

CAPITALAND RETAIL CHINA TRUST
(Constituted in the Republic of Singapore pursuant to
a trust deed dated 23 October 2006 (as amended))

**MINUTES OF THE ANNUAL GENERAL MEETING
HELD ON WEDNESDAY, 25 APRIL 2018 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 CapitaLand Retail China Trust Management Limited, as manager of CapitaLand Retail China Trust
Mr Soh Kim Soon, Chairman
Mr Lim Ming Yan, Deputy Chairman
Mr Tan Tze Wooi, Chief Executive Officer
Mr Fong Heng Boo
Mr Christopher Gee Kok Aun
Professor Tan Kong Yam
Mr Neo Poh Kiat
Ms Kuan Li Li
Mr Lim Cho Pin Andrew Geoffrey
Mr Lee Chee Koon

HSBC Institutional Trust Services (Singapore) Limited, trustee of CapitaLand Retail China Trust
Mr Tony W Lewis, Chief Executive Officer

Company Secretary of the Manager
Ms Chuo Cher Shing

Management of the Manager
Ms Pauline Yeh, Vice President, Investment and Asset Management
Ms Joanne Tan, Head, Finance
Ms Delphine Sze, Manager, Investor Relations

1. Introduction

- 1.1. On behalf of HSBC Institutional Trust Services (Singapore) Limited, the trustee of CapitaLand Retail China Trust (“**CRCT**”, and the trustee of CRCT, the “**Trustee**”), and the Board of Directors of CapitaLand Retail China Trust Management Limited, the manager of CRCT (the “**Manager**”), Ms Delphine Sze, the Mistress of Ceremonies (the “**Emcee**”), welcomed the unitholders of CRCT (the “**Unitholders**”) to the annual general meeting of CRCT (“**AGM**” or the “**Meeting**”).

- 1.2. Prior to the commencement of the AGM, the Emcee briefed all in attendance on the emergency evacuation plan and explained that in lieu of refreshments, CapitaVouchers (expiring on 31 December 2018) are distributed to Unitholders. The Emcee also mentioned that Unitholders who wish to sign up as members of SIAS will be entitled to a one-year free associate membership.
- 1.3. Mr Tan Tze Wooi, the Chief Executive Officer of the Manager (“**CEO**”), gave a presentation on CRCT’s financial year ended 31 December 2017, sharing major highlights and achievements in the areas of portfolio rejuvenation, sustainability management and matters that Unitholders could expect going forward. At the end of the presentation, CEO took the opportunity to inform Unitholders that Resolutions 1 to 5 of the AGM were similar to those in the previous year while Resolution 6 was proposed in line with current best practices.
- 1.4. The Emcee then introduced the panellists. Following the introduction, the proceedings of the Meeting were handed over to Mr Soh Kim Soon, 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 8 of the schedule of the trust deed constituting CRCT dated 23 October 2006 (as amended) (the “**Trust Deed**”).
- 1.5. Chairman noted that a quorum was present and declared the Meeting open at 2.53 p.m. The notice of Meeting dated 20 March 2018 (“**Notice of Meeting**”) contained in the CRCT’s 2017 annual report (the “**Annual Report**”) circulated to Unitholders on the same date was, with the consent of the Meeting, taken as read.
- 1.6. In line with Rule 730A of the Listing Manual of the SGX-ST, Chairman directed that the vote on each Resolution as set out in the Notice of Meeting be conducted by way of electronic poll.
- 1.7. Chairman informed the Meeting that as he was an appointed proxy for the AGM, he would propose all the motions to be tabled.
- 1.8. Chairman informed the Meeting that DrewCorp Services Pte Ltd had been appointed as the scrutineers to conduct the electronic poll. Mr Raymond Lam of DrewCorp Services Pte Ltd proceeded with an explanation of the procedures for voting by electronic poll, and carried out a test poll. Following the explanation, Mr Lam handed the proceedings of the Meeting back to Chairman.
- 1.9. Chairman also requested that Unitholders raise their questions and/or comments only after the Resolution in respect of the agenda item had been proposed and to adhere strictly to matters that were relevant to the agenda and also limit the questions to a reasonable number and length.
- 1.10. Chairman informed Unitholders that he would state whether the Resolution was an Ordinary Resolution or an Extraordinary Resolution and explained that an Ordinary Resolution meant a resolution proposed and passed by a majority greater than 50% of the total number of votes cast for and against such Resolution at the Meeting, while an Extraordinary Resolution meant a resolution proposed and passed by a majority consisting of 75% or more of the total number of votes cast for and against such Resolution at the Meeting.

2. Ordinary Resolution 1:

Adoption of Report of the Trustee, Statement by the Manager, and the Audited Financial Statements of CRCT for the financial year ended 31 December 2017 and the Auditors' Report thereon

- 2.1. Ordinary Resolution 1 to receive and adopt the Report of the Trustee, the Statement by the Manager and the Audited Financial Statements of CRCT for the financial year ended 31 December 2017 and the Auditors' Report was read and duly proposed by Chairman.
- 2.2. Chairman invited questions and comments from the floor.
- 2.3. For his first question, Mr Vincent Tan referred to page 61 of the Annual Report which set out portfolio tenants' sales. Mr Vincent Tan asked for the reason for the decrease in portfolio tenants' sales in the third quarter of 2017.
- 2.4. CEO replied that this was a typical seasonal effect in the retail industry, in that the third quarter would be a lull period for retailers whilst the fourth quarter would see a pick up.
- 2.5. Mr Vincent Tan asked if the divestment of CapitaMall Anzhen and the recovery of space from the department store tenant at CapitaMall Wangjing had contributed to the decrease.
- 2.6. CEO replied that the reported tenant sales were for the multi-tenanted properties in CRCT's portfolio and did not include master leased malls like CapitaMall Anzhen. In relation to CapitaMall Wangjing, the recovery of space from the department store tenant had taken place after the third quarter of 2017.
- 2.7. Mr Vincent Tan referred to page 62 of the Annual Report which set out the weighted average lease expiry ("**WALE**") by total rental income and net lettable area. Mr Vincent Tan noted that the WALE by total rental income was three years for 2017, as compared to five years in the previous year. In addition, in relation to the WALE by net lettable area, the Annual Report stated that it was 5.5 years for 2017, but this value was 7.5 years in the previous year. Mr Vincent Tan pointed out that the WALE based on both metrics had been reduced and sought to understand the reason for this.
- 2.8. CEO thanked Mr Vincent Tan for his question and replied that the decrease in WALE for both metrics was because of the divestment of CapitaMall Anzhen which was on a long master lease. CEO added that typically for multi-tenanted malls, which formed the majority of CRCT's portfolio, the WALE was approximately three years because most of the tenancies were signed for one to three years. On the other hand, anchor tenants would sign leases for five to seven years. Therefore, three years was a fair range for multi-tenanted malls.
- 2.9. Mr Vincent Tan said he was happy to see that CRCT has recovered space from the department store anchor tenant at CapitaMall Wangjing as he was of the view that specialty stores would give better upside in terms of either gross turnover or in the step-up. Mr Vincent Tan asked if a similar approach could be adopted with respect to other assets in the portfolio and if the WALE figures are expected to decrease further as a result of the recovery of space in CapitaMall Wangjing.
- 2.10. CEO replied that about 25% of what was previously anchor tenant space had been recovered from the department store tenant. This space would be converted to smaller lease areas for

around 20 different lifestyle operators. This was expected to generate a higher yield but also meant that the lease expiry for this new zone would be shorter. He added that the impact of these changes would not be material in the context of the entire CRCT portfolio. CEO shared that the recovery of space from the department store tenant was part of the Manager's strategy to recover space which was not well utilised by tenants before the expiry of their leases. In CapitaMall Wangjing, the recovery process was carefully managed and the Manager had communicated closely with the department store tenant to work out an outcome that would be positive for both parties. The Manager would continue to be on the lookout for opportunities to recover space from supermarket and other tenants which was not being well utilised.

- 2.11. Mr Vincent Tan referred to page 144 of the Annual Report. He noted that in 2017, CapitaMall Wangjing had a capital expenditure of about S\$6 million, and CapitaMall Grand Canyon also had a large capital expenditure. He asked if these large capital expenditures were related to the recovery of space from tenants and if the capital expenditure would be high again given these efforts, or whether the large capital expenditure was a one-off event which would normalise.
- 2.12. CEO replied that capital expenditure had been slightly higher for CapitaMall Wangjing over the last two years due to asset enhancement initiatives (the "AEI") to celebrate its 10th year anniversary. The AEI had helped to bring in better tenancies, which in turn had a positive impact on net property income. Some additional capital expenditure also had to be catered for in 2017 for the upgrading of the space recovered from the department store tenant.
- 2.13. Mr Vincent Tan referred to pages 144 and 145 of the Annual Report which showed that CapitaMall Wuhu had a negative net property income for the past two years and noted from the previous year's annual report that this was a continuation of CapitaMall Wuhu's negative net property income from the previous few years. Mr Vincent Tan acknowledged that efforts had been made to remedy the situation through tenant remixing but asked if it might be time to divest the property and put the proceeds to better use.
- 2.14. CEO thanked Mr Vincent Tan for appreciating the efforts of the Manager and acknowledged that CapitaMall Wuhu's performance had been negative for the past three years. As CEO had mentioned at the previous year's AGM, the Manager was open to divesting CapitaMall Wuhu. This year, the Manager had also taken steps to progressively shut down parts of CapitaMall Wuhu to reduce operating costs. The Manager was actively looking for opportunities to divest and was in discussions with local developers who might appreciate the potential for redevelopment.
- 2.15. In relation to CapitaMall Minzhongleyuan, Mr Vincent Tan first noted that the nearby Metro Line Six was now operational. He then referred to pages 74 and 75 of the Annual Report which showed that the occupancy rate was 78%. He asked if the current occupancy rates were at the desired levels, and if the tenants and shoppers were returning after the earlier disruptions due to the metro line construction works.
- 2.16. CEO acknowledged that CapitaMall Minzhongleyuan had been running at a loss for about two years, before starting to make a small profit in 2017. The Manager was starting to see higher footfall at this mall. Due to CapitaMall Minzhongleyuan's small size, it would take a longer time to reposition the mall and differentiate it from the competing malls. In 2018, the Manager would build on the foundations laid down in 2017 to strive for better results and would ensure that the pace of improvement picked up.

- 2.17. Mr Vincent Tan referred to page 66 of the Annual Report which showed that the rentals for CapitaMall Qibao and CapitaMall Erqi were lower than those in the previous year, and queried why these properties had seen negative reversions.
- 2.18. In relation to CapitaMall Qibao, CEO responded that in the last two to three years, there had been a lot of new supply of competing malls which were larger, better built and located closer to the metro station. The Manager had adjusted the tenant mix in order to reposition CapitaMall Qibao to target families with younger children. In the process of this repositioning, revenue had fallen about 5% compared to the previous year. CEO explained that the repositioning was important to help strengthen the mall's ability to compete for the next one to two years. In relation to CapitaMall Erqi, CEO explained the 1% fall in revenue was mainly due to the reclassification of revenue on a net basis following the VAT implemented in 2016.
- 2.19. Mr Vincent Tan referred to pages 144 and 145 of the Annual Report which showed that there was an "Others" component for external revenues, and enquired what this component referred to.
- 2.20. CEO replied that "Others" typically referred to revenue which was not the standard lease revenue, such as revenue from the temporary use of the atrium space, marketing, carparks and advertising on the mall's advertisement panels and facade.
- 2.21. Mr Vincent Tan asked if "Others" would include revenue from events and pop-up stores.
- 2.22. CEO responded in the affirmative, and added that "Others" would include revenue from space that had not been directly leased to tenants, including any one-off, non-recurring revenue.
- 2.23. Next, for Mr Lum Yue Wah's first question, he commented that the scrip dividend was not available for the last distribution, and enquired if this was a one-off affair or if CRCT would be continuing this practice.
- 2.24. CEO explained that the last distribution made in February 2018 did not have the option of a distribution reinvestment plan ("**DRP**") due to the relatively short accounting period following CRCT's advanced distribution made in December 2017.
- 2.25. Mr Lum Yue Wah asked if the Board intended to carry on with the DRP.
- 2.26. CEO responded affirmatively, and noted that a resolution to approve the DRP for 2018 was one of the resolutions being tabled at the AGM.
- 2.27. For his second question, Mr Lum Yue Wah noted that CRCT had recently purchased Rock Square and conducted a private placement which led to an advanced distribution. Mr Lum Yue Wah also noted that CapitaLand Commercial Trust ("**CCT**") had also acquired a property in 2017 but had raised funds for it through a rights issue. Mr Lum Yue Wah asked about the reason for the different approaches towards fund raising when both CRCT and CCT were sponsored by CapitaLand.
- 2.28. Chairman explained that there were merits to both methods of fund raising. Where the speed of fund raising was critical in an acquisition, a placement would be done as a rights issue would require a longer time to execute. Regardless of the method of fund raising, the Manager would

give due consideration to the interests of Unitholders.

- 2.29. Mr Lum Yue Wah asked why a rights issue was not considered for the purchase of Rock Square.
- 2.30. CEO replied that CRCT still had proceeds from the divestment of CapitaMall Anzhen and some debt headroom. In determining that a private placement was appropriate for the Rock Square acquisition, the Manager had taken into account the tight time period to close the deal and the time required for a rights issue as compared to a private placement. A private placement would be an overnight exercise which would not subject CRCT's trading price to volatility. CRCT's financial advisers had also indicated that there was a lot of liquidity in the market at that time and that institutional investors were interested in CRCT's counter. This was why the placement was priced at a very tight discount of 1.2%. CEO added that the Manager would take into consideration all the relevant factors to determine the most optimal fund raising method and in the case of Rock Square, this was through a private placement.
- 2.31. Mr Lum Yue Wah asked if the Rock Square transaction was also made possible by the savings that CRCT made on the DRP.
- 2.32. CEO responded that the DRP had helped CRCT save on the cash distribution, which in turn gave CRCT more debt headroom over the relevant period.
- 2.33. As there were no further questions on Ordinary Resolution 1, Chairman proceeded to put Ordinary Resolution 1 to vote. The result of the poll on Ordinary Resolution 1 was as follows:

Resolution 1 (Ordinary Resolution)

For		Against	
No. of Units	%	No. of Units	%
619,895,994	100.00	30,000	0.00

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

3. Ordinary Resolution 2:

Re-appointment of KPMG LLP as Auditors of CRCT

- 3.1. Ordinary Resolution 2 to re-appoint KPMG LLP as Auditors of CRCT to hold office until the conclusion of the next AGM of CRCT, and to authorise the Manager to fix their remuneration was read and duly proposed by Chairman.
- 3.2. Chairman also highlighted that KPMG LLP had indicated their willingness to accept reappointment.
- 3.3. Chairman invited questions and comments from the floor.

- 3.4. As there were no questions on Ordinary Resolution 2, Chairman proceeded to put Ordinary Resolution 2 to vote. The result of the poll on Ordinary Resolution 2 was as follows:

Resolution 2 (Ordinary Resolution)

For		Against	
No. of Units	%	No. of Units	%
619,589,521	99.98	103,518	0.02

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

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

- 4.1. Chairman explained that such Units must not in aggregate exceed 50% of the total number of issued Units with a sub-limit of 20% for issuance on a non pro-rata basis to Unitholders. Chairman further highlighted that, if approved, the general mandate would, unless revoked or varied by Unitholders in a general meeting, be valid from the date of the AGM until the conclusion of the next AGM of CRCT or the date by which the next AGM of CRCT was required by applicable laws and regulations or the Trust Deed to be held, whichever was earlier.
- 4.2. Chairman also explained that this was a common mandate often sought by listed companies and REITs to give them the flexibility and efficiency to raise capital to, for example, grow the business through property acquisitions, repay debt and make capital expenditures without requiring the time and financial expense of convening extraordinary general meetings. The mandate sought by CRCT was within the limits set out in the SGX Listing Manual. In the event of any equity raising under this mandate, Unitholders would be informed through announcements made on the SGXNet. Moreover, if any equity raising would exceed the limits under the mandate, Unitholders’ approval would be sought separately.
- 4.3. Ordinary Resolution 3 to authorise the Manager to issue Units and to make or grant convertible instruments, and to issue Units in pursuance of such instruments, was read and proposed by Chairman.
- 4.4. Chairman invited questions and comments from the floor.
- 4.5. As there were no questions on Ordinary Resolution 3, Chairman proceeded to put Resolution 3 to vote. The result of the poll on Ordinary Resolution 3 was as follows:

Resolution 3 (Ordinary Resolution)

For		Against	
No. of Units	%	No. of Units	%
574,797,937	92.74	44,997,617	7.26

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

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

- 5.1. Chairman informed Unitholders that if approved, the renewed Unit Buy-Back Mandate (as defined in the Notice of Meeting) would give the Manager the flexibility to undertake repurchases of Units at any time, subject to market conditions, during the period that the Unit Buy-Back Mandate was in force and on the terms set out in the Notice of AGM and the Letter to Unitholders dated 20 March 2018.
- 5.2. Chairman also informed Unitholders that the Unit Buy-Back Mandate would be a flexible and cost-effective capital management tool to, among other things, enhance return on equity for Unitholders. Additionally, any Unit repurchased under the Unit Buy-Back Mandate would be deemed cancelled immediately on repurchase.
- 5.3. Chairman further stated that the Manager would only exercise the Unit Buy-Back Mandate when the Manager considered it to be in the best interests of CRCT and the Unitholders. No repurchase of Units would be made in circumstances which would have or might have a material adverse effect on the financial position of CRCT. Furthermore, the total number of issued Units which could be repurchased by the Manager pursuant to the renewed mandate was limited to 2.5% of the total number of issued Units as of the date of the AGM. This limit was the same as that approved by Unitholders at last year's AGM.
- 5.4. Ordinary Resolution 4 to approve the renewal of the Unit Buy-back Mandate was read and duly proposed by Chairman.
- 5.5. Chairman invited questions and comments from the floor.
- 5.6. As there were no questions on Ordinary Resolution 4, Chairman proceeded to put Ordinary Resolution 4 to vote. The result of the poll on Ordinary Resolution 4 was as follows:

Resolution 4 (Ordinary Resolution)

For		Against	
No. of Units	%	No. of Units	%
619,213,763	99.93	415,797	0.07

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

**6. Ordinary Resolution 5:
Approval of the Manager to issue Units pursuant to the CRCT Distribution Reinvestment Plan**

- 6.1. Ordinary Resolution 5 to authorise the Manager to issue Units pursuant to the distribution reinvestment plan established by CRCT was read and duly proposed by Chairman.
- 6.2. Chairman invited questions and comments from the floor.
- 6.3. As there were no questions on Ordinary Resolution 5, Chairman proceeded to put Ordinary Resolution 5 to vote. The result of the poll on Ordinary Resolution 5 was as follows:

Resolution 5 (Ordinary Resolution)

For		Against	
No. of Units	%	No. of Units	%
619,268,501	99.95	322,039	0.05

Based on the results of the poll, Chairman declared Ordinary Resolution 5 carried as an Ordinary Resolution.

7. Extraordinary Resolution 6:**Approval to amend the Trust Deed to include provisions regarding electronic communications of notices and documents to Unitholders and to allow a summary financial statement to be sent in lieu of the annual report.**

- 7.1. Chairman informed Unitholders that the Proposed Communications Trust Deed Supplement (as defined in the Notice of Meeting) would provide the flexibility to reduce costs and increase operational efficiency and speed in communications.
- 7.2. Chairman further stated that Unitholders should note that by approving this Resolution, Unitholders would also be deemed to have approved the Manager's adoption of the use of the Implied Consent Regime (as defined in the Notice of Meeting) and the Deemed Consent Regime (as defined in the Notice of Meeting), subject to compliance with all applicable laws, rules and regulations, including any rules which might be introduced by the MAS or the SGX-ST.
- 7.3. Chairman also informed Unitholders that their interests would be safeguarded as notices or documents relating to forms or acceptance letters that Unitholders might be required to complete, meetings, take-over offers and right issues would not be transmitted by electronic means.
- 7.4. Extraordinary Resolution 6 to amend the Trust Deed to include provisions regarding electronic communications of notices and documents to Unitholders and to allow a summary financial statement to be sent in lieu of an annual report was read and duly proposed by Chairman.
- 7.5. Chairman invited questions and comments from the floor.
- 7.6. As there were no questions on Extraordinary Resolution 6, Chairman proceeded to put Extraordinary Resolution 6 to vote. The result of the poll on Extraordinary Resolution 6 was as follows:

Resolution 6 (Extraordinary Resolution)

For		Against	
No. of Units	%	No. of Units	%
619,038,614	99.93	458,592	0.07

Based on the results of the poll, Chairman declared Extraordinary Resolution 6 carried as an Extraordinary Resolution.

8. Closing Address

There being no other business, on behalf of the Trustee and the Manager, Chairman thanked all present for their attendance and support, and declared the Meeting closed at 3.34 p.m.

Confirmed By

Mr Soh Kim Soon

Chairman of Meeting