CapitaLand Investment Limited ("CLI" or the “Company”) would like to thank all shareholders of the Company (“Shareholders”) who submitted their questions in advance of CLI’s Annual General Meeting (“AGM”) to be conducted virtually via live audio-visual webcast and live audio-only stream at 10:00am on Friday, 29 April 2022. CLI’s responses to the substantial and relevant questions received from Shareholders can be found in the following pages.

Shareholders are also invited to view the video recording of the pre-AGM virtual dialogue session with Shareholders that was facilitated by Securities Investors Association (Singapore) (SIAS) on 20 April 2022. The video recording can be accessed from CLI’s website at the URL www.capitalandinvest.com.

CLI would like to remind Shareholders who have registered to attend the AGM that there will be a live “Question and Answer” session at the AGM. Shareholders can pose questions that are relevant to the resolutions to be tabled for approval by Shareholders at the AGM (“AGM resolutions”) to CLI’s Board and Management through the live chat function via the audio-visual webcast platform.1

In addition, CLI will be implementing real-time remote electronic voting (live voting) at the AGM, and Shareholders attending the AGM via the live audio-visual webcast will be able to vote live on the AGM resolutions. The voting results will be announced at the AGM after voting has closed and will also be published on SGXNet and on CLI’s website after the AGM.

CLI would like to advise Shareholders that, in case of unforeseen technical difficulties that may disrupt the webcast and/or audio-only stream of the AGM proceedings for more than 30 minutes, the AGM will be adjourned to a later date and time which will be announced on SGXNet and published on CLI’s website. CLI has done everything it can to ensure a smooth transmission of the webcast and audio-only stream of the AGM proceedings but will ask for Shareholders’ understanding and patience in case any technical difficulties are encountered during the AGM.

CLI looks forward to the engagement with Shareholders during the AGM. The minutes of the AGM will be published on SGXNet and on CLI’s website before 28 May 2022 for all Shareholders’ reference.

By Order of the Board

Michelle Koh
Company Secretary

28 April 2022

1 Pre-registration for Shareholders to join CLI’s 2022 AGM has closed at 10:00am on 26 April 2022.
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<th>No.</th>
<th>Questions and Responses</th>
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<tr>
<td>1.</td>
<td><strong>What is CLI’s competitive advantage and strategy for growth to keep pace with its peers, and become a leading real estate investment manager (&quot;REIM&quot;)?</strong></td>
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CLI’s competitive advantage lies in our significant presence and full stack real estate capabilities across multiple asset classes in Asia. In addition to our deep expertise in our core markets of Singapore, China and India, we have been expanding our footprint in other Asia-Pacific markets, such as Australia, Japan and South Korea, further augmenting our dominant position in Asia. Our symbiotic relationship with CapitaLand Development Pte. Ltd. within our One CapitaLand Ecosystem further provides us with development expertise, potential capital partnership, and an additional pipeline of future assets to grow CLI’s funds under management (“FUM”). This unique proposition will allow us to capitalise on the increasing global fund flows to real assets in the region.

CLI’s growth strategy is built on three synergistic growth drivers – Fund Management, Lodging and Capital Management, with a focus to generate sustainable long-term returns for our stakeholders.

We expect Fund Management to lead CLI’s growth by expanding fee-related earnings (“FRE”). This will be through growing our stable of well-established listed trusts organically, as well as ramping up capabilities and competencies in the private funds space, that will allow us to launch new private real estate and private alternative asset funds to grow FUM. Our ability to provide private investors with enhanced access to Asian assets and deliver high quality and consistent returns, will form the basis for CLI to accelerate fund raising and FUM growth. Furthermore, with approximately S$10 billion of assets on our balance sheet, we are in an advantageous position to seed assets into our investment vehicles to support their portfolio build-up. In financial year (“FY”) 2021, we grew FUM by 10% on a year-on-year basis to S$86 billion. This puts us well on track to achieve our target FUM of S$100 billion organically by 2024.

We expect Lodging to be an increasing key contributor to CLI’s FRE going forward. More than 80% of our lodging units are under asset-light lodging management and franchise contracts, making lodging management a business that is highly accretive to return on equity (“ROE”). With the recovery of global travel and growing demand for long stay lodging products, such as serviced residence, rental housing and student accommodation, which make up the majority of CLI’s lodging portfolio, we are well-positioned to scale up our portfolio and increase FRE as more units turn operational. As at 31 December 2021, more than 133,000 units have been secured under management contracts. CLI targets to achieve 160,000 units under management by FY 2023.

Finally, for Capital Management, our strategy is underpinned by strict financial discipline to ensure that we are actively allocating and managing our capital in an astute and systematic manner. We will maintain a well calibrated capital structure and closely monitor our cash management, leverage levels, debt maturities and tax efficiency. We will continue to proactively diversify our funding sources to ensure our financial resilience. Further bolstering our capacity for growth is our discipline in capital recycling, and we continue to aim to recycle at least S$3 billion of assets across CLI and its subsidiaries (the “Group”) annually.
For more on our growth strategy, please read “Message to Shareholders” on pages 9 to 11 of CLI’s 2021 Annual Report [here](#).

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<th>2.</th>
<th>The world is increasingly more volatile and unpredictable. What are the key challenges that CLI may encounter in 2022? Is the management confident of adapting to the new normal that is presented, and be able to capitalise on the volatile situation to generate upside?</th>
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<td>Looking ahead in 2022, the foreseeable key challenges and how we are mitigating them are as follows:</td>
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<td>(a) Rising broad base inflation and higher borrowing costs potentially increases costs of operations and acquisitions. The Group actively maintains a prudent level of fixed rate funding to insulate itself against rising interest rates and finances and refinances its funding needs in advance to ensure available liquidity. As at 31 December 2021, CLI’s treasury vehicles can call on about S$7 billion cash and undrawn facilities to support any acquisition opportunities and working capital needs. In addition, the Group’s discipline in recycling capital of at least S$3 billion annually represents a valuable source of redeployment for portfolio reconstitution and growth. As a reference for Shareholders, we have provided an interest rate sensitivity analysis on page 241 of CLI’s 2021 Annual Report (<a href="#">link</a>).</td>
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<td>(b) Geo-political concerns. The current conflict between Russia and Ukraine presents geo-political uncertainties. While CLI does not have any direct exposure to Russia and Ukraine, the conflict has impacted global market sentiment and the investment appetite for both private investors as well as holders of CLI shares. In addition, the escalation of the conflict has led to an increase in energy costs which will increase our operating expenses. We are proactively fixing energy costs where possible. We are also looking for opportunities to diversify energy sources, such as purchasing green power and installing solar panels on our buildings, while at the same time looking to improving our revenue by executing our growth strategy as well as reducing energy and water consumption and non-urgent expenses.</td>
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<td>(c) Uncertainties posed by COVID-19. While most economies around the world are returning to normalcy, there remains lingering concerns about how the COVID-19 situation might evolve. Potential future lockdowns and/or movement controls due to possible COVID-19 resurgence may impact our businesses when they happen. Across our portfolio, we will remain vigilant and prioritise the health and safety of our customers and tenants and take guidance from local regulators and authorities to navigate these challenges. We continue to adopt a strategy of having a diversified portfolio across geographies and asset classes, which will enable us to be nimble in navigating an evolving post-COVID environment, and to reduce risk concentration and increase resilience through cycles. We are also future proofing our operations through continuous digitalisation and innovation.</td>
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For example, our CapitaStar platform which started as a shoppers’ loyalty platform has now been extended to our workspace tenants (CapitaStar@Work) and, more recently, opened up to business owners to create their own omnichannel experiences via CapitaStar Business. We will continue to innovate and ensure our businesses and operations continue to stay ahead of changes and demands.

We believe that with all challenges, there will be opportunities. We are on an active lookout for attractive growth opportunities which can propel our growth as a REIM. Our varied listed and private fund vehicles will offer us the option to look at real estate opportunities across asset classes and geographies. Our strong balance sheet and asset base will provide added flexibility to capitalise on these opportunities.

### 3. What are the uncertainties faced in China, and how does CLI intend to overcome these issues? Does CLI intend to reduce our China exposure?

Since the end of 2021, China has faced a combination of internal and external pressures. Domestically, demand contractions, supply shocks and weaker business expectations have recently been compounded by the Omicron variant flare-ups across several cities and provinces in China, which has led to local lockdowns and further impacted consumption and production. Externally, rising geopolitical tensions have also contributed to an environment of elevated concerns.

Nonetheless, CLI remains long-term positive on China, premised on China’s ‘Two Sessions’ policy announcements that call for supportive pro-business and pro-consumption stimulus to steer economic and employment growth, while addressing concerns over the real estate sector and its capital markets. China has expressed the intention to soften and balance the economic impact of the various pressures it currently faces. For example, the Chinese Government has in recent months implemented cuts in the reserve requirement ratios to provide liquidity support for the market to help stabilise growth.

CLI believes in having a well-balanced global portfolio that is diversified across geographies and asset classes. Within China, CLI’s presence spans across first and second tier cities in the five core city clusters surrounding Beijing / Tianjin; Shanghai / Hangzhou / Suzhou / Ningbo; Guangzhou / Shenzhen; Chengdu / Chongqing / Xi’an; and Wuhan. We have also been actively diversifying our asset class involvement beyond CLI’s traditional expertise in commercial and retail, to new economy asset classes like business parks, logistics and data centres. This reduces risk concentration in any single province/city or asset class, and enhances the overall resilience of our portfolio.

Importantly, we also believe that the current headwinds may generate interesting counter-cyclical and opportunistic investment themes. We believe that our extensive domestic presence presents a competitive advantage for CLI that will not only allow us to successfully navigate through this heightened period of uncertainty, but also enable us to identify and capitalise on the resulting investment opportunities that may emerge. Our successful registration as a private equity fund manager in 2021 allows us to conduct RMB-denominated fund raising and provide fund management services in China. This will expand our current suite of fund management capabilities, and allow us to tap on Chinese domestic fund flow, further expanding CLI’s fund raising channels.
4. How does CLI manage the risk of higher interest rates, which will increase the cost of funding?

Please see part (a) of our response to Question 2.

5. (a) Could you share more details on CLI’s dividend policy? Are there plans to change the dividend policy to offer higher dividends in future?
(b) In terms of dividend payment frequency, what is CLI’s target and are there plans for an interim dividend?
(c) On the special dividend for FY 2021, will this be a one-off payment, or are there plans to continue this going forward?

Barring unforeseen circumstances, CLI’s dividend policy is to declare a dividend of at least 30% of the annual cash profit after tax and minority interests (PATMI), after considering a number of factors, including the Company’s level of cash and reserves, results of operations, business prospects, capital requirements and surplus, general financial condition, contractual restrictions, the absence of any circumstances which might reduce the amount of reserves available to pay dividends, and other factors considered relevant by the Board, including the Company’s expected financial performance.

In the near term, we plan to maintain the current dividend policy. This is for two reasons. First, to maintain a dividend policy which Shareholders may be more familiar with (being the same dividend policy as adopted by CapitaLand Limited (“CapitaLand”), which is now known as CapitaLand Group Pte. Ltd., prior to its restructuring), given that the restructuring was completed less than a year ago. Second, we continue to emerge from an operating environment brought about by the COVID-19 pandemic. We are in a period of recovery, which, while positive, still bears some uncertainty in the near term. Assuming the recovery continues, and we return to a more normalised operating environment in the medium term, we will be able to review CLI’s dividend policy, to ensure that it is sustainable and reflects the cash generating nature of a REIM.

In terms of dividend payment frequency, as CLI has a very large shareholder base, a higher frequency of dividend payment would mean higher costs for CLI. That said, CLI does not rule out paying interim dividends in the future, if circumstances permit.

For FY 2021, CLI’s Board has recommended a first and final total dividend of $0.15 per share comprising an ordinary dividend of S$0.12 per share and a special dividend of S$0.03 per share, in line with CLI’s strong and improved performance. Looking ahead, CLI intends to pay dividends on a sustainable basis and would like to grow it sustainably. That said, we do not rule out paying special dividends in the future, if circumstances permit.

6. Will the share price for CLI hit $4.50?

We are unable to, and we do not, provide any forecasts for CLI’s share price.

CLI’s average trading price in March 2022 values us at roughly 1.2 times our Net Asset Value. This contrasts with CapitaLand’s historical share valuations before its restructuring, reflecting (in our view) investors’ confidence in our business model,
execution capability, and determination to establish ourselves as a leading Asia-based REIM.

Looking ahead, we remain committed to creating sustainable long-term value for our Shareholders by executing our growth strategy, through our three synergistic growth drivers of Fund Management, Lodging and Capital Management.

7. Why is CLI’s hospitality-focused REIT called Ascott REIT and not CapitaLand Hospitality REIT? Does CLI have any plans to spin The Ascott Limited off as a separate listed entity in the future?

The Ascott Limited (“TAL”) houses CLI’s wholly owned lodging business. Founded in 1984, it is a vertically-integrated owner and operator of lodging properties globally with a strong Asia footprint and brand equity. TAL’s serviced apartment, coliving and hotel brands include Ascott The Residence, Somerset, Citadines, The Crest Collection and lyf, each differentiated by targeted customers and lodging types. Ascott Residence Trust (“ART”) is TAL’s listed vehicle focused on lodging assets and most of ART’s properties are operated under Ascott-related brands, making it strategically beneficial to align its branding with TAL.

As mentioned in our response to Question 1, TAL’s asset-light growth strategy makes lodging management a highly ROE-accretive business for CLI. CLI will remain disciplined in assessing opportunities that will augment the existing CLI businesses, to ensure that we are able to deliver sustainable long-term value to our stakeholders.

8. Data centres can be energy intensive. How does CLI mitigate the ESG concerns of investors, for its expansion into data centres? Will the company be placing a cap on its maximum exposure to data centres? If so, what would this cap be?

Our mitigation approach for data centres (“DCs”) can be summarised as (a) Green design: reducing total energy consumption through best-in-class energy efficiency and design; (b) Green energy: installing photovoltaics and sourcing for renewable energy where feasible; and (c) Green operations: harnessing building automation technologies to improve operating efficiency and reduce waste. To the extent feasible, we will look to incorporate renewable energy solutions such as onsite solar photovoltaics and green power purchase agreements to help offset the carbon footprint of DCs.

Global tenants are increasingly attuned to the environmental, social and governance (“ESG”) expectations of their stakeholders, and this has prompted such tenants to cooperate with DC developers and owners to reduce the carbon footprint. It is worth noting that the majority of energy in a DC is consumed by the servers, which is a tenant responsibility, and we will work with tenants on managing this through green leases.

In addition, our development capabilities in our core markets and deep DC design capabilities allow us to develop DCs according to leading ESG standards in order to minimise our carbon footprint. To complement this, we are also sourcing for innovative sustainability solutions worldwide through the CapitaLand Sustainability X Challenge and collaborations with partners at our Smart Urban Co-Innovation Lab. A variety of solutions are currently being piloted and, if successful, they will be implemented at our properties.
CLI believes in having a well-balanced global portfolio that is diversified across geographies and asset classes. This includes our exposure to DCs. We will continue to explore opportunities globally, to ensure we are able to deliver sustainable value to our stakeholders.

9. **What is the difference in job scope between the two positions of CEO, CLI China, and CEO, China Capital Markets?**

CEO, CLI China, is responsible for driving the growth and management of our investments, fund management as well as commercial management of the business in China. The incumbent is overall responsible for CLI China’s business performance and growth, including investment and asset operations in this core market.

CEO, China Capital Markets works closely with CEO, CLI China, to develop CLI’s capability to tap into China’s developing capital markets. These markets represent an important potential source of capital to grow the Group’s FUM in China. In addition, the incumbent also supports CEO, CLI China in growing the investment management business in China.

10. **What are the reasons for the decreasing occupancy rate for the India portfolio? What are the measures that CLI is putting in place to address this?**

Our India portfolio’s committed occupancy as at 31 December 2021 was approximately 85%. This was a decrease from the committed occupancy of around 93% as at 31 December 2020. The decrease was largely due to the addition of a newly completed 1.5 million sq ft (0.14 million sq m) building in International Tech Park Pune, Kharadi ("ITPPK"), which started operations in October 2021 and was only 11% leased as at 31 December 2021. Excluding ITPPK, the committed occupancy for the India portfolio would have been approximately 90%.

With efficient vaccination drives and relaxation of restrictions facilitating post-COVID-19 pandemic economic activities in India, we see the market sentiment for business parks improving. Efforts to improve the occupancy of the business parks are ongoing. Committed occupancy for our business parks has improved, with committed occupancy for business parks such as ITPPK, International Tech Park, Chennai (ITPC) and International Tech Park, Bangalore (ITPB) increasing as at end March 2022.

Colliers India reported that in 1Q 2022\(^2\), office vacancy in India has stabilised, after experiencing a consistent increase in the past two years. We are working constructively with brokers and tenants to further improve the portfolio occupancy. We are also working to upgrade our assets through various asset enhancement initiatives as we expect higher quality assets to recover faster than the broader market.

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\(^2\) Colliers India, India Office Market Snapshot Q1 2022.