



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 ON WEDNESDAY, 19 APRIL 2023 AT 2.30 P.M.

**AT PADANG & COLLYER BALLROOM, LEVEL 4, RAFFLES CITY CONVENTION CENTRE,
80 BRAS BASAH ROAD, SINGAPORE 189560**

PRESENT

Unitholders : As per attendance lists maintained by CapitaLand Integrated Commercial Trust Management Limited, the manager of CapitaLand Integrated Commercial Trust (“**CICT**” and as manager of CICT, the “**Manager**”)

IN ATTENDANCE

Board of Directors of the Manager :
Ms Teo Swee Lian : Chairman and Non-Executive Independent Director
Mr Tony Tan Tee Hieong : Chief Executive Officer and Executive Director
Ms Quek Bin Hwee : Non-Executive Independent Director
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 Tan Boon Khai : Non-Executive Independent Director
Mr Jonathan Yap Neng Tong : Non-Executive Non-Independent Director
Ms Janine Gui Siew Kheng : Non-Executive Non-Independent Director

Company Secretary of the Manager : Ms Lee Ju Lin, Audrey

Management of the Manager :
Ms Wong Mei Lian : Chief Financial Officer
Ms Jacqueline Lee Yu Ching : Head, Investment
Mr Lee Yi Zhuan : Head, Portfolio Management
Ms Ho Mei Peng : Head, Investor Relations

Others

Representatives of HSBC Institutional Trust Services (Singapore) Limited : Trustee of CICT (the “**Trustee**”)

Representatives of KPMG LLP : Independent Auditors

Representatives of Allen & Gledhill : Legal Counsel to the Manager

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 Ho Mei Peng ("**Ms Ho**"), the Master of Ceremonies, welcomed the unitholders of CICT ("**Unitholders**") to the annual general meeting of Unitholders ("**AGM**" or the "**Meeting**").

1.2. Ms Ho provided a fire safety briefing to all in attendance and proceeded to introduce the panellists who were in attendance at the AGM. Following the introduction, Ms Teo Swee Lian, the Chairman of the Board of the Manager, who had been nominated by the Trustee to preside as Chairman of the AGM ("**Chairman**") in accordance with the trust deed constituting CICT dated 29 October 2001 (as amended) (the "**Trust Deed**") addressed the Unitholders and thanked all Unitholders for their attendance. Chairman then invited Mrs Quek Bin Hwee, Chairman of the Audit Committee of the Manager ("**AC Chairman**") to address the Unitholders.

2. **PRESENTATION BY CEO**

2.1. After AC Chairman had addressed the Unitholders, Mr Tony Tan Tee Hieong, the Chief Executive Officer of the Manager ("**CEO**"), delivered a presentation on CICT's performance for financial year ended 31 December 2022, sharing key highlights. A copy of the presentation slides had been uploaded on SGXNet and CICT's website.

3. **CONDUCT OF THE VOTING**

3.1. The proceedings of the AGM were then handed over to the Chairman. As a quorum was present, Chairman declared the Meeting open.

3.2. Chairman informed the Unitholders that CICT's annual report for FY2022 (the "**Annual Report**") and the notice of AGM dated 22 March 2023 (the "**Notice of AGM**") were published on SGXNet and CICT's website on 22 March 2023. As there were no objections from Unitholders, the Notice of AGM was taken as read.

3.3. Chairman stated that Unitholders had submitted their questions in relation to the AGM over the last few weeks and that the Manager's responses to the substantial and relevant questions related to the resolutions to be tabled at the AGM have been published on SGXNet and CICT's website. Chairman also noted that the CEO's presentation earlier had also addressed some of the Unitholder's questions received.

3.4. In accordance with Rule 730A(2) of the Listing Manual of the Singapore Exchange Securities Trading Limited, Chairman directed that each of the resolutions set out in the Notice of AGM be decided by way of a poll, and that polling would be conducted in a paperless manner using wireless handheld devices issued to Unitholders upon their registration for the AGM. The scrutineers ("**Scrutineers**") for the conduct of the poll were representatives of DrewCorp Services Pte. Ltd..

3.5. The Chairman proceeded to invite the polling agent for the AGM, Boardroom Corporate & Advisory Services Pte. Ltd. (the "**Polling Agent**"), to present the procedures for voting by electronic poll.

4. **PRESENTATION BY POLLING AGENT**

4.1. A representative from the Polling Agent presented the electronic poll voting procedures and carried out a test poll with Unitholders.

5. CONDUCT OF THE VOTING

- 5.1. After the test poll had been carried out, Chairman informed Unitholders that she had been appointed in her capacity as Chairman of the AGM to act as proxy of some Unitholders to vote on their behalf at the AGM. The proxy forms lodged had been checked and Chairman would be voting in accordance with such Unitholders' specified voting instructions but without the need for her to operate the handset, as the Scrutineers had confirmed that all such votes had been pre-set in the electronic polling system and would be included in the poll results for the relevant resolution.
- 5.2. Chairman then informed the Meeting that she would, as Chairman and proxy holder for the AGM, propose all the motions to be tabled.
- 5.3. Chairman informed Unitholders that all the resolutions proposed at the AGM were Ordinary Resolutions and explained that an Ordinary Resolution means a resolution proposed and passed as such by a majority, being greater than 50%, of the total number of votes cast for and against such resolution at a general meeting.
- 5.4. Chairman also requested Unitholders to 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 of the AGM and to also limit the questions to a reasonable number and length.

6. ORDINARY RESOLUTION 1 - TO RECEIVE AND ADOPT THE TRUSTEE'S REPORT, THE MANAGER'S STATEMENT, THE AUDITED FINANCIAL STATEMENTS OF CICT FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022 AND THE AUDITORS' REPORT THEREON ("ORDINARY RESOLUTION 1")

- 6.1. Ordinary Resolution 1, which was to receive and adopt the Report of the Trustee, the Statement by the Manager, the Audited Financial Statements of CICT for the financial year ended 31 December 2022 and the Auditors' Report thereon, was proposed by Chairman.
- 6.2. Chairman invited questions and comments from the floor. The questions raised by Unitholders and the responses from the panellists are set out in Annex 1.
- 6.3. As there were no further questions on Ordinary Resolution 1, Chairman proceeded to put Ordinary Resolution 1 to vote. The results of the poll on Ordinary Resolution 1 was as follows:

Resolution 1 (Ordinary Resolution)

For		Against	
No. of Units	% ¹	No. of Units	% ¹
4,247,627,776	99.12	37,846,575	0.88

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

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

7. ORDINARY RESOLUTION 2 - TO RE-APPOINT KPMG LLP AS AUDITORS OF CICT AND TO AUTHORISE THE MANAGER TO FIX THEIR REMUNERATION ("ORDINARY RESOLUTION 2")

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

- 7.2. KPMG LLP had indicated their willingness for the re-appointment.
- 7.3. Chairman invited questions and comments from the floor.
- 7.4. As there were no questions on Ordinary Resolution 2, Chairman proceeded to put Ordinary Resolution 2 to vote. The results of the poll on Ordinary Resolution 2 was as follows:

Resolution 2 (Ordinary Resolution)

For		Against	
No. of Units	% ¹	No. of Units	% ¹
4,066,738,211	94.93	217,129,930	5.07

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

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

8. **ORDINARY RESOLUTION 3 – TO AUTHORISE THE MANAGER TO ISSUE UNITS AND TO MAKE OR GRANT CONVERTIBLE INSTRUMENTS (“ORDINARY RESOLUTION 3”)**
- 8.1. Ordinary Resolution 3 to authorise the Manager to issue Units and to make or grant convertible instruments convertible into Units, and to issue Units in pursuance of such instruments was proposed by Chairman.
- 8.2. Chairman invited questions and comments from the floor.
- 8.3. As there were no questions on Ordinary Resolution 3, Chairman proceeded to put Ordinary Resolution 3 to vote. The results of the poll on Ordinary Resolution 3 was as follows:

Resolution 3 (Ordinary Resolution)

For		Against	
No. of Units	% ¹	No. of Units	% ¹
3,899,236,572	91.06	382,983,229	8.94

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

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

9. **ORDINARY RESOLUTION 4 - TO APPROVE THE RENEWAL OF THE UNIT BUY-BACK MANDATE (“ORDINARY RESOLUTION 4”)**
- 9.1. Ordinary Resolution 4 to approve the renewal of the Unit buy-back mandate authorising the Manager to repurchase issued Units for and on behalf of CICT was proposed by Chairman.
- 9.2. Chairman invited questions and comments from the floor.

- 9.3. As there were no further questions on Ordinary Resolution 4, Chairman proceeded to put Ordinary Resolution 4 to vote. The results of the poll on Ordinary Resolution 4 was as follows:

Resolution 4 (Ordinary Resolution)

For		Against	
No. of Units	% ¹	No. of Units	% ¹
4,268,342,365	99.67	14,203,770	0.33

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

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

10. **CLOSURE**

- 10.1. There being no other business, on behalf of the Trustee and the Manager, the Chairman thanked all who attended the Meeting and declared the Meeting closed at 4.30 p.m.

Confirmed by:

Teo Swee Lian
Chairman of the Meeting

CAPITALAND INTEGRATED COMMERCIAL TRUST

RECORD OF QUESTIONS RAISED BY UNITHOLDERS AND THE CORRESPONDING ANSWERS FROM THE PANELLISTS DURING THE PROCEEDINGS AT THE ANNUAL GENERAL MEETING OF THE HOLDERS OF UNITS OF CICT HELD AT PADANG & COLLYER BALLROOM, LEVEL 4, RAFFLES CITY CONVENTION CENTRE, 80 BRAS BASAH ROAD, SINGAPORE 189560 ON WEDNESDAY, 19 APRIL 2023 AT 2.30 P.M.

Ordinary Resolution 1

1. Questions from Mr Manohar P. Sabnani (“**Mr Sabnani**”)
 - 1.1. Mr Sabnani commended the Manager on its maintenance of a strong portfolio of assets and its good performance.
 - 1.2. For his first question, Mr Sabnani enquired how CICT would be affected by global megatrends including flexible work arrangements, office decentralisation and an increasing e-commerce market share.
 - 1.3. CEO explained that:
 - (a) Insofar as CICT’s commercial assets were concerned, demand for office spaces still remained. Singapore stood out as a preferred location for the setting up of regional headquarters due to the country’s strategic location. Manager had increasingly been receiving interest from companies which were considering setting up offices in Singapore as their gateway into Southeast Asia. Although work from home and flexible work arrangements were here to stay, they did not necessarily lead to a decrease in demand for office space. Hybrid working arrangements continued to contribute to a demand for flexible office spaces as employers looked to curate their workplace experience for employees as and when they returned to office. Last but not least, the supply of commercial offices in the central business district (“**CBD**”) of Singapore was limited. It was observed that the focus of urban planning was to encourage more people to live in the CBD and hence, new supply for commercial buildings through land option sales would likely decrease moving forward. The foregoing, together with the redevelopment of ageing assets, accentuated the limited supply of commercial buildings.
 - (b) Insofar as retail assets were concerned, CEO observed that the e-commerce space was going through some consolidation currently and the brick-and-mortar model adopted was a boon to CICT. According to retail sales index, the proportion of online retail sales increased from between 8% and 9% pre-COVID-19 to 26% during COVID-19, and subsequently decreased to between 13% and 14% once the circuit breaker restrictions were lifted. This prompted retailers to see the importance of omni-channel distribution. The Manager would continue to watch these megatrends moving forward and the implications to the CICT portfolio.
 - 1.4. For his second question, Mr Sabnani referred to page 266 of the Annual Report, noting an increase in finance costs of CICT from S\$189.8 million in FY2021 to S\$242.4 million in FY2022, and a net change in the fair value of CICT’s investment from a surplus of S\$270.5 million in FY2021 to a deficit of S\$90.4 million in FY2022. He also referred to page 108 of the Annual Report, expressing his opinion that there was still room for improvement for Total Unitholder Return, which had seen an increase of 21% over the past five years. In light of the rising interest rates and flat valuations due to valuers’ cautious attitude, Mr Sabnani enquired about CICT’s outlook for future growth.
 - 1.5. CEO acknowledged that the elevated interest rate environment had definitely raised the cost of capital, making inorganic growth more challenging. That said, the current interest rate environment was a volatile one and it would be difficult to predict the future of the market. The Manager would continue

to monitor the market closely and tap onto appropriate areas of growth at the right timing and pricing at opportune times. It was also important to note that rising inflation was a main driver of higher interest rate, but investment in real estate, which was the business of CICT, was an effective hedge against inflation. Rents would be calibrated in tandem with the rising consumer price index in response to inflation. Other than equity financing, there were also sources of funding such as via partnership with other capital partners. An example would be the joint acquisition of CapitaSky with COREF. The Manager would wait for the opportune moment when market conditions and funding sources were right before conducting any acquisition for inorganic growth. CEO also assured Unitholders that CICT had other engines of growth, with a portfolio of 21 assets in Singapore and five assets overseas, and that the Manager was constantly looking at ways to upscale or upgrade the performance and asset quality of the properties and uplifting the value of the assets through asset enhancement initiatives (“**AEI**”). The Manager had already started to plan ahead for organic growth within the portfolio for the next few years.

1.6. For his third and final question, Mr Sabnani asked whether the footfall at and sales and revenue generated by CICT’s malls have exceeded pre-COVID-19 levels. CEO answered that the tenant sales per square foot in CICT’s malls (including downtown malls) exceeded the pre-COVID-19 level, and that CICT ended FY2022 with a comfortable occupancy cost of 16.6%.

2. Questions from Mr Chew Jek Hui (“**Mr Chew**”)

2.1. For his first question, Mr Chew enquired whether the Manager had any perspective of the future tenant profiles of CICT’s office buildings in light of the waning demand by big tech companies as they rationalised their operations.

2.2. CEO replied that a decrease in demand by certain tech companies did not necessarily translate into a significant shift in the tenant profile as there remained a strong demand by other tech companies. Such other tech companies included payment processing companies and software companies which may not be big household names but had established Singapore as its regional headquarter in view of the growth prospects within the Southeast Asia region. CICT also saw an increase in demand for office space by service providers. For example, offshore law firms were setting up shop in Singapore in the advent of Singapore being selected as a preferred seat for arbitration. Generally, the Manager was confident that the demand for office spaces would remain robust for the foreseeable future.

2.3. For his second and final question, Mr Chew noted that there were no tenants from the energy and commodities sector in CICT’s office space tenant profile and asked whether there was any reason for this anomaly, given his personal opinion that Australia’s energy and commodities sector was very strong.

2.4. CEO explained that Australia, like Singapore, had a diverse range of occupiers with different needs and budgets. CICT’s strategy for Australia was not to specifically target one sector over the other, and instead aimed for an overall balanced composition of tenants.

3. Questions from Mr Lim Sherng Yu Jean (“**Mr SY Lim**”)

3.1. For his first question, Mr SY Lim referred to page 183 of the Annual Report. He noted that net cash outflow was explained by note 32 found on page 268 of the Annual Report, which contained details of 3 acquisitions of subsidiaries. Mr SY Lim asked whether those acquisitions had already started contributing to the revenue and net income of CICT and if so, when.

3.2. Ms Wong Mei Lian, the Chief Financial Officer of the Manager (“**CFO**”) replied that the acquisitions had already started contributing to CICT’s net income with effect from the date of completion of these acquisitions as stated on page 268 of the Annual Report.

- 3.3. For his second question, Mr SY Lim referred to page 11 of the Annual Report which stated an average cost of debt of 2.7% for FY2022. Mr SY Lim asked whether the Manager had done a sensitivity analysis and the impact on CICT's net income if the average of cost of debt were to increase to 2.8% in FY2023.
- 3.4. CFO replied that the average cost of debt as of December 2022 was 2.7%, on the premise that 81% of CICT's debt was hedged in fixed interest rates. On that basis, the Manager had run a sensitivity analysis, and illustrated that every 1% increase in interest rates will have pro forma impact on the distribution per unit ("DPU") by 0.28 cents.
- 3.5. For his third and final question, Mr SY Lim referred to page 176 of the Annual Report and noted that all the financial ratios, including the current ratio had deteriorated year-on-year. Mr SY Lim asked if there were any actions to be taken in FY2023 to address the financial ratios.
- 3.6. CFO explained that the change in current ratio was largely due to the current portion of borrowings that would be due within the next 12 months as of December 2022. CICT had on hand sufficient committed facilities to refinance FY2023's total borrowing of S\$1.2 billion. CFO further explained that the Manager did not envisage changes in the leverage ratio as it was business as usual. Current ratio would be dependent on when CICT's borrowings were due in any given year. CFO pointed to the well-spread debt maturity profile; the Manager would put in place sufficient lines in advance to refinance any CICT's facilities that were due for refinancing.
- 3.7. CEO added that the Manager had already secured all necessary funding for FY2023's refinancing and were planning towards CICT's financial needs for FY2024. CEO reassured Unitholders that the current ratio was part and parcel of capital management and the difference between current assets and current liabilities would be minimised to such extent possible. Otherwise, CICT would have secured credit facilities that CICT could draw down anytime. This also demonstrated the strengths of the Manager's risk management system.
4. Questions from Ms Lum Yin Peng ("**Ms Lum**")
- 4.1. For her first question, Ms Lum referred to page 130 of the Annual Report and noted that the value of Gallileo, which was located in the banking district of the central business district of Frankfurt, Germany, had dropped from EUR356 million on acquisition to EUR275 million in 2022 and sought clarification on its decline in value.
- 4.2. CEO explained that Gallileo's valuation came down because the valuer took into account future cash flow. Due to the termination of lease by the anchor tenant, Commerzbank, Gallileo would have no cash flow by January 2024. The valuer also took a Germany-wide position that due to heightened geopolitical risks, the discount rate was increased to reflect the increased risk premium, which then affected Gallileo's valuation.
- 4.3. For her second question, Ms Lum referred to the footnote on page 130 of the Annual Report which stated that Commerzbank had given CICT a notice to end its lease in January 2024 and that the Manager could either lease out the space or to undertake AEI. Ms Lum also referred to the bar graph illustrating the Frankfurt office space completions and future supply by amongst others, banking district submarket. AEI, if undertaken at Galileo, would complete in around FY2025, which would see an 83.5% supply of completed office spaces based on the bar graph. In view of the foregoing, Ms Lum enquired what the AEI would achieve to ensure Gallileo remained attractive amidst competition.
- 4.4. CEO responded that Ms Lum was correct in recalling that the lease was supposed to expire by 2029 but clarified that there was a right by tenant to serve early termination in the contract before 2022. CEO shared the history of Gallileo which was built in the 1990s as a single tenant building, and stated that the Manager had yet to decide whether to continue Galileo as a single-tenancy building or to convert it into a multi-tenancy building, which would have an impact on the AEI to be undertaken and the period of time that Galileo may be non-income generating. It was also to be noted that some of

the supply in 2025 as represented in the bar graph were already pre-committed and the Manager had already planned ahead for competing with the new supply of Frankfurt properties in 2025.

4.5. For her third question, Ms Lum asked why Commerzbank did not choose to proceed with the Gallileo lease until 2029. Ms Lum commented that it was risky from her point of view to be dependent on a single tenant, and recommended the Manager to consider multi-tenancy instead.

4.6. CEO explained that the banking industry was going through some adjustment which led to Commerzbank consolidating their locations, and based on the Manager's understanding, Gallileo was not the only building which Commerzbank had chosen to vacate.

4.7. For her fourth and final question, Ms Lum referred to page 131 of the Annual Report which contained details about Main Airport Centre ("**MAC**") in Germany which was acquired around the same time as Gallileo. Ms Lum asked what plans (including AEI, if any) that the Manager had for MAC.

4.8. CEO replied that Gallileo was an old building situated in a super prime location within the banking district. This warranted a more urgent consideration of AEI. In comparison, MAC was a relatively good quality new building and located in another sub-market, being closer to the airport.

5. Questions from Mr Yeo Wei Huang ("**Mr Yeo**")

5.1. For his first question, Mr Yeo noted that for every 100 basis point increase in the interest rates, CICT's DPU was expected to be impacted by 0.28 cents. Mr Yeo asked the Manager its expectation of the interest rate increase for FY2023.

5.2. CEO replied that the Manager was not in a position to state what the terminal rate was. At present, the short-term interest rates were higher than the long-term interest rates. Most of CICT's debt maturing in the next one or two years were secured three to five years ago, with an average interest rate in the 2 to 3% range, and whether interest rates would affect CICT's debt would depend on its hedging policy. There would be an impact on the assumption that CICT's debt is hedged at 3.5%. Due to the nature of its business, CICT had cash on hand and would refrain from committing to high interest rates over long periods. CICT had stayed nimble in its debt profiling by adopting a fixed interest rate to floating interest rate ratio of 80:20, and would continue to actively manage its capital to optimise its overall costs of interest.

5.3. For his second and final question, Mr Yeo asked whether it would be correct to say that if the interest rate remained elevated for FY2024, there would be another DPU impact on top of the 0.28 cents per 100 basis point analysis for FY2023.

5.4. CFO answered that the interest rate sensitivity analysis was run based on the amount of outstanding floating rate debts at one point in time and the DPU impact was based on the impact of a 1% increase in interest rates on the floating rate debts as at 31 December 2022. CFO explained that if the amount of floating rate debts for FY2024 was similar to that in FY2022, the DPU impact would likely be around 0.28 cents. If the floating rate debt ratio increased, the sensitivity test would show a greater impact to CICT's distributable income.

6. Question from Mr Lim Hock Chuan

6.1. Mr Lim Hock Chuan asked whether the increase in the number of family offices in Singapore would affect the office space demand in Singapore.

6.2. CEO explained that the Manager was not expecting the increasing number of family offices to have an impact on the demand in office space in the locations where CICT's office buildings were situated. Family offices typically were not located in prime CBD locations and did not require sizable office space. Asset management companies that provided support to the family offices were expanding in Singapore, and may add to an increase in demand for office space.

7. Questions from Mr Seow Ming Liang (“**Mr Michael Seow**”)
- 7.1. For his first question, Mr Michael Seow asked whether the Manager tracked physical occupancy of CICT’s offices and how it compared against to the tenants’ occupancy rates.
- 7.2. CEO answered that the Manager did track physical occupancy, which was measured by the number of people coming back to office. Physical occupancy varied building from building as different occupiers adopted different work policies. On average, physical occupancy was between 65% to 75% for the entire week, and would peak between Tuesday to Thursday. CEO reassured Unitholders that physical occupancy had remained stable for the past few months at a healthy range of 65% to 75%.
- 7.3. For his second question, Mr Michael Seow referred to page 139 of the Annual Report for CICT’s acquisitions of 101 to 103 Miller Street, and noted that the valuation had dropped by about 5% from A\$422 million as of 21 June 2022 to A\$398 million as of 31 December 2022. Mr Michael Seow noted that the overseas acquisitions did not seem to be doing well and asked the Board what lessons they had learnt and how they were going to refine their strategies for overseas acquisitions going forward.
- 7.4. CEO acknowledged that a few of the overseas assets suffered a decline in valuation. For 101 to 103 Miller Street and Greenwood Plaza, the appropriate acquisition price that should be used to compare was A\$415 million and not A\$422 million because the latter included a A\$7 million rental guarantee sum that was deducted upfront. CEO explained that the decline in valuation was due to Greenwood Plaza, the retail component of the asset as a result of a slower than expected rate of return to office resulting in lower footfall and in turn resulted in CICT having to grant tenants some rental rebates. CEO reassured Unitholders that leveraging its retail experience, the Manager was working together with its joint venture partner to look at how they could improve the performance of the assets. The Manager was optimistic that valuation would eventually catch up given that the properties (101 to 103 Miller Street and Greenwood Plaza) were integrated developments located in prime locations.
- 7.5. For his third question, Mr Michael Seow asked whether the Manager intended to acquire any overseas properties in the mid or near future, and expressed his opinion that the Manager should take a pause in doing so, citing the decline in valuations of recent overseas acquisitions.
- 7.6. CEO replied that the Manager would certainly be more cautious but explained that the situation was still fluid on the ground with different countries presenting different market opportunities and risks, some of which that could not be addressed by the Manager like the geopolitical risks in Europe affecting Germany. That said, CEO expressed that CICT’s Sydney properties were fundamentally different from the Germany properties. The Manager was of the opinion that Sydney still had great potential with the majority of business leaders in Sydney wanting employees to come back to the office, as well as the desire of the city government to rejuvenate the city and investing more into infrastructure like train lines meaning that demand for office space was slowly increasing. However, the rate of return to the office was slower than expected because of the tight labour market. CEO said that the Manager would use this period to upgrade CICT’s existing assets to provide the right environment for tenants to encourage their employees to come back.
- 7.7. For his fourth and final question, Mr Michael Seow referred to pages 8 to 9 of the Annual Report, which disclosed that FY2022 marked the 20th anniversary of CICT’s listing. Mr Seow commented that some other S-REITs had earmarked certain distributions to Unitholders to commemorate the anniversary and asked whether the Manager had similar plans for Unitholders.
- 7.8. CEO responded that the best way to celebrate the 20th anniversary was for the Manager to create value for the Unitholders and to deliver sustainable DPU.

8. Questions from Mr William Tay (“**Mr Tay**”)
- 8.1. For his first question, Mr Tay asked how CICT managed its foreign exchange (“**FX**”) risk in light of the fact that foreign currencies had been going through a wild swing and the reporting currency of CICT was SGD.
- 8.2. CFO answered that CICT’s overseas assets in Germany and Australia were funded largely in Euros and Australian Dollars (“**AUD**”) to mitigate the impact of FX movement on the books of CICT. Even though Euros and AUD weakened against SGD, the impact on NAV was negligible as the corresponding reduction in the value of the foreign currency borrowings mitigated the negative FX impact.
- 8.3. For his second question, Mr Tay asked how CICT managed the risk of conversion when they took the revenue from the overseas assets and integrated their reporting into the full year financial report.
- 8.4. CFO explained that the figures would be reported based on the prevailing FX rate, and for cash flow management purposes, the Manager would enter into forward contracts to hedge the net returns from these overseas investments after netting off all expenses that are required to be paid in that local currency.
- 8.5. For his third question, Mr Tay asked whether the Manager had done any FX sensitivity test.
- 8.6. CFO explained that the Manager had not specifically conducted any FX sensitivity test on net distributions because the Manager was of the opinion that FX was something that it could manage effectively, especially with CICT’s substantial amounts of expenses in foreign currencies that mitigated FX movements.
- 8.7. Mr Tay asked a follow-up question on what the net impact to CICT’s revenue from overseas property from FX was and whether the Manager had done any analysis on that.
- 8.8. CFO explained that the distribution from the Australia properties was not significant for FY2022 because they only started contributing to CICT’s revenue following the completion of their acquisitions some time around mid-FY2022. Since the Manager hedged almost 100% of the foreign investments through borrowings in the same currency, the impact of FX on CICT’s distribution income was further reduced after netting off the borrowings in the same currency.
- 8.9. Mr Tay asked another follow-up question about the actual numbers computed for FX risk.
- 8.10. CFO said that for the Australia properties, the Manager had hedged the net returns on a forward basis, and the impact was estimated to be less than S\$5 million; for the German properties, the Manager was looking at a forward hedge of about S\$10 million for FY2022.
- 8.11. For his fourth question, Mr Tay asked about how CICT’s Environmental, Social and Governance (“**ESG**”) initiatives translated into the financial numbers, and whether it was a benefit or an incremental cost for CICT.
- 8.12. CEO answered that CICT’s ESG initiatives posed both a benefit and an incremental cost. Financing costs could contribute to an increase in capital expenditure (“**Capex**”), but the extent of increase in Capex could be mitigated. For example, the Capex on upgrading chillers could be offset by the savings in operating expenditure as a result of energy efficiency. CEO said that ESG was increasing in importance as a hygiene factor, and may sometimes be becoming a binary factor with some occupiers not being able to rent CICT’s properties if such properties did not meet satisfactory ESG standards. The question became one of how to implement the ESG initiatives in a tactical way. CEO shared that the Manager had set its long-term ESG targets and was working on a 10-year Capex plan to reach those targets.
- 8.13. Mr Tay enquired about the Capex that was in the 10-year Capex plan, to which CEO replied that the Manager was still working on the same.

- 8.14. For his final question, Mr Tay asked about the Manager's projections on the return on investment ("**ROI**") of the ESG initiatives.
- 8.15. CEO explained that the ROI was highly dependent on the type and extent of initiatives that were carried out. Chairman added that providing a precise ROI projection was a challenge as ROI could be affected by other factors as well, including tenants' demand for Green Mark buildings. Regardless, Chairman reassured that CICT's path to adopting stronger ESG initiatives remained constant.
9. Questions from Mr Lum Yue Wah ("**Mr Lum**")
- 9.1. For his first question, Mr Lum asked about whether CICT had plans to expand into China, as well as whether CICT had any plans to merge with CapitaLand China Trust ("**CLCT**"), another S-REIT within the CapitaLand Investment group.
- 9.2. CEO answered by reiterating his previous answers that CICT was Singapore centric, and the expansion into overseas developed markets was mainly for the purpose of risk diversification. CEO also answered that there were no plans for a merger with CLCT, which was a China-focused REIT.
- 9.3. For his second and final question, Mr Lum asked about how CICT saw itself against competitors and peers in the S-REIT market.
- 9.4. CEO answered that CICT is very different from its Singapore-focused peers offering diversification, with a range of asset type exposure, including office in CBD, retail in downtown and suburban, and integrated developments with both retail and office components in central downtown location. Given the naturally diverse product range, the CEO opined that there was no direct comparable.