

CAPITALAND MALAYSIA MALL TRUST

[Established in Malaysia under the trust deed dated 7 June 2010 (as amended and restated on 15 September 2015), entered between CapitaLand Malaysia Mall REIT Management Sdn. Bhd. (819351-H) and MTrustee Berhad (formerly known as AmTrustee Berhad) (163032-V)]

SUMMARY OF THE KEY MATTERS DISCUSSED AT THE ANNUAL GENERAL MEETING OF CAPITALAND MALAYSIA MALL TRUST (“CMMT”) HELD AT THE WESTIN GRAND BALLROOM, LEVEL 2, THE WESTIN KUALA LUMPUR, 199 JALAN BUKIT BINTANG, 55100 KUALA LUMPUR, MALAYSIA ON THURSDAY, 30 MARCH 2017 AT 10.00 A.M. (“CMMT AGM”)

No.	Comments/Questions raised by Unitholders / Proxy Holders	Responses/Answers from the Chairman/Chief Executive Officer
1.	<p>The following questions were forwarded by one of the substantial unitholders of CMMT, Kumpulan Wang Persaraan (Diperbadankan) before the CMMT AGM and CMMT’s responses were shared with the Unitholders during the meeting: -</p> <p>Q1: Given the cautious consumer spending and oversupply of retail malls in Malaysia, what are the company’s strategies to maintain the portfolio’s occupancy and positive rental reversions?</p> <p>Q2: What is the company’s view on the potential impact of e-commerce growth on physical retail malls? How will the company position itself to ride on the trend?</p> <p>Q3: Please share CMMT’s potential asset acquisition plans over the next 3 years. Will the company consider diversifying into other types of asset apart from retail?</p> <p>Q4: How does the company see itself benefiting from the revised REIT guidelines to deliver earnings growth?</p> <p>Q5 : Have you implemented any environmental friendly initiatives at your malls?</p> <p>(a) Rainwater harvesting system</p> <p>(b) Solar energy</p> <p>(c) Energy saving lights and equipment including escalators and lights</p> <p>(d) Recycling of waste from the malls</p>	<p>A1: Our malls are strategically located in established neighbourhoods in key cities and have established themselves as popular necessity shopping malls. We continue to explore creative ways to upgrade the appeal of our malls by improving the trade mix, introducing new trades and bringing in new-to-market brands and through continual asset enhancement initiatives. To remain competitive, proactive leasing and marketing strategies will be deployed to drive footfall and sales. We strive to achieve sustainable total returns to Unitholders through proactive retail and asset management, and asset enhancement works. As CMMT is geographical and income diversified, this will ensure that the overall portfolio continues to deliver stable net property income and returns to our Unitholders.</p> <p>A2: We are closely monitoring the trends and have been adjusting our trade-mix and introducing new brands to cater to the changing needs of shoppers. Certain shopping experiences cannot be completely replicated online, such as dining, education, gym activities, entertainment and services. For instance, Blastacars in Sungei Wang Plaza offers indoor kart drifting while Oliver Gourmet, a homegrown gourmet food hall, will be opening soon at Tropicana City Mall and The Mines to cater to the lifestyle needs of shoppers. As some online retailers recognise the value of physical presence, The Cubez at Sungei Wang Plaza is one of our initiatives to attract online retailers to set up physical presence. Moving forward, we will continue to leverage on CapitaStar and invest in digital technology to offer more lifestyle conveniences to shoppers to further improve their shopping experience.</p> <p>A3: We are always on the lookout for inorganic growth opportunities that fit our investment criteria as follows:</p> <ul style="list-style-type: none"> • Assets must have sustainable revenue stream • Opportunities to use our retail skill sets to extract value through asset enhancement • Easy accessibility, good location and catchment areas

	<p>(e) Usage of environmental friendly materials for your buildings and shops Can you also disclose your corporate social responsibility (CSR) activities undertaken?</p>	<p>Our principal investment objective remains unchanged, i.e. invest, on a long term basis, in income producing real estate primarily used for retail purposes located in Malaysia.</p> <p>A4: We welcome any proposed changes by the Securities Commission to widen growth opportunities for Malaysian REITs, which will enable M-REITs to compete more effectively with REITs in the other established regional REIT markets. The proposed changes include inter alia, a higher investment threshold for greenfield projects (i.e. up to 15% of TAV). If such greenfield opportunity arises, we would assess to see if they fit our overall investment objective of providing stable returns to CMMT Unitholders in the longer term.</p> <p>A5: Three of CMMT malls (GP, TM and ECM) are certified with the Green Mark Gold rating by Singapore's Building and Construction Authority. As such, these malls use environmental friendly materials such as ozone friendly refrigerants and LED lightings, among others. We have implemented rainwater harvesting systems in TM, ECM and GP for the flush system, watering of plants and supply to the cooling tower. All of our malls' escalators are installed with crawling speed sensors and we have also installed chiller optimizers that respond intelligently to the load demand. We also recycle mall waste through approved vendors. Gurney Plaza has been recognised for its environmental friendly initiatives and was awarded the AQUA Save and Penang Green Office certifications recently. On the CSR activities, CMMT malls participate in the WWF Earth Hour campaign annually. CMMT also collaborates with CapitaLand on the annual "My Schoolbag" – CapitaLand's key annual CSR programme which benefits underprivileged children.</p>
2.	<p>Prospect of CMMT in the next 2 to 5 years under the current challenging political and economic conditions in Malaysia and whether CMMT will outperform in the next 3 year.</p>	<ul style="list-style-type: none"> • Retail sector in Malaysia in the long term will remain resilient but remains optimistic especially for the retail sector in Greater Kuala Lumpur/ Klang Valley given that Greater Kuala Lumpur/Klang Valley is earmarked to be one of the economic corridors of Malaysia. Management was positive about the long term macroeconomic position in Malaysia given its solid fundamentals and its relatively young demographics. • The outlook for the year 2017 remains challenging as the headline growth would expect to be affected by the pressure from rental reversion amid the challenging operating environment, coupled with cautious retailers' and shoppers' sentiments. However, Management remains committed to deliver sustainable returns to Unitholders through pro-active asset management. In addition, Management will continue to leverage and expand CapitaStar, a shopper loyalty programme by way of embracing the digital technology to meet shoppers' needs in the future.

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3.	Concern over the proposed general mandate and the impact of the issuance of new units pursuant to Clause 14.03 of the Guidelines on Real Estate Investment Trusts ("Mandate") which leads to the potential dilution of the DPU.	<ul style="list-style-type: none"> • The drop in DPU from 8.60 sen in year 2015 to 8.43 sen in year 2016 was mainly due to the corresponding drop in the net property income ("NPI") of Sungei Wang Plaza ("SWP") whilst Management was taking steps to change the trade mix and ramp up the occupancy. The underlying rationale of the Mandate is to provide flexibility to allot and issue new units to raise funds to finance any future investments, acquisitions, capital expenditure as well as to refinance existing debts.
4.	Concern on the sustainability of the existing rental rate considering the current challenging market conditions, and whether there were any new incoming tenants in 2017 for SWP and TCM as well as their rental rates.	<ul style="list-style-type: none"> • The tenants in CMMT were generally fixed on a 3-year tenancy term basis which was the usual market practice in Malaysia. Apart from the normal 1/3rd renewal cycle, 11.3% of the renewal by gross rental income was due to lease expiries of anchor tenants such as department store, supermarkets and key fashion tenants. Nonetheless Management was positive that these renewals were manageable. • In addition, Management was of the view that the rental reversion would continue to be under pressure in 2017, especially for Klang Valley. In light that CMMT's portfolio was geographically diversified, and most of CMMT's leases have step-up provisions, the business was expected to be sustainable moving forward. • New leases in 2017: - <ul style="list-style-type: none"> (a) <u>SWP</u> Blastacar on Level 5 had opened since January 2017. Reconfiguration works on the concourse area were underway to expand further food & beverage ("F&B") options at SWP. (b) <u>The Mines ("TM")</u> A gourmet food hall would be introduced on Level 3. The previous bowling zone on Level 4 was being reconfigured. (c) <u>East Coast Mall ("ECM")</u> Management foresaw a reconfiguration opportunity and would share further details with Unitholders in due course, depending on the outcome of the feasibility study. (d) <u>TCM</u> New tenants including a gourmet food hall and an international fashion brand on the Ground Floor, whilst 2 new F&B tenants have commenced operations, occupying 2 out of the 4 newly reconfigured units adjacent to Tropicana City Office Tower.

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5.	<p>Whether the rental reversion of SWP would turn positive upon the completion of the mass rapid transit (“MRT”) works.</p>	<ul style="list-style-type: none"> In conjunction with the opening of the MRT and the strategic location of SWP, Management was exploring ways to further improve the connectivity of SWP by way of a link bridge and external escalators to direct shopper flow to SWP. In addition, Management was also exploring a reconfiguration opportunity within CMMT’s parcels, the details of which would be disclosed upon the satisfactory outcome of the feasibility study. Meanwhile, SWP would still undergo rental adjustment in 2017.
6.	<p>The valuation of SWP had since dropped from RM780.0 million as at 31 December 2015 to RM625.0 million as at 31 December 2016, a drop of approximately 20%, whilst other malls had registered positive asset growth. Correspondingly, the rental income in SWP had also declined significantly.</p> <p>Management was asked if it had initiated any discussion with the MRT operator and other shopping mall operators to further integrate the entire Bukit Bintang area.</p>	<ul style="list-style-type: none"> The asset revaluation exercise was conducted by an independent professional valuer based on the income capitalization approach and substantiated by the comparison approach. The valuation of SWP was impacted by its negative rental reversion. SWP was a stratified mall, hence competition within SWP i.e. among the parcel owners was equally intense compared to external competition. As mentioned earlier, Management would share the details of the reconfiguration opportunity in SWP in due course upon the satisfactory outcome of the feasibility study.
7.	<p>CMMT to consider acquiring the remaining parcels in SWP to strengthen its position in SWP or consider a redevelopment opportunity.</p>	<ul style="list-style-type: none"> During the recent annual general meeting of SWP Management Corporation (“SWPMC”), the private parcel owners seemed satisfied with the current management team of SWPMC and based on the best of CEO’s knowledge, there was no indication of price pressure. Currently there was no en-bloc rules for acquisition of strata lots in Malaysia, i.e. presently unanimous consent of all parcel owners is still required in the case of any SWP redevelopment proposal. Therefore, any party interested to redevelop SWP would need to take this into consideration.

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8.	In light that the current gearing ratio at 32.4%, whether (a) CMMT would consider investing in properties outside Malaysia, for example in Singapore instead of confining its investment within Malaysia; (b) the sponsor would give the first right of refusal to CMMT in respect of properties in Singapore.	<ul style="list-style-type: none"> • The mandate given to CMMT by the Securities Commission (“SC”) is to invest primarily in retail properties in Malaysia and any changes to the investment objective of CMMT would require inter alia a fresh mandate from the SC and thorough due diligence on whether such a move was viable. Management was however optimistic of the retail sector in Malaysia in the long term and shall obtain a mandate from unitholders in due course should Management decide otherwise. • CMA owned 2 other retail properties in Malaysia, i.e. Queensbay Mall in Penang and Melawati Mall in the Klang Valley which is a joint venture with Sime Darby Properties Berhad. Whilst CMA was not presently considering divesting these 2 properties, nonetheless CMMT would be the preferred vehicle to take over should CMA decide to divest. As the mall was not part of the CMMT portfolio, therefore it would not be deemed appropriate to address such a question at a CMMT AGM.
9.	One of the Unitholders expressed concern over the vacant lots in TCM and sought Management’s plan to fill up the vacancy.	<ul style="list-style-type: none"> • The occupancy rate of TCM was currently at approximately 92% and the hoarded units at Levels 1 and 2 of TCM were due to the pending completion of the new AEI works, to which Management was in advanced negotiations with some prospective tenants and had targeted to ramp up the occupancy by end 2017.
10.	Enquiries was raised on the competitive advantage of TCM compared to Atria Shopping Gallery, following the introduction of the gourmet food hall in TCM, and whether CMMT could perform better than the previous year.	<ul style="list-style-type: none"> • Management was embarking on a rebranding exercise of TCM to re-position the mall as the preferred dining, gourmet shopping and edutainment destination which would ultimately set it distinctly from the adjacent malls. She further added that the Manager remained committed to deliver sustainable returns to Unitholders in the long term and would strive to turn around the malls especially those within the Klang Valley.
11.	Management to consider free shuttle bus services to TCM and TM due to their inaccessibility by public transportation to further improve shopper footfall.	<ul style="list-style-type: none"> • Management would consider the suggestion to further enhance shopper convenience. The location of TCM was at the interchange of LDP and SPRINT Highway, hence it was accessible by private vehicles. • The previous owner of TCM had provided the free commuter service mainly for the office tower’s office crowd’s convenience.

The resolution set out in the Notice of CMMT AGM dated 27 February 2017 were put to vote by way of poll. The Chairman announced the results of the poll and declared that the resolution set out therein was duly carried.

Date : 30 March 2017