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## **Annual General Meeting held on 19 June 2020 Responses to Substantial and Relevant Questions**

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The Board of Directors of CapitaLand Malaysia Mall REIT Management Sdn. Bhd., manager of CapitaLand Malaysia Mall Trust ("**CMMT**") would like to thank all Unitholders who submitted their questions in conjunction with the Annual General Meeting ("**AGM**") held virtually via "live streaming from the Broadcast Venue" at 10:00am on Friday, 19 June 2020.

We have grouped the most asked questions into the topics below.

1. Impact of COVID-19
2. Portfolio Matters
3. Others

Please refer to our responses to these substantial and relevant questions in the following pages. Due to the high volume and overlaps in questions sent to us, we apologise that we are unable to respond to all of them.

Following the conclusion of the AGM, the voting results of the AGM has been uploaded on Bursa Malaysia and made available on CMMT's website. The minutes of the AGM will be published on CMMT's website by end-July 2020.

Yours sincerely

### **CAPITALAND MALAYSIA MALL REIT MANAGEMENT SDN. BHD.**

(Registration No. 200801018055 (819351-H))

As manager of CapitaLand Malaysia Mall Trust

Khoo Ming Siang (SSM PC No.: 201908001873)(MAICSA No. 7034037)

Company Secretary

Kuala Lumpur, Malaysia

19 June 2020

### **Important Notice**

The past performance of CapitaLand Malaysia Mall Trust ("CMMT") is not indicative of future performance. The listing of the units in the CMMT ("Units") on the Main Market of Bursa Malaysia Securities Berhad (the "Bursa Malaysia") does not guarantee a liquid market for the Units. The value of the Units and the income derived from them may fall as well as rise. Units are not obligations of, deposits in, or guaranteed by, the Manager. An investment in the Units is subject to investment risks, including the possible loss of the principal amount invested. Investors have no right to request that the Manager redeem or purchase their Units while the Units are listed on the Bursa Malaysia. It is intended that holders of Units may only deal in their Units through trading on the Bursa Malaysia.

This presentation is for information only and does not constitute an invitation or offer to acquire, purchase or subscribe for the Units.

<b>1. Impact of COVID-19</b>	
<b>1.0</b>	<b>What are some of the initiatives in the pipeline to reinvent the malls in the portfolio while waiting for a vaccine/treatment to be found?</b>
	<p>Given the evolving COVID-19 situation, our focus this year is on stabilising CMMT's portfolio, delivering Gurney Plaza's asset enhancement initiative and weighing various options to ride out the challenge with our tenants.</p> <p>Before everyone can go back to normalcy, our priority is to ensure our malls can operate in a safe manner as prescribed by the authorities. We also took the opportunity to accelerate digital adoption with our tenants to jointly create appropriate marketing and promotion campaigns via digital and online platforms to engage and reward our shoppers.</p>
<b>1.1</b>	<b>Please share more on the RM35 mil rental relief support. How much rental rebates have you disbursed? Will CMMT have to fork out more rental support? When will the rental relief for tenants end?</b>
	<p>As an act of solidarity, we rolled out the comprehensive rental relief support of up to RM35 million this year to help relieve our tenants' operating pressure. The rental relief support comprises 2 tranches:</p> <ul style="list-style-type: none"> <li>(a) 14-day rental waiver of RM9 mil from 18 to 31 March 2020 for Affected Tenants (first phase of MCO) where the impact was reported in 1Q 2020 results; and</li> <li>(b) The balance of up to RM26 mil of rental relief will be distributed in a staggered manner</li> </ul> <p>The tenants that are eligible for the rental relief support are shopping mall tenants providing non-essential services or supplies that were mandated to close during the Movement Control Order ("MCO"), Conditional MCO ("CMCO") and Recovery MCO ("RMCO"). These tenants are further subject to various terms and conditions before they are deemed eligible for the rental relief support.</p> <p>While we welcome the resumption of business from 10 June (RMCO) with the reopening of most tenants, we will continue to monitor the development of COVID-19 closely.</p>
<b>1.2</b>	<b>How long do you think it will take for the performance of your malls to recover to pre-COVID-19 levels?</b>
	<p>As the full impact of the COVID-19 pandemic cannot be ascertained at this juncture, we maintain our cautious outlook for the near term.</p> <p>On a more encouraging note, we have noticed a slow but gradual pick up in weekly shopper traffic following the CMCO from 4 May. Also, more than 88% of our tenants have reopened. We hope for a steady recovery path for the retail sector.</p> <p>Despite the near-term headwinds, we remain positive about CMMT's long term prospect on the back of our income and geographically diversified assets.</p>
<b>1.3</b>	<b>How is CMMT leveraging on the ongoing business strategies from the earlier opened retail malls of CapitaLand Group in China, Singapore and India from the lockdown?</b>
	<p>In view of the developing COVID-19, in January 2020, CMMT has put in place precautionary measures at its properties in accordance with guidelines from the authorities. We have also in place business continuity plans to minimise impact to operations.</p> <p>Following the challenges brought on by the COVID-19, CMMT introduced a wide-ranging support measure for its retailers including rental relief support of up to RM35 million for affected tenants. We have also implemented cost containment and prudent capital management</p>

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	<p>measures. We remain committed to support our tenants and to ride out the challenges together.</p> <p>Thus far, these measures that have been rolled out are in line with CapitaLand's commitment in riding out this difficult period with its stakeholders. For clarification, CapitaLand's shopping malls in China have reopened following the imposed lockdown from April while in Singapore, the shopping malls reopen today (19 June 2020).</p>
<b>1.4</b>	<p><b>In view of the pandemic and with the retail sector being badly affected by the MCO, in which earnings are expected to be depressed, is the Board of Directors going to layoff staff and/or cut salaries?</b></p>
	<p>The sudden outbreak of COVID-19 has certainly affected our malls and those of our tenants. The extent of the impact will depend on how long the outbreak lasts. Our priority is to ensure the well-being of our staff, tenants and shoppers. At the same time, we will proactively manage our malls, including giving targeted relief measures to tenants and to help the underprivileged community impacted by COVID-19.</p> <p>As a show of togetherness and solidarity with its stakeholders, the Board members and the CEO have voluntarily opted for a reduction in board fees and salaries from April 2020.</p> <p>The CMMT Board wishes to assure our stakeholders that we are committed to proactively manage our business and will take the necessary measures to strengthen CMMT's retail ecosystem and ensure long-term viability.</p>
<b>1.5</b>	<p><b>Please give some colour on your tenants that have closed for good resulting from COVID-19 impact. What is the ratio of tenants that have closed against total tenants?</b></p>
	<p>As a result of the MCO and the COVID-19 situation, the most affected tenants are those from the non-essential services category. These businesses remained close throughout the MCO from 18 March until 3 May. While most business operations were able to resume from 4 May under CMCO and 10 June under RMCO, there remains some category of tenants that are not allowed to operate. Thus far, we received a handful of pre-termination requests.</p> <p>We expect retailer sentiment to remain subdued and they are more focused on business sustainability. We therefore extend our commitment in the form of rental relief and other operating measures to help them ride out the challenges.</p>
<b>1.6</b>	<p><b>How does the COVID-19 effect impact your acquisition plan/portfolio management moving forward? The growth in the portfolio does not seem to be apparent. What is your strategy to expand the portfolio?</b></p>
	<p>As we look forward to the eventual business resumption in 2H 2020, we have seen encouraging signs of retailers reopening for business and gradual pick up in shopper traffic during the CMCO. While the precautionary measures in place is expected to ease over time, the cautious consumer sentiment mode is expected to linger in view of the uncertainties arising from the impact of COVID-19.</p> <p>As the situation continues to evolve, we will continue to engage our tenants and closely monitor the situation. During this challenging period, our focus will be on stabilising the portfolio in order to build greater resilience in CMMT's retail ecosystem, in line with the long-term interests of Unitholders. When the COVID-19 situation has stabilised, our growth strategy through active asset management/enhancements and lookout for potential acquisition opportunities will resume.</p>
<b>1.7</b>	<p><b>Are the present measures to address the threat from e-commerce, that has gained significant momentum of late, sufficient?</b></p>

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	<p>As physical stores are being required to adhere to social distancing requirements, an alternative to reach out to a wider shopper audience is by way of online shopping websites. However, this method would not be applicable or efficient to some trade categories.</p> <p>Hence, CMMT will be embarking on a hybrid form of digital marketing platform which complements the physical stores business and is applicable to all trade categories to engage shoppers digitally and complete the sales conversion through e-campaigns.</p>
<b>1.8</b>	<b>Understand the Sungei Wang is not fully owned by CMMT. Is there opportunity to buy the remaining units from individual unit owners under the current COVID-19 situation or does the pricing still do not make sense as per stated in previous AGMs?</b>
	At this juncture, there is no offer on the table.
<b>2. Portfolio Matters</b>	
<b>2.0</b>	<b>In your 1Q 2020 results presentation, the occupancy rate of Sungei Wang and The Mines declined further to 75.5% and 85.8% respectively. On rental reversion, Sungei Wang and The Mines registered -17.7% and -19.6% respectively. Please explain the reason for the continuing decline and mitigating steps for it.</b>
	<p>For Sungei Wang:</p> <p>The mall has gone through a major infrastructural development (MRT), the closure of Bukit Bintang Plaza and the rapidly changing retail environment for the past six years. Its rental rates responded in tandem and adjusted to the prevailing market demand. On our strategy for Sungei Wang, please refer to question 2.4.</p> <p>For The Mines:</p> <p>The mall's negative rental reversion is a result of the prevailing market rent as a result of the overwhelming retail stock supply, challenging operating environment and cautious business sentiments. As part of our efforts to bring in the right tenant-mix and brands to The Mines, we have been accommodating to the suitable tenants by way of offering an affordable rent upon renewal or a reasonably flexible lease structure for new leases/brands. When the anchor tenant, Giant, exited in March 2019, the crowd-puller effect was discontinued and led to the decline in footfall and revenue in the same year. The good news is that Tesco has opened on 17 June and has successfully pulled crowd to the mall whilst observing safe distancing requirement. The new supermarket will help us to re-anchor the mall as a neighbourhood mall.</p>
<b>2.1</b>	<b>Who will replace Aeon Big at 3 Damansara?</b>
	Aeon Big has been at 3 Damansara since its opening. Following the implementation of MCO whereby only essential services were allowed to trade, there remains demand from the surrounding catchment for grocery shopping at the mall. The future format of a supermarket in 3 Damansara may be of the same size or a more optimum size.
<b>2.2</b>	<b>CMMT is very much dependent on Gurney Plaza in Penang. However, the mall is not considered a very big one in terms of total NLA and its potential of expansion is limited. Will CMMT consider increasing its portfolio with other premium shopping mall or commercial properties?</b>
	Gurney Plaza's net lettable area is about 897,000 sq ft which meets the shopping demands of Penangites and tourists alike. There is room for further enhancement in Gurney Plaza, including the improvement of trade mix and ground floor repositioning in the next three years. In fact, we have never stopped the enhancement works at the mall since acquisition.
<b>2.3</b>	<b>With only 25% of the expiring leases having been renewed, does this mean the remaining 75% has decided to close? How confident are you that the outstanding renewals can be completed within the year? What percentage of tenants will be closed permanently post-MCO?</b>

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	<p>CMMT has a total of 674 leases that will expire in this year. We have announced during today's AGM presentation that 25% of these leases have been renewed successfully. The discussions for the remaining expiring leases are ongoing.</p> <p>During the entire MCO period, leasing negotiations had stalled as there was a lot of uncertainty about the MCO and the extent of the business disruptions caused by the pandemic. To ride out the challenging period with our tenants, CMMT has announced up to RM35 mil in rental relief support for affected tenants. As part of a holistic tenant assistance package, we also provide our tenants with operational and marcom support.</p> <p>As the COVID-19 situation is still evolving/fluid, we expect retailers to focus on their business sustainability and leasing negotiations may take a longer lead time as retailers have become even more cautious and prudent in terms of expansion and renewal (of leases).</p>
<b>2.4</b>	<p><b>Following the completion of Jumpa in September 2019, we do not see improvement in Sungei Wang's occupancy rate and footfall. What are your plans to improve the property and how much did you spend on Jumpa?</b></p> <p>The asset enhancement works for Jumpa costed approximately RM52 million. The plan was to convert the previous anchor tenant space into specialty stores and to update the façade and interior design, as part of the efforts to revitalise and enhance the appeal of Sungei Wang. The AEI works included seven new sets of escalators, enhanced visibility between floors through the creation of void space and multiple access points from Sungei Wang into Jumpa.</p> <p>With the completion of Jumpa, the overall SW occupancy has improved to 82% as compared to 75.3% in 2018. We were informed by the Management Corporation of Sungei Wang that a new entrance on Jalan Bulan with escalator link to Lower Ground will open in 3Q 2020.</p> <p>Through Jumpa, we introduce some eclectic and new experiential retail offerings, catering to the young and young-at-heart shoppers as part of our efforts to refresh the shopping experience at Sungei Wang. The idea is also to complement the retail offerings in the Bukit Bintang-KLCC shopping belt.</p>
<b>2.5</b>	<p><b>Seems like Sungei Wang is missing a cinema operator as a major anchor and some of the pop-up stores are now vacant due to tenants' business closure. I am concerned.</b></p> <p>Thank you for your feedback.</p> <p>During the MCO and CMCO period, some of the sectors that were not allowed to operate included the entertainment category such as cinema and karaoke. These were also the targeted tenants which we were prospecting for Jumpa. Unfortunately, as a result of the COVID-19, these plans did not materialise. The pop-up leases are mostly meant for new-to-market concept for retailers to test the market and also for us to incubate a new trade. Some of them could not survive through the MCO period.</p> <p>As the COVID-19 situation remains fluid, and with the RMCO in place, retailers would be more focused on business sustainability and will be even more cautious and prudent in terms of expansion and renewal of leases.</p> <p>Until the tourist sector fully reopens and improves, for now we are working with our tenants and target the local shoppers to pull in the traffic especially for weekends and public holidays via Jumpa's specialty trades such as Beast Park, MinNature, Blastacars and etc. Moving forward, we will target on the relevant complementary trades to set up new stores.</p>

<b>3. Others</b>	
<b>3.0</b>	<b>Is there any concrete plan in the future to add in Queensbay Mall into CMMT's portfolio?</b>
	We will acquire assets with good property fundamentals, i.e. good location, catchment, accessibility, sustainable rentals and growth potential. We do not limit our acquisitions and growth to our Sponsor's pipeline but will continue to seek opportunities from third party owners as well.
<b>3.1</b>	<b>The FBMKLCI has returned to pre-COVID-19 levels while your share price remains unattractive below-IPO levels. The additional 20% shares will also further dilute share value. Please justify your reasons for the DRP proposal when there is no demand for your stock.</b>
	<p>Based on our best knowledge, the current stock price movement reflects the underlying market conditions and CMMT fundamentals remain solid.</p> <p>The DRP provides an opportunity to all Unitholders to:</p> <p>(a) invest in new Units at a discount to the market price; and</p> <p>(b) provide greater flexibility in meeting their investment objectives as they would have the choice of receiving cash and/or reinvesting into CMMT through the subscription of additional new Units without having to incur material transaction or other related costs (save for the RM10.00 stamp duty).</p> <p>CMMT will benefit from the cash preserved for its future working capital and capital expenditure purposes, which would otherwise be wholly payable through its cash distribution. Notwithstanding the exercise of the reinvestment option (i.e. the option given to Unitholders pursuant to the DRP to reinvest in whole or in part their cash distribution in new Units), CMMT is regarded as having to have distributed the total distribution(s) declared, hence being able to continue to enjoy the tax incentives available to REITs.</p> <p>Any reinvestment of distributions is expected to enlarge CMMT's unit base and strengthen its capital position, including liquidity.</p>
<b>3.2</b>	<b>What is your strategy to maintain sustainable DPU? Will disposal of asset be considered if the operating costs outweighs the revenue?</b>
	<p>For now, our focus is on portfolio stabilisation, completion of Gurney Plaza's asset enhancement initiative works and tenant support. Safe operating environment, cost containment measure and prudent capital management will also be prioritised until the COVID-19 situation stabilises. After which, we will resume our growth strategies through active asset management/enhancements and lookout for potential acquisition opportunities.</p> <p>Divestment forms part of the portfolio reconstitution plan for long term growth. The evaluation process of a divestment will include pricing, timing and opportunity. Also, whether an asset has been optimised.</p>
<b>3.3</b>	<b>CMMT's total borrowings as at 31 Dec 2019 is RM1.376 billion. Although no refinancing is required until 2022, should the Management not take advantage of the current low interest rate environment to lock-in lower borrowing rate compared to the current average borrowing rate of more than 4%?</b>
	As at 31 March 2020, CMMT's interest rate profile is at the level of 81% fixed and 19% float with the purpose to safeguard cash flow certainty instead of interest rate speculation. All else being equal, if a fixed-rate loan is expiring for an interest rate re-fixing exercise in a low interest rate environment, the REIT may be benefited in terms of interest cost savings.

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3.4	<b>Will CMMT be giving e-vouchers to those attending the fully virtual AGM and to encourage stronger participation in future virtual meetings. In the physical AGM, we are provided with shopping vouchers/refreshments.</b>
	After considering the health, safety and well-being of Unitholders, as well as the government imposed various stages of MCOs to curb the outbreak of the COVID-19 pandemic, the Board of Directors has decided to hold the AGM a fully virtual AGM instead of a physical meeting. We regret to inform that no e-vouchers or vouchers will be provided to unitholders or proxies that participate in the fully virtual AGM.