



**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 MONDAY, 29 APRIL 2024 AT 2.30 P.M.  
AT THE STAR GALLERY, LEVEL 3, THE STAR PERFORMING ARTS CENTRE,  
1 VISTA EXCHANGE GREEN, SINGAPORE 138617  
AND USING VIRTUAL MEETING TECHNOLOGY**

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**PRESENT:**

Unitholders/Proxies

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, Non-Executive Independent Director and Chairman of the Nominating and Remuneration Committee

Mr Tony Tan Tee Hieong, Chief Executive Officer (“**CEO**”) and Executive Non-Independent Director

Mrs Quek Bin Hwee, Non-Executive Independent Director, Chairman of the Audit and Risk Committee

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, Chairman of the Executive Committee

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 (“**CFO**”)

Ms Jacqueline Lee Yu Ching, Head, Investment

Mr Lee Yi Zhuan, Head, Portfolio Management

Ms Ho Mei Peng, Head, Investor Relations

Trustee

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

External Auditors

Representatives of KPMG LLP (“**KPMG**”), outgoing external auditors

Representatives of Deloitte & Touche LLP (“**Deloitte**”), incoming external auditors

Legal counsel to the Manager

Representatives of Allen & Gledhill LLP

Other attendees

As per attendance list maintained by the Manager

1. **INTRODUCTION**

1.1. On behalf of the Trustee, and the Board of Directors of the Manager (the “**Board**”), Ms Ho Mei Peng (“**Ms Ho**”), the Master of Ceremonies, welcomed the unitholders of CICT (“**Unitholders**”) to CICT’s annual general meeting (“**AGM**” or the “**Meeting**”).

1.2. Ms Ho provided a briefing on fire safety and other administrative matters to all in attendance and proceeded to introduce the panellists and key parties who were in attendance at the AGM. Following the introduction, Ms Ho informed the Meeting that Ms Teo Swee Lian, the Chairman of the Board of the Manager, had been nominated by the Trustee to preside as Chairman of the AGM (the “**Chairman**”) in accordance with the trust deed constituting CICT dated 29 October 2001 (as amended) (the “**Trust Deed**”).

1.3. Before the start of the AGM proceedings, Ms Ho invited Mr Tony Tan Tee Hieong, the CEO, to give a presentation to Unitholders.

2. **PRESENTATION BY CEO**

2.1. The CEO delivered a presentation on key highlights of CICT’s performance for the financial year ended 31 December 2023 (“**FY 2023**”) and business outlook. A copy of the presentation slides was uploaded on SGXNet and CICT’s website after trading hours on 29 April 2024, following the AGM.

3. **CONDUCT OF THE AGM**

- 3.1. The proceedings of the AGM were then handed over to Chairman. Chairman welcomed all Unitholders to the AGM and declared the Meeting open as the requisite quorum was present.
- 3.2. Chairman informed the Unitholders that the Notice of AGM dated 28 March 2024 (the “**Notice of AGM**”) and CICT’s annual report and sustainability report for FY 2023 were published on SGXNet and CICT’s corporate website on 28 March 2024. Printed copies of the Notice of AGM have been sent to all Unitholders. As there were no objections from Unitholders, Chairman took the Notice of AGM 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 were published on SGXNet and CICT’s website. Chairman also noted that the CEO’s presentation earlier had also addressed some of the questions received from Unitholders.
- 3.4. In accordance with Rule 730A(2) of the Listing Manual of the Singapore Exchange Securities Trading Limited, Chairman informed the Meeting that each of the resolutions set out in the Notice of AGM would 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. Polling for Unitholders who were attending virtually would be conducted through the voting page on the live audio-visual webcast. Chairman informed Unitholders that DrewCorp Services Pte Ltd was appointed the scrutineers (“**Scrutineers**”) and Boardroom Corporate & Advisory Services Pte. Ltd. was appointed the polling agent (the “**Polling Agent**”) for the conduct of the poll.
- 3.5. Chairman proceeded to invite the Polling Agent to explain the procedures for voting by Unitholders attending physically and Unitholders attending virtually.

4. **PRESENTATION BY POLLING AGENT**

- 4.1. A representative from the Polling Agent explained the procedures for voting guided by a video on the poll voting processes for physical attendees and virtual attendees and conducted a test poll with Unitholders, before handing the proceedings of the AGM back to Chairman.

5. **CONDUCT OF THE VOTING**

- 5.1. After the test poll, Chairman informed Unitholders that she had been appointed in her capacity as Chairman of the AGM to act as proxy by Unitholders to vote on their behalf at the AGM and that proxy forms lodged had been checked. Chairman indicated that she would be voting in accordance with their specified voting instructions, and the Scrutineers confirmed that all such votes were 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 meant 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, to adhere strictly to matters relevant to the agenda of the AGM and to 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 2023 AND THE AUDITORS’ REPORT THEREON (“ORDINARY RESOLUTION 1”)**

- 6.1 Chairman proposed Ordinary Resolution 1 and Unitholders or proxies were invited to raise their questions. The questions raised by Unitholders or proxies and the responses from the panellists are set out in Annex 1.
- 6.2. As there were no further questions on Ordinary Resolution 1, Chairman proceeded to put Ordinary Resolution 1 to the vote. The results of the poll on Ordinary Resolution 1 were as follows:

<b>For</b>		<b>Against</b>	
No. of Units	%	No. of Units	%
4,333,568,935	99.33	29,021,984	0.67

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

7. **ORDINARY RESOLUTION 2 – TO APPOINT DELOITTE AS AUDITORS OF CICT AND TO HOLD OFFICE UNTIL THE CONCLUSION OF THE NEXT AGM OF CICT IN PLACE OF THE RETIRING AUDITORS, KPMG, AND TO AUTHORISE THE MANAGER TO FIX THEIR REMUNERATION (“ORDINARY RESOLUTION 2”)**
- 7.1. Chairman proposed Ordinary Resolution 2 and expressed her gratitude for KPMG’s good service throughout their term of service as auditors of CICT. Unitholders or proxies were then invited to ask their questions. As there were no questions from Unitholders or proxies on Ordinary Resolution 2, Chairman proceeded to put Ordinary Resolution 2 to the vote. The results of the poll on Ordinary Resolution 2 were as follows:

<b>For</b>		<b>Against</b>	
No. of Units	%	No. of Units	%
4,290,936,648	98.38	70,462,060	1.62

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

8. **ORDINARY RESOLUTION 3 - TO AUTHORISE THE MANAGER TO ISSUE UNITS AND TO MAKE OR GRANT CONVERTIBLE INSTRUMENTS (“ORDINARY RESOLUTION 3”)**

8.1. Chairman proposed Ordinary Resolution 3 and Unitholders or proxies were invited to raise their questions. As there were no questions from Unitholders or proxies on Ordinary Resolution 3, Chairman proceeded to put Ordinary Resolution 3 to the vote. The results of the poll on Ordinary Resolution 3 were as follows:

<b>For</b>		<b>Against</b>	
No. of Units	%	No. of Units	%
4,034,627,823	92.53	325,658,542	7.47

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

9. **ORDINARY RESOLUTION 4 - TO APPROVE THE RENEWAL OF THE UNIT BUY-BACK MANDATE (“ORDINARY RESOLUTION 4”)**

9.1. Chairman proposed Ordinary Resolution 4 and Unitholders or proxies were invited to raise their questions. As there were no questions from Unitholders or proxies on Ordinary Resolution 4, Chairman proceeded to put Ordinary Resolution 4 to the vote. The results of the poll on Ordinary Resolution 4 were as follows:

<b>For</b>		<b>Against</b>	
No. of Units	%	No. of Units	%
4,354,887,874	99.94	2,490,339	0.06

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

10. **CLOSURE**

10.1. Chairman informed Unitholders to contact CICT’s investor relations team if they had further questions. There being no other business, on behalf of the Trustee and the Manager, Chairman thanked all who attended the Meeting and declared the Meeting closed at 4.04 p.m..

Confirmed by:

Ms Teo Swee Lian  
 Chairman of the Meeting

**CAPITALAND INTEGRATED COMMERCIAL TRUST**

**RECORD OF QUESTIONS RAISED BY UNITHOLDERS OR PROXIES AND THE CORRESPONDING ANSWERS FROM THE PANELLISTS DURING THE PROCEEDINGS AT THE ANNUAL GENERAL MEETING OF THE HOLDERS OF UNITS OF CICT HELD AT THE STAR GALLERY, LEVEL 3, THE STAR PERFORMING ARTS CENTRE, 1 VISTA EXCHANGE GREEN, SINGAPORE 138617 AND USING VIRTUAL MEETING TECHNOLOGY ON MONDAY, 29 APRIL 2024 AT 2.30 P.M..**

**Ordinary Resolution 1**

1. Questions from Unitholder A.

- 1.1. Unitholder A's first question was related to Gallileo, one of CICT's properties in Frankfurt, Germany. He noted from the CEO's presentation earlier that approximately EUR180 million will be spent on Gallileo's asset enhancement initiative ("AEI") with 18 months downtime and that Gallileo's current (FY 2023) revenue was approximately S\$28 million. His question was whether the cost of AEI could be passed on to the European Central Bank ("ECB"), being the new tenant of Gallileo.
- 1.2. The CEO explained that the cost of Gallileo's AEI is largely regarded as capital expenditure ("CAPEX") and is capitalised in the book value. Additionally, there are some capex works committed for ECB and these costs would be recovered.
- 1.3. Unitholder A followed on to ask whether the EUR180 million AEI cost would be prorated over the duration of ECB's lease.
- 1.4. The CEO responded that the AEI cost of EUR180 million would be capitalised for the foreseeable future. The negotiated rent for the 10-year lease signed with ECB would contribute to the return on investment for the AEI.
- 1.5. Unitholder A then asked about the new rent rate that ECB would be paying.
- 1.6. The CEO explained that he was unable to disclose the rent rates charged given the confidentiality agreement signed with ECB. However, the CEO assured Unitholder A of the positive rental reversion as the incoming rent from ECB would be higher than the outgoing rent.

2. Questions from Unitholder B.

- 2.1. Unitholder B's question was relating to the leasehold tenures of some of CICT's properties, which he noted was becoming shorter. He enquired on the next course of action CICT intends to take to address the shortening leasehold tenures.
- 2.2. The CEO acknowledged that certain properties have shorter remaining leasehold tenures, of which IMM Building ("IMM") has the shortest remaining lease at approximately 25 years based on the lease agreement with JTC Corporation ("JTC"). The CEO shared a few possibilities to manage IMM's land lease.
- 2.3. Firstly, the ongoing AEI for IMM would enable the property to continue generating returns within the 25 years left in IMM's leasehold tenure. Additionally, before the end of IMM's leasehold term, at some point in time, CICT could re-engage JTC to determine the possibility of extending IMM's leasehold tenure. However, CICT would need to conduct a further study to determine the asset plan for IMM prior to engaging JTC, possibly in the next five to 10 years. In any event, the CEO was confident that the payback for IMM's AEI would be achieved way before the expiry of IMM's remaining leasehold

term.

- 2.4. Unitholder B continued to ask what CICT would do if the relevant authorities opted not to extend the leasehold tenure of a property.
- 2.5. The CEO clarified that if there is no option to extend the leasehold tenure, the property must be returned to the relevant authorities at the end of the leasehold term. However, CICT would receive some indication of whether a leasehold tenure may be renewed well before its expiry. If IMM's leasehold tenure were to expire, CICT could potentially consider having another outlet mall in its portfolio.
- 2.6. Unitholder B asked whether there are considerations to acquire additional properties to prevent a drop in CICT's revenue.
- 2.7. The CEO explained that evaluating, monetising and reinvesting CICT's assets are part of the Manager's proactive portfolio management strategy. For example, taking into account IMM's potential drop in revenue towards the end of its leasehold tenure, the Manager would make plans and plant the seeds for CICT's future revenue growth. Similarly, as Gallileo would not be contributing income for a period of 18 months due to its ongoing AEI, the completed AEI of CQ @ Clarke Quay ("CQ") would bring about incremental income to offset the temporary revenue loss from Gallileo. By late 2025, Gallileo would start contributing income.
- 2.8. Unitholder B went on to ask why the valuations conducted on CICT's portfolio in Germany and Australia were lower than those of previous years.
- 2.9. The CEO shared that the professional valuers considered a few factors which influenced the decline in valuations as at 31 December 2023. First, the interest rates in Australia and Germany were significantly elevated, affecting property values. Second, the rents signed with tenants, which was a function of market dynamics, were assessed by the valuers. Third, both Australia and Germany were facing economic challenges. Collectively, these factors contributed to the lower valuations. If the factors mentioned above were to show reverse trends, the valuations could improve accordingly.
- 2.10. Importantly, CICT focuses on what is within its control, namely, getting the fundamentals right by ensuring that the assets are optimal, continuing to make the right investments, driving active leasing and engaging local communities. These actions would place CICT in a better position when the economic environment and market conditions turn around.
- 2.11. Unitholder B followed on to ask whether the factors highlighted by the CEO in his preceding question would also affect leasehold properties located in Singapore.
- 2.12. The CEO responded that Singapore has stood up well in the past two to three years as business and investor confidence remained high despite the high interest rate environment globally. Despite going through an economic slowdown, Singapore's economy remained robust with low unemployment rates and well-managed inflation rates. Against this backdrop, the impact of global macroeconomic factors on Singapore was less severe. The CEO highlighted that CICT's Singapore operating metrics indicated a strong performance, including a rental reversion rate exceeding 8%. This positive performance was also reflected in CICT's property valuations as at 31 December 2023. Continuing the momentum, the 1Q 2024 operational performance appeared stronger than 4Q 2023, with positive rental reversions at about 14% and 7% for the office and retail portfolios respectively. These factors provide a strong foundation for valuers assessing Singapore assets.
- 2.13. Unitholder B then enquired whether the same factors, methods, or measures that were applied to CICT's Singapore properties' valuation could be similarly applied to CICT's properties in Germany and Australia to also enhance those valuation figures.
- 2.14. The CEO reaffirmed that asset performance is a key contributor to valuations. Measures that have worked well for CICT's Singapore office portfolio, such as providing core and flexible workspaces, are

now being applied to its two office properties in Australia. CICT is collaborating with flex space operators such as The Work Project (“**TWP**”) to meet the varying needs of different occupiers over time and TWP is leasing some office spaces in CICT’s Australia properties.

3. Questions from Unitholder C.

3.1. Unitholder C’s question was in relation to page 31 of CICT’s Annual Report 2023 (“**AR**”) which states the following, “...rent adjustments to take into account the increase in service charge will take a period of two to three years with new and renewal leases, as we adhere to the Code of Conduct for Leasing of Retail Premises in Singapore”. Unitholder C wanted to understand the impact of the increase in service charge on the operational performance of CICT. In addition, he enquired why the Code of Conduct for Leasing of Retail Premises in Singapore (“**CoC**”) appeared to apply only to retail properties and whether a similar CoC is expected to be implemented for commercial properties in Singapore.

3.2. The CEO explained that retailers had a tough time during the pandemic due to extensive measures that restricted operations. To help these retailers, various Singapore ministries, major landlords and major retail associations collaborated to develop solutions. This led to the creation of the CoC which was implemented in June 2021 and comprised approximately 12 items relating to lease agreements, with one item prohibiting the adjustment of rents for all ongoing retail leases during their effective lease, such that adjustments to the overall gross rents to take into account the changes in service charges could only be applied to new and renewed leases. As existing leases typically last two to three years, CICT would require time to make rent adjustments. Hence, this was specifically mentioned on page 31 of the AR.

3.3. The CEO clarified that the CoC applied to retail properties only as the retail sector was considered more vulnerable during the pandemic as they were unable to operate due to the various restrictions. In contrast, commercial landlords were less vulnerable to the pandemic in part due to their stronger financial position and the ability for them to continue operating and generating revenue with their employees working from home.

4. Questions from Unitholder D.

4.1. Unitholder D complimented management for the splendid performance in FY 2023. However, he noted that over the last two years, a retail real estate investment trust (“**REIT**”) listed on the Hong Kong Stock Exchange (the “**HK REIT**”) entered the Singapore retail market by acquiring a portfolio of assets, including a property in Jurong. Separately, a Singapore-listed retail REIT was recently included in the Straits Times Index and claimed that they have surpassed CICT to become the largest retail player in Singapore. Unitholder D questioned CICT’s future growth in the retail sector and its ability to compete with the two aforementioned competitors.

4.2. The CEO acknowledged the HK REIT as a competitor but clarified that there is no new net increase in competition since the HK REIT’s entry into the Singapore retail market essentially replaced Mercatus Co-Operative Ltd which exited the Singapore retail market. However, the CEO noted that differences exist between CICT and the HK REIT. The HK REIT is listed abroad and has a structure different from that of CICT, which is governed by the Singapore-listed REIT structure. In addition, the foreign investors such as the HK REIT may be subject to certain taxes imposed in Singapore on, among other things, the income they receive from Singapore assets, which a Singapore-listed REIT may not be subject to if the REIT complies with the relevant tax transparency rules.<sup>1</sup> This could potentially affect the HK REIT’s competitiveness as compared to Singapore-listed REITs.

4.3. The CEO affirmed that CICT remained the overall largest player in Singapore’s retail market factoring

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<sup>1</sup> Please note that Singapore-listed REITs that distribute at least 90% of their taxable specified income in the same year in which the specified income is derived qualify for tax transparency treatment, such that specified income which is distributed to unitholders is not subject to corporate tax at the REIT level, and are only taxed (where applicable) at the unitholder level.



both downtown and suburban malls. Although CICT's suburban mall portfolio is slightly smaller than that of other Singapore-listed retail REITs, CICT's ability to offer tenants flexible location options in either the downtown or suburban areas provides CICT with a competitive advantage. Tenants seeking multiple locations appreciate this flexibility that CICT offers. Nevertheless, CICT will continue to deepen its retail presence in Singapore, including enhancing its retail malls. CICT will continue to assess and evaluate the possibility of other AEs that could also uplift the net lettable area of properties.

- 4.4. Unitholder D asked whether CICT would continue acquiring office properties in Singapore despite the enduring hybrid work model.
- 4.5. In relation to the office market, the CEO affirmed the relevance of office space despite the enduring hybrid work arrangement. Evidently, the office rental reversions and occupancy remained high and stable as reported in CICT's FY 2023 financial results and 1Q 2024 business updates. The Singapore's office market benefits from a manageable supply and robust demand, with the Urban Redevelopment Authority providing predictability and transparency for the commercial supply. As such, any new supply to the office market can be anticipated. Nonetheless, the Singapore office market and demand is an evolving one. There was significant demand from tech companies during the pandemic though such demand started to rationalise two to three years later. Despite this, the office market rent is still growing and market vacancy is still very tight. This underscores a resilient demand from diverse occupiers and reflects the relevance of the office space. The hybrid work arrangements have triggered a rethinking for companies to redesign their office space to make it more appealing and to encourage employees to return to the office.
- 4.6. Unitholder D asked whether CICT would consider acquiring Jewel Changi Airport, as CapitaLand Investment Limited, the sponsor of CICT (the "**Sponsor**") holds a stake in the property.
- 4.7. The CEO refrained from commenting on whether CICT would acquire Jewel Changi Airport and clarified that the property is owned by the privatised CapitaLand Development<sup>2</sup>.

5. Questions from Unitholder E.

- 5.1. Unitholder E expressed his best wishes for the reopening of CQ and hope that the S\$62 million spent on CQ's AEI was a worthwhile investment. Unitholder E commended the clarity and transparency of CICT's AR, noting the effective presentation of data in bar and pie charts. Separately, Unitholder E wanted to understand CICT's plans to safeguard against any potential pandemic in the future.
- 5.2. The CEO acknowledged the pandemic's valuable lessons in operational preparedness for CICT. While complete mitigation of future extreme measures might be difficult, the CEO highlighted that CICT has updated its standard operating procedures as an example of pandemic-informed adjustments. This proactive approach demonstrates CICT's commitment to minimising risk and ensures better preparedness for future outbreaks.

6. Question from Unitholder B.

- 6.1. Unitholder B asked whether CICT's properties in Europe and Australia were fully occupied.
- 6.2. The CEO reiterated that for the Germany portfolio, one of the two office assets (Galileo) was vacant due to ongoing AEI works. The completion and handover to the tenant, ECB, is expected to take place in the second half of 2025. The other property, Main Airport Center, was about 91% occupied with a return of employee rate at approximately 50% to 60%.
- 6.3. For CICT's Australia portfolio, the property located in Sydney's central business district (66 Goulburn Street) registered a committed occupancy rate of about 96% and a return of employee rate at

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<sup>2</sup> Please note that Jewel Changi Airport is a joint venture between CapitaLand Development and the Changi Airport Group. The Sponsor does not own any stake in Jewel Changi Airport.

approximately 60% to 70%. The other two properties are located in North Sydney, across the bridge of Sydney's central business district. They have committed occupancies of about 92% (101 Miller Street) and about 78% (100 Arthur Street) and a return of employee rate of 50%-60%.

- 6.4. The CEO highlighted that enforcing measures to encourage employees to return to office remains a key challenge. Employers have in turn sought to redesign workspaces to include amenities such as collaborative spaces and cafes to entice employees to return to the office. Additionally, the long commutes to-and-fro the office remain a concern for employees. However, the CEO pointed out that this issue could possibly be alleviated when the construction of a new major metro line connecting the North, South, and South-West Sydney is completed.
7. Online question from Unitholder F.
- 7.1. Unitholder F asked about CICT's retail strategy in Singapore. He was concerned about CICT's lack of retail presence in high-growth suburban areas in the North and North-East of Singapore such as Woodlands, Ang Mo Kio, Yishun, Punggol and Serangoon. Unitholder F noted CICT has a high concentration of suburban malls in the West and suggested this might cede ground to competitors in terms of shopper traffic and earnings.
- 7.2. The CEO clarified that CICT's retail portfolio is not concentrated in the West. Instead, CICT has a balanced presence in both the East (i.e. Bedok Mall, Tampines Mall) and West (i.e. IMM and Westgate) with a property in the Central-North area of Singapore (i.e. Junction 8), in addition to downtown malls. This geographical spread in CICT's retail portfolio across suburban and downtown assets complements CICT's entire portfolio, which is further diversified by CICT's retail and office sectors. Hence, while CICT's peer is a pure suburban retail play, CICT offers a different investment proposition to Unitholders.
- 7.3. The CEO cited the potential leakage in consumer spending with the upcoming Johor Bahru-Singapore Rapid Transit System Link as a concern. This necessitates a strategic rethinking of how CICT should position its suburban and downtown malls to capture inbound tourist spending. CICT intends to focus on attracting tourist spending to boost retailer performance.
8. Online question from Unitholder G.
- 8.1. Unitholder G's question was related to how CICT planned to grow through acquisitions, given its focus on properties in Singapore and whether the distribution per unit ("DPU") will recover to pre-pandemic levels.
- 8.2. The CEO outlined CICT's growth strategy which encompassed exploring various streams to grow organically and inorganically. This includes exploring third-party acquisitions. However, CICT would need to determine the funding for such acquisitions. The CEO assured Unitholders that CICT is actively working towards increasing CICT's DPU to pre-pandemic levels over time.
9. Online question from Unitholder H.
- 9.1. Unitholder H asked about the utilities expenses of CICT and was concerned over the increase in utilities expense of about 59% for FY 2023 compared to FY 2022, with a similar trend between FY 2022 and FY 2021. As most buildings are green-rated, Unitholder H enquired about the reasons behind such utility hikes and the potential actions the Manager could take to reduce this expense in FY 2024.
- 9.2. The CEO addressed the large increase in utility expenses was due to the significant hikes in electricity rates, specifically a 100% increase in rates from FY 2022 to FY 2023. In addition, CICT was initially unable to pass these costs to retail tenants due to the terms of the CoC as articulated earlier. However, the CEO assured that CICT has begun to gradually pass the increased costs onto the retail tenants for new and renewed leases.

- 9.3. The CEO also stated that the electricity rate in 1Q 2024 was about 9% to 10% lower than FY 2023. He highlighted the importance of controlling consumption through active encouragement for tenants to reduce consumption and by further enhancing equipment operational efficiency through periodic upgrades. However, CICT will be selective in its upgrades in order to avoid unnecessary CAPEX, especially for newer equipment.
10. Aggregated online questions from three Unitholders.
- 10.1. There were online questions relating to the cost of issuing debt and whether CICT will consider borrowings in foreign currency to lower cost.
- 10.2. In relation to the online questions, the CFO clarified that CICT typically looks at a term of seven to 10 years when issuing debt. In the current market, the cost to issue longer-term debt would likely be in the high 3% levels.
- 10.3. The CFO also clarified that in order to manage foreign exchange risks, CICT adopts natural hedging for its overseas properties by borrowing loans in their respective local currencies. Further, as there is tax payable in the overseas countries CICT invests in, having debt in offshore entities has enabled CICT to lower its overseas tax expenses.