CAPITALAND INVESTMENT LIMITED
(Registration Number: 200308451M)
(Incorporated in the Republic of Singapore)

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ANNOUNCEMENT

Annual General Meeting to be held on 25 April 2023
Responses to Substantial and Relevant Questions
Received from Shareholders

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 held in a wholly physical format at Canning, Padang & Collyer Ballroom, Level 4, Raffles City Convention Centre, 80 Bras Basah Road, Singapore 189560 on Tuesday, 25 April 2023 at 9.00 a.m.. 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 Company's dialogue session with shareholders, which was held on 12 April 2023 with the support of Securities Investors Association (Singapore) (SIAS). The video recording can be viewed at CLI's website at the URL https://ir.capitalandinvest.com/events-KOPI-with-CLI-Apr2023.html.

Shareholders who wish to attend the AGM are to register in person at the AGM venue on the day of the AGM. Registration will commence from 8.00 a.m. and the AGM will begin at 9.00 a.m.. Shareholders are reminded to bring along their NRIC/passport to enable their identity to be verified and to arrive early to facilitate the registration process. **Please note that no food or snacks will be served and there will be no distribution of vouchers or door gifts at the upcoming AGM.**

While there will be no option to participate in the AGM virtually, Shareholders who are not attending the AGM in person but who wish to watch a live webcast of the AGM proceedings, may do so remotely if they have registered for the live webcast of the AGM. Registration closed at 9.00 a.m. on Saturday, 22 April 2023.

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 by 24 May 2023 for all Shareholders' reference.

By Order of the Board

Michelle Koh

Company Secretary

24 April 2023

CapitaLand Investment Limited 2023 Annual General Meeting
Responses to Substantial and Relevant Questions from Shareholders

No.	Questions and Responses
1.	**How can CapitaLand Investment (CLI) compete with the elevated interest rate, while at the same time provide shareholders with dividends at pre-COVID levels?**
	The operating environment has changed significantly since COVID-19. Elevated interest rates are one of the key challenges businesses face today. The higher financing costs have a direct impact on profit margins. Having restructured as a real estate investment manager (REIM), CLI intends to drive sustainable growth primarily through the fee-related income businesses of fund management and lodging management. In the year ended 31 December 2022 (FY 2022), CLI's fund management fee-related earnings (FM FRE) increased to S$429 million, from S$409 million in the year ended 31 December 2021 (FY 2021). Lodging FRE[1] increased from S$190 million in FY 2021 to S$258 million in FY 2022. With an extensive and experienced ground presence globally, particularly in Asia, CLI has a competitive advantage in deal sourcing for its funds and REITs, while expanding its fund investors for the purpose of growing fee income. We have also launched new products in FY 2022 in asset classes such as self-storage and smart logistics, as well as local RMB-denominated China funds. These are less impacted by higher inflation. The established capabilities and new product strategies will allow CLI to continue to generate profits even in the challenging interest rate environment. With regards to dividends, CLI's policy[2] is to declare a dividend of at least 30% of the annual cash profit after tax and minority interests (Cash PATMI)[3]. The growing fee business and post-Covid conditions has allowed CLI to improve operating cashflows year on year to S$735 million in FY 2022. The continuous growth of recurring fee-related income is expected to allow CLI to continue to maintain its core cash dividend at stable levels despite the higher interest rates. CLI remains focused on proactive and prudent capital management to ensure that we are optimally levered and continue to secure favourable borrowing rates. We have a healthy balance sheet and our discipline in recycling at least S$3 billion of assets annually across the Group is expected to provide us with additional headroom to manage our leverage and interest costs, while also allowing us to take advantage of potential attractive investment opportunities.

[1] Revenue for lodging management includes service fee recovery income.
[2] 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, 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.
[3] Cash PATMI is defined as the sum of operating PATMI, portfolio gains/losses and realised revaluation gains/losses.

2.	**How is CapitaLand Investment (CLI) handling the rising borrowing cost amid rising inflation and interest rates?**
	The higher inflation environment has had an impact on our business, both at the corporate level and also at the property level. Through pro-active cost management, we have been able to mitigate some of the impact. At the property level, the higher operating costs (such as higher utility costs) are shared with tenants via increases in the service charge. At the same time, we also continue to enact mitigating measures to improve building efficiency to reduce costs for us and our tenants. For instance, we leverage on the scale of our portfolio in Singapore to conduct bulk energy purchase and tender optimisation of key contracts, as well as reduce energy consumption in common areas. Additionally, in some of our business operations such as lodging, we have the flexibility to regularly adjust our lodging room rates to help mitigate against increases in operating costs. Our lodging room rates have been adjusted to account for the higher operating costs led by current inflationary pressures. With regard to the higher interest rate environment, CLI, like most businesses, has been impacted by higher financing costs in many countries. However, being geographically diversified, we have been able to mitigate some of this risk. Notably, interest rates in China remained stable in FY 2022. In other markets such as Singapore, India, and our other international markets, CLI adopts a prudent capital management approach that includes a disciplined mix of fixed and floating rate borrowings and by securing diversified funding sources. As at 31 December 2022, our net debt-equity ratio was 0.52x, and approximately 61% of borrowings were fixed, providing stability to interest costs for the portfolio. We continue to secure competitive rates for our funding. In April 2022, we issued a S$400 million 5-year fixed rate senior note at 3.33%. The bond was three times over-subscribed attesting to the creditworthiness of CLI.
3.	**It is proposed that the director fees would be increased from S$2.5 million to S$2.9 million. Please justify why the company is proposing to increase director when the profits were lower and the EVA was negative in FY 2022.**
	The Directors, other than the Group Chief Executive Officer (Group CEO), are non-executive and the role of the Board of Directors is to set and track CLI's long-term strategy and ensure adherence to CLI's risk and finance policies. They are not involved in the day-to-day operations of the business. The proposed fee of up to S$2.9 million submitted for shareholders' approval at the upcoming AGM is to facilitate the payment of Directors' fees on a current-year basis, that is, for the year ending 31 December 2023 (FY 2023). It is contingent and includes a fee for an additional Director appointed since January 2023[4], a buffer to cater for circumstances such as, but are not limited to, the appointment of additional Directors during the year and/or the formation of additional Board Committees. Other than rolling the meeting fee into the basic retainer fee and committee fee payable to non-executive Directors, the fee structure for FY 2023 remains similar to that for the preceding financial year. This change seeks to bring the fee structure in

[4] In FY 2022, there were 8 Non-Executive Directors. Since January 2023, the number of Non-Executive Directors has increased to 9.

	line with global market norms. With this revision, no further meeting fee will be payable save for in-person participation by Directors at Board and Board Committee meetings that require Directors to travel overseas. The fees are benchmarked against comparable public-listed companies and real estate investment management companies in Singapore and other countries to ensure market competitiveness. They take into account the effort, time spent and significant responsibilities on the part of the Directors in light of the scale, complexity and international nature of the business, and ensure our ability to attract, retain and motivate qualified Directors with the relevant skills and experience to provide good stewardship of the Company in an increasingly competitive and complex global marketplace.
4.	**The profit of CapitaLand Investment (CLI) fell from S$1,349 million in FY 2021 to S$861 million in FY 2022 (a decrease of 36%). The Economic Value Added (EVA) of the company is a negative S$224 million. The EVA attributable to owners of the Company is a negative S$145 million. A negative EVA shows that a company is not generating wealth for shareholders from its capital commitments. It is very shocking and distressing to note that the company has a negative EVA. Is the management and Board aware of the company's negative EVA? Is the management and Board concerned about the company's negative EVA? What are the management and Board doing to improve the EVA of the company? What is the management and Board doing to ensure the company generates sufficient wealth and produces value from the funds invested in it?**
	In FY 2022, CLI reported a negative EVA mainly due to the lower profits recorded, and the higher capital charges driven by higher interest rates. Covid-19 lockdowns in China had significantly impacted the Group's financial performance for FY 2022, resulting in lower net property income, higher rental rebates provided to tenants, and slower asset recycling activities compared to FY 2021. In addition, the significant rise in interest rates increased the weighted average cost of capital, leading to a higher capital charge. Despite these challenges, our full year Operating PATMI for 2022 was S$609 million, a 23% increase from FY 2021, enabling a sound foundation for future growth and allowing us to maintain the same core dividend to shareholders in FY 2022 as FY 2021. The Board and Management are keenly aware of the negative EVA and are fully focused on improving CLI's financial resilience. Some of the key efforts underway include: 1) Growing the recurring fee-related income business of both fund and lodging management to improve the quality of the Group's earnings. These higher return-on-equity (ROE) businesses will help improve the longer-term EVA performance of the Company. 2) Reducing the capital charge by continuing the on-going asset recycling efforts and returning capital to shareholders through dividends and distribution *in specie*. We also continue to improve efficiency by transiting to a capital-light structure by investing more via funds and REITs than CLI's balance sheet. CLI is at the start of its journey as a global REIM, and we continue to execute on our growth strategy which is underpinned by sustainable recurring fee income. While this journey may take time, we are confident that as we progress, our business will grow more resilient to external macroeconomic and geopolitical shocks, and be able to generate positive EVA in a stable manner year-on-year.

5.	**What is the remuneration policy of the company? What is the basis of determining the Group CEO's remuneration given that the company has reported significantly lower profits and the Economic Value Added (EVA) of the company is negative?**
	As articulated on pages 121 through 126 of CLI's FY 2022 Annual Report, the Company's remuneration policies are in line with the Company's business strategy and the executive compensation framework is based on the key principle of pay-for-performance. The Group CEO's total remuneration for FY 2022 has decreased by 14% (on an annualised basis) over the previous year, primarily due to a significant reduction in his annual bonus, in line with the financial performance of the Company as summarised on page 7 of the Annual Report as well as performance relating to the financial and non-financial Balanced Scorecard objectives set out on page 122 of the Annual Report. In this context, CLI's Executive Resource and Compensation Committee (ERCC) seeks to ensure that the remuneration paid to the Group CEO and key management personnel is closely linked to the achievement of business and individual performance targets. The performance targets endorsed by the ERCC and approved by the Board are set at reasonably stretched levels each year to motivate a high degree of business performance, with emphasis on short, medium and long term quantifiable objectives. A pay-for-performance alignment study was also conducted by an independent remuneration consultant and reviewed by the ERCC, and the findings indicate that there has been effective pay-for-performance alignment for the Group in both absolute and relative terms against a peer group of listed companies and real estate investment management firms in Singapore and other countries over a multi-year period. This gives assurance that the Group CEO's remuneration outcomes are consistent with CLI's performance, and also reasonable when compared against the remuneration and performance outcomes of our industry peers.
6.	**CapitaLand Investment (CLI) is a sponsor of many REITS including CapitaLand Ascendas REIT, CapitaLand India Trust, CapitaLand China Trust, CapitaLand Integrated Commercial Trust, CapitaLand Ascott Trust (CLAS) and CapitaLand Malaysia Trust. Please explain why shares in CLAS were chosen to be distributed to CLI shareholders (instead of shares in the other REITs sponsored by CLI)?**
	CLI's holdings of units in our REITs and business trusts, including the holding of stapled securities in CLAS consisting of units in CapitaLand Ascott Business Trust and CapitaLand Ascott Real Estate Investment Trust (the CLAS Units) through CLI's direct and indirect subsidiaries, are for long-term investment purposes and for alignment with our REITs and business trusts. The rationale for the DIS of CLAS Units specifically is as follows: **(i) Strategic Alignment and Capital Management** • As a global REIM, CLI aims to deliver sustainable growth and returns to its shareholders. The proposed distribution of CLAS Units is part of the company's ongoing transformation towards having a more capital efficient structure.

	• CLI currently owns approximately 37.70% of CLAS Units, which is amongst the highest proportion of units owned across its SGX-listed trusts. Following completion of the DIS, CLI's stake in CLAS will be approximately 29.26% of CLAS Units. This will move it more in-line with CLI's holdings in its other SGX-listed trusts. • Following completion of the DIS, CLI will remain the largest unitholder of CLAS, maintaining a strong alignment with CLAS unitholders' interests. Furthermore, the DIS will improve the free float of CLAS, which may potentially help improve its appeal to global investors. **(ii) Enable CLI Shareholders to participate in the growth of Asia-Pacific's Largest Lodging Trust** • With the reopening of economies in 2022 and China's relaxation of its Zero Covid-19 policy in early December 2022, the hospitality sector is well-positioned for future growth. CLAS, being Asia-Pacific's largest lodging trust, has a diversified and well-balanced portfolio, and is expected to benefit from pent-up demand for travel as more destinations reopen and international travel continues to grow. The Board therefore considers that now is an opportune time to unlock value for CLI's shareholders by providing them with the opportunity to participate in the post-Covid-19 growth of the lodging sector through the proposed distribution of CLAS Units.
7.	**Is it possible to have a temporary counter for shareholders to trade odd lots of shares resulting from the potential distribution of CapitaLand Ascott Trust (CLAS) units?**
	Yes, CLI has arranged with DBS Vickers Securities (Singapore) Pte Ltd, Phillip Securities Pte Ltd and UOB Kay Hian Private Limited, (collectively, the Brokers) to facilitate Odd Lots Trades (as defined below) during the applicable period, which is expected to be from 12 May 2023 to 12 June 2023 (Applicable Period). The term "Odd Lots Trades" shall mean (i) an aggregate of 99 or less CLAS Units bought in a single day; or (ii) an aggregate of 99 or less CLAS Units sold in a single day.The brokerage fees (including any goods and services tax relating to such fees) in respect of Odd Lots Trades carried out via the Brokers during the Applicable Period will be borne by CLI. As such, holders of CLAS Units will not be charged any brokerage fees for Odd Lots Trades during the Applicable Period. For trades of 100 CLAS Units or more in aggregate in a single day, the usual brokerage fee applies. More information on trading of odd lots can be found at page 41, paragraph 5.8 of our Letter to Shareholders dated 3 April 2023.
8.	**Why is there a restructuring of the Listed Funds business within the Group? Has it not been working well?**
	CLI's Listed Funds business has not been restructured in FY 2022. We did, however, change the names of three listed trusts (namely, CapitaLand Ascendas REIT (formerly known as Ascendas Real Estate Investment Trust), CapitaLand Ascott Trust (formerly known as Ascott Residence Trust) and CapitaLand India Trust

	(formerly known as Ascendas India Trust) to reflect a more consistent branding across the family of all six CLI listed trusts.
9.	**What is the Operating EBITDA for the Lodging business?**
	The Group's lodging business registered strong growth in FY 2022 on the back of a resumption of international travel, which drove higher occupancy and room rates for the lodging properties. For FY 2022, the lodging business contributed approximately one-third of CLI's total Operating EBITDA of S$1,054 million (excluding corporate and others).
10.	**Is CapitaLand Investment (CLI) on track with the asset light and S$200 billion AUM strategic implementation? Can you share highlights and high-level views?**
	CLI has disclosed a target to reach S$100 billion of funds under management (FUM) by 2024. As at 31 December 2022, CLI's FUM was at S$88 billion. Additionally, CLI has approximately S$8 billion of embedded FUM, based on announced acquisitions as at the date of CLI's FY 2022 Financial Results Announcement (i.e. 23 February 2023). This embedded FUM relates to transactions that have been announced but not completed, or committed but undeployed capital. This puts CLI on track to achieve our target by 2024. With a growing fund management platform, the Group can pursue a wide range of real estate investment opportunities across asset classes, geographies and risk spectrums. Furthermore, with more than S$10 billion of gross asset value linked to our balance sheet, we are in an advantageous position to seed assets into our new and existing investment vehicles to support their continual growth.
11.	**What is CapitaLand Investment's (CLI) future direction to investments?**
	CLI is focused on driving sustainable growth through expanding fee-related earnings (FRE) via fund management and lodging management. We are focused on growing investments through our listed and private fund vehicles. Investments that align to the mandates of the various listed REITs or private funds are therefore the priority. Beyond the existing fund mandates, investments into assets in sectors or countries that can be converted into new fund products would also be considered, such as what was done for our new self-storage or South-East Asia logistics initiatives in 2022. CLI will also consider potential strategic mergers or acquisitions of fund or lodging management platforms that could accelerate our growth as a REIM.
12.	**The Ascott Limited (Ascott) has set a target of 160K lodging units under management by 2023. In 2022, Ascott has already reached approximately 159,000 lodging units under management. Now that Ascott is very close to its 160,000 lodging units under management target, will you set a new target? If so, what is the new target and by when?**
	On 20 April 2023, Ascott announced that it has exceeded its target of 160,000 lodging units under management. Having exceeded this target, Ascott also unveiled its new target to double fee revenue to more than S$500 million in the next five years. The

	new fee revenue target is set off the FY 2022 base of S$258 million – the highest earnings on record for Ascott. Fee revenue from the lodging business increased by 36% year-on-year in FY 2022 on the back of record signings and property openings. For more details, please read our press release here.
13.	**Page 5 of the annual report (AR) indicates that CapitaLand Investment (CLI) has a presence in Africa. Could you please elaborate and share more about our investments and assets in Africa? What type of investments and assets are these? What is the quantum involved and in which countries and cities? What is the thinking and thesis behind establishing (and growing) our presence in Africa?**
	CLI's presence in African countries is solely through our lodging business, where we manage assets on behalf of asset owners. We do not own these assets. In 2017, The Ascott Limited (Ascott), which is the lodging business unit fully owned by CLI, ventured into Africa by securing two management contracts. Our portfolio currently includes 12 lodging properties in Africa under management contracts. The number of units that we manage in Africa is 1,487, which is only about 0.9% of the total 159,200 lodging units that we manage globally as of 31 December 2022. These 12 lodging properties are located in Cameroon, Côte d'Ivoire, Djibouti, Ethiopia, Kenya, Morocco, Nigeria and Senegal. Africa is the world's second-fastest-growing economy after Asia, and we recognised the potential for Ascott to expand its presence in the region. The economic growth in Africa is driven by significant infrastructure development, investor-friendly policies, and a youthful population. Bringing the internationally renowned and well-loved Ascott brand to Africa was a promising opportunity.
14.	**With the re-opening of China's border, how is CapitaLand Investment (CLI) in China progressing to date? What is the expected contribution from China? Is China contribution material to the CLI portfolio? At what percentage is this?**
	China is one of CLI's three core markets and a key contributor to the Group's performance. In FY 2022, CLI's China operations felt the significant effects of China's Zero-COVID policy which weighed down on its business performance. Our operations in China in FY 2022 contributed approximately S$216 million, which corresponds to 11% of CLI's total EBITDA, a reduction from FY 2021, when it contributed S$691 million or 28% of CLI's total EBITDA for the year. As China reopened its economy in January 2023, we have started to see a gradual recovery in the form of inbound business and tourist arrivals and also domestic travel, boosting the recovery of the hospitality sector. We have also seen stronger shopper traffic and tenant sales at our malls, as well as strengthening occupancies in our office assets. In addition, as manufacturing bases restart, we expect that to bring about greater recovery of the overall economy. Notwithstanding the early signs of recovery and overall improved business sentiment, the performance of CLI's China portfolio year-to-date in 2023 continues to be under pressure due to the lingering effects of the economic standstill from the earlier Zero-Covid policy and the massive spread of Covid-19 that followed in December 2022 with the re-opening. Moving forward, our focus remains on driving operational excellence to keep occupancies resilient across all our asset classes and extracting value from our

	assets. Various asset and space enhancement initiatives have been conducted throughout the Covid-19 period in FY 2021 and FY 2022, and in 2023. For example, space was recovered from selected supermarkets or mini anchors for sub-division into smaller units for specialty tenants which allowed for higher rentals. Such initiatives are expected to mitigate weakness in rental as well as position our assets for better performance as the economy recovers.
15.	**Why is the share price of CapitaLand Investment (CLI) still a laggard?**
	The CLI share price has shown positive growth over the past year. For the period from 1 January 2022 to 31 December 2022, CLI's share price rose by 8.5%. That outperformed general indices like the Straits Times Index and FTSE All-Share Index, which rose by 4.1% and 0.2%, respectively, for the same period. From 1 January 2023 to 21 April 2023, CLI's share price has continued to outperform these indices, showing an approximate increase of 3.2%, compared to the Straits Times Index which rose by 2.2% and FTSE All-Share Index which rose by 1.9% for the same period. CLI's share price has been impacted, both positively and negatively, by many macroeconomic factors, including uncertainties surrounding China's Zero-Covid policy, geo-political tension between China and the US, rising interest rates, high inflation, and the possibility of a global recession. CLI's share price performance compares favourably to that of CapitaLand Limited before it delisted from the Singapore Exchange Securities Trading Limited. From the date of CLI's listing on 20 September 2021 to 21 April 2023, CLI has traded at a Price-to-Net Asset Value ratio in the range of 1.0x to 1.4x, compared to that of CapitaLand Limited's, which historically traded at a range typically between 0.7x to 0.9x.
16.	**What is the difference between the positions of Chief People & Culture Officer and Chief Corporate & People Officer? There appears to be some overlap in their responsibilities. Is there any plan for the company to streamline these roles?**
	The Chief Corporate & People Officer role is responsible for three functions (1) Human Resources & Administration, (2) Legal & Secretariat, and (3) Procurement. As the Company transforms and grows, we see a need to further sharpen our focus on our people and culture. As such, we have appointed a Chief People & Culture Officer to dive deeper into capabilities, organisational effectiveness, and transformative aspects of the Human Resources & Administration function so that we can drive the organisation to greater heights. This role reports to the Chief Corporate & People Officer and is the first port of call for all Human Resource issues. We will continue to monitor the results and effectiveness and where necessary, streamline the structure.
17.	**What challenges have arisen as CapitaLand Investment (CLI) integrates sustainability into its core business, and how has the Group addressed them? How does the board ensure that sustainability is embedded at all levels of the organisation, from the board to front-line employees?**
	We have committed to achieve Net Zero emissions by 2050 and have set ambitious targets for ourselves to achieve by 2030. These include reducing carbon emissions

	intensity of 78% and attaining green certifications for all our properties globally. These are stretched targets that cannot be attained if we remain status quo in the way we run our operations. We are investing in and looking for new sustainability innovations in the real estate ecosystem, as we believe that through new innovations and improved technology, we can accelerate our sustainability journey. For this reason, we initiated the CapitaLand Sustainability X Challenge (CSXC) in 2021 as a global platform to source for emerging solutions and technologies globally that can solve sustainability challenges impacting the built environment. We have been increasing our support for emerging innovations that can help us achieve our ambitious 2030 CapitaLand Sustainability Master Plan targets. CSXC offers start-ups the opportunity to testbed their innovations for the built environment at our properties. If successfully piloted, the innovations may be scaled up within the CapitaLand ecosystem. Besides supporting promising innovations by start-ups through the CSXC, CapitaLand also launched a S$50 million Innovation Fund in 2021 to encourage innovation among its staff. Spanning a five-year period, the fund allows CapitaLand's staff to pilot early-stage innovations with the aim to improve sustainability, operational excellence, digital transformation, and customer experience. The Board recognises the importance of sustainability as a business imperative. At the Board level, there is a Board Committee, the Strategy and Sustainability Committee (previously known as the Strategy Committee), which is responsible for overseeing the development of sustainability strategies and plans, including providing guidance to Management and monitoring progress towards achieving the goals of our sustainability initiatives. This is consistent with the principle that the Board plays an important role in considering and incorporating sustainability considerations as part of its strategy development. This also ensures that Environmental, Social and Governance (ESG) risks and opportunities are holistically integrated into and inform the Company's long-term strategy. Through this, sustainability is integrated into each phase of the real estate life cycle, with the Group's operations, financing activities, support for the environment, business ethics, corporate governance and care for the people and communities anchored in the Company's ESG approach. The Strategy and Sustainability Committee's oversight of the Company's sustainability strategies and plans also sets the tone at the top to ensure the alignment of the Company's activities with its purpose and stakeholder interests. The Strategy and Sustainability Committee also provides inputs to the Board and other Board Committees on sustainability matters as required.