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

ANNOUNCEMENT

Annual General Meeting to be held on 29 April 2025 Responses to Substantial and Relevant Questions Received from Shareholders

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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 at Marina Bay Sands Expo and Convention Centre, Level 3, Hibiscus Ballroom, 10 Bayfront Avenue, Singapore 018956 on Tuesday, 29 April 2025 at 10.00 a.m.. CLI's responses to the substantial and relevant questions received from Shareholders can be found in the following pages.

Ahead of the AGM, shareholders are invited to view the video recording of the Company's dialogue session with shareholders, which was held on 17 April 2025 in collaboration with the 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-Apr2025.html.

Shareholders who wish to attend the AGM will first need to register in person at the registration counter(s) outside the AGM venue on the day of the event. Shareholders, including CPF and SRS investors, and (where applicable) duly appointed proxies and representatives, should bring along their NRIC/passport to enable the Company to verify their identity for entry to the AGM and (where applicable) voting thereat. Registration will commence at 9.00 a.m. on Tuesday, 29 April 2025. Shareholders are advised not to attend the AGM if they are feeling unwell.

CLI looks forward to engaging with Shareholders at the AGM. The minutes of the meeting will be published on SGXNET and CLI's website by 28 May 2025 for all Shareholders' reference.

By Order of the Board

Hon Wei Seng

Company Secretary

24 April 2025

CapitaLand Investment Limited 2025 Annual General Meeting
Responses to Substantial and Relevant Questions from Shareholders

No.	Questions and Responses
1.	**Whilst we applaud the efforts taken by CLI to date to manage capital more efficiently and transform itself into an asset-light company, it is noted that CLI's return on equity (ROE) remains significantly below double digits.** **Does CLI's management have a clear roadmap on what needs to be done for CLI to achieve double-digit ROE? If so, please elaborate and also share how long this process is expected to take.**
	Improving return on equity (ROE) is a core focus for CLI as part of our strategy to enhance total shareholder return. Since listing on the Singapore Exchange Securities Trading Limited, CLI has taken disciplined steps to continue reshaping its capital base. The restructuring of CapitaLand Group in 2021 resulted in CLI being a more streamlined entity with less exposure to development projects and capex-intensive holdings. However, there remained sizeable stakes in private funds and listed REITs, as well as more than S$10 billion of on-balance sheet assets, with notable exposure to China. As part of our strategic plan, on-balance sheet assets have been reduced to S$4.3 billion as at end-FY 2024, following sustained capital recycling. Over the same period, more than S$3.0 billion has been returned to shareholders through dividends, share buybacks, and distributions-in-specie of REIT and business trust units. These actions have reduced our capital base, lowered our net debt-to-equity ratio to 0.39x, increasing our financial agility. While higher interest rates and China's prolonged property downturn have weighed on asset valuations and impacted ROE and Economic Value Added (EVA), our robust balance sheet positions us well to capitalise on opportunities that emerge in this environment—particularly as other market players face capital constraints. Our roadmap to improve ROE is anchored on three levers: • Growing asset-light recurring fee income, which has increased steadily at 9% annually and now contributes 62% of operating profit after tax and minority interest (PATMI), up from 40% in FY 2021 • Optimising fund ownership levels, targeting a reduction in CLI's stakes in new private funds to 10–15%, and in listed funds to 15–20% by 2028 • Enhancing capital productivity through active asset recycling, cost efficiency (S$50 million in targeted savings), and thoughtful capital deployment. We aim to double operating PATMI to over S$1 billion by 2028–2030, driven by continued growth across our Listed and Private Fund Management platforms, Lodging Management, and Commercial Management businesses. Recent acquisitions—including SC Capital Partners Group and Wingate Group Holdings—added approximately S$13 billion in funds under management (FUM) in FY 2024, further scaling our fee income base. While the timing of ROE uplift will be impacted by external market conditions, particularly in China, we believe our strategy will deliver sustainable improvement in the medium term. Over time, we also expect our share price performance to correlate more closely with the continued growth of our recurring fee income base, which now underpins the majority of our operating profits.

2.	**With reference to page 24 of CLI's annual report for FY 2024, the EVA attributable to owners of CLI is a negative S$840 million and it has been negative for many years. What are the management and Board doing to improve the EVA of the company? What steps are being taken to ensure the company generates sufficient wealth and delivers value from the funds invested in it? Please explain and elaborate.**
	CLI's Board and senior management remain fully committed to strengthening the performance and financial resilience of CLI and its subsidiaries (the Group), with a clear focus on improving key metrics such as EVA, ROE, fee-related income, FUM, and capital recycling. These performance measures are integrated into both the balanced scorecard and remuneration framework for the Group Chief Executive Officer and key management personnel to ensure alignment with shareholder outcomes. CLI's negative EVA in recent years reflects the structural challenges of its still-significant asset base as mentioned in Question 1. Higher interest costs and the prolonged real estate headwinds in China have resulted in lower property valuations, which have had a negative direct impact on EVA. That said, we are seeing early signs of improvement. EVA improved from negative S$1,175 million in FY 2023 to negative S$840 million in FY 2024, driven by narrower revaluation losses, largely steady operating PATMI, and stronger portfolio gains. To enhance the EVA, CLI has been actively reshaping its capital structure: • Since 2021, we have unlocked capital through capital recycling, share buybacks, and distributions-in-specie. • Given the significant on-balance sheet exposure in China, we have also prioritised capital recycling efforts there. Through a "China-for-China" approach, we aim to match local capital with domestic opportunities. Since 2021, we have raised approximately RMB 50 billion in domestic capital in China—largely through capital recycling that has been converted into FUM. In April 2025, CLI also announced its application to list its first onshore REIT in China—an important step toward accessing local RMB capital and deepening our onshore investor base. These steps, alongside our strategy to grow scalable, recurring fee income across the Group, reinforce our long-term focus on delivering improved EVA, ROE, FUM growth, and total shareholder return.
3.	**Please elaborate on how the S$50 million cost savings target will be achieved, and by when.**
	CLI's S$50 million cost savings target is expected to be delivered over two years, anchored by disciplined cost management and productivity gains. The bulk of the savings will come from improving procurement and sourcing, reducing unnecessary activities and optimising processes, and rightsizing of our corporate workforce, in line with our ongoing efforts to streamline operations and sharpen organisational focus. In line with this, CLI has committed to 100 AI-driven projects by 2025. These are expected to progressively automate workflows, reduce reliance on manual processes, and enhance efficiency.

4.	**Would CLI be able to sustain its core dividend payout of 12 Singapore cents per share for FY 2025?**
	CLI's proposed core dividend payout of 12 Singapore cents per share for FY 2024 was underpinned by strong recurring fee-related earnings and healthy cash flows. This was the result of the continued growth of our four fee-income platforms—listed and private fund management, lodging management, and commercial management—as well as disciplined capital management across the Group. To align with our strengthened cash flow position and earnings visibility, CLI has raised its dividend payout policy to at least 50% of annual cash PATMI (up from 30%). This may be paid in cash or by way of a dividend in specie (DIS), such as the special dividend by way of a DIS of approximately 0.031 CICT units per share for FY 2024, valued at approximately 6 Singapore cents per share.[1] Moving forward, CLI will continue to build upon the four verticals to grow our earnings. While the global economic environment remains uncertain, CLI remains committed to delivering sustainable and growing dividends, while balancing reinvestment needs and long-term value creation for shareholders.
5.	**CLI is a sponsor of many REITS such as CapitaLand Ascendas REIT, CapitaLand Ascott Trust (CLAS), CapitaLand China Trust, CapitaLand India Trust and CapitaLand Malaysia Trust. Please explain why units in CapitaLand Integrated Commercial Trust were chosen for the Distribution in specie to CLI shareholders, instead of units from the other REITs under its sponsorship?**
	CICT was selected for the distribution in specie as it offers shareholders direct exposure to Singapore's largest and most liquid REIT, with a resilient portfolio anchored in developed markets. The Singapore commercial property market continues to be resilient and robust, and we believe this will benefit shareholders seeking steady income and long-term value in the current environment. We applied the same approach in FY 2022 with CLAS, which was selected then based on a positive outlook for travel recovery post-COVID. As the largest unitholder in all of the abovementioned REITs, and given their integral role within the CapitaLand ecosystem, we are mindful that any REIT distribution must be thoughtfully executed to avoid undue impact on the unit price of the underlying REIT. This move is also aligned with CLI's capital efficiency strategy to gradually pare down sponsor stakes while preserving meaningful alignment. Following the distribution, CLI's stake in CICT will be reduced from approximately 23% to 21%, with CLI continuing to be CICT's largest unitholder.
6.	**Please provide more details on the asset types classified under "Equity investments at FVOCI," "Equity investments at FVTPL," and "Development Properties for Sale" in the balance sheet.**
	Equity investments at Fair Value through Other Comprehensive Income (FVOCI) refer to investments in equity securities that are not held for trading and are considered strategic in nature. For CLI, this includes its minority stake in Singapore-Suzhou Township Development (SSTD).

[1] Derived based on the closing market price of S$1.98 per CICT unit on 26 February 2025.

	Equity investments at Fair Value through Profit or Loss (FVTPL) refer to investments held for trading, as well as those that do not meet the criteria for classification under FVOCI. Examples include CLI's minority stakes in various China, Korea, and Japan funds managed by the Group. **Development Properties for Sale (DPFS)** are properties held for trading purposes. The Group's DPFS primarily relates to the strata-sale components of its integrated development projects in China.
7.	**In view of the recent spike in global bond yields, how reliant is CLI on the bond market for its funding? Could this pose challenges for deal-making activities?**
	CLI maintains a diversified funding strategy, supported by a broad panel of banking partners and access to multiple capital market instruments. Bond markets represent only one component of our funding mix. In addition, CLI was very active in capital recycling during FY 2024, which helped shore up cash proceeds that can be redeployed towards future investments. As at 31 December 2024, CLI's net debt-to-equity stood at a prudent 0.39x, providing ample debt headroom.[2] Given these factors, the impact of the recent movements in global bond yields has been limited, and we do not foresee any further rise in yields to materially constrain our ability to pursue deal-making opportunities.
8.	**I hope your company will consider revisiting its strategy in light of the evolving global environment. Perhaps it is time to explore increasing investments in Europe and India.**
	CLI maintains a geographically diversified investment strategy, cognisant of the increasingly complex and geopolitically sensitive global environment. In addition to our core markets of Southeast Asia, China, and India, we are scaling up in Australia, Japan, Korea, Europe, and the USA, with a focus on sectors aligned to long-term structural trends. In India, our investments have tripled over the past seven years, and we aim to double our FUM to approximately S$15 billion by 2028 through platforms such as CapitaLand India Trust and our private funds. We are expanding across business parks, logistics, data centres, and lodging, while also exploring adjacencies such as private credit and renewables. In Europe, we take a thematic approach focused on data centres, logistics, and lodging, with our exposure primarily through listed fund platforms. M&A is a core part of our growth strategy in developed markets, including Europe, and we continue to evaluate potential opportunities. In FY 2024, we scaled up our presence in Australia by 30% and in Japan by three times in FUM terms through the acquisitions of Wingate Group Holdings and SC Capital Partners Group respectively. We will continue to look out for similar opportunities, though we remain prudent in pacing capital deployment amid ongoing macroeconomic and geopolitical uncertainties.

[2] Debt headroom of up to S$7.4 billion, assuming gearing increases to 0.9x and equity remains at the same level as at 31 December 2024.

9.	**What is CLI's business exposure to the USA market? What percentage of its total assets is currently based in the USA?**
	As at 31 December 2024, CLI's exposure to the USA accounted for approximately 3% of its total assets (S$25 billion) and 3% of its funds under management (S$117 billion). The portfolio comprises over 60 properties across logistics, business parks, life sciences, hotels, and student accommodation, held primarily through CLI's listed funds—CapitaLand Ascendas REIT and CapitaLand Ascott Trust—as well as the private Student Accommodation Development Ventures (SAVE) fund. In FY 2024, CLI divested 16 USA multifamily assets previously held on its balance sheet at S$1.2 billion, in line with our capital recycling strategy and asset-light approach.
10.	**In contrast to its previously positive long-term view on China, why is CLI now planning to reduce its exposure there—especially when the current weak economic environment could present attractive opportunities?**
	CLI is not reducing its absolute exposure to China. We continue to invest selectively through our asset-light strategy, leveraging fund vehicles aligned with long-term themes and platform capabilities. Since our restructuring, we have launched six Renminbi-denominated funds and made steady progress in cultivating a domestic investor base. In April 2025, we announced plans to list our first China REIT, further deepening our presence in the onshore capital market. The perception of reduced exposure arises from China's declining percentage share of CLI's global portfolio—driven by strong growth in other markets such as Japan and Australia following our 2024 acquisitions of SC Capital Partners Group and Wingate Group Holdings. As we scale our global business towards S$200 billion in FUM by 2028 (from S$117 billion as at end-2024), China's share is expected to recalibrate from 26% currently to 15–20%. Nonetheless, absolute exposure to China is expected to grow steadily through our fund platforms, in line with our asset-light strategy and continued long-term confidence in the market.
11.	**How will the recent tariffs on China announced by Trump affect CLI and its exposure to China? If the tariffs proceed as announced, how much of CLI's profitability is expected to be impacted going forward?**
	The direct impact of global tariffs, including those imposed on China, may impact our logistics assets with export exposure. Logistics accounts for approximately 8% of CLI's total portfolio, with the majority comprising last-mile facilities that are not directly affected by the tariffs. As such, we expect any direct impact to CLI profitability to be limited. That said, we remain vigilant to second-order effects, such as prolonged macroeconomic uncertainty, which could weigh on sentiment and capital flows. This, in turn, may affect the performance of our properties across various sectors, including retail and hospitality. Given the evolving nature of global economic conditions, the full extent of the potential impact on CLI remains difficult to predict. Nonetheless, CLI's asset-light, fee-based business model provides resilience, as we are focused on managing third-party capital rather than holding significant development exposure.

12.	**I note that the company recently announced that "The Ascott Limited (Ascott) aims to double its India portfolio to 12,000 units by 2028 and commits to growing India as a key outbound source market." While India has significant potential, it is also known to present challenges for tourists, including health and safety concerns, as well as logistical hurdles such as visa requirements and complex application processes. These issues can deter inbound travel. Given these factors and the occasional negative headlines surrounding India's tourism landscape, could you elaborate on why Ascott remains bullish on the market and how it intends to mitigate these challenges in its growth strategy?**
	We are bullish on India given its strong economic fundamentals and rapidly evolving consumer landscape. With a young population, rising middle class, growing disposable income, and a surge in aspirational travellers, India is poised for significant consumption growth. Ascott sees India as both a key inbound and outbound market. According to India's Ministry of Tourism, there were approximately 19 million foreign tourist visits and an even stronger 2.5 billion domestic tourist visits in 2023.[3] There remains a notable supply-demand gap in quality accommodation and branded hospitality, supporting our expansion plans. Demand is driven by business, leisure, and long-stay segments—offering a diversified growth base. We are growing towards the 12,000-unit target in an asset-light manner, allowing us to scale efficiently through management contracts and partnerships. Our multi-brand strategy allows us to cater to varied traveller profiles. In addition to scaling up our existing brands—Ascott, Citadines, Oakwood, and Somerset—we see potential to introduce lyf to serve India's rising millennial and Gen Z workforce, as well as The Unlimited Collection and The Crest Collection to meet demand for culturally immersive stays. Geographically, 85% of Ascott's current operating portfolio in India is concentrated in Tier-1 cities such as Bangalore, Chennai, and Hyderabad. We see further opportunities in fast-growing Tier-2 and Tier-3 cities, while deepening our presence in Tier-1 locations. Finally, as India emerges as an important outbound travel market, a stronger brand presence locally also positions Ascott to capture demand for our properties globally.

[3] Ministry of Tourism, Government of India. India Tourism Data Compendium: Key Highlights 2024. February 20, 2025.