



CAPITALAND INTEGRATED COMMERCIAL TRUST

(Constituted in the Republic of Singapore pursuant to a trust deed dated 29 October 2001 (as amended))

MINUTES OF THE ANNUAL GENERAL MEETING

HELD BY ELECTRONIC MEANS ON THURSDAY, 21 APRIL 2022 AT 2.30 P.M.

PRESENT

Unitholders

Present remotely:

As per attendance lists maintained by CapitaLand Integrated Commercial Trust Management Limited, the manager of CapitaLand Integrated Commercial Trust

IN ATTENDANCE

Board of Directors of the Manager

Present in person:

Ms Teo Swee Lian

Chairman and Non-Executive Independent Director

Mr Tony Tan Tee Hieong

Chief Executive Officer and Executive Non-Independent Director

Mrs Quek Bin Hwee

Chairman of the Audit Committee and Non-Executive Independent Director

Present remotely:

Mr Leo Mun Wai

Non-Executive Independent Director

Ms Jeann Low Ngiap Jong

Non-Executive Independent Director

Mr Stephen Lim Beng Lin

Non-Executive Independent Director

Mr Jonathan Yap Neng Tong

Non-Executive Non-Independent Director

Mr Lim Cho Pin Andrew Geoffrey

Non-Executive Non-Independent Director

Company Secretaries of the Manager

Present in person:

Ms Lee Ju Lin, Audrey

Company Secretary

Present remotely:

Ms Tee Leng Li

Company Secretary

Management of the Manager

Present in person:

Ms Wong Mei Lian

Chief Financial Officer

Ms Ho Mei Peng

Head, Investor Relations

Present remotely:

Ms Jacqueline Lee Yu Ching

Head, Investment

Present remotely:

Representatives of KPMG LLP

Independent Auditors

Representatives of HSBC Institutional Trust Services (Singapore) Limited

Trustee of CapitaLand Integrated Commercial Trust

Representatives of Allen & Gledhill LLP

Counsel for CapitaLand Integrated Commercial Trust

1. INTRODUCTION

- 1.1 On behalf of HSBC Institutional Trust Services (Singapore) Limited, the trustee of CapitaLand Integrated Commercial Trust (“**CICT**”, and the trustee of CICT, the “**Trustee**”), and the Board of Directors (the “**Board**”) of CapitaLand Integrated Commercial Trust Management Limited, the manager of CICT (the “**Manager**”), Ms Teo Swee Lian, Chairman of the Board of the Manager, welcomed the unitholders of CICT (“**Unitholders**”) to the annual general meeting of Unitholders (“**AGM**” or the “**Meeting**”) which was being held by electronic means. Chairman informed Unitholders that she had been nominated by the Trustee to preside as Chairman of the Meeting (“**Chairman**”) in accordance with the trust deed constituting CICT.
- 1.2 Chairman noted that a quorum was present and declared the Meeting open. The Notice of AGM was taken as read.
- 1.3 Chairman informed the Meeting that voting for all the resolutions would be conducted “live”. Chairman also informed Unitholders that the Manager’s responses to relevant and substantial questions relating to the resolutions received from Unitholders in advance of the AGM had been published on CICT’s website and the SGXNet. Chairman invited Unitholders attending the AGM via the audio-visual webcast to submit any other substantial and relevant questions related to the resolutions tabled at the AGM via the live question and answer (“**Q&A**”) web-chat function.
- 1.4 Chairman proceeded to invite Mr Tony Tan, the Chief Executive Officer of the Manager (“**CEO**”), to present CICT’s FY 2021 performance, challenges and the outlook for CICT’s businesses.

2. PRESENTATION BY CEO

- 2.1 Mr Tony Tan, the CEO, delivered his presentation. A copy of the presentation slides had been uploaded on CICT’s website and the SGXNet.

3. QUESTION AND ANSWER

- 3.1 Chairman elaborated on the live Q&A web-chat function and the live voting process. Unitholders were also shown a video-clip with instructions on how to submit questions and cast their votes “live” during the AGM.
- 3.2 Chairman, the CEO and the Chief Financial Officer of the Manager addressed the questions raised by Unitholders which had not already been answered through the Manager’s written responses earlier published on CICT’s website and the SGXNet. Chairman advised that if Unitholders have any further questions, they should contact CICT Investor Relations team and the contact details are available on CICT’s website.
- 3.3 A copy of the questions raised and responses provided thereto is attached to these minutes as Annex 1.

4. CONDUCT OF VOTING

- 4.1 As chairman of the Meeting, Chairman proposed all the resolutions as set out in the Notice of AGM and put all the motions to be tabled for voting. Chairman also informed Unitholders that the results of the poll of all votes would be rounded to the nearest two decimal places.

4.2 Chairman informed the Meeting that she held valid proxies in respect of the resolutions from eligible Unitholders and that the validity of the proxy forms submitted by Unitholders by the submission deadline was reviewed and the votes of all such valid proxy forms were counted and verified by Boardroom Corporate & Advisory Services Pte. Ltd. as the polling agent and DrewCorp Services Pte Ltd as scrutineers, respectively.

4.3 The following resolutions were put to a vote:

Ordinary Resolution 1 - To receive and adopt the Report of HSBC Institutional Trust Services (Singapore) Limited, as Trustee of CICT, the Statement by CapitaLand Integrated Commercial Trust Management Limited, as Manager of CICT, the Audited Financial Statements of CICT for the financial year ended 31 December 2021 and the Auditors' Report thereon;

Ordinary Resolution 2 - To re-appoint KPMG LLP as the Auditors of CICT and to authorise the Manager to fix their remuneration;

Ordinary Resolution 3 - To authorise the Manager to issue new units in CICT and to make or grant instruments convertible into units in CICT; and

Ordinary Resolution 4 - To approve the renewal of the Unit Buy-Back Mandate.

4.4 Chairman invited Unitholders to vote on each of the resolutions and informed Unitholders that they had one minute to vote, following which the voting on all the resolutions would close.

5. VOTING RESULTS

5.1 Chairman proceeded to announce the results of the votes on the resolutions tabled for Unitholders' approval at the AGM.

5.2 Each of the resolutions as set out in the Notice of AGM was passed, and the details of the resolutions and their results are attached as Annex 2.

6. CLOSURE

6.1 There being no other business, Chairman thanked all who attended the AGM and declared the Meeting closed. The Meeting ended at 3.26 p.m.

Confirmed by
Ms Teo Swee Lian
Chairman of the Meeting

Annex 1

Questions relating to CICT's growth strategy	
1.	Which other geographies will CICT explore besides Australia and Germany?
	CICT will still predominantly focus on the developed markets with a key focus on Singapore, and its assets outside Singapore will not exceed 20%. These three markets are our main focus in the near to mid-term.
2.	What are CICT's acquisition criteria?
	DPU accretion is a key factor. Beyond that, we also consider a host of factors such as growth potential, fundamentals of the market, rental sustainability, our ability to value add, and whether we are riding on the right cycle. Singapore is our primary market since that is where we can access our whole suite of capabilities. Where the target is outside Singapore, we tend to be more selective. Beyond investment target considerations, we also have to look at how we are going to fund the transaction, whether it be portfolio reconstitution, divesting some assets, or tapping on capital markets.
3.	Will there be more divestments?
	Divestment is part of the equation when we consider our overall investment strategy. It is a holistic decision where CICT examines the specific assets in its portfolio, and assesses whether the assets it has can be scaled up, whether the existing use of the asset is the best way to utilise it, and how the capital from the divestment can be deployed.
4.	The rent reversion for suburban retail is plus 0.2% but the rental reversion in the previous year was minus 3%. This means the retail in downtown is performing worse. Has the board projected when rental will be restored to pre-COVID 19 times?
	CICT is in a fortunate position to have the natural diversification in our retail exposure by having downtown and suburban properties. As we have a gradual reopening, downtown malls will benefit as employees return to the office and more tourists come in. Suburban malls may thus have been more resilient in the past 2 years, but we will likely see a gradual shift where downtown malls begin to outperform. In terms of rent reversion, we must also be flexible to ensure that our tenants stay. For example, we might negotiate for lower fixed rents in exchange for a higher percentage of our tenants' turnover. This allows us to participate in both the upside and downside, which strengthens our relationship with tenants and creates a win-win situation.
5.	There is an expectation of recovery in downtown malls due to easing COVID-19 restrictions and a return to office. How will it affect suburban malls?
	Overall, we think suburban malls will still be quite resilient, although each mall has to be looked at individually because they are quite different. For example, in the case of IMM, it has been very resilient because it is pitched as an outlet mall, and we would not expect it to suffer when borders reopen. In fact, we might see a small uplift in activity. As such, we cannot make generalisations across all suburban malls. We do however think that in suburban malls which engage just the local precinct, we might see an outflow of shoppers as they spend more time in the office or in downtown retail. There would thus be an effect in these malls.

6.	Will there be more acquisitions in the pipeline this year?
	We do have deals to look at thanks to our sponsor. But increasingly, we are seeing third party possibilities as well, so we will look at all opportunities. If there are any acquisitions that we are making, we will certainly announce it.
7.	Will the work from home trend pose a challenge to CICT's business?
	There are different narratives out there. In the immediate to medium term, the theme in play is flexibility in the working arrangement. In the long term, it is difficult to say. We think that while there might be companies who reduce their footprint in the office space as a result of flexible working arrangement, there might be new demand coming into Singapore, so overall there is not much of an effect.
8.	What led to the doubling of our energy rate for CICT's FY2020 contract?
	<p>This has largely been due to CICT's success in managing energy costs over the past three years. The current contract ends in FY2022, and what has happened is that we have had a very low base rate that has coincided with a rise in energy costs which led to a doubling of the rate in FY2022.</p> <p>We are already planning for FY2023 and beyond, we have been very agile in energy consumption and are trying to reduce energy consumption meaningfully. This is also in line with our overall sustainability effort to reduce our carbon footprint over time.</p>
9.	Other than AEIs, can CICT share what it is doing actively to bring tenant increase and tenant sales to central malls such as Raffles City and Funan?
	<p>We look at downtown malls, specifically Raffles City and Funan, as a cluster. These two malls reinforce each other. When Funan was completed in 2019 before COVID-19, it literally led to an overall uplift in visitor-ship to both locations. We think that scenario can pan out again once the operating environment improves in the precinct.</p> <p>The other example is Plaza Singapura and The Atrium@Orchard, Bugis Junction and Bugis+. This allows us to do things like cross marketing to drive consumer behaviour in the mall.</p>
10.	While there are improvements in traffic and tenant sales, are these figures sustainable as we move towards flexible working arrangements in the longer term?
	<p>The flexibility will stay on for a while, and we are gearing not just for the retail side, but for the office side, we are looking at flexi-space availability. For example, look at CapitaSpring, this is the first time CICT has actually allowed a third party operator to manage its space. Historically, the relationship between us and the co-working space operator, TWP, has been one of landlord-tenant, but now, CICT has gone beyond that.</p> <p>We collaboratively work in two folds. One, TWP is our tenant in our offices. They are a co-working space operator that has their own positioning and a specific target market.</p> <p>At the same time, they are managing two of our floors in CapitaSpring, and we think the synergy works well because as companies navigate workspace use, there will be a lot of experimentation. We have come across tenants who in 2020 decided to downsize and in 2022 decided they wanted more space. In the midst of making their workforce arrangement and business expansion requirement, tenants have found that they have overestimated their need for space reduction, and when they come back to us, one option CICT provides is to allow them to use the space in a flexible location. In this regard, the likes of TWP will come in handy. Moving forward, we will gradually see more companies who have overdone downsizing and want to expand in the same building, so that flexibility comes in useful.</p>

11.	How is CICT embracing digitalisation to enhance its value proposition to tenants and shoppers?
	<p>If unitholders are familiar with our CapitaStar platform, they will notice that it has gone through an evolution. We realise that this is not going to be a static market, and consumer adoption of technology and behaviour is ever-changing.</p> <p>One thing we will do moving forward is to try to drive sales back towards the mall, and one of the greatest tools that we have is our voucher program, which has gone digital in nature. It is certainly something that we think will have a lot of potential to help tenants capture the sales.</p>
12.	What is the future plan for IMM building with the remaining leasehold of about 27 years?
	<p>We certainly have an enhancement plan that was put in place in 2020, but we deferred the execution because there were other priorities.</p> <p>We think there is a good position in IMM as it is the largest outlet mall in Singapore, and it is now well known in the region. We recognise this advantage, and we certainly want to expand the outlet concept in the mid to longer term, but that would require more discussion with the authorities. In the near term, we hope to put in place over the next one to two years the enhancement works that we have deferred.</p>
Questions relating to CICT's capital management	
13.	What is the cost of CICT's average cost of debt, and are we expecting this to increase with a rising interest rate environment?
	<p>CICT's average cost of debt was 2.3% as of 31 December 2021. This is likely to trend up slightly depending on the amount, tenor, and when we raise debt. About 83% of our borrowings are hedged in fixed interest rate as at 31 December 2021, and we shared the sensitivity done on the floating rate borrowings where every 0.1% increase in interest rate would result in S\$1.48 million of annual interest expense. The estimated impact on DPU is minus 0.02 cents or minus 0.19% of FY2021 DPU.</p>
14.	With rising interest rates globally, will CICT consider opportunistically increasing leverage upfront and fund investments later as they become available?
	<p>We have always been conservative in our debt management. We probably still have one of the longest average debt maturity profile in the S-REIT world. In the last 5 to 10 years, in the declining and flattish interest rate environment, we deliberately pushed our funding tenure out and took as much long dated debt as possible to take advantage of fairly flat yield curves.</p> <p>With the change in scenario today where yield curves are gradually steepening, we have that ability to be more agile and better manage our debt profile according to the shape of the yield curve. Because we have already done a fair bit of long dated financing, we have a little leeway to bring the average duration down a bit so that helps to mitigate some of the impact from rising interest rates.</p>

<p>15.</p>	<p>With the 80-20 split between the Singapore and non-Singapore portfolio, in the long term will the potential of CICT be naturally capped since expansion in Singapore is limited due to its size?</p>
	<p>This is why we have to rely on diversification. Within our portfolio, we have about 21 assets in Singapore with different profiles, and a couple of them have redevelopment potential. Other than that, we are looking at options outside Singapore so we have more optionality in the event that we do another CapitaSpring or Funan. One property taking a hit could mean 5 to 7% less income over the next 5 years, which is why CICT needs to look at diversifying outside Singapore.</p> <p>There is no magical number as to whether we should cap our position at 20%, but from our conversations with investors, one reason they like CICT as an investment is because there is a long concentrated position in Singapore exposure, which meets their investment criteria. This number is however not cast in stone, and a lot depends on the opportunities that surface. In the long run however, we will review that number because Singapore is indeed limited in size, although we note that we can still redevelop existing properties and tap on the existing pipeline from our sponsor.</p>

Annex 2



CAPITALAND INTEGRATED COMMERCIAL TRUST

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RESULTS OF ANNUAL GENERAL MEETING HELD ON 21 APRIL 2022

Resolution number and details	Total number of units represented by votes for and against the relevant resolution	For		Against	
		Number of units	As a percentage of total number of votes for and against the resolution (%) ¹	Number of units	As a percentage of total number of votes for and against the resolution (%) ¹
<p><u>Ordinary Resolution 1</u> Adoption of the Report of HSBC Institutional Trust Services (Singapore) Limited, as trustee of CICT, the Statement by the Manager, the Audited Financial Statements of CICT for the financial year ended 31 December 2021 and the Auditors' Report thereon.</p>	4,334,877,690	4,329,037,146	99.87	5,840,544	0.13
<p><u>Ordinary Resolution 2</u> Re-appointment of KPMG LLP as Auditors of CICT and grant of authority to the Manager to fix the Auditors' remuneration.</p>	4,332,642,891	4,094,603,353	94.51	238,039,538	5.49

¹ The percentages are rounded up to the nearest 0.01%.

Resolution number and details	Total number of units represented by votes for and against the relevant resolution	For		Against	
		Number of units	As a percentage of total number of votes for and against the resolution (%) ¹	Number of units	As a percentage of total number of votes for and against the resolution (%) ¹
<p><u>Ordinary Resolution 3</u> Authority for the Manager to issue units in CICT (“Units”) and to make or grant instruments convertible into Units.</p>	4,334,668,742	3,936,375,486	90.81	398,293,256	9.19
<p><u>Ordinary Resolution 4</u> Renewal of the Unit Buy-Back Mandate.</p>	4,331,519,775	4,330,766,179	99.98	753,596	0.02