



**CAPITALAND ASCENDAS REIT**  
(Constituted in the Republic of Singapore pursuant to  
a trust deed dated 9 October 2002 (as amended))

**MINUTES OF THE ANNUAL GENERAL MEETING OF THE UNITHOLDERS OF CAPITALAND  
ASCENDAS REIT HELD AT PAN PACIFIC SINGAPORE, PACIFIC 2 & 3, LEVEL 1, 7 RAFFLES  
BOULEVARD, MARINA SQUARE, SINGAPORE 039595 ON FRIDAY, 28 APRIL 2023 AT 3.00 P.M.**

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**Present**

Unitholders/Proxies : As per attendance lists maintained by CapitaLand Ascendas REIT Management Limited, the manager of CapitaLand Ascendas REIT ("**CLAR**") (the "**Manager**")

**In Attendance**

Board of Directors of the Manager :  
Dr Beh Swan Gin : Chairman and Non-Executive Independent Director  
Mr William Tay Wee Leong : Chief Executive Officer and  
Executive Non-Independent Director  
Mr Daniel Cuthbert Ee Hock Huat : Non-Executive Independent Director and  
Chairman of the Audit and Risk Committee  
Mr Chinniah Kunnasagaran : Non-Executive Independent Director  
Ms Ong Lee Keang Maureen : Non-Executive Independent Director  
Ms Choo Oi Yee : Non-Executive Independent Director  
Mr Manohar Khatani : Non-Executive Non-Independent Director and  
Chairman of the Investment Committee  
Mr Lim Cho Pin Andrew Geoffrey : Non-Executive Non-Independent Director

Company Secretary of the Manager : Ms Michelle Koh

Management Team of the Manager :  
Ms Koo Lee Sze : Chief Financial Officer  
Ms Yeow Kit Peng : Head, Capital Markets & Investor Relations  
Mr Ram Soundararajan : Head, Investment  
Mr James Goh : Head, Portfolio Management  
Mr Dacon Pao : Head, Business Development

**Others**

Representatives of HSBC Institutional Trust Services (Singapore) Limited (as trustee of CLAR) : Ms Christine Png  
Representative of Ernst & Young LLP (as auditors to HSBC Institutional Trust Services (Singapore) Limited (as trustee of CLAR)) : Mr Tan Boon Leong  
Representative of Allen & Gledhill LLP (as legal counsel for CLAR) : Mr Jerry Koh Keen Chuan  
Ms Foong Yuen Ping  
Mr Teh Hoe Yue

(These minutes should be read with [Appendix A](#) which records the questions posed and answers given during the meeting.)

**1. WELCOME AND INTRODUCTION OF THE PANEL**

- 1.1. Mr Terence Lim (Assistant Vice-President, Investor Relations), the emcee for the meeting (the “**Emcee**”), welcomed the unitholders and proxies present at the Annual General Meeting (“**AGM**” or the “**Meeting**”) of CapitalLand Ascendas REIT (“**CLAR**”) on behalf of the Manager and HSBC Institutional Trust Services (Singapore) Limited, the trustee of CLAR (the “**Trustee**”).
- 1.2. The Emcee provided a fire safety briefing to all in attendance. The Emcee then introduced Dr Beh Swan Gin, Chairman & Non-Executive Independent Director of the Manager (“**Chairman**”) to the unitholders.
- 1.3. Chairman greeted the unitholders and informed all present that in accordance with paragraph 6 of the Schedule to the trust deed (as amended) constituting CLAR, he had been nominated by the Trustee to preside as the Chairman of the AGM. Chairman then introduced the members of the Board of Directors who were present as panellists. Mr William Tay Wee Leong, the Chief Executive Officer of the Manager (the “**CEO**”) then introduced the senior management of the Manager who were also present, including the Chief Financial Officer and the Head of Capital Markets & Investor Relations, as well as other key parties to the unitholders.
- 1.4. On behalf of the Manager, Chairman thanked all unitholders for taking time to attend the AGM. Chairman then invited Mr Daniel Cuthbert Ee Hock Huat, the Chairman of the Audit and Risk Committee of the Manager (the “**ARC**”, and Mr Ee, the “**ARC Chairman**”) to say a few words to unitholders.
- 1.5. The ARC Chairman reported that the ARC comprises only independent directors, and meets regularly to review and assess the adequacy and effectiveness of the internal controls and risk management systems established by the Manager, and to address the risks in the current business environment. The ARC Chairman further reported that the ARC also meets with the external auditors and the internal auditors, without the presence of management, to discuss the reasonableness of the financial reporting process, the internal controls and risk management systems. The ARC Chairman then handed the proceedings back to Chairman.
- 1.6. Chairman then invited Mr Manohar Khiatani, the Chairman of the Investment Committee of the Manager (the “**IC**”, and Mr Khiatani, the “**IC Chairman**”) to say a few words to the unitholders.
- 1.7. The IC Chairman reported that the IC comprises six members and that the IC’s primary responsibility is to ensure that all investments, including acquisitions; redevelopments; major asset enhancement initiatives (“**AEIs**”); and divestments are vigorously evaluated in accordance with our objectives to achieve the best outcomes for CLAR. The IC Chairman further informed that CLAR’s assets under management has grown from under \$1b to more than \$16b over the last 20 years, with the distribution per unit (“**DPU**”) growing two-fold over the same period. The IC Chairman explained that accretive acquisitions and pro-active portfolio management were the main reasons behind this growth. The IC Chairman informed the unitholders that in light of the present uncertain environment, the IC had to exercise extra caution and prudence in their investment decisions while remaining open to seizing interesting opportunities such as the acquisitions carried out in the financial year ended 31 December 2022 (“**FY2022**”) which amounted to over S\$500 million. The IC Chairman concluded by informing the unitholders that CLAR is involved in very interesting asset classes and geographies and that he remained confident that CLAR would continue to grow and deliver sustainable returns to the unitholders. The IC Chairman then handed the proceedings back to Chairman.

## 2. QUORUM

Chairman noted that a quorum was present and he declared the AGM open at 3.07 p.m.

## 3. NOTICE OF AGM

Chairman noted that CLAR's annual report for FY2022 (the "**Annual Report**") and the notice dated 6 April 2023 convening the AGM (the "**Notice of AGM**") had been published on SGXNet and CLAR's corporate website on 6 April 2023. With the consent of the unitholders, the Notice of AGM was taken as read. Chairman then invited the CEO to give a presentation on CLAR's performance for FY2022.

## 4. PRESENTATION BY CEO

The CEO delivered his presentation.

*Note: A copy of the CEO's presentation slides was uploaded to SGXNet after trading hours on 28 April 2023, following the Meeting.*

## 5. VOTING BY ELECTRONIC POLL

- 5.1. In line with Rule 730A(2) of the Listing Manual of the Singapore Exchange Securities Trading Limited (the "**Listing Manual**"), the Chairman directed that each of the resolutions set out in the Notice of AGM be decided by way of a poll, and that polling would be conducted in a paperless manner using wireless handheld devices issued to unitholders upon their registration for the AGM. Chairman informed that DrewCorp Services Pte Ltd had been appointed as the scrutineers ("**Scrutineers**") for the conduct of the poll.
- 5.2. Mr Low Yong Kang of Boardroom Corporate & Advisory Services Pte. Ltd. ("**Boardroom**"), the polling agent, then proceeded with an explanation of the procedures for voting by electronic poll, and carried out a test poll. Following such explanation, Mr Low Yong Kang handed the proceedings of the Meeting back to Chairman.
- 5.3. Chairman informed the Meeting that some unitholders had appointed him in his capacity as Chairman of the AGM to act as their proxy, and that proxies lodged had been verified and he would be voting in accordance with their specified voting instructions but without the need for him to operate the handheld device manually, as the Scrutineers had confirmed that all such votes had been pre-set in the electronic polling system and would be included in the poll results for the relevant resolution.
- 5.4. Chairman then informed the Meeting that he would, as Chairman and proxy holder for the AGM, propose all the motions to be tabled.
- 5.5. Chairman informed that all the resolutions proposed at the AGM were Ordinary Resolutions and explained that an Ordinary Resolution means a resolution proposed and passed as such by a majority, being greater than 50% of the total number of votes cast for and against such resolution at a general meeting.
- 5.6. Chairman also informed that after each resolution was tabled and before voting commences, he would open the floor to unitholders to pose relevant questions pertaining to the resolution being sought, and that the panellists with him would respond to the questions. Chairman requested that unitholders adhere strictly to matters that were relevant to the agenda of the AGM and to also limit the questions to a reasonable number and length.

**6. ORDINARY RESOLUTION 1: TO RECEIVE AND ADOPT THE REPORT OF THE TRUSTEE, STATEMENT BY THE MANAGER AND THE AUDITED FINANCIAL STATEMENTS OF CLAR FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022 AND THE AUDITORS' REPORT THEREON**

- 6.1. Ordinary Resolution 1 as stated in the Notice of AGM was proposed by Chairman.
- 6.2. A Q&A session followed and was recorded separately in Appendix A to these minutes.
- 6.3. There being no further questions from the unitholders, Chairman announced the commencement of voting for Ordinary Resolution 1.
- 6.4. After electronic polling was conducted on Resolution 1, Boardroom announced the results of the voting as follows:

Ordinary Resolution 1

|                      |   |                                   |
|----------------------|---|-----------------------------------|
| No. of Votes For     | : | 2,547,029,407 representing 99.36% |
| No. of Votes Against | : | 16,329,546 representing 0.64%     |

Chairman declared Ordinary Resolution 1 carried.

**7. ORDINARY RESOLUTION 2: TO RE-APPOINT ERNST & YOUNG LLP AS AUDITORS OF CLAR TO HOLD OFFICE UNTIL THE CONCLUSION OF THE NEXT AGM OF CLAR, AND TO AUTHORISE THE MANAGER TO FIX THEIR REMUNERATION**

- 7.1. Ordinary Resolution 2 as stated in the Notice of AGM was proposed by Chairman.
- 7.2. Chairman also stated that Ernst & Young LLP had indicated their willingness to accept reappointment.
- 7.3. There being no further questions from the unitholders, Chairman announced the commencement of voting for Resolution 2.
- 7.4. After electronic polling was conducted on Resolution 2, Boardroom announced the results of the voting as follows:

Ordinary Resolution 2

|                      |   |                                   |
|----------------------|---|-----------------------------------|
| No. of Votes For     | : | 2,600,208,022 representing 99.80% |
| No. of Votes Against | : | 5,080,906 representing 0.20%      |

Chairman declared Ordinary Resolution 2 carried.

**8. ORDINARY RESOLUTION 3: TO AUTHORISE THE MANAGER TO ISSUE UNITS IN CLAR AND TO MAKE OR GRANT CONVERTIBLE INSTRUMENTS**

- 8.1. Ordinary Resolution 3 as stated in the Notice of AGM was proposed by Chairman.
- 8.2. There being no further questions from the unitholders, Chairman announced the commencement of voting for Resolution 3.
- 8.3. After electronic polling was conducted on Resolution 3, Boardroom announced the results of the voting as follows:

Ordinary Resolution 3

|                      |   |                                   |
|----------------------|---|-----------------------------------|
| No. of Votes For     | : | 2,291,717,358 representing 87.95% |
| No. of Votes Against | : | 314,062,448 representing 12.05%   |

Chairman declared Ordinary Resolution 3 carried.

**9. ORDINARY RESOLUTION 4: TO APPROVE THE RENEWAL OF THE UNIT BUY-BACK MANDATE**

- 9.1. Ordinary Resolution 4 as stated in the Notice of AGM, with further details stated in the Appendix to unitholders dated 6 April 2023 was proposed by Chairman.
- 9.2. There being no further questions from the unitholders, Chairman announced the commencement of voting for Resolution 4.
- 9.3. After electronic polling was conducted on Resolution 4, Boardroom announced the results of the voting as follows:

Ordinary Resolution 4

|                      |   |                                   |
|----------------------|---|-----------------------------------|
| No. of Votes For     | : | 2,600,669,965 representing 99.86% |
| No. of Votes Against | : | 3,592,083 representing 0.14%      |

Chairman declared Ordinary Resolution 4 carried.

**10. CLOSE OF AGM**

- 10.1. As there was no other business to be transacted at the AGM, Chairman declared the meeting closed and thanked the unitholders for their attendance.
- 10.2. The meeting ended at 4.20 p.m.

Confirmed By:

Dr Beh Swan Gin

Chairman of AGM

**CAPITALAND ASCENDAS REIT****RECORD OF QUESTIONS RAISED BY UNITHOLDERS AND THE CORRESPONDING ANSWERS FROM THE PANELLISTS DURING THE PROCEEDINGS AT THE ANNUAL GENERAL MEETING OF THE HOLDERS OF UNITS OF CAPITALAND ASCENDAS REIT ("CLAR") HELD AT PAN PACIFIC SINGAPORE, PACIFIC 2 & 3, LEVEL 1, 7 RAFFLES BOULEVARD, MARINA SQUARE, SINGAPORE 039595 ON FRIDAY, 28 APRIL 2023 AT 3.00 P.M.****1. Outlook of the United States ("U.S.") properties**

- 1.1. In response to unitholder Ms Mabel Chew's query on the situation in the U.S. and the falling property prices there, Dr Beh Swan Gin, the Chairman and Non-Executive Independent Director (the "**Chairman**") explained that the corporate real estate sector in the U.S. was under stress because of the difficulty faced by U.S. companies in getting their employees to return to the office, and the risk of an economic slowdown. However, the Chairman assured unitholders that CLAR's U.S. properties were located in Portland, San Diego and Raleigh, instead of the metropolitan centres which were experiencing the greatest difficulty in getting their employees back to work. However, he said that the Manager remained concerned about the situation and would continue to closely monitor the real estate market in the U.S.
- 1.2. Mr William Tay Wee Leong, the Chief Executive Officer and Executive Non-Independent Director (the "**CEO**") added that CLAR's U.S. properties were in resilient locations, being near universities with strong research and technology-based talents. The CEO gave examples of the attributes of each location invested by CLAR. For Portland, it has certain tax advantages as well as being a complementary location to Silicon Valley. For Raleigh, it has outstanding research-centered universities as well as growing healthcare and pharmaceutical industries. For San Diego, it is home to the defence, biotech and medical device industries. The CEO also gave the example of Big Tech companies in Tier 1 cities setting up operations in Tier 2 cities due to the presence of talented workforce that were attracted there by the lower cost of living. The CEO reassured unitholders that while there were challenges in the U.S. leasing markets today, with decision-making being slower and some tenants opting to downsize, CLAR could still find replacement tenants and that the markets in CLAR's portfolio was not under as much stress as metropolitan cities.

**2. Performance of the International Business Park ("IBP") properties**

- 2.1. To Ms Mabel Chew's question on the performance of the IBP properties in Singapore since 2019, the CEO explained that CLAR had five properties there which had undergone or were in various stages of redevelopment. Nordic European Centre and TechQuest underwent asset enhancement initiatives ("**AEI**"), and the CEO disclosed that the Manager had found a tenant two years ago who took up the entire TechQuest building. For iQuest@IBP, the CEO explained that it had been decommissioned for redevelopment and that the Manager will be building a new tech office block with a higher plot ratio and gross floor area. This would be directly connected to the new MRT station in Jurong Town Hall that would be open in 2028. For the other IBP assets, namely the Acer Building and 31 International Business Park, the Manager explained that the remaining term of their land leases was about 32 years, and that the Manager also plan to redevelop those two buildings in the future to tap into the transformations of Jurong Lake District.

### 3. Threats of bankruptcy

- 3.1. To Ms Mabel Chew's question on whether CLAR would be affected by an increase in bankruptcies in Singapore which had led to real estate consultancy Knight Frank reporting that more properties could be up for auction in 2023, the CEO reassured unitholders that CLAR had not seen such stress within its portfolio and that periods of downsizing and expansion were inevitable in all industries. The CEO reported that rental collection has stayed strong, ranging around 90-95% and that CLAR's arrears remained low with growing occupancies, reaching a 10-year high.
- 3.2. The Chairman added that CLAR's diversified portfolio of tenants, with more than 1,700 tenants, provide additional resiliency.

### 4. Impact on rising interest rates

- 4.1. In response to unitholder Ms Law Lan Hua's question on the impact of the rise in interest rates on CLAR's finance costs and whether unitholders should expect lower earnings per share ("EPS") in 2023, Ms Koo Lee Sze, Chief Financial Officer (the "CFO") first clarified that EPS is different from CLAR's distribution per unit ("DPU") whereby DPU is determined based on taxable income while non-taxable items such as fair value movement are excluded. The CFO then explained that while higher interest rates would increase CLAR's finance costs, CLAR undertakes interest rate swaps, cross currency swaps, forward exchange contracts, etc. to mitigate CLAR's risks to interest rate and foreign exchange fluctuations.
- 4.2. The Chairman reassured unitholders that while the Manager remained concerned about the rising interest rate environment, CLAR remained in a strong position with a healthy weighted average all-in debt cost of 2.5%, which is very good in today's context. The Chairman further explained that a high proportion of CLAR's borrowings were in fixed debt with an average duration of about 3.3 years, providing CLAR with stability, but acknowledged that the overall environment was one where interest rates were still rising, though they may plateau either in late 2023 or 2024.

### 5. Further internationalisation of CLAR's portfolio

- 5.1. In response to unitholder Mr Vincent Tan's question about whether CLAR would be expanding beyond the countries within the portfolio, namely Singapore, Australia, U.K., Europe and U.S., the Chairman explained that CLAR focused on markets with strong rule of law which ensures that property owners and their rights are protected. The Chairman also explained that CLAR's strategy involved building a critical mass of activities in each of the countries that it entered, to allow the Manager to develop good local knowledge and execution capabilities in those countries. However, the Chairman explained that the Manager wanted to maintain a strong core in Singapore as it was a market that they had best knowledge of and that they wished to retain CLAR's status as a market leader in Singapore.
- 5.2. The CEO added that CLAR chose developed countries for its portfolio because the risk profiles are like Singapore. Potentially, there could be other cities or other countries, but the Manager took the view that CLAR needed to focus and grow in each of the markets, and that when it entered a new market, it must aim to grow meaningfully in order to benefit from economies of scale and maximise its operational capability. The CEO also reiterated that on the mix of countries, CLAR would remain Singapore-focused. While CLAR had expanded overseas and remained open to expanding to countries which presented good opportunities, the CEO gave the example of CLAR's recent two acquisitions of Singapore properties as demonstrating its commitment to being Singapore-focused – (i) 622 Toa Payoh Lorong 1 in Jan 2023; and (ii) 1 Buroh Lane in Feb 2023. The CEO remarked that Singapore still presented much inorganic opportunities for CLAR, and the Manager would also explore redevelopment to scale up further in Singapore.

6. CLAR's hedging policy

6.1. In response to Mr Vincent Tan's question on the decision to maintain a 68% natural hedge for Australian Dollars ("**AUD**") in CLAR's hedging policy despite the fluctuations in the AUD over the past 10 years, Ms Yeow Kit Peng, Head, Capital Markets & Investor Relations (the "**Head CM&IR**") explained that the 68% natural hedge number was not a fixed number and would move around in a range, partly due to the valuation of the investments. The Head CM&IR explained that the valuation in local currency terms had actually improved in FY2022, and that led to a reduction of the natural hedge to 68%. The Head CM&IR disclosed that the Manager aimed towards keeping a high level of natural hedge, and on a portfolio basis, which would be around 70-75%.

6.2. In response to Mr Vincent Tan's follow-up question on the importance of the natural hedge number, the Head CM&IR explained that it remained an important financial indicator even though it tends to fluctuate, and that the Manager would stress-test different levels of natural hedge as part of its optimization. The Manager explained that at present, CLAR's high natural hedge meant that hypothetically if the AUD/SGD weakens to 0.83, the impact on CLAR's Net Asset Value ("**NAV**") would be less than 1%. The Manager placed focus on monitoring the NAV as well as the cash flows which remained stable due to the policy to hedge cash flow for one year ahead.

7. Reasons behind CLAR's strong rental reversions

7.1. Responding to Mr Vincent Tan's question about why CLAR could maintain a strong rental reversion of above 20% despite the economic environment, the CEO explained that in the last two years, when the Manager was considering acquisitions in a growing logistics sector, it decided to focus on the small and mid-sized warehouses. This contrasted against large-sized warehouses used by retail giants, as the small and mid-sized warehouses were often in last-mile locations near population centres where there is a limited supply of such warehouses, and they thus command higher rentals than their larger counterparts.

7.2. The CEO further explained about rental reversions for tech offices. Many were in good locations and were "sticky" for CLAR's tenants resulting in tenants renewing leases. While there were tenants who had opted not to renew the lease, the CEO shared that in the past year, CLAR was able to find new ones to backfill the expired leases. The CEO explained that the Manager remained cognizant of the negative economic outlook in the U.S. and planned to carry out redevelopments and AEIs on its properties, for example, building barbeque pits, rest areas and shared facilities in Raleigh to help tenants bring their employees back to office.

7.3. Responding to Mr Vincent Tan's follow-up question on whether there were different rental reversions for multi-tenanted buildings ("**MTBs**") and single-tenanted buildings ("**STBs**") and whether STBs had performed equally well in FY2022, as well as their rental escalation rate, the CEO explained that STBs gave CLAR, good reversions, with many STBs on long leases such as 5 to 10 years with fixed rental escalations. With regards to the escalation rate, the CEO explained that CLAR had a mixed bag of escalation rates in the lease clauses with its tenants, but they were typically fixed between 2% to 4%. The CEO disclosed that CPI-linked escalation clauses formed less than 5% of CLAR's portfolio, whereas for the other escalation lease clauses, some were negotiated based on a certain formula or marked to market after a few years.

8. CLAR's previous presence in China

8.1. Responding to unitholder Mdm Chua Yim Hoon's query on whether CLAR had a presence in China before expanding to Australia, the CEO confirmed and added that CLAR exited China to focus on developed markets where it could grow quickly enough to have a meaningful scale. The CEO disclosed that CLAR had made a good exit from the Chinese market, doubling its



investment.

8.2. Mr Manohar Khatani, Non-Executive Non-Independent Director and Chairman of the Investment Committee (the “**IC Chairman**”) offered further elaboration to CLAR’s exit from China. The IC Chairman explained that when CLAR entered China, the Manager wished to focus on the Tier 1 cities, but after acquiring a few assets initially, they found it difficult to acquire further accretive assets, resulting in a sub-scale presence. This prompted the Manager to make the decision to divest their China assets at a profit and enter other developed markets, namely Australia. Using the lessons that they had learnt in China, the Manager entered Australia with a critical mass instead of only a couple of properties to gain the right economies of scale and basis upon which to grow the portfolio. The opportunity to expand into Australia came in the form of an initial portfolio of 26 logistics assets that had continued to perform well since. The IC Chairman shared that it was easier for the Manager to build up a team and a local presence and acquire individual assets after coming into a new market with a sizeable portfolio. The Manager had adopted this similar strategy in its expansion into the U.K. and the U.S. market as well. The IC Chairman concluded by reassuring unitholders that CLAR’s entry strategy into new markets would be deliberate and considered, and the Manager would be agile in responding to market trends.

9. Improving CLAR’s energy efficiency

9.1. Responding to unitholder Mr Raymond Chew’s question on the sharp increase of 67% in utility expenses, whether they were incurred by CLAR’s acquisition of 11 data centres in 2021, and whether this would affect unitholders, the Chairman explained that the electricity costs incurred by the data centres were borne by the tenants. The Chairman further explained that the increase in utility expenses was attributable to the conflict in Ukraine which caused a huge disruption to global energy markets, causing electricity prices to increase. The Chairman reassured unitholders that the expense would not be borne by unitholders as the tenants in the data centres would pay for their own usage, and CLAR would only foot the bills for the common areas of multi-tenanted buildings.

9.2. The CEO added that the main increase in utility expenses was for the Singapore properties, as the operating expenses for CLAR’s overseas properties including cleaning or other essential services were passed through to the tenants. For the Singapore properties, the total utility expenses reflected the consumption by both tenants and landlord, but the tenants’ payment for their consumption would only be reflected in the gross revenue rather than a deduction of the expense. The CEO further explained that the primary reason for the increase in utility expenses was the increase in the utility rates and not an increase in consumption. The CEO reassured unitholders that while the Manager still expect an increase in utility expenses in 2023, it would not be to the extent in 2022 as the spike in utility rates had stabilised.

10. Obtaining more BCA Green Mark (“**Green Mark**”) certifications for CLAR’s portfolio

10.1. Responding to Mr Raymond Chew’s query on obtaining more Green Mark certifications for CLAR’s portfolio, the CEO explained that the Manager did intend to embark on AELs and invest further to improve the efficiency of the mechanical and electrical services to obtain savings. However, the CEO explained that Green Mark certification was awarded based on how much a building had improved in energy efficiency rather than in absolute energy usage terms, and that it was easier to obtain such certification for air-conditioned buildings and office buildings compared to certain warehouses which use little or no air-conditioning as it was difficult to improve on the already low energy usage of such warehouses.

10.2. Responding to Mr Raymond Chew’s follow-up query on increasing the installations of solar panels to make it easier to obtain Green Mark certification, the CEO shared that the Manager was increasing efforts to install solar panels due to it providing the cheapest source of energy

- in terms of energy expenses.
- 10.3. The CFO added that the Manager had identified 30 buildings for CLAR's next phase in installing solar panels.
- 10.4. Responding to Mr Raymond Chew's follow-up query on the energy audit services being stated as completed in the Annual Report and how such audits interface with CLAR's progress in obtaining Green Mark certification, the CFO explained that energy audit services and Green Mark were two different things.
- 10.5. The CEO added that while the energy audits were completed, not all the buildings had been certified Green Mark because they required further investment to, for example, replacing chillers, and that it takes time as such installations and improvements are part of the overall AEI programme.
- 10.6. The CFO then explained that the energy audit services stated in page 185 of the Annual Report were payable to one of CapitaLand's related companies, which no longer performed that service for CLAR and hence why it was stated as excluded from CLAR's New Management Agreements in the Annual Report.
- 10.7. The Chairman reassured unitholders that the Manager remained passionate in doing the right thing, but had to make sure the investments put into improving the properties could create value for unitholders.
- 10.8. The IC Chairman elaborated that there were certain categories in the portfolio which had more Green Mark certifications than others, such as most of the MTBs. However, for industrial buildings and logistics buildings, it was difficult to show improvement in energy usage for the purpose of certification given the already low energy usage of such buildings. The IC Chairman reassured unitholders that most of the industrial/logistics buildings in Singapore that had yet to obtain Green Mark certification, were already low energy usage buildings on an absolute basis, and the Manager would continue working with the authorities to see how Green Mark certifications could be obtained for such buildings.
- 10.9. Responding to Mr Raymond Chew's final query on whether the Manager planned to allocate more budget or capital expenditure to improve the energy efficiency of the portfolio, with a focus on the data centres, the Chairman clarified that the Manager would green what they could, but reminded unitholders that the utility costs for data centres are passed through to the tenants and not to the unitholders.
- 10.10. The CEO added that by 2030, all buildings managed by CLAR would be greened as part of the CapitaLand 2030 Sustainability Master Plan targets. The CEO further clarified that while the Manager targets to acquire green buildings, but if unable to, the Manager would conduct an environmental study to ascertain the capital expenditure necessary to turn it green because of the 2030 target.