
CAPITALAND INTEGRATED COMMERCIAL TRUST
2023 FIRST HALF UNAUDITED FINANCIAL STATEMENTS AND DISTRIBUTION ANNOUNCEMENT

INTRODUCTION

CICT (the “Trust”) was constituted under a trust deed dated 29 October 2001 entered into between CapitaLand Integrated Commercial Trust Management Limited (as manager of CICT) (the “Manager”) and HSBC Institutional Trust Services (Singapore) Limited (as trustee of CICT) (the “Trustee”), as amended.

CICT is the first Real Estate Investment Trust (“REIT”) listed on Singapore Exchange Securities Trading Limited (the “SGX-ST”) in July 2002. The principal activity of CICT is to invest, directly or indirectly, in real estate which is income producing and is used or primarily used for commercial purposes (including retail and/or office purposes), located predominantly in Singapore.

On 15 March 2023, CMT MTN Pte. Ltd. (“CMT MTN”) issued HKD755.0 million 4.85% fixed rate notes due 2033 (the “Notes”) through its US\$3.0 billion EMTN programme. CMT MTN has entered into swap transactions to swap the HKD proceeds of the Notes into Singapore dollar proceeds of S\$132,729,000 at 4.026% per annum.

On 19 June 2023, CMT MTN issued S\$400.0 million 3.938% fixed rate notes due 2030 under its US\$3.0 billion EMTN programme.

The proceeds from these two issuances will be used by CMT MTN and CICT and its subsidiaries (the “Group”) to finance or refinance, in whole or in part, the Eligible Green Projects (as defined in the pricing supplement of the Notes) undertaken by the Group in accordance with the CICT Green Finance Framework (as defined in the pricing supplement of the Notes).

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As at 30 June 2023, CICT's property portfolio comprises:

Retail	Office	Integrated Developments
1) Bedok Mall, held through Brilliance Mall Trust ("BMT")	1) Asia Square Tower 2 ("AST2") ¹	1) Funan, retail component held through CICT, Office components held through Victory Office 1 Trust ("VO1T") and Victory Office 2 Trust ("VO2T")
2) Bugis+	2) Capital Tower	2) Plaza Singapura
3) Bugis Junction	3) CapitaGreen, held through MSO Trust	3) The Atrium@Orchard
4) Bukit Panjang Plaza (90 out of 91 strata lots)	4) Six Battery Road	4) Raffles City Singapore ("RCS"), held through RCS Trust
5) Clarke Quay	5) 21 Collyer Quay	5) CapitaSpring (45.0% interest), held through Glory Office Trust ("GOT") and Glory SR Trust ("GSRT")
6) IMM Building	6) Gallileo, Germany (94.9% interest) ²	6) 101-103 Miller Street and Greenwood Plaza, Australia (50.0% interest) ⁷
7) Junction 8	7) Main Airport Center, Germany (94.9% interest) ³	
8) Lot One Shoppers' Mall	8) 66 Goulburn Street, Australia ⁴	
9) Tampines Mall	9) 100 Arthur Street, Australia ⁵	
10) Westgate, held through Infinity Mall Trust ("IMT")	10) CapitaSky (70.0% interest) ⁶	

Footnotes:

1. Held through indirect wholly owned subsidiary Asia Square Tower 2 Pte. Ltd.
2. 94.9% interest held through indirect wholly owned subsidiary, CCT Galaxy One Pte. Ltd.
3. 94.9% interest held through indirect wholly owned subsidiary, CCT Mercury One Pte. Ltd.
4. Held through indirect wholly owned subsidiary, Gateway Goulburn Trust.
5. Held through indirect wholly owned subsidiary, Gateway Arthur Trust.
6. Held through wholly owned subsidiary, 79RR Office Trust's 70.0% interest in 79RR LLP.
7. 50.0% interest held through indirect wholly owned subsidiary, Monopoly Trust.

In addition, CICT owns an interest in CapitaLand China Trust ("CLCT"), the first China shopping mall REIT listed on the SGX-ST in December 2006, and Sentral REIT, held through CCT, a commercial real estate investment trust listed in Malaysia. As at 30 June 2023, CICT owns approximately 8.0% interest in CLCT and 10.9% interest in Sentral REIT.

CAPITALAND INTEGRATED COMMERCIAL TRUST
2023 FIRST HALF UNAUDITED FINANCIAL STATEMENTS AND DISTRIBUTION ANNOUNCEMENT

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**CapitaLand Integrated Commercial Trust
and its Subsidiaries (Group)**

**(Constituted in the Republic of Singapore pursuant to a trust deed dated 29 October 2001
(as amended))**

Condensed Interim Financial Statements
For the Six-month period ended 30 June 2023

Condensed Interim Statements of Financial Position
As at 30 June 2023

	Note	Group		Trust	
		30/6/2023 S\$'000	31/12/2022 S\$'000	30/6/2023 S\$'000	31/12/2022 S\$'000
Non-current assets					
Plant and equipment		4,979	5,311	1,130	1,335
Investment properties	3	23,826,842	23,744,817	7,938,193	7,902,400
Subsidiaries		-	-	12,151,218	11,628,523
Joint ventures		363,696	361,198	211,633	211,633
Equity investments at fair value		164,388	180,989	136,048	149,385
Financial derivatives		46,765	40,286	27,735	21,547
Deferred tax asset		2,954	4,216	-	-
Other non-current assets		1,242	947	501	628
		<u>24,410,866</u>	<u>24,337,764</u>	<u>20,466,458</u>	<u>19,915,451</u>
Current assets					
Trade and other receivables		50,505	61,837	215,058	233,035
Cash and cash equivalents		254,161	248,396	98,823	72,486
Financial derivatives		4,398	18,626	4,397	5,214
		<u>309,064</u>	<u>328,859</u>	<u>318,278</u>	<u>310,735</u>
Total assets		<u>24,719,930</u>	<u>24,666,623</u>	<u>20,784,736</u>	<u>20,226,186</u>
Current liabilities					
Financial derivatives		104	25,199	-	-
Trade and other payables		323,056	323,881	239,162	426,744
Current portion of security deposits		90,497	86,594	43,268	40,473
Loans and borrowings	4	431,327	1,155,045	129,926	469,933
Lease liabilities		1,751	1,932	1,109	1,138
Provision for taxation		10,784	12,506	873	873
		<u>857,519</u>	<u>1,605,157</u>	<u>414,338</u>	<u>939,161</u>
Non-current liabilities					
Financial derivatives		82,795	87,541	2,785	-
Trade and other payables		34,874	34,896	285,000	285,000
Loans and borrowings	4	9,185,371	8,430,216	6,749,146	5,701,373
Lease liabilities		23,111	24,069	3,482	4,033
Non-current portion of security deposits		203,563	198,208	89,520	85,603
Deferred tax liability		7,893	7,143	-	-
		<u>9,537,607</u>	<u>8,782,073</u>	<u>7,129,933</u>	<u>6,076,009</u>
Total liabilities		<u>10,395,126</u>	<u>10,387,230</u>	<u>7,544,271</u>	<u>7,015,170</u>
Net assets		<u>14,324,804</u>	<u>14,279,393</u>	<u>13,240,465</u>	<u>13,211,016</u>
Represented by:					
Unitholders' funds		14,117,134	14,073,447	13,240,465	13,211,016
Non-controlling interests		207,670	205,946	-	-
		<u>14,324,804</u>	<u>14,279,393</u>	<u>13,240,465</u>	<u>13,211,016</u>
Units in issue ('000)	5	<u>6,651,582</u>	<u>6,635,122</u>	<u>6,651,582</u>	<u>6,635,122</u>
Net asset value / net tangible asset per unit attributable to Unitholders (S\$)	6	<u>2.12</u>	<u>2.12</u>	<u>1.99</u>	<u>1.99</u>

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

Condensed Interim Statement of Total Return
Six-month period ended 30 June 2023

		Group	
	Note	Six-month period ended 30/6/2023 S\$'000	Six-month period ended 30/6/2022 S\$'000
Gross revenue	7	774,777	687,599
Property operating expenses	8	(222,440)	(185,979)
Net property income		552,337	501,620
Interest income		3,932	2,345
Other income	9	34,458	129
Investment Income		5,738	3,904
Management fees:			
- Base component		(23,097)	(21,748)
- Performance component		(22,094)	(21,012)
Professional fees		(874)	(914)
Valuation fees		(557)	(272)
Trustee's fees		(1,689)	(1,587)
Audit fees		(497)	(388)
Finance costs	10	(153,969)	(104,428)
Other expenses		(1,298)	296
Net income before share of results of joint ventures		392,390	357,945
Share of results (net of tax) of:			
- Joint ventures		5,609	6,370
Net income		397,999	364,315
Net change in fair value of financial derivatives		-	1,082
Gain on divestment of investment property	11	-	57,257
Total return before tax		397,999	422,654
Taxation		(4,328)	(6,485)
Total return		393,671	416,169
Total return attributable to:			
Unitholders		387,844	413,654
Non-controlling interests		5,827	2,515
Total return		393,671	416,169
Earnings per unit (cents)			
Basic	12	5.84	6.25
Diluted	12	5.83	6.24

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

Condensed Interim Distribution Statement
Six-month period ended 30 June 2023

	Group	
Note	Six-month period ended 30/6/2023 S\$'000	Six-month period ended 30/6/2022 S\$'000
Amount available for distribution to Unitholders at beginning of period	364,108	346,581
Total return attributable to Unitholders	387,844	413,654
Net tax and other adjustments	A (46,923)	(111,535)
Tax-exempt income	B 1,408	46,676
Capital distributions	13,954	2,370
Distribution income from joint ventures	2,700	35
	358,983	351,200
Amount available for distribution to Unitholders	723,091	697,781
Distributions to Unitholders during the period:		
Distribution of 4.85 cents per unit for period from 01/07/2021 to 15/12/2021	-	(314,332)
Distribution of 0.37 cents per unit for period from 16/12/2021 to 31/12/2021	-	(24,452)
Distribution of 5.36 cents per unit for period from 01/07/2022 to 31/12/2022	(355,643)	-
	(355,643)	(338,784)
Amount retained for general corporate and working capital purposes	C (5,738)	(3,904)
Amount available for distribution to Unitholders at end of the period	361,710	355,093
 Distribution per unit (cents)¹	5.30	5.22

Footnote:

1. Distribution per unit relates to the distributions in respect of the relevant financial period. The distribution relating to the period 1 January to 30 June 2023 will be paid after 30 June 2023.

Condensed Interim Distribution Statement (cont'd)
Six-month period ended 30 June 2023

Note A

	Group	
	Six-month period ended 30/6/2023 S\$'000	Six-month period ended 30/6/2022 S\$'000
Net tax and other adjustments comprise:		
- Management fees paid and payable in Units ¹	22,233	21,011
- Trustee's fees	1,584	1,507
- Amortisation of transaction costs	3,128	5,483
- Profit from subsidiaries	(28,045)	(36,613)
- Share of result (net of tax) of joint ventures	(5,609)	(6,370)
- Taxation ²	4,260	6,350
- Gain on divestment of investment property	-	(57,257)
- Temporary differences and other adjustments ³	(45,181)	(8,620)
- Rollover adjustments ⁴	707	(37,026)
Net tax and other adjustments	(46,923)	(111,535)

Footnotes:

- For the six-month period ended 30 June 2023 ("1H 2023") and 2022 ("1H 2022"), these relate to 50.0% of base and performance components of the management fees for period from 1 January to 30 June 2023 and 1 January to 30 June 2022 respectively.
- For 1H 2023, these exclude the non-controlling interests' share of Gallileo Property S.a.r.l. ("Gallileo Co."), MAC Property Company B.V. and MAC Car Park Company B.V. ("MAC entities") and 79RR LLP. For 1H 2022, these exclude the non-controlling interests' share of Gallileo Co. and MAC entities.
- For 1H 2023, these include government grant income of S\$34.4 million in relation to the construction of underground pedestrian link at Funan. For 1H 2022, these include mainly accounting effect of the purchase price allocation adjustment of certain fixed rate borrowings.
- For 1H 2023, these relate to the differences between taxable income previously distributed and the quantum finally agreed with Inland Revenue Authority of Singapore ("IRAS") in relation to CCT (YA 2020), VO1T, VO2T and RCS Trust (YA 2021), IMT (YA 2021 and 2022) as well as BMT (YA 2022).

For 1H 2022, taxable income distribution includes a rollover adjustment of S\$37.0 million arising from the COVID-19 cash grants received by the Group in FY 2020, which was previously included as part of the taxable income distribution in FY 2020. The COVID-19 cash grants received from the Government are exempted from tax. A corresponding adjustment of S\$37.0 million has been included in the tax-exempt income for 1H 2022 with no resultant impact to the distributable income for 1H 2022.

Note B

For 1H 2022, tax-exempt income includes the COVID-19 cash grants of S\$37.0 million received by the Group in FY 2020 (see footnote 4 in Note A above).

Note C

For 1H 2023, this relates to distribution income received from CLCT of S\$4.5 million (1H 2022: S\$2.4 million) and Sentral REIT of S\$1.2 million (1H 2022: S\$1.5 million).

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

Condensed Interim Statements of Movements in Unitholders' Funds
Six-month period ended 30 June 2023

	Group		Trust	
	Six-month period ended 30/6/2023 S\$'000	Six-month period ended 30/6/2022 S\$'000	Six-month period ended 30/6/2023 S\$'000	Six-month period ended 30/6/2022 S\$'000
Net assets attributable to Unitholders at beginning of the period	14,073,447	13,667,754	13,211,016	12,752,268
Operations				
Total return attributable to Unitholders	387,844	413,654	373,241	398,803
Hedging reserves				
Effective portion of changes in fair value of cashflow hedges	24,541	23,456	13,965	21,605
Net change in fair value of cash flow hedges reclassified to Statement of Total Return	(17,827)	(8,435)	(11,379)	2,320
Movement in foreign currency translation reserves	(1,229)	(2,808)	-	-
Movement in fair value reserves	(16,601)	(4,208)	(13,337)	(5,335)
Unitholders' transactions				
Creation of units				
- Management fees paid	5,725	5,250	5,725	5,250
- Management fees payable	16,877	16,130	16,877	16,130
- Acquisition fee	-	11,228	-	11,228
- Divestment fee	-	1,700	-	1,700
Distributions to Unitholders	(355,643)	(24,452)	(355,643)	(24,452)
Net (decrease)/increase in net assets resulting from Unitholders' transactions	(333,041)	9,856	(333,041)	9,856
Net assets attributable to Unitholders at end of the period	14,117,134	14,099,269	13,240,465	13,179,517

Non-controlling interests ("NCI")¹

	Group	
	Six-month period ended 30/6/2023 S\$'000	Six-month period ended 30/6/2022 S\$'000
At beginning of the period	205,946	27,946
Total return attributable to NCI	5,827	2,515
Distributions to NCI	(4,090)	(1,764)
Return of capital to NCI	(588)	-
Hedging reserves attributable to NCI	51	776
Acquisition of subsidiary (Note 11)	-	181,809
Translation differences from financial statements of foreign operations	524	(1,577)
At end of the period	207,670	209,705

Footnote:

¹ This relates to 30.0% ownership interest held by NCI in 79RR LLP and 5.1% ownership interest held by NCI in Gallileo Co. and MAC entities respectively.

**Condensed Interim Portfolio Statement
 As at 30 June 2023**

Group

Description of Property	Tenure of Land	Term of Lease	Remaining Term of Lease	Location	Existing Use	Carrying Value		Percentage of Total Net Assets	
						30/6/2023 S\$'000	31/12/2022 S\$'000	30/6/2023 %	31/12/2022 %
Investment properties in Singapore									
Retail									
Bugis Junction	Leasehold	99 years	66 years	200 Victoria Street	Commercial	1,109,472	1,109,000	7.9	7.9
Westgate	Leasehold	99 years	87 years	3 Gateway Drive	Commercial	1,095,556	1,095,000	7.8	7.8
Tampines Mall	Leasehold	99 years	68 years	4 Tampines Central 5	Commercial	1,081,593	1,081,000	7.7	7.7
Junction 8	Leasehold	99 years	67 years	9 Bishan Place	Commercial	801,561	801,000	5.7	5.7
Bedok Mall	Leasehold	99 years	87 years	311 New Upper Changi Road	Commercial	787,140	787,000	5.6	5.6
IMM Building	Leasehold	60 years	26 years	2 Jurong East Street 21	Commercial Warehouse	715,690	715,002	5.1	5.1
Lot One Shoppers' Mall	Leasehold	99 years	69 years	21 Choa Chu Kang Avenue 4	Commercial	551,477	551,000	3.9	3.9
Clarke Quay	Leasehold	99 years	66 years	3A/B/C/D/E River Valley Road	Commercial	390,482	359,760	2.8	2.5
Bugis+	Leasehold	60 years	42 years	201 Victoria Street	Commercial	355,704	354,529	2.5	2.5
Bukit Panjang Plaza	Leasehold	99 years	70 years	1 Jelebu Road	Commercial	348,862	348,850	2.5	2.5
Balance carried forward						7,237,537	7,202,141	51.5	51.2

Condensed Interim Portfolio Statement (cont'd)
As at 30 June 2023

Group	Description of Property	Tenure of Land	Term of Lease	Remaining Term of Lease	Location	Existing Use	Carrying Value		Percentage of Total Net Assets	
							30/6/2023 S\$'000	31/12/2022 S\$'000	30/6/2023 %	31/12/2022 %
	Balance brought forward						7,237,537	7,202,141	51.5	51.2
Office										
	Asia Square Tower 2	Leasehold	99 years	84 years	12 Marina View	Commercial	2,241,638	2,235,500	15.9	15.9
	CapitaGreen	Leasehold	99 years	50 years	138 Market Street	Commercial	1,666,939	1,663,000	11.8	11.8
	Six Battery Road	Leasehold	999 years	801 years	6 Battery Road	Commercial	1,514,855	1,509,000	10.7	10.7
	Capital Tower	Leasehold	99 years	72 years	168 Robinson Road	Commercial	1,460,003	1,450,000	10.3	10.3
	CapitaSky	Leasehold	99 years	44 years	79 Robinson Road	Commercial	1,259,856	1,260,000	8.9	9.0
	21 Collyer Quay	Leasehold	999 years	826 years	21 Collyer Quay	Commercial	634,200	634,000	4.5	4.5
Integrated Developments										
	Raffles City Singapore	Leasehold	99 years	55 years	250 and 252 North Bridge Road, 2 Stamford Road and 80 Bras Basah Road	Commercial	3,121,652	3,120,000	22.1	22.2
	Plaza Singapura	Freehold	NA	NA	68 Orchard Road	Commercial	1,349,568	1,349,259	9.6	9.6
	Funan	Leasehold	99 years	55 years	107 & 109 North Bridge Road	Commercial	794,166	794,000	5.6	5.6
	The Atrium@Orchard	Leasehold	99 years	84 years	60A & 60B Orchard Road	Commercial	763,617	763,000	5.4	5.4
	Balance carried forward						22,044,031	21,979,900	156.3	156.2

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

Condensed Interim Portfolio Statement (cont'd)
As at 30 June 2023

Group	Description of Property	Tenure of Land	Term of Lease	Remaining Term of Lease	Location	Existing Use	Carrying Value		Percentage of Total Net Assets	
							30/6/2023 S\$'000	31/12/2022 S\$'000	30/6/2023 %	31/12/2022 %
	Balance brought forward						22,044,031	21,979,900	156.3	156.2
	Investment properties in Germany									
	Office									
	Gallileo	Freehold	NA	NA	Gallusanlage 7, Neckarstrasse 5	Commercial	399,634	390,060	2.8	2.8
	Main Airport Center	Freehold	NA	NA	Unterschweinstiege 2-14	Commercial	386,547	377,294	2.7	2.7
	Investment properties in Australia									
	Office									
	100 Arthur Street	Freehold	NA	NA	100 Arthur Street	Commercial	337,517	340,356	2.4	2.4
	66 Goulburn Street	Leasehold	111 – 125 years	93 years	Civic Tower, 66 Goulburn Street	Commercial	301,486	297,893	2.1	2.1
	Integrated Developments									
	101 – 103 Miller Street and Greenwood Plaza	Freehold	NA	NA	101 – 103 Miller Street & 36 Blue Street	Commercial	357,627	359,314	2.5	2.6
	Investment properties						23,826,842	23,744,817	168.8	168.8
	Other assets and liabilities (net)						(9,502,038)	(9,465,424)	(67.3)	(67.3)
	Net assets of the Group						14,324,804	14,279,393	101.5	101.5
	Non-controlling interests						(207,670)	(205,946)	(1.5)	(1.5)
	Net assets attributable to Unitholders						14,117,134	14,073,447	100.0	100.0

NA Not Applicable

Condensed Interim Statement of Cash Flows
Six-month period ended 30 June 2023

	Group	
	Six-month period ended 30/6/2023 S\$'000	Six-month period ended 30/6/2022 S\$'000
Cash flows from operating activities		
Total return for the period	393,671	416,169
Adjustments for:		
Amortisation of lease incentives	(2,640)	(4,007)
Assets written off	94	-
Depreciation and amortisation	2,099	2,235
Doubtful debt written off	37	8
Finance costs	153,969	104,428
Gain on disposal of investment property	-	(57,257)
Interest and other income	(38,390)	(2,474)
Investment income	(5,738)	(3,904)
Management fees paid/payable in units	22,602	21,380
Net change in fair value of financial derivatives	-	(1,082)
Share of results of joint ventures	(5,609)	(6,370)
Taxation	4,328	6,485
Write back of doubtful debts	(108)	(36)
Operating income before working capital changes	524,315	475,575
Changes in working capital:		
Trade and other receivables	(4,573)	(5,265)
Trade and other payables	(8,986)	(20,509)
Security deposits	9,258	12,727
Cash generated from operations	520,014	462,528
Income tax paid	(4,299)	(8,963)
Net cash from operating activities	515,715	453,565
Cash flows from investing activities		
Capital expenditure on investment properties	(45,679)	(39,734)
Distribution received from joint ventures	29	6,751
Distribution received from equity investments at fair value	5,738	3,904
Government grant income in relation to investment property	34,445	-
Interest received	3,921	359
Net cash inflow on divestment of investment property (Note 11)	-	331,128
Net cash outflow on acquisition of subsidiaries (Note 11)	-	(1,152,698)
Purchase of plant and equipment	(96)	(199)
Return of capital from joint venture	-	53
Net cash used in investing activities	(1,642)	(850,436)
Cash flows from financing activities		
Distribution paid to Unitholders	(355,643)	(338,784)
Distribution paid to non-controlling interests	(3,567)	(835)
Interest paid	(156,961)	(104,112)
Payment of issue and financing expenses	(4,399)	(7,810)
Payment of lease liabilities	(970)	(1,427)
Proceeds from loans and borrowings	2,119,865	3,670,235
Repayment of loans and borrowings	(2,106,045)	(2,958,429)
Return of capital to non-controlling interests	(588)	-
Net cash (used in)/from financing activities	(508,308)	258,838

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

Condensed Interim Statement of Cash Flows (cont'd)
Six-month period ended 30 June 2023

	Group	
	Six-month period ended 30/6/2023 S\$'000	Six-month period ended 30/6/2022 S\$'000
	Net increase/(decrease) in cash and cash equivalents	5,765
Cash and cash equivalents at beginning of the period	248,396	365,133
Cash and cash equivalents at end of the period	254,161	227,100

Significant non-cash transactions

- a) In 1H 2023, 16,459,690 (1H 2022: 15,077,037) units were issued to the Manager as payment for the management fees payable in units, amounting to S\$32,946,000 (1H 2022: S\$30,617,000);
- b) In 1H 2022, 804,962 units were issued to the Manager as payment for the divestment fees payable in units in respect of the divestment of JCube, amounting to S\$1,700,000; and
- c) In 1H 2022, 5,056,101 units were issued to the Manager as payment for the acquisition fees payable in units in respect of the acquisitions of 66 Goulburn Street and 100 Arthur Street as well as CapitaSky, amounting to S\$11,228,000.

Notes to the Condensed Interim Financial Statements

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

1 General

CapitaLand Integrated Commercial Trust (the “Trust”) is a Singapore-domiciled unit trust constituted pursuant to the trust deed dated 29 October 2001 (as amended) (the “Trust Deed”) between CapitaLand Integrated Commercial 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 and 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 (“SGX-ST”) on 17 July 2002 (“Listing Date”) and was included under the Central Provident Fund (“CPF”) Investment Scheme on 13 September 2002.

The principal activity of CICT is to invest, directly or indirectly, in real estate which is income producing and is used or primarily used for commercial purposes (including retail and/or office purposes), located predominantly in Singapore.

These Condensed Interim Financial Statements as at and for the six-month period ended 30 June 2023 relate to the Trust and its subsidiaries (the “Group”) and the Group’s interests in its joint ventures and joint operation.

2 Basis of preparation

The Condensed Interim Financial Statements of the Group has been prepared in accordance with the *Statement of Recommended Accounting Practice 7 "Reporting Framework for Investment Funds" ("RAP 7")* issued by the Institute of Singapore Chartered Accountants ("ISCA"), the applicable requirements of the Code on Collective Investment Schemes ("CIS Code") issued by the Monetary Authority of Singapore ("MAS") and the provisions of the Trust Deed. RAP 7 requires that the accounting policies to generally comply with the principles relating to recognition and measurement of the Singapore Financial Reporting Standards ("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 last issued audited financial statements of the Group as at 31 December 2022.

These Condensed Interim Financial Statements are presented in Singapore Dollars, which is the Trust's functional currency. All financial information 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 prospectively.

In preparing these Condensed Interim Financial Statements, significant judgements made by the Manager in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the last issued audited financial statements as at and for the year ended 31 December 2022.

The accounting policies applied are consistent with those applied by the Group in its last issued audited financial statements as at and for the year ended 31 December 2022, except as disclosed in Note 2.1.

2.1 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 2023.

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

2.2 Government grant

An unconditional government grant related to assets measured at fair value is recognised in Statement of Total Return as 'other income' when the grant becomes receivable.

Government grants related to other assets are initially recognised as deferred income at fair value when there is reasonable assurance that they will be received and the Group will comply with the conditions associated with the grant. These grants are then recognised in Statement of Total Return on a systematic basis over the useful life of the asset. Grants that compensate the Group for expenses incurred are recognised in Statement of Total Return on a systematic basis in the periods in which the expenses are recognised, unless the conditions for receiving the grant are met after the related expenses have been recognised. In this case, the grant is recognised when it becomes receivable.

3 Investment properties

	Note	Group		Trust	
		30/6/2023 S\$'000	31/12/2022 S\$'000	30/6/2023 S\$'000	31/12/2022 S\$'000
At 1 January		23,744,817	21,431,071	7,902,400	7,814,943
Acquisition of investment properties ¹	11	-	2,419,446	-	-
Capital expenditure		53,040	138,012	35,793	29,299
Net change in fair value of investment properties		-	(90,438)	-	58,158
Straight-lining of rental adjustments		18,637	21,430	-	-
Translation difference		10,348	(174,704)	-	-
At 30 June / 31 December		<u>23,826,842</u>	<u>23,744,817</u>	<u>7,938,193</u>	<u>7,902,400</u>

¹ Includes acquisition fees and acquisition related expenses of S\$84.3 million.

Security

As at 30 June 2023, the Group's investment properties with a total carrying amount of S\$2,046.0 million (31 December 2022: S\$2,027.4 million) was pledged as security to banks to secure bank facilities (refer to Note 4).

As at 30 June 2023 and 31 December 2022, all investment properties held by the Trust are unencumbered.

Measurement of fair value

The following table reconciles the fair value of the investment properties to the carrying value.

	Group		Trust	
	30/6/2023 S\$'000	31/12/2022 S\$'000	30/6/2023 S\$'000	31/12/2022 S\$'000
Fair value of investment properties	23,800,478	23,718,287	7,932,493	7,896,700
Add: Right-of-use asset classified within investment properties	1,502	529	1,109	529
Add: Carrying amount of lease liabilities	24,862	26,001	4,591	5,171
Carrying amount of investment properties	<u>23,826,842</u>	<u>23,744,817</u>	<u>7,938,193</u>	<u>7,902,400</u>

External valuation of the investment properties is conducted at least once a year. As at 31 December 2022, the carrying amounts of the investment properties were based on valuations performed by the independent external valuers, having appropriate recognised professional qualifications and recent experience in the location and category of the properties being valued.

The capitalisation method is an investment approach whereby the estimated gross passing income (on both a passing and market rent basis) is adjusted to reflect anticipated operating costs and a natural vacancy to produce the net income on a fully leased basis. The adopted fully leased net income is capitalised over the remaining term of the lease from the valuation date at an appropriate investment yield.

The discounted cash flow method involves the estimation and projection of a net income stream over a period and discounting the net income stream with an internal rate of return to arrive at the market value. The discounted cash flow method requires the valuer to assume a rental growth rate indicative of market and the selection of a target internal rate of return consistent with current market requirements.

The carrying amounts of the investment properties as at 30 June 2023 were based on internal assessment of the valuation of the investment properties in consultation with external valuers considering any significant changes in operating performance of the properties, movement in market data such as discount rates and capitalisation rates, against that of 31 December 2022, and adjusted for capital expenditure capitalised from 1 January to 30 June 2023. The independent valuations as at 31 December 2022 were undertaken by Knight Frank Pte Ltd, Savills Valuation and Professional Services (S) Pte Ltd, Jones Lang LaSalle Property Consultants Pte Ltd, Colliers International Consultancy & Valuation (Singapore) Pte Ltd, Cushman & Wakefield VHS Pte. Ltd., CBRE Pte. Ltd., Knight Frank Valuation & Advisory GmbH & Co. KG and Jones Lang LaSalle Advisory Services Pty Ltd. Management has assessed that the carrying amounts of the investment properties as at 30 June 2023 approximate their fair values.

4 Loans and borrowings

	Group		Trust	
	30/6/2023	31/12/2022	30/6/2023	31/12/2022
	S\$'000	S\$'000	S\$'000	S\$'000
<u>Secured borrowings¹</u>				
Amount repayable after one year	880,729	872,590	-	-
Less: Unamortised portion of transaction costs	(591)	(682)	-	-
Net secured borrowings repayable after one year	880,138	871,908	-	-
<u>Unsecured borrowings</u>				
Amount repayable after one year ²	8,323,027	7,573,796	6,762,368	5,711,545
Less: Unamortised portion of transaction costs	(17,794)	(15,488)	(13,222)	(10,172)
Net unsecured borrowings repayable after one year	8,305,233	7,558,308	6,749,146	5,701,373
Amount repayable within one year ³	431,463	1,155,261	130,000	470,000
Less: Unamortised portion of transaction costs	(136)	(216)	(74)	(67)
Net unsecured borrowings repayable within one year	431,327	1,155,045	129,926	469,933
Total unsecured borrowings	8,736,560	8,713,353	6,879,072	6,171,306
Grand total	9,616,698	9,585,261	6,879,072	6,171,306

¹ Details of secured borrowings are as follows:-

a) Loan facilities for Gallileo Co.

Under the loan agreement between the bank and Gallileo Co., the bank has granted Gallileo Co. secured loan facilities of EUR140.0 million.

As at 30 June 2023, Gallileo Co. has drawn down EUR140.0 million (31 December 2022: EUR140.0 million).

As security for the facilities granted to Gallileo Co., Gallileo Co. has granted in favour of the banks the following:

- (i) Land charges over Gallileo;
- (ii) Assignment of claims for restitution; and
- (iii) Assignment of rights and claims arising from rental and lease agreements.

b) Loan facilities for MAC entities

Under the loan agreement between the bank and MAC entities, the bank has granted MAC entities secured loan facilities of EUR121.9 million.

As at 30 June 2023, MAC entities has drawn down EUR121.9 million (31 December 2022: EUR121.9 million).

As security for the facilities granted to MAC entities, MAC entities have granted in favour of the banks the following:

- (i) Land charges over Main Airport Center;
- (ii) Assignment of claims for return of security;
- (iii) Assignment of rights and claims arising under lease agreements; and
- (iv) Pledge of account balances.

c) Loan facilities for 79RR LLP

Under the loan agreement between the bank and 79RR LLP, the bank has granted 79RR LLP secured loan facilities of S\$539.0 million.

As at 30 June 2023, the loan outstanding is S\$496.0 million (31 December 2022: S\$496.0 million).

As security for the facilities granted to 79RR LLP, 79RR LLP has granted in favour of the banks the following:

- (i) A first mortgage over the investment property;
- (ii) Assignment and charge of the rental proceeds, tenancy agreements and sales agreements relating to CapitaSky;
- (iii) Assignment of the insurance policies relating to CapitaSky; and
- (iv) A fixed and floating charge over the present and future assets of 79RR LLP relating to CapitaSky.

² As of 30 June 2023, loans and borrowings under non-current liabilities relate mainly to the fixed notes issued by CMT MTN through its US\$3.0 billion Euro-Medium Term Note Programme and S\$7.0 billion Multicurrency Medium Term Note Programme, fixed rate notes issued by CCT MTN Pte. Ltd. through its S\$2.0 billion Medium Term Note Programme, as well as fixed rate notes issued by RCS Trust through its US\$2.0 billion Euro-Medium Term Note Programme and bank borrowings of the Group.

³ As of 30 June 2023, borrowings under current liabilities relate to Medium Term Notes of S\$130.0 million issued by CMT MTN and Medium Term Notes of S\$300.0 million issued by CCT MTN Pte. Ltd. due in the next 12 months.

5 Units in issue

	Group and Trust	
	30/6/2023	31/12/2022
	'000	'000
Units in issue:		
At 1 January	6,635,122	6,608,618
Units created:		
- management fees paid ^(a)	16,460	20,643
- acquisition fees paid ^(b)	-	5,056
- divestment fees paid ^(c)	-	805
Total issued units at 30 June / 31 December	6,651,582	6,635,122
Units to be issued:		
- payment of management fees	8,748	13,495
Total issued and issuable units at 30 June / 31 December	6,660,330	6,648,617

Units issued during the period/year were as follows:

- (a) 16,459,690 (2022: 20,642,852) Units were issued at issue price of S\$1.9315 to S\$2.017 (2022: S\$1.9771 to S\$2.2257) per Unit, amounting to S\$32,945,744 (2022: S\$42,124,707) issued as payment of the 50.0% base component of the management fee for the period from 1 October 2022 to 31 March 2023 (2022: 1 October 2021 to 30 September 2022) and 50.0% of the performance component of the management fee for the period from 1 January 2022 to 31 December 2022 (2022: 1 January 2021 to 31 December 2021). The remaining 50.0% base component, and 50.0% performance component, of the management fee will be paid in cash.
- (b) 3,133,611 Units were issued at issue price of S\$2.1758 on 8 April 2022 and 1,922,490 Units were issued at issue price of S\$2.2939 on 18 May 2022 as payments of the acquisition fee of S\$6.8 million and S\$4.4 million in respect of the acquisitions of 66 Goulburn Street and 100 Arthur Street as well as CapitaSky respectively.
- (c) 804,962 Units were issued at issue price of S\$2.1119 on 22 March 2022 as payment of the divestment fee of S\$1.7 million in connection with the divestment of JCube.

6 Net asset value (“NAV”) / Net tangible asset (“NTA”) per Unit based on issued Units at end of the period / year

	Group		Trust	
	30/6/2023	31/12/2022	30/6/2023	31/12/2022
Number of Units issued at end of the period / year	6,651,581,945	6,635,122,255	6,651,581,945	6,635,122,255
NAV ¹ (S\$'000)	14,100,257	14,046,228	13,223,588	13,183,797
NTA ¹ (S\$'000)	14,100,252	14,046,219	13,223,588	13,183,797
NAV / NTA per Unit² (S\$)	2.12	2.12	1.99	1.99
Adjusted NAV / NTA per Unit (excluding the distributable income) (S\$)	2.07	2.06	1.93	1.93

1. This excludes non-controlling interests' share of NAV / NTA and management fees to be issued in Units.
2. NAV / NTA per Unit is computed based on net asset value / net tangible asset attributable to Unitholders, excluding management fees to be issued in Units over the issued Units at the end of the period / year.

7 Gross revenue

	Group	
	Six-month period ended 30/6/2023	Six-month period ended 30/6/2022
	S\$'000	S\$'000
Gross rental income	725,148	649,293
Car park income	20,076	15,930
Other income	29,553	22,376
	<u>774,777</u>	<u>687,599</u>

Other income comprises various types of miscellaneous income, other than rental income, ancillary to the operation of investment properties. This includes income earned from tenants' recoveries, atrium space and advertisement panels.

8 Property operating expenses

	Group	
	Six-month period ended 30/6/2023	Six-month period ended 30/6/2022
	S\$'000	S\$'000
Property tax	64,881	61,635
Utilities	43,153	23,558
Property management fees	25,157	23,074
Property management reimbursements ¹	31,442	31,250
Marketing	8,336	6,023
Maintenance	40,345	33,145
Depreciation and amortisation	2,099	2,235
Write back of doubtful debts	(108)	(36)
Doubtful debts written off	37	8
Others	7,098	5,087
	222,440	185,979

1. Relates to reimbursement of staff costs paid/payable under the respective property management agreements to CapitaLand Retail Management Pte Ltd, CapitaLand Commercial Management Pte. Ltd. and CapitaLand (RCS) Property Management Pte. Ltd.

9 Other income

For the six-month period ended 30 June 2023, other income includes government grant income of S\$34.4 million in relation to the construction of underground pedestrian link at Funan. The government grant was received to defray the construction costs that were incurred.

10 Finance costs

	Group	
	Six-month period ended 30/6/2023	Six-month period ended 30/6/2022
	S\$'000	S\$'000
Interest expense	149,823	97,238
Transaction costs	3,745	6,899
Interest from lease liabilities	401	291
	153,969	104,428

11 Significant Acquisitions and Disposal

The Group acquires subsidiaries that own real estate. At the time of acquisition, the Group considers whether each acquisition represents the acquisition of a business or the acquisition of an asset. The Group accounts for an acquisition as a business combination where an integrated set of activities is acquired in addition to the property.

In 1H 2022, these were the following acquisitions:-

- 1) On 24 March 2022, the Group completed the acquisition of
 - i. 66 Goulburn Street, Sydney, Australia, held through indirect wholly owned subsidiary, Gateway Goulburn Trust.
 - ii. 100 Arthur Street, Sydney, Australia, held through indirect wholly owned subsidiary, Gateway Arthur Trust.
- 2) On 27 April 2022, the Group completed the acquisition of CapitaSky, held through wholly owned subsidiary, 79RR Office Trust's 70.0% interest in 79RR LLP.
- 3) On 21 June 2022, the Group completed the acquisition of 101-103 Miller Street and Greenwood Plaza, North Sydney, Australia, 50.0% interest held through indirect wholly owned subsidiary, Monopoly Trust.

The acquisitions had been accounted for as acquisitions of assets as no integrated activities were acquired.

Effects of acquisition

The identifiable assets acquired, liabilities assumed and effect of cash flows are presented as follows:

	Australian Acquisitions¹ S\$'000	79RR LLP S\$'000	Group S\$'000
Investment properties	1,077,454	1,257,641	2,335,095
Plant and equipment	-	75	75
Trade and other receivables	2,104	302	2,406
Cash and cash equivalents	15,471	11,795	27,266
Trade and other payables	(3,854)	(25,734)	(29,588)
Loans and borrowings	(332,647)	(618,000)	(950,647)
Lease liabilities	(21,192)	-	(21,192)
Financial derivatives	720	-	720
Provision for taxation	-	(6,631)	(6,631)
Security deposits	-	(13,418)	(13,418)
Total identifiable net assets acquired	738,056	606,030	1,344,086
Less: NCI, based on their proportionate interest in the recognised amounts of the assets and liabilities of the acquiree	-	(181,809)	(181,809)
Identifiable net assets acquired	738,056	424,221	1,162,277
Add: Acquisition fee and other related expenses	73,987	10,343	84,330
Total purchase consideration, including acquisitions costs	812,043	434,564	1,246,607
Less: Acquisition fee paid in units	(6,818)	(4,410)	(11,228)
Less: Cash and cash equivalents in subsidiary acquired	(15,471)	(11,795)	(27,266)
Less: Deposits paid in 2021	(53,647)	-	(53,647)
Less: Remaining purchase consideration payable	-	(1,768)	(1,768)
Net cash outflow on acquisition	736,107	416,591	1,152,698

¹ Refers to Gateway Goulburn Trust, Gateway Arthur Trust and Monopoly Trust.

11 Significant Acquisitions and Disposal (cont'd)

Divestment of investment property

On 24 January 2022, the Manager announced the divestment of JCube to Tanglin R.E. Holdings Pte. Ltd. and the sale was completed on 10 March 2022.

Net cash inflow on divestment of investment property

	Group	
	Six-month period ended 30/6/2023 S\$'000	Six-month period ended 30/6/2022 S\$'000
Consideration received in cash	-	340,000
Less: Divestment-related costs	-	(8,872)
Net proceeds from divestment of investment properties	-	331,128

12 Earnings per unit

Basic earnings per unit

The calculation of basic earnings per unit is based on the total return attributable to Unitholders for the period and weighted average number of units during the period.

	Group	
	Six-month period ended 30/6/2023 S\$'000	Six-month period ended 30/6/2022 S\$'000
Total return attributable to Unitholders	387,844	413,654
Number of Units	'000	'000
Weighted average number of units in issue during the period	6,644,367	6,620,035
Basic earnings per unit (cents)	5.84	6.25

12 Earnings per unit (cont'd)

Diluted earnings per unit

In calculating diluted earnings per unit, the weighted average number of units during the period are adjusted for the effects of all dilutive potential units, calculated as follows:

	Group	
	Six-month period ended 30/6/2023 '000	Six-month period ended 30/6/2022 '000
Weighted average number of units		
Weighted average number of units used in calculation of basic earnings per unit	6,644,367	6,620,035
- effect of payment of management fees	8,699	7,386
Weighted average number of units used in calculation of diluted earnings per unit	6,653,066	6,627,421
 Diluted earnings per unit (cents)	 5.83	 6.24

13 Financial ratios

	Group	
	Six-month period ended 30/6/2023 %	Six-month period ended 30/6/2022 %
Expenses to weighted average net assets¹		
- including performance component of Manager's management fees	0.71	0.68
- excluding performance component of Manager's management fees	0.40	0.38
 Portfolio turnover ratio ²	 -	 2.43

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.

13 Financial ratios (cont'd)

	Group	
	30/6/2023	31/12/2022
Aggregate leverage (%)	40.4	40.4
Interest coverage ratio ("ICR") ³ (times)	3.3	3.7
Adjusted ICR ³ (times)	3.3	3.7

³ ICR is defined as the ratio of earnings of CICT Group, before interest, tax, depreciation and amortisation (excluding effects of any fair value changes of derivatives and investment properties, foreign exchange translation, non-operational gain/loss as well as share of results of joint ventures) and distribution income from joint ventures, over interest expense and borrowing-related costs, on a trailing 12-month basis. As CICT Group did not issue any hybrid securities, the adjusted ICR is the same as ICR.

Other Information Required by Listing Rule Appendix 7.2

CAPITALAND INTEGRATED COMMERCIAL TRUST
2023 FIRST HALF UNAUDITED FINANCIAL STATEMENTS AND DISTRIBUTION ANNOUNCEMENT

1 Summary of CICT Results

	1 January to 30 June 2023 ("1H 2023")	1 January to 30 June 2022 ("1H 2022")	FY 2022	FY 2021
	Actual	Actual	Actual	Actual
Gross Revenue (S\$'000)	774,777	687,599	1,441,747	1,305,051
Net Property Income (S\$'000)	552,337	501,620	1,043,283	951,082
Amount Available for Distribution (S\$'000)	358,983	351,200	712,968	687,416
Distributable Income (S\$'000) ^{1, 2, 3, 4}	353,245	347,296	702,374	674,713
Distribution Per Unit ("DPU") (cents)				
For the period / year	5.30¢	5.22¢	10.58¢	10.40¢

Footnotes:

- ^{1.} For 1H 2023, S\$5.7 million comprising S\$4.5 million and S\$1.2 million received from CLCT and Sentral REIT respectively had been retained for general corporate and working capital purposes.
- ^{2.} For 1H 2022, S\$3.9 million comprising S\$2.4 million and S\$1.5 million received from CLCT and Sentral REIT respectively had been retained for general corporate and working capital purposes.
- ^{3.} For FY 2022, S\$10.6 million comprising S\$7.9 million and S\$2.7 million received from CLCT and Sentral REIT respectively had been retained for general corporate and working capital purposes.
- ^{4.} For FY 2021, S\$12.7 million comprising S\$10.0 million and S\$2.7 million received from CLCT and Sentral REIT respectively had been retained for general corporate and working capital purposes.

DISTRIBUTION & RECORD DATE

Distribution	1 January to 30 June 2023			
Distribution type	Taxable	Tax-exempt	Capital ⁵	Total
Distribution rate (cents per Unit)	5.04¢	0.02¢	0.24¢	5.30¢
Record date	10 August 2023			
Payment date	15 September 2023			

Footnotes:

- ⁵ This relates to the distribution of income from 79RR Office Trust, Glory Office Trust and income repatriated from Australia and Germany.

2 Other information

The Condensed Interim Financial Statements of CapitaLand Integrated Commercial Trust and its subsidiaries (the "Group") as at and for the six-month period ended 30 June 2023 including certain explanatory notes have not been audited or reviewed.

CAPITALAND INTEGRATED COMMERCIAL TRUST
2023 FIRST HALF UNAUDITED FINANCIAL STATEMENTS AND DISTRIBUTION ANNOUNCEMENT

3 Review of the Performance

Statement of Total Return and Distribution Statements

<u>Statements of Total Return</u>	Group		
	1H 2023	1H 2022	%
	S\$'000	S\$'000	Change
Gross revenue	774,777	687,599	12.7
Property operating expenses	(222,440)	(185,979)	19.6
Net property income	552,337	501,620	10.1
Interest income	3,932	2,345	67.7
Other income	34,458	129	NM
Investment income ¹	5,738	3,904	47.0
Management fees	(45,191)	(42,760)	5.7
Trust expenses	(4,915)	(2,865)	71.6
Finance costs	(153,969)	(104,428)	47.4
Net income before share of results of joint ventures	392,390	357,945	9.6
Share of results (net of tax) of:			
- Joint Ventures ²	5,609	6,370	(11.9)
Net income	397,999	364,315	9.2
Net change in fair value of financial derivatives	-	1,082	NM
Gain on divestment of investment property	-	57,257	NM
Total return before tax	397,999	422,654	(5.8)
Taxation ³	(4,328)	(6,485)	(33.3)
Total return	393,671	416,169	(5.4)
<u>Attributable to</u>			
Unitholders	387,844	413,654	(6.2)
Non-controlling interests	5,827	2,515	NM
Total return	393,671	416,169	(5.4)
<u>Distribution Statements</u>			
Total return attributable to Unitholders	387,844	413,654	(6.2)
Net tax and other adjustments	(46,923)	(111,535)	(57.9)
Tax-exempt income	1,408	46,676	(97.0)
Capital distributions	13,954	2,370	NM
Distribution income from joint ventures	2,700	35	NM
Amount available for distribution to Unitholders	358,983	351,200	2.2
Distributable income to Unitholders	353,245	347,296	1.7
DPU (in cents)			
For the period	5.30	5.22	1.5

Footnotes:

1. This relates to distribution income from equity investments in CLCT and Sentral REIT.
2. For 1H 2023, this relates to CICT's share of results of One George Street LLP ("OGS LLP") (50.0%) and GOT & GSRT (45.0%). For 1H 2022, this relates to CICT's share of results of GOT & GSRT (45.0%).
3. Taxation includes income tax expenses and deferred tax expenses in relation to the temporary differences arising from the fair value changes of overseas investment properties held by the Group.

NM – Not meaningful

1H 2023 vs 1H 2022

1H 2023 gross revenue for CICT properties at S\$774.8 million was higher than 1H 2022 by S\$87.2 million or 12.7%. The increase was mainly due to full contribution from the enlarged portfolio following the acquisitions of 66 Goulburn Street, 100 Arthur Street, 50.0% interest in 101-103 Miller Street and Greenwood Plaza in Sydney, Australia and CapitaSky (the "Acquisitions") in 1H 2022, higher occupancy and rental rates achieved as well as higher rental on gross turnover.

1H 2023 property operating expenses for CICT properties at S\$222.4 million was higher than 1H 2022 by S\$36.4 million or 19.6%. The increase was mainly due to full contribution from the Acquisitions and higher utilities expenses.

As a result, net property income ("NPI") for 1H 2023 increased by 10.1% year-on-year ("y-o-y").

Other income in 1H 2023 includes one-off government grant income of S\$34.4 million in relation to the construction of underground pedestrian link at Funan. The government grant was received to defray the construction costs that were incurred.

Management fees at S\$45.2 million were S\$2.4 million or 5.7% higher than 1H 2022. This was mainly due to the increase in NPI of the enlarged portfolio.

Finance costs for 1H 2023 of S\$154.0 million were S\$49.6 million or 47.4% higher than 1H 2022. The increase was mainly due to incremental borrowings in relation to the Acquisitions and higher benchmark interest rates.

Share of results of joint ventures of S\$5.6 million was S\$0.8 million lower than 1H 2022 arising from higher interest expenses.

CAPITALAND INTEGRATED COMMERCIAL TRUST
2023 FIRST HALF UNAUDITED FINANCIAL STATEMENTS AND DISTRIBUTION ANNOUNCEMENT

Statement of Financial Position

	Group	
	30/6/2023	31/12/2022
	S\$'000	S\$'000
Non-current assets		
Plant and equipment	4,979	5,311
Investment properties	23,826,842	23,744,817
Joint ventures	363,696	361,198
Equity investments at fair value	164,388	180,989
Financial derivatives	46,765	40,286
Deferred tax asset	2,954	4,216
Other non-current assets	1,242	947
	<u>24,410,866</u>	<u>24,337,764</u>
Current assets		
Trade and other receivables	50,505	61,837
Cash and cash equivalents	254,161	248,396
Financial derivatives	4,398	18,626
	<u>309,064</u>	<u>328,859</u>
Total assets	<u>24,719,930</u>	<u>24,666,623</u>
Current liabilities		
Financial derivatives	104	25,199
Trade and other payables	323,056	323,881
Current portion of security deposits	90,497	86,594
Loans and borrowings	431,327	1,155,045
Lease liabilities	1,751	1,932
Provision for taxation	10,784	12,506
	<u>857,519</u>	<u>1,605,157</u>
Non-current liabilities		
Financial derivatives	82,795	87,541
Trade and other payables	34,874	34,896
Loans and borrowings	9,185,371	8,430,216
Lease liabilities	23,111	24,069
Non-current portion of security deposits	203,563	198,208
Deferred tax liability	7,893	7,143
	<u>9,537,607</u>	<u>8,782,073</u>
Total liabilities	<u>10,395,126</u>	<u>10,387,230</u>
Net assets	<u>14,324,804</u>	<u>14,279,393</u>
Represented by:		
Unitholders' funds	14,117,134	14,073,447
Non-controlling interests	207,670	205,946
	<u>14,324,804</u>	<u>14,279,393</u>

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As at 30 June 2023 and 31 December 2022, joint ventures refer to 45.0% interest in GOT and 45.0% interest in GSRT (including unitholder's loans).

Equity investments at fair value as at 30 June 2023 relates to CICT's 8.0% interest in CLCT at fair value of S\$136.1 million and CICT's 10.9% interest in Sentral REIT at fair value of S\$28.3 million.

Financial derivative assets and liabilities relate to fair value of the cross currency swaps, interest rate swaps and forward exchange contracts. The decrease in financial derivatives assets was mainly due to settlement of cross currency swaps upon the repayment of the corresponding borrowings in 1H 2023. The decrease in financial derivative liabilities was mainly due to the settlement of cross currency swaps upon the repayment of the corresponding borrowings as well as the Mark-to-Market ("MTM") of the HKDSGD cross currency swaps arising from the strengthening of Hong Kong Dollar against Singapore Dollar and higher interest rate.

Deferred tax asset relates to the temporary differences arising from the fair value adjustment recognised on the fixed rate borrowings of CCT Group and RCS Trust in relation to the Merger in FY 2020.

Notwithstanding the net current liabilities position, based on the Group's available financial resources, the Manager is of the opinion that the Group will be able to refinance its borrowings and meet its current obligations as and when they fall due.

The increase in loans and borrowings for the Group was mainly due to drawdown of loans as well as higher revaluation for borrowings denominated in Euro as a result of strengthening of the Euro against Singapore Dollar.

Lease liabilities recognised by the Group relate to the existing operating lease arrangements in accordance with the principles of FRS 116 *Leases*.

Deferred tax liabilities relate to the temporary differences in respect of the fair value changes of overseas investment properties held by the Group.

4 Variance from Previous Forecast / Prospect Statement

CICT has not disclosed any forecast to the market.

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

A. Singapore

The Monetary Authority of Singapore (MAS) core inflation was 4.2% on a year-on-year (y-o-y) basis in June 2023, lower than 4.7% in May 2023. This was due to a lower inflation for food and services. Singapore's imported goods prices have continued to ease y-o-y with the moderated global supply chain frictions as well as energy and food commodity prices. However, local unit labour costs could increase further in the near term and businesses are likely to continue passing this rising cost gradually to consumers with the slowdown in economic activity. Considering all factors, MAS core inflation is expected to average 3.5% to 4.5% for the whole of 2023.

Based on advance estimates, the Ministry of Trade and Industry Singapore reported that Singapore economy grew by 0.7% on a y-o-y basis in 2Q 2023, higher than the 0.4% growth in 1Q 2023. On a quarter-on-quarter (q-o-q) seasonally adjusted basis, the economy expanded by 0.3%, an improvement from the 0.4% contraction in 1Q 2023.

A1. Retail operating environment

Singapore Department of Statistics reported that the retail sales index (excluding motor vehicle sales) was up by 1.8% on a y-o-y basis in May 2023 compared to a y-o-y rise of 4.3% in April 2023. Most retail trades recorded y-o-y increases in sales in May 2023. Higher demand for the Food & Alcohol and Cosmetics, Toiletries & Medical Goods industries led to their growth in sales by 24.9% and 13.1% respectively. Conversely, sales of Recreational Goods and Supermarkets & Hypermarkets fell by 6.9% and 2.2% respectively. On a month-on-month basis, the seasonally adjusted retail sales declined by 0.4% in May 2023. Singapore started major easing of its safe management measures from 26 April 2022.

Singapore Department of Statistics also reported that online retail sales contributed 13.3% of a total retail sales value of S\$3.6 billion (excluding motor vehicle sales) in May 2023. This proportion of online retail sales was below the lower end of the online sales range reported in 2022.

Singapore island wide retail occupancy rate was 92.5% as at 30 June 2023, an increase from last quarter, based on Urban Redevelopment Authority (URA)'s retail space vacancy rate.

CBRE Research noted strong demand led to y-o-y increases in the average prime retail market rents in 2Q 2023. Prime retail rent island wide increased by 3.2% y-o-y to S\$25.55 per square foot per month (1Q 2023: S\$25.35), while prime retail rent in Orchard Road rose by 2.9% to S\$35.20 per square foot per month (1Q 2023: S\$34.85). Prime retail rent in the suburban malls continued its positive trajectory to grow by 0.5% q-o-q and 3.1% y-o-y to S\$31.15 per square foot per month (1Q 2023: S\$31.00).

CBRE Research expects overall retail rents to continue its growth in 2023, largely due to tourism recovery and the below-historical-average new retail supply in the next few years.

A2. Office operating environment

CBRE Research reported a mild positive net absorption of 0.08 million square feet of office space in 2Q 2023. Island wide office stock shrunk with the removal of PIL Building and no completion of new supply this quarter. Despite the reduced stock, Core CBD Grade A office vacancy rate as at 30 June 2023 inched up marginally to 4.0% q-o-q (1Q 2023: 3.9%), while Core CBD and island wide vacancy rates were reduced to 5.2% (1Q 2023: 5.5%) and 4.9% (1Q 2023: 5.1%) respectively.

According to CBRE Research, Singapore office market still reported healthy demand, led by the private wealth and asset management companies, law firms, professional services and government agencies. Renewed leasing interest by flexible workspace providers in 2Q 2023 also contributed to the demand. Core CBD Grade A monthly office market rent continued its increase since 2Q 2021, and reached S\$11.80 per square foot as at 30 June 2023, up 0.4% q-on-q and 4.4% year-on-year. Year-to-date 2023, the Core CBD Grade A office rent has risen by 0.9%, supported by tight vacancies. CBRE Research expects Core CBD Grade A rents to be flat for the rest of 2023 with the weakening economy, elevated shadow space and the impending completion of a large commercial development in the next few quarters.

B. Germany

According to the German Federal Statistical Office, Germany's gross domestic product (GDP) reported zero growth q-o-q in 2Q 2023 after adjustment for price, seasonal and calendar variations. Household final consumption expenditure stabilised in the second quarter of 2023. The inflation rate for Germany was 6.4% y-o-y in June 2023, an increase compared to May 2023 rate of 6.1%, and a reversal from three consecutive months of slowdown from March to May 2023 as reported by the German Federal Statistical Office. Food prices persisted to be the biggest driver of inflation. The inflation rate is expected to be 6.2% in July 2023.

CBRE Germany reported that Frankfurt's office market showed some positive trends in 1H 2023 with a take-up of 174,000 square metres (sqm). 2Q 2023 take-up of 90,500 sqm was above the take-up of approximately 84,000 sqm separately registered in 1Q 2023 and 4Q 2022. Vacancy rate for the overall Frankfurt market was up by 0.1 percentage points y-o-y to 8%. The Banking District sub-market and the Frankfurt Airport sub-market recorded vacancy rate at 2.8% and 9.0% respectively. CBRE Germany noted that the Frankfurt Airport sub-market is progressively attracting users requiring a connection to the airport as well good public transport connections. Nevertheless, the take-up in 2023 for Frankfurt market is

expected to be significantly below the long-term average due to the anticipated increase in vacancy rate with the completion of new supply and upcoming vacancies.

Increasingly, prime office rents have risen due to strong demand for high-quality office space which meets ESG requirements as well as hybrid workspace concepts, together with continuing higher construction costs. This upward trend is expected to continue till the end of 2023 according to CBRE Germany.

C. Australia

Australia's economy grew by 2.3% y-o-y in first quarter of 2023, in line with expectations of slowing economic growth in 2023 due to higher interest rates and inflation impacting spending patterns according to the Australian Bureau of Statistics. Spending on essential goods and services were the main contributors to the increase in consumption.

The Australian Bureau of Statistics reported that Australia's monthly Consumer Price Index (CPI) indicator rose 5.4% in the 12 months to June 2023, slightly lower than the rise of 5.5% in May 2023. The significant contributors to the increase in the monthly CPI indicator in June were Housing, Food and non-alcoholic beverages, and Recreation and culture. Partly offsetting the rise was a fall in Automotive fuel.

According to JLL Australia, Sydney CBD's vacancy rate declined to 13.7% in 1Q 2023 and net absorption over the quarter was a positive 3,900 sqm. Prime gross effective rents rose 1.6% q-o-q due to higher uplift in gross face rents compared to a marginal increase in prime incentives. Similarly, over in North Sydney, prime gross effective rent was up by 2.4% q-o-q. However, North Sydney recorded 1,800 sqm of negative net absorption q-o-q as some small tenants (<1,000 sqm) vacated the market. North Sydney vacancy rate increased to 18.7% due to higher vacancy in the secondary stock.

D. Conclusion

Despite the challenging global economic and geopolitical environment, leasing interests in Singapore stayed healthy, and leasing enquiries in Sydney and Frankfurt are gradually increasing. Based on portfolio property value as at 31 December 2022, CICT's geographical exposure is 93% in Singapore, 4% in Australia and 3% in Germany. CICT's portfolio reported a high committed occupancy rate of 96.7% with a weighted average lease term to expiry of 3.6 years as at 30 June 2023. In Singapore, committed rents for both office and retail leases signed in 1H 2023 were higher than expiring rents. Barring unforeseen circumstances, the values of the Singapore commercial portfolio should remain resilient while the overseas assets' values are expected to see some downward pressure. The Manager of CICT stays proactive and disciplined in driving portfolio growth and evaluating value creation opportunities, underpinned by prudent capital management to generate sustainable DPU.

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6 Distributions

6 (a) Current financial period

Any distributions declared for the current financial period? Yes.

Name of distribution : Distribution for 1 January 2023 to 30 June 2023

Distribution Type	Distribution Rate Per Unit (cents)
Taxable Income	5.04
Tax-exempt income	0.02
Capital	0.24
Total	5.30

Par value of Units : NA

Tax rate : Taxable income distribution

Qualifying investors and individuals (other than those who hold their Units through a partnership) will generally receive pre-tax distributions. These distributions are exempt from Singapore income tax in the hands of individuals unless such distributions are derived through a Singapore partnership or from the carrying on of a trade, business or profession.

Qualifying foreign non-individual investors and foreign fund investors will receive their distributions after deduction of tax at the rate of 10%.

All other investors will receive their distributions after deduction of tax at the rate of 17%.

Tax-exempt income distribution

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

The capital distribution component represents a return of capital to unitholders for Singapore income tax purposes. No tax will be deducted at source from this component. The amount of the capital distribution component will be applied to reduce the cost base of unitholders' Units for Singapore income tax purposes. For unitholders who are liable to Singapore income tax on profits from the sale of their Units, the reduced cost base of their Units will be used to calculate any taxable trading gains arising from the disposal of their Units.

Remarks : NA

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- 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 2022 to 30 June 2022

Distribution Type	Distribution Rate Per Unit (cents)
Taxable Income	4.49
Tax-exempt income	0.70
Capital	0.03
Total	5.22

Par value of Units : NA

Tax rate : Taxable income distribution

Qualifying investors and individuals (other than those who hold their Units through a partnership) will generally receive pre-tax distributions. These distributions are exempt from Singapore income tax in the hands of individuals unless such distributions are derived through a Singapore partnership or from the carrying on of a trade, business or profession.

Qualifying foreign non-individual investors and foreign fund investors will receive their distributions after deduction of tax at the rate of 10%.

All other investors will receive their distributions after deduction of tax at the rate of 17%.

Tax-exempt income distribution

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

The capital distribution component represents a return of capital to unitholders for Singapore income tax purposes. No tax will be deducted at source from this component. The amount of the capital distribution component will be applied to reduce the cost base of unitholders' Units for Singapore income tax purposes. For unitholders who are liable to Singapore income tax on profits from the sale of their Units, the reduced cost base of their Units will be used to calculate any taxable trading gains arising from the disposal of their Units.

Remarks : NA

6 (c) Date payable : 15 September 2023

6 (d) Record date : 10 August 2023

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

NA

8 Interested Person Transactions

CICT has not obtained a general mandate from Unitholders for Interested Person Transactions.

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 SGX-ST (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 the Trust (comprising the statements of financial position and portfolio statement as at 30 June 2023, statement of total return, distribution statement, statement of cash flows and statements 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.

This release may contain forward-looking statements that involve assumptions, 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 developments or companies, shifts in expected levels of occupancy rate, property rental income, charge out collections, changes in operating expenses (including employee wages, benefits and training cost), 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 the current view of management on future events.

BY ORDER OF THE BOARD
CAPITALAND INTEGRATED COMMERCIAL TRUST MANAGEMENT LIMITED
(Company registration no. 200106159R)
(as Manager of CapitaLand Integrated Commercial Trust)

Lee Ju Lin, Audrey
Company Secretary
1 August 2023