

Issuer: INDIABULLS PROPERTY MANAGEMENT TRUSTEE PTE. LTD.

Security: INDIABULLS PROPERTIES INVESTMENT TRUST

Meeting details:

Date: 5 Jul 2016

Time: 2:00 pm

Venue: Furama City Center, Ballroom 2, Level 5, 60, Eu Tong Sen Street, S(059804)

1. "The occupancy rate was 77% at One Indiabulls Centre (IBC) and 93% at Indiabulls Finance Centre, similar to the levels of the prior year". These are the two income generating assets in the trust and maximising their returns is key to the trust's performance. The occupancy rate at IBC showed no improvement when the vacancy rates in Mumbai dropped in 2015. According to Colliers International report on the India real estate market¹, net absorption in Mumbai was as high as 1.4 million sq ft in Q3 and totalled over 6 million sq ft for 2015. **What efforts has the trustee-manager put in place to improve the occupancy rate? What are the challenges to leasing out the remaining 20% or so of unoccupied space in IBC given that demand and net absorption are robust?**
2. The performance fees payable to the trustee---manager is based on 4% of the trust's NPI, calculated before accounting for the performance fees. For the year, the base fee and performance fees were \$5.8 million and S\$2.6 million respectively while the total distribution to unitholders was just S\$1.0 million. **Has the board considered reviewing the performance fee arrangement to better align the trustee-manager's interest with unitholders?** Perhaps, if the management fees payable to trustee-manager take into account the distribution per unit, the trustee-manager could possibly be more incentivized to pro-actively reduce the borrowing costs as well.
3. The IFA has stated that the financial terms of the offer (at \$0.25) are NOT FAIR. The P/NTA is 0.15 times. The P/RNTA is 0.18 times. A unitholder who had "invested" \$1,000 at IPO would have lost \$950 of his "investment". If he had also taken part in the rights issue, he would have put in \$1,085, and gotten back \$76.50. **Can the IDs explain their recommendation for the offer?** The sponsor, IBREL, posted on their own website a media cut-out that attributed IBREL's 9% surge in a day following the news of the offer turning unconditional.