Annual General Meeting held on 30 March 2022

Responses to Substantial and Relevant Questions

The Manager of CapitaLand Malaysia Trust (formerly known as CapitaLand Malaysia Mall Trust) ("**CLMT**") would like to thank all Unitholders who submitted their questions in conjunction with the Annual General Meeting ("**AGM**") held on a fully virtual basis through live streaming via remote participation and electronic voting facilities from Online Meeting Platform at 10:00 am on Wednesday, 30 March 2022.

We have grouped the most asked questions, as well as questions relevant to the AGM agenda and aspects of CLMT's business, into a few key topics. Questions submitted before the AGM session have also been included. The key topics are:

1. Business performance
2. Strategy and outlook
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 CLMT's website. The minutes of the AGM will be published on CLMT's website on or before the end of April 2022.

By Order of the Board

CAPITALAND MALAYSIA REIT MANAGEMENT SDN. BHD.
(formerly known as CapitaLand Malaysia Mall REIT Management Sdn. Bhd.)
(Registration No. 200801018055 (819351-H))
As Manager of CapitaLand Malaysia Trust

Teo Soh Fung (SSM PC No.: 202008001818)(MAICSA No. 7046614)
Teo Mee Hui (SSM PC No.: 202008001081)(MAICSA No. 7050642)
Company Secretaries
Kuala Lumpur, Malaysia

31 March 2022

A. Business Performance	
1.	**CLMT's payment of dividends from 2017-2021, has been experiencing a downward spiral from over 8 sen per unit to less than 2 sen per unit (down 75%). The drop is extremely sharp even though the COVID-19 impact was prominent in 2020/2021. Other REITs' dividends have also dropped due to the pandemic impact but the percentage is much smaller. All CLMT's contemporary REITs are still able to give out dividends of 4 sen to 8 sen per unit for FY 2021 and these REITs were once valued on par with CLMT (RM1.40 to RM1.60 per share). Can you please explain what has happened since 2017? Why has it fallen away being a contemporary to these other REITs (like IGB, Pavilion and SunREIT)?** **Between FY 2020 and FY 2021, there has been a 38.7% y-o-y decline in distributions, a 22.7% reduction in net property income, and a 4-year streak of declining capital appreciation (44.8% 2018, 1.0% 2019, 37.5% 2020, 8.0% 2021). What will be done to improve this?** **The net property income for CLMT's malls has reduced significantly, which has impacted the distribution per unit paid out. What are CLMT's investment strategies to provide long term and sustainable distribution of income and potential capital growth as stated being its key financial objective?** **With two consecutive years' loss, what is the outlook of financial year 2022? When would CLMT return to profitability like pre-COVID days?**
	Malaysia's retail sector, especially the Klang Valley, experienced a tough operating environment in the last few years due to an oversupply of retail space. The poor economic environment and higher cost of doing business have also resulted in retailers holding back on expansion and renewal plans. Concurrently in 2020, unprecedented challenges arose due to the COVID-19 pandemic and the retail sector is one of the most impacted sectors and retailers are now more focused on business sustainability and will be even more cautious and prudent in terms of expansion and renewal (of leases). To help our tenants ride out the challenging period, we provided rental support in FY 2020 and FY 2021. The impact of the pandemic was felt in 1Q 2020 and continued to roll into FY 2021, which saw the government imposing more frequent and longer lockdowns during the financial year. Whilst there was relaxation in the SOPs to allow businesses to operate more easily, the start-stop nature of the lockdowns had caused tenants from certain trade categories to scale down or put on hold their business plans. CLMT's financial performance was impacted by the various movement controls and gradual recovery was only seen towards the fourth quarter of FY 2021 when all the three states that CLMT operated in entered into Phase 4 of the National Recovery Plan. There remains pressure on rental reversion and occupancy due to cautious retailer sentiment. As such, our leasing strategies are to strike a balance between reversion and occupancy to ensure a healthy portfolio occupancy. In spite of the recent Omicron variant which is highly infectious, the SOPs have been further relaxed and international borders will be reopening from April. These developments augur well for the recovery of the retail sector. Barring any unforeseen circumstances, we hope for a gradual improvement in the bottom line from 1H 2022.

	We have also expanded our investment mandate last year to enter into non-retail sectors such as industrial and logistics and we plan to grow our dividends by making acquisitions in these new sectors that will strengthen our portfolio and benefit unitholders.
2.	**A large percentage of leases are expiring in 2022. Can Management provide a breakdown and how many leases has been renewed/terminated/under negotiation?**
	There are 621 leases for renewal – 48.8% by Gross Rental Income or 58.9% of Net Lettable Area in 2022. For the breakdown in portfolio expiry profile for 2022, please refer to the table on page 57 of the 2021 Annual Report. As at 28 February 2022, about 6% of total expiring leases have been renewed.
3.	**I understand that Star Media Radio Group which was a tenant of 3 Damansara Office Tower has moved out. How much of an impact does this create and has a replacement been found?**
	Yes, one of the tenants at the 3 Damansara Office Tower has moved out and we are in negotiations with various prospects to fill the vacated space.
4.	**Notice that Sungei Wang Plaza attracts a lot of footfall whenever there are events such as Animangkaki. Has this translated to better performance for tenant sales?**
	Yes, we have seen better sales for the tenants of Sungei Wang Plaza during such events.
5.	**The Management has improved the average interest rate for Secured Term Loans and revolving credit to 3.1% in FY 2021 vs 4.1% in FY 2020 which is very commendable.** **(1) Which loan facilities that managed to reduce its rates significantly in FY 2021?** **(2) What are the strategies in FY 2022 to manage the expected increase in interest rates for borrowings in Malaysia?**
	Since August 2020, we undertook a number of re-fixing exercises to take advantage of the low interest environment and this contributed to the significant savings in interest expense in FY 2021. For FY 2022, we have already refinanced the term loan that was due and hence there is no refinancing due in FY 2022. Nevertheless, we will continue to monitor closely the interest rate movements and will lock in the interest rate at the appropriate timing.
6.	**The occupancy rate of Gurney Plaza is dropping too even not as competitive as those assets in Klang Valley. Can Management provide us some insight on this?**
	Across the board, the retail sector has been affected by the COVID-19 pandemic. The slight drop in occupancy rate observed in Gurney Plaza is a temporary impact as retailers are generally in a cautious mode in response to the operational challenges brought on by the pandemic. Gurney Plaza's occupancy rate has exhibited resilience and maintained at healthy levels of above 95%. We are confident that this impact is temporary and we will see the rebound in occupancy rate as the situation recovers.
7.	**What is the total rental rebate given to tenants in FY 2021? Is it recognised as a deduction in revenue or increase in expenses?**
	To alleviate the burden of affected tenants, we have provided targeted rental relief of less than two months of rental income, taken against revenue, to deserving tenants. This also forms part of our strategy to retain tenants and improve collection of rental arrears.

8.	**How is the footfall of each of CLMT malls over the past few months of this year compared to pre-COVID-19? Do you see a recovery trend?**
	Malaysia had experienced a spike in COVID-19 infections after Chinese New Year which had impacted shopping malls' traffic in February. For CLMT, we had observed a similar trend whereby shopper traffic declined across the malls from mid-February as shoppers turned cautious. However, on a portfolio basis, shopper traffic up to February 2022 is substantially higher year-on-year although we have not fully recovered to pre-COVID-19 levels. With further relaxation of the SOPs and reopening of international borders, these developments augur well for the recovery of the retail sector and we expect the recovery in shopper traffic to follow suit.
B. Strategy and outlook	
1.	**CLMT has expanded its investment mandate in FY 2021 in order to facilitate investments into other asset classes such as data centre etc. What is the timeline that we can expect CLMT to acquire these assets?** **Since changing its name from CMMT to CLMT, has the REIT managed to identify any new acquisition in areas such as industrial parks/warehouses/data centres?** **The expansion of asset classes for investment was approved in June 2021. Has there been any prospects since in view that the CapitaLand Group has assets in the pipeline to target and assist CLMT in achieving its growth objective?** **What is your upcoming strategy/latest venture?** **Do you intend to acquire new shopping mall?** **Is the Manager looking to diversify its portfolio to commercial type property (such as data centre, logistic hub etc) instead of high reliance on shopping malls?**
	We will pursue inorganic growth through acquisitions of properties in the existing and new asset classes, with financial discipline. We will also explore opportunities from both our Sponsor, CapitaLand Investment, and third parties. We will exercise investment discipline to ensure the acquisitions we make are beneficial to Unitholders and allow us to strengthen our portfolio. In line with our investment strategy, our key acquisition criteria will include DPU accretion, property yield, income sustainability, asset quality and strategic location. We are particularly keen in the industrial logistics asset, as they have shown to be very resilient during the pandemic. Location-wise, we are focused in the Klang Valley, Penang and Johor. For retail assets, we are open to explore opportunities to acquire assets with strong leadership position in their respective markets, similar to Gurney Plaza and East Coast Mall, and clarity of income. We will make the necessary announcement on Bursa Malaysia once there is material development.

2.	**Will Management consider selling the underperforming properties or remove it from the portfolio? There are several assets which have been underperforming and taking longer time to recover.** **Given the grim outlook of retail segment including shopping malls especially in the Klang Valley which has been extremely underperforming – is there any plan to dispose the underperforming asset namely Sungei Wang Plaza?** **Does the Manager intend to dispose two less impressive malls i.e Sungei Wang Plaza and The Mines? If not, how does the Manager intend to improve the malls' occupancy rates and traffic.**
	We do not rule out divestment as part of the portfolio reconstitution plan for long term growth. As always, the evaluation process of a divestment will include pricing, timing and whether there can be a better use of the proceeds from the divestments. For now, we remain focused on stabilising the portfolio, completing renewals and weighing various options to ride out the challenges with our tenants. On our strategy for Sungei Wang Plaza, please refer to our response to question B3. For The Mines: The mall's negative rental reversion is due to the prevailing market rent as a result of the pandemic impact, which has brought about challenging operating environment and cautious business sentiments amongst retailers. The overwhelming retail stock supply within the vicinity had compounded the impact. As part of our efforts to bring in the right tenant-mix and to defend the occupancy rate, we have been executing our leasing strategies by way of flexible lease terms to entice retailers.
3.	**Sungei Wang Plaza continue to report poor performance with 45.7% decrease in rental rates for FY 2021 (page 57 of AR 2021).** **(1) What is reason(s) for the steep decline in rental rates changes in FY 2021?** **(2) Current occupancy rate** **(3) Actions/strategies to reposition the mall to improve its performance?** **What is your plan to activate Sungei Wang Plaza which looks like a sleepy shopping centre at most times?** **If there are no plans to dispose Sungei Wang Plaza, what is Management's strategy to revive the asset? Despite the JUMPA asset enhancement initiative, the entire area is almost deserted. With new malls coming up around the area for eg. Mitsui Lalaport, would Sungei Wang Plaza stand a chance?**
	Sungei Wang Plaza (SWP) has gone through some external events that had disrupted the businesses at SWP – construction works of MRT development; the closure of Bukit Bintang Plaza which cut off access points; COVID-19 pandemic and the rapidly changing retail environment in the recent years. Its rental rates had responded in tandem and adjusted to the prevailing market demand. Following the soft opening of JUMPA end-September 2019, tenants had only been operating for close to six months before the onset of COVID-19 pandemic. This was

	followed by several rounds of lockdown and with the restrictions that had been imposed, the retail sector's operating conditions were impacted severely. Subdued consumer and retailer sentiments have also added pressure to tenants' financials and hence, JUMPA's occupancy was more adversely affected compared to other assets. Although SWP is being adversely impacted by the pandemic with the absence of tourists and lack of office crowd in view of work-from-home arrangements, nevertheless, we remain confident in its unique positioning and offerings that we have put together. Our strategy for SWP is to create a differentiation and complement the Bukit Bintang shopping district in the long term. Our turnaround plans for SWP will focus on strategies to curate interesting and unique retail offerings and experiences that will well differentiate from the surrounding shopping malls. We expect occupancy at SWP to continue to remain under pressure in the immediate term while we implement our turnaround strategies over the next three to five years that will focus on the long term recovery and the eventual turnaround of the asset.
4.	**The MCCG 2021 expects the Board of Directors to take into consideration into its strategic planning for the company environmental, social and governance factors. What are CLMT's strategies relating to ESG and what are the risks and opportunities which the Board sees as affecting CLMT in its strategic planning?**
	As CLMT is part of CapitaLand Group (CL Group), its sustainability strategy is aligned with the CL Group. The material environmental, social and governance (ESG) factors have been identified and encapsulated in the CapitaLand 2030 Sustainability Master Plan, which was launched in 2020, and will be reviewed by the Board of the Manager of CLMT together with management every two years. The Board of the Manager of CLMT is responsible for overseeing the Manager's sustainability efforts, and takes ESG factors into consideration in determining its strategic direction and priorities. The Board also approves the executive compensation framework based on the principle of linking pay to performance. The Manager's business plans are translated to both quantitative and qualitative performance targets, including sustainable corporate practices and are cascaded throughout the organisation. CLMT believes in maintaining a robust risk management framework to proactively identify, assess and respond to material risks that can impact our objective to deliver stable distributions and sustainable total returns to Unitholders. By adhering to pre-defined risk parameters within the Manager's Enterprise Risk Management Framework and pursuing a risk strategy of optimisation of opportunities within the approved risk appetite levels instead of risk minimisation, we position CLMT for long term sustainable results. For more details on CLMT's material risks and opportunities, please refer to the table on page 106 to 109 of the Annual Report.
5.	**The MCCG 2021 states clearly under Practice 1.4 that the Chairman of the Board should not be a member of the Audit Committee, Nomination Committee or Remuneration Committee. The rationale is that this will give rise to the risk of self-review and may impair objectivity. By not being involved, the Chairman can then exercise a check and balance as well as an objective review by the Board. Why is the Chairman of the Board also a member of the Nominating Remuneration Committee?**

	The Board of the Manager believes that the non-executive independent Chairman is capable of exercising objective and impartial judgement to the Board's deliberations and helps to ensure that all key and appropriate issues are discussed in detail at the Board Committee level before making any recommendation to the Board for decision.
6.	**There is currently one female director on the Board. When will CLMT achieve the recommended percentage of 30% for female directors?**
	The Board of the Manager recognises and embraces the benefits of having a diverse Board and sees the increasing gender diversity at Board level as a good corporate governance practice. The Manager aims to achieve at least 30% female representation in the composition of the Board and senior management positions within the stipulated timeframe per MCCG 2021 recommendations.
7.	**What is Management's view on malls under CLMT in Klang Valley since we know there are plenty new mall surrounding that newly open that will put more pressure especially on Sungai Wang Plaza?**
	In response to the growing competition, our strategy is to actively curate retail trades and experiences that keep up with the evolving trends, presenting our malls beyond just shopping and continue to expand on the areas of experiences, activities, socials and community. We will also step up our efforts in securing new to market brands, leverage CapitaLand's global network and explore strategic collaborations specifically targeted and tailored to each asset's catchment to promote and deepen engagement. On our strategy for Sungei Wang Plaza, please refer to our response to question B3.
8.	**As Gurney Plaza is one of the major revenue and income contributors of CLMT, recently we noted that there is a new mall in Penang namely, Sunshine Central Mall with nine levels and total of 350 retail stores. The Golden Screen Cinemas (GSC) there have 11 screens. The construction seems to be almost completed and slated to open in 2023. What is the Management's strategy or analysis on this? Will there be any effect on Gurney Plaza as shoppers generally prefer new malls?**
	We remain confident in Gurney Plaza given its prime and strategic location as a landmark in Penang as well as the strong retail foundation that we have built thus far. We have drawn up clear asset enhancement initiatives and strategies in the pipeline for Gurney Plaza that will be implemented in phases and will continue to focus in executing the right plans and strategies to elevate the mall to the next level.
9.	**3 Damansara reported a decline in rental rates of 22.1% in FY 2021.** **(1) What is the current occupancy rate in 3 Damansara?** **(2) Steps taken to improve the occupancy rates and the footfall at the mall?** **Would Management plan to get NSK Grocer to rent at 3 Damansara?**
	3 Damansara (3D) has also been affected by the impact of the pandemic, which had affected the retail sector. The situation at 3D was compounded by the expiry of the anchor supermarket at end 2021 alongside the expiry of some other mini anchors in 2021. Nevertheless, for the long term, we remained confident in this asset in view of its established catchment and good accessibility. We have lined up clear strategies and plans that address the following: (i) A redesigned retail mix plan that serves its targeted catchment along with tactical leasing strategies;

	(ii) Robust marketing strategies and activities to drive shopper traffic and boost retail sales; and (iii) Allocation of capex for asset enhancement initiative and retail space reconfiguration to create value. Apart from a good supermarket anchor that remains relevant for a neighbourhood mall, we have also identified complementing trades, new dining experience and lifestyle offerings as a holistic turnaround plan that befits the redesigned mall positioning at 3D.
10.	**Will CLMT look towards reducing the percentage of fashion and accessories in view that the shoppers' appetite in shopping malls have altered from physical shopping to online shopping and now F&B and experiential shopping are more the trends?**
	The retail sector has indeed evolved over the years and post-pandemic consumer behavioural change has also driven changing trends in the shopping mall industry. At CLMT, we are constantly monitoring the retail trends and will execute plans to stay relevant to consumers' needs including the adjustment in offerings across relevant trade categories such as food and beverage experiences and other emerging trends.
11.	**What's your plan to boost the traffic to CLMT's malls in 2022?**
	To promote shopper engagement and boost traffic, we have outlined the following strategies: i) Respective malls' tactical campaigns to curate signature/tactical marketing strategies catered specifically for targeted shopper profile to excite and attract customers; ii) Introduce new features and new campaigns through CapitaStar for membership growth and higher retention for sustained spending; and iii) Cross marketing with strategic partners to encourage shoppers' spending.
12.	**Are there any plans to take over Queensbay Mall in Penang? If not, what is the reason not to consider it?**
	For retail assets, we are open to explore opportunities to acquire assets with strong leadership position in their respective markets and clarity of income.
C. Others	
1.	**Please ask BoardRoom to make it easier to register for the meeting, especially for those unitholders who have several CDS accounts.** **Boardroom's system is more complicated compared to other service providers that have integrated system for registration and attending RPV and voting. Please consider using other service providers for future General Meetings. Thank you**
	We have shared your feedback with Boardroom Share Registrars Sdn Bhd, the appointed Poll Administrator, for this virtual AGM. They have also taken note of your suggestion in allowing unitholders with several CDS accounts to register meeting and conveyed to their technical team for future consideration. We have taken note of the feedback and will review when planning for future general meetings.
2.	**I would like a copy of the printed Annual Report.**
	We have reached out to the unitholders and have sent the annual report accordingly.

3.	**Will Capitastar be expanded to allow a seamless shopping experience between an online tenant/vendor with Capitastar's programmes/points collection?**
	We continuously explore collaborations with potential partners to offer seamless shopping experiences for our shoppers. Our focus and strategy for Capitastar will remain as a digital platform to actively engage our shoppers, build loyalty, drive footfall to our physical malls and encourage spending.
4.	**Would the Board consider giving out StarVouchers to virtual AGM participants similar to previous year?** **Please provide cash credit via CapitaStar app to those who participate in this virtual AGM. This serves two main purposes to the company i.e increase adoption use of app and token appreciation to the unitholder.**
	As a form of appreciation to our unitholders who participated in the fully virtual AGM, we are pleased to give out RM50 worth of CapitaStar's digital voucher (STARVoucher) which can be used at various participating tenants from the CapitaLand malls. Boardroom will be sending an email with details on how to obtain the STARVouchers to all valid unitholders and proxies who logged in and participated at this meeting.
5.	**How much did the Manager spend on this virtual AGM?**
	The total cost of the virtual AGM amounted to approximately RM80,000.