



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

ANNOUNCEMENT

Extraordinary General Meeting to be held on Tuesday, 29 October 2024 Responses to Substantial and Relevant Questions

CapitaLand Integrated Commercial Trust Management Limited, as the manager of CapitaLand Integrated Commercial Trust (“**CICT**”, and the manager of CICT, the “**Manager**”) would like to thank all unitholders of CICT (“**Unitholders**”) who have submitted their questions in advance of our Extraordinary General Meeting (“**EGM**”) to be held in a wholly physical format from 2.30 p.m., Tuesday, 29 October 2024.

We have collated the commonly asked questions relevant to the EGM agenda received and questions asked during the pre-EGM sessions as well as the session jointly organised with Securities Investors Association (Singapore).

Please refer to our responses to these substantial and relevant questions in the following pages. Unless otherwise defined, all capitalised terms in the responses shall have the meanings ascribed to them in the circular to Unitholders dated 9 October 2024 (the “**EGM Circular**”).

The CEO of the Manager, Mr Tony Tan, will deliver a presentation to Unitholders at the EGM. Please refer to all EGM-related documents at [Investor Relations: AGM & EGM \(cict.com.sg\)](https://www.cict.com.sg/investor-relations/AGM-EGM).

Following the conclusion of the EGM, the voting results will be uploaded on SGXNet and CICT’s website. The minutes of the EGM will be uploaded on SGXNet and CICT’s website on or before 29 November 2024.

CapitaLand Integrated Commercial Trust Management Limited
(Registration Number: 200106159R)
as manager of CapitaLand Integrated Commercial Trust

Lee Ju Lin, Audrey
Company Secretary

24 October 2024

IMPORTANT NOTICE

The past performance of CapitaLand Integrated Commercial Trust (“**CICT**”) is not indicative of future performance. The listing of the units in CICT (“**Units**”) on the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) does not guarantee a liquid market for the Units. The value of the Units and the income derived from them may fall as well as rise. Units are not obligations of, deposits in, or guaranteed by, CapitaLand Integrated Commercial Trust Management Limited, as manager of CICT (the “**Manager**”) or any of its affiliates. An investment in the Units is subject to investment risks, including the possible loss of the principal amount invested. Investors have no right to request that the Manager redeem or purchase their Units while the Units are listed on the SGX-ST. It is intended that holders of Units may only deal in their Units through trading on the SGX-ST.

This announcement is for information only and does not constitute an invitation or offer to acquire, purchase or subscribe for the Units.

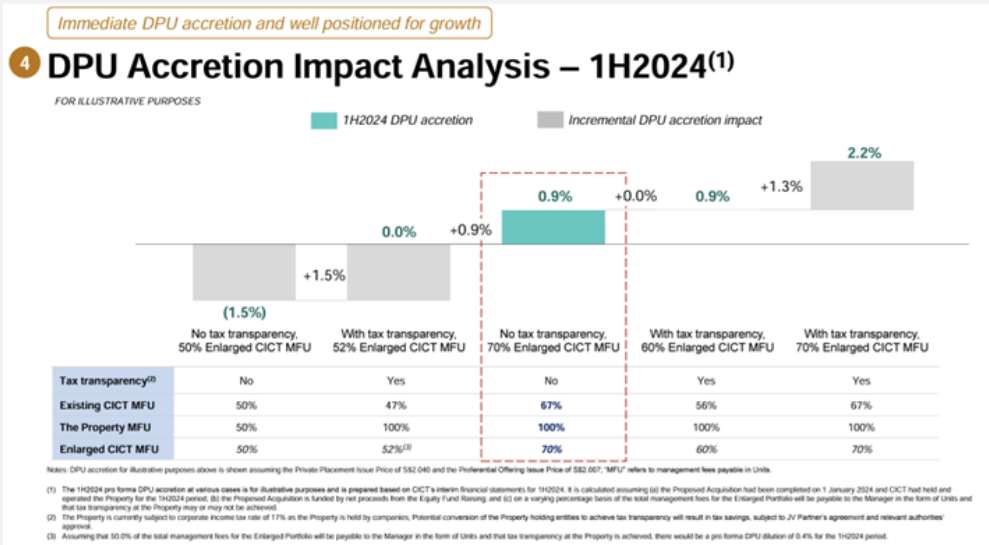
1.	<p>Noted that the EGM to approve the acquisition of ION Orchard is held after the completion of the fundraising exercise (via private placement and preferential offering). Logically, the EGM to approve the acquisition of ION Orchard should be called before the fundraising exercise so as to allow Unitholders to deliberate on the acquisition, and if approved, the subsequent necessity to raise the requisite funds. What will happen to the funds raised if the acquisition is not approved? Please explain this unusual order of events.</p>
	<p>Launching an equity fund raising prior to an EGM is not unusual and have been done by other Singapore REITs.</p> <p>In the case of CICT, it is not often that the Manager could have an opportunity to acquire a good quality retail property in prime Orchard Road and at a gross yield of approximately 7.1%.</p> <p>The proposed acquisition of ION Orchard and ION Orchard Link, an iconic destination mall, is expected to enhance the resilience of CICT’s high-quality and diversified portfolio of retail and office properties and integrated developments, further reinforcing CICT’s proposition as the proxy for high-quality commercial real estate in Singapore. It will also augment CICT’s leading position as one of the largest owners of Singapore’s private retail stock.</p> <p>The Rationale for and the Benefits of the Proposed Acquisition were detailed on pages 20 to 27 of the EGM Circular as well as pages 5 to 11 of the announcement on the acquisition dated 3 September 2024 (the “Acquisition Announcement”).</p> <p>To fund the Total Acquisition Outlay (save for the Acquisition Fee) of approximately S\$1.1 billion, CICT completed the Equity Fund Raising. The Equity Fund Raising comprised the Private Placement and the pro-rata and non-renounceable Preferential Offering. CICT’s sponsor, CapitaLand Investment Limited (CLI) provided an irrevocable undertaking to the Manager that, among other things, subject to any prohibitions or restrictions imposed by the relevant regulatory authorities (including SGX-ST), it will procure its wholly owned subsidiaries which hold Units (the “Relevant Entities”) to accept, subscribe and pay in full for their total provisional allotment of the Preferential Offering Units to be issued under the Preferential Offering based on their respective entitlements. In this regard, such Relevant Entities have taken up in full their total provisional allotment of the Preferential Offering Units. The Equity Fund Raising was fully underwritten by the banks except for the stake taken up by the Relevant Entities.</p> <p>CICT had to provide details of its funding method for the Proposed Acquisition at the time of publishing the Acquisition Announcement. If CICT waits for the EGM to take place first before launching the Equity Fund Raising, the pricing of the issue prices for the Private Placement and Preferential Offering may be impacted. Given the potentially volatile equity market during the period leading to the EGM, the Manager decided to be prudent and launched the Equity Fund Raising at the same time as the Acquisition Announcement.</p> <p>It is stated in the EGM Circular on pages 19 to 20:</p> <p><i>Notwithstanding its current intention, in the event that the Equity Fund Raising is completed but the completion of the Proposed Acquisition does not proceed for whatever reason (including Unitholders not approving the Proposed Acquisition), the Manager may, subject to relevant laws and regulations, utilise the net proceeds from the Equity Fund Raising at its absolute discretion for other purposes, including without limitation, funding future acquisitions, funding AEI, the repayment of existing indebtedness and/or for funding capital expenditures.</i></p>

<p>2.</p>	<p>For this acquisition of ION Orchard, did CICT approach CapitaLand Investment Limited (the sponsor) to acquire the asset or did the sponsor approach CICT with the intention to offload the asset to the REIT? Please advise and elaborate on the process by which this deal is consummated.</p>
	<p>Since 2021, CICT has delivered DPU growth and resilient performance with its diversified commercial portfolio, comprising retail and office assets and integrated developments, located predominantly in Singapore.</p> <p>When the Manager looks out for opportunities in Singapore for CICT, ION Orchard is a potential target as it fits the strategic profile of CICT’s portfolio. There were already ongoing discussions as both parties were willing to explore the sale (CLI) and acquisition (CICT) of this 50.0% interest in ION Orchard and ION Orchard Link (the Property) as well as Orchard Turn Developments Pte. Ltd (OTD), the property manager. The agreed values of the Property and OTD were negotiated on a willing-buyer and willing-seller basis. An independent financial adviser was appointed to advise the Independent Directors, the Audit and Risk Committee and the Trustee given that the Proposed Acquisition is an interested person transaction.</p> <p>It is stated in the EGM Circular on page 37:</p> <p>Advice of the Independent Financial Adviser</p> <p><i>The Manager has appointed Ernst & Young Corporate Finance Pte Ltd as the IFA pursuant to Rule 921(4)(a) of the Listing Manual as well as to advise the Independent Directors, the Audit and Risk Committee and the Trustee in relation to the Proposed Acquisition, as an interested person transaction.</i></p> <p>...</p> <p><i>Having considered the factors and the assumptions set out in the IFA Letter, the IFA is of the opinion that the Proposed Acquisition, as an interested person transaction, is on normal commercial terms and is not prejudicial to the interests of CICT and its minority Unitholders.</i></p> <p><i>Accordingly, the IFA has advised the Independent Directors and the Audit and Risk Committee to recommend that Unitholders vote in favour of the resolution in connection with the Proposed Acquisition to be proposed at the EGM</i></p>

3. From the table provided in the circular/slides, it appears that tax transparency would have a major impact on whether the deal is ultimately DPU accretive, or otherwise and the quantum of DPU accretion.

Can you advise and elaborate on the requisite steps and necessary conditions to secure tax transparency? How confident is CICT that it will be able to secure tax transparency? Please advise and elaborate.

Would you please also explain how the quantum of Enlarged CICT Management Fees in Units (MFU) will be determined? Would it be 50%, 52%, 60%, 70%? Please advise.



Yes. Tax transparency will have an impact on the DPU accretion. However, it is an item which is subject to the JV Partner's agreement, and the approval of the relevant authorities, before the Manager can have certainty on whether there will be a conversion of the Property holding entities to allow for tax transparency.

As such, the Manager has used the percentage of management fees to be paid in Units to illustrate the DPU accretion before tax transparency is obtained. The decision for the proportion of management fees to be paid in Units or in cash is at the Manager's discretion. The management fees of CICT for FY 2023 were paid 50% in Units and 50% in cash.

As mentioned above, the application for tax transparency status requires the agreement of the joint venture partner as well as engagement with the relevant authorities. This application has to take place after the completion of the Proposed Acquisition, and provided that Unitholders approve the Resolution.

CICT's last acquisition completed in 2022 was the purchase of 70.0% interest in shares of Southernwood Property Pte Ltd (SWP), a special purpose company in which CLI had a 65% stake and the remaining 35% was held by a joint venture between wholly owned subsidiaries of Mitsui & Co., Ltd. and Tokyo Tatemono Co., Ltd.. The other 30.0% interest in SWP was acquired by CapitaLand Open End Real Estate Fund (COREF), a discretionary fund.

	SWP holds the property located at 79 Robinson Road Singapore 068897 (“ CapitaSky ”). SWP was converted to a limited liability partnership following the completion of the acquisition and tax transparency was successfully obtained for CapitaSky.
4.	Given the premium location of ION Orchard, why is the committed occupancy only at 96% and not higher (comparing with Plaza Singapura, The Atrium@Orchard and Raffles City Singapore which are all at >99% committed occupancy)?
	The committed occupancy of approximately 96% for ION Orchard and ION Orchard Link was as at 30 June 2024. This is a healthy committed occupancy rate compared to the Orchard Road retail occupancy of approximately 93% based on vacancy rates reported in Savills Research & Consultancy Q2 2024 Singapore Retail Briefing Report. The committed occupancy not being higher than approximately 96% could be due to reasons which the Manager has observed for CICT’s existing retail properties, such as transitional vacancy due to ongoing trade mix repositioning or leases which are under negotiation and not signed at that point in time.
5	Any opportunities for asset enhancement initiatives (AEIs)?
	No specific plan can be shared now. If the Proposed Acquisition is approved by Unitholders, upon Completion, we will collaborate closely with the JV Partner and work towards realising the potential upside from the Proposed Acquisition. With CICT’s track record in active asset management through reconfiguration of space for best use, rejuvenation to refresh the look of the Property and innovation to keep pace with the evolving retail landscape, CICT is able to ride on the growth of the Property in partnership with its JV Partner.
6	Given the weakening demand for luxury goods, how does the acquisition of ION Orchard enhance CICT’s competitive advantage in Singapore’s retail market?
	The demand for luxury goods is expected to be resilient over time, supported by growing affluence of our local demography and Singapore being an attractive location for wealthy families. With the Proposed Acquisition, CICT’s retail value chain will be more complete, covering a spectrum from the ultra-luxury, which is currently not prominent in its existing portfolio of retail assets, to the necessity retail segments, comprising both international and local brands in Singapore. Having said that, ION Orchard’s appeal is universal, catering to all segments of the consumer market.

7	<p>The current seamless connectivity to the two underground MRT stations and the other neighbouring malls, effectively pulls the crowd underground, and hence, the high footfall that feeds into ION Orchard and the neighbouring malls. Effectively, the ground level has little footfall due to the vehicular traffic and the heat.</p> <p>Would efforts be made to pedestrianise Orchard Road in order to move the crowd to the ground level and would this have an adverse effect? Are we aware of the plans of ORBA and URA for the Orchard Road rejuvenation efforts and are we in a position to influence it?</p>
	<p>As a proactive REIT manager, driving footfall and/or encouraging spending at the retail properties are part of the Manager's objectives for the portfolio. Additionally, staying alert about the evolving trends and changing landscape is important to the Manager.</p> <p>CICT's sponsor, CLI, as well as OTD, the property manager of the Property, are members of Orchard Road Business Association (ORBA). They would be the one of the channels to understand the future plans for the Orchard Road area.</p> <p>The Urban Redevelopment Authority has shared some long-term plans for Orchard Road and the Manager will certainly watch the progress of these plans closely.</p>
8	<p>Are there premiums to Orchard Road rentals compared to other downtown locations?</p>
	<p>The Manager would like to refer to reports by Cushman & Wakefield and CBRE for this comparison. Please see two reports below for your reference.</p> <p>According to Cushman & Wakefield's Q3 2024 Market Beat Singapore Retail Report, Orchard Road's prime gross effective rent was \$35.67 per square foot per month, while Other City Areas' prime gross effective rent was \$20.44 per square foot per month.</p> <p>According to CBRE Q3 2024 Singapore Market Report, Orchard Road's prime retail rent was \$37.45 per square foot per month, while islandwide prime retail rent was \$26.95 per square foot per month.</p>
9	<p>Have we considered approaching the joint venture partner to buy over their 50% stake and own 100% of ION Orchard/ION Orchard Link? Please explain and elaborate.</p>
	<p>Given the market timing for Equity Fund Raising and the need for certainty of a deal, the focus was on negotiation with the sponsor, CLI, to acquire their 50.0% interest in the Property.</p>
10	<p>By owning 50% interest in the Property and the Property Manager, will we have control over the property management, lease renewal and AElS in the future?</p>
	<p>The Property Manager of ION Orchard and ION Orchard Link is Orchard Turn Developments Pte. Ltd.. There are representatives from each of the joint venture partners attending the regular meetings of the Property Manager. This is where the operations and future plan, including AElS, of the Property are discussed.</p>

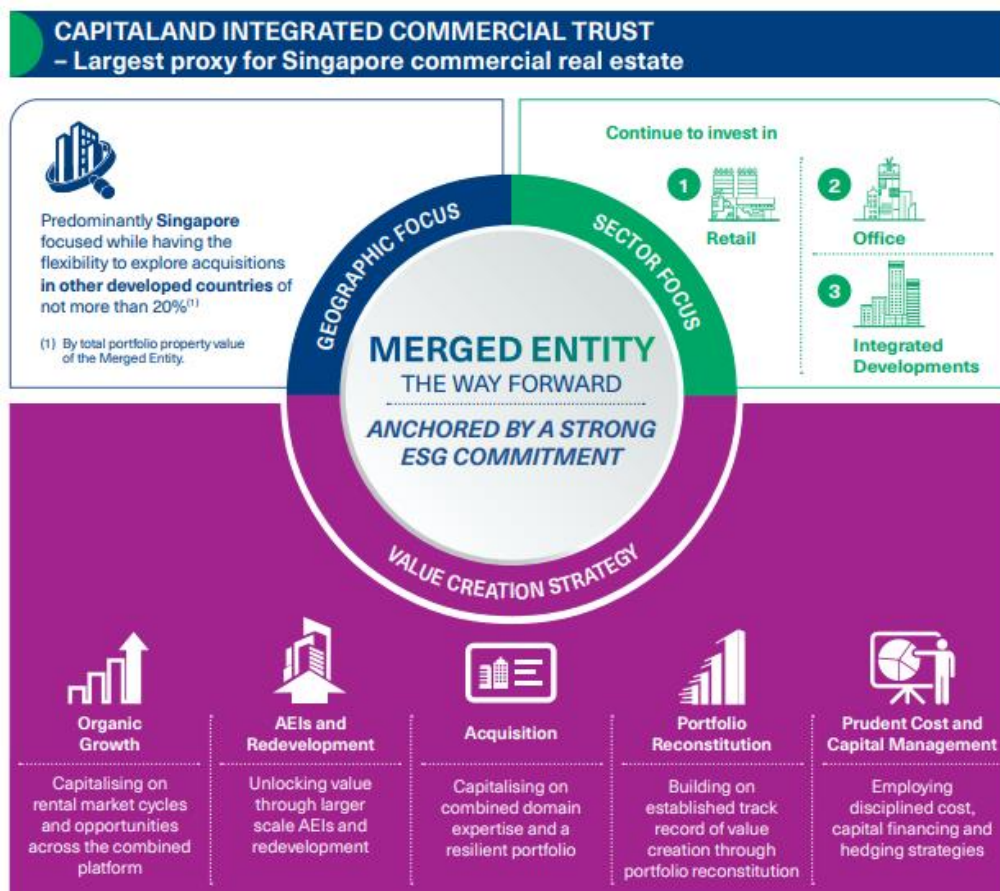
11 **Soon after CMT merged with CCT, CICT entered the Australian market. It was presented to unitholders that the Australian acquisitions allowed the REIT to diversify its income sources and create a new growth engine. In 2022, when the REIT wanted to acquire 79 Robinson Road, the justification was that it would strengthen the REIT's core in the Singapore central business district. Now in 2024, for the proposed acquisition of ION, the rationale is to deepen its presence in Singapore, and also to achieve a significant presence in the downtown retail market.**

Is the REIT manager following a consistent, coherent strategy with these acquisitions? Or is the manager simply acquiring available assets and providing justifications to support the acquisitions?

There is no change to CICT's focus and strategy.

As one of the largest proxies for Singapore commercial real estate, CICT owns and invests in quality income-producing assets primarily used for commercial (including retail and/or office) purposes, located predominantly in Singapore. CICT's portfolio comprises 21 properties in Singapore, two properties in Frankfurt, Germany, and three properties in Sydney, Australia with a total property value of S\$24.5 billion based on valuations of its proportionate interests in the portfolio as at 31 December 2023.

During the merger, the same focus and strategy have been disclosed. Please see below a chart extracted from the circular to unitholders of CapitaLand Mall Trust dated 4 September 2020.



12	<p>How will the acquisition of ION Orchard enhance CICT’s competitive advantage in Singapore’s retail market, considering that 93.7% of CICT’s portfolio is already focused on Singapore?</p>						
	<p>Although majority of CICT’s portfolio is already in Singapore, the Manager will continue to explore any opportunity to deepen CICT’s presence in Singapore given that this is CICT’s focus and strategy.</p> <p>CICT’s retail portfolio comprises malls in the suburban as well as downtown precincts. As location is key in the real estate business, having a presence in a prime location is vital.</p> <p>The Property is conveniently located at the gateway of Singapore’s renowned Orchard Road and is seamlessly integrated with the Orchard MRT interchange station that is served by the NSL and TEL, several neighbouring malls through underground pathways, and The Orchard Residences. Known for its iconic architecture and its prominent digital façade that wraps around the frontage spanning approximately 120 metres, the Property attracts millions of locals and foreign visitors annually. The Property has top-tier design specifications, including an interior spatial design which maximises shopfront visibility, allowing it to command premium rent and making it one of the prime choices for luxury retail brands.</p> <p>The eight-storey destination mall is home to a diverse mix of approximately 300 international and local brands across the luxury and necessity retail segments. This mix includes fine jewellery and watches, luxury fashion and accessories, food and beverage, lifestyle and services. This diversity of offerings and positioning has resulted in the Property having a unique appeal to a wide spectrum of consumers, solidifying its reputation as the premium retail destination.</p> <p>With the addition of the Property to its portfolio, CICT will have more brands and tenants in the luxury retail sector in Singapore. The universal appeal of the Property provides stability through market cycles and enhances CICT’s overall portfolio resilience.</p>						
13	<p>How will this acquisition affect CICT’s debt profile and leverage ratio? Additionally, will the funding for this acquisition expose CICT to any interest rate risks?</p>						
	<p>CICT is funding the Proposed Acquisition with equity and will account for its share of the JV loan in the computation of the aggregate leverage ratio.</p> <p>The pro forma financial effects of the Proposed Acquisition on CICT’s aggregate leverage as at 30 June 2024, as if the Proposed Acquisition were completed on 30 June 2024, are as follows:</p> <table border="1" data-bbox="300 1592 1158 1854"> <thead> <tr> <th></th> <th>Actual as at 30 June 2024 (Before the Proposed Acquisition)</th> <th>Pro Forma as at 30 June 2024 (After the Proposed Acquisition)</th> </tr> </thead> <tbody> <tr> <td>Aggregate Leverage</td> <td>39.8%</td> <td>39.9%⁽¹⁾</td> </tr> </tbody> </table> <p>Note:</p> <p>(1) Includes CICT’s proportionate 50.0% effective interest in the deposited property value and borrowings of the entities held by CRSI.</p>		Actual as at 30 June 2024 (Before the Proposed Acquisition)	Pro Forma as at 30 June 2024 (After the Proposed Acquisition)	Aggregate Leverage	39.8%	39.9% ⁽¹⁾
	Actual as at 30 June 2024 (Before the Proposed Acquisition)	Pro Forma as at 30 June 2024 (After the Proposed Acquisition)					
Aggregate Leverage	39.8%	39.9% ⁽¹⁾					

14	Besides the gearing ratio, what is the management's consideration for bank loans or equity fundraising for acquiring the new assets?
	<p>In CICT's track record of acquisitions, the funding methods have been one or a combination of the following:</p> <ol style="list-style-type: none">1. Equity fund raising2. Debt (subject to regulatory limit)3. Joint venture4. Divestment <p>The decision on the appropriate funding for an acquisition will depend on the size of the acquisition, the timing, the cost of equity and debt and other funding sources if available such as divestment proceeds or joint venture partners, market conditions, the aggregate leverage ratio at that point in time and the long-term portfolio plan.</p>