
CAPITALAND CHINA TRUST
2022 FIRST HALF UNAUDITED FINANCIAL STATEMENTS AND DISTRIBUTION ANNOUNCEMENT

INTRODUCTION

CapitaLand China Trust (“CLCT”) was constituted as a private trust on 23 October 2006 under a trust deed entered into between CapitaLand China Trust Management Limited (as manager of CLCT) (the “Manager”) and HSBC Institutional Trust Services (Singapore) Limited (as trustee of CLCT) (the “Trustee”). CLCT was listed on the Singapore Exchange Securities Trading Limited (“SGX-ST”) on 8 December 2006.

CLCT is a Singapore-based real estate investment trust (“REIT”) established with the objective of investing on a long-term basis in a diversified portfolio of income-producing real estate and real estate-related assets in mainland China, Hong Kong and Macau that are used primarily for retail, office and industrial purposes (including business parks, logistics facilities, data centres and integrated developments).

As at 30 June 2022, CLCT owns and invests in a portfolio of 11 retail malls, 5 business parks and 4 logistics parks located in 12 cities in mainland China.

| Retail Malls | Business Parks | Logistics Parks |
|----------------------------|--|-------------------------------------|
| 1. CapitaMall Xizhimen | 1. Ascendas Xinsu Portfolio | 1. Kunshan Bacheng Logistics Park |
| 2. Rock Square | 2. Ascendas Innovation Towers | 2. Wuhan Yangluo Logistics Park |
| 3. CapitaMall Wangjing | 3. Ascendas Innovation Hub | 3. Chengdu Shuangliu Logistics Park |
| 4. CapitaMall Grand Canyon | 4. Singapore-Hangzhou Science & Technology Park (Phase I) | 4. Shanghai Fengxian Logistics Park |
| 5. CapitaMall Xuefu | 5. Singapore-Hangzhou Science & Technology Park (Phase II) | |
| 6. CapitaMall Xinnan | | |
| 7. CapitaMall Nuohemule | | |
| 8. CapitaMall Yuhuating | | |
| 9. CapitaMall Aidemengdun | | |
| 10. CapitaMall Qibao | | |
| 11. CapitaMall Shuangjing | | |

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CapitaLand China Trust and its Subsidiaries
**(Constituted in the Republic of Singapore pursuant
to a trust deed dated 23 October 2006 (As amended))**
Condensed Interim Financial Statements
For the six-month period ended 30 June 2022

1(a) Condensed Interim Statements of Financial Position
As at 30 June 2022

| | Note | Group | | Trust | |
|--|------|-------------------------|-------------------------|-------------------------|-------------------------|
| | | 30 Jun 2022 \$'000 | 31 Dec 2021 \$'000 | 30 Jun 2022 \$'000 | 31 Dec 2021 \$'000 |
| Non-current assets | | | | | |
| Investment properties | 3 | 5,094,787 | 5,249,617 | - | - |
| Plant and equipment | | 3,118 | 3,749 | - | - |
| Subsidiaries | | - | - | 2,962,971 | 2,946,142 |
| Financial derivatives | | 34,010 | 5,735 | 34,010 | 5,735 |
| Other receivables | | 1,277 | 1,365 | - | - |
| | | <u>5,133,192</u> | <u>5,260,466</u> | <u>2,996,981</u> | <u>2,951,877</u> |
| Current assets | | | | | |
| Non-trade amounts due from subsidiaries | | - | - | 1,929 | 2,247 |
| Financial derivatives | | 1,910 | 7 | 1,910 | 7 |
| Trade and other receivables | | 45,563 | 26,567 | 1,596 | 329 |
| Cash and cash equivalents | | 297,491 | 288,860 | 2,383 | 15,994 |
| | | <u>344,964</u> | <u>315,434</u> | <u>7,818</u> | <u>18,577</u> |
| Total assets | | <u>5,478,156</u> | <u>5,575,900</u> | <u>3,004,799</u> | <u>2,970,454</u> |
| Current liabilities | | | | | |
| Trade and other payables | | 112,530 | 149,996 | 54,026 | 60,830 |
| Security deposits | | 49,839 | 51,352 | - | - |
| Financial derivatives | | 65 | 821 | 65 | 821 |
| Interest-bearing borrowings | 4 | 426,349 | 215,001 | 384,683 | 179,953 |
| Lease liabilities | | 5,085 | 5,147 | - | - |
| Provision for taxation | | 6,685 | 7,716 | 10 | 10 |
| | | <u>600,553</u> | <u>430,033</u> | <u>438,784</u> | <u>241,614</u> |
| Non-current liabilities | | | | | |
| Financial derivatives | | 92 | 2,820 | 92 | 2,820 |
| Other payables | | 23,516 | 24,131 | - | - |
| Security deposits | | 64,171 | 66,035 | - | - |
| Interest-bearing borrowings | 4 | 1,573,577 | 1,774,520 | 1,257,545 | 1,416,154 |
| Lease liabilities | | 2,768 | 5,505 | - | - |
| Deferred tax liabilities | | 321,164 | 318,493 | - | - |
| | | <u>1,985,288</u> | <u>2,191,504</u> | <u>1,257,637</u> | <u>1,418,974</u> |
| Total liabilities | | <u>2,585,841</u> | <u>2,621,537</u> | <u>1,696,421</u> | <u>1,660,588</u> |
| Net assets | | <u>2,892,315</u> | <u>2,954,363</u> | <u>1,308,378</u> | <u>1,309,866</u> |
| Represented by: | | | | | |
| Unitholders' funds | | 2,525,694 | 2,588,199 | 1,208,777 | 1,210,256 |
| Perpetual securities holders | | 99,601 | 99,610 | 99,601 | 99,610 |
| Non-controlling interests | | 267,020 | 266,554 | - | - |
| | | <u>2,892,315</u> | <u>2,954,363</u> | <u>1,308,378</u> | <u>1,309,866</u> |
| Units in issue ('000) | 5 | <u>1,671,635</u> | <u>1,659,528</u> | <u>1,671,635</u> | <u>1,659,528</u> |
| Net asset value per Unit attributable to Unitholders (\$) | 6 | <u>1.51</u> | <u>1.56</u> | <u>0.72</u> | <u>0.73</u> |

The accompanying notes form an integral part of these condensed interim financial statements.

1(b)(i) Condensed Interim Consolidated Statements of Total Return
Six-month period ended 30 June 2022

| | Note | Group | |
|--|------|------------------------|-----------------|
| | | Six-month period ended | |
| | | 30 Jun 2022 | 30 Jun 2021 |
| | | \$'000 | \$'000 |
| Gross rental income | | 183,526 | 163,948 |
| Other income | | 15,769 | 12,944 |
| Gross revenue | | 199,295 | 176,892 |
| Property related tax | | (13,559) | (15,834) |
| Business tax | | (1,097) | (1,006) |
| Property management fees and reimbursables | | (13,159) | (11,335) |
| Other property operating expenses | | (31,948) | (28,375) |
| Total property operating expenses | | (59,763) | (56,550) |
| Net property income | | 139,532 | 120,342 |
| Manager's management fees | 7 | (11,438) | (10,092) |
| Trustee's fees | | (368) | (327) |
| Audit fees | | (388) | (266) |
| Valuation fees | | (47) | (67) |
| Other operating expenses | | (457) | (792) |
| Foreign exchange (loss)/gain - realised | | (800) | 2,004 |
| Finance income | | 1,244 | 1,613 |
| Finance costs | | (27,685) | (22,501) |
| Net finance costs | 8 | (26,441) | (20,888) |
| Net income | | 99,593 | 89,914 |
| Gain on disposal of subsidiaries ⁽¹⁾ | | - | 13,328 |
| Change in fair value of financial derivatives | | 746 | 1,179 |
| Foreign exchange loss - unrealised | | (4) | (753) |
| Total return for the period before taxation | | 100,335 | 103,668 |
| Taxation | | (30,893) | (34,004) |
| Total return for the period after taxation | | 69,442 | 69,664 |
| Attributable to: | | | |
| Unitholders | | 59,772 | 61,342 |
| Perpetual securities holders | | 1,674 | 1,674 |
| Non-controlling interests | | 7,996 | 6,648 |
| Total return for the period after taxation | | 69,442 | 69,664 |
| Earnings per Unit (cents) | 9 | | |
| - Basic | | 3.69 | 4.17 |
| - Diluted | | 3.67 | 4.16 |

(1) This relates to the gain arising from the disposal of 100% interest in the companies which held CapitaMall Saihan and CapitaMall Minzhongleyuan.

The accompanying notes form an integral part of these condensed interim financial statements.

1(b)(ii) Condensed Interim Distribution Statements
Six-month period ended 30 June 2022

| | Note | Group | |
|--|------|------------------------|---------------|
| | | Six-month period ended | |
| | | 30 Jun 2022 | 30 Jun 2021 |
| | | \$'000 | \$'000 |
| Amount available for distribution to Unitholders at beginning of the period | | 30,771 | 9,582 |
| Total return for the period attributable to Unitholders and perpetual securities holders | | 61,446 | 63,016 |
| Less: Total return attributable to perpetual securities holders | | (1,674) | (1,674) |
| Distribution adjustments | A | 12,205 | 2,729 |
| Income for the period available for distribution to Unitholders | | 71,977 | 64,071 |
| Capital distribution ⁽¹⁾ | | 340 | - |
| Amount available for distribution to Unitholders | | 103,088 | 73,653 |
| Distribution to Unitholders during the period: | | | |
| - Distribution of 1.80 cents per Unit for the period from 21 October 2021 to 31 December 2021 | | (29,871) | - |
| - Distribution of 0.58 cents per Unit for the period from 26 November 2020 to 31 December 2020 | | - | (8,737) |
| | | (29,871) | (8,737) |
| Amount retained | B | (3,616) | - |
| Amount available for distribution to Unitholders at end of the period | | 69,601 | 64,916 |
| Distribution per Unit ("DPU") (cents) | | | |
| - Before amount retained | | 4.32 | 4.23 |
| - After amount retained | | 4.10 | 4.23 |

(1) This relates to the rental support (which was previously deducted from the amount paid to the vendor) for the vacancy loss and rent free period provided to existing tenants for Chengdu Shuangliu Logistics Park.

The accompanying notes form an integral part of these condensed interim financial statements.

1(b)(ii) Condensed Interim Distribution statements (cont'd)
Six-month period ended 30 June 2022

Note A – Distribution adjustments

| | Group | |
|--|-------------------------------|--------------------|
| | Six-month period ended | |
| | 30 Jun 2022 | 30 Jun 2021 |
| | \$'000 | \$'000 |
| Distribution adjustment items: | | |
| - (Gain) on disposal of subsidiaries | - | (8,376) |
| - Straight line rental and leasing commission adjustments ⁽¹⁾ | 2,702 | 1,040 |
| - Manager's management fees payable in Units | 8,172 | 6,809 |
| - Change in fair value of financial derivatives | (746) | (1,179) |
| - Deferred taxation ⁽¹⁾ | 8,626 | 8,735 |
| - Transfer to general reserve ⁽¹⁾ | (4,595) | (3,475) |
| - Unrealised foreign exchange (gain)/loss ⁽¹⁾ | (18) | 751 |
| - Other adjustments ⁽¹⁾ | (1,936) | (1,576) |
| Net effect of distribution adjustments | 12,205 | 2,729 |

(1) Excludes non-controlling interest's share

Note B

For 1H 2022, CLCT retained S\$3.6 million of its amount available for distribution to Unitholders in view of the operating uncertainty associated with recent COVID-19 outbreaks and lockdown in China resulted in mandatory closures of affected assets. This represents 5.0% of the amount available for distribution to Unitholders.

1(b)(iii) Condensed Interim Statements of Movements in Unitholders' Funds
Six-month period ended 30 June 2022

| | Group | | Trust | |
|--|------------------|------------------|------------------|------------------|
| | 30 Jun 2022 | 30 Jun 2021 | 30 Jun 2022 | 30 Jun 2021 |
| | \$'000 | \$'000 | \$'000 | \$'000 |
| Operations | | | | |
| Unitholders' funds as at beginning of the period | 2,588,199 | 2,245,244 | 1,210,256 | 972,682 |
| Change in Unitholders' funds resulting from operations | 61,446 | 63,016 | (11,022) | 87,221 |
| Total return attributable to perpetual securities holders | (1,674) | (1,674) | (1,674) | (1,674) |
| Transfer to general reserve | (4,595) | (3,475) | - | - |
| Net increase/(decrease) in net assets resulting from operations | 55,177 | 57,867 | (12,696) | 85,547 |
| Movements in hedging reserve | | | | |
| Effective portion of changes in fair value of cash flow hedges | 32,916 | 11,498 | 32,916 | 11,498 |
| Movements in foreign currency translation reserve | | | | |
| Translation differences from financial statements of foreign operations | (131,644) | 51,389 | - | - |
| Exchange differences on monetary items forming part of net investment in foreign operations | (1,850) | 6,300 | - | - |
| Net (loss)/gain recognised directly in Unitholders' funds | (100,578) | 69,187 | 32,916 | 11,498 |
| Movement in general reserve | 4,595 | 3,475 | - | - |
| Unitholders' transactions | | | | |
| Creation of Units payable/paid to Manager - Units issued and to be issued as satisfaction of the portion of Manager's management fees payable in Units | 8,172 | 6,809 | 8,172 | 6,809 |
| Distributions to Unitholders | (29,871) | (8,737) | (29,871) | (8,737) |
| Net decrease in net assets resulting from Unitholders' transactions | (21,699) | (1,928) | (21,699) | (1,928) |
| Unitholders' funds as at end of the period | 2,525,694 | 2,373,845 | 1,208,777 | 1,067,799 |
| Perpetual securities holders' funds | | | | |
| Balance as at beginning of the period | 99,610 | 99,610 | 99,610 | 99,610 |
| Amount reserved for distribution to perpetual securities holders | 1,674 | 1,674 | 1,674 | 1,674 |
| Distribution to perpetual securities holders | (1,683) | (1,683) | (1,683) | (1,683) |
| Balance as at end of the period | 99,601 | 99,601 | 99,601 | 99,601 |

The accompanying notes form an integral part of these condensed interim financial statements.

1(b)(iii) Condensed Interim Statements of Movements in Unitholders' Funds (cont'd)
Six-month period ended 30 June 2022

| | Group | | Trust | |
|---|------------------------|------------------|------------------|------------------|
| | Six-month period ended | | | |
| | 30 Jun 2022 | 30 Jun 2021 | 30 Jun 2022 | 30 Jun 2021 |
| | \$'000 | \$'000 | \$'000 | \$'000 |
| Non-controlling interests | | | | |
| Balance as at beginning of the period | 266,554 | - | - | - |
| Acquisition of subsidiaries | - | 240,401 | - | - |
| Total return attributable to non-controlling interests | 7,996 | 6,648 | - | - |
| Translation differences from financial statements of foreign operations | (7,530) | 4,567 | - | - |
| Balance as at end of the period | 267,020 | 251,616 | - | - |
| Total | 2,892,315 | 2,725,062 | 1,308,378 | 1,167,400 |

The accompanying notes form an integral part of these condensed interim financial statements.

1(c) Portfolio Statement
As at 30 June 2022

| Description of leasehold property | Location | Term of lease (years) | Remaining term of lease (years) | Valuation | | Valuation | | Percentage of Unitholders' funds | |
|-----------------------------------|--|-----------------------|---------------------------------|----------------------------|-------------|----------------------------|-------------|----------------------------------|-------------|
| | | | | 30 Jun 2022 ⁽¹⁾ | 31 Dec 2021 | 30 Jun 2022 ⁽¹⁾ | 31 Dec 2021 | 30 Jun 2022 | 31 Dec 2021 |
| | | | | RMB'000 | RMB'000 | \$'000 | \$'000 | % | % |
| Group | | | | | | | | | |
| Retail Malls | | | | | | | | | |
| CapitaMall Xizhimen | No. 1, Xizhimenwai Street, Xicheng District, Beijing | 40 - 50 | 22 - 32 | 3,624,026 | 3,620,000 | 743,831 | 766,608 | 29.5 | 29.6 |
| Rock Square | No. 106-108 Gongye Avenue North, Haizhu District, Guangzhou City, Guangdong Province | 40 | 23 | 3,431,325 | 3,422,000 | 704,279 | 724,677 | 27.9 | 28.0 |
| CapitaMall Wangjing | No. 33, Guangshunbei North Road, Chaoyang District, Beijing | 38 - 48 | 21 - 31 | 2,812,281 | 2,795,000 | 577,221 | 591,897 | 22.9 | 22.9 |
| CapitaMall Grand Canyon | No. 16, South Third Ring West Road, Fengtai District, Beijing | 40 - 50 | 22 - 32 | 2,028,680 | 2,022,000 | 416,387 | 428,199 | 16.5 | 16.6 |
| CapitaMall Xuefu | No. 1, Xuefu Road, Nangang District, Harbin, Heilongjiang Province | 40 | 23 | 1,791,029 | 1,789,000 | 367,608 | 378,857 | 14.6 | 14.6 |
| CapitaMall Xinnan | No. 99, Shenghe First Road, Gaoxin District, Chengdu, Sichuan Province | 40 | 25 | 1,612,981 | 1,611,000 | 331,064 | 341,162 | 13.1 | 13.2 |
| CapitaMall Nuohemule | Block A Jinyu Xintiandi, E'erduosi Street, Yuquan District, Hohhot, Inner Mongolia Autonomous Region | 40 | 27 | 1,020,974 | 1,020,000 | 209,555 | 216,005 | 8.3 | 8.3 |
| CapitaMall Yuhuating | No. 421, Shaoshan Middle Road, Yuhua District, Changsha, Hunan Province | 39 | 22 | 770,652 | 770,000 | 158,176 | 163,063 | 6.3 | 6.3 |
| CapitaMall Shuangjing | No. 31, Guangqu Road, Chaoyang District, Beijing | 40 | 20 | 616,018 | 616,000 | 126,438 | 130,450 | 5.0 | 5.0 |
| CapitaMall Aidemengdun | No. 38, Aidemengdun Road, Daoli District, Harbin, Heilongjiang Province | 40 | 20 | 446,399 | 446,000 | 91,623 | 94,449 | 3.6 | 3.6 |
| CapitaMall Qibao(2) | No. 3655, Qixin Road, Minhang District, Shanghai | 19 | 2 | 55,176 | 55,000 | 11,325 | 11,647 | 0.4 | 0.5 |
| Balance carried forward | | | | 18,209,541 | 18,166,000 | 3,737,507 | 3,847,014 | 148.1 | 148.6 |

The accompanying notes form an integral part of these condensed interim financial statements.

1(c) Portfolio Statement (cont'd)
As at 30 June 2022

| Description of leasehold property | Location | Term of lease (years) | Remaining term of lease (years) | Valuation | | Valuation | | Percentage of Unitholders' funds | |
|---|---|-----------------------|---------------------------------|----------------------------|-------------|----------------------------|-------------|----------------------------------|-------------|
| | | | | 30 Jun 2022 ⁽¹⁾ | 31 Dec 2021 | 30 Jun 2022 ⁽¹⁾ | 31 Dec 2021 | 30 Jun 2022 | 31 Dec 2021 |
| | | | | RMB'000 | RMB'000 | \$'000 | \$'000 | % | % |
| Group | | | | | | | | | |
| Balance brought forward | | | | 18,209,541 | 18,166,000 | 3,737,507 | 3,847,014 | 148.1 | 148.6 |
| <u>Business Parks</u> | | | | | | | | | |
| Ascendas Xinsu Portfolio | Suzhou Industrial Park, Suzhou City, Jiangsu Province | 50 | 24 - 35 | 2,295,409 | 2,294,000 | 471,133 | 485,800 | 18.7 | 18.8 |
| Ascendas Innovation Towers | No. 88 Tian Gu Seventh Road, Xi'an Hi-Tech Industries Development Zone, Xi'an, Shaanxi Province | 50 | 42 | 791,863 | 794,000 | 162,530 | 168,145 | 6.4 | 6.5 |
| Ascendas Innovation Hub | No. 38 Gao Xin Sixth Road, Xi'an Hi-Tech Industries Development Zone, Xi'an, Shaanxi Province | 50 | 29 | 304,653 | 305,000 | 62,530 | 64,590 | 2.5 | 2.5 |
| Singapore-Hangzhou Science & Technology Park (Phase I) | No. 2 Kejiyuan Road, Hangzhou Economic & Technological Development Area, Jianggan District, Hangzhou, Zhejiang Province | 50 | 34 | 672,006 | 672,000 | 137,929 | 142,310 | 5.5 | 5.4 |
| Singapore-Hangzhou Science & Technology Park (Phase II) | No. 20 & 57 Kejiyuan Road, Hangzhou Economic & Technological Development Area, Jianggan District, Hangzhou, Zhejiang Province | 50 | 38 | 813,143 | 814,000 | 166,898 | 172,381 | 6.6 | 6.7 |
| | | | | 23,086,615 | 23,045,000 | 4,738,527 | 4,880,240 | 187.8 | 188.5 |

The accompanying notes form an integral part of these condensed interim financial statements.

1(c) Portfolio Statement (cont'd)
As at 30 June 2022

| Description of leasehold property | Location | Term of lease (years) | Remaining term of lease (years) | Valuation | | Valuation | | Percentage of Unitholders' funds | |
|---|---|-----------------------|---------------------------------|----------------------------|-------------------|----------------------------|------------------|----------------------------------|--------------|
| | | | | 30 Jun 2022 ⁽¹⁾ | 31 Dec 2021 | 30 Jun 2022 ⁽¹⁾ | 31 Dec 2021 | 30 Jun 2022 | 31 Dec 2021 |
| | | | | RMB'000 | RMB'000 | \$'000 | \$'000 | % | % |
| Group | | | | | | | | | |
| Balance brought forward | | | | 23,086,615 | 23,045,000 | 4,738,527 | 4,880,240 | 187.8 | 188.5 |
| Logistics Parks | | | | | | | | | |
| Kunshan Bacheng Logistics Park | No. 998 Yuyang Road Yushan Town, Kunshan, Jiangsu Province | 50 | 42 | 330,149 | 330,000 | 67,763 | 69,884 | 2.7 | 2.7 |
| Wuhan Yangluo Logistics Park | 10 Qiuli Road, Yangluo Development Zone, Xinzhou District, Wuhan | 50 | 42 | 379,087 | 383,000 | 77,808 | 81,108 | 3.1 | 3.1 |
| Chengdu Shuangliu Logistics Park | No. 86 Tongguan Road, Shuangliu District, Chengdu, Sichuan Province | 50 | 40 | 356,051 | 357,000 | 73,079 | 75,602 | 2.9 | 2.9 |
| Shanghai Fengxian Logistics Park | No. 435 Haishang Road, Fengxian District, Shanghai | 50 | 37 | 620,208 | 624,000 | 127,298 | 132,144 | 5.0 | 5.1 |
| Investment properties, at valuation (Note 3) | | | | 24,772,110 | 24,739,000 | 5,084,475 | 5,238,978 | 201.5 | 202.3 |
| Other assets and liabilities (net) | | | | | | (2,192,160) | (2,284,615) | (86.8) | (88.3) |
| | | | | | | <u>2,892,315</u> | <u>2,954,363</u> | <u>114.7</u> | <u>114.0</u> |
| Net assets attributable to perpetual securities holders | | | | | | (99,601) | (99,610) | (3.9) | (3.8) |
| Net assets attributable to non-controlling interests | | | | | | (267,020) | (266,554) | (10.8) | (10.2) |
| Net assets attributable to Unitholders | | | | | | 2,525,694 | 2,588,199 | 100.0 | 100.0 |

(1) Valuation of investment properties as at 30 June 2022 (see Note 3).

(2) CapitaMall Qibao is held under a master lease by CapitaRetail Dragon Mall (Shanghai) Co., Ltd, a subsidiary of CapitaRetail China Investments (B) Alpha Pte. Ltd. The master lease was entered with Shanghai Jin Qiu (Group) Co., Ltd ("Jin Qiu"), the legal owner of CapitaMall Qibao and expires on 7 January 2024. The valuation is on the basis that CLCT does not exercise its option which expired on 31 January 2021.

The accompanying notes form an integral part of these condensed interim financial statements.

1(d) Condensed Interim Consolidated Statement of Cash Flows
Six-month period ended 30 June 2022

| | Note | Group | |
|---|------|------------------------|------------------|
| | | Six-month period ended | |
| | | 30 Jun 2022 | 30 Jun 2021 |
| | | \$'000 | \$'000 |
| Operating activities | | | |
| Total return for the period after taxation | | 69,442 | 69,664 |
| Adjustments for: | | | |
| Finance income | | (1,244) | (1,613) |
| Finance costs | | 27,685 | 22,501 |
| Depreciation and amortisation | | 625 | 679 |
| Taxation | | 30,893 | 34,004 |
| Manager's management fees payable in Units | A | 8,172 | 6,809 |
| Change in fair value of financial derivatives | | (746) | (1,179) |
| Gain on disposal of subsidiary | | - | (13,328) |
| Impairment losses on trade receivables, net | | 5 | 94 |
| Operating income before working capital changes | | 134,832 | 117,631 |
| Changes in working capital: | | | |
| Trade and other receivables | | (18,913) | (3,023) |
| Trade and other payables | | (22,095) | (10,470) |
| Cash generated from operating activities | | 93,824 | 104,138 |
| Income tax paid | | (16,211) | (22,368) |
| Net cash from operating activities | | 77,613 | 81,770 |
| Investing activities | | | |
| Interest received | | 1,244 | 1,613 |
| Capital expenditure on investment properties | | (20,167) | (17,437) |
| Net cash outflow on acquisition of subsidiaries | B | (3,822) | (325,126) |
| Proceeds from disposal of subsidiaries | C | - | 166,225 |
| Deposit refund for divestment of subsidiaries | | - | (46,982) |
| Purchase of plant and equipment | | (158) | (841) |
| Proceeds from disposal of plant and equipment | | - | 2 |
| Net cash used in investing activities | | (22,903) | (222,546) |
| Financing activities | | | |
| Distribution to Unitholders | | (29,871) | (8,737) |
| Distribution to perpetual securities holders | | (1,683) | (1,683) |
| Payment of equity issue expenses | | (166) | (1,202) |
| Payment of financing expenses | | (775) | (735) |
| Payment of lease liabilities | | (1,356) | (2,998) |
| Proceeds from draw down of interest-bearing borrowings | | 101,600 | 550,800 |
| Repayment of interest-bearing borrowings | | (79,196) | (372,560) |
| Settlement of derivative contracts | | (661) | (342) |
| Interest paid | | (25,605) | (22,055) |
| Net cash (used in)/from financing activities | | (37,713) | 140,488 |
| Net decrease in cash and cash equivalents | | 16,997 | (288) |
| Cash and cash equivalents at 1 January | | 288,860 | 208,440 |
| Effect of foreign exchange rate changes on cash balances | | (8,366) | 3,479 |
| Changes in cash and cash equivalents reclassified to assets held for sale | | - | 24,804 |
| Cash and cash equivalents at 30 June | | 297,491 | 236,435 |

The accompanying notes form an integral part of these condensed interim financial statements.

1(d) Condensed Interim Consolidated statement of cash flows (cont'd)
Six-month period ended 30 June 2022

Notes:

(A) Significant non-cash and other transactions

\$8.2 million of the Manager's management fees (performance and partial base fees) in 2022 will be paid through the issuance of new Units subsequent to the year end.

\$6.8 million of the Manager's management fees (performance and partial base fees) in 2021 was paid through the issuance of 4,935,170 new Units in March 2022.

(B) Net cash outflow on the acquisition of subsidiaries

Net cash outflow on acquisition of subsidiaries are provided below:

On 10 October 2021, the Group has also acquired 100% of the shares ABM KS Investment Pte. Ltd., Wuhan Logistics Pte. Ltd., Forum Court Limited and Hanson Logistics Limited, which holds Kunshan Bacheng Logistics Park, Wuhan Yangluo Logistics Park, Chengdu Shuangliu Logistics Park and Shanghai Fengxian Logistics Park respectively. The Group accounted for these acquisitions as acquisitions of assets. In 1H 2022, the group paid \$3.8 million out of the \$9.1 million consideration payable as at 31 December 2021.

In 1H 2021, the group paid \$325.1 million for the acquisition of the five business parks.

| | Group Six-month period ended 30 Jun 2021 \$'000 |
|---|--|
| Investment properties | 961,793 |
| Plant and equipment | 681 |
| Trade and other receivables | 5,626 |
| Cash and cash equivalents | 69,851 |
| Trade and other payables | (22,503) |
| Security deposits | (27,568) |
| Interest-bearing borrowings | (176,272) |
| Shareholder loan | (61,187) |
| Provision for taxation | (2,251) |
| Net identifiable assets and liabilities acquired | 748,170 |
| Net identifiable assets and liabilities based on percentage acquired | 507,999 |
| Add: Shareholder's loan and interest payable novated | 7,140 |
| Total consideration payable | 515,139 |
| Cash of the subsidiaries acquired | (54,275) |
| Deposit paid in 2020 | (115,604) |
| Consideration payable | (21,988) |
| Cash paid to vendor in respect of acquisition of subsidiary in 2021/2020 | 1,854 |
| Net cash outflow | 325,126 |

The accompanying notes form an integral part of these condensed interim financial statements.

1(d) Condensed Interim Consolidated statement of cash flows (cont'd)
Six-month period ended 30 June 2022

(C) Net cash inflow on the divestment of subsidiaries

Net cash inflow on divestment of subsidiaries are provided below:

| | Group Six-month period ended 30 Jun 2021 \$'000 |
|---|--|
| Investment properties | 201,274 |
| Plant and equipment | 53 |
| Trade and other receivables | 954 |
| Cash and cash equivalents | 607 |
| Trade and other payables | (19,258) |
| Lease liabilities | (13,685) |
| Security deposits | (529) |
| Deferred tax liabilities | (13,369) |
| Provision for taxation | (9) |
| Net identifiable assets and liabilities divested | 156,038 |
| Gain on disposal of subsidiary | 13,328 |
| Realisation of translation reserves | 2,012 |
| Sale consideration | 171,378 |
| Tax paid | (4,546) |
| Cash of the subsidiary divested | (607) |
| Net cash inflow | 166,225 |

The accompanying notes form an integral part of these condensed interim financial statements.

1(e) Notes to the Condensed Interim Financial Statements

These notes form an integral part of the Condensed Interim Financial Statements.

These Condensed Interim Financial Statements as at and for the six-month period ended 30 June 2022 relate to CLCT and its subsidiaries (the "Group").

1. General

CapitaLand China Trust (the "Trust") is a Singapore-domiciled unit trust constituted pursuant to the trust deed dated 23 October 2006 (as amended by a first supplemental deed dated 8 November 2006, a second supplemental deed dated 15 April 2010, a third supplemental deed dated 5 April 2012, a fourth supplemental deed dated 14 February 2014, a fifth supplemental deed dated 6 May 2015, a sixth supplemental deed dated 29 April 2016, a seventh supplemental deed dated 5 June 2018, an eighth supplemental deed dated 17 April 2019, a ninth supplemental deed dated 2 April 2020, a first amending and restating deed dated 20 October 2020, and a tenth supplemental deed dated 26 January 2021) (collectively the "Trust Deed") between CapitaLand China Trust Management Limited, (the "Manager") and HSBC Institutional Trust Services (Singapore) Limited (the "Trustee"). The Trust Deed is governed by the laws of the Republic of Singapore. The Trustee is under a duty to take into custody and hold the assets of the Trust held by it or through its subsidiaries (the "Group") in trust for the holders ("Unitholders") of Units in the Trust (the "Units").

The Trust was formally admitted to the Official List of the Singapore Exchange Securities Trading Limited (the "SGX-ST") on 8 December 2006 (the "Listing Date") and was included under the Central Provident Fund ("CPF") Investment Scheme on 8 December 2006.

The principal activities of the Trust are those relating to investment in a diversified portfolio of income-producing properties located primarily in the mainland China, Hong Kong and Macau and used primarily for retail, office and industrial purposes (including business parks, logistics facilities, data centres and integrated developments).

The Group has entered into several service agreements in relation to the management of the Trust and its property operations. The fee structures for these services are as follows:

(a) Trustee's fees

Pursuant to Clause 14.3 of the Trust Deed, the Trustee's fee shall not exceed 0.03% per annum of the value of all the assets of the Group ("Deposited Property"), subject to a minimum of \$15,000 per month, excluding out-of-pocket expenses and Goods and Service Tax.

(b) Manager's management fees

The Manager is entitled under Clauses 14.1.3, 14.1.4 and 14.1.6 of the Trust Deed to the following management fees:

- a base fee of 0.25% per annum of the value of the Deposited Property;
- a performance fee of 4.0% per annum of the net property income in the relevant financial year (calculated before accounting for the performance fee in that financial year); and
- an authorised investment management fee of 0.5% per annum of the value of authorised investments which are not real estate. Where such authorised investment is an interest in a property fund (either a real estate investment trust or private property fund) wholly managed by a wholly-owned subsidiary of CapitaLand Limited, no authorised investment management fee shall be payable in relation to such authorised investment.

The Manager may, in accordance with Clause 14.1.8(i) of the Trust Deed elect to receive the management fees in cash or Units or a combination of cash and/or Units (as it may in its sole discretion determine). Pursuant to Clauses 14.1.3 and 14.1.4 of the Trust Deed, the base fee and performance fee are computed and payable on a quarterly and annual basis respectively.

1(e) Notes to the Condensed Interim Financial Statements (cont'd)

(c) Property management fees

Under the property management agreements in respect of each property, the Property Managers will provide lease management services, property tax services and marketing co-ordination services in relation to that property. The Property Managers are entitled to the following fees:

Retail:

- 2.0% per annum of the gross revenue; and
- 2.5% per annum of the net property income.

Business Parks¹ / Logistics Parks:

- 1.5% - 3.0% per annum of the gross revenue; and
- (a) a commission equivalent to one (1) time of the monthly gross rent (including service charges and advertisement and promotional fees if any), for each new lease of a term of three (3) years or less;
- (b) a commission equivalent to two (2) times of the monthly gross rent (including property management fee and marketing fee if any), for each new lease of a term of more than (3) years and equal to or less than five (5) years (together with (a) above, the "Marketing Commission Fee");
- (c) a commission equivalent to 50% of the relevant Marketing Commission Fee, for each renewal of lease; and
- (d) for leases of a term of less than one (1) year or longer than five (5) years, the respective Property Managers and the respective Target Companies may review and adjust the Marketing Commission Fee on a case by case basis.
- if any lease is referred by a third-party agent and if so requested by the respective Property Managers, the respective Target Companies shall pay to the third-party agent such amount of commission as notified by the respective Property Managers and concurrently pay to the respective Property Managers 20% of the amount payable to the third-party agent as marketing support and administrative charges.

¹ Except for the Business parks in Hangzhou, where the property management fees is computed as 8.4% per annum of the gross rental income, in lieu of leasing commission and any services to be provided by the property manager.

1(e) Notes to the Condensed Interim Financial Statements (cont'd)

(d) Acquisition fee

For any authorised investment acquired from time to time by the Trustee on behalf of the Trust, the acquisition fee payable to the Manager under Clause 14.2 of the Trust Deed shall be:

- up to 1.5% of the purchase price in the case of any authorised investment (as defined in the Trust Deed) acquired by the Trust for less than \$200 million; and
- 1.0% of the purchase price in the case of any authorised investment acquired by the Trust for \$200 million or more.

The acquisition fee payable in respect of any authorised investment acquired from time to time by the Trustee on behalf of the Trust from CapitaLand Mall China Income Fund I, CapitaLand Mall China Income Fund II, CapitaLand Mall China Income Fund III, CapitaLand Mall China Development Fund III, or CapitaLand Mall Asia Limited shall be 1.0% of the purchase price paid by the Trust.

No acquisition fee was payable for the acquisition of the initial property portfolio of the Trust.

The acquisition fee is payable to the Manager in the form of cash and/or Units (as the Manager may elect) at the prevailing market price provided that in respect of any acquisition of real estate assets from interested parties, such a fee should, if required by the applicable laws, rules and/or regulations, be in the form of Units issued by the Trust at prevailing market price(s) and subject to such transfer restrictions as may be imposed.

Any payment to third party agents or brokers in connection with the acquisition of any authorised investments for the Trust shall be paid by the Manager to such persons out of the Deposited Property of the Trust or the assets of the relevant special purpose vehicle, and not out of the acquisition fee received or to be received by the Manager.

(e) Divestment fee

Under Clause 14.2 of the Trust Deed, the Manager is entitled to receive a divestment fee of 0.5% of the sale price of any authorised investment disposed directly or indirectly by the Trust, prorated if applicable to the proportion of the Trust's interest.

The divestment fee is payable to the Manager in the form of cash and/or Units (as the Manager may elect) at the prevailing market price provided that in respect of any divestment of real estate assets to interested parties, such a fee should, if required by the applicable laws, rules and/or regulations, be in the form of Units issued by the Trust at prevailing market price(s) and subject to such transfer restrictions as may be imposed.

Any payment to third party agents or brokers in connection with the divestment of any authorised investments for the Trust shall be paid by the Manager to such persons out of the Deposited Property of the Trust or the assets of the relevant special purpose vehicle, and not out of the divestment fee received or to be received by the Manager.

1(e) Notes to the Condensed Interim Financial Statements (cont'd)

2. Summary of significant accounting policies

(a) Basis of preparation

The Condensed Interim Financial Statements has been prepared in accordance with the *Statement of Recommended Accounting Practice ("RAP") 7 "Reporting Framework for Investment Funds"* issued by the Institute of Singapore Chartered Accountants, and the applicable requirements of the Code on Collective Investment Schemes issued by the Monetary Authority of Singapore and the provisions of the Trust Deed, and should be read in conjunction with the Group's last annual consolidated financial statements as at and for the year ended 31 December 2021. RAP 7 requires the accounting policies to generally comply with the recognition and measurement principles of Financial Reporting Standards in Singapore ("FRS").

The Condensed Interim Financial Statements does not include all of the information required for full annual financial statements and should be read in conjunction with the Group's last annual consolidated financial statements as at 31 December 2021.

These Condensed Interim Financial Statements are presented in Singapore Dollars, which is the Trust's functional currency. All financial statements presented in Singapore Dollars have been rounded to the nearest thousand, unless otherwise stated.

The preparation of the Condensed Interim Financial Statements in conformity with RAP 7 requires the Manager to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

In particular, information about significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the Condensed Interim Financial Statements are described in Note 3 – Valuation of investment properties.

The accounting policies applied by the Group in this Condensed Interim Financial Statements are the same as those applied by the Group in the financial statements as at and for the year ended 31 December 2021.

(b) New standards and amendments

The Group applied the recognition and measurement principles of a number of amendments to standards for the financial period beginning 1 January 2022.

The application of these amendments to standards does not have a material effect on the financial statements.

1(e) Notes to the Condensed Interim Financial Statements (cont'd)

3. Investment properties

| | Group | |
|---|--------------------|--------------------|
| | 30 Jun 2022 | 31 Dec 2021 |
| | \$'000 | \$'000 |
| At 1 January | 5,249,617 | 3,726,433 |
| Acquisition of investment properties ⁽¹⁾ | - | 1,330,787 |
| Expenditure capitalised | 6,796 | 18,688 |
| Changes in fair value | - | (10,220) |
| Translation differences | (161,626) | 183,929 |
| At 30 Jun 2022/31 Dec 2021 | 5,094,787 | 5,249,617 |

(1) Includes acquisition fees and acquisition related expenses of \$15.9 million for 31 December 2021.

Security

At 30 June 2022, investment properties of the Group with carrying amounts of \$1,758.0 million (31 December 2021: \$1,813.0 million) are pledged as security to secure bank loans (see Note 4).

Measurement of fair value

As at 30 June 2022, management conducted an internal assessment of the valuation of the investment properties, including considering any significant changes in operating performance of the properties, and in consultation with our panel of external property valuers, assessed whether movement in market data, such as discount rates, capitalisation rates, have any significant impact to the valuation of the investment properties. Based on the assessment, management is of the view that the fair value of the portfolio of investment properties has not materially changed from 31 December 2021 valuation which was performed by the independent external valuers Beijing Colliers International Real Estate Valuation Co., Ltd., CBRE (Shanghai) Management Limited, Cushman & Wakefield International Property Advisers (Shanghai) Co., Ltd. and Jones Lang LaSalle Corporate Appraisal and Advisory Limited.

The valuation reports obtained from the independent valuers for certain of our properties as at 31 December 2021 contain the "material valuation uncertainty" clause due to the ongoing market disruption caused by the COVID-19 pandemic. Given the unprecedented set of circumstances on which to base a judgement, less certainty, and a higher degree of caution, should be attached to their valuations than would normally be the case. This clause does not invalidate the valuations, but implies that there is substantially more uncertainty than under normal market conditions.

The above valuation methods involve certain estimates. The Manager reviews the key valuation parameters and underlying data including market-corroborated capitalisation rates, discount rates and terminal yield rates adopted and is of the view that they are reflective of available market data as at 30 June 2022.

| | 30 Jun 2022 | 31 Dec 2021 |
|---|--------------------|--------------------|
| | \$'000 | \$'000 |
| Fair value of investment properties | 5,084,475 | 5,238,978 |
| Add: Carrying amount of lease liabilities | 10,312 | 10,639 |
| Carrying amount of investment properties | 5,094,787 | 5,249,617 |

1(e) Notes to the Condensed Interim Financial Statements (cont'd)

4. Aggregate amount of borrowings and debt securities

| | Group | | Trust | |
|---|-----------------------|-----------------------|-----------------------|-----------------------|
| | 30 Jun 2022 \$'000 | 31 Dec 2021 \$'000 | 30 Jun 2022 \$'000 | 31 Dec 2021 \$'000 |
| Unsecured borrowings | | | | |
| - Amount repayable within one year ⁽¹⁾ | 384,800 | 180,000 | 384,800 | 180,000 |
| - Amount repayable after one year | 1,261,400 | 1,420,000 | 1,261,400 | 1,420,000 |
| Secured borrowings⁽²⁾ | | | | |
| - Amount repayable within one year | 41,666 | 35,048 | - | - |
| - Amount repayable after one year | 316,032 | 358,366 | - | - |
| | 2,003,898 | 1,993,414 | 1,646,200 | 1,600,000 |
| Less: Unamortised transaction costs | (3,972) | (3,893) | (3,972) | (3,893) |
| | 1,999,926 | 1,989,521 | 1,642,228 | 1,596,107 |
| Current | 426,349 | 215,001 | 384,683 | 179,953 |
| Non-current | 1,573,577 | 1,774,520 | 1,257,545 | 1,416,154 |
| | 1,999,926 | 1,989,521 | 1,642,228 | 1,596,107 |

(1) The S\$130.0 million bonds due on 4 July 2022 has been successfully refinanced. The group has commenced discussions with the banks to refinance a total of S\$250.0 million of the term loans due within one year.

(2) CapitaMall Xuefu, Rock Square, Ascendas Innovation Towers, Singapore-Hangzhou Science & Technology Park Phase I and II, Kunshan Bacheng Logistics Park, Wuhan Yangluo Logistics Park and Chengdu Shangliu Logistics Park were acquired with a legal mortgage and an assignment of the properties' insurance policies in favour of the lender over the properties as at 30 June 2022 (see Note 3).

5. Units in issue

| | Group and Trust | |
|---|--|--|
| | Six-month period 30 Jun 2022 Number of Units | Year ended 31 Dec 2021 Number of Units |
| Balance as at beginning of period/year | 1,659,527,650 | 1,506,433,415 |
| New Units issued: | | |
| - Units in connection with private placement exercise | - | 128,756,000 |
| - As payment of distribution through distribution reinvestment plan | - | 11,645,817 |
| - As payment of Manager's acquisition fee | - | 7,332,674 |
| - As payment of Manager's management fees | 12,106,981 | 5,359,744 |
| Total issued Units as at end of period/year | 1,671,634,631 | 1,659,527,650 |
| New Units to be issued: | | |
| - As payment of Manager's management fees | 7,000,866 | 12,106,981 |
| Total issued and issuable Units as at end of period/year | 1,678,635,497 | 1,671,634,631 |

1(e) Notes to the Condensed Interim Financial Statements (cont'd)

6. Net asset value (“NAV”) and net tangible asset (“NTA”) per Unit based on issued Units

| | Group | | Trust | |
|---|-------------|-------------|-------------|-------------|
| | 30 Jun 2022 | 31 Dec 2021 | 30 Jun 2022 | 31 Dec 2021 |
| NAV/NTA per Unit ⁽¹⁾ | 1.51 | 1.56 | 0.72 | 0.73 |
| Adjusted NAV/NTA per Unit (excluding distributable income) | 1.47 | 1.54 | 0.68 | 0.71 |

(1) NAV/NTA per Unit is computed based on net assets attributable to Unitholders over the issued Units at the end of the period.

7. Manager’s management fees

Manager’s management fees comprise base fee of \$6.4 million (30 June 2021: \$5.8 million) and performance fee of \$5.0 million (30 June 2021: \$4.3 million). The Manager has elected to receive all performance fees and a partial of the base fee in the form of Units. The performance component of the Manager’s management fee amounting to \$5.0 million (30 June 2021: \$4.3 million) and base fee amounting to \$3.2 million (30 June 2021: \$2.5 million) will be paid through the issue of 7,000,866 (30 June 2021: 4,935,170) new Units subsequent to the year end.

8. Finance income and finance costs

| | Group | |
|---|-------------|-------------|
| | 30 Jun 2022 | 30 Jun 2021 |
| | \$'000 | \$'000 |
| Interest income: | | |
| - financial institutions | 1,244 | 1,613 |
| Finance income | 1,244 | 1,613 |
| Interest expenses: | | |
| - financial institutions | (24,829) | (17,273) |
| - related parties | (332) | (41) |
| | (25,161) | (17,314) |
| Cash flow hedges - losses reclassified from hedging reserve | (2,266) | (4,817) |
| Finance lease expenses | (258) | (370) |
| Finance costs | (27,685) | (22,501) |
| Net finance costs recognised in statement of total return | (26,441) | (20,888) |

1(e) Notes to the Condensed Interim Financial Statements (cont'd)

9. Earnings per Unit

Basic earnings per Unit

The calculation of basic earnings per Unit is based on weighted average number of Units during the period and total return for the period after taxation and non-controlling interest before distribution.

| | Group | |
|---|-------------------------------|--------------------|
| | Six-month period ended | |
| | 30 Jun 2022 | 30 Jun 2021 |
| | \$'000 | \$'000 |
| Total return for the year after taxation and non-controlling interest before distribution | 61,446 | 63,016 |
| Less: Total return attributable to perpetual securities holders | (1,674) | (1,674) |
| Total return attributable to Unitholders | 59,772 | 61,342 |

| | Trust | |
|---|-------------------------------|--------------------|
| | Six-month period ended | |
| | 30 Jun 2022 | 30 Jun 2021 |
| | Number of Units | |
| | '000 | '000 |
| Issued Units at beginning of period | 1,659,528 | 1,506,433 |
| Effect of creation of new Units: | | |
| - Manager's management fees paid/payable in Units | 7,931 | 3,522 |
| Weighted average number of issued and issuable Units at end of the period | 1,667,459 | 1,509,955 |

Diluted earnings per Unit

Diluted earnings per Unit is calculated based on total return for the period after taxation and non-controlling interest and weighted average number of Units outstanding during the period, adjusted for the effects of all dilutive potential Units.

| | Trust | |
|---|-------------------------------|--------------------|
| | Six-month period ended | |
| | 30 Jun 2022 | 30 Jun 2021 |
| | Number of Units | |
| | '000 | '000 |
| Issued Units at beginning of period | 1,659,528 | 1,506,433 |
| Effect of creation of new Units: | | |
| - Manager's management fees paid/payable in Units | 14,893 | 8,430 |
| Weighted average number of issued and issuable Units at end of the period | 1,674,421 | 1,514,863 |

1(e) Notes to the Condensed Consolidated Financial Statements(cont'd)

10. Financial ratios

| | Group | |
|--|-------------------------------|--------------------|
| | Six-month period ended | |
| | 30 Jun 2022 | 30 Jun 2021 |
| | % | % |
| Ratio of expenses to average net asset value ⁽¹⁾ | | |
| - including performance component of Manager's management fees | 0.85 | 0.88 |
| - excluding performance component of Manager's management fees | 0.52 | 0.55 |
| Portfolio turnover rate ⁽²⁾ | - | 14.0 |

(1) *The annualised ratios are computed in accordance with the guidelines of Investment Management Association of Singapore. The expenses used in the computation relate to expenses of the Group, excluding property expenses and finance costs.*

(2) *The annualised ratio is computed based on the lesser of purchases or sales of underlying investment properties of the Group expressed as a percentage of weighted average net asset value.*

Aggregate leverage and interest coverage ratios

| | Group | |
|--|-------------------------------|--------------------|
| | Six-month period ended | |
| | 30 Jun 2022 | 30 Jun 2021 |
| Aggregate leverage (%) ⁽¹⁾ | 38.6 | 35.9 |
| Interest coverage (times) ⁽²⁾ | 4.7 | 4.4 |

(1) *In accordance with the Property Funds Appendix, the aggregate leverage is calculated based on the proportionate share of total borrowings over deposited properties.*

(2) *Ratio of EBITDA over consolidated interest expenses (excludes finance lease interest expenses under FRS 116) in accordance with MAS guidelines. Ratio is calculated by dividing the trailing 12 months EBITDA by the trailing 12 months interest expense (excluding FRS 116 finance expense) in accordance with MAS guidelines.*

Other information required by Listing Rule Appendix 7.2

CAPITALAND CHINA TRUST
2022 FIRST HALF UNAUDITED FINANCIAL STATEMENTS & DISTRIBUTION ANNOUNCEMENT

2. Summary of CLCT Results

The Condensed Interim Financial Statements of CapitalLand China Trust and its subsidiaries (the "Group") as at 30 June, which comprise the Statements of Financial Position of the Group and the Trust and Portfolio Statement of the Group as at 30 June, the Statement of Total Return, Distribution Statement, Statement of Cash Flows of the Group and the Statements of Movements in Unitholders' Funds of the Group and the Trust for the six-month period then ended and certain explanatory notes have not been audited or reviewed.

| | 1H 2022 ^{1,2} | 1H 2021 ² | Change |
|---|------------------------|----------------------|--------|
| | Actual S\$'000 | Actual S\$'000 | % |
| Gross Revenue ^{3,4} | 199,295 | 176,892 | 12.7 |
| Net Property Income ³ | 139,532 | 120,342 | 15.9 |
| Amount available for distribution to Unitholders ⁵ | 72,317 | 64,071 | 12.9 |
| Amount retained ⁶ | (3,616) | - | N.M. |
| Distributable amount to Unitholders | 68,701 | 64,071 | 7.2 |

| Distribution Per Unit ("DPU") (cents)⁷ | | | |
|--|------|------|-------|
| DPU before amount retained | 4.32 | 4.23 | 2.1 |
| DPU after amount retained | 4.10 | 4.23 | (3.1) |

| | 1H 2022 ^{1,2} | 1H 2021 ² | Change |
|----------------------------------|------------------------|----------------------|--------|
| | Actual RMB'000 | Actual RMB'000 | % |
| Gross Revenue ^{3,4} | 940,250 | 860,995 | 9.2 |
| Net Property Income ³ | 658,291 | 585,721 | 12.4 |

Footnotes:

- The financial results in 1H 2022 exclude contribution from CapitaMall Saihan which was divested on 7 June 2021. However, the results include contributions from Kunshan Bacheng Logistics Park, Wuhan Yangluo Logistics Park, Chengdu Shuangliu Logistics Park and Shanghai Fengxian Logistics Park as the acquisitions of these properties were completed on 10 November 2021.*
- The financial results include contributions from Ascendas Xinsu Portfolio, Ascendas Innovation Towers and Ascendas Innovation Hub as the acquisitions of these properties were completed on 4 January 2021, 10 February 2021, and 26 February 2021 respectively. While the acquisitions of the Singapore-Hangzhou Science & Technology Park Phase I and Phase II were completed on 18 June 2021, the risk and reward have been transferred from 15 February 2021.*
- Average exchange rate for SGD/RMB.*

| 1H 2022 | 1H 2021 | Change % |
|---------|---------|-------------|
| 4.718 | 4.867 | (3.1) |

- The financial results include rental relief extended to tenants in view of the COVID-19 situation.*
- Includes rental support (which was previously deducted from the amount paid to the vendor) for the vacancy loss and rent free provided to existing tenants for Chengdu Shuangliu Logistics Park which will be distributed as capital distribution.*
- For 1H 2022, CLCT retained S\$3.6 million of its amount available for distribution to Unitholders in view of the operating uncertainty associated with recent COVID-19 outbreaks and lockdown in China resulted in mandatory closures of affected assets. This represents 5.0% of the amount available for distribution to Unitholders.*
- The DPU is computed based on total issued units of 1,671.6 million and 1,511.8 million in 1H 2022 and 1H 2021, respectively.*

**CAPITALAND CHINA TRUST
2022 FIRST HALF UNAUDITED FINANCIAL STATEMENTS & DISTRIBUTION ANNOUNCEMENT**

2. Summary of CLCT Results (cont'd)

DISTRIBUTION & RECORD DATE

| | |
|-------------------|--|
| Distribution | For 1 January 2022 to 30 June 2022 |
| Distribution type | Tax exempt income and Capital distribution |
| Distribution rate | 4.10 cents per Unit |
| Record date | 3 August 2022 |
| Payment date | 22 September 2022 |

CAPITALAND CHINA TRUST
2022 FIRST HALF UNAUDITED FINANCIAL STATEMENTS & DISTRIBUTION ANNOUNCEMENT

2(a) Statement of total return for the Group (1H 2022 vs 1H 2021)

| | Group | | |
|---|------------------------------|----------------------------|---------------|
| | 1H 2022^{1,2} | 1H 2021² | Change |
| | S\$'000 | S\$'000 | % |
| Gross rental income | 183,526 | 163,948 | 11.9 |
| Other income ³ | 15,769 | 12,944 | 21.8 |
| Gross revenue⁴ | 199,295 | 176,892 | 12.7 |
| Property related tax | (13,559) | (15,834) | (14.4) |
| Business tax | (1,097) | (1,006) | 9.0 |
| Property management fees and reimbursables ⁵ | (13,159) | (11,335) | 16.1 |
| Other property operating expenses ⁶ | (31,948) | (28,375) | 12.6 |
| Total property operating expenses | (59,763) | (56,550) | 5.7 |
| Net property income | 139,532 | 120,342 | 15.9 |
| Manager's management fees | (11,438) | (10,092) | 13.3 |
| Trustee's fees | (368) | (327) | 12.5 |
| Audit fees | (388) | (266) | 45.9 |
| Valuation fees | (47) | (67) | (29.9) |
| Other operating expenses | (457) | (792) | (42.3) |
| Foreign exchange (loss)/gain - realised ⁷ | (800) | 2,004 | N.M. |
| Finance income ⁸ | 1,244 | 1,613 | (22.9) |
| Finance costs ⁹ | (27,685) | (22,501) | 23.0 |
| Net finance costs | (26,441) | (20,888) | 26.6 |
| Net income | 99,593 | 89,914 | 10.8 |
| Gain on disposal of subsidiaries ¹⁰ | - | 13,328 | (100.0) |
| Change in fair value of financial derivatives | 746 | 1,179 | (36.7) |
| Foreign exchange loss - unrealised | (4) | (753) | (99.5) |
| Total return for the period before taxation | 100,335 | 103,668 | (3.2) |
| Taxation | (30,893) | (34,004) | (9.1) |
| Total return for the period after taxation | 69,442 | 69,664 | (0.3) |
| Attributable to: | | | |
| Unitholders | 59,772 | 61,342 | (2.6) |
| Perpetual securities holders | 1,674 | 1,674 | - |
| Non-controlling interests ¹¹ | 7,996 | 6,648 | 20.3 |
| Total return for the period after taxation | 69,442 | 69,664 | (0.3) |

N.M. – not meaningful

Footnotes:

- The financial results in 1H 2022 exclude contribution from CapitaMall Saihan which was divested on 7 June 2021. However, the results include contributions from Kunshan Bacheng Logistics Park, Wuhan Yangluo Logistics Park, Chengdu Shuangliu Logistics Park and Shanghai Fengxian Logistics Park as the acquisitions of these properties were completed on 10 November 2021.*
- The financial results include full half yearly contributions from Ascendas Xinsu Portfolio, Ascendas Innovation Towers and Ascendas Innovation Hub as the acquisitions of these properties were completed on 4 January 2021, 10 February 2021, and 26 February 2021 respectively. While the acquisitions of the Singapore-Hangzhou Science & Technology Park Phase I and Phase II were completed on 18 June 2021, the risk and reward have been transferred from 15 February 2021.*

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2(a) Statement of total return for the Group (1H 2022 vs 1H 2021) (cont'd)

3. Other income comprises mainly income earned from atrium space, carpark revenue, trolley carts and advertisement panels.
4. Includes rental relief of approximately 0.3 months in 1H 2022 and 0.2 months in 1H 2021 of corresponding monthly gross rental income of the total portfolio respectively.
5. Includes reimbursement of costs to property manager.
6. Includes items in the table below as part of the other property operating expenses.

| | Group | | |
|---|----------------|----------------|---------------|
| | 1H 2022 | 1H 2021 | Change |
| | S\$'000 | S\$'000 | % |
| Depreciation and amortisation | (625) | (679) | (8.0) |
| Impairment losses on trade receivables, net | (5) | (94) | (94.7) |

7. In 1H 2022, realised foreign exchange loss arose mainly from the net settlement of foreign currency forwards. In 1H 2021, the gain arose from repatriation of cashflow from China through dividends and capital reduction.
8. Finance income relates mainly to interest from bank deposits placed with financial institutions.
9. Includes the interest expense on the lease liabilities under FRS 116.
10. This relates to the gain arising from the disposal of 100% interest in the companies which held CapitaMall Saihan and CapitaMall Minzhongleyuan.
11. This relates to 49% non-controlling interest (NCI) in Ascendas Xinsu Portfolio and 20% NCI in Ascendas Innovation Hub, Singapore-Hangzhou Science & Technology Park Phase I and Phase II.

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2(b) Distribution statement for the Group (1H 2022 vs 1H 2021)

| | |
|--|--|
| Total return for the period attributable to Unitholders before distribution | |
| Less: Amount reserved for distribution to perpetual securities holders | |
| Distribution adjustments (Note A) | |
| Income available for distribution to Unitholders | |
| Capital distribution ¹ | |
| Amount available for distribution to Unitholders | |
| Amount retained ² | |
| Distributable amount to Unitholders | |

| Group | | |
|---------------|---------------|-------------|
| 1H 2022 | 1H 2021 | Change |
| S\$'000 | S\$'000 | % |
| 61,446 | 63,016 | (2.5) |
| (1,674) | (1,674) | - |
| 12,205 | 2,729 | N.M. |
| 71,977 | 64,071 | 12.3 |
| 340 | - | N.M. |
| 72,317 | 64,071 | 12.9 |
| (3,616) | - | N.M. |
| 68,701 | 64,071 | 7.2 |

Note A

Distribution adjustments

| | |
|--|--|
| - (Gain) on disposal of subsidiaries ³ | |
| - Straight line rental and leasing commission adjustments ⁴ | |
| - Manager's management fees payable in Units | |
| - Change in fair value of financial derivatives | |
| - Deferred taxation ⁴ | |
| - Transfer to general reserve ⁴ | |
| - Unrealised foreign exchange (loss)/gain ⁴ | |
| - Other adjustments ^{4,5} | |
| Net effect of distribution adjustments | |

| | | |
|---------------|--------------|-------------|
| - | (8,376) | (100.0) |
| 2,702 | 1,040 | N.M. |
| 8,172 | 6,809 | 20.0 |
| (746) | (1,179) | (36.7) |
| 8,626 | 8,735 | (1.2) |
| (4,595) | (3,475) | 32.2 |
| (18) | 751 | N.M. |
| (1,936) | (1,576) | 22.8 |
| 12,205 | 2,729 | N.M. |

N.M. – not meaningful

Footnotes:

- This relates to the rental support (which was previously deducted from the amount paid to the vendor) for the vacancy loss and rent free provided to existing tenants for Chengdu Shuangliu Logistics Park.*
- For 1H 2022, CLCT retained S\$3.6 million of its amount available for distribution to Unitholders in view of the operating uncertainty associated with recent COVID-19 outbreaks and lockdown in China resulted in mandatory closures of affected assets. This represents 5.0% of the amount available for distribution to Unitholders.*
- This relates to gain arising from the divestment of shares in CapitaMall Saihan and CapitaMall Minzhongleyuan.*
- Excludes NCI.*
- Includes lease payments for Right-of-Use assets, less interest expense on lease liabilities.*

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2(c) Statement of financial position as at 30 June 2022 vs 31 December 2021

| | Group | | |
|--|--------------------|--------------------|---------------|
| | 30 Jun 2022 | 31 Dec 2021 | Change |
| | S\$'000 | S\$'000 | % |
| Non-current assets | | | |
| Investment properties ^{1,2,3} | 5,094,787 | 5,249,617 | (2.9) |
| Plant and equipment | 3,118 | 3,749 | (16.8) |
| Financial derivatives ⁴ | 34,010 | 5,735 | N.M. |
| Other receivables | 1,277 | 1,365 | (6.4) |
| | 5,133,192 | 5,260,466 | (2.4) |
| Current assets | | | |
| Financial derivatives ⁴ | 1,910 | 7 | N.M. |
| Trade and other receivables ⁵ | 45,563 | 26,567 | 71.5 |
| Cash and cash equivalents | 297,491 | 288,860 | 3.0 |
| | 344,964 | 315,434 | 9.4 |
| | | | |
| Total assets | 5,478,156 | 5,575,900 | (1.8) |
| Current liabilities | | | |
| Trade and other payables | 112,530 | 149,996 | (25.0) |
| Security deposits | 49,839 | 51,352 | (2.9) |
| Financial derivatives ⁴ | 65 | 821 | (92.1) |
| Interest-bearing borrowings ⁶ | 426,349 | 215,001 | 98.3 |
| Lease liabilities ² | 5,085 | 5,147 | (1.2) |
| Provision for taxation | 6,685 | 7,716 | (13.4) |
| | 600,553 | 430,033 | 39.7 |
| Non-current liabilities | | | |
| Financial derivatives ⁴ | 92 | 2,820 | (96.7) |
| Other payables | 23,516 | 24,131 | (2.5) |
| Security deposits | 64,171 | 66,035 | (2.8) |
| Interest-bearing borrowings ⁶ | 1,573,577 | 1,774,520 | (11.3) |
| Lease liabilities ² | 2,768 | 5,505 | (49.7) |
| Deferred tax liabilities | 321,164 | 318,493 | 0.8 |
| | 1,985,288 | 2,191,504 | (9.4) |
| | | | |
| Total liabilities | 2,585,841 | 2,621,537 | (1.4) |
| | | | |
| Net assets | 2,892,315 | 2,954,363 | (2.1) |
| Represented by: | | | |
| Unitholders' funds | 2,525,694 | 2,588,199 | (2.4) |
| Perpetual securities holders | 99,601 | 99,610 | - |
| Non-controlling interests ⁷ | 267,020 | 266,554 | 0.2 |
| | 2,892,315 | 2,954,363 | (2.1) |

N.M. – not meaningful

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Footnotes:

1. *The decrease in investment properties as at 30 June 2022 was mainly due to the weaker RMB against SGD.*
2. *This includes Right-of-Use assets and lease liabilities of CapitaMall Qibao under FRS 116 Leases.*
3. *Investment properties are measured at their respective fair values at each reporting date. The carrying amounts of the investment properties are assessed as at 30 June 2022 which is not materially different from the external valuation conducted as at 31 December 2021.*
4. *The financial derivative assets and financial derivative liabilities mainly relate to the fair value of the interest rate swaps ("IRS") and the foreign currency forwards ("FXF"). The IRS are designated to hedge the variable rate borrowings and FXF are used to hedge RMB cashflows.*
5. *The increase in trade and other receivables was due to the higher trade receivables as a result of the COVID-19 situation in China. There is no significant credit risk and to-date, approximately S\$14.7 million of trade receivables had been collected.*
6. *The increase in interest-bearing borrowings in current liabilities was mainly due to the reclassification of loans from non-current liabilities.*
7. *This relates to 49% non-controlling interest (NCI) in Ascendas Xinsu Portfolio and 20% NCI in Ascendas Innovation Hub, Singapore-Hangzhou Science & Technology Park Phase I and Phase II.*

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3 Review of the Performance

3(i) Breakdown of Gross Revenue – Actual

| | 1H 2022 | 1H 2021 | Change | 1H 2022 | 1H 2021 | Change |
|------------------------------|----------------|----------------|---------------|----------------|----------------|---------------|
| | RMB'000 | RMB'000 | % | S\$'000 | S\$'000 | % |
| Retail Malls | 644,798 | 654,387 | (1.5) | 136,671 | 134,442 | 1.7 |
| Business Parks ¹ | 251,486 | 206,608 | 21.7 | 53,305 | 42,450 | 25.6 |
| Logistics Parks ² | 43,966 | - | N.M. | 9,319 | - | N.M. |
| Total Gross Revenue | 940,250 | 860,995 | 9.2 | 199,295 | 176,892 | 12.7 |

3(ii) Breakdown of Net Property Income³ – Actual

| | 1H 2022 | 1H 2021 | Change | 1H 2022 | 1H 2021 | Change |
|----------------------------------|----------------|----------------|---------------|----------------|----------------|---------------|
| | RMB'000 | RMB'000 | % | S\$'000 | S\$'000 | % |
| Retail Malls | 429,338 | 434,431 | (1.2) | 91,003 | 89,258 | 2.0 |
| Business Parks ¹ | 197,126 | 151,290 | 30.3 | 41,783 | 31,084 | 34.4 |
| Logistics Parks ² | 31,827 | - | N.M. | 6,746 | - | N.M. |
| Total Net Property Income | 658,291 | 585,721 | 12.4 | 139,532 | 120,342 | 15.9 |

Footnotes:

1. Includes contributions from Ascendas Xinsu Portfolio, Ascendas Innovation Towers and Ascendas Innovation Hub as the acquisitions of these properties were completed on 4 January 2021, 10 February 2021 and 26 February 2021 respectively. While the acquisitions of the Singapore-Hangzhou Science & Technology Park Phase I and II were completed on 18 June 2021, the risk and reward have been transferred from 15 February 2021.

2. Includes contributions from Kunshan Bacheng Logistics Park, Wuhan Yangluo Logistics Park, Chengdu Shuangliu Logistics Park and Shanghai Fengxian Logistics Park as the acquisitions of these properties were completed on 10 November 2021.

3. Includes the impact of FRS 116, where lease expenses associated with the operating leases have been replaced with net changes in fair value of investment properties and interest expense on lease liabilities.

1H 2022 vs 1H 2021

In RMB terms, gross revenue in 1H 2022 increased by RMB79.3 million, or 9.2% higher than 1H 2021. The increase was attributed to the full half year contribution from the acquisition of the five business parks and four logistics parks, which was completed in 2021.

The increase in gross revenue was offset by higher rental relief provided in 1H 2022 to support some of the retail tenants due to the resurgence of COVID-19 cases. Some of the retail malls or specific trade categories were mandated to close temporarily to reduce to risk of transmission of COVID-19.

In SGD terms, gross revenue in 1H 2022 increased by \$22.4 million, or 12.7%.

Property expenses for 1H 2022 increased by \$3.2 million, or 5.7% compared to 1H 2021. This was mainly due to the inclusion of expenses of the five business parks and four logistics parks but partially offset by one off property tax incentive received from Singapore-Hangzhou Science & Technology Park (Phase I) and Singapore-Hangzhou Science & Technology Park (Phase II).

Management fees payable to the manager were \$1.3 million higher than 1H 2021 mainly due to higher deposited properties and net property income (NPI) from the consolidation of the logistics parks and higher NPI from the business parks.

Finance costs in 1H 2022 was \$5.2 million higher than 1H 2021. This was mainly due to an increase in interest-bearing borrowings drawn down to finance the acquisition of the logistics parks as well as the consolidation of the onshore RMB-denominated loans upon completion.

Taxation in 1H 2022 decreased by \$3.1 million as compared to prior year mainly due to the absence of withholding tax paid for divestment of CapitaMall Saihan in 1H 2021.

4 Variance between the forecast or prospectus statement (if disclosed previously) and the actual results

CLCT has not disclosed any forecast to the market.

5 Commentary on the competitive conditions of the industry in which the Trust and its investees operates and any known factors or events that may affect the Trust and its investees in the next reporting period and the next 12 months

China registered a GDP growth of 2.5% for 1H 2022 as the country continues to recover from the recent COVID-19 outbreaks and lockdowns. Total retail sales of consumer goods was down 0.7% in the first half of the year. The Purchasing Managers Index (PMI) was at 50.2% for June 2022, 0.6% higher than the previous month¹. Growth momentum is expected to pick up in the second half of 2022 on the back of the policy stimulus announced by the Central Government to support the economy. CLCT is well-positioned with a resilient and diversified portfolio of asset class and geographical presence to navigate the sporadic COVID-19 outbreaks.

Retail Malls

Beijing Market Update

Beijing's 1H 2022 GDP grew 0.7% year-on-year while retail sales decreased 7.2% year-on-year from January to June 2022². As no new projects were launched in the Beijing retail property market in 1Q 2022, citywide total retail stock remained at 10.5 million sq m. 1Q 2022 vacancy rates came in at 5.8%, remaining constant quarter-on-quarter and down by one percentage point year-on-year. Citywide shopping mall first-floor rents reached RMB869.3 per sq m per month for the quarter³. The combination of Spring Festival and the Winter Olympics as well as COVID-19 prevention measures, prompted many residents to remain in the city in 1Q 2022. This helped to promote spending as numerous thematic marketing activities were organised around these events⁴.

Two shopping malls are expected to launch in 2Q 2022, adding approximately 119,000 sq m to the total retail stock. Beijing's core retail submarkets are looking to focus on brand upgrades and project renovations. In March 2022, Beijing published preferential policies 3.0 to promote first store openings, as well as introduced 14 measures to further encourage the development of the business districts. These new policies are expected to promote the upgrading of major retail business districts as well as consumption within the city³.

Shanghai Market Update

For 1H 2022, Shanghai's GDP decreased 5.7% year-on-year. Retail sales decreased 18.7% year-on-year for the period from January to May 2022⁵. With no new supply entering Shanghai's retail property market in 1Q 2022, the total stock within the Outer Ring Road remained unchanged at 14.8 million sq m. The citywide shopping mall vacancy rates increased 0.2 percentage points to 8.7% for the quarter, down 0.8 percentage points year-on-year. First-floor rents remained flat in 1Q 2022 at an average of RMB795.0 per sq m per month, up 1.2% year-on-year. As COVID-19 transmission emerged in March leading to a two-month lockdown⁶, retail malls were unable to operate while new shopping centres delayed their entry into the market⁷.

Projects are likely to be delayed with uneven recovery in footfall, depending on caseloads reported in the different districts. Rebound in consumption is expected due to the pent-up demand although lingering concerns on further lockdowns might slow down the rate of recovery⁶.

Guangzhou Market Update

Guangzhou recorded a GDP growth of 4.0% year-on-year for 1Q 2022. Retail sales for the first five months of 2022 fell 0.3% year-on-year⁸. Guangzhou's retail stock remained at 6.7 million sq m at the end of 1Q 2022, as no new projects were completed during the quarter. The city reported several small-scale COVID-19 outbreaks in certain neighbourhood, which caused a temporary lockdown in some areas. Citywide vacancy rates increased to 13.1% up 0.4 percentage points year-on-year while citywide rent decreased to RMB674.9 per sq m per month, down 0.9% year-on-year for 1Q 2022. While the COVID-19 outbreaks dented some retailers' willingness to expand, the market continued to see a higher demand from several retail sectors such as new electronic vehicles, accessories and F&B stores.

¹ China National Bureau of Statistics

² Beijing Bureau of Statistics

³ Savills Beijing Retail, Beijing March 2022

⁴ Cushman & Wakefield, Beijing Retail, 1Q 2022

⁵ Shanghai Bureau of Statistics

⁶ Savills Shanghai Retail, Shanghai April 2022

⁷ Cushman & Wakefield, Shanghai Retail, 1Q 2022

⁸ Guangzhou Bureau of Statistics

Retailers are expected to increase their pace of business expansion and property leasing activities in 2Q 2022 and beyond, with the lifting of the lockdown policies. Two new retail projects, with an aggregate GFA of 256,000 sq m are projected to be completed in 2Q 2022⁹. The 2022 Guangzhou Government Work Report was released, highlighting the development of core consumption areas as well as an international trading zone. The expansion and optimisation of the core business districts, as well as greater business diversifications, are expected to bring new growth opportunities to the Guangzhou's retail market¹⁰.

Chengdu Market Update

For the 1Q 2022, Chengdu's GDP increased 5.0% year-on-year. Retail sales for the city decreased 0.8% year-on-year for the period from January to May 2022¹¹. The city registered one new project completion and one closure, bringing the total stock to 7.3 million sq m in 1Q 2022. Citywide average monthly rent declined 1.3% quarter-on-quarter to RMB620.9 per sq m and vacancy increased 0.7 percentage points to 7.7% due to the COVID-19 resurgence that occurred during the quarter.

Three new projects are scheduled to enter the market in 2022, totalling 516,000 sq m. Many brands have opened their first stores in Chengdu and this trend is expected to continue, which will boost the city's first store economy in the coming periods¹².

Business Parks

Suzhou Market Update

Suzhou's GDP rose 4.4% year-on-year for 1Q 2022¹³. Three new projects were completed within the Suzhou Industrial Park (SIP) submarket, adding 209,447 sq m of supply into the market in 2Q 2022. Consequent to the increase in supply, average vacancy rate increased to 15.4% while average rent decreased to RMB43.2 per sq m per month.

Most future projects will focus on bio-medicine, medical instruments, and a new generation of IT, which are sectors that are strongly promoted by the government in Suzhou. Furthermore, the establishment of the Suzhou Free Trade Zone as well as incentive policies released by the government, is expected to stabilise demand in the next few years. Average rental is also expected to gradually increase, supported by the improved transportation with the opening of metro line 5 in 2021¹⁴.

Xi'an Market Update

Xi'an's GDP grew 2.8% year-on-year for 1Q 2022¹⁵. No new projects were delivered in the Xi'an High-Tech Industry Development Zone (XHTZ) in 2Q 2022, maintaining the total stock in XHTZ at 2.5 million sq m. With a net absorption at around 6,476 sq m, vacancy rate decreased to 24.6% while the average rent increased to RMB54.0 per sq m per month for the quarter. New industrial park tenants of XHTZ in 2Q 2022 were from the IT companies mainly from the electronics equipment manufacturing, brand development and software development sectors. 890,500 sq m of new supply in the XHTZ submarket is expected to come on in 2023¹⁶.

Hangzhou Market Update

Hangzhou's GDP increased 4.0% year-on-year for 1Q 2022¹⁷. No new projects were launched in Hangzhou Economic and Technological Development Area (HEDA) submarket in 2Q 2022. Total stock for the submarket maintained at 2.4 million sq m with an average rent of RMB53.1 per sq m per month. Impacted by the overall leasing environment in 2Q 2022, demand for space in the submarket decreased to 49,385 sq m while vacancy rate increased 0.9% to 19.5%.

Moving forward, the HEDA submarket is expected to develop faster with the agglomeration of the IT / internet and bio-medical sectors within the area. Metro Line 8 is expected to complete construction in 2022, which will link Dajiangdong Industrial Agglomeration Area to HEDA. The improved transport infrastructure will help to promote the growth of the HEDA submarket. Average rent is expected to rise to around RMB61.5 per sq m per month by the end of the year 2024¹⁸.

⁹ Savills, Guangzhou Retail, Guangzhou April 2022

¹⁰ Cushman & Wakefield, Guangzhou Retail, 1Q 2022

¹¹ Chengdu Bureau of Statistics

¹² Cushman & Wakefield, Chengdu Retail, 1Q 2022

¹³ Suzhou Bureau of Statistics

¹⁴ Colliers, Suzhou Business Park Market Overview 2Q 2022

¹⁵ China Business Network, April 2022

¹⁶ Colliers, Xi'an Business Park Market Overview 2Q 2022

¹⁷ Zhejiang Government Service Network, April 2022

¹⁸ Colliers, Hangzhou Business Park Market Overview 2Q 2022

Logistics Parks

Shanghai Market Update

Overall leasing remained stable with net absorption reaching 83,500 sq m in 1Q 2022, despite the recent COVID-19 outbreak. Demand remained resilient and rents rose to RMB46.2 per sq m per month, growing 3.8% year-on-year. With no new completions this quarter, 1Q 2022 vacancy rate decreased from 9.7% to 8.5% quarter-on-quarter. The annual supply for the rest of 2022 is expected to reach 803,000 sq m of logistics space spanning across seven projects. Even though the recent local outbreak might slow the rate of recovery of the local economy and consumer market, logistics demand is expected to remain resilient with third-party logistics expected to continue to drive demand¹⁹.

6 Distribution

6(a) Current Financial Period

Any distribution declared for the current financial period? Yes.

Name of distribution : Distribution for 1 January 2022 to 30 June 2022

Distribution type : Tax exempt income and Capital distribution

Distribution rate : 4.10 cents per Unit

Par value of Units : Not meaningful

Tax rate : Tax exempt income distribution is exempt from Singapore income tax in the hands of all Unitholders. No tax will be deducted from such distribution.

Capital distribution represents return of capital to Unitholders for Singapore income tax purpose. The amount of capital distribution will reduce the cost of CLCT Units for Singapore income tax purposes. For Unitholders who are liable to Singapore income tax on profits from sale of CLCT Units, the reduced cost base of their CLCT Units will be used to calculate the taxable trading gains when the CLCT Units are disposed off.

Remark : The tax exempt income and capital distribution from 1 January 2022 to 30 June 2022 is expected to be funded from borrowings at the Trust level as well as internal cash flows from operations.

6(b) Corresponding period of the preceding financial period

Any distributions declared for the corresponding period of the immediate preceding financial period?

Yes.

Name of distribution : Distribution for 1 January 2021 to 30 June 2021

Distribution type : Tax exempt income distribution

Distribution rate : 4.23 cents per Unit

Par value of Units : Not meaningful

6(c) Date payable : 22 September 2022

6(d) Record date : 3 August 2022

¹⁹ JLL, Asia Pacific Logistics and Industrial Digest 1Q 2022

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7 If no distribution has been declared/recommended, a statement to that effect

Not applicable.

8 If the Group has obtained a general mandate from Unitholders for Interested Person Transactions (“IPT”), the aggregate value of such transactions as required under Rule 920 (1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect

The Group has not obtained a general mandate from Unitholders for IPT.

9 Confirmation pursuant to Rule 720(1) of the Listing Manual

The Manager confirms that it has procured undertakings from all its Directors and Executive Officers in the format set out in Appendix 7.7 of the Listing Manual of the Singapore Exchange Securities Limited (the “Listing Manual”), as required by Rule 720(1) of the Listing Manual.

10 Confirmation Pursuant to Rule 705(5) of the Listing Manual

To the best of our knowledge, nothing has come to the attention of the Board of Directors of the Manager which may render the unaudited interim financial statements of the Group and Trust (comprising the statement of financial position as at 30 June 2022, statement of total return and distribution statement, statement of cash flow and statement of movements in Unitholders’ funds for the six months ended on that date), together with their accompanying notes, to be false or misleading, in any material respect.

On behalf of the Board of the Manager

Mr Lim Cho Pin Andrew Geoffrey
Director

Mr Tan Tze Wooi
Chief Executive Officer / Director

This release may contain forward-looking statements that involve risks and uncertainties. Actual future performance, outcomes and results may differ materially from those expressed in forward-looking statements as a result of a number of risks, uncertainties and assumptions. Representative examples of these factors include (without limitation) general industry and economic conditions, interest rate trends, cost of capital and capital availability, competition from other companies and venues for the sale/distribution of goods and services, shifts in customer demands, customers and partners, changes in operating expenses, including employee wages, benefits and training, governmental and public policy changes and the continued availability of financing in the amounts and the terms necessary to support future business. You are cautioned not to place undue reliance on these forward-looking statements, which are based on current view of management on future events.

BY ORDER OF THE BOARD
CAPITALAND CHINA TRUST MANAGEMENT LIMITED
(Company registration no. 200611176D)
(as Manager of CAPITALAND CHINA TRUST)

Chuo Cher Shing
Company Secretary
26 July 2022