

CAPITALAND COMMERCIAL TRUST

MINUTES OF THE ANNUAL GENERAL MEETING HELD ON THURSDAY, 19 APRIL 2018 AT 2.30 P.M. THE STAR GALLERY, LEVEL 3, THE STAR PERFORMING ARTS CENTRE, 1 VISTA EXCHANGE GREEN, SINGAPORE 138617

Present: Unitholders (present in person or by proxy)

As per attendance list

In attendance: Directors of CapitaLand Commercial Trust Management Limited (the “Directors”), as manager of CapitaLand Commercial Trust (the “Manager”)

Mr Soo Kok Leng, Chairman

Mr Lim Ming Yan, Deputy Chairman (“**Deputy Board Chairman**”)

Mr Kevin Chee Tien Jin, Chief Executive Officer (“**CEO**”)

Mr Lam Yi Young

Ms Tan Soon Neo Jessica

Mrs Quek Bin Hwee

Mr Ng Wai King

Mr Lim Cho Pin Andrew Geoffrey

Mr Lee Chee Koon

HSBC Institutional Trust Services (Singapore) Limited, trustee of
CapitaLand Commercial Trust

Mr Antony Wade Lewis, Chief Executive Officer, HSBC Institutional Trust Services (Singapore) Limited, as Chairman of the Meeting (the “**Chairman**”)

Company Secretaries of the Manager

Ms Lee Ju Lin, Audrey

Ms Tee Leng Li

Management of the Manager

Ms Anne Chua, Head, Finance (“**Head of Finance**”)

Ms Ho Mei Peng, Head, Investor Relations

Mr Chew Peet Mun, Head, Investment and Asset Management

1 INTRODUCTION

- 1.1 On behalf of HSBC Institutional Trust Services (Singapore) Limited, the trustee of CapitaLand Commercial Trust (“**CCT**”, and the trustee of CCT, the “**Trustee**”), and the Board of Directors (the “**Board**”) of the Manager, Ms Ho Mei Peng, the Master of Ceremonies, welcomed the unitholders of CCT (the “**Unitholders**”) to the Meeting. Thereafter, Mr Kevin Chee Tien Jin, the CEO, gave a short presentation on CCT’s performance for the year ended 31 December 2017, the Singapore office market, enhancing efficiencies and engaging communities, and positioning CCT for sustainable growth.
- 1.2 After the presentation, Ms Ho Mei Peng introduced the panellists. She then handed the proceedings of the Meeting over to Mr Antony Wade Lewis, who had been nominated by the Trustee to preside as Chairman of the Meeting (the “**Chairman**”) in accordance with paragraph 8 of the schedule to the trust deed constituting CCT dated 6 February 2004 (as amended and supplemented) (the “**Trust Deed**”). Mr Soo Kok Leng conveyed his apologies for being unable to chair the AGM as he was feeling unwell and had lost his voice. Nevertheless, Mr Soo Kok Leng was present as the engagement with Unitholders is important to him.
- 1.3 The Chairman noted that a quorum was present and declared the Meeting open at 3.10 p.m. The notice of Meeting dated 22 March 2018 (the “**Notice of Meeting**”) contained in the annual report of CCT (the “**Annual Report**”) to the Unitholders of the same date was, with the approval of the Unitholders, taken as read.
- 1.4 The Chairman informed the Meeting that, in accordance with Rule 730A of the Listing Manual of the SGX-ST, each resolution (“**Resolution**”) as set out in the Notice of Meeting will be conducted by poll. Polling would be conducted in a paperless manner using a wireless handset.
- 1.5 The Chairman also informed the Meeting that as he is Chairman and an appointed proxy for this AGM, he would propose all the motions to be tabled.

- 1.6 The Chairman further informed the Meeting that an independent scrutineer, DrewCorp Services Pte Ltd, had been appointed to conduct the poll and that Mr Raymond Lam of DrewCorp Services Pte Ltd would explain the procedures for voting by electronic poll. Following Mr Lam's explanation of the electronic poll voting procedures and a test resolution carried out to familiarise Unitholders with the electronic handset, Mr Lam handed the proceedings of the Meeting back to Chairman.
- 1.7 The Chairman 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 are relevant to the agenda and also to limit the questions to a reasonable number and length.
- 1.8 The Chairman informed Unitholders that he would state whether the Resolution is an Ordinary Resolution or an Extraordinary Resolution and explained that an Ordinary Resolution means a resolution proposed and passed by a majority greater than 50% of the total number of votes cast for and against such Resolution at a Meeting, while an Extraordinary Resolution means 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 a Meeting.

2 ORDINARY RESOLUTION 1:

Adoption of the Report of the Trustee, Statement by the Manager, the Audited Financial Statement and the Auditors' Report

- 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 CCT for FY 2017 and the Auditors' Report was read and duly proposed by Chairman.
- 2.2 The Chairman invited questions and comments from the floor.
- 2.3 Mr Tan Yong Nee ("**Vincent Tan**") asked the following questions:
 - (a) Mr Vincent Tan referred to page 94 of the Annual Report which sets out a table of the properties in CCT's portfolio. He noted that the proportion of CCT's Grade A properties in the portfolio had increased from 62.7% to about 80% following the acquisition of Asia Square Tower 2. Mr Vincent Tan noted that there are only two prime office properties in CCT's portfolio, namely, Twenty Anson and HSBC Building. He asked if CCT has any plans to reconstitute its portfolio to comprise more Grade A offices.

- (b) Mr Vincent Tan referred to footnote one in the section on Enhanced Portfolio Value Following Portfolio Reconstitution on page 94 of the Annual Report. He noted that the lease for Bugis Village will expire in 2088, subject to the State having the right to require that the property be returned on 1 April 2019, upon the payment of compensation amounting to approximately S\$6.6 million. He asked whether CCT would be able to redevelop this property. He also asked if there was any indication of how the Government is likely to decide.
- (c) Mr Vincent Tan referred to page 96 of the Annual Report which sets out CCT's operations review. Mr Vincent Tan noted that the portfolio weighted average lease term to expiry ("**WALE**") is 5.9 years. Mr Vincent Tan also referred to page 95 of the Annual Report which sets out that in 2017, the WALE for leases signed in 2017 was 3.3 years. He also noted that CCT's portfolio comprised office, hotel and retail leases, of which the office component has a WALE of about 3.3 years. Mr Vincent Tan asked which component of the portfolio has caused the WALE to be 5.9 years. Mr Vincent Tan then referred to page 111 of the Annual Report and noted that the gross rental and net property income derived from CCT's 60% interest in Raffles City Singapore in FY 2017 amounts to approximately S\$120 million and S\$110 million respectively. He suggested that it be disclosed that the rental derived from CCT's 60% interest in Raffles City Singapore has the highest contribution amongst the properties in the portfolio. Mr Vincent Tan also asked about the average lease term for hotel and retail leases.
- (d) Mr Vincent Tan asked if CCT should include more integrated developments into its portfolio.
- (e) Mr Vincent Tan referred to page 96 of the Annual Report and noted that the 2018 expiring rents are higher than market rents. He also noted that the Annual Report sets out that in the next two years, expiring rents are much lower than the market rent which is on an upward trend. Mr Vincent Tan asked if CCT should also exercise proactive leasing in this situation where the market rent is increasing. He also noted that proactive leasing is usually adopted when the market is on a downward trend, and not vice versa, and queried what strategy would be employed when the market is on an upward trend. He suggested that the CEO use J.P Morgan as an example to explain this, and to clarify if the arrangement with J.P. Morgan was discussed and planned in advance.

- 2.4 The CEO thanked Mr Vincent Tan for his questions and replied to the first question regarding the reconstitution of CCT's portfolio that CCT is happy with its portfolio in Singapore. He noted that CCT had sold Wilkie Edge last year, which is on the fringe of the Central Business District (the "CBD") and that the 10 properties remaining in CCT's portfolio, including the Golden Shoe Carpark development, are located in the CBD Core and Tanjong Pagar (which may be considered as part of the fringe of the CBD by CBRE standards). However, the CEO stated that it is important to have a diversified portfolio. Not every property has to be Grade A. The key consideration is whether the properties still generate good returns and provide opportunities to improve yield further.
- 2.5 On the second question regarding Bugis Village, the CEO replied that Bugis Village has been in CCT's portfolio since CCT's inception and while the lease is a 99-year lease and expires in 2088, the terms in the state lease gives the Government the right to take back the property from 1 April 2019. The CEO added that CCT is currently engaging in discussions with the Government to understand whether the Government will exercise its right to take back the property, and hopes to receive a response from the Government soon.

The CEO also pointed out that it was important to note that the lease contains a commitment by the Government that it will compensate CCT approximately S\$6.6 million plus accrued interest should it take back the property.

- 2.6 On the third question regarding CCT's non-office properties, the CEO explained that the typical lease term for office leases is around three to four years. The portfolio WALE of 5.9 years was based on the entire portfolio including the retail and hotel components. The two hotels, the Swissotel The Stamford and the Fairmont in Raffles City Singapore are under a long master lease till 2036, and this contributed to the high overall WALE. The CEO also acknowledged that Raffles City Singapore is an important component of CCT's portfolio and is the largest contributor by net property income.
- 2.7 On the fourth question regarding integrated developments, the CEO replied that there is potential for such integrated developments to perform well in the future as such developments combine elements of work, live and play. The Golden Shoe Carpark development ("**CapitaSpring**") is an integrated development which will have 635,000 square feet of premium Grade A office, 299 serviced residence units and the ancillary retail component. The CEO added that CCT currently owns 45% of CapitaSpring and has an option to acquire the remaining 55% after the redevelopment is completed in the first half of 2021.

- 2.8 On the fifth question regarding CCT's leasing strategy, the CEO explained that its proactive leasing strategy works on multiple fronts. First, the Manager needs to know the space requirements of its tenants well, e.g. whether tenants are expanding or expecting changes in key decision makers. Second, the Manager plans strategically in advance to shape the lease expiry profile of the portfolio. Currently, CCT has a relatively low level of leases expiring in 2018 and significantly more leases expiring in 2019. The CEO referred to his earlier presentation where he had highlighted an atypically large supply for office space in 2016 and 2017. He explained that three or four years before the influx of supply, CCT was already working to shape its lease profile to minimise exposure to periods when supply would be high and rents would be expected to be at their lowest. Third, CCT values its clients. CCT tries to keep the tenants within the property or within other properties in CCT's portfolio if their needs change. CCT's occupancy rate for the portfolio is currently 97.3% leaving little room to accommodate expansion needs of tenants. The acquisition of Asia Square Tower 2 was timely as the additional office space provided CCT with additional space to accommodate the needs of existing tenants.
- 2.9 The CEO emphasized that it is through strategic lease management that the Manager optimises value for CCT. In relation to J.P. Morgan, it is a valued tenant that has been with CCT in Capital Tower from the beginning. J.P. Morgan wanted a new premise to represent their aspirations and CCT had the perfect product for them in the form of CapitaSpring. Since J.P. Morgan was an existing tenant, CCT was able to work an arrangement with them such that the move to CapitaSpring, when ready, will be almost seamless with as little downtime as possible. For this to happen, a lot of planning was required, and this was only possible because CCT is cognisant of these issues and plans strategically and tactically ahead.
- 2.10 Dr Graf Sieghold was happy with the presentation but expressed his concern that CCT may acquire properties outside of Singapore. He pointed out that some real estate investment trusts ("**REITs**") have started to mix portfolios across different countries and products and stated that many Unitholders invest in CCT not only for its stellar performance and good management but also because it is a Singapore pure play in its asset class, geography and currency.
- 2.11 The CEO thanked Dr Graf Sieghold for his comment and replied that CCT has come a long way from a REIT with assets under management of S\$2 billion at inception to S\$10.8 billion currently. Over the years, CCT had been able to grow steadily in Singapore through acquisitions and redevelopments. Nevertheless, the Singapore market is becoming more challenging as investment opportunities are limited and highly sought after, resulting in capital values rising significantly. The CEO highlighted the sale of One George Street at a capitalisation rate of 3.2%, and the sale of Wilkie Edge, at a capitalisation rate of 3.4% as examples. CCT's objective is to grow the portfolio and deliver sustainable distribution growth to Unitholders. Acquisitions

- considered would have to be accretive for CCT. The CEO added that Singapore remains CCT's mainstay and CCT will continue to look for opportunities in Singapore, and cited CapitaSpring as an example. However, in the process of looking for new opportunities to grow, it may make sense at this point of CCT's growth to look beyond Singapore. In addition, CCT has the benefit of the CapitaLand platform to rely on should it decide to venture beyond Singapore.
- 2.12 The Deputy Chairman acknowledged that there are benefits to being involved in markets outside of Singapore but emphasised that Singapore would remain a core market for CCT. CEO added that CCT still owns 45% of CapitaSpring, a development which is expected to be completed in 1H 2021.
- 2.13 As a follow up, Dr Graf Sieghold acknowledged the points put forward by the Board that there are limitations to growth in Singapore. Nevertheless, Dr Graf Sieghold stated that investors would prefer to invest in REITs which are focused on the specific geographies so that it is easier for investors to follow the performance of the REITs within single markets and currencies.
- 2.14 Mr Sunny Tan Keng Sooi @ Tan Bin Hock ("Mr Sunny Tan") noted that two out of the nine Directors on the Board were women and asked what the optimal gender mix of the Board is based on the requirements of the SGX and whether there will be more women on the Board in future. Mr Sunny Tan also asked the Board about CCT's charity policy and highlighted his concern that donations may be going to non-legitimate charities.
- 2.15 On the first question regarding the Board's gender policy, the Deputy Chairman first thanked Mr Sunny Tan for the question and replied that the Manager looks for directors who can contribute to the Board regardless of gender. The primary consideration is the ability of directors to contribute to the Board to generate value for Unitholders.
- 2.16 On the second question regarding charities, the CEO replied that 100% of CCT's income is distributed to Unitholders, and that CCT does not give any money to charities. Any fundraising conducted for charity involved external donors and not funds from the REIT. For example, the Eco Race held last year raised S\$46,000 externally from donors and the money went to the Rainbow Centre, a centre for children with special needs.
- 2.17 Mr Tan Hock Juan Francis asked if there was an option to top-up the land lease to 99 years in respect of the redevelopment of CapitaGreen and CapitaSpring. He also asked if the Board could disclose the reason given by the Urban Redevelopment Authority if no such option was given.

- 2.18 The CEO replied that no such option was given, and explained that this was a matter dictated by the policies of the State and relevant government authorities.
- 2.19 Next, Mr Lim Shiang Liang noted that CEO had alluded to co-working spaces at Twenty Anson and asked if the rental rates for co-working spaces are lower than typical office leases. He sought further clarification on the impact of the rental arrangements for such spaces on CCT. Mr Lim Shiang Liang also asked for the Board's view on the long-term impact of this rapid development in the office sector and the strategies in response to such a development.
- 2.20 In relation to Mr Lim Shiang Liang's first question on rental from co-working spaces, the CEO stated that the two tenants operating co-working spaces in the CCT portfolio are paying rent at market rates. One tenant is "The Great Room" at One George Street and the other is "Collective Works" at Capital Tower which is a joint venture between Collective Works and CapitaLand. Although this is an interested person transaction, the terms of the transaction are at arms' length and rent paid by Collective Works is at market rates. The CEO added that co-working spaces are not too different from serviced offices which have been a part of CCT's portfolio for a long time and which also pay market rent.
- 2.21 In relation to the office suites at Twenty Anson, the CEO replied that it is a pilot project where CCT created the space to lease to tenants on flexible terms. This was done because the space had been vacated by an old tenant and the opportunity cost was low. The space has been carved out into smaller office suites with shared offices and collaboration spaces and the amount paid by occupants taking up the suites is in fact higher than market rent on a per square foot basis.
- 2.22 In relation to Mr Lim Shiang Liang's second question on the impact of such co-working spaces on CCT, the CEO replied that for the Singapore market, co-working spaces are complementary to CCT. Prior to 2016, apart from serviced offices, there were no landlords who could readily meet the needs of the smaller companies. Co-working operators fractionalised leased space and created good quality work spaces which allowed many small and medium enterprises, which were previously not situated in the CBD, to enter the CBD. Hence co-working operators are in fact creating more demand in the CBD. Co-working spaces have grown exponentially from less than 50,000 square feet of co-working space at the end of 2016, to about 800,000 square feet currently. The Manager expects that co-working is here to stay as it provides companies with a flexible alternative which allows them to better plan their space requirements. The Manager will continue to assess how co-working can be part of CCT's product offering.

- 2.23 The next Unitholder, Mr Lum Yue Wah, expressed his appreciation that the Board had given Unitholders a chance to participate in the rights issue for the acquisition of Asia Square Tower 2 and asked if the Board will be considering giving Unitholders a similar opportunity with CapitaSpring. Mr Lum Yue Wah urged the Board to do so and also suggested that the Board give an indication of any such plans since Unitholders would need the time to accumulate capital to participate in such fund raising.
- 2.24 The CEO referred to his presentation where he had stated that Asia Square Tower 2 was acquired at an entry yield of 3.6% and an occupancy rate of 89%. The Manager was of the view that there was an opportunity for growth for this property as increasing the occupancy would lead to increased income. In considering the fund-raising options, a rights issue was held because CCT wanted to give valued Unitholders the opportunity to participate and to enjoy the upside.
- 2.25 As for CapitaSpring, the Deputy Chairman replied that it is still under development and that CCT has sufficient funding for this. CCT has the option to acquire the remaining 55% interest in CapitaSpring for the five years following completion in 2021. Although CCT has not decided when this will happen, the amount that will be needed for such an acquisition in the future will probably require equity fund raising. If it is a sufficiently large sum as was the case for Asia Square Tower 2, CCT may consider a rights issue. The Deputy Chairman noted Mr Lum Yue Wah's concerns, but highlighted that at this point in time, it is too early to decide on the financing options.
- 2.26 The Head of Finance added that Management is unable to disclose any fund-raising exercise to Unitholders in advance because it is market sensitive. CCT will consider the various financing options in view of the financing requirements and the interests of the REIT. In the case of Asia Square Tower 2, a rights issue made sense as the sum required was large. The property also had the potential for future growth which was why CCT wanted Unitholders to have the opportunity to participate in the rights issue.
- 2.27 The next person to pose questions was Mr Pratyush Rastogi, who first thanked the Board for the 2017 results. For his first question, Mr Pratyush Rastogi noted that a rights issue may lead to a potential dilution of the existing Unitholders and in the case of Asia Square Tower 2, there was some dilution on a non-adjusted distribution per Unit ("**DPU**") basis. He asked the Board how it strikes a balance between the potential short-term detriment to non-participating Unitholders and the potential long-term return to Unitholders when deciding on the form of fund raising. For his second question, Mr Pratyush Rastogi first noted that CCT had two divestments in 2017. He asked the Board how it decides to divest especially since it was mentioned that rentals are likely to increase. For his third question, Mr Pratyush Rastogi noted that in a best-case scenario, the DPU would be greater than it was in the previous year

after a rights issue. He asked if the decision to go ahead with the acquisition was based on such best-case scenario or knowing that there will be short-term detriment to some Unitholders.

- 2.28 On the first question regarding the trade-offs involved in the form of fund raising, Mr Lim Cho Pin Andrew Geoffrey, a Director of the Manager, acknowledged that the issue is one of striking a balance between short-term detriment and long-term gain and stated that a rights issue is best viewed in the long term. Unitholders should participate when it believes that the acquisition will bring about a long-term benefit. A rights issue will generally be dilutive on a DPU basis in the short term because it is typically issued at a larger discount. However, one advantage of a rights issue is that it is fair because it is open to all Unitholders to decide for themselves whether to participate. Another advantage of a rights issue is that it allows Unitholders who do not wish to participate to monetise by selling the rights in the open market. Mr Lim Cho Pin Andrew Geoffrey acknowledged that participating in a rights issue is a leap of faith and requires patience but stated that the nature of the rights issue allows Unitholders to take the long-term journey with the REIT.

On the second question relating to the Board's decision to divest, the CEO explained that CCT regularly reviews the portfolio to enhance, extract and optimise value. The Board is mindful that any decision to divest will result in loss and dilution of income and makes such assessments holistically by also considering opportunities that would recycle capital expediently. The CEO added that investors should also look at total returns. While there may be initial DPU dilution, the total return which includes capital appreciation may be positive.

- 2.29 On the third question relating to CCT's acquisitions, Mr Lim Cho Pin Andrew Geoffrey stated that acquiring an asset that is not accretive initially through a rights issue will mean that the DPU will be lower for that year. However, if CCT seeks the participation of the Unitholders and the Sponsor in a rights issue, it takes the view that the DPU will grow over time because of the growth potential of the asset to be acquired. Hence CCT is asking the Unitholders and the Sponsor to take a long-term view of the value of the acquisition.
- 2.30 Next, Mr Tan See Peng suggested that CCT install more solar panels on its properties to save on energy usage since CCT has many properties in its portfolio. Mr Tan See Peng also suggested that CCT rely on artificial intelligence and big data analysis to identify consumer preferences ahead of the curve. Mr Tan See Peng noted that CCT will have a lot of data and suggested that it be analysed for the benefit of the REIT and Unitholders.

- 2.31 The CEO thanked Mr Tan See Peng for his suggestion and replied that CCT has studied the feasibility of solar panels. However, as CCT's properties do not have much space on the rooftops, the number of solar panels that can be installed is limited. However, the CEO highlighted that Asia Square Tower 2 does have solar panels. Given the constraints, CCT looks for alternative ways of saving energy such as by ensuring that the properties' equipment is more efficient and by introducing electricity saving devices. In relation to Mr Tan See Peng's comment on data analytics, the CEO replied that CCT has leveraged on the capabilities of CapitaLand to introduce better analytics and sensors to collect more data on energy and water usage to find ways to conserve energy and water where possible.
- 2.32 Next, for his first question, Mr Tan Yew Aik first noted that the full impact of negative rental reversions from 2017 will follow through to 2018, that the average rent for lease expiring in 2019 is S\$10.44 per square foot and that the lease expiry profile is 31%. Mr Tan Yew Aik asked if the Board expects to see a continuity of the negative rental reversions or if Unitholders can be more optimistic. For his second question, Mr Tan Yew Aik first congratulated the Board on securing the first anchor tenant for CapitaSpring, J.P. Morgan, ahead of the scheduled completion. Mr Tan Yew Aik asked if the Board could disclose indicative market rents for J.P. Morgan. Lastly, Mr Tan Yew Aik also noted that J.P. Morgan had moved from Capital Tower to Capita Spring and asked if such a move will cannibalise Capital Tower.
- 2.33 In response to the first question on rental reversions, the CEO stated that at the end of 2017, the reported Grade A rent was S\$9.40. Consultants are projecting rental growth of 10% to 12% per annum for 2018 and 2019. Assuming the forecast is correct, by the end of 2018, the market rent will be about S\$10.30 and by the end of 2019, will be about S\$11.40 to S\$11.50. the CEO also highlighted that CCT's leases are typically higher than market, thereby reflecting the quality of CCT's properties. Given that market rents are on an upward trend and that CCT typically signs leases above market rent, the hope is that this will bolster CCT's rentals.
- 2.34 In relation to Mr Tan Yew Aik's second question on CapitaSpring, the CEO acknowledged that J.P. Morgan is a good name and that the rentals were not disclosed. However, the CEO stated that the rent that J.P. Morgan signed was a good rent.
- 2.35 As a follow up, Mr Tan Yew Aik stated that what is "good" is relative.
- 2.36 The CEO assured Mr Tan Yew Aik that CCT is familiar with the market and its objective is to do well for Unitholders. The CEO reiterated that the rent is a good rent which will do well for CapitaSpring.

- 2.37 In relation to Mr Tan Yew Aik's third question on Capital Tower, the CEO referred to CCT's leasing strategy mentioned earlier which includes keeping tenants within CCT's portfolio. Where a tenant is looking for a new space and CCT has a suitable space for them, CCT can bring the tenants over to keep them within the portfolio. The alternative is to lose the tenant entirely to another property. As CapitaSpring will only be completed in the first half of 2021, CCT will have the time to pre-market the space that J.P. Morgan will be vacating. J.P. Morgan occupies about 150,000 square feet of space and CCT may consider sub-dividing the space which could generate better rents.
- 2.38 Next, a Unitholder noted that S\$700 million had been raised by a rights issue and that S\$1.1 billion had been borrowed for the acquisition of Asia Square Tower 2. The Unitholder stated that he did not understand how CCT had arrived at the ratio of 166 rights units for every 1,000 existing Units at S\$1.363 per rights units. The Unitholder pointed out that this ratio may give Unitholders an odd number of rights units. Even though Unitholders may be given excess, this is not guaranteed, and Unitholders may face difficulty with an odd number of Units. The Unitholder suggested using a round number for future rights issue for simplicity. The Unitholder also suggested that CCT should first offer any issue of bonds to existing Unitholders before offering it to the market should there be no demand from Unitholders.
- 2.39 The CEO noted the Unitholder's comments and stated that CCT will consider it in the future.
- 2.40 The next person to pose questions was Ms Monica Ho, who referred to page 18 of the Annual Report on the Board composition and noted that six out of the nine Directors were appointed in the last year. Additionally, five of the former Directors, including the former CEO, had resigned. Ms Monica Ho asked if the change to two thirds of the Board was deliberate or purely coincidental. Ms Monica Ho also asked for the rationale behind the Board change.
- 2.41 The Deputy Chairman replied that the change in the Directors was for Board renewal purposes. In relation to the former CEO specifically, she had stepped down from the Board to focus on a new role within the CapitaLand group. The reconstitution of the Board was to take CCT forward and there was no special reason for the changes apart from Board renewal.
- 2.42 Next, Mr Sunny Tan commented that many Unitholders are unable to access the Annual Report contained within CD ROMs with ease as many electronic devices can no longer read CD ROMs. He asked if CCT will continue distributing CD ROMs again next year. Mr Sunny Tan suggested that the money used to produce the CD ROMs would be better spent if it were given to charities or to Unitholders as distributions.

2.43 The CEO thanked Mr Sunny Tan for his comments and replied that the Board will take note of his comments. The CEO highlighted that this is a point which will be addressed in Resolution 5 of the AGM which relates to the change in the method of distribution of information by electronic means.

2.44 As there were no further questions, the Chairman proceeded to put Ordinary Resolution 1 to vote by poll. The result of the poll on Ordinary Resolution 1 was as follows:

For		Against	
No. of Units	%	No. of Units	%
2,457,688,361	100.00	43,332	0.00

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

3 ORDINARY RESOLUTION 2:

Re-appointment of Auditors of CCT and authority to the Manager to fix their remuneration

3.1 Ordinary Resolution 2 to re-appoint KPMG LLP as Auditors of CCT to hold office until the conclusion of the next AGM of CCT, and to authorise the Manager, to fix their remuneration was read and duly proposed by Chairman.

3.2 The Chairman also highlighted that KPMG LLP has indicated their willingness to accept reappointment.

3.3 The Chairman invited questions and comments from the floor.

3.4 Mr Sunny Tan asked about the number of years that KPMG LLP has been auditing CCT's accounts. Mr Sunny Tan expressed his concerns that should an auditor be appointed for an extended period of time, the stringency of its audit might be compromised.

3.5 The CEO replied that KPMG LLP has been CCT's auditor since its inception, however, the SGX Listing Manual requires the audit partner to be changed every five years. This is what CCT has been doing. Additionally, CCT had conducted a review of the auditors and a request for proposal in 2015 where CCT had invited credible and reputable firms to bid and to submit their proposals. At the end of the evaluation, the Board and the Audit Committee Chairman had decided that KPMG LLP would be able to serve the interests of CCT well.

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

For		Against	
No. of Units	%	No. of Units	%
2,444,420,278	99.51	11,998,805	0.49

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

4 **ORDINARY RESOLUTION 3:**

Authority for the Manager to issue units in CapitaLand Commercial Trust (“Units”) and to make or grant convertible instruments, and to issue Units in pursuance of such instruments.

- 4.1 The 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. The Chairman further highlighted that, if approved, the general mandate will, unless revoked or varied by Unitholders in a general meeting, be valid from the date of this AGM until the conclusion of the next AGM of CCT or the date by which the next AGM of CCT is required by applicable laws and regulations or the Trust Deed to be held, whichever is earlier.
- 4.2 The Chairman also explained that this is 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 CCT is within the limits set out in the SGX Listing Manual. In the event of any equity raising under this mandate, Unitholders will be informed through announcements made on the SGXNet. Moreover, if any equity raising is to exceed the limits under the mandate, Unitholders’ approval will be sought separately.
- 4.3 Ordinary Resolution 3 to authorise the Manager to issue Units and to make or grant convertible instruments (such as warrants or debentures) convertible into Units, and to issue Units in pursuance of such instruments was read and proposed by Chairman.
- 4.4 The Chairman invited questions and comments from the floor.

- 4.5 A Unitholder asked if Resolution 3 would allow CCT to issue Units in place of distributions to Unitholders.
- 4.6 The CEO replied that what the Unitholder had in mind was a distribution reinvestment plan and clarified that that was not what was being sought under Resolution 3.
- 4.7 As there were no further questions on Ordinary Resolution 3, the Chairman proceeded to put Ordinary Resolution 3 to vote by poll. The result of the poll on Ordinary Resolution 3 was as follows:

For		Against	
No. of Units	%	No. of Units	%
2,354,553,645	95.84	102,079,148	4.16

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

5 ORDINARY RESOLUTION 4:

To approve the renewal of the Unit Buy-Back Mandate

- 5.1 The Chairman informed Unitholders that if approved, the renewed Unit Buy-Back Mandate will 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 is in force and on the terms set out in the Notice of AGM and the Letter to Unitholders dated 22 March 2018.
- 5.2 The 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 shall be deemed cancelled immediately on repurchase.
- 5.3 The Chairman further stated that the Manager will only exercise the Unit Buy-Back Mandate when it considers it to be in the best interests of CCT and the Unitholders. No repurchase of Units will be made in circumstances which would have or may have a material adverse effect on the financial position of CCT. Furthermore, the total number of issued Units which may be repurchased by the Manager pursuant to the renewed mandate is limited to 2.5% of the total number of issued Units as of today. This limit is the same as that approved by Unitholders at last year's AGM.
- 5.4 Resolution 4 to approve the renewal of the unit buy-back mandate authorising the Manager to repurchase issued Units for and on behalf of CCT was read and duly proposed by Chairman.

- 5.5 The Chairman invited questions and comments from the floor.
- 5.6 As there were no questions on Ordinary Resolution 4, the Chairman proceeded to put Ordinary Resolution 4 to vote by poll. The result of the poll on Ordinary Resolution 4 was as follows:

For		Against	
No. of Units	%	No. of Units	%
2,454,400,427	99.94	1,419,504	0.06

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

6 **EXTRAORDINARY RESOLUTION 5**

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.

- 6.1 The Chairman informed Unitholders that the Proposed Communications Trust Deed Supplement would provide the flexibility to reduce costs and increase operational efficiency and speed in communications.
- 6.2 The Chairman further stated that Unitholders should note that by approving this Resolution, Unitholders would also be deemed to have approved the Manager to adopt the use of the Implied Consent Regime and the Deemed Consent Regime, subject to compliance with all applicable laws, rules and regulations, including any rules which may be introduced by the MAS or the SGX-ST.
- 6.3 The Chairman also informed Unitholders that their interests would be safeguarded as notices or documents relating to forms or acceptance letters that Unitholders may be required to complete, meetings, take-over offers and right issues will not be transmitted by electronic means.
- 6.4 Extraordinary Resolution 5 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.
- 6.5 The Chairman invited questions and comments from the floor.

- 6.6 Ms Monica Ho asked what Unitholders can expect to receive should this Resolution be passed. She noted that Unitholders currently receive a CD ROM containing the Annual Report and asked about the information that would be sent to Unitholders and what form such information would take. Ms Monica Ho also asked about the costs that CCT would be saving with this Resolution. Ms Monica Ho noted that many Unitholders are retail investors and may or may not have access to electronic forms of communication.
- 6.7 On the first question regarding the form of information that Unitholders will be receiving, Ms Lee Ju Lin, Audrey replied that Unitholders can expect to receive the physical copy of the notice for next year's annual general meeting. Unitholders will be able to access the annual report from CCT's corporate website.
- 6.8 Ms Ho Mei Peng added that as was the case in this AGM, there will also be a physical request form through which Unitholders can request to receive a printed copy of the annual report.
- 6.9 As a follow up, Ms Monica Ho sought to clarify if the annual report that will be sent refers to the full annual report or a summary.
- 6.10 Ms Ho Mei Peng replied that CCT does not have a summary annual report and will be sending out the full annual report upon request. She added that the full annual report will also be available online.
- 6.11 On the second question regarding cost savings from the adoption of electronic communications, Ms Ho Mei Peng replied that the main cost arises from the printing of the physical copies of the annual report and that CCT will still be printing the annual reports albeit in smaller quantities. CCT produces approximately 36,000 CD ROMs but the amount saved there will also likely be small. However, CCT would like to focus on sustainability and Unitholders have given feedback that not many Unitholders use CD ROMs anymore.
- 6.12 As a follow up, Ms Monica Ho asked if Unitholders will require a password to access the communication materials.
- 6.13 Ms Ho Mei Peng clarified that no password will be required. She pointed out that currently, Unitholders can already access the annual report freely and added that while CCT is seeking Unitholder's approval for this Extraordinary Resolution, many listed companies and other REITs have taken the initiative to move towards the use of electronic communications for their annual reports.
- 6.14 Next, Mr Tan Yew Aik pointed out that many Unitholders are long term Unitholders and prefer reading a physical copy of the annual report. He suggested that Unitholders be allowed to make a one-time standing election as to whether they wish

for a physical copy. This will be more convenient for Unitholders.

After meeting note: Any election by a Unitholder to receive a physical copy of the annual report will be on a standing basis. However, the physical copy will only be sent out after the deadline for submission of such requests.

6.15 The Chairman thanked Mr Tan Yew Aik for his comment.

6.16 As there were no further questions on Extraordinary Resolution 5, Chairman proceeded to put Extraordinary Resolution 5 to vote by poll. The result of the poll on Extraordinary Resolution 5 was as follows:

For		Against	
No. of Units	%	No. of Units	%
2,456,233,261	99.99	256,500	0.01

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

7 CLOSURE

The Chairman thanked the Unitholders for their attendance and support on behalf of HSBC Institutional Trust Services (Singapore) Limited, the trustee of CCT, and CapitaLand Commercial Trust Management Limited, the manager of CCT, and declared the Meeting closed at 4.34 p.m.

CONFIRMED

Mr Antony Wade Lewis

Chairman of Meeting