4.3. As there were no questions on Resolution 3, the Chairman proceeded to put Resolution 3 to vote. So as not to disrupt the proceedings of the Meeting, the Chairman informed the Meeting that the poll on Resolution 3 would be taken after the last item on the agenda had been dealt with, and continued with the next item on the agenda.

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

- 5.1. The Chairman invited a Unitholder to propose, and another to second Resolution 4. Unitholder N proposed and Unitholder O seconded the Resolution, as follows:

“That:

- (a) the exercise of all the powers of the Manager to repurchase issued Units for and on behalf of CMT not exceeding in aggregate the Maximum Limit (as hereafter defined), at such price or prices as may be determined by the Manager from time to time up to the Maximum Price (as hereafter defined), whether by way of:
- (i) market repurchase(s) on the SGX-ST and/or, as the case may be, such other stock exchange for the time being on which the Units may be listed and quoted; and/or
 - (ii) off-market repurchase(s) (which are not market repurchase(s)) in accordance with any equal access scheme(s) as may be determined or formulated by the Manager as it considers fit in accordance with the Trust Deed,

and otherwise in accordance with all applicable laws and regulations including the rules of the SGX-ST or, as the case may be, such other stock exchange for the time being on which the Units may be listed and quoted, be and is hereby authorised and approved generally and unconditionally (the “**Unit Buy-Back Mandate**”);

- (b) (unless revoked or varied by the Unitholders in a general meeting) the authority conferred on the Manager pursuant to the Unit Buy-Back Mandate may be exercised by the Manager at any time and from time to time during the period commencing from the date of the passing of this Resolution and expiring on the earliest of:
- (i) the date on which the next annual general meeting of CMT is held;
 - (ii) the date by which the next annual general meeting of CMT is required by applicable laws and regulations or the Trust Deed to be held; or
 - (iii) the date on which repurchase of Units pursuant to the Unit Buy-Back Mandate is carried out to the full extent mandated;

(c) in this Resolution:

“Average Closing Price” means the average of the closing market prices of the Units over the last five Market Days, on which transactions in the Units were recorded, immediately preceding the date of the market repurchase or, as the case may be, the date of the making of the offer pursuant to the off-market repurchase, and deemed to be adjusted for any corporate action that occurs after the relevant five Market Days;

“date of the making of the offer” means the date on which the Manager makes an offer for an off-market repurchase, stating therein the repurchase price (which shall not be more than the Maximum Price for an off-market repurchase) for each Unit and the relevant terms of the equal access scheme for effecting the off-market repurchase;

“Market Day” means a day on which the SGX-ST and/or, as the case may be, such other stock exchange for the time being on which the Units may be listed and quoted, is open for trading in securities;

“Maximum Limit” means that number of Units representing 2.5% of the total number of issued Units as at the date of the passing of this Resolution; and

“Maximum Price” in relation to a Unit to be repurchased, means the repurchase price (excluding brokerage, stamp duty, commission, applicable goods and services tax and other related expenses) which shall not exceed:

- (i) in the case of a market repurchase of a Unit, 105.0% of the Average Closing Price of the Units; and
- (ii) in the case of an off-market repurchase of a Unit, 110.0% of the Average Closing Price of the Units; and

(d) the Manager and the Trustee be and are hereby severally authorised to complete and do all such acts and things (including executing all such documents as may be required) as the Manager or, as the case may be, the Trustee may consider expedient or necessary or in the interests of CMT to give effect to the transactions contemplated and/or authorised by this Resolution.”

5.2. The Chairman invited questions and comments from the floor.

5.3. As there were no questions on Resolution 4, the Chairman proceeded to put Resolution 4 to vote. The Chairman noted that no notification had been received by the Company Secretary for the transaction of any other business at the Meeting and proceeded with the conduct of the poll on Resolutions 1 to 4.

5.4. The Chairman informed the Meeting that KPMG LLP had been appointed as the scrutineers to conduct the poll. The Chairman explained that as the Chairman of the Meeting, he held valid proxies in respect of Resolutions 1 to 4 from eligible Unitholders.

- 5.5. Mr Leong Kok Keong of KPMG LLP proceeded with an explanation of the procedures, after which the Chairman requested the Unitholders to complete the poll voting slips and hand them to the scrutineers.

6. **ADJOURNMENT OF MEETING**

- 6.1 The Chairman declared the Meeting was adjourned at 4.05 p.m., pending the counting of the votes.

7. **RESUMPTION OF MEETING TO DECLARE POLL RESULTS**

- 7.1 The Chairman resumed the Meeting at 4.35 p.m. and informed that the votes on Resolutions 1 to 4 had been counted and verified. Mr Leong Kok Keong then proceeded to read the results of the polls on Resolutions 1 to 4 as follows:

Resolution 1 (Ordinary Resolution)

For		Against	
No. of Units	%	No. of Units	%
2,264,135,506	99.98	440,000	0.02

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

Resolution 2 (Ordinary Resolution)

For		Against	
No. of Units	%	No. of Units	%
2,263,616,506	99.95	1,054,000	0.05

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

Resolution 3 (Ordinary Resolution)

For		Against	
No. of Units	%	No. of Units	%
1,407,160,634	62.23	854,065,872	37.77

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

Resolution 4 (Ordinary Resolution)

For		Against	
No. of Units	%	No. of Units	%
2,263,052,006	99.93	1,530,100	0.07

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

8. 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 4.40 p.m.

CONFIRMED

Mr Danny Teoh Leong Kay
Chairman of the Meeting