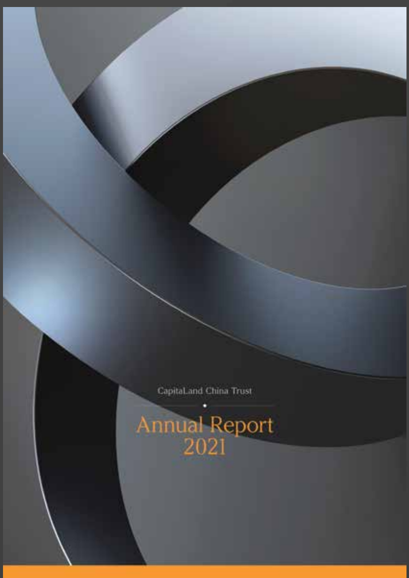
CapitaLand China Trust

Annual Report 2021

> Staying focused on our vision, we transformed from a pure-play China retail S-REIT to become Singapore's largest multi-asset China-focused REIT. The pivot into the New Economy asset class where we added five business parks and four logistics facilities, has strengthened CLCT's portfolio resilience and increased income diversification to leverage different market cycles.

TAN TZE WOOI
CHIEF EXECUTIVE OFFICER



CapitaLand China Trust

Our cover page features the letters "C" and "O" intersecting to form an interlocked design, where the "C" stands for CapitaLand and the "O" stands for ONE. Together, they represent the ONE CapitaLand ecosystem, and symbolise how the respective REITs, business trusts and businesses that form part of CapitaLand Investment Group benefit from cross-platform synergies and complementary strengths; and are united and committed to the same shared purpose of Enriching Lives, Building Communities and Growing Sustainably.

Contents

Who We Are

CapitaLand China Trust (CLCT) is Singapore's largest China-focused real estate investment trust (REIT). CLCT's portfolio constitutes 11 shopping malls, five business parks and four logistics parks. The geographically diversified portfolio has a total gross floor area (GFA) of approximately 2.0 million square metre (sq m), located across 12 leading Chinese cities. CLCT was listed on the Singapore Exchange Securities Trading Limited (SGX-ST) on 8 December 2006. The REIT's objective is to invest 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).

CLCT's retail properties are strategically located in densely populated areas with good connectivity to public transport. The malls are positioned as one-stop family-oriented destinations that offer essential services and house a wide range of lifestyle offerings that cater to varied consumer preferences in shopping, dining and entertainment. CLCT's portfolio comprises a diverse mix of leading brands including ZARA, UNIQLO, Xiaomi, Li-Ning, Haidilao, Nike, Sephora, Starbucks Coffee and Swarovski. The malls are CapitaMall Xizhimen, CapitaMall Wangjing, CapitaMall Grand Canyon and CapitaMall Shuangjing in Beijing; Rock Square in Guangzhou; CapitaMall Xinnan in Chengdu; CapitaMall Qibao in Shanghai; CapitaMall Nuohemule in Hohhot; CapitaMall Xuefu and CapitaMall Aidemengdun in Harbin and CapitaMall Yuhuating in Changsha.

The portfolio of five business parks is situated in high-growth economic zones, with high quality and reputable domestic and multinational corporations operating in new economy sectors such as biomedical, electronics, engineering, e-commerce, information and communications technology and financial services. The business parks and industrial properties exhibit excellent connectivity to transportation hubs, and are easily accessible via various modes of transportation. The properties are Ascendas Xinsu Portfolio in Suzhou, Ascendas Innovation Towers and Ascendas Innovation Hub in Xi'an and Singapore-Hangzhou Science & Technology Park Phase I and Phase II in Hangzhou.

The portfolio of four high-quality modern logistics parks are located in key logistics hubs near transportation nodes such as seaports, airports and railways to serve the growing domestic logistic needs of China's Eastern, Central and Southwest regions. Fitted with high-tech and modern features to meet a wide range of e-commerce and logistics requirements, the properties are anchored by strong domestic tenants, including China's leading technology-driven supply chain solutions and logistics services providers. The tenants cater to a variety of sectors from logistics and warehouse, pharmaceuticals, manufacturing to e-commerce. The properties are Shanghai Fengxian Logistics Park in Shanghai, Kunshan Bacheng Logistics Park in Kunshan, Wuhan Yangluo Logistics Park in Wuhan and Chengdu Shuangliu Logistics Park in Chengdu.

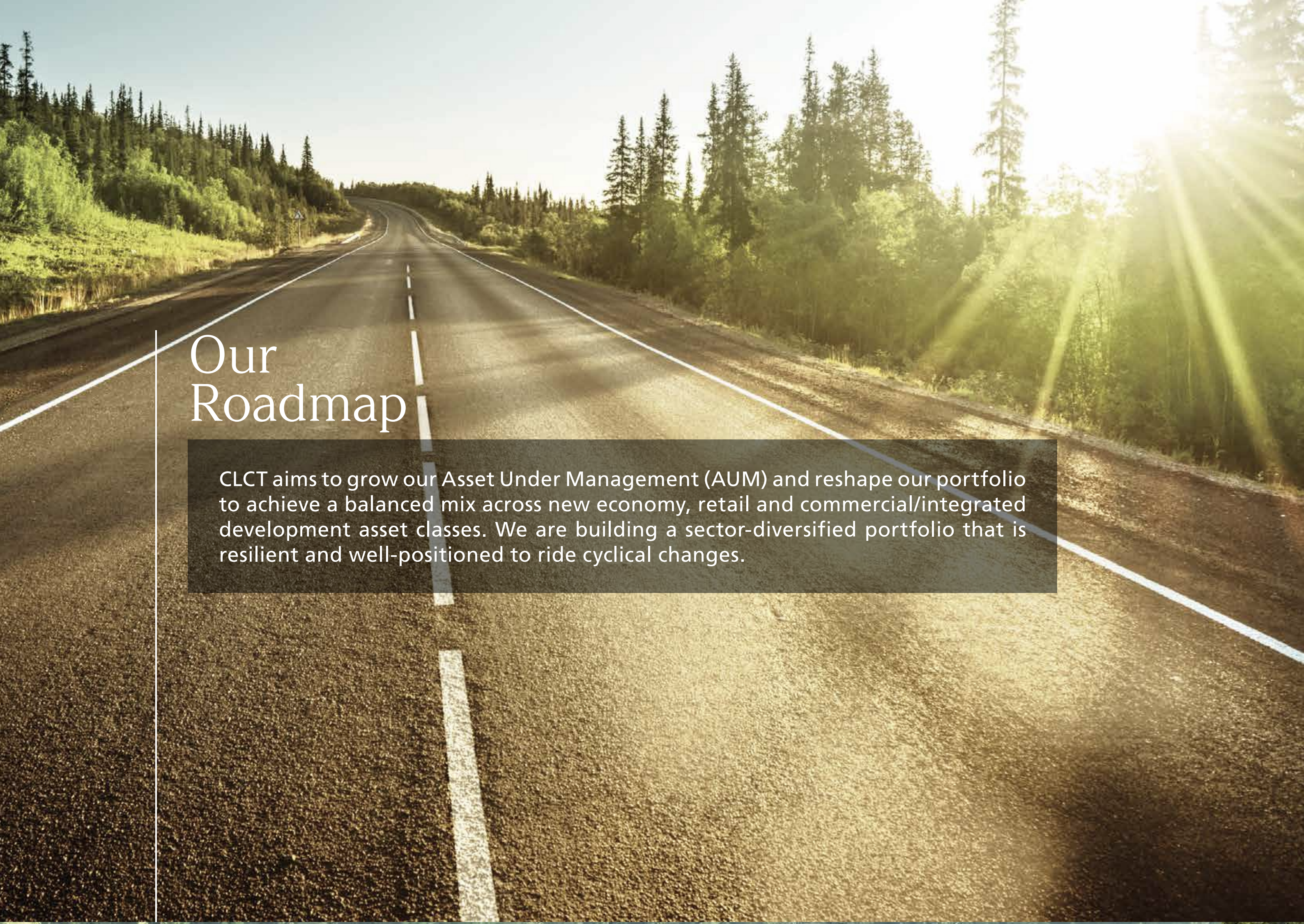
CLCT is managed by CapitaLand China Trust Management Limited (CLCTML), a wholly owned subsidiary of Singapore-listed CapitaLand Investment Limited (CLI), a leading global real estate investment manager with a strong Asia foothold.

Vision

Sustainable and resilient REIT with a professionally managed portfolio of quality real estate across China.

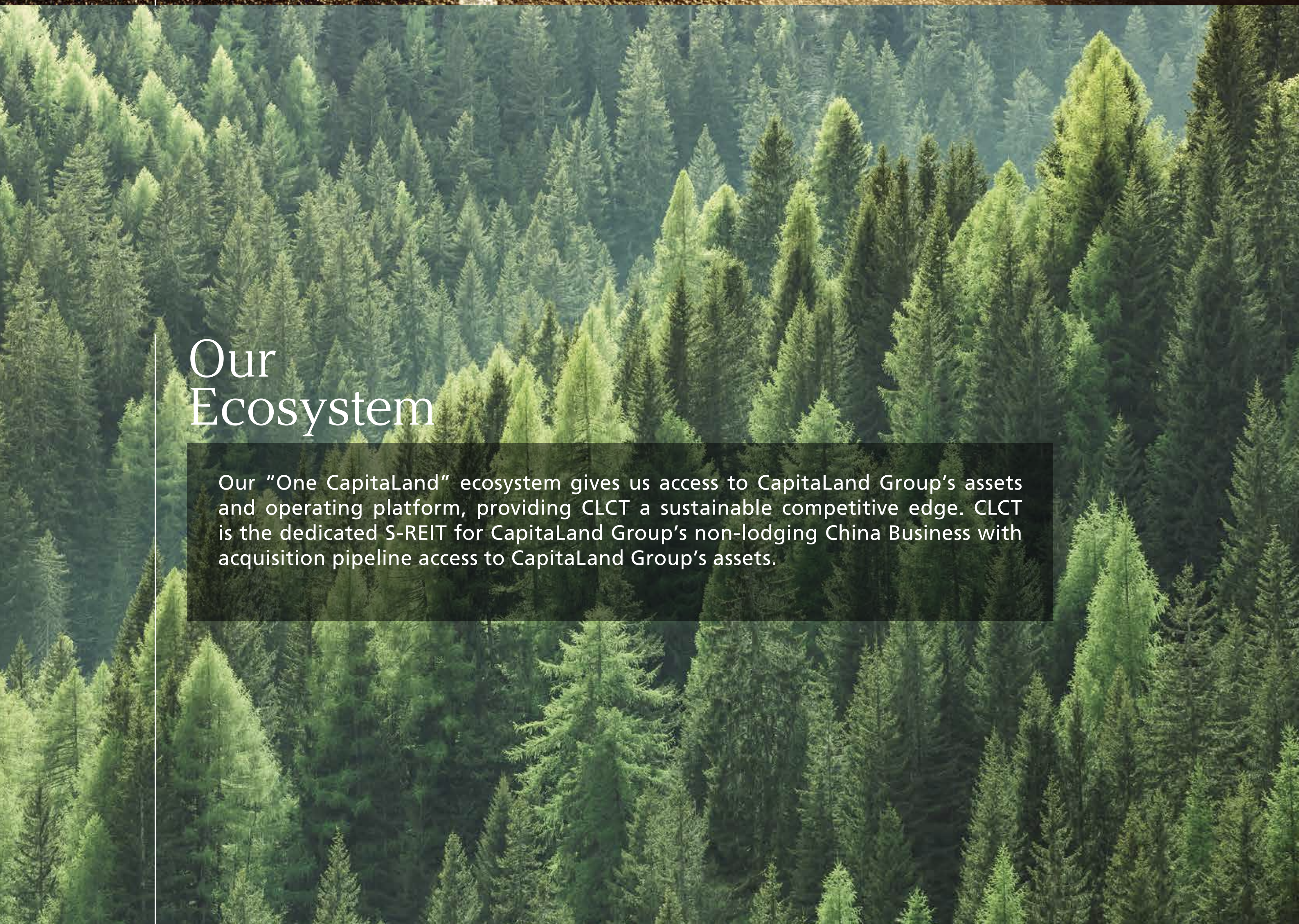
Mission

Deliver sustainable income growth to our Unitholders and value-add to the community and stakeholders by enhancing organic growth through proactive asset management; creating new value through innovative asset enhancement strategies; and capitalising on yield-accretive acquisition growth.



Our Roadmap

CLCT aims to grow our Asset Under Management (AUM) and reshape our portfolio to achieve a balanced mix across new economy, retail and commercial/integrated development asset classes. We are building a sector-diversified portfolio that is resilient and well-positioned to ride cyclical changes.



Our Ecosystem

Our “One CapitaLand” ecosystem gives us access to CapitaLand Group’s assets and operating platform, providing CLCT a sustainable competitive edge. CLCT is the dedicated S-REIT for CapitaLand Group’s non-lodging China Business with acquisition pipeline access to CapitaLand Group’s assets.

Focused Execution Sustainable Returns

Delivering on our Commitment to Generate Value and Growth

As the largest China focused S-REIT, we continue to deliver on our commitment to generate value and growth for our stakeholders. This year CLCT recorded our highest NPI since listing, led by the consolidation of Rock Square and maiden contribution from our five business parks and four logistics parks. The strong performance of our new economy segment consolidates and reaffirms our position as a resilient, multi-asset S-REIT.

Shanghai Fengxian Logistics Park

Driving Excellence in Sustainability

Sustainability is a cornerstone of our growth journey, with significant headway made in 2021. We secured our first S$150 million sustainability-linked loan, making CLCT the first S-REIT to receive a loan linked to the sustainability performance of a China portfolio. CLCT also participated in the GRESB Real Estate Assessment for the first time and was awarded a 3 Star rating. For the GRESB Public Disclosure, CLCT was awarded an "A" rating, ranked first amongst seven Singapore Retail Constituents.

Staying Future-Ready

Focusing on our expanded mandate ensures that we stay future-ready. Driven by a forward-looking portfolio reconstitution strategy and strong acquisition growth track record, we are well-positioned to be the proxy for growth in China's future economy across multiple sectors and through market cycles.

2021

JANUARY

Completed **Ascendas Xinsu Portfolio acquisition** as part of CLCT's largest acquisition post mandate expansion.

Rebranded CapitaLand Retail China Trust (CRCT) to CapitaLand China Trust (CLCT), to reflect new focus as a diversified multi-asset portfolio.

Reported **Distribution Per Unit (DPU) of 6.35 cents** for FY 2020.

FEBRUARY

Completed the acquisitions of **Ascendas Innovation Towers** and **Ascendas Innovation Hub**, further expanding CLCT's presence in the resilient new economy asset class.

Completed the **divestment of CapitaMall Minzhongleyuan**[1] as part of CLCT's active portfolio reconstitution efforts.

APRIL – MAY

Released 1Q 2021 Business Update with **1Q 2021's NPI reaching RMB264.2 million** or around **80%** of 1H 2020's NPI.

Held the 2021 Annual General Meeting (AGM).

CLCTML, the Manager of CLCT, announced the **retirement of Mr Lucas Ignatius Loh Jen Yuh** as Non-Executive Non-Independent Director and Chairman of the Executive Committee, effective from 1 May 2021.

JUNE

Completed the **divestment of CapitaMall Saihan**[2] as part of bundle deal to rejuvenate CLCT's portfolio.

Completed the **acquisitions of Singapore-Hangzhou Science & Technology Park Phase I and II.**

Issued S$150 million 2.4% notes due 2028 under the S$1 billion Multicurrency Debt Issuance Programme.

JULY

Achieved the highest NPI growth since listing, with 1H 2021 **DPU growing 40.1% year-on-year (YoY)** to 4.23 cents on the back of maiden contribution of the five Business Parks and 100% ownership of Rock Square.

1. CapitaMall Minzhongleyuan and the three sets of premises was divested to Wuhan Chengshi Fengmao Assets Management (Group) Co. Ltd. for an aggregate consideration of RMB229.6 million. Savills Real Estate Valuation (Guangzhou) Ltd., Beijing Branch, an independent valuer, valued CapitaMall Minzhongleyuan and the three sets of premises' open market value at RMB440.0 million as at 1 November 2020 using the capitalisation approach and discounted cashflow approach.

OCTOBER

Inaugural participation in GRESB Real Estate Assessment 2021 - Awarded **3 STAR RATING with a score of 77.**

Received an **"A" for GRESB Public Disclosure 2021** (Ranked first amongst seven Singapore Retail Constituents).

Announced proposed acquisition of four logistics parks in Shanghai, Kunshan, Wuhan and Chengdu for **RMB1,683.4 million**, marking CLCT's maiden entry into the logistics park sector.

Launched a **S$150 million private placement** at **S$1.165 per Unit.**

Issued and listed approximately **128.8 million new CLCT units** on the Singapore Exchange Securities Trading Limited (SGX-ST) pursuant to the private placement.

Recorded the highest 3Q and 9M NPI since listing. 9M 2021 NPI **grew 81.1% yoy** to reach RMB903.4 million with improved retail segment and new contribution from the addition of Rock Square and business parks.

Announced **Advanced Distribution of 2.70 cents** for the period from 1 July 2021 to 20 October 2021.

The Manager announced the appointment of **Mr Puah Tze Shyang as Non-Executive Non-Independent Director** of the Board, effective from 26 October 2021.

SEPTEMBER

Secured first sustainability-linked loan of **S$150 million.**

NOVEMBER

Completed the **acquisition of the four logistics parks.**

DECEMBER[3]

Awarded the **'Best IR during a Corporate Transaction'** and **'Best use of Multimedia for IR'** at the IR Magazine Forum & Awards - South East Asia 2021.

The Manager announced the **retirement of Mr Fong Heng Boo** as the Chairman of the Audit Committee after nine years of service on 31 December 2021.

2. CLCT, through its wholly owned subsidiary, entered into a co-operative framework agreement for (a) the acquisition of CapitaMall Nuohemule at RMB808.3 million from Inner Mongolia Guanghe New World Commercial Real Estate Co., Ltd. and (b) the divestment of CapitaMall Saihan via the divestment of CLCT's 100% interest in Huaxin Saihan Huhhot Real Estate Co., Ltd. to Beijing Fashion Qingcheng Commercial Management Ltd for an aggregate consideration of approximately RMB391.3 million after post-completion adjustments. Cushman & Wakefield International Property Advisers (Shanghai) Co., an independent valuer, valued CapitaMall Nuohemule's open market value at RMB856.0 million as at 31 December 2018 using the direct comparison and direct capitalisation approach. Cushman & Wakefield valued CapitaMall Saihan's open market value at RMB460.0 million as at 31 December 2018 using the discounted cash flow and direct capitalisation approach.
3. Professor Ong Seow Eng was appointed as Non-Executive Independent Director of the Board, effective from 1 January 2022.

GROSS FLOOR AREA

1,951,341
SQ M

MORE THAN

3,000
LEASES[2]

OPERATIONS

Performance

PORTFOLIO VALUATION[1]

RMB24,739
MILLION

Retail : **RMB18,166 million**
Business Park : **RMB4,879 million**
Logistics Park : **RMB1,694 million**

PORTFOLIO OCCUPANCY[2]

96.4%

Retail : **96.3%**
Business Park : **96.2%**
Logistics Park : **97.4%**

1. Based on valuation on 100% basis as at 31 December 2021.
2. Based on committed leases as at 31 December 2021.
3. In accordance with the Property Funds Appendix, the aggregate leverage is calculated based on the proportionate share of total borrowings over deposited properties.
4. Ratio of the consolidated FY 2021 interest expense reflected over weighted average borrowings on balance sheet.

Snapshot of 2021

FINANCIALS

NET PROPERTY INCOME

S$250.4 MILLION

DISTRIBUTION PER UNIT

8.73 CENTS

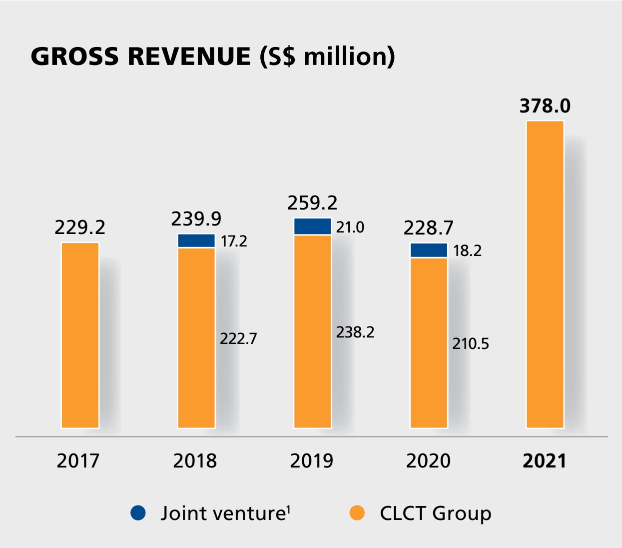
AGGREGATE LEVERAGE[3]

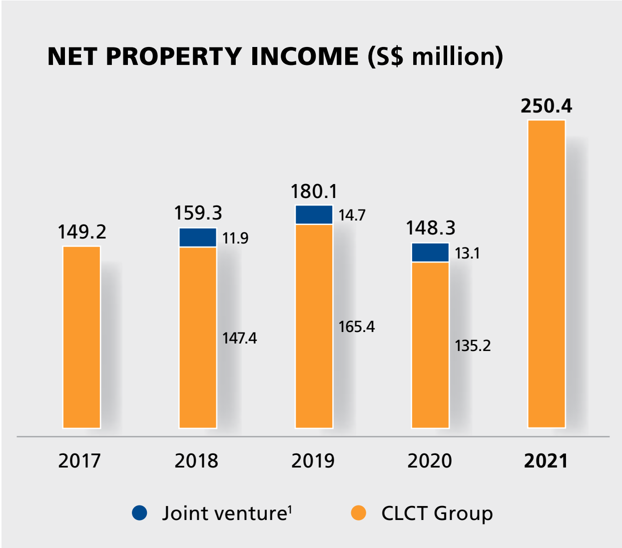
37.7%

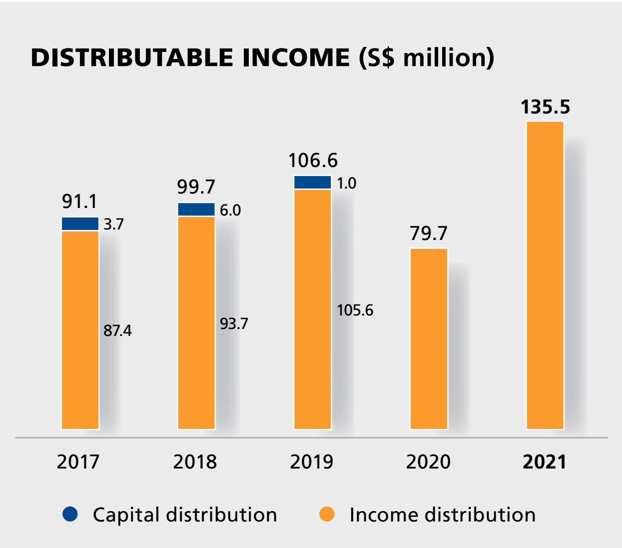
AGGREGATE COST OF BORROWINGS[4]

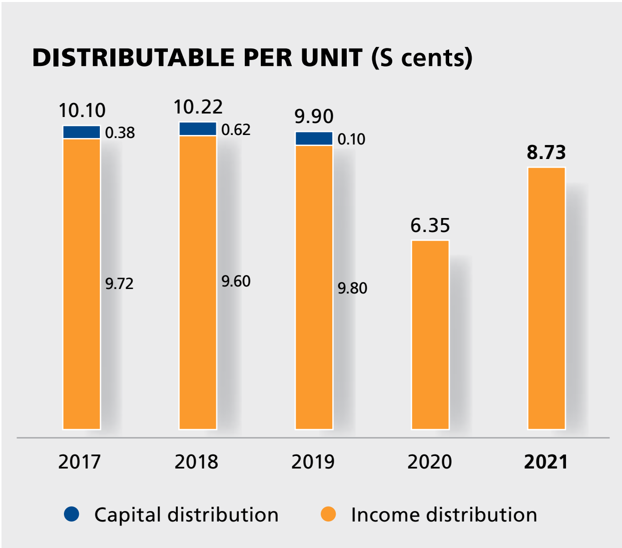
2.62%

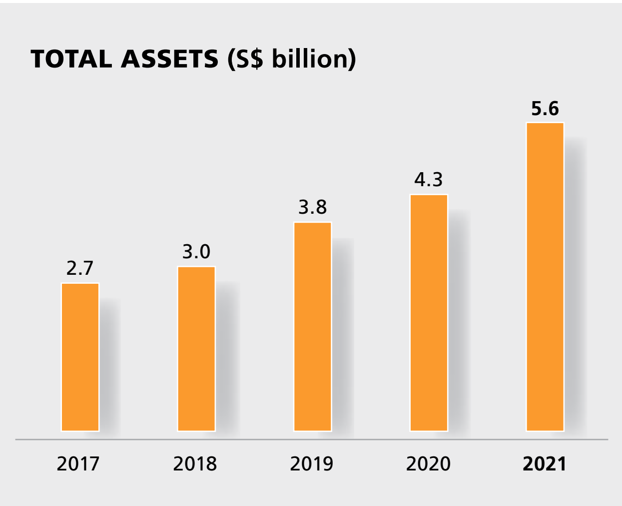
Financial Highlights

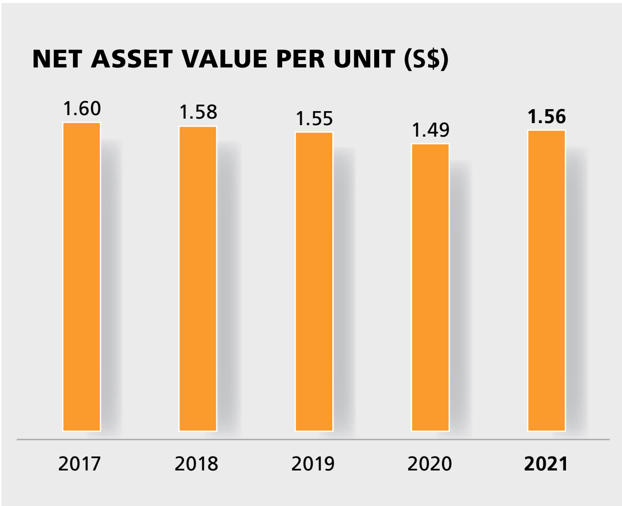












1. Joint venture refers to CLCT's 51% interest in Rock Square.

Financial Highlights

As at 31 December	2017	2018	2019	2020	2021
Total Assets (S$ million)	2,668.1	2,982.7	3,805.7	4,310.3	5,575.9
Total Deposited Properties (S$ million)[1]	2,648.2	3,072.3	3,883.5	4,281.9	5,226.6
Total Borrowings (S$ million)	750.0	1,041.3	1,383.2	1,359.7	1,993.4
Net Assets Attributable to Unitholders (S$ million)	1,548.8	1,553.2	1,873.7	2,245.2	2,588.2
Net Asset Value Per Unit (S$)	1.60	1.58	1.55	1.49	1.56
Portfolio Property Valuation (S$ million)[2]	2,440.8	2,438.9	3,223.9	3,895.3	5,239.0
FINANCIAL RATIOS					
Earnings Per Unit (EPU) (S cents)	16.21	13.17	15.45	(0.96)	6.92
Diluted EPU (S cents)	16.14	13.11	15.39	(0.96)	6.86
Distribution Per Unit (S cents)	10.10	10.22	9.90	6.35	8.73
- DPU from Operations	9.72	9.60	9.80	6.35	8.73
- DPU from Capital Distribution	0.38	0.62	0.10	-	-
Aggregate Leverage (%)[3]	28.4	35.4	36.7	31.8	37.7
Interest Cover (times)[4]	5.8	5.3	5.3	3.9	4.9
Management Expense Ratio (%)[5]	1.0	1.0	1.1	0.8	0.9
Market Capitalisation (S$ million)	1,565.3	1,333.5	1,946.6	2,093.9	1,974.8

1. All the assets of CLCT, including CLCT's proportionate share of Project Company (if the ownership is less than 100%).
2. Based on valuation on a 100% basis as at 31 December 2021. The portfolio property valuation includes the valuation of 11 retail malls, five business parks and four logistics parks. For more details, please refer to page 94 to 95.
3. The aggregate leverage is calculated based on proportionate total borrowing over the deposited properties in accordance to Property Funds Appendix.
4. Ratio of EBITDA over consolidated interest expenses (excluding 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). The interest cover ratio for FY 2019 and FY 2020 have been restated to exclude FRS 116 finance expense.
5. Refers to the expenses of CLCT excluding property expenses and interest expenses but including the performance component of CLCTML's management fees, expressed as a percentage of weighted average net assets.

Message to Unitholders

We will continue forging ahead to create value and deliver sustainable returns for our Unitholders.

SOH KIM SOON
CHAIRMAN

TAN TZE WOOI
CHIEF EXECUTIVE OFFICER

Dear Unitholders

CapitaLand China Trust delivered a resilient performance in FY 2021 despite challenging market conditions. By staying focused on our vision, we swiftly transformed from a pure-play China retail S-REIT to Singapore's largest multi-asset China-focused REIT. This was spurred by the expansion of our investment mandate in September 2020 to cover retail, office and industrial assets, including business parks, logistics facilities, data centres and integrated developments.

Our forward-looking portfolio reconstitution strategy is closely aligned with China's dual circulation strategy, which focuses on growing exports and domestic consumption. During the year, we established the building blocks of our new economy asset class by completing the acquisition of five business parks and four logistics assets. This enlarged our portfolio to 20 strategically located properties across China.

Beyond offering income diversification, these moves strengthen portfolio resilience and allow us to leverage different market cycles. By expanding our stable of assets beyond retail, we are well-positioned to be the proxy for growth in China's future economy across multiple sectors. Our efforts in enhancing our portfolio saw us end the year in a stronger position. Assets under management grew to S$4.9 billion[1] – comprising 78.1% retail assets and 21.9% new economy assets.

We are appreciative of our existing and new Unitholders' strong support for the Equity Fund Raising (EFR) that we carried out. Reflecting investors' firm confidence in us, we successfully raised S$150.0 million via a private placement to fund our entry into China's logistics sector with the accretive acquisition of four prime logistics parks.

ROBUST PERFORMANCE

As we capitalised on strategic growth opportunities to rebalance our portfolio, we also delivered a set of positive results. Gross revenue jumped 79.5% year-on-year to S$378.0 million. Net Property Income (NPI) surged 85.2% to reach a new high of S$250.4 million this financial year. This was due to maiden contributions from the five business parks and four logistics assets, 100% contribution from Rock Square[2], first full-year contribution from CapitaMall Nuohemule[3] and lower rental relief provided, partially offset by the effects of divestment in 2021.

China's zero-COVID approach amidst the pandemic led to the tight restrictions and lockdowns. However, the portfolio experienced positive growth despite more mall closures due to sporadic COVID-19 outbreaks in 2H 2021. FY 2021 retail traffic rose 9.3% year-on-year, while tenant sales improved 16.1% against the previous year. The year in review also saw spending per visit increase 6.2% compared to FY 2020. At the close of FY 2021, occupancy at our retail malls stood at 96.3%. This represented a 2.2% uptick compared to the last financial year, as occupancy rates returned to pre-COVID-19 levels in line with recovery in the retail sector.

1. Based on effective stake as at 31 December 2021.
2. CLCT completed the acquisition of the remaining 49% interest in Rock Square on 30 December 2020.
3. CapitaMall Nuohemule opened with 100% occupancy in December 2020.

Our new economy assets performed strongly. Our business parks occupancy reached 96.2% as at 31 December 2021, 3.9% higher than the previous year. The resilient performance of this segment came on the back of a 7.0% portfolio rental reversion. Meanwhile, our logistics parks reported a strong occupancy of 97.4% at the close of the financial year, above the 96.3% reported at acquisition in October 2021.

STAYING AHEAD WITH PROACTIVE ASSET MANAGEMENT STRATEGIES

We proactively manage leases, refreshing our tenant mix to ensure our malls evolve alongside retail trends, as well as provide high standards of property and customer service touchpoints throughout our portfolio. In FY 2021, we organised numerous events across our assets to engage and cultivate both our shopper and tenant communities.

Staying nimble, we persisted in curating shopper experiences to keep pace with China's dynamic retail landscape. At the same time, we intensified our digitalisation efforts to improve customer engagement amidst the COVID-19 restrictions. We onboarded our retail partners onto the CapitaStar rewards platform to help them integrate online and offline shopper experiences, and capture wallet share of the stay-at-home economy. By driving omnichannel offerings, the CapitaStar programme helps our mall tenants achieve more sales and expand their geographical reach. Collectively, these initiatives contribute towards future-readying our retail portfolio and boosting customers' stickiness to our retail ecosystem.

EXTRACTING VALUE FROM OUR PORTFOLIO

During the year, we remain focused on enhancing our portfolio through several asset enhancement initiatives (AEI). The ongoing AEI at CapitaMall Wangjing will reposition it as a destination lifestyle mall with distinctive retail mix and offerings. We successfully recovered about 14,000 sq m of space from our anchor department store tenant ahead of its lease expiry. This will allow us to optimise the area with a diverse range of quality offerings aimed at improving our connection with today's shoppers. Targeted for completion in 3Q 2022, the AEI will rejuvenate approximately 20% of the prime lettable area across Level One to Level Three and is expected to yield more than twice the original rental income. Rock Square has added around 1,000 sq m of additional NLA to-date, with another 250 sq m to come on stream in 2022 across Basement 1 to Level 2, enhancing shopper circulation and area efficiency.

In 2Q 2022, our Ascendas Xinsu business park will welcome the opening of Bridge+, CapitaLand Group's flexible workspace and community platform, after reconfiguring some of its existing office units and a part of the lobby to increase the leasable area. The addition of Bridge+ will enhance the property's overall attractiveness through the expansion of core-flex workspace solutions.

Revamped CapitaMall Yuhuating to enhance shoppers experience

Another mall that is undergoing major AEI is CapitaMall Yuhuating. Covering around 9,000 sq m, the revamp will enhance shopping experience with improved circulation from Level One to Level Three. Once completed, the revamped area will house more than 30 higher-yielding specialty stores, as we refresh the mall's brands and retail concepts to appeal to a wider customer base. Following the conclusion of Phase 1 of the AEI in FY 2021, Phase 2 is slated to begin in FY 2022, which will further position the property to serve the evolving catchment of families and young people.

ENHANCING DIVERSIFICATION AND RESILIENCE

Our increased exposure to new economy assets positions us to leverage the structural upgrading of China's economy to capture higher-value, service-led growth.

Our diversified business park portfolio features a quality tenant base spanning various emerging high-growth sectors. Around 62.7% of our tenants are from leading edge sectors, ranging from electronics, engineering, e-commerce, information and communication technologies, biomedical sciences and financial services, and comprise reputable multinational corporations as well as up-and-coming domestic companies. This places us in a favourable position to ride China's innovation-driven growth.

We also made our first foray into the logistics sector to better tap growth in China's domestic consumption.

We completed the acquisitions of four prime logistics assets in Shanghai, Kunshan, Wuhan and Chengdu in November 2021. Spread across four cities within CapitaLand's five core city clusters[4], over 80.0% of our logistics leases have built-in rental escalations. Located near transport hubs, such as seaports, airports and railways, the assets are well-placed to serve the expanding domestic logistical needs in China's eastern, central and southwest regions. Anchored by a strong domestic tenant base, the facilities are customised with high-tech and modern features to cater to a broad spectrum of e-commerce and logistics needs.

Shanghai Fengxian Logistics Park

To rejuvenate our portfolio, we unlocked value through divestments of non-core and matured properties. During the year, we divested CapitaMall Minzhongleyuan and CapitaMall Saihan for RMB918.0 million. The capital recycled from these divestments has enabled CLCT to pursue new growth.

PRUDENT CAPITAL AND RISK MANAGEMENT

Continuing our prudent capital management approach and diversifying sources of funding, we maintained a strong balance sheet and the financial flexibility to seize growth opportunities. We completed an EFR exercise via a private placement in October 2021, which received tremendous support from Unitholders. CLCT also benefits from a well-staggered debt maturity profile, with an average term to maturity of 3.4 years and competitive blended cost of debt of 2.62%. Our robust financial matrices have earned us the trust of the banking community, which continue to extend facilities to us at competitive interest rates.

At the end of the financial year, CLCT's gearing stood at 37.7%[5] – well below the regulatory limit of 50.0%. Buffering against interest rate fluctuations and foreign exchange, 77.2% of our total debt is on fixed rates[6], while 51.0% of undistributed income has been hedged into Singapore dollars.

FOSTERING SUSTAINABILITY

Together with the rest of the CapitaLand Group, CLCT is committed to championing positive social and environmental impact in the communities where we operate. We secured our maiden sustainability-linked loan of S$150.0 million, making CLCT the first S-REIT to receive a loan linked to the sustainability performance of a China portfolio. The year also saw our inaugural participation in the Global Real Estate Sustainability Benchmark (GRESB) Real Estate Assessment 2021, where we garnered three stars with a score of 77 and an 'A' for Public Disclosure (ranked first amongst seven Singapore Retail Constituents).

Collaborated with tenants at CapitaMall Yuhuating to thank frontliners

Throughout the year, we hosted several large-scale green initiatives, including a cycling event, and marked Earth Hour at various malls including CapitaMall Xinnan and CapitaMall Aidemengdun. In safeguarding our tenants' health during the pandemic, we distributed care packages and first aid kits at Ascendas Innovation Tower and Ascendas Innovation Hub.

OUTLOOK

China's 2021 GDP growth exceeded analysts' expectations to expand by 8.1%[7]. Looking ahead, while the country's growth may ease in the face of near-

4. The five core city clusters under CapitaLand's China strategy are Beijing/Tianjin, Shanghai/Hangzhou/Suzhou/Ningbo, Guangzhou/Shenzhen, Chengdu/Chongqing/Xi'an and Wuhan.
5. In accordance with the Property Funds Appendix, the aggregate leverage is calculated based on the proportionate share of total borrowings over deposited properties.
6. CLCT's hedging policy is to hedge at least 50.0% of undistributed income into SGD and at least 60.0% of total debt to fixed interest rates. This excludes RMB denominated loans.
7. Source: China National Bureau of Statistics.

term property debt risks and new virus outbreaks, we remain positive on the China market in the long term. Backed by our strong financial position, we are well-placed to navigate market uncertainties and capture new growth opportunities.

On the retail front, we are moving in tandem with China's goals to drive domestic consumption and common prosperity. Targeting middle-income households, our malls emphasise essential sectors and lifestyle offerings that resonate with improved quality of life. In 2022, the retail industry's performance may be impacted by further COVID-19 outbreaks. Overall, social activities in the country have largely normalised, fuelling our continued confidence in China's retail sector.

Following our business parks and logistics portfolio acquisitions, we will see the full-year contributions from these assets in 2022. Alongside this, the structural upgrading of China's economy towards innovation-driven growth is anticipated to drive demand for business park space. This is underpinned by the Central Government's stance with a range of policy tools to support the real estate sector and the economy. Supported by pro-business policies, our business parks are expected to enjoy continued favourable leasing demand. Similarly, we anticipate that our logistics assets will experience good growth driven by the fundamental needs of third-party logistics and demand from manufacturers in eastern and western China, buoyed by ongoing global demand[8].

With an eye on the future, we remain committed to executing our portfolio reconstitution strategy. In the near term, we will adopt a disciplined approach as we expand our footprint in new economy assets. Leveraging the broader CapitaLand Group network, our teams on the ground will draw synergies from the wider leasing and tenant platform that spans business and industrial parks in China. This will allow us to anticipate and serve tenant needs across our portfolio effectively. We are confident in leveraging our track record and the Sponsor's deep domain knowledge to achieve future growth in the new economy sector. Concurrently, we will seek to unlock value from mature properties at the opportune time, with a view to recycle the capital to reconstitute our portfolio.

As the dedicated Singapore-listed REIT for CapitaLand Group's non-lodging China Business, CLCT enjoys acquisition pipeline access to CapitaLand Group's assets. This positions us to capture new opportunities from our Sponsor, in addition to third-party vendors, to build a resilient sector-diversified portfolio capable of riding cyclical changes.

AWARDS AND ACKNOWLEDGEMENTS

We are honoured that our commitment to excellence and investor communications were recognised by the industry. CLCT was named "Best IR during a Corporate Transaction" and "Best Use of Multimedia for IR" at the 2021 IR Magazine Forum & Awards – South East Asia.

On behalf of the Board, we would like to extend our utmost appreciation to Mr Fong Heng Boo and Mr Lucas Ignatius Loh Jen Yuh. Mr Fong retired as the Chairman of the Audit Committee on 31 December 2021 after nine years of service, while Mr Loh stepped down as a Non-Executive Non-Independent Director and Chairman of the Executive Committee on 1 May 2021. The Board and Management thank Mr Fong for his counsel during CLCT's growth journey from 2013 to 2021, and acknowledge Mr Loh's valuable contributions throughout his tenure. We wish both of them success in their future endeavours.

At the same time, we warmly welcome two new Board members. Professor Ong Seow Eng was appointed a Non-Executive Independent Director on 1 January 2022, while Mr Puah Tze Shyang joined us on 26 October 2021 as a Non-Executive Non-Independent Director.

Amidst the challenges of COVID-19, we are grateful to our Board for their guidance as we navigate CLCT towards a stronger footing. We would also like to express our sincere appreciation to our Unitholders, business partners, tenants, customers and employees for their unwavering support. Underpinned by strong business fundamentals, we will continue forging ahead to create value and deliver sustainable returns for our Unitholders.

SOH KIM SOON
Chairman

TAN TZE WOOI
Chief Executive Officer

10 March 2022

8. CBRE: Record high leasing demand heralds start of new growth cycle, China, 3Q 2021 MarketView.

尊敬的信托单位持有人

尽管市场充满挑战，凯德中国信托依然在2021年表现强韧。凭着清晰的愿景，我们迅速从一支纯中国零售物业的新加坡上市房地产投资信托基金，转型为新加坡最大的专注于中国市场的多元房地产投资信托基金。2020年9月，我们扩大了投资范围，涵盖零售以外的办公及工业资产，其中涵盖了商业园区、物流设施、数据中心，以及商业综合体项目。

我们富有前瞻性的资产重组策略，与着重于提高出口及国内消费的中国双循环经济战略不谋而合。这一年中，我们完成了5个商业园区及4个物流设施的收购计划，正式在投资组合中增加了新经济资产类别，我们的投资组合因而增加至20个位于中国多个优质地段的资产。

除了创造多元化收入，这一系列举措也增强了资产组合的韧性，让我们能随着不同的市场周期创造优势。将资产扩大至零售以外的项目有利于信托在中国各领域的未来经济发展中乘势起飞，帮助投资者取得收益增长。到2021年底，我们优化资产组合的努力已经取得初步成果，使我们能够在接下来的市场竞争中立于有利之地。信托在年终的总资产增长到49亿新元[1] — 当中78.1%为零售资产，21.9%则是新经济资产。

各新老投资者鼎力支持我们的股权融资，我们深表感激。信托通过私募发行认购活动募集到了1.5亿新元，让信托通过收购增值性资产的方式购入4个优质物流园区，借此进入中国物流产业。股权融资的成功，显示了投资者对我们投资战略的信心。

强劲表现

除了借助战略性增长机会建立更加平衡的资产组合，我们的2021业绩也取得了优异的表现。我们的总收入同比增加了79.5%至3.78亿新元。净资产收入则在这个财政年度上升85.2%，达到2.504亿新元的新高。这主要归功于5个商业园区及4个物流资产的首次收入贡献、来自乐峰广场的100%收入贡献[2]、凯德广场·诺和木勒[3]首次全年贡献以及在2021年较低的租金减免。来自脱售物业的收入减少则小部分地抵消了收入的增长。

中国对冠病疫情保持清零政策，全国还处于严格的管制和封锁状态中。虽然2021年下半年有更多商场因偶发病例而暂时停业，我们的资产组合依然呈现正增长。2021财政年度的零售客流量同比回升了9.3%，而租户销售额也比上一年增加了16.1%。与2020财政年度相比，访客的每趟消费也在这个评估年度增加6.2%。在2021年终，我们的零售商场出租率达到96.3%，比上一财政年度增加了2.2%，基本恢复到了疫情前的出租水平，跟零售业复苏的市场环境保持一致。

另外，我们的新经济资产也表现强劲。截至2021年12月31日，我们的商业园区出租率达到96.2%，比前一年高出3.9%。我们在这个领域的强韧表现归功于7%的平均租金提升。与此同时，我们的物流产业也在年底交出97.4%的高出租率，超越了2021年10月购入时的96.3%。

通过积极的资产管理策略保持竞争优势

我们采取积极的租赁策略，引进新租户组合以确保我们的商场顺应零售趋势的改变。我们同时也在所有的物业提供品质卓越的物业服务和客户服务。我们在2021财政年度于各零售商场举办了多场活动，吸引购物者及租户群体积极互动 。

保持敏锐有助我们持续创造优越的购物体验，这对我们扎根于快速发展的中国零售市场至关重要。与此同时，我们在数码化方面加强力度，以求在冠病疫情的限制下与顾客保持紧密联系。我们邀请零售伙伴加入我们的凯德星奖励平台，帮助他们结合线上及线下购物体验，在"隔离经济"消费市场中占取份额。通过推动多渠道销售模式，凯德星计划帮助了我们的商场租户提升销售额，并且拓展地域界限。这一系列举措形成协同效应，有利我们的零售资产做好准备拥抱未来，为我们的零售生态培养更忠诚的顾客群。

提取资产组合的价值

这一年，我们继续把焦点放在通过资产增值计划来强化资产组合。正在进行的凯德广场·望京资产增值计划将把这座商场重新定位成选择丰富特色明显的生活时尚广场。我们在商场主力店租约到期前提前收回了14,000平方米的店面空间，将引进一系列丰富新颖的优质零售选择，以贴近现代购物者的最新需求。这项资产增值计划将于2022年第3季度完成，届时将为大约20%的1楼至3楼优质租赁空间注入新姿彩，租金收益预计比原有租金高出一倍以上。另外，乐峰广场至今已扩增了大约1,000平方米的可出租面积，地下1层至2楼也将在2022年增加250平方米的零售空间，这将优化购物客流，提高面积的使用效率。在2022年第2季度，腾飞新苏商业园区将重新规划部分现有办公单位及大堂空间，增加可出租面积，并将迎来凯德集团旗下灵活办公空间和互动社群平台奕桥Bridge+。奕桥的入驻将带来新兴的"核心+弹性"办公方案，让腾飞新苏更具吸引力。

1. 基于截至2021年12月31日的有效权益。
2. 凯德中国信托于2020年12月30日完成对乐峰广场其余49%权益的收购。
3. 凯德广场 · 诺和木勒于2020年12月开业时租用率为100%。

此外，凯德广场·雨花亭也正进行资产增值计划。商场将翻新大约9,000平方米的面积，1楼至3楼的客流状况将进一步改善，使得总体购物体验更上一层楼。完成翻新之后，我们将推出焕然一新的商场品牌形象及零售概念，以满足更广的消费需求，届时提升后的商业面积将能容纳超过30个贡献更高收益的专卖店。第一阶段的资产增值计划已经在2021年完成，第二阶段计划将在2022年展开，商场也将随之提升为迎合家庭及年轻一族生活潮流的精彩集合地。

改造凯德广场·雨花亭，提升购物体验

加强多元性及韧性

在我们增加了新经济方面的资产后，信托能更好地顺应中国经济的转型升级顺势而为，并受益于更高价值的服务业增长。

我们多元化的商业园区资产组合拥有一个素质优越的租户客群基础，当中包括来自各种高速增长的新兴行业租户。我们大约62.7%的租户来自前沿领域，包括电子、工程、电商、资讯与通信科技、生物医药以及财经领域的跨国企业和当地新起公司。展望由创新型产业驱动的中国经济增长趋势，我们占据了良好的地位。

为了更好地获益于中国内需消费的增长，我们也在物流领域初试啼声。2021年11月我们收购了位于上海、昆山、武汉及成都的4个优质物流资产。这4个城市皆坐落于凯德集团5大核心城市群内[4]，而且80%的资产租约都附带租金调涨条款。这些资产沿靠海港、机场、铁道等交通枢纽而建，能以地理优势迅速满足华东、华中及西南地区日益增长的物流需求。服务于实力雄厚的国内物流企业租户，这些设施内设有量身打造的高科技及现代设备，以满足各种电商及物流需求。

昆山巴城物流园

在资产升级方面，我们通过脱售非核心及成熟产业来释放价值。这一年，我们脱售了凯德新民众乐园以及凯德广场·赛罕，一共回收9.18亿人民币，使得信托拥有更大空间寻求新的增长机会。

审慎的资本及风险管理

我们延续一贯谨慎的资本管理作风，善用多元化资金来源，取得了稳健和优异的财务表现，同时也保持了抓住增长良机所需的财务灵活度。2021年10月，我们获得投资者的热烈支持，完成了以私募发行认购方式进行的股权融资。凯德中国信托的债务到期日分布均衡，也有利于增强财务实力。我们的债务到期年数平均为3.4年，2.62%的债务成本极具竞争力。我们强劲的财务实力，赢得了银行业合作伙伴的信赖和信心，将持续为我们提供具有竞争力的贷款利率。

在总结本财政年度之际，凯德中国信托的负债比率为37.7%[5]，远低于监管条规所设的50.0%上限。为了缓冲利率及外汇波动带来的影响，我们总负债的77.2%为固定利率[6]，同时我们也将未派发收入的51.0%对冲为新元。

拥抱持续性发展

作为凯德集团成员之一，凯德中国信托与集团承载相同的使命，即在我们所经营的社区中创造正面的社会及环境影响。我们成功取得了首个可持续发展相关联的1.5亿新元贷款，成为首个获得与中国投资组合可持续发展业绩相关贷款的新加坡房地产投资信托基金。2021年，我们首次参与全球房地产可持续标准评估，并在公开披露评分中获得77分的A级评定，获颁三星评级（在参与的7家新加坡零售机构中名列首位）。

4. 凯德集团中国策略的5大核心城市群包含北京/天津、上海/杭州/苏州/宁波、广州/深圳、成都/重庆/西安以及武汉。
5. 根据房地产基金附件，总杠杆的计算方式为按信托股权比例对应的借贷除以托管资产价值。
6. 凯德中国信托的对冲政策是将至少50.0%的未分派收入对冲为新元，60.0%的总债务须为固定利率。人民币贷款除外。
7. 来源：中国国家统计局。

致信托单位持有人之信函

在这一年当中，我们举办了多场大型的绿色环保活动，当中包括骑行活动，以及于凯德广场·新南、凯德广场·埃德蒙顿等商场的响应地球一小时活动。在疫情期间，为了保障和守护租户的健康安全，我们在腾飞原创大厦及腾飞创新中心派发了关爱护理包及急救包。

展望2022

2021年，中国的国内生产总值增长超出了分析师的预期，达到8.1%[7]。放眼前路，在近期的房地产债务危机以及新一波疫情的影响下，中国的经济增长短期内或许将放缓，但我们依然对中国的长期市场走向保持乐观。强健的财务基础，将帮助我们稳步度过市场的不确定性考验，并及时把握增长良机。

在零售方面，我们与中国推动内需消费及实现共同富裕的步伐一致。我们的商场以中等收入族群为主要目标，并依循更高的生活品质需求提供相关的基础及生活时尚产品。2022年，冠病疫情的走向将持续影响零售业的表现。但总体而言，中国国内的社交活动已大幅恢复常态，我们对中国零售业深具信心。

随着我们购入商业园区及物流资产，我们将在2022年享有这些资产的全年收入贡献。与此同时，创新型产业主导的增长正驱动中国经济结构的转型升级，因而提高了对商业园区的需求。在这背后，中央政府出台一系列政策支持房地产及经济发展，也为商业园区的收益提供了极大助力。这些亲商政策预计将为我们的商业园区创造持续的租用需求。同样的，受全球市场的持续需求带动，　东西部地区的制造业对物流需求不退，市场对第三方物流的需求也有所增加，我们预期物流资产将迎来良好的收入增长[8]。

展望未来，我们始终致力于执行资产组合重组战略。在短期内，我们将通过有纪律的方式将投资脚步延伸至新经济产业领域。借助凯德网络的优势，我们将信托位于中国各地的商业及工业园区集合一处，形成更广泛的租赁及租户平台，创造协同效应。为此，我们将能更有效地预期及满足各投资项目的租户的需求。我们充满信心，凭借我们的优良纪录以及信托发起人凯德集团的深厚行业经验，我们能在新兴经济领域中取得进一步的增长。在这同时，我们也将在适当时机释放成熟资产的价值，以便将所得资金用于资产组合升级再循环。

作为凯德集团专注于非住宿中国业务的新加坡上市房地产投资信托基金，凯德中国信托拥有收购凯德集团中国旗下产业的优先地位。我们因此得以同时拥有来自信托发起人以及第三方资产的增长契机，并借此打造一个能顺循周期变化的强韧多元资产组合。

奖项及致谢

凯德中国信托一直力求卓越，并积极与投资者进行积极沟通。我们的努力获得了业界肯定。在2021年投资者关系杂志论坛及大奖（IR Magazine Forum & Awards）东南亚版中，我们荣获“企业交易最佳投资者关系”及“最佳多媒体运用”奖项。

此外，我们谨代表董事会，向龐廷武先生以及罗臻毓先生致以最高谢意。服务长达9年的龐先生，于2021年12月31日卸下审计委员会主席的职务，罗先生则于2021年5月1日卸下非执行非独立董事及执行委员会主席的职务。董事会及管理层都非常感谢龐先生于2013年至2021年期间与凯德中国信托携手共赴成长之途，并给予其指导与见解。我们也向罗先生所作出的宝贵贡献致意。祝愿他们两位鹏程万里。

在我们迈向新篇章之际，我们至诚欢迎两位董事会新成员的加入。王绍荣教授于2022年1月1日受委为非执行独立董事，潘子翔先生则于2021年10月26日成为我们的非执行非独立董事。

2019新冠疫情带来了许多艰难挑战，感谢董事会在我们持续踏稳脚步奋勇前行之际给予指导。我们也对投资者、业务伙伴、租户、顾客及员工所给予的全力支持表达谢意。我们着力于强大的业务基础，继续昂首冲刺，以为投资者创造价值以及可持续性的回报。

苏锦春
主席

陈子威
首席执行官

2022年3月10日

8. CBRE:租赁需求的纪录新高预示新增长周期的开始，中国区2021年第3季度市场报告。

Property Portfolio

Since its IPO in 2006, CLCT's portfolio has grown from seven shopping malls to a diversified portfolio of 20 assets comprising 11 shopping malls, five business parks and four logistics parks. With a total gross floor area (GFA) of approximately 2.0 million square metre (sq m), CLCT has presence in 12 tier one and tier two prominent growth cities in China. CLCT's total asset has grown more than seven times since listing, reaching S$5.2 billion as at 31 December 2021.

As part of our growth strategy to enhance CLCT's value proposition, we have been expanding our presence in tier one and two cities. Through our business parks and logistics park acquisitions, we have diversified and gained exposure to high growth cities of Shanghai, Suzhou, Hangzhou, Kunshan, Chengdu, Wuhan and Xi'an.

TAN TZE WOOI
CHIEF EXECUTIVE OFFICER

Retail   Business Park   Logistics Park

* Number of properties indicated for cities with more than one property in the same asset class

OUR STRATEGY:
Create, Unlock and Extract Value

VISION
Sustainable and resilient REIT with a professionally managed portfolio of quality real estate across China

MISSION
Deliver sustainable income growth to our Unitholders and value-add to the community and stakeholders by enhancing organic growth through proactive asset management; creating new value through innovative asset enhancement strategies; and capitalising on yield-accretive acquisition growth

CAPITALS

ENVIRONMENTAL CAPITAL
- Carbon Emissions
- Energy Management
- Water Stewardship
- Waste and Resource Management

MANUFACTURED CAPITAL
- Environmentally Sustainable, Healthy, Safe and Accessible Quality Buildings
- Innovative and Sustainable Construction Methods and Technologies

HUMAN CAPITAL
- Health and Safety
- Job Creation and Security
- Learning and Development
- Benefits and Remuneration

More details can be found in CapitaLand China Trust's Integrated Sustainability Report FY 2021 that will be available from middle of April 2022 onwards: https://investor.clct.com.sg/isr.html

CAPITALS

SOCIAL & RELATIONSHIP CAPITAL

- Stakeholder Relations
- Social License to Operate
- Community Development
- Cross-Sectoral Partnership

ORGANISATIONAL CAPITAL

- Leadership and Culture
- Corporate Governance
- Risk Management

FINANCIAL CAPITAL

- Sustainable Financing
- Earnings
- Equity
- Investments
- Assets

Key Strategies

Create Value

CLCT is well-positioned to capture the emerging opportunities in the broader real estate market by strategically aligning with China's economic policies that focuses on achieving a consumption-driven, higher-value and service-led economy. As the largest China focused S-REIT with a diversified portfolio of retail, business park and logistics park assets across 12 prominent top tier cities, CLCT will exercise a disciplined approach in our portfolio reconstitution to achieve a well-balanced and resilient portfolio that is future-ready.

Sustainable growth is achieved through our integrated strategy to Create, Unlock and Extract value across our portfolio. Underpinned by prudent capital and risk management, we continue our strong track record of enhancing portfolio value and delivering long-term income growth and returns to Unitholders.

Strategic advantages and growth potential are further realised by leveraging CapitaLand Group's extensive pipeline of high-quality assets. Operational excellence is reinforced through CapitaLand Group's wide-ranging real estate platform, strong local network and professional property management capabilities.

Objective: Achieve inorganic growth through well-timed acquisitions

- Invest in a diversified portfolio of income-producing real estate across asset classes used primarily for retail, office and industrial purposes (including business parks, logistics facilities, data centres and integrated developments) to bring attractive yields and/or increase capital appreciation potential
- Strengthen portfolio resilience and diversification by investing in assets with high growth potential and synergistic value to deliver stable and sustainable distributions
- Aim to create a portfolio mix of 30% Retail, 30% New Economy and 40% Commercial/ Integrated Developments by 2026
- Seize opportunities by actively sourcing for opportunities from Sponsor's pipeline and/or third-party vendors


Shanghai Fengxian Logistics Park


Kunshan Bacheng Logistics Park


Wuhan Yangluo Logistics Park


Chengdu Shuangliu Logistics Park

Unlock Value

Extract Value

Objective: Recycle capital through divestment[1,2] of non-core, matured assets to enhance returns
- Review asset performance and unlock value at the optimal stage of asset lifecycle to increase long-term returns for Unitholders

1. CLCT, through its wholly owned subsidiary, entered into a co-operative framework agreement for (a) the acquisition of CapitaMall Nuohemule at RMB808.3 million from Inner Mongolia Guanghe New World Commercial Real Estate Co., Ltd. and (b) the divestment of CapitaMall Saihan via the divestment of CLCT's 100% interest in Huaxin Saihan Huhhot Real Estate Co., Ltd. to Beijing Fashion Qingcheng Commercial Management Ltd for an aggregate consideration of approximately RMB391.3 million after post-completion. Cushman & Wakefield International Property Advisers (Shanghai) Co., an independent valuer, valued CapitaMall Nuohemule's open market value at RMB856.0 million as at 31 December 2018 using the direct comparison and direct capitalisation approach. Cushman & Wakefield valued CapitaMall Saihan's open market value at RMB460.0 million as at 31 December 2018 using the discounted cash flow and direct capitalisation approach.
2. CapitaMall Minzhongleyuan and the three sets of premises was divested to Wuhan Chengshi Fengmao Assets Management (Group) Co. Ltd. for an aggregate consideration of RMB229.6 million. Savills Real Estate Valuation (Guangzhou) Ltd., Beijing Branch, an independent valuer, valued CapitaMall Minzhongleyuan and the three sets of premises' open market value at RMB440.0 million as at 1 November 2020 using the capitalisation approach and discounted cashflow approach.

1. PROACTIVE ASSET MANAGEMENT

Objective: Drive organic growth through customer-centric initiatives
- Achieve optimal tenant mix
- Implement proactive leasing strategies to achieve a healthy occupancy rate
- Deepen engagement with tenants by offering customised initiatives and programmes to build strong relationships
  - o **Retail** - Leverage on CapitaLand Group's established omnichannel platforms, innovative marketing outreach and loyalty programmes such as CapitaStar to expand customer base and capture repeat spending
  - o **Business Park and Logistics Park** - Enhance tenant's experience by providing quality property customer services that is supported by CapitaLand Group's best-in-class property management toolkit
- Enhance operational efficiency and optimise operating costs

2. INNOVATIVE ASSET ENHANCEMENT

Objective: Boost competitiveness through high quality malls, business parks and logistics parks
- Achieve higher returns through transformative asset enhancement initiatives
- Rejuvenate spatial usage and productivity to increase leasable area
- Refresh amenities and facilities to increase stickiness of consumers and tenants to our properties
- Enhance sustainability efforts and energy-efficient initiatives

Ascendas Xinsu Portfolio

A Diverse, Multi-disciplinary and Effective Board

SOH KIM SOON
Chairman
Non-Executive Independent Director

TAN TZE WOOI
Chief Executive Officer
Executive Non-Independent Director

PROFESSOR TAN KONG YAM
Non-Executive Independent Director

KUAN LI LI
Non-Executive Independent Director

Our Board provides strategic direction for sustainable growth and long-term success.

NEO POH KIAT
Non-Executive Independent Director

CHRISTOPHER GEE KOK AUN
Non-Executive Independent Director

PUAH TZE SHYANG
Non-Executive Non-Independent Director

PROFESSOR ONG SEOW ENG
Non-Executive Independent Director

LIM CHO PIN ANDREW GEOFFREY
Non-Executive Non-Independent Director

SOH KIM SOON, 76

Chairman
Non-Executive Independent Director

- Bachelor of Arts (Honours), University of Singapore
- Associate, Chartered Institute of Bankers

Date of first appointment as a Director
20 April 2017
Date of appointment as Chairman
20 April 2017
Length of service as a Director (as at 31 December 2021)
4 years 8 months

Board committee served on
- Nominating and Remuneration Committee (Chairman)

Present principal commitments
- ORIX Investment And Management Private Limited (Chairman)
- ORIX Leasing Singapore Limited (Chairman)

Background and working experience
- Senior Managing Director of DBS Bank Ltd. (was with DBS Bank Ltd. from 1971 to 2000 where he held various senior management positions)

Awards
- Public Service Medal (2007)
- May Day Award (Friend of Labour) (2012)

TAN TZE WOOI, 48

Chief Executive Officer
Executive Non-Independent Director

- Bachelor of Accountancy (Honours), Nanyang Technological University of Singapore
- Chartered Financial Analyst® and Member, CFA Institute

Date of first appointment as a Director
1 April 2017
Length of service as a Director (as at 31 December 2021)
4 years 9 months

Board committee served on
- Executive Committee (Member)

Background and working experience
- Chief Executive Officer (Designate) of CapitaLand Retail China Trust Management Limited (March 2017)
- Deputy Chief Executive Officer of CapitaLand Retail China Trust Management Limited (From December 2016 to February 2017)
- Regional General Manager, North China of CapitaMalls Asia Limited (now known as CapitaLand Mall Asia Limited) (From March 2014 to February 2017)
- Regional Deputy General Manager, North China of CapitaMalls Asia Limited (From July 2013 to February 2014)
- General Manager, Investment & Asset Management, North China of CapitaMalls Asia Limited (From September 2011 to July 2013)
- Deputy Head, Investment & Asset Management of CapitaMalls Asia Limited (From April 2010 to September 2011)
- Vice President, Investment & Asset Management of CapitaRetail China Trust Management Limited (From October 2008 to December 2014)
- Senior Manager of CapitaRetail China Trust Management Limited (From January 2007 to September 2008)
- Senior Manager of CapitaMall Trust Management Limited (From July 2005 to December 2006)
- Vice President, Wholesale Banking (Real Estate) of Standard Chartered Bank (From 2001 to 2005)
- Assistant Manager of KPMG (From 1997 to 2001)

NEO POH KIAT, 71

Non-Executive Independent Director

- Bachelor of Commerce (Honours), Nanyang University, Singapore

Date of first appointment as a Director
20 April 2017
Length of service as a Director (as at 31 December 2021)
4 years 8 months

Board committees served on
- Audit Committee (Chairman)
- Nominating and Remuneration Committee (Member)

Present directorships in other listed companies
- China Yuchai International Limited
- ValueMax Group Limited

Present principal commitment
- Octagon Advisors (Shanghai) Co Ltd (Managing Director)

Background and working experience
- Managing Director (Advisory), Octagon Advisors Pte Ltd (From January 2005 to 30 June 2021)
- Country Officer (China) and Head, Corporate Banking (Greater China) of United Overseas Bank Ltd (From July 2001 to January 2005)
- General Manager (Leasing and Corporate Services) of Sino Land Co Ltd (From January 1994 to August 1996)
- Managing Director of DBS Bank Ltd. (was with DBS Bank group of companies from January 1976 to December 1993 and from August 1996 to July 2001 where he held various senior management positions)

CHRISTOPHER GEE KOK AUN, 53

Non-Executive Independent Director

- Bachelor of Arts in Law (Honours), University of Nottingham, UK
- Chartered Financial Analyst® and Member, CFA Institute

Date of first appointment as a Director
24 January 2014
Length of service as a Director (as at 31 December 2021)
7 years 11 months

Board committee served on
- Audit Committee (Member)

Present principal commitments
- Institute of Policy Studies, Lee Kuan Yew School of Public Policy, National University of Singapore (Senior Research Fellow)
- Department of Real Estate, National University of Singapore (Senior Research Fellow)
- Raffles Girls' School (Member, Board of Governors)
- St. Joseph's Institution Junior (Member, School Council)

Background and working experience
- Head, Singapore Equities Research of J.P. Morgan Securities Singapore Private Limited (From July 2002 to February 2012)
- Head, Asia Real Estate Equities Research of J.P. Morgan Securities Singapore Private Limited (From September 2006 to February 2012)
- Head, Singapore and Malaysia Equities Research of ING Barings Securities (From June 2000 to June 2002)
- Head, Malaysia Equities Research and Investment Analyst of ING Barings Securities Malaysia Sdn. Bhd. (From June 1994 to June 2000)
- Audit and Corporate Recovery of Price Waterhouse, London (From September 1990 to March 1994)

PROFESSOR TAN KONG YAM, 66

Non-Executive Independent Director

- Bachelor in Economics, Princeton University, USA
- PhD in Economics, Stanford University, USA

Date of first appointment as a Director
31 October 2014
Length of service as a Director (as at 31 December 2021)
7 years 2 months

Board committee served on
- Audit Committee (Member)

Present principal commitments
- APS Asset Management Pte Ltd (Director)
- Changi Airport Group (Singapore) Pte. Ltd. (Director)
- Nanyang Technological University of Singapore (Professor of Economics)
- Surbana Jurong Private Limited (Director)

Background and working experience
- Senior Economist, Beijing Office of World Bank (From July 2002 to July 2005)
- Member, Expert Group on the 11th Five Year Plan of China, World Bank (2004)
- Chief Economist of The Ministry of Trade and Industry (From July 1999 to June 2002)
- Head, Department of Business Policy at NUS Business School of National University of Singapore (From 1988 to 1999)

KUAN LI LI, 58

Non-Executive Independent Director

- Bachelor of Economics, University of Sydney, Australia
- Bachelor of Laws, University of Sydney, Australia
- Fellow of Australian Society of Certified Practising Accountants

Date of first appointment as a Director
1 January 2018
Length of service as a Director (as at 31 December 2021)
4 years

Board committee served on
- Audit Committee (Member)

Present directorship in other listed company
- RH Petrogas Limited

Present principal commitments
- CPA Australia Ltd's Skills-Future Committee (Member)
- Legal Inquiry Panel of Singapore (Member)
- Salvia Investment Pte Ltd (Director)
- Valuation Review Board of Singapore (Member)
- WWF-World Wide Fund for Nature (Singapore) Limited (Audit, Risk and Finance Committee Member)

Background and working experience
- Chief Financial Officer of ABB Pte. Ltd. (From January 2018 to January 2019)
- Chief Executive Officer of Barclays Merchant Bank (Singapore) Ltd (From June 2014 to December 2017)
- Chief Executive Officer of Barclays Capital Futures (Singapore) Private Limited (From June 2014 to December 2017)
- Country Head and Chief Operating Officer of Barclays Bank PLC (From April 2014 to December 2017)
- Head of Tax, Asia Pacific of Barclays Capital Services Limited Singapore Branch (From October 2004 to March 2014)

PUAH TZE SHYANG, 50

Non-Executive Non-Independent Director

- Master of Engineering (First Class Honours) Degree in Electrical and Electronic Engineering, Imperial College of Science, Technology and Medicine, University of London, UK
- Executive Master of Business Administration (Honours) Degree, The University of Chicago Booth School of Business, USA

Date of first appointment as a Director
26 October 2021
Length of service as a Director (as at 31 December 2021)
2 months

Board committee served on
- Executive Committee (Member)

Present principal commitment
- CapitaLand Investment Limited, China (Chief Executive Officer)

Background and working experience
- Chief Executive Officer, Investment & Portfolio Management, China, CapitaLand Group (From July 2019 to September 2021)
- Chief Investment Officer, China, CapitaLand Group, (From April 2015 to June 2019)
- Chief Executive Officer, CapitaLand Township (From April 2011 to March 2015)

PROFESSOR ONG SEOW ENG, 61

Non-Executive Independent Director

- Bachelor of Science (Estate Management) (First Class Honour), National University of Singapore
- Master in Business (Finance), Indiana University, USA
- PhD in Finance, Indiana University
- Chartered Financial Analyst® and Member, CFA Institute

Date of first appointment as a Director
1 January 2022

Present principal commitment
- National University of Singapore (Professor of Real Estate)

Background and working experience
- Assessor, Land Acquisition Appeals Board (From 2020 to present)
- Vice President, Investment Management, Overseas Union Bank (From 1991 to 1992)
- Senior Investment Officer, Equities, Government of Singapore Investment Corporation (GIC) (From 1986 to 1990)
- Assessor, Property Tax, Inland Revenue Authority of Singapore (From 1984 to 1986)

LIM CHO PIN ANDREW GEOFFREY, 52

Non-Executive Non-Independent Director

- Bachelor of Commerce (Economics), University of Toronto, Canada
- Master in Business Administration, Rotman School of Business, University of Toronto, Canada
- Chartered Financial Analyst® and Member, CFA Institute

Date of first appointment as a Director
1 January 2018
Length of service as a Director (as at 31 December 2021)
4 years

Board committees served on
- Nominating and Remuneration Committee (Member)
- Executive Committee (Chairman)

Present directorships in other listed companies
- Ascendas Funds Management (S) Limited (manager of Ascendas Real Estate Investment Trust)
- Ascott Business Trust Management Pte. Ltd. (trustee-manager of Ascott Business Trust)
- Ascott Residence Trust Management Limited (manager of Ascott Real Estate Investment Trust)
- CapitaLand Integrated Commercial Trust Management Limited (manager of CapitaLand Integrated Commercial Trust)
- CapitaLand Malaysia REIT Management Sdn. Bhd. (formerly known as CapitaLand Malaysia Mall REIT Management Sdn. Bhd.) (manager of CapitaLand Malaysia Trust)

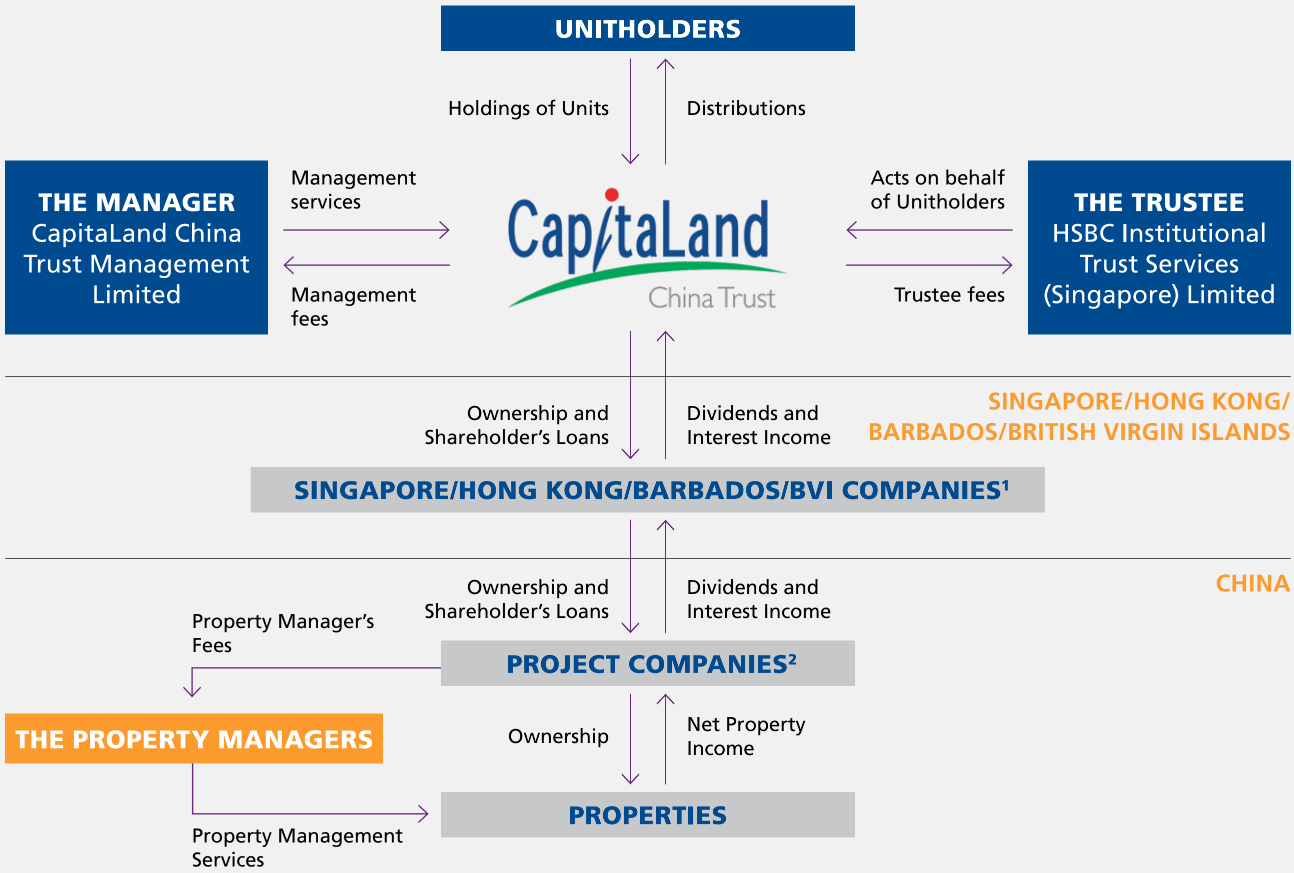
Present principal commitments
- Accounting for Sustainability Circle of Practice (Member)
- CapitaLand Investment Limited (Group Chief Financial Officer)
- Institute of Singapore Chartered Accountants' CFO Committee (Member)
- Sport Singapore (Singapore Sports Council) (Director and Chairman of Audit Committee)

Past directorships in other listed companies held over the preceding three years
- CapitaLand Commercial Trust Management Limited (manager of CapitaLand Commercial Trust[1])
- CapitaLand Mall Trust Management Limited (manager of CapitaLand Mall Trust) (From 1 May 2017 to 9 October 2019)

Background and working experience
- President of Real Estate Investment Trust Association of Singapore (REITAS) (From 4 May 2018 to 25 September 2020)
- Group Chief Financial Officer (Designate) of CapitaLand Limited (From 25 November 2016 to 31 December 2016)
- Managing Director and Head of SEA Coverage Advisory of HSBC Global Banking (From January 2016 to December 2016)
- Managing Director and Head of SEA Real Estate of HSBC Global Banking (From January 2015 to December 2015)
- Managing Director, SEA Investment Banking of HSBC Global Banking (From April 2013 to December 2014)
- Director, SEA Investment Banking of HSBC Global Banking (From April 2010 to March 2013)
- Associate Director, Investment Banking of HSBC Global Banking (From April 2007 to March 2010)
- Associate, Investment Banking of HSBC Global Banking (From July 2004 to March 2007)

1 Delisted from the Official List of the SGX-ST on 3 November 2020.

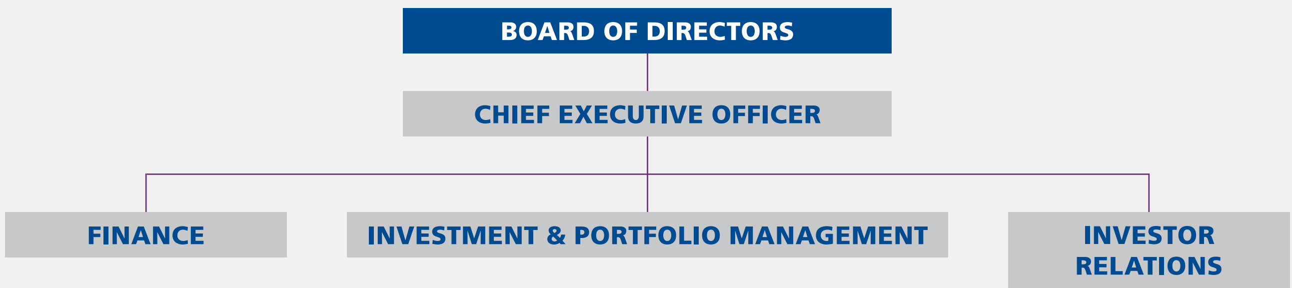
Trust Structure



1. Interest income and shareholder's loans from the Project Companies are payable to the Singapore/Hong Kong/Barbados/British Virgin Islands Companies (where applicable).
2. Includes Project Companies which are not wholly owned by CLCT. In such instances, CLCT receives a proportionate share of dividends, interest income and principal repayment of shareholder's loans from the Project Companies for the properties (where applicable).

Organisation Structure

THE MANAGER
CAPITALAND CHINA TRUST MANAGEMENT LIMITED



Trust Management Team

TAN TZE WOOI
Chief Executive Officer
Executive Non-Independent Director

JOANNE TAN
Chief Financial Officer (CFO)

YOU HONG
Head, Investment &
Portfolio Management (IPM)

NICOLE CHEN
Head, Investor Relations (IR)

TAN TZE WOOI

Chief Executive Officer (CEO) & Executive Non-Independent Director

Please refer to the description under the section on Board of Directors.

JOANNE TAN

Chief Financial Officer (CFO)

Joanne leads the Finance team at CLCTML and is responsible for the financial management and reporting functions. She oversees matters involving accounting, management reporting, risk management, treasury and capital management, ensuring alignment with CLCT's investment strategy. The Finance team works closely with the Investment & Portfolio Management (IPM) team to review, evaluate and execute appropriate acquisitions and divestments as well as business plans. She also assists the CEO in executing strategic plans.

Joanne has 23 years of experience in finance and accounting. She has been with CapitaLand since 2005 and has headed the CLCTML Finance team since 2010. She was also a member of the team involved in the listing of CLCT in 2006 and CapitaLand Malls Asia in 2009. Prior to joining CLCTML, Joanne has extensive experience within CapitaLand's China and Japan private funds.

Joanne is a Chartered Accountant of Singapore and holds a professional degree with the Association of Chartered Certified Accountants (ACCA).

YOU HONG

Head, Investment & Portfolio Management (IPM)

You Hong leads the IPM team at CLCTML and is responsible for creating value for Unitholders through acquisitions and divestments, proactive asset management and asset enhancement initiatives. The IPM team optimises CLCT's portfolio by identifying and evaluating potential acquisitions and divestments, formulating business and enhancement plans and evaluating alternative investment and asset holding structures to improve the REIT's total investment returns. The team works closely with the property managers to carry out planned asset strategies to enhance the operational and financial performance as well as manage the expenses of each property.

You Hong has more than 15 years of experience in real estate that spans various areas including investment and asset management, private fund management, risk management and real estate financing. Prior to joining CLCTML, You Hong was a fund manager for CapitaLand sponsored private funds, and an investment and asset manager based in Shanghai office.

You Hong holds a Bachelor of Science (Honours) in Quantitative Finance from the National University of Singapore.

NICOLE CHEN

Head, Investor Relations (IR)

Nicole manages the IR function at CLCTML and is responsible for building relations and facilitating strategic communications with CLCT's investors and stakeholders across various communication platforms. The IR team engages in two-way communication and produces collaterals such as press releases, annual reports and presentations to update the community on CLCT's strategy and plans.

Nicole has more than 10 years of investor relations and corporate communications experience in both in-house as well as agency positions. She has led client-servicing teams and managed multi-channel, multi-market programmes across Asia-Pacific, focusing on reputation building, positioning and content creation in both IR and PR agencies. Nicole has also amassed experience through her previous roles encompassing investor relations and corporate communications at a STI component company as well as an overseas listed company.

Nicole is a Chartered Accountant of Singapore and a holder of the International Certificate in Investor Relations. She has a Master of Science in Communication Management (Dean's List) and a Bachelor of Accountancy from the Singapore Management University.

OUR ROLE

We, as the manager of CLCT (Manager), set the strategic direction of CLCT and its subsidiaries (CLCT Group) and make recommendations to HSBC Institutional Trust Services (Singapore) Limited, in its capacity as trustee of CLCT (Trustee), on any investment or divestment opportunities for CLCT and the enhancement of the assets of CLCT in accordance with the stated investment strategy for CLCT. The research, evaluation and analysis required for this purpose are coordinated and carried out by us as the Manager.

As the Manager, we have general powers of management over the assets of CLCT. Our primary responsibility is to manage the assets and liabilities of CLCT for the benefit of the unitholders of CLCT (Unitholders). We do this with a focus on generating rental income and enhancing asset value over time so as to maximise returns from the investments, and ultimately the distributions and total returns, to Unitholders.

Our other functions and responsibilities as the Manager include:

(a) using our best endeavours to conduct CLCT's business in a proper and efficient manner;
(b) preparing annual business plans for review by the directors of the Manager (Directors), including forecasts on revenue, net income and capital expenditure, explanations on major variances to previous years' financial results, written commentaries on key issues and underlying assumptions on rental rates, operating expenses and any other relevant assumptions;
(c) ensuring compliance with relevant laws and regulations, including the Listing Manual of Singapore Exchange Securities Trading Limited (SGX-ST) (Listing Manual), the Code on Collective Investment Schemes (CIS Code) issued by the Monetary Authority of Singapore (MAS) (including Appendix 6 of the CIS Code (Property Funds Appendix)), the Securities and Futures Act 2001 (SFA), written directions, notices, codes and other guidelines that MAS may issue from time to time and the tax rulings issued by the Inland Revenue Authority of Singapore on the taxation of CLCT and Unitholders;
(d) attending to all regular communications with Unitholders; and
(e) supervising CapitaLand Retail (Shanghai) Management & Consulting Co., Ltd. (and its branches), the property manager which performs the day-to-day property management functions (including leasing, marketing, promotion, operations coordination and other property management activities) for CLCT's properties.

The Manager also considers sustainability issues (including environmental and social factors) as part of its responsibilities. CLCT's environmental sustainability and community outreach programmes are set out on pages 99 to 101 of this Annual Report.

CLCT, constituted as a trust, is externally managed by the Manager. The Manager appoints experienced and well qualified personnel to run its day-to-day operations.

The Manager was appointed in accordance with the terms of the trust deed constituting CLCT dated 23 October 2006 (as amended, varied or supplemented from time to time) (Trust Deed). The Trust Deed outlines certain circumstances under which the Manager can be removed, including by notice in writing given by the Trustee upon the occurrence of certain events, or by resolution passed by a simple majority of Unitholders present and voting at a meeting of Unitholders duly convened and held in accordance with the provisions of the Trust Deed.

The Manager is a wholly owned subsidiary of CapitaLand Investment Limited (CLI) which holds a significant unitholding interest in CLCT. CLI is a leading global real estate investment manager, with a vested interest in the long-term performance of CLCT. CLI's significant unitholding in CLCT demonstrates its commitment to CLCT and as a result, CLI's interest is aligned with that of other Unitholders. The Manager's association with CLI provides the following benefits, among other things, to CLCT:

(a) strategic pipelines of property assets through, amongst others, CLI's access to the development capabilities of and pipeline investment opportunities from CapitaLand Group's development arm;
(b) wider and better access to banking and capital markets on favourable terms;

(c) fund raising and treasury support; and
(d) access to a bench of experienced management talent.

OUR CORPORATE GOVERNANCE FRAMEWORK AND CULTURE

The Manager embraces the tenets of good corporate governance, including accountability, transparency and sustainability. It is committed to enhancing long-term Unitholder value and has appropriate people, processes and structure to direct and manage the business and affairs of the Manager with a view to achieving operational excellence and delivering the CLCT Group's long-term strategic objectives. The policies and practices it has developed to meet the specific business needs of the CLCT Group provide a firm foundation for a trusted and respected business enterprise.

Our corporate governance framework as at the date of this Annual Report is set out below:

BOARD OF DIRECTORS

6 Independent Directors (ID) and
3 Non-Independent Directors (Non-ID)
Led by ID, Mr Soh Kim Soon, Chairman

Key Responsibility: Oversee the Manager's strategic direction, performance and affairs and foster the success of CLCT so as to deliver sustainable value over the long term to Unitholders

AUDIT COMMITTEE (AC)	EXECUTIVE COMMITTEE (EC)	NOMINATING AND REMUNERATION COMMITTEE (NRC)
4 IDs **Led by Mr Neo Poh Kiat, AC chairman*** *Key Responsibility: Assist the Board in its oversight of the financial reporting process, internal controls system, internal and external audit processes, and management of compliance with legal, regulatory and company policies* * *Mr Neo Poh Kiat was appointed as AC chairman on 1 January 2022 following the retirement of Mr Fong Heng Boo as ID and AC chairman on 31 December 2021.*	**3 Non-IDs** **Led by Mr Lim Cho Pin Andrew Geoffrey, EC chairman** *Key Responsibility: Assist the Board in its oversight of the day-to-day activities of the Manager and CLCT*	**2 IDs and 1 Non-ID** **Led by Mr Soh Kim Soon, NRC chairman** *Key Responsibility: Assist the Board on Board succession planning and appointments to the Board and Board committees, and the review of the Board's performance, Director's independence and remuneration for the Directors and key management personnel of the Manager*

The Board of Directors (Board) sets the tone from the top and is responsible for the Manager's corporate governance standards and policies, underscoring their importance to the CLCT Group.

This corporate governance report (Report) sets out the corporate governance practices for the financial year (FY) 2021 with reference to the Code of Corporate Governance 2018 (Code) and unless otherwise stated, is based on the composition of the Board and Board Committees in FY 2021.

Throughout FY 2021, the Manager has complied with the principles of corporate governance laid down by the Code and also, substantially, with the provisions underlying the principles of the Code. Where there are deviations from the provisions of the Code, appropriate explanations are provided in this Report. This Report also sets out additional policies and practices adopted by the Manager which are not provided in the Code.

CLCT has received accolades from the investment community for excellence in corporate governance and corporate governance-related efforts.

As recognition of its commitment to environment, social and corporate governance, CLCT received a 3-star rating for its inaugural participation in Global Real Estate Sustainability Benchmark (GRESB) Real Estate Assessment 2021 and also scored 'A' for GRESB Public Disclosure 2021. CLCT has been included by SGX in the Fast Track Programme. The scheme recognises listed companies and listed REITs with good governance standards and compliance practices, and accords prioritised clearance for selected corporate-action submissions.

Further, CLCT's commitment to governance and transparency has been recognised as it was awarded 'Best IR during a Corporate Transaction' and 'Best use of Multimedia for IR' at the IR Magazine Forum & Awards - South East Asia 2021. CLCT's score on the Singapore Governance and Transparency Index (SGTI) assessment has also improved from 98.2 in FY 2020 to 98.8 in FY 2021.

BOARD MATTERS

Principle 1: The Board's Conduct of Affairs

Board's Duties and Responsibilities

The Board oversees the strategic direction, performance and affairs of the Manager, in furtherance of the Manager's primary responsibility to foster the success of CLCT so as to deliver sustainable value over the long term to Unitholders. It provides overall guidance to the management team (Management), led by the Chief Executive Officer (CEO). The Board works with Management to achieve CLCT's objectives and long-term success and Management is accountable to the Board for its performance. Management is responsible for the execution of the strategy for CLCT and the day-to-day operations of CLCT's business.

The Board establishes goals for Management and monitors the achievement of these goals. It ensures that proper and effective controls are in place to assess and manage business risks and compliance with requirements under the Listing Manual, the Property Funds Appendix, as well as any other applicable guidelines prescribed by the SGX-ST, MAS or other relevant authorities, and applicable laws. It also sets the disclosure and transparency standards for CLCT and ensures that obligations to Unitholders and other stakeholders are understood and met.

The Board has adopted a set of internal controls which establishes financial approval limits for capital expenditure, investments, divestments, bank borrowings and issuance of debt instruments and this is clearly communicated to Management in writing. The Board has reserved authority to approve certain matters including:

(a) material acquisitions, investments and divestments;
(b) issue of new units in CLCT (Units);
(c) income distributions and other returns to Unitholders; and
(d) matters which involve a conflict of interest for a controlling Unitholder or a Director.

Apart from matters that specifically require the Board's approval, the Board delegates authority for transactions below the Board's approval limits to Board committees (Board Committees) and Management to optimise operational efficiency.

The Directors are fiduciaries and are collectively and individually obliged at all times to act honestly and objectively in the best interests of CLCT. Consistent with this principle, the Board is committed to ethics and integrity of action and has adopted a Board Code of Business Conduct and Ethics (Board Code) which provides that every Director is expected to, among other things, adhere to the highest standards of ethical conduct. All Directors are required to comply with the Board Code. This sets the appropriate tone from the top in respect of the desired organisational culture, and assists the Board in ensuring proper accountability within the Manager. In line with this, the Board has a standing policy that a Director must not allow himself or herself to get into a position where there is a conflict between his or her duty to CLCT and his or her own interests. Where a Director has a conflict of interest in a particular matter, he or she will be required to disclose his or her interest to the Board, recuse himself or herself from deliberations on the matter and abstain from voting on the matter. Every Director has complied with this policy, and where relevant, such compliance has been duly recorded in the minutes of meeting or written resolutions.

Furthermore, the Directors have the responsibility to act with due diligence in the discharge of their duties and ensure that they have the relevant knowledge to carry out and discharge their duties as directors, including understanding their roles as executive, non-executive, and independent directors, the business of CLCT and the environment in which CLCT operates. The Directors are also required to dedicate the necessary effort, commitment and time to their work as directors, and are expected to attend all meetings of the Board, except if unusual circumstances make attendance impractical.

Directors' Development
In view of the increasingly demanding, complex and multi-dimensional role of a Director, the Board recognises the importance of continual training and professional development for its Directors so as to equip them to discharge the duties and responsibilities of their office as Directors to the best of their abilities. The Nominating and Remuneration Committee has responsibility to ensure that the Manager has in place a training and professional development framework to guide and support the Manager towards meeting the objective of having a Board which comprises individuals who are competent and possess up-to-date knowledge and skills necessary to discharge their duties and responsibilities. Directors who have no prior experience as a director of an issuer listed on the SGX-ST will be provided with training on the roles and responsibilities of a director of a listed issuer in accordance with the Listing Manual. The costs of training are borne by the Manager.

Upon appointment, each Director is provided with a formal letter of appointment and a copy of the Director's Manual (which includes information on a broad range of matters relating to the role, duties and responsibilities of a Director). All Directors, upon appointment, also undergo an induction programme which focuses on orientating the Director to CLCT's business, operations, strategies, organisation structure, responsibilities of the CEO and other persons having authority and responsibility for planning, directing and controlling the activities of the Manager (key management personnel), and financial and governance practices. The induction programme may include visits to the CLCT Group's properties. Through the induction programme, the new Director also gets acquainted with members of Management which facilitates their interaction at Board meetings.

Following their appointment, the Directors are provided with opportunities for continuing education in areas such as director's duties and responsibilities, changes to regulations and accounting standards, and industry-related matters, so as to be updated on matters that affect or may enhance their performance as Directors or Board Committee members. The Directors may also contribute by recommending suitable training and professional development programmes to the Board. In FY 2021, the training and professional development programmes for the Directors included seminars conducted by experts and senior business leaders on board practices and issues faced by boards. Sharing and information sessions were also organised as part of Board meetings, where guest speakers and Management team members presented on key topics to the Board. The Directors also regularly receive reading materials on topical matters or subjects as well as updates on regulatory changes and their implications.

Board Committees
The Board has established various Board Committees to assist it in the discharge of its functions. These Board Committees are the Audit Committee (AC), the Executive Committee (EC) and the Nominating and

Remuneration Committee (NRC). Prior to the establishment of the NRC on 26 October 2021, the Board as a whole performed the equivalent functions.

All the Board Committees have clear written terms of reference setting out their respective composition, authorities and duties, including reporting back to the Board. Each of the Board Committees operates under delegated authority from the Board with the Board retaining overall oversight. The decisions and significant matters discussed at the respective Board Committees are reported to the Board on a periodic basis. The minutes of the Board Committee meetings which record the key deliberations and decisions taken during these meetings are also circulated to all Board members for their information. The composition of the various Board Committees is set out on page 68 and the inside back cover of this Annual Report. The duties and responsibilities of the Board Committees are set out in this Report.

The Board may form other Board Committees from time to time. The composition of each Board Committee is also reviewed by the NRC regularly, and as and when there are changes to Board membership. Where appropriate, changes are made to composition of the Board Committees, with a view to ensuring there is an appropriate diversity of skills and experience, and fostering active participation and contributions from Board Committee members.

Meetings of Board and Board Committees
Board and Board Committee meetings are scheduled prior to the start of each financial year in consultation with the Directors. The Constitution of the Manager (Constitution) permits the Directors to participate in Board and Board Committee meetings via audio or video conference. If a Director is unable to attend a Board or Board Committee meeting, he or she may provide his or her comments to the Chairman or the relevant Board Committee chairman ahead of the meeting and these comments are taken into consideration in the deliberations. The Board and Board Committees may also make decisions by way of written resolutions.

In addition to scheduled meetings, the Board may also hold ad hoc meetings as required by business imperatives. The Directors (excluding the CEO) also meet regularly without the presence of Management.

At each scheduled Board meeting, the Board is apprised of the following:

(a) significant matters discussed at the AC meeting which is typically scheduled before the Board meeting;
(b) AC's recommendation on CLCT's periodic and year-end financial results following AC's review of the same;
(c) decisions made by Board Committees in the period under review;
(d) updates on the CLCT Group's business and operations in the period under review, including market developments and trends, as well as business initiatives and opportunities;
(e) financial performance, budgetary and capital management related matters in the period under review, including any material variance between any projections in budget or business plans and the actual results from business activities and operations;
(f) any risk management issues that materially impact CLCT's operations or financial performance;
(g) updates on key Unitholder engagements in the period under review, as well as analyst views and market feedback; and
(h) prospective transactions which Management is exploring.

This allows the Board to develop a good understanding of the progress of the CLCT Group's business as well as the issues and challenges faced by CLCT, and also promotes active engagement with Management.

The Manager adopts and practises the principle of collective decisions and therefore, no individual Director influences or dominates the decision-making process. There is mutual respect and trust among the Directors and therefore the Board benefits from a culture of frank and rigorous discussions. Such discussions conducted on a professional basis contribute to the dynamism and effectiveness of the Board. The Board composition is such that there is diversity in views and perspectives which enriches deliberations and contributes to better decision-making of the Board in the best interests of CLCT. At Board and Board Committee meetings, all the Directors actively participate in discussions, in particular, they engage in open and constructive debate and challenge Management on its assumptions and recommendations.

Management provides the Directors with complete, adequate and timely information prior to Board and Board Committee meetings and on an ongoing basis. This enables the Directors to make informed decisions and discharge their duties and responsibilities.

As a general rule, meeting materials are provided to the Directors at least five working days prior to Board and Board Committee meetings, to allow them to prepare for the meetings and to enable discussions to focus on any questions or issues that they may have or identify. Agendas for Board and Board Committee meetings are prepared in consultation with the Chairman and the chairmen of the respective Board Committees. This provides assurance that there is time to cover all relevant matters during the meetings.

In line with the Manager's ongoing commitment to minimise paper wastage and reduce its carbon footprint, the Manager does not provide printed copies of Board and Board Committee meeting materials. Instead, the Directors are provided with tablet devices to enable them to access and review meeting materials prior to and during meetings. This initiative also enhances information security as the meeting materials are made available through a secure channel. The Directors are also able to review and approve written resolutions using the tablet devices.

A total of four Board meetings, four AC meetings and one NRC meeting were held in FY 2021. The key deliberations and decisions taken at Board and Board Committee meetings are minuted.

A record of the Directors' attendance at Board and Board Committee meetings for FY 2021 is set out on page 68 of this Annual Report. The CEO who is also a Director attends all Board meetings. He also attends all AC meetings on an ex officio basis. Other members of Management attend Board and Board Committee meetings as required to brief the Board and Board Committees on specific business matters.

There is active interaction between the Directors and Management during and outside Board and Board Committee meetings. The Directors have separate, independent and unfettered access to Management for any information that they may require. The Board and Management share a productive and harmonious relationship, which is critical for good governance and organisational effectiveness.

The Directors also have separate and independent access to the company secretary of the Manager (Company Secretary). The Company Secretary keeps herself abreast of relevant developments. She has oversight of corporate secretarial administration matters and advises the Board and Management on corporate governance matters. The Company Secretary attends Board meetings and assists the Chairman in ensuring that Board procedures are followed. The Company Secretary also facilitates the induction programme for new Directors and oversees professional development administration for the Directors. The appointment and the removal of the Company Secretary is subject to the Board's approval.

The Directors, whether individually or collectively as the Board, are entitled to have access to independent external professional advice where necessary, at the Manager's expense.

Principle 2: Board Composition and Guidance

Board Independence

The Board has a strong independent element as six out of nine directors, including the Chairman, are non-executive IDs. Other than the CEO who is the only executive Director on the Board, non-executive Directors make up the rest of the Board. None of the IDs as at the date of this Annual Report have served on the Board for nine years or longer. No lead ID is appointed as the Chairman is an ID. Profiles of the Directors, their respective Board Committee memberships and roles are set out on pages 28 to 32 of this Annual Report. Key information on the Directors is also available on CLCT's website (Website) at www.clct.com.sg.

The Board, through the NRC, reviews from time to time the size and composition of the Board and each Board Committee, with a view to ensuring that the size is appropriate in facilitating effective decision-making, and the composition reflects a strong independent element as well as balance and diversity of thought and backgrounds. The review takes into account the scope and nature of the CLCT Group's operations, and the competition that the CLCT Group faces.

The Board, through the NRC, assesses annually (and as and when circumstances require) the independence of each Director in accordance with the requirements of the Listing Manual and the guidance in the Code, the Securities and Futures (Licensing and Conduct of Business) Regulations (SFR) and where relevant, the recommendations set out in the Practice Guidance accompanying the Code (Practice Guidance). A Director is considered independent if he or she is independent in conduct, character and judgement and:

(a) has no relationship with the Manager, its related corporations, its substantial shareholders, CLCT's substantial Unitholders (being Unitholders who have interests in voting Units with 5% or more of the total votes attached to all voting Units) or the Manager's officers that could interfere, or be reasonably perceived to interfere with the exercise of his or her independent business judgement in the best interests of CLCT;
(b) is independent from the management of the Manager and CLCT, from any business relationship with the Manager and CLCT, and from every substantial shareholder of the Manager and every substantial unitholder of CLCT;
(c) is not a substantial shareholder of the Manager or a substantial unitholder of CLCT;
(d) is not employed and has not been employed by the Manager or CLCT or their related corporations in the current or any of the past three financial years;
(e) does not have an immediate family member who is employed or has been employed by the Manager or CLCT or their related corporations in the current or any of the past three financial years and whose remuneration is or was determined by the Board; and
(f) has not served on the Board for a continuous period of nine years or longer.

There is a rigorous process to evaluate the independence of each ID. As part of the process:

(a) each ID provides information of his or her business interests and confirms annually that there are no relationships which interfere with the exercise of his or her independent business judgement with a view to the best interests of the Unitholders as a whole, and such information is then reviewed by the NRC; and
(b) the NRC also reflects on the respective IDs' conduct and contributions at Board and Board Committee meetings, in particular, whether the relevant ID has exercised independent judgement in discharging his or her duties and responsibilities.

Each ID is required to recuse himself or herself from the NRC's and the Board's respective deliberations on his or her independence. In appropriate cases, the NRC also reviews the independence of an ID as and when there is a change of circumstances involving the ID. In this regard, an ID is required to report to the Manager when there is any change of circumstances which may affect his or her independence.

The NRC has carried out the assessment of the independence of its IDs for FY 2021 and the paragraphs below set out the outcome of the assessment and the Board's determination of independence based on the information available and having taken into account the views of the NRC. Each of the IDs had recused himself or herself from the NRC's and Board's respective deliberations on his or her independence.

In this section on Principle 2, the term "CLI group" refers to (i) CapitaLand Investment Limited, its subsidiaries; and/or (ii) REITs managed by CapitaLand Investment Limited and its subsidiaries. As there was a transition in FY 2021 due to the privatisation of CapitaLand Limited (now known as CapitaLand Group Pte. Ltd.) (CLG) and the listing by introduction of CLI, the reference to CLI group is also a reference to (i) CLG, its subsidiaries; and/or (ii) REITs managed by CLG and its subsidiaries.

Mr Soh Kim Soon
Mr Soh is a non-executive director and chairman of ORIX Leasing Singapore Limited and is also chairman of ORIX Investment And Management Private Limited (together, the ORIX Companies). The ORIX Companies have business relationships with CLI group for the following matters:

(i) lease from CLI group; and
(ii) services provided to CLI group.

Mr Soh's role in each of the ORIX Companies is non-executive in nature and he is not involved in the day-to-day conduct of the ORIX Companies' businesses. He was not involved in the decision of the ORIX Companies to enter into business relationships with CLI group. All of the transactions with CLI group are conducted in the ordinary course of business, on an arm's length basis and based on normal commercial terms.

The NRC has assessed that (i) the respective relationships above did not interfere with the exercise of Mr Soh's independent business judgement in the discharge of his duties and responsibilities as a Director; and (ii) he has demonstrated independence in conduct, character and judgement in the discharge of his duties and responsibilities as a Director. Save for the relationships stated above, he does not have any other relationships and is not faced with any of the circumstances identified in the Code, SFR and Listing Manual, or any other relationships which may affect his independent judgement. Based on the above, the Board arrived at the determination that Mr Soh is an independent Director.

Mr Fong Heng Boo
Mr Fong retired from the Board on 31 December 2021. For completeness, based on information available to the Board, information is provided below regarding Mr Fong's independence during FY 2021.

During FY 2021, Mr Fong was a non-executive director or committee member of various companies and organisations (collectively, Organisations and individually, an Organisation) which have business relationships with CLI group for various matters, including but not limited to the following:

(i) purchase of CapitaVouchers from CLI group;
(ii) leases from CLI group;
(iii) services provided by CLI group;
(iv) services provided to CLI group; and/or
(v) club membership subscription fees paid by CLI group.

Mr Fong's role in each Organisation was non-executive in nature and he was not involved in the day-to-day conduct of each Organisation's business. He was not involved in the decision of the Organisations to enter into business relationships with CLI group. All of these transactions with CLI group were conducted in the ordinary course of business, on an arm's length basis and based on normal commercial terms.

Mr Fong was a non-executive director of CapitaLand Township Development Fund Pte. Ltd. and CapitaLand Township Development Fund II Pte. Ltd. (collectively, the CTDF Companies), which are subsidiaries of CLG. He received director's fees from the CTDF Companies for FY 2020 and FY 2021. Further, Mr Fong served as a non-executive director of Surbana Jurong Private Limited (SJPL) and received director's fees from SJPL. CLG and SJPL are subsidiaries of Temasek.

Mr Fong had confirmed that he served on the Board in his personal capacity and not as a representative of Temasek and was not under any obligation, whether formal or informal, to act in accordance with the directions of Temasek in relation to the affairs of the Manager and CLCT.

The NRC has assessed that (i) the respective relationships above did not interfere with the exercise of Mr Fong's independent business judgement in the discharge of his duties and responsibilities as a Director; and (ii) he had demonstrated independence in conduct, character and judgement in the discharge of his duties and responsibilities as a Director. Save for the relationships stated above, he did not have any other relationships and was not faced with any of the circumstances identified in the Code, SFR and Listing Manual, or any other relationships which might have affected his independent judgement. Based on the above, the Board arrived at the determination that Mr Fong was an independent Director.

Mr Neo Poh Kiat
Mr Neo is a non-executive director of a few subsidiaries and associated corporations of Temasek. Mr Neo's roles in these corporations are non-executive in nature and he is not involved in the day-to-day conduct of the business of these corporations. Mr Neo has confirmed that he serves on the Board in his personal capacity and not as a representative of Temasek and he is not under any obligation, whether formal or informal, to act in accordance with the directions of Temasek in relation to the affairs of the Manager and CLCT.

The NRC has assessed that (i) the respective relationships above did not interfere with the exercise of Mr Neo's independent business judgement in the discharge of his duties and responsibilities as a Director; and (ii) he had demonstrated independence in conduct, character and judgement in the discharge of his duties and responsibilities as a Director. Save for the relationships stated above, he does not have any other relationships and is not faced with any of the circumstances identified in the Code, SFR and Listing Manual, or any other relationships which may affect his independent judgement. Based on the above, the Board arrived at the determination that Mr Neo is an independent Director.

Professor Tan Kong Yam
Professor Tan is a non-executive director of of an Organisation which has business relationships with CLI, its subsidiaries and/or REITs managed by CLI group for ground rent paid by CLI group. Professor Tan's role in this Organisation is non-executive in nature and he is not involved in the day-to-day conduct of this Organisation's business. He was not involved in the decision of this Organisation to enter into business relationships with CLI group. All of the transactions with CLI group are conducted in the ordinary course of business, on an arm's length basis and based on normal commercial terms.

Professor Tan serves as a non-executive director of SJPL and receives director's fees from SJPL. Professor Tan has confirmed that he serves on the Board in his personal capacity and not as a representative of Temasek and is not under any obligation, whether formal or informal, to act in accordance with the directions of CL or Temasek in relation to the affairs of the Manager and CLCT.

The NRC has assessed that (i) the respective relationships above did not interfere with the exercise of Professor Tan's independent business judgement in the discharge of his duties and responsibilities as a Director; and (ii) he has demonstrated independence in conduct, character and judgement in the discharge of his duties and responsibilities as a Director. Save for the relationships stated above, he does not have any other relationships and is not faced with any of the circumstances identified in the Code, SFR and Listing Manual, or any other relationships which may affect his independent judgement. Based on the above, the Board arrived at the determination that Professor Tan is an independent Director.

The Board is of the view that as at the last day of FY 2021, each of Mr Soh, Mr Fong, Mr Neo and Professor Tan was able to act in the best interests of CLCT and all Unitholders in respect of the period in which they served as Directors in FY 2021.

Mr Christopher Gee Kok Aun and Ms Kuan Li Li
Mr Gee and Ms Kuan do not have any relationships and are not faced with any of the circumstances identified in the Code, SFR and Listing Manual, or any other relationships which may affect their independent judgement.

The NRC has assessed that (i) each of Mr Gee and Ms Kuan has demonstrated independence in conduct, character and judgement in the discharge of his or her duties and responsibilities as a Director. Based on the above, the Board arrived at the determination that Mr Gee and Ms Kuan are independent Directors.

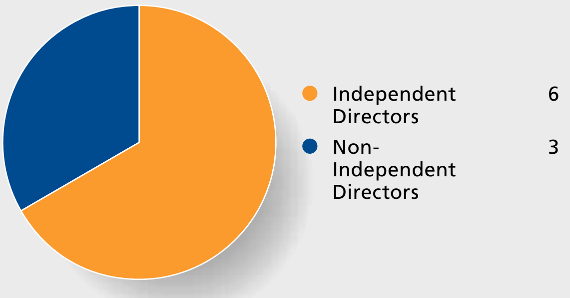
Non-independent Directors
The remaining Directors as at the date of this Annual Report, namely, Mr Tan Tze Wooi, Mr Lim Cho Pin Andrew Geoffrey and Mr Puah Tze Shyang, are all employees of CLI group and are not considered to be independent.

Board Diversity
The Board embraces diversity and has adopted a Board Diversity Policy. The Board Diversity Policy provides for the Board to comprise talented and dedicated Directors with a diverse mix of expertise, experience, perspectives, skills and backgrounds, with due consideration to diversity factors, including but not limited to, diversity in business or professional experience, age and gender.

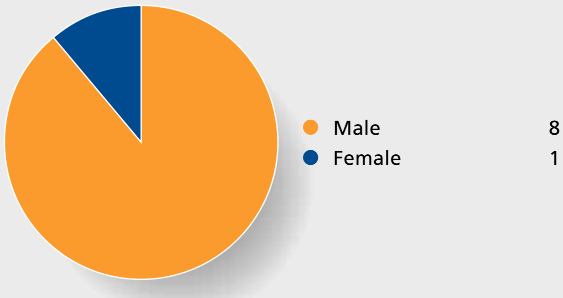
The Board believes in diversity and values the benefits that diversity can bring to the Board in its deliberations by avoiding groupthink and fostering constructive debate. Diversity enhances the Board's decision-making capability and ensures that the Manager has the opportunity to benefit from all available talent and perspectives.

The NRC, in carrying out its duties of determining the optimal composition of the Board in its Board renewal process, identifying possible candidates and making recommendations of board appointments to the Board, considers diversity factors such as age, educational, business and professional backgrounds of its members. Female representation is also considered an important aspect of diversity. The current Board comprises nine members who are corporate and business leaders, and are professionals with varied backgrounds, expertise and experience including in accounting, finance, banking, capital markets, real estate, investment management, leadership, governance and the China market. The current Board has one female member. For further information on the Board's work in this regard, please refer to "Board Membership" under Principle 4 in this Report.

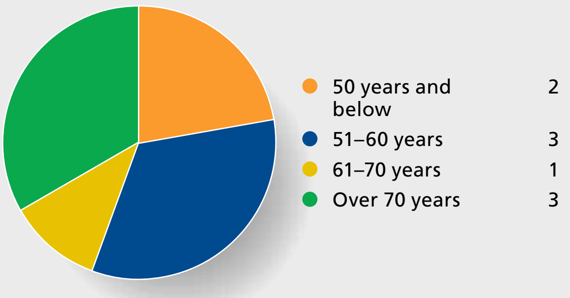
BOARD INDEPENDENCE
As at 31 December 2021



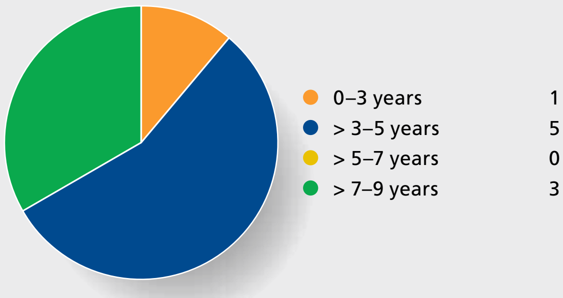
BOARD GENDER DIVERSITY
As at 31 December 2021



AGE SPREAD
As at 31 December 2021



TENURE MIX
As at 31 December 2021



Principle 3: Chairman and Chief Executive Officer

The roles and responsibilities of the Chairman and the CEO are held by separate individuals, in keeping with the principles that there be a clear division of responsibilities between the leadership of the Board and Management and that no one individual has unfettered powers of decision-making. The non-executive independent Chairman is Mr Soh Kim Soon, whereas the CEO is Mr Tan Tze Wooi. They do not share any family ties. The Chairman and the CEO enjoy a positive and constructive working relationship between them, and support each other in their respective leadership roles.

The Chairman provides leadership to the Board and facilitates the conditions for the overall effectiveness of the Board, Board Committees and individual Directors. This includes setting the agenda of Board meetings, ensuring that there is sufficient information and time at meetings to address all agenda items, and promoting open and constructive engagement among the Directors as well as between the Board and the CEO on strategic issues.

The Chairman devotes considerable time to understanding the business of CLCT, as well as the issues and the competition that CLCT faces. He plays a significant leadership role by providing clear oversight, direction, advice and guidance to the CEO. He also maintains open lines of communication and engages with other members of Management regularly, and acts as a sounding board for the CEO on strategic and significant operational matters.

The Chairman also presides over the Annual General Meeting (AGM) each year and other general meetings where he plays a crucial role in fostering constructive dialogue between the Unitholders, the Board and Management.

The CEO has full executive responsibilities to manage the CLCT Group's business and to develop and implement policies approved by the Board.

The separation of the roles and responsibilities of the Chairman and the CEO, and the resulting clarity of roles provide a healthy professional relationship between the Board and Management, facilitate robust deliberations on the CLCT Group's business activities and the exchange of ideas and views to help shape the strategic process, and ensure an appropriate balance of power, increased accountability and greater capacity of the Board for independent decision-making.

As the roles of the Chairman and the CEO are held by separate individuals who are not related to each other, and the Chairman is an ID, no lead ID has been appointed. Moreover, the Board has a strong independent element as six out of nine directors (including the Chairman) are non-executive IDs. There are also sufficient measures in place to address situations where the Chairman is conflicted as he is required to recuse himself from deliberations and abstain from voting on any matter that could potentially give rise to conflict. The foregoing is consistent with the intent of Principle 3 of the Code.

Principle 4: Board Membership

The Board has a formal and transparent process for the appointment and re-appointment of Directors, taking into account the need for progressive renewal of the Board. With effect from 26 October 2021, the Board has established the NRC, which makes recommendations to the Board on all appointments to the Board and Board Committees. All Board appointments are made based on merit and approved by the Board.

The NRC comprises three non-executive directors, two of whom (including the chairman of the NRC) are IDs. Since its establishment, the NRC met once in FY 2021 and twice after FY 2021.

The NRC has also reviewed and approved various matters within its remit via circulating papers.

Under its terms of reference, the NRC's scope of duties and responsibilities includes:

(a) reviewing the structure, size and composition of the Board and Board Committees and formulating succession plans for Directors;
(b) reviewing the process and criteria for the evaluation of the performance of the Board, Board Committees and individual Directors and the results of such evaluation annually;
(c) considering annually and as and when circumstances require, if a Director is independent; and
(d) considering and making recommendations to the Board on the appointment and re-appointment of Directors.

Board Composition and Renewal

The Board, through the NRC, strives to ensure that there is an optimal blend in the Board of backgrounds, experience and knowledge in business and general management, expertise relevant to the CLCT Group's business and track record, and that each Director can bring to the Board an independent and objective perspective to enable balanced and well-considered decisions to be made in the interests of the CLCT Group. The Board has a few members who have prior working experience in the sectors that CLCT operates in.

There is a structured process for determining Board composition and for selecting candidates for appointment as Directors. In undertaking its duty of reviewing and making Board appointment recommendations to the Board, the NRC considers different time horizons for purposes of succession planning. The NRC evaluates the Board's competencies on a long-term basis and identifies competencies which may be further strengthened in the long term to achieve CLCT's strategy and objectives. As part of medium-term planning, the NRC seeks to refresh the membership of the Board progressively and in an orderly manner, whilst ensuring continuity and sustainability of corporate performance. The NRC also considers contingency planning to prepare for sudden and unforeseen changes. In reviewing succession plans, the NRC has in mind CLCT's strategic priorities and the factors affecting the long-term success of CLCT. Board succession planning takes into account the need to maintain flexibility to effectively address succession planning and to ensure that the Manager continues to attract and retain highly qualified individuals to serve on the Board. The NRC aims to maintain an optimal Board composition by considering the trends affecting CLCT, reviewing the skills needed and identifying gaps, including considering whether there is an appropriate level of diversity of thought. The process ensures that the Board composition is such that the Board has capabilities and experience which are aligned with CLCT's strategy and environment. The process includes considerations that will provide an appropriate balance and contribute to the collective skills and competencies of the Board, such as (a) the current size and composition of the Board and Board committees; (b) the independence of potential ID candidates; (c) the suitability of potential candidates for appointment to various Board committees; and (d) diversity factors such as business or professional experience, age and gender.

The Board supports the principle that Board renewal is a necessary and continual process, both for good governance and for ensuring that the Board has the skills, expertise and experience which are relevant to the evolving needs of the CLCT Group's business.

Board succession planning is carried out through the annual review by the NRC of the Board's composition as well as when a Director gives notice of his or her intention to retire or resign. The outcome of that review is reported to the Board. The Board also has in place guidelines on the tenure of Directors. The guidelines provide that an ID should serve for no more than a maximum of two three-year terms and any extension of tenure beyond six years will be reviewed by the Board through the NRC on a yearly basis up to a period of nine years (inclusive of the initial two three-year terms served).

The NRC identifies suitable candidates for appointment to the Board. Searches for possible candidates are conducted through contacts and recommendations. In this regard, external consultants may be retained from time to time to assist the NRC in identifying candidates. Candidates are identified based on the needs of CLCT and the relevant skills required, taking into account, among other things, the requirements in the Listing Manual and the Code, as well as the factors in the Board Diversity Policy. The candidates will be assessed against a range of criteria including their demonstrated business sense and judgement, skills and expertise, and market and industry knowledge (and may include elements such as financial, sustainability or other specific competency, geographical representation and business background). The NRC also considers the qualities of the candidates, in particular whether they are aligned to the strategic directions and values of CLCT. In addition, the NRC assesses the candidates' ability to commit time to the affairs of CLCT, taking into consideration their other current appointments. The NRC uses a board competency matrix as a guide in determining if there are gaps in the skills of the Board as a whole and if the skills, expertise and experience of a candidate would complement those of the existing Board members.

In FY 2021, no alternate director to any ID was appointed. In keeping with the principle that a Director must be able to commit time to the affairs of the Manager, the Board has adopted the principle that it will generally not approve the appointment of alternate directors to IDs.

Board Changes
As part of the Board renewal process: (a) Mr Fong Heng Boo retired as a non-executive ID on 31 December 2021 after completing nine consecutive years of service, concurrently relinquishing his role as chairman of the AC; (b) Professor Ong Seow Eng was appointed as a non-executive ID on 1 January 2022; and (c) Mr Puah Tze Shyang was appointed as a non-executive non-independent Director on 26 October 2021.

Directors who are appointed to the Board from time to time either have prior experience as a director of an issuer listed on the SGX-ST or will undergo the training required under rule 210(5)(a) of the Listing Manual.

Mr Puah Tze Shyang has completed the requisite training under Rule 210(5)(a) of the Listing Manual.

Review of Directors' Ability to Commit Time
In view of the responsibilities of a Director, Directors need to be able to devote sufficient time and attention to adequately perform their duties and responsibilities. The NRC conducts a review of the other appointments and commitments of each Director on an annual basis and as and when there is a change of circumstances involving a Director which may affect his or her ability to commit time to the Manager. In this regard, Directors are required to report to the Board any changes in their other appointments.

In respect of the Directors' other appointments and commitments, no limit is set as to the number of listed company board appointments. The Board takes the view that the number of listed company directorships that an individual may hold should be considered on a case-by-case basis, as a person's available time and attention may be affected by many different factors, such as his or her individual capacity, whether he or she is in full-time employment, the nature of his or her other responsibilities and his or her near term plan regarding some of the other appointments. A Director with multiple directorships is expected to ensure that he or she can devote sufficient time and attention to the affairs of the Manager. IDs are also required to consult the Chairman before accepting any invitation for appointment as a director of another entity or offer of a full time executive appointment.

There is also no alternate director to any of the Directors. In keeping with the principle that a Director must be able to commit time to the affairs of the Manager, the NRC has adopted the principle that it will generally not approve the appointment of alternate directors to the Directors.

Each of the Directors is required to make his or her own self-assessment and confirm that he or she is able to devote sufficient time and attention to the affairs of the Manager. For FY 2021, all non-executive Directors had undergone the self- assessment and provided the confirmation.

On an annual basis and, where appropriate when there is a change of circumstances involving a Director, the NRC assesses each Director's ability to commit time to the affairs of the Manager. In the assessment, the NRC takes into consideration each Director's confirmation, his or her commitments, attendance record at meetings of the Board and Board Committees, as well as conduct and contributions (including preparedness and participation) at Board and Board Committee meetings.

The Directors' listed company directorships and principal commitments are disclosed on pages 28 to 32 of this Annual Report and their attendance record for FY 2021 is set out on page 68 of this Annual Report. In particular, the CEO does not serve on any listed company board outside of the CLCT Group. For FY 2021, the Directors achieved high meeting attendance rates and each Director has participated and been engaged in, and has contributed to discussions and deliberations at Board and Board Committee meetings. Based on the above, the NRC (with each NRC member recusing himself from approving the determination in respect of himself) has determined that each Director is able to commit time to the affairs of the Manager and CLCT, and is able to and has been adequately carrying out his or her duties as a Director. The NRC and the Board have noted that no Director has a significant number of listed directorships and principal commitments.

Principle 5: Board Performance
The Manager believes that oversight from a strong and effective Board goes a long way towards guiding a business enterprise to achieving success.

Whilst Board performance is ultimately reflected in the long-term performance of the CLCT Group, the Board believes that engaging in a regular process of self-assessment and evaluation of Board performance provides an opportunity for the Board to reflect on its effectiveness including the quality of its decisions, and for Directors to consider their performance and contributions. It also enables the Board to identify key strengths and areas for improvement which are essential to effective stewardship and attaining success for CLCT.

The Board, with the assistance of the NRC, undertakes a process to evaluate the effectiveness of the Board as a whole and that of each of its Board Committees and individual Directors for every financial year. As part of the process, a questionnaire is sent to the Directors. The evaluation results are aggregated and reported to the NRC, and thereafter to the Board. The findings are considered by the Board and follow-up action is taken where necessary with a view to enhancing the effectiveness of the Board, Board Committees and individual Directors in the discharge of its and their duties and responsibilities.

Board and Board Committees
The evaluation categories covered in the questionnaire include Board composition, Board processes, strategy, performance and governance, access to information and Board Committee effectiveness. As part of the questionnaire, the Board also considers whether the creation of value for Unitholders has been taken into account in the decision- making process. For FY 2021, the outcome of the evaluation was satisfactory and the Directors generally received affirmative ratings across the evaluation categories for the Board as a whole and for each Board Committee that was evaluated.

Individual Directors
The evaluation categories covered in the questionnaire include Director's duties, contributions, conduct and interpersonal skills, as well as strategic thinking and risk management. For FY 2021, the outcome of the evaluation was satisfactory and each of the Directors generally received affirmative ratings across the evaluation categories.

The Board also recognises that contributions by an individual Director can take different forms including providing objective perspectives on issues, facilitating business opportunities and strategic relationships, and accessibility to Management outside of the formal environment of Board and Board Committee meetings.

Board Evaluation as an Ongoing Process
The Board believes that performance evaluation should be an ongoing process and the Board achieves this by seeking feedback on a regular basis. The regular interactions between the Directors, and between the Directors and Management, also contribute to this ongoing process. Through this process of engaging its members, the Board also benefits from an understanding of shared norms between Directors which also contributes to a positive Board culture. The collective Board performance and the contributions of individual Directors are also reflected in, and evidenced by, the synergistic performance of the Board in discharging its responsibilities as a whole by providing proper guidance, diligent oversight and able leadership, and lending support to Management in steering CLCT in the appropriate direction, as well as the long-term performance of CLCT whether under favourable or challenging market conditions.

REMUNERATION MATTERS

Principles 6, 7 and 8: Procedures for Developing Remuneration Policies, Level and Mix of Remuneration and Disclosure on Remuneration

All fees and remuneration payable to Directors, key management personnel (including the CEO) and staff of the Manager are paid by the Manager.

The Board has a formal and transparent procedure for developing policies on Director and executive remuneration, and for fixing the remuneration packages of individual Directors and key management personnel.

The Board has established the NRC to review the Board remuneration framework and determine the specific remuneration for the Directors. The NRC also reviews the compensation framework and remuneration for the CLCT Group's executives and approves the specific remuneration packages for the key management personnel.

Guided by its terms of reference, the NRC oversees the development and succession planning for the CEO. This includes overseeing the process for the selection of the CEO and conducting an annual review of career development and succession matters for the CEO.

Remuneration Policy for Key Management Personnel

The remuneration framework and policy are designed to support the implementation of the CLCT Group's business strategy and deliver sustainable value to Unitholders. The principles governing the remuneration policies of the Manager's key management personnel are as follows:

Business Alignment

- Focus on generating rental income and enhancing asset value over time so as to maximise returns from investments and ultimately the distributions and total returns to Unitholders
- Provide sound and structured funding to ensure affordability and cost-effectiveness in line with performance goals
- Enhance retention of key talents to build strong organisational capabilities

Motivate Right Behaviour

- Pay for performance - align, differentiate and balance rewards according to multiple dimensions of performance
- Strengthen line-of-sight linking rewards and performance

Fair & Appropriate

- Ensure competitive remuneration relative to the appropriate external talent markets
- Manage internal equity such that remuneration is viewed as fair across the CLCT Group
- Significant and appropriate portion of pay-at-risk, taking into account risk policies of the CLCT Group, symmetrical with risk outcomes and sensitive to the risk time horizon

Effective Implementation

- Maintain rigorous corporate governance standards
- Exercise appropriate flexibility to meet strategic business needs and practical implementation considerations
- Facilitate employee understanding to maximise the value of the remuneration programme

These remuneration policies are in line with the CLCT Group's business strategy and the executive compensation framework is based on the key principle of linking pay to performance, which is emphasised by linking total remuneration to the achievement of corporate and individual goals and objectives. The NRC considers all aspects of remuneration, including termination terms, to ensure they are fair, and has access to remuneration consultants for advice on remuneration matters as required.

In reviewing policies on remuneration and determining the remuneration packages for key management personnel, the NRC, through an independent remuneration consultant, takes into consideration appropriate compensation benchmarks within the industry, so as to ensure that the remuneration packages payable to key management personnel are competitive and in line with the objectives of the remuneration policies. It also considers the compensation framework of CLI as a point of reference. The Manager is a subsidiary of CLI which also holds a significant stake in CLCT. The association with the CLI Group puts the Manager in a better position to attract and retain better qualified management talent. Additionally, it provides an intangible benefit to the Manager such that it allows its employees to associate themselves with an established corporate group which can offer them the depth and breadth of experience and enhanced career development opportunities.

In FY 2021, Willis Towers Watson was engaged as independent remuneration consultant to provide professional advice on executive remuneration. Willis Towers Watson is a leading global advisory, broking and solutions company with over 45,000 employees serving more than 140 countries and markets. This consultant is not related to the Manager, its controlling shareholder, its related corporations or any of its Directors.

Remuneration of Key Management Personnel
The remuneration of key management personnel comprises fixed components, a variable cash component, unit- based components and employee benefits. A significant proportion of key management personnel's remuneration is in the form of variable compensation, awarded in a combination of short-term and long-term incentives, in keeping with the principle that the interests of the key management personnel should be aligned with those of Unitholders and that the remuneration framework should link rewards to business and individual performance.

A. Fixed Components:
The fixed components comprise the base salary, fixed allowances and compulsory employer contribution to an employee's Central Provident Fund.

B. Variable Cash Component:
The variable cash component comprises the Balanced Scorecard Bonus Plan (BSBP) that is linked to the achievement of annual performance targets for each key management personnel.

Under the Balanced Scorecard framework, the CLCT Group's strategy and goals are translated to performance outcomes comprising both quantitative and qualitative targets in the dimensions of:

Financial
This includes targets relating to profitability and distributions, capital structure, as well as financial and risk management;

Execution
This includes targets relating to asset performance, occupancy rates and stakeholder engagement;

Future Growth
This includes targets relating to asset enhancement investments and capital recycling;

Sustainability
This includes targets relating to talent retention, succession planning and sustainable corporate practices.

These Balanced Scorecard targets are approved by the Board and cascaded down throughout the organisation, thereby creating alignment across the CLCT Group.

After the close of each financial year, the Board reviews the CLCT Group's achievements against the targets set in the Balanced Scorecard and determines the overall performance taking into consideration qualitative factors such as the quality of earnings, operating environment, regulatory landscape and industry trends.

In determining the payout quantum for each key management personnel under the BSBP, the NRC considers the overall business performance and individual performance as well as the affordability of the payout to the Manager.

C. Unit-based Components:

Unit awards were granted in FY 2021 pursuant to the CapitaLand China Trust Management Limited Performance Unit Plan (PUP) and the CapitaLand China Trust Management Limited Restricted Unit Plan (RUP) (together, the Unit Plans), approved by the Board. The Manager believes that the Unit-based components of the remuneration for key management personnel serve to align the interests of such key management personnel with that of Unitholders and CLCT's long-term growth and value. The obligation to deliver the Units is satisfied out of the Units held by the Manager.

To promote the alignment of Management's interests with that of Unitholders in the longer term, senior members of Management are subject to Unit ownership guidelines to instill stronger identification with the longer-term performance and growth of the CLCT Group. Under these guidelines, senior members of Management are required to retain a prescribed proportion of the Units received under the Unit Plans worth up to at least one year of basic salary.

Units vested pursuant to the Unit Plans may be clawed back in circumstances where the relevant participants are found to have been involved in financial misstatement, misconduct or malfeasance to the detriment of the CLCT Group.

CapitaLand China Trust Management Limited Performance Unit Plan

In FY 2021, the Board granted awards which are conditional on targets set for a three-year performance period. A specified number of Units will only be released to recipients at the end of the qualifying performance period, provided that minimally the threshold target is achieved.

Under the PUP, an initial number of Units (PUP baseline award) is allocated conditional on the achievement of a pre-determined target in respect of the Relative Total Unitholder Return (TUR) of the CLCT Group measured by the percentile ranking of the TUR of the CLCT Group relative to the constituent REITs in the FTSE ST REIT Index.

The above performance measure has been selected as a key measurement of wealth creation for Unitholders. The final number of Units to be released will depend on the CLCT Group's performance against the pre-determined targets over the three-year qualifying performance period. This serves to align Management's interests with that of Unitholders in the longer term and to deter short-term risk taking. No Units will be released if the threshold target is not met at the end of the qualifying performance period. On the other hand, if superior targets are met, more Units than the PUP baseline award can be delivered up to a maximum of 200% of the PUP baseline award. The NRC has the discretion to adjust the number of Units released taking into consideration other relevant quantitative and qualitative factors. Recipients will receive fully paid Units at no cost.

For FY 2021, the relevant award for assessment of the performance achieved by the CLCT Group is the award granted in FY 2019 where the qualifying performance period was FY 2019 to FY 2021. Based on the NRC's assessment that the performance achieved by the CLCT Group has partially met the pre-determined performance targets for such performance period, the resulting number of Units released has been adjusted accordingly to reflect the performance level.

In respect of the Unit awards granted under the PUP in FY 2020 and FY 2021, the respective qualifying performance periods have not ended as at the date of this Report.

CapitaLand China Trust Management Limited Restricted Unit Plan
In FY 2021, the Board granted awards which are conditional on targets set for a one-year performance period. A specified number of Units will only be released to recipients at the end of the qualifying performance period, provided that minimally the threshold targets are achieved.

Under the RUP, an initial number of Units (RUP baseline award) is allocated conditional on the achievement of pre-determined targets in respect of the following performance conditions:

(a) Net property income of the CLCT Group; and
(b) Distribution per Unit of the CLCT Group.

The above performance measures have been selected as they are the key drivers of business performance and are aligned to Unitholder value. The final number of Units to be released will depend on the CLCT Group's performance against the pre-determined targets at the end of the one-year qualifying performance period. The Units will be released in equal annual tranches over a vesting period of three years. No Units will be released if the threshold targets are not met at the end of the qualifying performance period. On the other hand, if superior targets are met, more Units than the RUP baseline award can be delivered up to a maximum of 150% of the RUP baseline award. The NRC has the discretion to adjust the number of Units released taking into consideration other relevant quantitative and qualitative factors. Recipients will receive fully paid Units at no cost.

In respect of the Unit awards granted under the RUP in FY 2021, based on the NRC's assessment that the performance achieved by the CLCT Group has met the pre-determined performance targets for FY 2021, the resulting number of Units released has been adjusted accordingly to reflect the performance level.

The Unit Plans of the Manager are performance-based and vest over a period of three years. Coupled with interlocking annual grants, this ensures ongoing alignment between remuneration and sustainable business performance in the longer term.

D. Employee Benefits:
The benefits provided are comparable with local market practices.

At present, there are four key management personnel (including the CEO). Each year, the NRC evaluates the extent to which each of the key management personnel has delivered on the business and individual goals and objectives, and based on the outcome of the evaluation, approves the compensation for the key management personnel. In such evaluation, the NRC considers whether the level of remuneration is appropriate to attract, retain and motivate key management personnel to successfully manage CLCT for the long term. The CEO does not attend discussions relating to his own performance and remuneration.

Provision 8.1 of the Code requires an issuer to disclose the CEO's exact remuneration amount and the requisite remuneration band for each of the other key management personnel (who are not also Directors or the CEO). The Board has considered carefully and decided that such disclosure would not be in the interests of the Manager or Unitholders due to the intense competition for talents in the industry, as well as the need to balance the confidential and commercial sensitivities associated with remuneration matters. The Manager is making available the CEO's remuneration amount in a band of S$250,000 and the aggregate of the total remuneration of the other key management personnel (excluding the CEO) together with a breakdown of their respective remuneration components in percentage terms, as set out in the Key Management Personnel's Remuneration Table on page 69 of this Annual Report. The Manager is of the view that its practice of disclosing the aforementioned information and the other disclosures in this Report is consistent with the intent of Principle 8 of the Code and provides sufficient information and transparency to the Unitholders on the Manager's remuneration policies and the level and mix of remuneration, the procedure for setting remuneration and the relationship between the remuneration, performance and value creation. In addition, the remuneration of the key management personnel is not borne by CLCT as it is paid out of the fees that the Manager receives (the quantum and basis of which have been disclosed).

Apart from the key management personnel and other employees of the Manager, the Manager outsources various other services to a wholly owned subsidiary of CLI (CLI Subsidiary). The CLI Subsidiary provides these services through its employees and employees of CLI Group (together, the Outsourced Personnel). This arrangement is put in place so as to provide flexibility and maximise efficiency in resource management to match the needs of CLCT from time to time, as well as to leverage on economies of scale and tap on the management talent of an established corporate group which can offer enhanced depth and breadth of experience. Notwithstanding this outsourcing arrangement, the responsibility for due diligence, oversight and accountability continues to reside with the Board and Management. In this regard, the remuneration of such Outsourced Personnel, being employees of the CLI Subsidiary and CLI Group, is not included as part of the disclosure of remuneration of key management personnel of the Manager in this Report.

The Board, together with the NRC, seeks to ensure that the remuneration of the CEO and other key management personnel is strongly linked to the achievement of business and individual performance targets. The performance targets are set at realistic yet stretched levels each year to motivate a high degree of business performance with emphasis on both shorter-term and longer-term quantifiable objectives.

In FY 2021, a one-time Special CLI Founders Performance Share Plan (Special PSP Award) was granted by the CLI Group to selected senior executives within the group (including the Manager) to commemorate its listing, foster a "founders' mindset" in driving transformation and retain talent. The grant has a five-year vesting period with defined performance parameters which are linked to CLI. Subject to the performance achieved, the award may vest at the end of the third year and/or fifth year. In addition, such compensation is in the long-term interests of CLCT as CLCT is a key part of CLI's business and ecosystem (and CLI is also a substantial Unitholder of CLCT), and Management's actions to grow CLCT and drive CLCT's performance will also have a positive impact on CLI, thus reinforcing the complementary nature of the linked performance between CLCT and CLI. The cost of this one-time award will be borne by the Manager and it is not expected to form a significant part of the key management personnel's remuneration over a five-year period. In addition, as can be seen in the "Key Management Personnel's Remuneration Table for FY 2021" a proportion of the Management's remuneration is paid in the form of Units, which further incentivises the Management to take actions which are beneficial to the Unitholders. Accordingly, the Special PSP Award will not result in the Management prioritising the interest of CLI over that of CLCT given that the bulk of their remuneration is determined based on the evaluation of the performance of CLCT and a proportion of their remuneration comprises Units. In addition, it should be further noted that under the SFA, the Manager and Directors of the Manager are required to act in the best interest of CLCT and give priority to the interest of CLCT over the interests of the shareholders of the Manager, and this would further mitigate any potential conflicts of interests. Save for the Special PSP Award, the NRC will continue to assess and reward the key management personnel based on the performance of CLCT. Accordingly, the Manager is of the view that there would not be any conflicts of interest arising from the arrangement, nor would the arrangement result in any misalignment of interest with those of Unitholders.

In FY 2021, no termination, retirement or post-employment benefits were granted to Directors, the CEO and other key management personnel. There was also no special retirement plan, 'golden parachute' or special severance package for any of the key management personnel.

In FY 2021, there were no employees of the Manager who were substantial shareholders of the Manager, substantial unitholders of CLCT or immediate family members of a Director, the CEO, any substantial shareholder of the Manager or any substantial unitholder of CLCT. "Immediate family member" refers to the spouse, child, adopted child, step- child, sibling or parent of the individual.

Remuneration for Non-Executive Directors

The non-executive Directors' fees for FY 2021, together with a breakdown of the components, are set out in the Non-Executive Directors' Remuneration Table on page 69 of this Annual Report. These non-executive Directors' fees are paid by the Manager.

The compensation policy for non-executive Directors is based on a scale of fees divided into basic retainer fees for serving as Director and additional fees for attendance and serving on Board Committees. The non-executive Directors' fee structure and fees are reviewed and benchmarked against the REIT industry, and take into account the effort, time spent and demanding responsibilities on the part of the non-executive Directors in light of the scale, complexity and geographic scope of the CLCT Group's business. The remuneration of non-executive Directors is reviewed from time to time to ensure that it is appropriate to attract, retain and motivate the non-executive Directors to provide good stewardship of the Manager and CLCT.

The CEO who is an executive Director is remunerated as part of the key management personnel of the Manager and does not receive any Director's fees. The non-executive Directors who are employees of CLI Group also do not receive any Directors' fees.

The non-executive Directors' fees are paid in cash (about 80%) and in the form of Units (about 20%), save that a non-executive Director (not being an employee of CLI Group) who steps down from the Board during a financial year will be paid fees fully in cash. The Manager believes that the payment of a portion of the non-executive Directors' fees in Units will serve to align the interests of non-executive Directors with the interests of Unitholders and CLCT's long-term growth and value. The payment of non-executive Directors' fees in Units is satisfied out of the Units held by the Manager. No individual Director is involved in any decision of the NRC relating to his or her own remuneration.

In order to encourage the alignment of the interests of the non-executive Directors with the interests of Unitholders, a non-executive Director is required to hold the number of Units worth at least one year of his or her basic retainer fee or the total number of Units awarded to him or her, whichever is lower, at all times during his or her Board tenure.

As with previous years, an independent remuneration consultant, Willis Towers Watson, was engaged in FY 2021 to provide professional advice on Board remuneration, with a view to ensuring the fee structure remains in line with market. The framework for the non-executive Directors' fees has remained unchanged from that of the previous financial year.

ACCOUNTABILITY AND AUDIT

Principle 9: Risk Management and Internal Controls

The Manager maintains adequate and effective systems of risk management and internal controls addressing material financial, operational, compliance and information technology (IT) risks to safeguard Unitholders' interests and the CLCT Group's assets.

The Board has overall responsibility for the governance of risk and oversees the Manager in the design, implementation and monitoring of the risk management and internal controls systems. The AC assists the Board in carrying out the Board's responsibility of overseeing the risk management framework and policies for the CLCT Group.

Under its terms of reference, the scope of the AC's duties and responsibilities includes:

(a) making recommendations to the Board on the Risk Appetite Statement (RAS) for the CLCT Group;
(b) assessing the adequacy and effectiveness of the risk management and internal controls systems established by the Manager to manage risks;
(c) overseeing the formulation, updating and maintenance of an adequate and effective risk management framework, policies and strategies for managing risks that are consistent with the CLCT Group's risk appetite and reporting to the Board on its decisions on any material matters concerning the aforementioned;
(d) making the necessary recommendations to the Board such that an opinion regarding the adequacy and effectiveness of the risk management and internal controls systems can be made by the Board in the Annual Report in accordance with the Listing Manual and the Code; and
(e) considering and advising on risk matters referred to it by the Board or Management, including reviewing and reporting to the Board on any material breaches of the RAS, any material non-compliance with the approved framework and policies and the adequacy of any proposed action.

The Manager adopts an Enterprise Risk Management (ERM) Framework which sets out the required environmental and organisational components for managing risks in an integrated, systematic and consistent manner. The ERM Framework and related policies are reviewed annually.

As part of the ERM Framework, the Manager undertakes and performs a Risk and Control Self-Assessment (RCSA) annually to identify material risks along with their mitigating measures. The adequacy and effectiveness of the systems of risk management and internal controls are reviewed at least annually by Management, the AC and the Board, taking into account the Listing Manual and best practices and guidance in the Risk Governance Guidance for Listed Boards issued by the Corporate Governance Council.

The CLCT Group's RAS, which incorporates the CLCT Group's risk limits, addresses the management of material risks faced by the CLCT Group. Alignment of the CLCT Group's risk profile to the RAS is achieved through various communication and monitoring mechanisms (including key risk indicators set for Management) put in place across the various functions within the Manager.

More information on the Manager's ERM Framework including the material risks identified can be found in the Risk Management section on pages 70 to 76 of this Annual Report.

The internal and external auditors conduct reviews of the adequacy and effectiveness of the material internal controls (including financial, operational, compliance and IT controls) and risk management systems. This includes testing, where practicable, material internal controls in areas managed by external service providers. Any material non-compliance or lapses in internal controls together with corrective measures recommended by the internal and external auditors are reported to and reviewed by the AC. The AC also reviews the adequacy and effectiveness of the measures taken by the Manager on the recommendations made by the internal and external auditors in this respect.

The Board has received assurance from the CEO and the Chief Financial Officer (CFO) of the Manager, being the key management personnel who are responsible, that:

(a) the financial records of the CLCT Group have been properly maintained and the financial statements for FY 2021 give a true and fair view of the CLCT Group's operations and finances; and
(b) the systems of risk management and internal controls within the CLCT Group are adequate and effective to address the risks (including financial, operational, compliance and IT risks) which the Manager considers relevant and material to the current business environment.

The CEO and the CFO have obtained similar assurances from the respective risk and control owners. In addition, in FY 2021, the Board received certification by Management on the integrity of financial reporting and the Board provided a negative assurance confirmation to Unitholders as required by the Listing Manual.

Based on the ERM Framework and the reviews conducted by Management and both the internal and external auditors, as well as the assurance from the CEO and the CFO, the Board is of the opinion that the systems of risk management and internal controls within the CLCT Group are adequate and effective to address the risks (including financial, operational, compliance and IT risks) which the CLCT Group considers relevant and material to its current business environment as at 31 December 2021. The AC concurs with the Board in its opinion. No material weaknesses in the systems of risk management and internal controls were identified by the Board or the AC in the review for FY 2021.

The Board notes that the systems of risk management and internal controls established by the Manager provide reasonable assurance that the CLCT Group, as it strives to achieve its business objectives, will not be significantly affected by any event that can be reasonably foreseen or anticipated. However, the Board also notes that no system of risk management and internal controls can provide absolute assurance in this regard, or absolute assurance against poor judgement in decision-making, human error, losses, fraud or other irregularities.

Principle 10: Audit Committee

As at the date of this Annual Report, the AC comprises four non-executive Directors, all of whom (including the chairman of the AC) are IDs. The AC chairman is a Director other than the Chairman of the Board. The AC chairman and other AC members bring with them invaluable recent and relevant managerial and professional expertise in accounting, auditing and related financial management domains.

The AC does not comprise former partners of CLCT's incumbent external auditors, KPMG LLP (a) within a period of two years commencing from the date of their ceasing to be partners of KPMG LLP; or (b) who have any financial interest in KPMG LLP.

The AC has explicit authority to investigate any matter within its terms of reference. Management provides the fullest co-operation in providing information and resources, and in implementing or carrying out all requests made by the AC. The AC has direct access to the internal and external auditors and full discretion to invite any Director or key management personnel to attend its meetings. Similarly, both the internal and external auditors have unrestricted access to the AC.

Under its terms of reference, the AC's scope of duties and responsibilities includes:

(a) reviewing the significant financial reporting issues and judgements so as to ensure the integrity of the financial statements of the Manager and CLCT and any announcements relating to CLCT's financial performance;
(b) reviewing and reporting to the Board at least annually the adequacy and effectiveness of the Manager's internal controls (including financial, operational, compliance and IT controls) and risk management system;
(c) reviewing the scope and results of the external audit and the independence and objectivity of the external auditors;
(d) reviewing the scope and results of the internal audit and the adequacy and effectiveness of the Manager's internal audit and compliance functions;
(e) making recommendations to the Board on the proposals to Unitholders on the appointment, re-appointment and removal of the external auditors, and approving the remuneration and scope of engagement of the external auditors;
(f) reviewing and approving processes to regulate transactions between an interested person (as defined in Chapter 9 of the Listing Manual) and/or interested party (as defined in the Property Funds Appendix) (each, an Interested Person) and CLCT and/or its subsidiaries (Interested Person Transactions), to ensure compliance with the applicable regulations. The regulations include the requirements that Interested Person Transactions are on normal commercial terms and are not prejudicial to the interests of CLCT and its minority Unitholders. In respect of any property management agreement which is an Interested Person Transaction, the AC also carries out reviews at appropriate intervals to satisfy itself that the Manager has reviewed the property manager's compliance with the terms of the property management agreement and has taken remedial actions where necessary; and
(g) reviewing the policy and arrangements for concerns about possible improprieties in financial reporting or other matters to be raised, and independently investigated, for appropriate follow up action to be taken.

The AC undertook a review of the independence of the external auditors, taking into consideration, among other factors, non-audit services (if any) provided by the external auditors in FY 2021, CLCT's relationships with the external auditors in FY 2021, as well as the processes and safeguards adopted by the Manager and the external auditors relating to audit independence. Based on the review, the AC is satisfied that the external auditors are independent. The external auditors have also provided confirmation of their independence to the AC. The amount of audit and audit-related fees paid or payable to the external auditors for FY 2021 amounted to S$714,197. The external auditors did not provide any non-audit services in FY2021.

The AC holds at least four scheduled meetings in a year and met four times in FY 2021. At all scheduled AC meetings in FY 2021, the CEO and the CFO were in attendance. CLCT has adopted the practice of announcing its financial statements on a half yearly basis and provide quarterly business updates in between such announcements or as and when necessary. Accordingly, during the AC meetings in January 2021 and July 2021, among other things, the AC reviewed the half-yearly financial statements including the relevance and consistency of the accounting principles adopted and any significant financial reporting issues, and recommended the half-yearly financial statements and corresponding announcements to the Board for approval. During the AC meetings in April 2021 and October 2021, the AC reviewed, among other things, the quarterly business and financial updates presented by Management. Such business updates contained, among other things, information on the CLCT Group's key operating and financial metrics.

In FY 2021, the AC also reviewed and assessed the adequacy and effectiveness of the internal controls and risk management systems established by the Manager to manage risks, taking into consideration the outcome of reviews conducted by Management and both the internal and external auditors, as well as the assurances from the CEO and the CFO.

The AC also meets with the external auditors and with the internal auditors, in each case without the presence of Management, at least once a year. In FY 2021, the AC met with the external auditors and internal auditors twice, separately and without Management's presence, to discuss the reasonableness of the financial reporting process, the internal controls and risk management systems, and the significant comments and recommendations by the auditors.

Where relevant, the AC makes reference to the best practices and guidance for audit committees in Singapore including practice directions issued from time to time in relation to the Financial Reporting Surveillance Programme administered by the Accounting and Corporate Regulatory Authority of Singapore.

Key Audit Matter
In its review of the financial statements of CLCT Group for FY 2021, the AC had discussed with Management the accounting principles that were applied and their judgement of items that could affect the integrity of the financial statements and also considered the clarity of key disclosures in the financial statements. The AC reviewed, among other matters, the key audit matter set out below, as reported by the external auditors for FY 2021.

Key audit matter	How this issue was addressed by the AC
Valuation of investment properties	The valuation of the properties in CLCT's portfolio as at 31 December 2021 was performed by several independent external professional valuers. After conducting a review, the AC was satisfied that the appointment of these valuers was in accordance with the requirements of the Code and that these valuers were experienced, objective and independent.
	The AC considered the valuation methodologies and key assumptions applied by these valuers for investment properties in arriving at the valuations, and reviewed the outcomes of the yearly valuation process and discussed the details of the valuation with Management, focusing on properties which registered higher fair value gains/ losses during the period under review and key drivers for the changes.
	The valuation of investment properties was also an area of focus for the external auditors. The AC considered the findings of the external auditors, including their assessment of the appropriateness of valuation methodologies and the underlying key assumptions applied in the valuation of investment properties.
	The AC was satisfied with the valuation process, the methodologies used and the valuation for investment properties as adopted and disclosed in the financial statements.

The Manager confirms, on behalf of CLCT, that CLCT complies with Rules 712 and 715 of the Listing Manual.

Internal Audit
The Manager has in place an internal audit function supported by CLI's Internal Audit Department (CLI IA). CLI IA is independent of the activities it audits and has unfettered access to the CLCT Group's documents, records, properties and employees, including access to the AC, and has appropriate standing with respect to the Manager. The primary reporting line of CLI IA in respect of CLCT Group is to the AC, however, the AC does not decide on the appointment, termination and remuneration of the head of CLI IA as it operates at the CLI Group level. While this is a deviation from Provision 10.4 which requires the AC to decide on the appointment, termination and remuneration of the head of the internal audit function, CLI IA is able to carry out its role effectively for the reasons below and is accordingly consistent with the intent of Principle 10 of the Code.

The AC monitors and assesses the role and effectiveness of the internal audit function through reviewing the internal audit process from time to time and may make recommendations to the Board for any changes to the internal audit process. The AC also reviews to ensure that the IA function is adequately resourced and skilled in line with the nature, size and complexity of the Manager and CLCT's business, and that an adequate budget is allocated to the internal audit function to assure its proper functioning. In respect of FY 2021, the AC has carried out a review of the internal audit function and is satisfied that the internal audit function performed by CL IA is adequately resourced, effective and independent.

CLI IA plans its internal audit schedules in consultation with, but independently of, Management and its plan is submitted to the AC for approval prior to the beginning of each year. During FY 2021, the AC reviewed the results of audits performed by CLI IA based on the approved audit plan. The AC also reviewed reports on whistle blower complaints reviewed by CLI IA to ensure independent and thorough investigation and adequate follow up. The AC also received reports on Interested Person Transactions reviewed by CLI IA that these transactions were on normal commercial terms and were not prejudicial to the interests of CLCT and its minority Unitholders.

CLI IA is adequately resourced and staffed with persons with the relevant qualifications and experience. CLI IA is a corporate member of The Institute of Internal Auditors Inc. (IIA), Singapore, which is an affiliate of the IIA with its headquarters in the United States of America (USA). CLI IA subscribes to, and is guided by, the International Standards for the Professional Practice of Internal Auditing (Standards) developed by the IIA, and has incorporated these Standards into its audit practices.

To ensure that internal audits are performed by competent professionals, CLI IA recruits and employs suitably qualified professional staff with the requisite skill sets and experience. For instance, CLI IA staff who are involved in IT audits have the relevant professional IT certifications and are also members of the ISACA Singapore Chapter, a professional body administering information systems audit and information security certifications that is headquartered in the USA. The ISACA Information Systems Auditing Standards provide guidance on the standards and procedures to be applied in IT audits. CLI IA identifies and provides training and development opportunities for its staff to ensure their technical knowledge and skill sets remain current and relevant.

UNITHOLDER RIGHTS AND ENGAGEMENT

Principles 11, 12 and 13: Shareholder Rights and Conduct of General Meetings, Engagement with Shareholders, Managing Stakeholder Relationships
The Manager is committed to treating all Unitholders fairly and equitably. All Unitholders enjoy specific rights under the Trust Deed and the relevant laws and regulations. These rights include, among other things, the right to participate in profit distributions.

General Meetings
In FY 2021, CLCT's AGM was convened and held on 20 April 2021 (AGM 2021) by way of electronic means pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020 (COVID-19 Temporary Measures Order) and in accordance with the checklist jointly issued by ACRA, MAS and Singapore Exchange Regulation, which gave guidance to listed and non-listed entities on the conduct of general meetings amid the evolving COVID-19 situation (Checklist).

The alternative arrangements put in place for the conduct of the AGM 2021 included attendance at AGM 2021 via electronic means under which Unitholders could observe and/or listen to the AGM 2021 proceedings via live audio-visual webcast or live audio-only stream, submission of questions in advance of AGM 2021, addressing of substantial and relevant questions prior to or at AGM 2021 and voting by appointing the chairman of the meeting as proxy at AGM 2021. All Directors (including the CEO who is also a Director) attended AGM 2021 either in-person or via electronic means. A record of the Directors' attendance at AGM 2021 can be found in the record of their attendance at general meeting(s) and Board and Board Committee meetings for FY 2021 set out on page 68 of this Annual Report.

The upcoming AGM to be held in April 2022 will also be convened and held by way of electronic means pursuant to the COVID-19 Temporary Measures Order and in accordance with the Checklist. Unitholders will be entitled to submit questions in advance of and/or live at the AGM through the live chat function via the audio-visual platform, and vote at the AGM live by themselves or their duly appointed proxy(ies) (other than the chairman of the meeting) via electronic means or by appointing the chairman of the meeting as their proxy to vote on their behalf, to facilitate interaction between the Board, Management and Unitholders Further details on the alternative arrangements put in place for the conduct of the upcoming AGM are set out in the Manager's notice of AGM dated 28 March 2022.

The description below sets out CLCT's usual practice for Unitholders' meetings which are not convened and held pursuant to the COVID-19 Temporary Measures Order.

Unitholders are entitled to attend general meetings and are accorded the opportunity to participate effectively and vote at general meetings (including through the appointment of up to two proxies, if they are unable to attend in person or in the case of a corporate Unitholder, through its appointed representative). Unitholders such as nominee companies which provide custodial services for securities are not constrained by the two proxy limitation, and are able to appoint more than two proxies to attend, speak and vote at general meetings of CLCT. For AGM 2021 which was convened and held pursuant to the COVID-19 Temporary Measures Order and in accordance with the Checklist, Unitholders could only appoint the chairman of the meeting as their proxy to attend, speak and vote on their behalf at AGM 2021.

CLCT supports the principle of encouraging Unitholder participation and voting at general meetings. CLCT's Annual Report is provided to Unitholders within 120 days from the end of CLCT's financial year. Unitholders may download the Annual Report (printed copies of the Annual Report are available upon request) and notice of general meeting from the Website. More than the legally required notice period for general meetings is generally provided.. The notice of general meeting is also available on SGXNet. The rationale and explanation for each agenda item which requires Unitholders' approval at a general meeting are provided in the notice of the general meeting or in the accompanying circular (if any) issued to Unitholders in respect of the matter(s) for approval at the general meeting. This enables Unitholders to exercise their votes on an informed basis. To safeguard the Unitholders' interests and rights, a separate resolution is proposed for each substantially separate matter to be approved at a general meeting.

At AGMs, Management makes a presentation to Unitholders to update them on CLCT's performance, position and prospects. The presentation materials are made available to Unitholders on the Website and also on SGXNet.

Unitholders are informed of the rules governing general meetings and are given the opportunity to communicate their views, ask questions and discuss with the Board and Management on matters affecting CLCT. Representatives of the Trustee, Directors (including the chairman of the respective Board Committees), key management personnel and the external auditors of CLCT, are present for the entire duration of the AGMs to address any queries that the Unitholders may have, including queries about the conduct of CLCT's external audit and the preparation and contents of the external auditors' report. Directors and Management also interact with Unitholders after the AGMs.

To ensure transparency in the voting process and better reflect Unitholders' interests, CLCT conducts electronic poll voting for all the resolutions proposed at general meetings. For AGM 2021 which was convened and held pursuant to the COVID-19 Temporary Measures Order and in accordance with the Checklist, Unitholders could only vote by appointing the chairman of the meeting as their proxy to vote on their behalf. One Unit is entitled to one vote. Voting procedures and the rules governing general meetings are explained and vote tabulations are disclosed at the general meetings.

An independent scrutineer is also appointed to validate the vote tabulation procedures. Votes cast, for or against and the respective percentages, on each resolution are tallied and displayed 'live' on-screen to Unitholders after each resolution is voted on at the general meetings. The total number of votes cast for or against each resolution and the respective percentages are also announced on SGXNet after the general meetings.

Provision 11.4 of the Code requires an issuer's Constitution to allow for absentia voting at general meetings of shareholders. CLCT's Trust Deed currently does not permit Unitholders to vote at general meetings in absentia (such as via mail or email). The Manager will consider implementing the relevant amendments to CLCT's Trust Deed to permit absentia voting after it has carried out careful study and is satisfied that the integrity of information and the authentication of the identity of Unitholders through the internet will not be compromised, and after the implementation of legislative changes to recognise remote voting. The Manager is of the view that despite the deviation from Provision 11.4 of the Code, Unitholders nevertheless have opportunities to communicate their views on matters affecting CLCT even when they are not in attendance at general meetings. For example, Unitholders may appoint proxies to attend, speak and vote, on their behalf, at general meetings.

Minutes of the general meetings recording the substantial and relevant comments made, questions raised and answers provided, are prepared and are available to Unitholders for their inspection upon request. Minutes of general meetings are also made available on the Website. Accordingly, the rights of the Unitholders are consistent with the intent of Principle 11 of the Code.

Distribution Policy
CLCT's distribution policy is to distribute at least 90.0% of its taxable income (other than gains from the sale of real estate properties by CLCT which are determined to be trading gains), with the actual level of distribution to be determined at the Manager's discretion. Distributions are generally paid within 35 market days after the relevant record date.

Timely Disclosure of Information
The Manager is committed to keeping all Unitholders, other stakeholders, analysts and the media informed of CLCT's performance and any changes in the CLCT Group or its business which would likely to materially affect the price or value of the Units.

For FY2021, the Manager provided Unitholders with half year and full year financial statements within the relevant periods prescribed by the Listing Manual. These half year and full year financial statements were reviewed and approved by the Board prior to release to Unitholders by announcement on SGXNet. The release of half year and full year financial statements were accompanied by news releases issued to the media and which were also made available on SGXNet. In presenting half year and full year financial statements to Unitholders, the Board sought to provide Unitholders with a balanced, clear and comprehensible assessment of CLCT and the CLCT Group's performance, position and prospects.

Apart from the announcements of half year and full year financial statements in FY 2021, in keeping with the Manager's commitment to provide its Unitholders with information promptly, the Manager also provided Unitholders, on a voluntary basis, with quarterly business updates in between these announcements. Such business updates contained, among other things, information on the CLCT Group's key operating and financial metrics.

In addition to the release of half year and full year financial statements, the Manager also keeps CLCT's Unitholders, stakeholders and analysts informed of the performance and changes in the CLCT Group or its business which would likely materially affect the price or value of the Units on a timely and consistent basis, so as to assist Unitholders and investors in their investment decisions. This is performed through the release on SGXNet of announcements in compliance with regulatory reporting requirements and news releases for the media, on a timely and consistent basis. These announcements and news releases are also posted on the Website. In addition, the Manager also conducts analysts' and media briefings, and the materials used for such briefings are uploaded on SGXNet.

The Manager has a formal policy on corporate disclosure controls and procedures to ensure that CLCT complies with its disclosure obligations under the Listing Manual. These controls and procedures incorporate the decision- making process and an obligation on internal reporting of the decisions made.

The Manager believes in conducting the business of CLCT in ways that seek to deliver sustainable value to Unitholders. Best practices are promoted as a means to build an excellent business for CLCT and the Manager's accountability to Unitholders for CLCT's performance. Prompt fulfilment of statutory reporting requirements is but one way to maintain Unitholders' confidence and trust in the capability and integrity of the Manager.

Investor Relations
The Manager has in place an Investor Relations department which facilitates effective communication with Unitholders and analysts. The Manager also maintains the Website which contains information on CLCT including but not limited to its Prospectus, current and past announcements and news releases, financial statements, investor presentations and Annual Reports.

The Manager actively engages with Unitholders with a view to solicit and understand their views, and has put in place a Unitholders' Communication and Investor Relations Policy to promote regular, effective and fair communications with Unitholders. The Unitholders' Communication and Investor Relations Policy, which sets out the mechanism through which Unitholders may contact the Manager with questions and through which the Manager may respond to such questions, is available on the Website. Unitholders are welcomed to engage with the Manager beyond general meetings and they may do so by contacting the Investor Relations department whose details may be found on the Website via the Manager Contacts channel on the Website.

More information on the Manager's investor and media relations efforts can be found in the Investor & Media Relations section on pages 77 to 79 of this Annual Report.

The Manager also has in place a corporate communications function supported by CLI's Group Communications department which works closely with the media and oversees CLCT's media communications efforts.

Managing Stakeholder Relationships
The Board's role includes considering sustainability as part of its strategic formulation. The Manager adopts an inclusive approach for CLCT by considering and balancing the needs and interests of material stakeholders, as part of the overall strategy to ensure that the best interests of CLCT are served. The Manager is committed to sustainability and incorporates the key principles of environmental and social responsibility, and corporate governance in CLCT's business strategies and operations. The Manager has arrangements in place to identify and engage with material stakeholder groups from time to time to gather feedback on the sustainability issues most important to them and to manage its relationships with such groups. Such arrangements include maintaining the Website, which is kept updated with current information, to facilitate communication and engagement with CLCT's stakeholders. More details of CLCT's sustainability approach, environmental policies and stakeholder engagements can be found on pages 99 to 101 of this Annual Report.

ADDITIONAL INFORMATION

Executive Committee

In addition to the AC and NRC, the Board has also established an EC.

The EC oversees the day-to-day activities of the Manager and that of CLCT, on behalf of the Board. The EC is guided by its terms of reference, in particular, the EC:

(a) approves specific budgets for capital expenditure on development projects, acquisitions and enhancements/ upgrading of properties within its approved financial limits;
(b) reviews management reports and operating budgets; and
(c) awards contracts for development projects.

The members of the EC also meet informally during the course of the year.

Dealings with Interested Persons

Review Procedures for Interested Person Transactions

The Manager has established internal control procedures to ensure that all Interested Person Transactions are undertaken on an arm's length basis and on normal commercial terms, which are generally no more favourable than those extended to unrelated third parties, and are not prejudicial to the interests of CLCT and Unitholders. In respect of such transactions, the Manager would have to demonstrate to the AC that such transactions are undertaken on normal commercial terms and are not prejudicial to the interests of CLCT and Unitholders which may include obtaining (where practicable) third party quotations or obtaining valuations from independent valuers (in accordance with applicable provisions of the Listing Manual and the Property Funds Appendix). The internal control procedures also ensure compliance with Chapter 9 of the Listing Manual and the Property Funds Appendix.

In particular, the procedures in place include the following:

Interested Person Transactions[1]	Approving Authority, Procedures and Disclosure
S$100,000 and above per transaction (which singly, or when aggregated with other transactions[2] with the same Interested Person in the same financial year is less than 3.0% of CLCT's latest audited net tangible assets/net asset value)	• Management • Audit Committee
Transaction[2] which: (a) is equal to or exceeds 3.0% of CLCT's latest audited net tangible assets/net asset value; or (b) when aggregated with other transactions[2] with the same Interested Person in the same financial year is equal to or exceeds 3.0% of CLCT's latest audited net tangible assets/net asset value	• Management • Audit Committee • Immediate announcement
Transaction[2] which: (a) is equal to or exceeds 5.0% of CLCT's latest audited net tangible assets/net asset value; or (b) when aggregated with other transactions[2,3] with the same Interested Person in the same financial year is equal to or exceeds 5.0% of CLCT's latest audited net tangible assets/net asset value	• Management • Audit Committee • Immediate announcement • Unitholders[3]

1. This table does not include the procedures applicable to Interested Person Transactions falling under the exceptions set out in Rules 915 and 916 of the Listing Manual.
2. Any transaction of less than S$100,000 in value is disregarded.
3. In relation to approval by Unitholders for transactions that are equal to or exceed 5.0% of CLCT's latest audited net tangible assets/net asset value (whether singly or aggregated), any transaction which has been approved by Unitholders, or is the subject of aggregation with another transaction that has been approved by Unitholders, need not be included in any subsequent aggregation.

A summary of Interested Person Transactions of S$100,000 and above entered into within each financial quarter will be reviewed by the Trustee on a quarterly basis, while the summary of all Interested Person Transactions within the financial year will be submitted by CLI IA to the AC for review on an annual basis. Guidelines and procedures established to monitor Interested Person Transactions will be audited by CLI IA on a periodic basis.

Role of the Audit Committee for Interested Person Transactions
The Manager's internal control procedures are intended to ensure that Interested Person Transactions are conducted at arm's length, on normal commercial terms and are not prejudicial to CLCT and Unitholders' interests.

The Manager maintains a register to record all Interested Person Transactions which are entered into by CLCT (and the basis on which they are entered into, including the quotations obtained to support such basis). All Interested Person Transactions are subject to regular periodic reviews by the AC, which in turn obtains advice from CLI IA, to ascertain that the guidelines and procedures established to monitor Interested Person Transactions, including the relevant provisions of the Listing Manual and the Property Funds Appendix, as well as any other guidelines which may from time to time be prescribed by the SGX-ST, MAS or other relevant authorities, have been complied with. The review includes an examination of the nature of the transaction and its supporting documents or such other information deemed necessary by the AC. If a member of the AC has an interest in a transaction, he or she is to abstain from participating in the review and approval process in relation to that transaction. In addition, the Trustee also reviews such audit reports to ascertain that the Listing Manual and the Property Funds Appendix have been complied with.

Details of all Interested Person Transactions (equal to or exceeding S$100,000 each in value) entered into by CLCT in FY 2021 are disclosed on pages 220 to 221 of this Annual Report.

Dealing with Conflicts of Interest
The following principles and procedures have been established to deal with potential conflicts of interest which the Manager (including its Directors, key management personnel and employees) may encounter in managing CLCT:

(a) the Manager is a dedicated manager to CLCT and will not manage any other REIT or be involved in any other real property business;
(b) all resolutions at meetings of the Board in relation to matters concerning CLCT must be decided by a majority vote of the Directors, including at least one ID;
(c) in respect of matters in which CL and/or its subsidiaries have an interest, whether direct or indirect, any nominees appointed by CL and/or its subsidiaries to the Board will abstain from voting. In such matters, the quorum must comprise a majority of IDs and shall exclude such nominee Directors of CL and/or its subsidiaries;
(d) in respect of matters in which a Director or his or her associates have an interest, whether direct or indirect, such interested Director will abstain from voting. In such matters, the quorum must comprise a majority of the Directors and shall exclude such interested Director(s);
(e) if the Manager is required to decide whether or not to take any action against any person in relation to any breach of any agreement entered into by the Trustee for and on behalf of CLCT with an affiliate of the Manager, the Manager is obliged to consult with a reputable law firm (acceptable to the Trustee) which shall provide legal advice on the matter. If the said law firm is of the opinion that the Trustee, on behalf of CLCT, has a prima facie case against the party allegedly in breach under such agreement, the Manager is obliged to pursue the appropriate remedies under such agreement; and
(f) at least one-third of the Board shall comprise IDs.

In respect of voting rights where the Manager would face a conflict between its own interests and that of Unitholders, the Manager shall cause such voting rights to be exercised according to the discretion of the Trustee.

Dealings in Securities
The Manager has adopted a securities dealing policy for the officers and employees which applies the best practice recommendations in the Listing Manual. Under this policy, Directors and employees of the Manager as well as certain relevant executives of the CLI Group (together, the Relevant Persons) are required to refrain from dealing in CLCT's securities (i) while in possession of material unpublished price-sensitive information, and (ii) during the one-month period immediately preceding, and up to the time of each announcement of CLCT's half year and full year financial statements. Prior to the commencement of each relevant black-out period, an email would be sent to all the Relevant Persons to inform them of the duration of the black-out period. The Manager also does not deal in CLCT's securities during the same black-out period. In addition, Directors and certain employees identified as "key insiders" are prohibited from dealing in the securities of CLCT, except during the open trading window (being one calendar month commencing from the relevant date of announcement of CLCT's half year or full year financial statements, provided that they are not in possession of undisclosed material or price-sensitive information. Employees and Capital Markets Services Licence Appointed Representatives (CMSL Representatives) of the Manager are also required to give a pre-trading notification to the CEO and the Compliance department before any dealing in CLCT's securities.

This policy also provides for the Manager to maintain a list of persons who are privy to price-sensitive information relating to the CLCT Group as and when circumstances require such a list to be maintained.

Directors and employees of the Manager are also required to refrain from dealing in CLCT's securities if they are in possession of unpublished price-sensitive information of CLCT arising from their appointment as Directors and/or in the course of performing their duties. As and when appropriate, they would be issued an advisory to refrain from dealing in CLCT's securities.

Under this policy, Directors and employees of the Manager are also discouraged from trading on short-term or speculative considerations. They are also prohibited from using any information with respect to other companies or entities obtained in the course of their employment in connection with securities transactions of such companies or entities.

A Director is required to notify the Manager of his or her interest in CLCT's securities within two business days after (a) the date on which he or she becomes a Director or (b) the date on which he or she acquires an interest in CLCT's securities. A Director is also required to notify the Manager of any change in his or her interests in CLCT's securities within two business days after he or she becomes aware of such change.

Dealings by the Directors are disclosed in accordance with the requirements in the SFA and the Listing Manual. In FY 2021, based on the information available to the Manager, save as disclosed in accordance with such requirements and other than the awards of Units in part payment of Directors' fees, there were no dealings by the Directors in CLCT's securities.

Code of Business Conduct
The Manager adheres to an ethics and code of business conduct policy which deals with issues such as confidentiality, conduct and work discipline, corporate gifts and concessionary offers. Clear policies and guidelines on how to handle workplace harassment and grievances are also in place.

The policies and guidelines are published on CLI Group's intranet, which is accessible by all employees of the Manager. The policies that the Manager has implemented aim to help to detect and prevent occupational fraud in mainly three ways, as set out below.

First, the Manager offers fair compensation packages, based on practices of pay-for-performance and promotion based on merit to its employees. The Manager also provides various healthcare subsidies and financial assistance schemes to alleviate the common financial pressures its employees may face.

Second, clearly documented policies and work procedures incorporate internal controls which ensure that adequate checks and balances are in place. Periodic audits are also conducted to evaluate the efficacy of these internal controls.

Finally, the Manager seeks to build and maintain the right organisational culture through its core values, educating its employees on good business conduct and ethical values.

Fraud, Bribery and Corruption Risk Management Policy
In line with its core values, the Manager is committed to doing business with integrity. This is reflected in its longstanding zero tolerance stance against fraud, bribery and corruption. Consistent with this commitment, various policies and guidelines are in place to guide all employees of the Manager to maintain the highest standards of integrity in their work and business dealings. This includes clear guidelines and procedures for the giving and receipt of corporate gifts and concessionary offers, and an annual pledge by all employees of the Manager to uphold the Manager's core values and to not engage in any corrupt or unethical practices. The Manager's zero tolerance policy on bribery and corruption extends to its business dealings with third parties. Pursuant to this policy, the Manager requires that certain agreements incorporate anti-bribery and anti-corruption provisions.

The Manager's employees adhere to CLI's Fraud, Bribery and Corruption Risk Management Policy (FBC Risk Management Policy). The FBC Risk Management Policy reiterates the strong stance against fraud, bribery and corruption, and sets the overarching approach and standards in managing fraud, bribery and corruption risks in an integrated, systematic and consistent manner. The Manager's stance against bribery and corruption is also reiterated by Management during its regular staff communication sessions.

Whistle-Blowing Policy
A whistle-blowing policy applicable to the Manager has been put in place which sets out the procedures for the Manager's employees and parties who have dealings with the Manager to make a report to the Manager on misconduct or wrongdoings relating to the Manager and its officers. Procedures are put in place to provide such employees and parties with well defined, accessible and trusted channels to report suspected fraud, corruption, dishonest practices or other improprieties in the workplace, and for the independent investigation of any reported incidents and appropriate follow up action. The Manager ensures that the identity of the whistle-blower is kept confidential. The objective of this policy is to encourage the reporting of such matters so that employees or external parties making any reports in good faith will be able to do so with the confidence that they will be treated fairly and, to the extent possible, be protected from reprisal. The Manager is committed to ensuring protection of the whistle-blower against detrimental or unfair treatment. The AC is responsible for oversight and monitoring of the investigation of whistle-blowing reports made in good faith at its scheduled meetings. Independent, thorough investigation and appropriate follow up actions are taken. The outcome of each investigation is reported to the AC. All employees of the Manager are informed of this policy which is made available on CLI Group's intranet.

Business Continuity Management
The Manager has implemented a Business Continuity Management (BCM) programme that puts in place the prevention, detection, response and, business recovery and resumption measures to minimise the impact of adverse business interruptions or unforeseen events on the CLCT Group's operations and also has in place a Business Continuity Plan (BCP). Under the BCP, Management has identified the critical business functions, processes and resources, and is able to tap on a pool of CLI Group's employees who are trained under a Business Psychological Resilience Programme to provide peer support to colleagues following the occurrence of adverse events. As part of the BCP, periodic desktop exercises and drills, simulating different scenarios, are carried out to stress-test the effectiveness of processes, procedures and escalation protocols. This holistic approach under the BCP serves to ensure organisational and staff preparedness and readiness to deal with adverse business disruptions such as acts of terrorism, cyber attacks, data breaches and epidemics. This approach aims to minimise financial loss to CLCT, allow the Manager to continue to function as the manager of CLCT and mitigate any negative effects that the disruptions could have on the Manager's reputation, operations and ability to remain in compliance with relevant laws and regulations. The Manager has also acquired insurance policies for the CLCT Group on business interruption events.

Anti-Money Laundering and Countering the Financing of Terrorism Measures
As a holder of a Capital Markets Services Licence issued by MAS, the Manager abides by the MAS' guidelines on the prevention of money laundering and countering the financing of terrorism. Under these guidelines, the main obligations of the Manager are:

(a) evaluation of risk;
(b) customer due diligence;
(c) suspicious transaction reporting;
(d) record keeping;
(e) employee and CMSL Representative screening; and
(f) training.

The Manager has in place a policy on the prevention of money laundering and terrorism financing and remains alert at all times to suspicious transactions. Enhanced due diligence checks are performed on counterparties where there is a suspicion of money laundering or terrorism financing. Suspicious transactions will also be reported to the Suspicious Transaction Reporting Office of the Commercial Affairs Department.

Under this policy, all relevant records or documents relating to business relations with the CLCT Group's customers or transactions entered into must be retained for a period of at least five years following the termination of such business relations or the completion of such transactions.

All prospective employees, officers and CMSL Representatives of the Manager are also screened against various money laundering and terrorism financing information sources and lists of designated entities and individuals provided by MAS. Periodic training is provided by the Manager to its Directors, employees and CMSL Representatives to ensure that they are updated and aware of applicable anti-money laundering and countering of terrorism financing regulations, the prevailing techniques and trends in money laundering and terrorism financing and the measures adopted by the Manager to combat money laundering and terrorism financing.

Composition of Board Committees in FY 2021

Board Members	Audit Committee	Executive Committee[1]	Nominating and Remuneration Committee[2]
Soh Kim Soon, C			C
Tan Tze Wooi, CEO		M	
Fong Heng Boo[3]	C		
Neo Poh Kiat[4]	M		M
Christopher Gee Kok Aun	M		
Tan Kong Yam	M		
Kuan Li Li[5]			
Lucas Ignatius Loh Jen Yuh[6]		C	
Lim Cho Pin Andrew Geoffrey[7]	M	M, C	M
Puah Tze Shyang[8]		M	

Denotes:
C – Chairman
M - Member
CEO - Chief Executive Officer

1. Given the nature and scope of the work of the EC, their business was discussed/transacted primarily through conference call, correspondence and informal meetings.
2. The NRC was formed on 26 October 2021.
3. Mr Fong Heng Boo retired as a non-executive independent director and relinquished his role as AC chairman on 31 December 2021.
4. Mr Neo Poh Kiat was appointed as AC member on 4 January 2021 and as AC Chairman on 1 January 2022.
5. Ms Kuan Li Li was appointed as AC member on 1 January 2022.
6. Mr Lucas Ignatius Loh Jen Yuh stepped down as non-executive non-independent Director and relinquished his role as Chairman of EC with effect from 1 May 2021.
7. Mr Lim Cho Pin Andrew Geoffrey has been a EC member since 1 January 2018 and was appointed as Chairman of EC on 26 October 2021. Mr Lim relinquished his role as AC Member on 31 December 2021.
8. Mr Puah Tze Shyang was appointed as a non-executive non-independent Director and a EC member on 26 October 2021.

Attendance Record of Meetings of Unitholders, Board and Board Committees in FY 2021[9]

Board Members	Board	Audit Committee	Nominating and Remuneration Committee	AGM
No. of Meetings Held	4	4	1	1
Soh Kim Soon, C	100%	N.A.	100%	100%
Tan Tze Wooi, CEO	100%	N.A.	N.A.	100%
Fong Heng Boo	100%	100%	N.A.	100%
Neo Poh Kiat	100%	100%	100%	100%
Christopher Gee Kok Aun	100%	100%	N.A.	100%
Tan Kong Yam	100%	100%	N.A.	100%
Kuan Li Li	100%	N.A.	N.A.	100%
Lucas Ignatius Loh Jen Yuh[10]	100%	N.A.	N.A.	100%
Lim Cho Pin Andrew Geoffrey	100%	100%	100%	100%
Puah Tze Shyang	N.A.	N.A.	N.A.	N.A.

N.A.: Not Applicable.

9. All Directors are required to attend Board and/or Board Committee meetings called, in person or via audio or video conference, unless required to recuse. Attendance is marked against the Board and Board Committee meetings each Director is required to attend, and the percentage computed accordingly.
10. Mr Lucas Ignatius Loh Jen Yuh stepped down as non-executive non-independent Director with effect from 1 May 2021 (which was after the AGM).

KEY MANAGEMENT PERSONNEL'S REMUNERATION

Key Management Personnel's Remuneration Table for FY 2021

Remuneration	Components of remuneration: Salary and employer's CPF	Bonus and other benefits inclusive of employer's CPF[1]	Award of Units[2]	Total
CEO				
Tan Tze Wooi	34%	34%	32%	100%
Remuneration band for CEO: Above S$1,000,000 to S$1,250,000[3]				
KEY MANAGEMENT PERSONNEL (EXCLUDING CEO)				
Joanne Tan Nicole Chen You Hong	49%	39%	12%	100%
Aggregate of total remuneration for key management personnel (excluding CEO): S$1,033,205[3]				

1. The amounts disclosed include bonuses earned which have been accrued for in FY 2021.
2. The proportion of value of the Unit awards is based on the fair value of the Units comprised in the contingent awards under the CapitaLand China Trust Management Limited Restricted Unit Plan (RUP) and CapitaLand China Trust Management Limited Performance Unit Plan (PUP) at the time of grant in FY 2021. The final number of Units released under the contingent awards of Units for the RUP and PUP will depend on the achievement of pre-determined targets and subject to the respective vesting period under the RUP and PUP.
3. The disclosure excludes the one-time contingent Special PSP Award of 212,539 CLI shares granted to certain key management personnel, of which 177,116 CLI shares were granted to the CEO.

Non-Executive Directors' Remuneration Table for FY 2021

Board Members	Components of Directors' fees[4,5] (S$): Cash component	Unit component[5]	Total (S$)
NON-EXECUTIVE DIRECTORS			
Soh Kim Soon	94,938	23,734	118,672
Fong Heng Boo[6]	101,000	0	101,000
Neo Poh Kiat	67,738	16,934	84,672
Christopher Gee Kok Aun	64,800	16,200	81,000
Tan Kong Yam	64,800	16,200	81,000
Kuan Li Li	42,400	10,600	53,000
Lucas Ignatius Loh Jen Yuh	N.A.[7]	N.A.[7]	N.A.[7]
Lim Cho Pin Andrew Geoffrey	N.A.[7]	N.A.[7]	N.A.[7]
Puah Tze Shyang	N.A.[7]	N.A.[7]	N.A.[7]
Aggregate of remuneration for Non-Executive Directors: S$519,344			

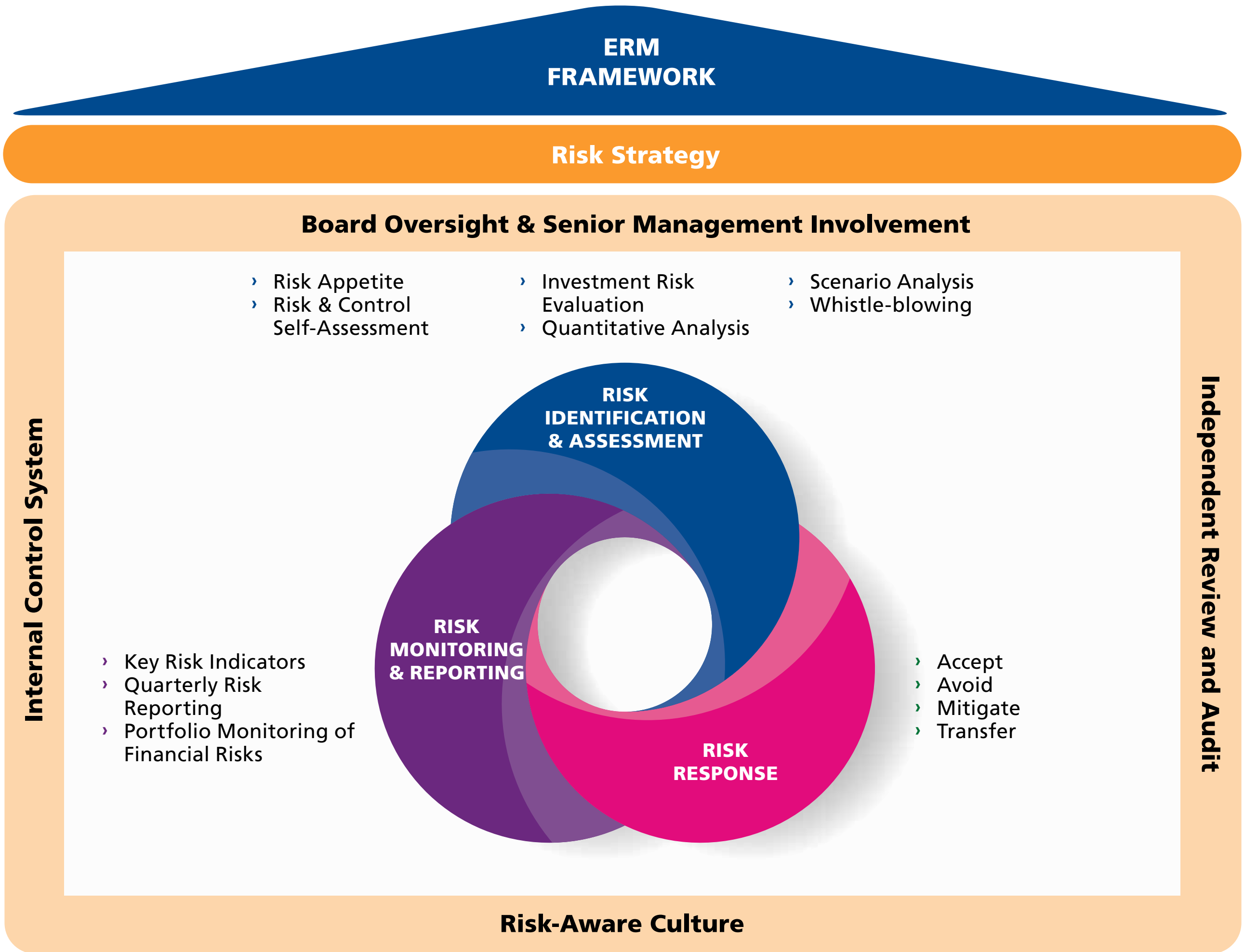
N.A.: Not applicable

4. Inclusive of attendance fees of (a) S$2,000 (local meeting) and S$5,000 (overseas meeting) per meeting attendance in person, (b) S$1,700 per meeting attendance via audio or video conference, (c) S$1,000 per meeting attendance at project and verification meetings, and (d) S$500 per meeting attendance via audio or video conference at project and verification meetings. Attendance fees at project and verification meetings are subject to a maximum of S$10,000 per Director per annum.
5. Each non-executive Director (save for non-executive Directors who are employees of CLI Group) shall receive up to 20% of his or her Director's fees in the form of Units (subject to truncation adjustments). The remainder of the Director's fees shall be paid in cash. No new Units will be issued for this purpose as these Units will be paid by the Manager from the Units it holds.
6. Mr Fong Heng Boo stepped down as non-executive independent Director on 31 December 2021 and relinquished his role as AC Chairman on the same day. Mr Fong will receive all his Director's fees for FY 2021 in cash.
7. Non-executive Directors who are employees of CLI Group do not receive Directors' fees.

CapitaLand China Trust and its subsidiaries (CLCT Group) believe in maintaining a robust risk management framework to proactively identify, assess and respond to material risks that can impact our objective to deliver stable distributions and sustainable total returns to Unitholders. By pursuing a risk strategy of optimisation of opportunities within the approved risk appetite levels instead of risk minimisation, we position CLCT Group for long-term sustainable results.

ENSURING BEST-IN-CLASS RISK MANAGEMENT STANDARDS AND APPROACHES TO OPTIMISE OPPORTUNITIES

The Manager's Enterprise Risk Management (ERM) Framework is adapted from the International Organization for Standardization (ISO) 31000 International Risk Management Standards and is benchmarked against other relevant best practices and guidelines and reviewed annually to ensure its continued relevance and practicality. It sets out the required environmental and organisational components needed to identify, assess, respond, monitor and report material risks in an integrated, systematic and consistent manner as depicted below.



Board oversight and senior management involvement

The Board of Directors (the Board), assisted by Audit Committee (AC), approves CLCT Group's risk appetite which determines the nature and extent of material risks the Manager is willing to take to achieve its strategic objectives.

The Board also oversees the ERM Framework; regularly reviews CLCT Group's risk profile, material risks and mitigation strategies; and ensures the adequacy and effectiveness of the risk management framework and policies.

CLCT Group's management team directs and monitors the implementation and practice of ERM across CLCT Group.

A robust internal control system

Various specialist support functions as the second line of defence are responsible for the design and implementation of effective internal controls using a risk-based approach.

Regular independent review and audit

Internal Audit and External Audit as the third line of defence review the adequacy and effectiveness of risk management and internal control systems design and its implementation so as to provide reasonable assurance to the AC on its adequacy and effectiveness.

Developing a strong risk-aware culture

The Manager works closely with the risk management department at CapitaLand Investment (CLI) and various specialist support functions, to ensure risk management practices are implemented consistently.

Risk workshops are conducted regularly to ensure these practices are embedded in our decision-making and business processes.

Management reinforces the risk-aware culture by setting the 'tone at the top' and lead by example, and communicates our risk strategy through Group-wide messages.

CLCT GROUP'S MATERIAL RISKS AND OPPORTUNITIES

A Group-wide Risk and Control Self-Assessment (RCSA) exercise is conducted annually to identify the material risks, including new and emerging events, that CLCT Group faces in delivering our strategic objectives, its mitigating measures and the opportunities. From the 2021 RCSA results, the measures taken to mitigate material risks and opportunities to capitalise on are set out below:

Material Risks	Key Mitigating Actions	Opportunities
Business Interruption/ Pandemic › Exposed to business interruption risk arising from sudden and major disaster events such as fire, prolonged power outages or other major infrastructure failures which may significantly disrupt operations at our malls, business parks and logistics parks. › Business disruptions arising from the COVID-19 pandemic have resulted in potential structural disruptions to some of the real estate asset classes, particularly in the retail and office sectors. › It also spurred stakeholders' attention on the diversification and resilience in CLCT Group's supply chain.	› Proactive facilities management such as routine inspection and scheduled maintenance and having crisis management procedures for our properties. › The outsourced Information Technology (IT) team from CLI has a defined disaster recovery plan which is reviewed and tested annually. › Adopting contactless technologies and innovative tech solutions to enhance safety and communication at CLCT Group's properties. › Regular evacuation exercise involving government authorities. › Future proof CLCT Group's business through digitalisation of business operations and processes.	› Ride on the digital adoption trend and ongoing business digitalisation to innovate and to improve product offerings to our customers. › Opportunities to reposition or repurpose our assets to meet the new norms.

Material Risks	Key Mitigating Actions	Opportunities
Climate Change › Physical risks such as rising sea levels, violent storms, long intense heat waves, flash floods and fresh water depletion. › Transitional risks including potentially more stringent regulations and increased expectations from stakeholders.	› Assessment of the detailed physical risks in the evaluation of any new acquisitions above a stipulated investment threshold. › Incorporate shadow internal carbon price and compute a Return on Sustainability (ROS) in the evaluation of new investment/capital expenditure decisions above a stipulated investment value threshold. This helps to price in climate-related costs and opportunities, support low-carbon investments, prepare for stringent climate legislation, and avoid stranded assets. › Regularly review CLCT Group's mitigation and adaptation efforts, which include: • Future proofing our portfolio against changing climatic conditions from the design stage and • Improving the operational efficiency of our properties, setting targets for carbon emissions, water, energy and waste efficiency. › CLI has a well-established Group environmental management system which is externally certified to ISO 14001. › For more information, please refer to CLCT's Integrated Sustainability Report FY 2021, to be published in the middle of April 2022.	› Enhance our positive reputation and strong track record in sustainability efforts as a competitive advantage for CLCT Group to build a resilient portfolio of assets and achieve resources efficiency. › Accelerate sustainability innovation and collaboration with tenants, supply chain contractors, vendors and suppliers.
Competition › Keen industry competition from established players who are able to capture our customers by meeting their expectations or reacting aptly to market trends.	› Focus on building key enablers in our properties that give CLCT Group a competitive advantage amidst the competition and digital disruptions, such as: • Embarking on digital transformation in our processes, enhancing our data analytics capabilities to speed up data-driven decisions, and • Leveraging innovation tools and solutions to assist our tenants and customers pivoting to the new digital operating model. › Leverage in-house team of industry analysts to keep CLCT Group on top of latest market trends.	› Tap on ONE CapitaLand ecosystem to benefit from the development expertise and opportunities without the associated risks. › Rely on strong experience in multi-sector asset and portfolio management as well as best-in-class operating platforms.
Cyber Security & Information Technology › Ongoing business digitalisation exposes the business to IT-related threats, which may result in compromising the confidentiality, integrity and availability of CLCT Group's information assets and/or systems.	› The outsourced Information Technology (IT) from CLI execute its Cyber Security Strategy through ongoing review against existing/evolving threat landscapes, and institute measures to minimise vulnerability exposure and manage threat vectors. › Ongoing mandatory staff IT Security Awareness Training to counter human intervention in the information security chain. › Periodically review and update Group-wide IT Security Policy and Data Protection Framework to ensure relevancy. › Maintain and test IT Security Incident Management Procedure to ensure prompt response and timely remediation to cyber security incidents. › Conduct annual Disaster Recovery Plan exercise to ensure timely recoverability of business-critical IT systems.	› Building a cyber resilience infrastructure and network enable us to harness the full potential of innovation and digital transformation of our business processes.

Material Risks	Key Mitigating Actions	Opportunities
Economic › Exposure to event risks, such as political leadership uncertainties/changes, trade wars, economic downturns and sudden changes in real estate related regulations in major economies as well as key financial and property markets.	› Disciplined approach to capital management and a strong balance sheet. › Broaden the investment strategy of CLCT Group to explore other asset classes beyond retail sector to office and industrial to achieve a more balance portfolio. › Actively monitor macroeconomic trends, policies and regulatory changes.	› Access investment opportunities across different asset classes to enhance portfolio diversification.
Foreign Exchange › Exposure to Chinese Renminbi (RMB) fluctuation against the Singapore Dollar which is the distribution pay out currency.	› Adopt natural hedging where possible, by borrowing in RMB which matches the revenue stream generated from our investments. › Regularly review and monitor the foreign currency translation reserve as the account balance is affected by CLCT Group's overseas investments in foreign subsidiaries whose net assets are exposed to currency translation risk. › Adopt prudent forex policy to ensure at least 50% of the distributable income is hedged from RMB to SGD to protect downside to the cashflow.	› Managing our financial risks well gives confidence to our investors.
Fraud, Bribery & Corruption › Any forms of fraud, bribery and corruption that could be perpetuated by employees, third parties or collusion between employees and third parties.	› Promote an ethical culture at all levels of CLI. › Adopt a zero-tolerance stance against fraud, bribery and corruption (FBC) in the conduct of business and reinforce the importance of integrity – one of the CLI's core values. › Communicate the commitment to integrity from the top through policies and practices, such as FBC Risk Management Policy, Whistle- blowing Policy, Ethics and Code of Business Conduct Policies and Anti-Money Laundering and Countering the Financing of Terrorism Policy and mandatory FBC eLearning.	› Enhance our positive reputation and strong track record in sustainability efforts as a competitive advantage for CLCT Group to build a resilient portfolio of assets and achieve resources efficiency. › Accelerate sustainability innovation and collaboration with tenants, supply chain contractors, vendors and suppliers.
Funding & Liquidity › Poor management of cash flows can result in funding gaps which may lead to financial losses and defaults, delays in project completion, and negative reputational impact.	› Actively monitor CLCT Group's debt maturity profile, operating cash flows and the availability of funding to ensure that there are sufficient liquid reserves, in the form of cash and banking facilities, to finance CLCT Group's working capital obligations and operating needs. › Access to various sources of funds from both banks and capital markets to minimise over-reliance on a single source of funds for any funding or refinancing requirement.	› Managing our financial risks well gives confidence to our investors.

Material Risks	Key Mitigating Actions	Opportunities
Interest Rate › Exposed to interest rate volatility on some debts which are on floating basis.	› Actively review and maintain an optimal mix of fixed and floating interest rate borrowings by adopting prudent and balance interest risk profile. › Adopt a policy that requires the majority of CLCT Group debts' interest rate to be on fixed basis. This is managed through borrowing at fixed rate or the use of hedging instruments, such as interest rate swaps, to partially mitigate the risk of unfavourable interest rate fluctuations.	› Managing our financial risks well gives confidence to our investors.
Investment & Divestment › Deployment of capital into loss- making or below-target return investments due to wrong underwriting assumptions or poor execution. › Inadequate planning to identify suitable divestment opportunities.	› Evaluate all investments against a rigorous set of investment criteria. › Hurdle rates and weighted average cost of capital based on relevant risk adjusted input parameters, used as investment benchmarks are reviewed/ updated annually and adjusted accordingly where necessary. › The Board reviews and approves all major investment and divestment decisions. › Conduct rigorous due diligence reviews on all investment and divestment proposals. › Integrate sustainability in real estate life cycle from the earliest stage of our investment, redevelopment and divestment processes.	› Strong experience and track record in multi-sector asset and portfolio management is our competitive advantage.
Political & Policy › Exposed to political leadership uncertainty, inconsistent public policies, social unrest, change in property-related regulations and other events. › Such risks may have a direct impact to the economic and sociopolitical environment, which may in turn affect the financial viability of CLCT Group's investments.	› Keeping abreast with economic and political developments and policy changes. › CLCT Group's properties are operated by experienced management team familiar with the local cultures and environment.	› Access investment opportunities across different asset classes to enhance portfolio diversification.

Material Risks	Key Mitigating Actions	Opportunities
Regulatory & Compliance › Non-compliance with applicable local laws and regulations, including relevant data protection and privacy regulations, in the markets CLCT Group operates in, which may lead to hefty penalties/fines and negative publicity.	› Maintain a framework that proactively identifies the applicable laws and regulations, and embeds compliance into day-to-day operations. › Leverage in-house specialised teams such as compliance and tax to provide advisory services and updates on latest changes to laws and regulations. › CLI establishes group-wide procedures and policies to address the requirements of the applicable data protection and privacy laws through policies such as, Personal Data Protection Policy, Group Data Breach Reporting & Management Policy, Group Vendor Management Policy, Global Omnichannel Marketing Policy, Group Data Governance Policy and PDPA Group Compliance Manual.	› Keeping abreast on the changing regulatory landscape allow us to focus on the potential improvements in the various compliance areas.
Safety, Health & Well-being › Increased expectations from stakeholders to provide a safe and healthy environment, including well-being, at CLCT Group's assets and operations.	› Regularly review CLCT Group's mitigation efforts which include work-related safety targets applicable to both CLCT Group and our supply chains. › CLI has a well-established Group health and safety management system which is externally certified to ISO 45001. › For more information, please refer to CLCT's Integrated Sustainability Report FY 2021, to be published in the middle of April 2022.	› Enhance our positive reputation and strong track record in sustainability efforts as a competitive advantage for CLCT Group to build a resilient portfolio of assets and achieve resources efficiency. › Accelerate sustainability innovation and collaboration with tenants, supply chain contractors, vendors and suppliers.
Sales & Leasing › Strong competition, poor economic and market conditions are some key factors that could result in key tenants not renewing their leases, adversely affecting the leasing performance of CLCT Group's properties.	› Establish and maintain a diversified and sustainable tenant mix. › Proactive tenant management strategies to understand and address customers' changing needs. › Proactive tenant management strategies which are in line with our properties. › Closely monitor tenants' performance and maintain positive relationships and rapport with them to build loyalty with CLCT Group's properties.	› Targeting high quality tenants from emerging high growth sectors.

ENGAGING IN TWO-WAY COMMUNICATION WITH THE INVESTMENT COMMUNITY

CLCTML is committed to provide the investor and media community with timely, accurate and transparent information in order to create long-term value for our Unitholders. Regular and proactive engagement with the investment community is conducted to provide a clear overview and explanation of CLCT's business, operating performance and future growth strategy to raise the profile of CLCT among investors. The valuable feedback and insights gathered from these engagements allow the Investor Relations (IR) team to understand the investment community's views and concerns as well as aid the management in investment decisions. The stakeholder groups include Unitholders, potential retail and institutional investors, analysts and the media.

Our commitment to Unitholders is underpinned by our "Unitholders' Communication and Investor Relations Policy", which addresses CLCT's guiding principles of its approach. The policy is accessible on CLCT's corporate website (www.clct.com.sg) under the Investor Relations section.

To facilitate the prompt dissemination of information, all announcements and news are published on CLCT's corporate website including financial results, business updates, annual reports, property details as well as presentation decks used at conferences and roadshows. Investors may also sign up for email alerts to receive timely updates on CLCT's latest announcements and press releases. A dedicated "Ask Us" email address (ask-us@clct.com.sg) is also available to address queries from investors and the general public.

PROACTIVE ENGAGEMENT THROUGH MULTIPLE CHANNELS

To cultivate relationships with key stakeholders and to broaden and diversify Unitholder base, the IR team proactively engages with the investment community through multiple platforms and channels.

With the onset of the COVID-19 pandemic that limited international travel, the IR team adapted swiftly its engagement with the investment community by participating in virtual conferences targeting institutional and retail investors across various geographic regions. This year, the IR team focused on engaging Chinese investors more frequently. Cumulative in 2021, the CLCT management team spoke with more than 300 investors globally and locally through conferences, virtual non-deal roadshow, panel discussions and one-on-one calls.

Retail investors are an important part of our investor outreach efforts. CLCTML participated in the REITs Symposium 2021 Online Edition in May 2021. Attended by around 2,000 unique attendees, the REITs Symposium provided a good platform for participants to listen to the perspective and strategic direction of CLCT as well as raise questions and interact with the management. CLCT is a member of the Investor Relations Professional Association Singapore (IRPAS) and the REITAS.

COVERAGE BY EQUITY RESEARCH HOUSES

Throughout the year, the IR team proactively engaged analysts, resulting in one new coverage from HSBC Global Research and bringing the total number of analyst coverage to six.

CLCTML will continue to work with various securities firms and banks to expand our outreach to institutional investors, private banking clients, high net worth individuals and retail investors in new geographical locations.

AGMS AND EGMS

AGMs and EGMs provide an important channel of communication between the management and Unitholders.

CLCTML engages retail Unitholders virtually through small and large group meetings before AGMs. We collaborate with Securities Investors Association (Singapore) (SIAS) every year to connect with retail Unitholders through pre-AGM virtual sessions.

For CLCT's AGM in April 2021, the meeting was held by electronic means as Unitholders were not allowed to attend in person due to COVID-19 restriction orders in Singapore. Unitholders were invited to submit substantial and relevant questions ahead of the AGM and to vote by appointing the Chairman of the Meeting as proxy at the meetings. All five resolutions were passed. The result was published on SGXNet and on CLCT's corporate website. The AGM minutes was uploaded on the website for greater transparency.

On 12 October 2021, CLCT made its first foray into China logistics with an accretive acquisition of four prime logistics parks. The IR team developed a holistic communications plan that fully encapsulated the key investment merits to garner investor support for the acquisition in this new asset class. The management team held a live analyst and media briefing on the morning of the announcement to narrate the rationale of this investment and CLCT's long term fundamental outlook, and at the same time address any queries regarding this acquisition. Resulting from the proactive communication, the private placement was oversubscribed and saw strong participation from new and existing institutional investors.

AWARDS AND ACCOLADES

In 2021, CLCT was the only organisation to win two awards-by-nomination trophies at the IR Magazine Forum & Awards - South East Asia:

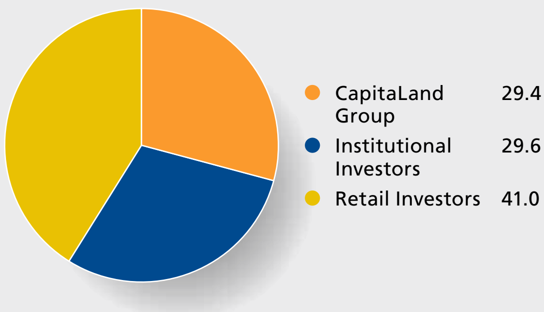
- Best IR during a Corporate Transaction; and
- Best Use of Multimedia for IR

The awards are won in recognition of the IR team's strong engagement and communication efforts for CLCT's maiden acquisition of business parks properties in 2020, and the corresponding acquisition video developed to bring the proposed assets to investors in view of travel restrictions.

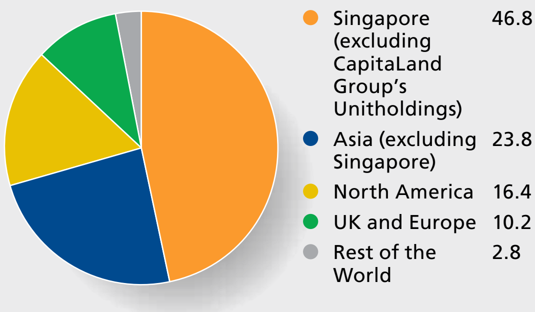
Awards won by CLCT at the IR Magazine Forum & Awards – South East Asia 2021

CLCT is a component stock of FTSE Straits Times Real Estate Investment Trust Index, FTSE EPRA Nareit Global Emerging Index, GPR 250 REIT Index as well as other indices.

UNITHOLDINGS BY INVESTOR TYPE (%)
(As at 31 December 2021)



UNITHOLDERS BY GEOGRAPHY[1] (%)
(As at 31 December 2021)



1. Excludes unidentified and unanalysed holdings.

Events	
1st Quarter	FY 2020 post-results Analyst & Media Briefing FY 2020 post-results call with investors SGX & Goldman Sachs Virtual Corporate Access Day 2021
2nd Quarter	1Q 2021 Business Update call with investors CLCT Annual General Meeting REITs Symposium 2021 Online Edition Maybank-SGX-REITAS Conference 2021 UBS OneASEAN Virtual Conference 2021
3rd Quarter	1H 2021 post-results Analyst & Media Briefing 1H 2021 post-results call with investors UOB REITs Corporate Day 2021 Citi-REITAS-SGX C-Suite Sponsors & REITs Forum 2021 Citi-CL Group and Listed Trust Corporate Day 2021 SGX-Haitong Securities: Singapore Corporate Day 2021 SGX-CS Real Estate Day 2021 Non-deal Roadshow (NDR), China
4th Quarter	3Q 2021 Business Update call with investors Daiwa Investment Conference Hong Kong 2021 Analyst & Media Briefing for the Proposed Acquisition of Four Prime Logistics Properties in Shanghai, Kunshan, Wuhan and Chengdu DBS-CapitaLand Investment & REITs Taiwan Corporate Day Non-deal Roadshow (NDR), China

Financial Calendar 2022/2023 (Dates are indicative and are subject to change)	
Second Half Distribution to Unitholders	March 2022
Annual General Meeting	April 2022
First Quarter Business Updates	April 2022
First Half Results Announcement	July 2022
First Half Distribution to Unitholders	September 2022
Third Quarter Business Updates	October 2022
Full Year Results Announcement	January 2023
Full Year Distribution to Unitholders	March 2023

UNITHOLDER & MEDIA ENQUIRIES

If you have any enquiries or would like to find out more about CLCT, please contact:

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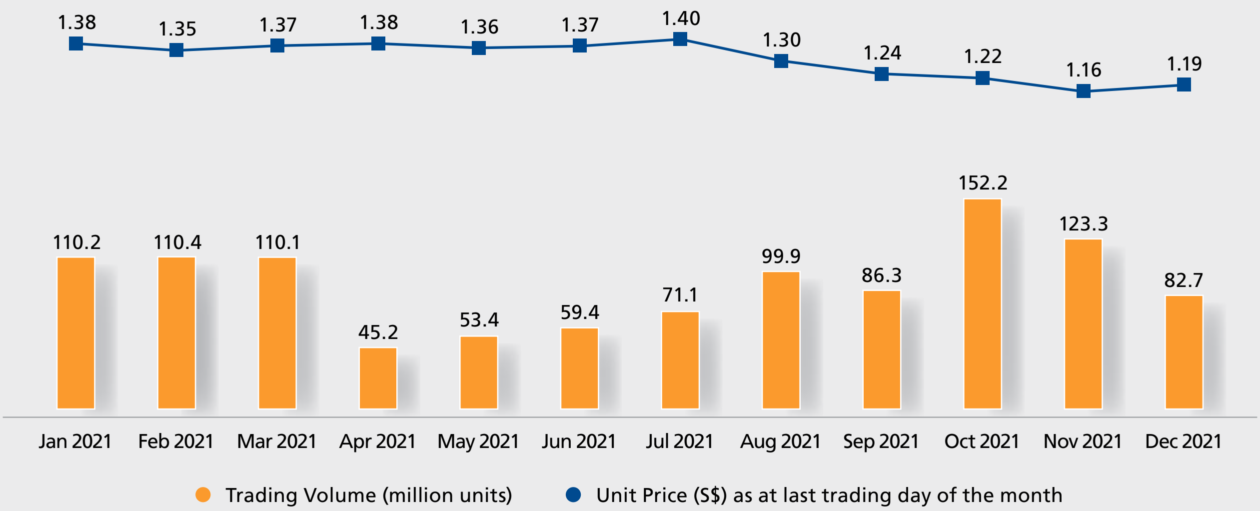
Website : https://investors.sgx.com/dashboard

Unit Price Performance

As at 31 December 2021, CLCT's market capitalisation stood at S$2.0 billion, maintaining the REIT's position of being the largest multi-asset China focused S-REIT. To further strengthen its portfolio resilience through market cycles, CLCT has been actively diversifying its asset class and geographic concentration. Total trading volume for the year reached 1.1 billion units in FY 2021, translating to an average daily trading volume of 4.4 million units.

CLCT TRADING DATA IN FY 2021	
Opening Unit Price on 4 January 2021	1.39
Closing Unit Price on 31 December 2021	1.19
Highest Unit Price (S$)	1.48
Lowest Unit Price (S$)	1.15
Average Closing Unit Price (S$)	1.32
Total Volume Traded (million units)	1,104
Average Daily Trading Volume (million units)	4.4
Market Capitalisation (S$ billion)	2.0
Net Asset Value Per Unit (S$)	1.56

CLCT MONTHLY TRADING PERFORMANCE FOR FY 2021

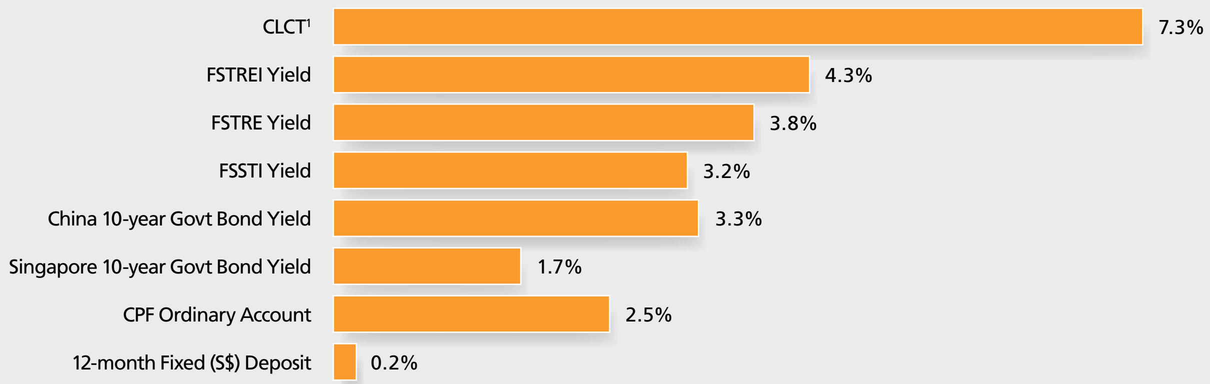


RETURN ON INVESTMENT

	1 Year		3 Year	
	Price Change	Total Return[1]	Price Change	Total Return[1]
CLCT	-14.4%	-9.4%	-12.7%	6.8%
STI	9.3%	13.0%	2.8%	15.3%

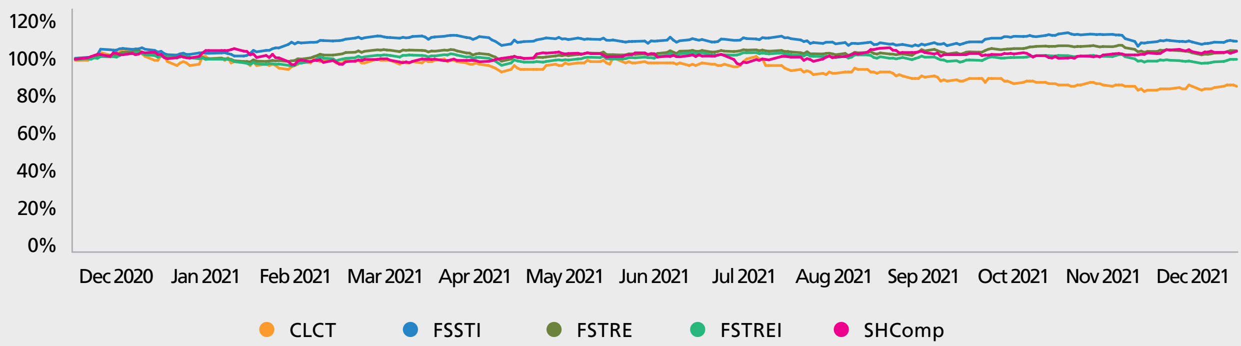
Source: Bloomberg
1. Assumes dividends were reinvested.

COMPARATIVE YIELDS (%)
(As at 31 December 2021)

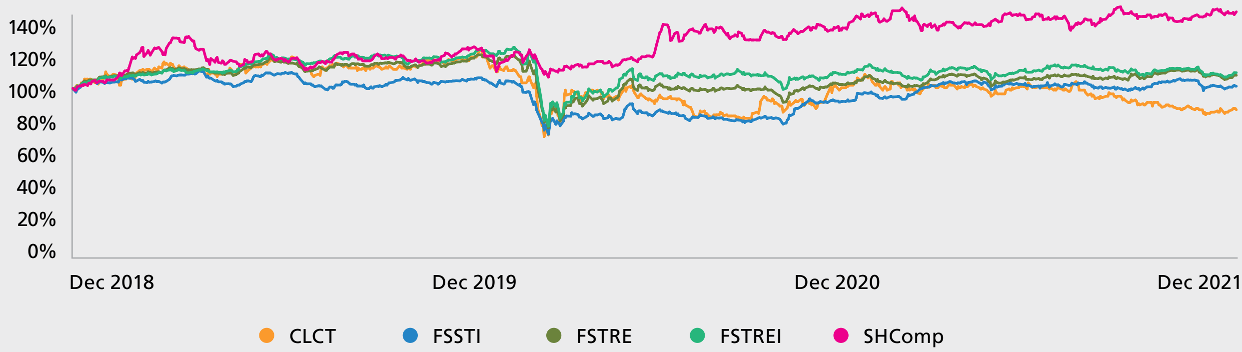


Source: Bloomberg, CLCTML, Central Provident Fund (CPF) Board, Monetary Authority of Singapore
1. Based on FY 2021 distribution per unit of 8.73 S cents and the unit closing price of S$1.19 on 31 December 2021.

TRADING PERFORMANCE OF CLCT COMPARED TO MAJOR INDICES FOR FY 2021



TRADING PERFORMANCE OF CLCT COMPARED TO MAJOR INDICES FROM FY 2019 TO FY 2021



Portfolio Overview

OVERVIEW

CLCT has a geographically diversified portfolio of 11 retail properties, five business parks and four logistics parks located in 12 prominent cities across China with an aggregate GFA of approximately 2.0 million sq m. The portfolio recorded a committed occupancy rate of 96.4% and WALE of 2.6 years by Net Lettable Area (NLA) and 2.2 years by Gross Rental Income (GRI) as at 31 December 2021.

HIGH-QUALITY TENANT BASE ACROSS DIVERSIFIED TRADE SECTORS

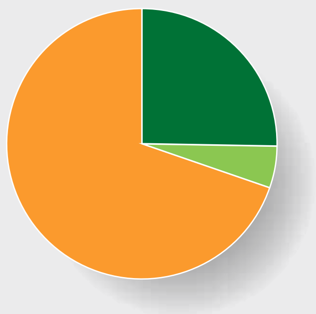
CLCT's portfolio has a well-diversified tenant base of more than 3,000 leases spanning across more than 24 different trade sectors. The top three largest trade sectors (Food & Beverage, Fashion, and Supermarket) accounted for 43.1% of the portfolio's GRI[1], a decrease of 19.5% from 62.6% as at 31 December 2020. The reduction is attributed to the introduction of high growth new economy tenants within CLCT's newly acquired business park and logistics park portfolio. The new economy sector contributes 30.5% of CLCT's GRI as at 31 December 2021.

Despite headwinds from the COVID-19 pandemic, CLCT remained focused on enhancing tenant diversification in its portfolio to provide greater income stability across market cycles. To further improve portfolio resilience, the REIT proactively increased its tenant mix towards essential sectors for retail properties, and emerging and high growth sectors for its business park and logistics park properties. As at 31 December 2021, 44.1% of CLCT's retail tenants fall within the essential trade category[2] by GRI while 62.7% of its business park tenants are from emerging sectors[2] and 96.0% of its logistics park tenants are from high growth sectors[2].

BREAKDOWN OF CLCT PORTFOLIO BY TRADE SECTOR[1]
(As at 31 December 2021)

Retail	69.5
Food & Beverage	22.7
Fashion	15.3
Supermarket	5.1
Beauty & Healthcare	4.3
Sporting Goods & Apparel	2.9
Leisure & Entertainment	2.8
Services	2.8
Education	2.3
Jewellery / Watches / Pens	1.9
Information & Technology	1.9
Houseware & Furnishings	1.9
Shoes & Bags	1.5
Other Retail and Product Trades	4.1

BY GRI (%)



Business Park	25.4
Electronics	4.6
Engineering	3.5
Information & communications Technology	3.1
Professional Services	2.7
Biomedical Sciences	2.0
E-Commerce	1.7
Financial Services	1.1
Other Business Park Trades	6.7

Logistics Park	5.1
Logistics & Warehouse	3.8
E-Commerce	0.7
Distributors & Trading Company	0.3
Pharmaceuticals	0.1
Manufacturing	0.1
Other Logistics Park Trades	0.1

1. Portfolio includes retail and new economy assets as at 31 December 2021 on a 100% basis.
2. Essential Sectors are defined as Supermarket, F&B and Services. High Growth Emerging Sectors are defined as Electronics, Engineering, E-commerce, ICT, Financial Services and Biomedical Sciences.

TOP 10 TENANTS[1]

(Based on percentage of Total Rental Income in the month of December 2021)

As at 31 December 2021, no single tenant contributed more than 2.5% of the portfolio's Total Rental Income. The portfolio's biggest tenant exposure is Carrefour Group. Carrefour takes up anchor spaces at CapitaMall Grand Canyon, CapitaMall Shuangjing and CapitaMall Qibao. In FY 2021, CLCT recovered approximately 14,000 sq m of anchor department space from BHG in CapitaMall Wangjing. Upon the expected completion of asset enhancement initiatives in 3Q 2022, the refreshed and optimised space will introduce smaller and high-yielding tenants across various trade mix to provide a wide range of quality brand offerings, improving CLCT's largest tenant exposure to approximately 2.5%.

In FY 2021, with the portfolio's diversification into new economy asset classes, five out of CLCT's top 10 tenants (5.6% of Total Rental Income) are from its business parks and logistics parks. The reduced exposure to retail sector and increased exposure to new economy asset class enables CLCT to be better aligned with China's economic and thematic opportunities. Collectively, the top 10 largest tenants accounted for 13.2% of the Total Rental Income for the month of December 2021, down from 17.1% last year, decreasing tenant concentration risk within the portfolio.

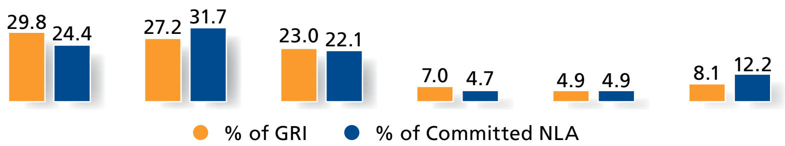
No.	Tenant[2]	Names	Trade Sector	% of Total Rental Income[3]
1	Carrefour Group of Companies	Carrefour	Supermarket	2.5
2	JD.com Group of Companies	Jingxundi Supply Chain Management Jingbangda Supply Chain Management	E-commerce Logistics and Warehouse	2.0
3	BHG Group of Companies	Beijing Hualian Supermarket Costa Coffee	Supermarket Food & Beverages	1.9
4	Bestseller Group of Companies	Only Jack & Jones Vero Moda Selected	Fashion & Accessories	1.4
5	Ping An Insurance	Ping An Insurance	Financial Services	1.1
6	UNIQLO Group of Companies	UNIQLO	Fashion & Accessories	1.0
7	Yun Feng Logistics	Yun Feng International	Logistics and Warehouse	0.9
8	Tian Heng Logistics	Tian Heng International	Logistics and Warehouse	0.8
9	B&Q	B&Q	Houseware & Furnishings	0.8
10	Hangzhou Lelong	Lelong Technology	Real Estate	0.8

1. Based on CLCT's effective interest in each property. Including 51% interest in Ascendas Xinsu Portfolio, 80% interest in Ascendas Innovation Hub, 80% interest in Singapore-Hangzhou Science & Technology Park Phase I And Phase II.
2. Tenants that are under the same group of companies are listed together.
3. Includes both gross rental income and the gross turnover rental income (GTO) components to account for pure GTO leases.

PORTFOLIO LEASE EXPIRY PROFILE

As at 31 December 2021, the portfolio's weighted average lease expiry (WALE)[1] are 2.2 years by GRI and 2.6 years by NLA. For new and renewed leases signed in 2021[2], the weighted average lease expiry is 2.2 years by GRI and accounts for 48.2% of the committed GRI in the month of December. The leases due in the next two years in FY 2022 and FY 2023 account for 29.8% and 27.2% of CLCT portfolio's GRI respectively.

PORTFOLIO LEASE EXPIRY PROFILE (%)
(As at 31 December 2021)



	2022	2023	2024	2025	2026	Beyond 2026
% of Total GRI for the month of December 2021	29.8	27.2	23.0	7.0	4.9	8.1
% of Total NLA for the month of December 2021	24.4	31.7	22.1	4.7	4.9	12.2

1. Based on leases entered into and commenced in 2021, the portfolio WALE by GRI and NLA would be 2.2 years and 2.4 years respectively.
2. Based on leases entered into and commenced in 2021, the new and renewal leases WALE by GRI would be 2.1 years and accounts for 41.8% of the GRI in the month of December.

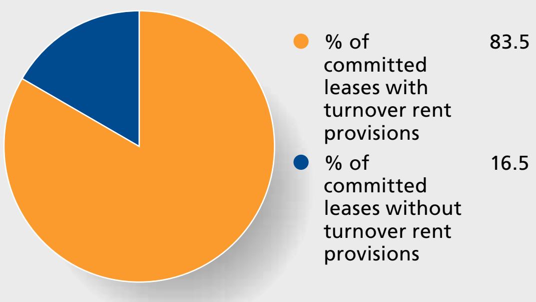
Retail Portfolio

FAVOURABLE LEASE STRUCTURE WITH UPSIDE

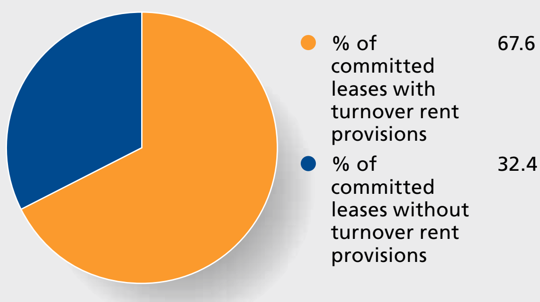
CLCT's retail leases are structured to generate stable income with growth upside. The retail GRI comprises base rental income, service fee and advertising and promotion fee. Approximately 83.5% of the leases (by GRI) hold turnover rent provisions, enabling the REIT to participate in the growth of high performing tenants while providing stable base rent.

Additionally, majority of CLCT's leases for anchor and mini anchor retail tenants are structured with annual escalations, providing further stable organic growth to the income stream.

% OF COMMITTED LEASES WITH TURNOVER RENT PROVISIONS BY GROSS RENTAL INCOME
(As at 31 December 2021)



% OF COMMITTED LEASES WITH TURNOVER RENT PROVISIONS BY NLA
(As at 31 December 2021)



LEASE RENEWALS AND NEW LEASES

In FY 2021, CLCT signed 867 new and renewal retail leases[1,2,3], accounting for 82,348 sq m or 18.0% of the multi-tenanted malls' NLA. These new and renewal retail leases recorded an average rental reversion of -3.4%.

In the near-term, CLCT expects pressure on asking rents for new and renewal leases, taking into account the uneven pace of recovery among the retail trade sectors as well as the temporary measures undertaken to contain the resurgence of COVID-19 cases in specific cities.

SUMMARY OF RENEWALS/NEW LEASES[1]

(From 1 January 2021 to 31 December 2021)

	Number of New Leases/ Renewals in FY 2021	Area (sq m)	% of Total NLA	Variance over Preceding Rental[2,3,4]
CapitaMall Xizhimen	121	12,413	24.5	(5.6%)
Rock Square	96	14,470	27.1	7.9%
CapitaMall Wangjing	76	6,915	18.4	(10.3%)
CapitaMall Grand Canyon	38	3,547	8.0	(3.9%)
CapitaMall Xuefu	214	19,716	30.7	(1.2%)
CapitaMall Xinnan	90	6,744	18.2	(11.2%)
CapitaMall Nuohemule	42	1,671	3.8	2.8%
CapitaMall Yuhuating	73	4,691	9.7	6.4%
CapitaMall Aidemengdun	65	5,474	19.4	(15.0%)
CapitaMall Qibao	52	6,707	13.2	(13.6%)
CLCT's Retail Portfolio	**867**	**82,348**	**18.0**	**(3.4%)**

1. Excludes master-leased mall. CapitaMall Minzhongleyuan and CapitaMall Saihan have been divested in February 2021 and June 2021 respectively.
2. Excludes gross turnover component, newly created units leased, short term renewals (< 1 year) and units vacant for >=1 year.
3. Includes re-configured units.
4. Calculated as last period outgoing rent of old lease versus first period incoming rent of new lease.

RETAIL LEASE EXPIRY PROFILE

Excluding CapitaMall Shuangjing, all of CLCT's properties are considered multi-tenanted. CLCT strives to optimise rental reversions of these properties while actively improving the portfolio's operating performance and tenancy mix. Consistent with the market practice in China, CLCT's leases ranges from 15 to 20 years for anchor tenants, five to seven years for mini-anchor tenants, and one to three years for specialty tenants. The REIT engaged its tenants proactively ahead of lease expiries to manage its lease maturities.

As at 31 December 2021, the WALE of CLCT's retail leases are 2.4 years by GRI and 3.8 years by NLA. The retail leases due in the next two years in FY 2022 and FY 2023 account for 29.5% and 22.8% of CLCT's Retail portfolio GRI respectively.

WEIGHTED AVERAGE LEASE EXPIRY BY RETAIL PROPERTY[1]

(As at 31 December 2021)

	Weighted Expiry by GRI (Years)	Weighted Expiry by NLA (Years)
CapitaMall Xizhimen	2.2	3.5
Rock Square	2.9	4.1
CapitaMall Wangjing	2.0	3.0
CapitaMall Grand Canyon	3.3	5.2
CapitaMall Xuefu	1.9	2.5
CapitaMall Xinnan	1.9	2.7
CapitaMall Nuohemule	3.0	6.0
CapitaMall Yuhuating	2.5	7.2
CapitaMall Aidemengdun	2.8	4.0
CapitaMall Qibao	1.7	1.8
CapitaMall Shuangjing	2.3	2.3
CLCT's Retail Portfolio	**2.4**	**3.8**

1. Excludes CapitaMall Saihan and CapitaMall Minzhongleyuan as the malls have been divested in February 2021 and June 2021 respectively.

LEASE EXPIRY PROFILE FOR 2022 BY RETAIL PROPERTY[2]

(As at 31 December 2021)

	No. of Leases	% of GRI[3,4]	% of NLA[5]
CapitaMall Xizhimen	109	31.8	21.5
Rock Square	82	21.1	13.7
CapitaMall Wangjing	109	33.6	17.5
CapitaMall Grand Canyon	44	21.8	8.1
CapitaMall Xuefu	222	38.6	27.3
CapitaMall Xinnan	110	29.6	20.2
CapitaMall Nuohemule	143	33.7	21.3
CapitaMall Yuhuating	138	43.6	24.0
CapitaMall Aidemengdun	71	34.7	23.8
CapitaMall Qibao	37	18.2	12.2
CapitaMall Shuangjing	0	0.0	0.0
CLCT's Retail Portfolio	**1,065**	**29.5**	**17.3**

2. Excludes CapitaMall Minzhongleyuan and CapitaMall Saihan. The divestment of CapitaMall Minzhongleyuan was completed in February 2021. The divestment of CapitaMall Saihan was completed in June 2021.
3. Excludes gross turnover rent.
4. As a percentage of each respective mall's contractual monthly gross rental income for December 2021.
5. As a percentage of each respective mall's committed net lettable area for December 2021.

RETAIL OCCUPANCY

As at 31 December 2021, the retail portfolio registered a committed occupancy rate of 96.3%, an increase from 94.1% as at 31 December 2020.

	As at 31 December 2020 (%)	As at 31 December 2021 (%)
CapitaMall Xizhimen	96.1	99.9
Rock Square	93.1	97.0
CapitaMall Wangjing	93.3	96.7[1]
CapitaMall Grand Canyon	90.4	94.0
CapitaMall Xuefu	97.9	99.5
CapitaMall Xinnan	94.7	95.0
CapitaMall Nuohemule	100.0	99.1
CapitaMall Yuhuating	97.9	98.6
CapitaMall Aidemengdun	92.2	97.8
CapitaMall Qibao	80.6	81.8
CapitaMall Shuangjing	98.5	100.0
CLCT's Retail Portfolio	**94.1**	**96.3**

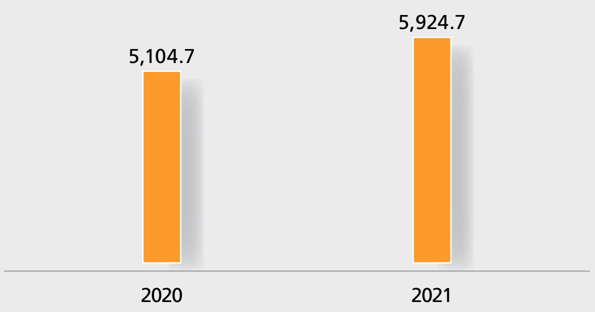
1. Excludes area undergoing AEI.

RETAIL TENANTS' SALES AND SHOPPER TRAFFIC

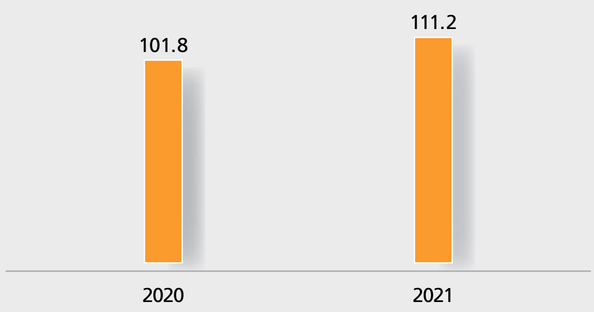
To control the spread of COVID-19, the Chinese Government implemented lockdowns and restrictions at specific areas and cities during the year. To ensure the safety of our shoppers, tenants and employees, CLCT shortened mall operating hours, closed malls, restricted certain trades from operating, as well as adopted strict safe distancing and crowd control measures.

Tenants' sales data are tracked seamlessly with the integration of CLCT's and tenants' point-of-sale systems. In FY 2021, total tenant sales and traffic increased 16.1% and 9.3% year-on-year respectively. CLCT's retail portfolio exhibited steady traffic and tenant sales improvement despite resurgence waves, with swift recovery post re-openings. CLCT will continue to stay ahead of evolving trends to improve our retail offerings and optimise occupancy with the desired trade concepts to meet the needs of today's consumers.

PORTFOLIO TENANTS' SALES[2]
(RMB Million)



SHOPPER TRAFFIC[2]
(Million)



2. Tenants' Sales and Shopper Traffic are based on CLCT's respective holding period of its multi-tenanted assets (namely CapitaMall Xizhimen, Rock Square (100% basis), CapitaMall Wangjing, CapitaMall Grand Canyon, CapitaMall Xuefu, CapitaMall Xinnan, CapitaMall Nuohemule, CapitaMall Saihan, CapitaMall Yuhuating, CapitaMall Aidemengdun and CapitaMall Qibao) in each respective year. Excluded tenant sales and shopper traffic from CapitaMall Minzhongleyuan as the mall has been divested.

New Economy – Business Park

LEASE RENEWALS AND NEW LEASES

A total of 299 new and renewal business park leases were signed in FY 2021, accounting for 179,928 sq m or 25.4% of the business park's NLA. These new and renewal leases, which were signed with high quality, reputable domestic companies and MNCs, achieved an average positive rental reversion of 7.0%.

SUMMARY OF RENEWALS/NEW LEASES[1]

(From 1 January 2021 to 31 December 2021)

	Number of New Leases/ Renewals in FY 2021	Area (sq m)	% of Total NLA	Variance over Preceding Rental[2,3,4]
Ascendas Xinsu Portfolio	138	94,998	27.2	5.1%
Ascendas Innovation Towers	29	16,661	17.4	12.3%
Ascendas Innovation Hub	24	14,600	40.2	2.7%
Singapore-Hangzhou Science & Technology Park (Phase I)	84	38,763	38.2	6.7%
Singapore-Hangzhou Science & Technology Park (Phase II)	24	14,906	11.8	18.3%
CLCT's Business Park Portfolio	**299**	**179,928**	**25.4**	**7.0%**

1. The rental reversion recognition of the various business parks project begin in the month of acquisition completion with the exception of the Singapore-Hangzhou Science & Technology Park Phase I and II. The Singapore-Hangzhou Science & Technology Park Phase I and II projects were completed on 18 June 2021, but the rental reversion were recognised from the month of March 2021. The rental reversion recognition of Ascendas Xinsu Portfolio, Ascendas Innovation Towers and Ascendas Innovation Hub in the months of January 2021, February 2021 and February 2021 respectively.
2. Excludes Amenity tenants' gross turnover component, newly created units leased, short term renewals (< 1 year) and units vacant for >=1 year.
3. Includes re-configured units.
4. Calculated as change in effective rent of outgoing old lease versus effective rent of incoming new lease.

BUSINESS PARK LEASE EXPIRY PROFILE

Consistent with the WALE of business park properties in China, CLCT's business park portfolio has a WALE by GRI and NLA of 1.9 years and 1.9 years respectively as at 31 December 2021. CLCT actively engages tenants ahead of lease expiries to manage its lease maturities. The business park leases due in the next two years in FY 2022 and FY 2023 account for 35.0% and 28.8% of CLCT's business park portfolio GRI respectively.

WEIGHTED AVERAGE LEASE EXPIRY BY BUSINESS PARK PROPERTY

(As at 31 December 2021)

	Weighted Expiry by GRI (Years)	Weighted Expiry by NLA (Years)
Ascendas Xinsu Portfolio	1.8	1.8
Ascendas Innovation Towers	1.5	1.5
Ascendas Innovation Hub	1.6	1.7
Singapore-Hangzhou Science & Technology Park (Phase I)	1.8	1.7
Singapore-Hangzhou Science & Technology Park (Phase II)	2.6	2.7
CLCT's Business Park Portfolio	**1.9**	**1.9**

LEASE EXPIRY PROFILE FOR 2022 BY BUSINESS PARK PROPERTY
(As at 31 December 2021)

	No. of Leases	% of GRI	% of NLA
Ascendas Xinsu Portfolio	137	40.5	40.3
Ascendas Innovation Towers	27	44.4	47.2
Ascendas Innovation Hub	19	26.0	24.9
Singapore-Hangzhou Science & Technology Park (Phase I)	71	33.6	33.7
Singapore-Hangzhou Science & Technology Park (Phase II)	21	17.7	16.7
CLCT's Business Park Portfolio	**275**	**35.0**	**35.4**

BUSINESS PARK OCCUPANCY

As at 31 December 2021, the business park portfolio registered a committed occupancy rate of 96.2%, backed by demand for quality space from high-growth sectors like Electronics, Engineering and Biomedical Science. CLCT's business park portfolio occupancies trend above the respective market occupancies due to proactive active management, campus-style workplace environment that is designed to serve sophisticated and changing tenant needs and cutting-edge technology.

	As at 31 December 2020 (%)	As at 31 December 2021 (%)
Ascendas Xinsu Portfolio	91.6	97.4
Ascendas Innovation Towers	94.2	98.9
Ascendas Innovation Hub	93.8	98.1
Singapore-Hangzhou Science & Technology Park (Phase I)	90.3	89.3
Singapore-Hangzhou Science & Technology Park (Phase II)	94.0	95.7
CLCT's Business Park Portfolio	**92.3**	**96.2**


Ascendas Xinsu Portfolio


Singapore-Hangzhou Science & Technology Park Phase II

New Economy – Logistics Park

LOGISTICS PARK LEASE EXPIRY PROFILE AND LEASE STRUCTURE

CLCT completed the acquisition of four strategically located, premium logistics parks in November 2021. Consistent with the WALE of logistics park properties in China, CLCT's logistics park portfolio has a WALE by GRI and NLA of 2.0 years and 2.0 years respectively as at 31 December 2021. The logistics park leases due in the next two years in FY 2022 and FY 2023 account for 8.5% and 79.5% of CLCT's Logistics Park portfolio GRI respectively. CLCT will continue to adopt proactive lease management strategies to renew or replace these leases ahead of expiry.

Over 80% of the logistics park leases by NLA have rental escalations embedded in lease with step up ranging from 3% to 5% per annum.

WEIGHTED AVERAGE LEASE EXPIRY BY LOGISTICS PARK PROPERTY

(as at 31 December 2021)

	Weighted Expiry by GRI (Years)	Weighted Expiry by NLA (Years)
Shanghai Fengxian Logistics Park	1.9	1.9
Kunshan Bacheng Logistics Park	2.0	2.0
Wuhan Yangluo Logistics Park	1.9	1.9
Chengdu Shuangliu Logistics Park	2.2	2.2
CLCT's Logistics Park Portfolio	**2.0**	**2.0**

LEASE EXPIRY PROFILE FOR 2022 BY LOGISTICS PARK PROPERTY

(As at 31 December 2021)

	No. of Leases	% of GRI	% of NLA
Shanghai Fengxian Logistics Park	0	0.0	0.0
Kunshan Bacheng Logistics Park	1	0.7	1.0
Wuhan Yangluo Logistics Park	10[1]	5.0	4.9
Chengdu Shuangliu Logistics Park	12	31.0	31.3
CLCT's Logistics Park Portfolio	**23**	**8.5**	**9.3**

1. Including dormitory leases.

LOGISTICS PARK OCCUPANCY

As at 31 December 2021, the logistics park portfolio registered a committed occupancy rate of 97.4%. The portfolio is anchored by strong tenants within the logistics park and warehouse, pharmaceuticals, manufacturing and e-commerce space. With proactive management, the occupancy rate reported as at 31 December 2021 improved 1.1%. CLCT remains well-positioned to be the beneficiary of China's growing demand for modern logistics park and warehousing space.

	As at 31 December 2020 (%)	As at 31 December 2021 (%)
Shanghai Fengxian Logistics Park	-	98.6
Kunshan Bacheng Logistics Park	-	99.4
Wuhan Yangluo Logistics Park	-	99.4
Chengdu Shuangliu Logistics Park	-	92.2
CLCT's Logistics Park Portfolio	**-**	**97.4**

In RMB terms, gross revenue in FY 2021 increased RMB769.9 million, 72.9% higher than FY 2020 while Net Property Income (NPI) for FY 2021 increased RMB531.7 million, 78.4% higher than FY 2020.

The increase was attributable to the maiden contribution from the completion of the five business parks and four logistics parks, the consolidation of 100% stake in Rock Square and full contribution from CapitaMall Nuohemule, which officially opened in December 2020. FY 2021 revenue for retail portfolio was higher due to the lower rental relief and lease restructuring that were extended to tenants to tide through COVID-19 in FY 2020 as well as an insurance claim obtained in FY 2021 for CapitaMall Grand Canyon. CapitaMall Grand Canyon was closed for 19 days in the middle of 2020.

Gross Revenue by Property	FY 2021 S$'000	FY 2020 S$'000	% Change	FY 2021 RMB'000	FY 2020 RMB'000	% Change
RETAIL						
CapitaMall Xizhimen	58,346	48,797	19.6	281,890	244,816	15.1
Rock Square[1]	40,955	-	N.M.	197,868	-	N.M.
CapitaMall Wangjing	40,744	39,359	3.5	196,850	197,468	(0.3)
CapitaMall Grand Canyon	19,452	16,945	14.8	93,978	85,014	10.5
CapitaMall Xuefu	31,796	26,413	20.4	153,653	132,517	15.9
CapitaMall Xinnan	24,229	22,525	7.6	117,062	113,010	3.6
CapitaMall Nuohemule[2]	16,737	-	N.M.	80,863	-	N.M.
CapitaMall Yuhuating	15,769	14,421	9.3	76,187	72,353	5.3
CapitaMall Aidemengdun	6,939	6,774	2.4	33,525	33,985	(1.4)
CapitaMall Qibao	14,507	14,192	2.2	70,090	71,203	(1.6)
CapitaMall Shuangjing[3]	8,895	8,640	3.0	42,977	43,348	(0.9)
Total	**278,369**	**198,066**	**40.5**	**1,344,943**	**993,714**	**35.3**
DIVESTED						
CapitaMall Minzhongleyuan[4]	-	1,478	-	-	7,419	-
CapitaMall Saihan[4]	107	10,981	(99.0)	522	55,093	(99.1)
Total Gross Revenue For Retail	**278,476**	**210,525**	**32.3**	**1,345,465**	**1,056,226**	**27.4**
BUSINESS PARK[5]						
Ascendas Xinsu Portfolio	43,910	-	N.M.	212,148	-	N.M.
Ascendas Innovation Towers	14,636	-	N.M.	70,708	-	N.M.
Ascendas Innovation Hub	5,797	-	N.M.	28,009	-	N.M.
Singapore-Hangzhou Science & Technology Park (Phase I)	15,800	-	N.M.	76,338	-	N.M.
Singapore-Hangzhou Science & Technology Park (Phase II)	16,715	-	N.M.	80,756	-	N.M.
Total Gross Revenue For Business Park	**96,858**	**-**	**N.M.**	**467,959**	**-**	**N.M.**

1. Rock Square: Presented on 100% stake for FY 2021 (acquisition of remaining 49% stake in Rock Square was completed on 30 December 2020), the 51% stake in FY 2020 was reported as contribution from Joint Venture.
2. CapitaMall Nuohemule was officially opened on 20 December 2020.
3. CapitaMall Shuangjing is a master-leased mall.
4. CapitaMall Minzhongleyuan was divested in February 2021 and CapitalMall Saihan was divested in June 2021.
5. FY 2021 includes contributions from Ascendas Xinsu Portfolio, Ascendas Innovation Towers and Ascendas Innovation Hub from 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.

Gross Revenue by Property	FY 2021 S$'000	FY 2020 S$'000	% Change	FY 2021 RMB'000	FY 2020 RMB'000	% Change
LOGISTICS PARK[1]						
Shanghai Fengxian Logistics Park	792	-	N.M.	3,825	-	N.M.
Kunshan Bacheng Logistics Park	640	-	N.M.	3,093	-	N.M.
Wuhan Yangluo Logistics Park	720	-	N.M.	3,480	-	N.M.
Chengdu Shuangliu Logistics Park	481	-	N.M.	2,325	-	N.M.
Total Gross Revenue For Logistics Park	**2,633**	**-**	**N.M.**	**12,723**	**-**	**N.M.**
Total Gross Revenue	**377,967**	**210,525**	**79.5**	**1,826,147**	**1,056,226**	**72.9**

1. FY 2021 includes contribution from Shanghai Fengxian Logistics Park, Kunshan Bacheng Logistics Park, Wuhan Yangluo Logistics Park, Chengdu Shuangliu Logistics Park following the completion date on 10 November 2021. No income support has been utilised in FY 2021; however, CLCT is entitled to utilise income support as it is currently held by CLCT.

NPI by Property	FY 2021 S$'000	FY 2020 S$'000	% Change	FY 2021 RMB'000	FY 2020 RMB'000	% Change
RETAIL						
CapitaMall Xizhimen	39,753	33,398	19.0	192,056	167,469	14.7
Rock Square[2]	28,382	-	N.M.	137,125	-	N.M.
CapitaMall Wangjing	28,022	28,322	(1.1)	135,387	142,097	(4.7)
CapitaMall Grand Canyon	12,056	10,127	19.0	58,247	50,811	14.6
CapitaMall Xuefu	19,970	16,211	23.2	96,518	81,334	18.7
CapitaMall Xinnan	16,135	16,323	(1.2)	77,958	81,894	(4.8)
CapitaMall Nuohemule[3]	7,371	-	N.M.	35,575	-	N.M.
CapitaMall Yuhuating	9,351	8,373	11.7	45,177	42,008	7.5
CapitaMall Aidemengdun	2,431	2,783	(12.6)	11,743	13,961	(15.9)
CapitaMall Qibao	9,281	9,530	(2.6)	44,840	47,812	(6.2)
CapitaMall Shuangjing[4]	7,070	7,093	(0.3)	34,162	35,588	(0.4)
Total Multi-Tenanted Malls	**179,822**	**132,160**	**36.1**	**868,788**	**662,974**	**31.0**
DIVESTED						
CapitaMall Minzhongleyuan[5]	-	(34)	-	-	(166)	-
CapitaMall Saihan[5]	(95)	3,319	N.M.	(464)	16,646	N.M.
CapitaMall Erqi[6]	-	(249)	-	-	(1,260)	-
Total NPI For Retail	**179,727**	**135,196**	**32.9**	**868,324**	**678,194**	**28.0**

2. Rock Square: Presented on 100% basis for FY 2021 (acquisition of remaining 49% stake in Rock Square was completed on 30 December 2020) and 51% basis for FY 2020 for comparative purpose. In 2020, the 51% stake was accounted as share in Joint Venture.
3. CapitaMall Nuohemule was officially opened on 20 December 2020.
4. CapitaMall Shuangjing is a master-leased mall.
5. CapitaMall Minzhongleyuan was divested in February 2021 and CapitalMall Saihan was divested in June 2021.
6. CapitaMall Erqi was divested with effect from June 2020.

NPI by Property	FY 2021 S$'000	FY 2020 S$'000	% Change	FY 2021 RMB'000	FY 2020 RMB'000	% Change
BUSINESS PARK[1]						
Ascendas Xinsu Portfolio	31,952	-	N.M.	154,373	-	N.M.
Ascendas Innovation Towers	9,234	-	N.M.	44,610	-	N.M.
Ascendas Innovation Hub	4,117	-	N.M.	19,890	-	N.M.
Singapore-Hangzhou Science & Technology Park (Phase I)	10,439	-	N.M.	50,438	-	N.M.
Singapore-Hangzhou Science & Technology Park (Phase II)	13,102	-	N.M.	63,301	-	N.M.
Total NPI For Business Park	**68,844**	**-**	**N.M.**	**332,612**	**-**	**N.M.**
LOGISTICS PARK[2]						
Shanghai Fengxian Logistics Park	654	-	N.M.	3,159	-	N.M.
Kunshan Bacheng Logistics Park	424	-	N.M.	2,049	-	N.M.
Wuhan Yangluo Logistics Park	523	-	N.M.	2,526	-	N.M.
Chengdu Shuangliu Logistics Park	255	-	N.M.	1,231	-	N.M.
Total NPI For Logistics Park	**1,856**	**-**	**N.M.**	**8,965**	**-**	**N.M.**
Total NPI	**250,427**	**135,196**	**85.2**	**1,209,901**	**678,194**	**78.4**

1. FY 2021 includes contributions from Ascendas Xinsu Portfolio, Ascendas Innovation Towers and Ascendas Innovation Hub from 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.
2. FY 2021 includes contribution from Shanghai Fengxian Logistics Park, Kunshan Bacheng Logistics Park, Wuhan Yangluo Logistics Park, Chengdu Shuangliu Logistics Park following the completion date on 10 November 2021.

New sports offering at CapitaMall Yuhuating and CapitaMall Grand Canyon

VALUATION OF PORTFOLIO

	Valuation 2021 RMB Million	Valuation 2020 RMB Million	Valuation 2021 (in per sq m of GRA) RMB	Valuation 2021 S$ Million	Valuation 2020 S$ Million
RETAIL					
CapitaMall Xizhimen	3,620.0	3,580.0	43,575	766.6	730.4
Rock Square[1]	3,422.0	3,414.0	40,937	724.7	696.5
CapitaMall Wangjing	2,795.0	2,772.0	41,097	591.9	565.5
CapitaMall Grand Canyon	2,022.0	2,125.0	28,899	428.2	433.6
CapitaMall Xuefu	1,789.0	1,774.0	17,153	378.9	361.9
CapitaMall Xinnan	1,611.0	1,600.0	30,045	341.2	326.4
CapitaMall Nuohemule	1,020.0	1,006.0	13,367	216.0	205.2
CapitaMall Yuhuating	770.0	760.0	13,146	163.1	155.1
CapitaMall Aidemengdun	446.0	469.0	10,278	94.4	95.7
CapitaMall Qibao[2]	55.0	83.0	756	11.6	16.9
CapitaMall Shuangjing	616.0	610.0	12,454	130.5	124.5
DIVESTED					
CapitaMall Minzhongleyuan[3]	-	440.9	-	-	90.0
CapitaMall Saihan[4]	-	460.0	-	-	93.8
BUSINESS PARK[5]					
Ascendas Xinsu Portfolio	2,294.0	-	6,145	485.8	-
Ascendas Innovation Towers	794.0	-	6,701	168.1	-
Ascendas Innovation Hub	305.0	-	7,522	64.6	-
Singapore-Hangzhou Science & Technology Park (Phase I)	672.0	-	6,600	142.3	-
Singapore-Hangzhou Science & Technology Park (Phase II)	814.0	-	6,249	172.4	-

1. Based on 100% stake of Rock Square as acquisition of the remaining 49% stake was completed on 30 December 2020.
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 in January 2024, with the right to renew for a further term of 19 years and two months from January 2024 at the option of the Group. Accordingly, the land use rights is held by Jin Qiu. The valuation is on the basis that CLCT did not exercise its option which expired on 31 January 2021.
3. No carrying amount disclosed as at 31 December 2021 because CapitaMall Minzhongleyuan was divested in February 2021. The carrying amount as at 31 December 2020 includes the valuation of the retail mall and carrying amount of three residential units.
4. No carrying amount disclosed as at 31 December 2021 because CapitaMall Saihan was divested in June 2021.
5. Ascendas Xinsu Portfolio, Ascendas Innovation Towers, Ascendas Innovation Hub and Singapore Hangzhou Science & Technology Park Phase I & II which the acquisitions were completed on 4 January 2021, 10 February 2021, 26 February 2021 and 18 June 2021 (with the consolidation of the P&L from 15 February 2021 as agreed under the sale and purchase agreement respectively).

N.M. - not meaningful

VALUATION OF PORTFOLIO (CONTINUED)

	Valuation 2021 RMB Million	Valuation 2020 RMB Million	Valuation 2021 (in per sq m of GRA) RMB	Valuation 2021 S$ Million	Valuation 2020 S$ Million
LOGISTICS PARK[1]					
Shanghai Fengxian Logistics Park	624.0	-	9,939	132.1	-
Kunshan Bacheng Logistics Park	330.0	-	7,509	69.9	-
Wuhan Yangluo Logistics Park	383.0	-	4,404	81.1	-
Chengdu Shuangliu Logistics Park	357.0	-	4,989	75.6	-
Total	**24,739.0**	**19,093.0**	**N.M.**	**5,239.0**	**3,895.5**

1. Completed the acquisition of the four logistics parks on 10 November 2021.

	S$'000
Investment Properties as at 31 December 2021[2]	5,249,617
Decrease in valuation for FY 2021[3]	(10,220)

2. The carrying amount of the investment properties includes the carrying amount of Business Parks and Logistics Parks.
3. Includes change in fair value of ROU assets.


Shanghai Fengxian Logistics Park


Kunshan Bacheng Logistics Park

CLCT adheres to a disciplined and prudent set of capital management principles that focuses on a healthy balance sheet alongside diversified sources of funding. CLCT strives to ensure a balanced debt maturity profile with optimal funding costs, and emphasises monitoring of its cash flow position to maintain sufficient liquidity and financial capacity. Interest rate and foreign exchange fluctuation are mitigated through proactive monitoring and adoption of prudent hedging strategy.

STRONG FINANCIAL RESOURCES

CLCT proactively secures funding from both financial institutions and capital markets to address refinancing requirements as well as support portfolio growth initiatives and working capital requirements.

CLCT has in place ample untapped facilities, including undrawn MML, loans and the multicurrency debt issuance programme. As at 31 December 2021, the total outstanding debt of CLCT was S$2.0 billion with an aggregate leverage of 37.7%. Assuming CLCT gears up to 50% maximum limit set by Monetary Authority of Singapore (MAS), the debt headroom would be approximately S$1.2 billion (RMB5.7 billion), if the acquired asset is fully funded by debt. The relatively large headroom provides greater flexibility for CLCT to manage its capital structure, capitalise on potential acquisition opportunities as well as withstand any unprecedented business scenarios that may arise.

KEY FINANCIAL INDICATORS

Key Financial Indicators[1]	As at 31 December 2021	As at 31 December 2020
Aggregate Leverage[2]	37.7%	31.8%
Net Debt / EBITDA (times)[3]	8.2	9.7
Interest Coverage (times)[4]	4.9	3.9
Average Term to Maturity (Years)	3.36	2.97
Average Cost of Debt[5]	2.62%	2.76%

1. All key financial indicators exclude the effect of FRS116 Leases which was effective from 1 January 2020.
2. The aggregate leverage is calculated based on proportionate total borrowings over the deposited properties in accordance to Property Funds Appendix. The Manager is of the view that the higher aggregate leverage will not have a material impact on the risk profile of CLCT as the aggregate leverage of 37.7% is still within a manageable range in the short-term and the Manager will remain prudent and disciplined in managing the overall leverage profile of CLCT.
3. Net Debt refers to the outstanding debt on balance sheet as at 31 December and annualised EBITDA refers to net income of CLCT Group before fair value changes, non-operational gain and/or loss, interest, tax, depreciation and amortisation.
4. Ratio of EBITDA over consolidated interest expenses (excluding 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). The interest cover ratio for FY 2019 and FY 2020 have been restated to exclude FRS 116 finance expense.
5. Ratio of the consolidated interest expenses over weighted average borrowings on balance sheet.

As at 31 December 2021, CLCT maintains the following debt facilities:

S$ Denominated Facilities
S$92.5 million Money Market Line (MML) facilities
S$100.0 million MML & Financial Guarantee (FG) facilities
S$100.0 million multicurrency MML facility
S$250.0 million four-year trust loan facilities
S$650.0 million five-year trust loan facilities
S$370.0 million six-year trust loan facilities
S$150.0 million seven-year trust loan facility

US$ Denominated Facility
US$50.0 million multicurrency MML facility

RMB Denominated Facilities
RMB394.0 million secured loan facility
RMB410.8 million secured loan facility
RMB300.0 million secured loan facility
RMB400.0 million secured loan facility
RMB410.0 million secured loan facility
RMB139.0 million secured loan facility
RMB142.0 million secured loan facility
RMB95.0 million secured loan facility

Multicurrency Debt Issuance Programme
S$1.0 billion multicurrency Debt Issuance Programme

On 12 October 2021, CLCT announced the proposed acquisition of the respective interests of the companies which hold the Shanghai Fengxian Logistics Park, Kunshan Bacheng Logistics Park, Wuhan Yangluo Logistics Park and Chengdu Shuangliu Logistics Park. The acquisition was funded through a new sustainability linked banking facility of S$150.0 million and S$146.2 million[1] of net proceeds raised from the issuance of 128,756,000 Units via private placement on 21 October 2021. The usage of the proceeds raised from the equity fund raising was in accordance with the stated use and percentage allocation of the proceeds per the announcement.

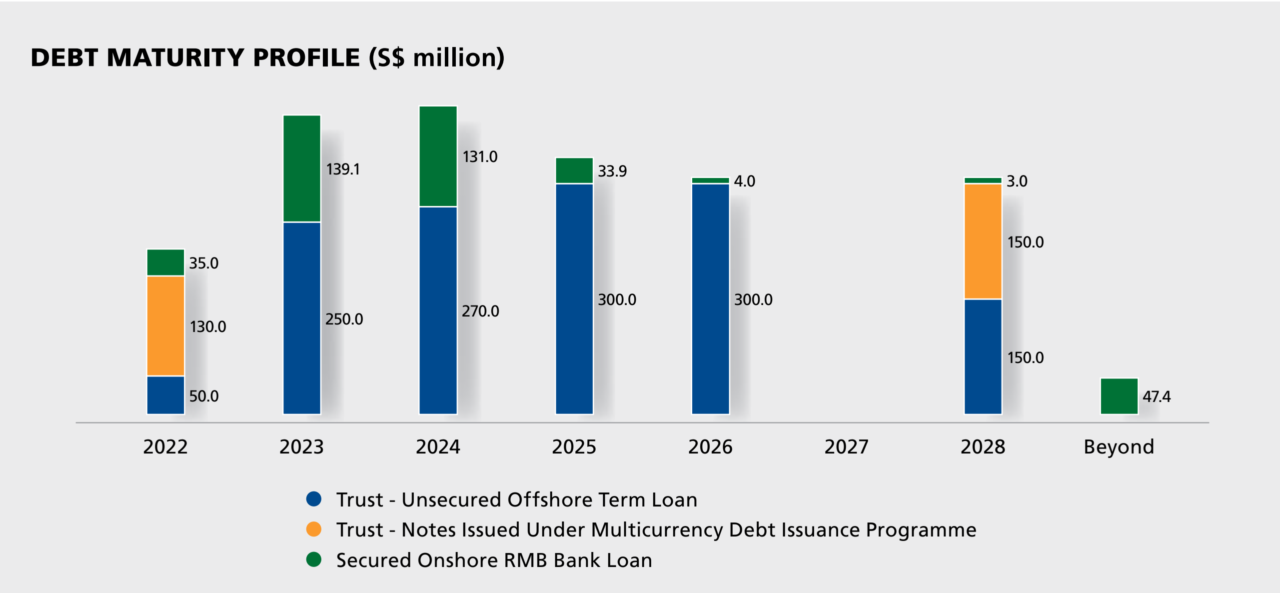
CLCT's effective capital management includes hedging of its currency and interest rate risk exposures. To mitigate interest rate risk exposure, 77.2%[2] of the total debt is on fixed interest rates. In addition, 51.0%[3] of the distributable income for FY 2021 was fully hedged into SGD, mitigating foreign currency exposure.

The fair value derivatives for FY 2021, which were included in the financial statement as financial derivatives assets and financial derivatives liabilities, were S$2.1 million. This net amount represented 0.1% of the net assets attributable to Unitholders of CLCT as at 31 December 2021.

In June 2021, CLCT early refinanced the S$150.0 million bridging loan due in December 2021 with a 7 year bond issuance, extending its maturity to June 2028. The overall average cost of debt is 2.62% as at 31 December 2021. CLCT has also secured the refinancing needs due in FY 2022.

1. The net proceeds of S$146.2 million (which is equivalent to approximately 97.5% of the gross proceeds of the private placement) was derived from the gross proceeds of S$150.0 million after deducting the transaction costs of S$3.8 million..
2. Exclude RMB denominated loans.
3. Based on undistributed income as at 31 December 2021.

Debt maturity profile as at 31 December 2021 is as follows:



	2022	2023	2024	2025	2026	2027	2028	Beyond	Total
Total Debt (S$ million)	215.0	389.1	401.0	333.9	304.0	-	303.0	47.4	1,993.4
% of Total Debt maturing by end FY	10.8%	19.5%	20.0%	16.8%	15.3%	-	15.2%	2.4%	100.0%

CASH FLOWS AND LIQUIDITY

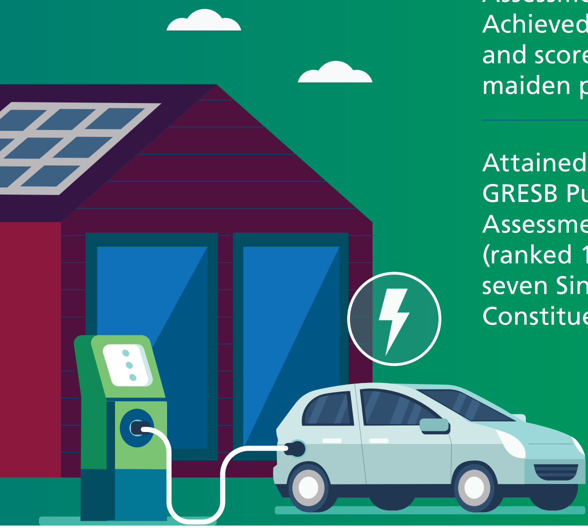
CLCT takes a proactive role in monitoring its cash flow position and requirements to ensure that there is sufficient liquidity and adequate funding for distribution to Unitholders as well as to meet any short-term obligations.

CASH AND CASH EQUIVALENTS

As at 31 December 2021, cash and cash equivalents stood at S$288.9 million compared to S$233.2 million as at 31 December 2020. The increase was mainly due to the consolidation of cash from the completion of the acquisitions of business park and logistics park assets in FY 2021.

During the year, S$15.9 million of the cash were retained from distributions through the distribution reinvestment plan on 24 September 2021 and were used for repayment of Trust's interest-bearing borrowings, general corporate and working capital purposes.

DRIVING POSITIVE ENVIRONMENTAL IMPACT



GRESB Real Estate Assessment 2021- Achieved **3 Star Rating** and score of **77** in maiden participation

Attained an **"A"** for GRESB Public Disclosure Assessment 2021 (ranked 1st amongst seven Singapore Retail Constituents)

Obtained inaugural sustainability-linked loan of **S$150 million.** CLCT is the leading REIT in Singapore to pioneer a sustainability-linked loan for a China portfolio

Achieved **Energy and Water intensity reduction of 52.7%** and **38.5%** (per m^2 as compared to baseline year 2008 respectively)

Achieved **Carbon emissions intensity reduction[1] of 59.1%** as compared to baseline year 2008

78 Electric Vehicle (EV) charging stations installed across our retail and business park assets

NURTURING COMMUNITY & EMPOWERING PEOPLE

Organised over 25 sustainability-related community outreach and tenant engagement programmes at CLCT properties, **empowering more than 8,000 beneficiaries**

Held over **15 fitness activities** at CLCT properties as part of our initiative to promote healthy living amongst our community and staff

Implemented precautionary measures to safeguard the safety and well-being of employees through various initiatives including work-from-home, online engagements and e-learning activities

100% of the employees in Singapore were vaccinated as of FY 2021

100% contractor and suppliers attended in-house safety training, covering topics such as Environmental, Health and Safety and COVID-19 safety measures

Achieved gender balance with around 61.1% and 41.7% female employees of the Manager in Singapore and property management teams in China respectively

1. CLCT aligns with CLI in utilising 2008 as baseline year for comparison of environmental performance, consisting of four retail malls' operations (CapitaMall Qibao, CapitaMall Wangjing, CapitaMall Wuhu and CapitaMall Xizhimen) in FY 2008. Carbon emission intensity, energy intensity and water intensity metrics are calculated relative to Gross Floor Area (GFA) excluding carpark space.

BOARD STATEMENT

At CapitaLand China Trust, sustainability is at the core of everything we do. We are committed to growing in a responsible manner, delivering long term economic value, and contributing to the environmental and social well-being of our communities. The material environmental, social and governance (ESG) factors have been identified and encapsulated in the CapitaLand 2030 Sustainability Master Plan, which was launched in 2020, and will be reviewed by the Board of the Manager of CLCT together with management every two years.

The CapitaLand 2030 Sustainability Master Plan steers our efforts on a common course to maximise impact through building a resilient and resource efficient real estate portfolio, enabling thriving and future-adaptive communities, and accelerating sustainability innovation and collaboration. Ambitious ESG targets have been set which include carbon emissions reduction targets validated by the Science Based Targets initiative (SBTi).

The Board of the Manager of CLCT is responsible for overseeing the Company's sustainability efforts, and takes ESG factors into consideration in determining its strategic direction and priorities. The Board also approves the executive compensation framework based on the principle of linking pay to performance. The Manager's business plans are translated to both quantitative and qualitative performance targets, including sustainable corporate practices and are cascaded throughout the organisation.

PRIORITISATION OF ESG MATERIAL ISSUES

MATERIAL ESG FACTORS/INDICATORS

Environmental

CRITICAL
- Climate change and carbon reduction
- Energy efficiency
- Water management

MODERATE AND EMERGING
- Waste management
- Biodiversity

Social / Labour Practices

CRITICAL
- Occupational health & safety
- Human capital
- Stakeholder engagement
- Supply chain management
- Diversity (board and staff)

MODERATE AND EMERGING
- Human rights

Governance

CRITICAL
- Products and services (incl. customer health and safety)
- Compliance
- Business ethics

COMMITMENT TO SUSTAINABILITY

FY 2021 marked a milestone year for CLCT with the issuance of its inaugural standalone Integrated Sustainability Report (ISR). It is prepared in accordance with the Singapore Exchange Securities Trading Limited's (SGX-ST) Listing Manual Rules 711A and 711B and Global Reporting Standards: Core option, and adopted elements of the Integrated Reporting (IR) Framework of the International Integrated Reporting Council, while making references to United Nations Sustainable Development Goals (UN SDGs). Aligned to CapitaLand Investment (CLI), its Sponsor, CLCT has embarked on reviewing and executing recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). CapitaLand China Trust's FY 2021 Integrated Sustainability Report will be published on SGXNet and its website in the middle of April 2022.

A materiality assessment was conducted in FY 2021 to identify and review material issues that are relevant and significant to CLCT and its stakeholders (Refer to the infographics on the previous page). Taking reference from CapitaLand Investment's ESG issues, the material issues are prioritised based on the likelihood and impact of issues affecting business continuity and development. For external stakeholders, priority is given to issues important to the society and that are applicable to CLCT.

DRIVING POSITIVE ENVIRONMENTAL IMPACT

CLCT affirms its commitment towards sustainability through various key business strategies. In September 2021, CLCT obtained its maiden S$150.0 million sustainability-linked loan. It is the leading REIT in Singapore to pioneer a sustainability-linked loan for a China portfolio. The loan is tied to maintaining minimum reduction in carbon emission, energy and water usage across its diversified portfolio of properties. Building on the momentum to drive positive environmental impact, CLCT participated in the GRESB Real Estate Assessment for the first time in 2021 and achieved a 3-Star Rating with a score of 77. CLCT also attained an "A" with a score of 94 for the GRESB Public Disclosure Assessment. The evaluation allows CLCT to have better insights on performance while taking steps to embark on initiatives to increase efficiency of its assets. Further details can be found in the Environmental and Manufactured Capital section of ISR 2021.

CLCT works closely with its Asset and Property Managers to actively review its environmental strategies and carry out the necessary efficiency installation and improvement works, where applicable. To promote greener transport, CLCT installed 78 electric vehicle charging stations across its retail and business park portfolio and will continue to explore opportunities to increase the number of charging stations.

NURTURING COMMUNITY & EMPOWERING PEOPLE

Since the onset of COVID-19, CLCT has stepped up engagement with all stakeholders, ensuring strict compliance with advisories, laws and regulations to safeguard the health and safety of all. Some initiatives include increasing the frequency of disinfection and sanitation measures across all CLCT's properties, distributing mask to tenants and customers, training for employees and suppliers on COVID-19 control and preventive measures, designating COVID-19 Emergency Testing Points, and setting up of vaccination drives. Recognising the impact of COVID-19 on jobs and livelihoods, CLCT collaborated with professional online recruitment platforms to conduct recruitment drives at Ascendas-Xinsu Business Park, focusing on promoting jobs within the information technology, software development, environmental protection and energy conservation sectors. The event was recognised and supported by the Secretary of the Party Working Committee of Dushu Lake Science and Education Innovation Zone (one of the key education hubs in Suzhou).

As part of the effort to drive a wider impact, CLCT organised 30 community outreach programmes that benefitted over 8,000 participants. During the Earth Hour, CapitaMall Qibao partnered the Shanghai Science and Technology Museum to organise fun-filled activities, sharing environmental protection tips to more than 300 people. In the same thread, tenants across all CLCT properties were encouraged to participate in the Earth Hour by switching off all non-essential lights during the event.

More information on stakeholder engagement, policies, practices, targets and performance relating to CLCT's material issues can be found in the ISR 2021 at https://investor.clct.com.sg/isr.html.

Portfolio Summary (Retail)

Name	Address	GFA (sq m)	GRA (sq m)	NLA (sq m)
CapitaMall Xizhimen 凯德MALL·西直门	No. 1, Xizhimenwai Street, Xicheng District, Beijing	83,075	83,075	50,713
Rock Square 乐峰广场	No. 106-108 Gongye Avenue North, Haizhu District, Guangzhou City, Guangdong Province	88,279	83,591	53,316
CapitaMall Wangjing 凯德MALL·望京	No. 33, Guangshunbei North Road, Chaoyang District, Beijing	83,768	68,010	37,568[5]
CapitaMall Grand Canyon 凯德MALL·大峡谷	No. 16, South Third Ring West Road, Fengtai District, Beijing	92,918	69,967	44,230
CapitaMall Xuefu 凯德广场·学府	No. 1, Xuefu Road, Nangang District, Harbin, Heilongjiang Province	123,811	104,294	64,164
CapitaMall Xinnan 凯德广场·新南	No. 99, Shenghe First Road, Gaoxin District, Chengdu, Sichuan Province	91,816	53,619	37,027
CapitaMall Nuohemule 凯德·诺和木勒	Block A Jinyu Xintiandi, E'erduosi Street, Yuquan District, Hohhot, Inner Mongolia Autonomous Region	100,047	76,309	44,291
CapitaMall Yuhuating 凯德广场·雨花亭	No. 421, Shaoshan Middle Road, Yuhua District, Changsha, Hunan Province	75,431	58,575	48,402
CapitaMall Aidemengdun 凯德广场·埃德蒙顿	No. 38, Aidemengdun Road, Daoli District, Harbin, Heilongjiang Province	49,040	43,394	28,199
CapitaMall Qibao 凯德七宝购物广场	No. 3655, Qixin Road, Minhang District, Shanghai	83,986	72,729	50,642
CapitaMall Shuangjing 凯德MALL·双井	No. 31, Guangqu Road, Chaoyang District, Beijing	49,463	49,463	49,568

1. Valuations of CapitaMall Wangjing, CapitaMall Grand Canyon, CapitaMall Shuangjing, CapitaMall Qibao and CapitaMall Xinnan were conducted by Cushman & Wakefield International Property Advisers (Shanghai) Co., Ltd.
Valuations of CapitaMall Nuohemule, CapitaMall Aidemengdun and CapitaMall Xuefu were conducted by Jones Lang LaSalle Corporate Appraisal and Advisory Limited. Valuations of CapitaMall Xizhimen, Rock Square and CapitaMall Yuhuating were conducted by CBRE (Shanghai) Management Limited.
2. Refers to the completion of the acquisition of the special purpose vehicles which own the properties, with the exception of CapitaMall Nuohemule. CapitaMall Nuohemule was acquired directly from the Vendor.
3. Based on all committed leases as of 31 December 2021.
4. The first 51% stake in Rock Square was purchased on 31 January 2018 at RMB3,340.7 million, and the subsequent 49% stake was

CapitaMall Xizhimen

Rock Square

Number of Leases	Land Use Right Expiry	Market Valuation[1] (RMB Million)	Purchase Price (RMB Million)	Acquisition Date[2]	Committed Occupancy Rate[3]
262	23 August 2044 23 August 2054	3,620.0	1,851.4	Phase 1: 5 February 2008 Phase 2: 29 September 2008	99.9%
214	17 October 2045	3,422.0	3,400.0[4]	30 December 2020[4]	97.0%
225	15 May 2043 15 May 2053	2,795.0	1,102.0	01 December 2006	96.7%
140	29 August 2044 29 August 2054	2,022.0	1,740.0	30 December 2013	94.0%
421	15 December 2045	1,789.0	1,745.0	30 August 2019	99.5%
248	17 October 2047	1,611.0	1,500.0	30 September 2016	95.0%
238	26 July 2049	1,020.0	808.0	26 December 2019	99.1%
224	03 March 2044	770.0	746.0	30 August 2019	98.6%
164	07 September 2042	446.0	469.0	30 August 2019	97.8%
154	10 March 2043[6]	55.0[6]	264.0	08 November 2006	81.8%
8	10 July 2042	616.0	414.0	01 December 2006	100.0%

purchased on 30 December 2020 at RMB3,400.0 million (purchase price represented on 100% basis). CLCT, through its wholly owned subsidiary, Gold Rock Investment Pte. Ltd. entered into an agreement with Gold Ruby Pte. Ltd. to acquire the balance 49.0% of the shares of Gold Yield Pte. Ltd. which indirectly holds Rock Square located in Haizhu District in Guangzhou, China. Independent valuation of Rock Square was conducted by Jones Lang Lasalle Corporate Appraisal and Advisory Limited using the discounted cash flow method and income capitalisation method.

5. Exclude area undergoing AEI.
6. CapitaMall Qibao is indirectly held by CLCT under a master lease with Shanghai Jin Qiu (Group) Co Ltd, the legal owner of Qibao Mall Accordingly, the land use right is owned by the legal owner. CapitaMall Qibao's valuation is RMB55.0 million as at 31 December 2021 on the basis that CLCT does not renew the master lease, which expires in January 2024.

CapitaMall Wangjing

CapitaMall Grand Canyon

Portfolio Summary (Business Park)[1]

Name	Address	GFA (sq m)	NLA (sq m)
Ascendas Xinsu Portfolio 腾飞新苏	Suzhou Industrial Park, Suzhou City, Jiangsu Province	373,334	348,834
Ascendas Innovation Towers 腾飞科汇城	No. 88, Tiangu Seventh Road, Xi'an Hi-Tech Industries Development Zone, Xi'an, Shaanxi Province	118,495	95,586
Ascendas Innovation Hub 腾飞创新中心	No. 38, Gaoxin Sixth Road, Xi'an Hi-Tech Industries Development Zone, Xi'an, Shaanxi Province	40,547	36,288
Singapore-Hangzhou Science & Technology Park (Phase I) 新加坡杭州科技园一期	No. 2, Kejiyuan Road, Hangzhou Economic & Technological Development Area, Jianggan District, Hangzhou, Zhejiang Province	101,811	101,450
Singapore-Hangzhou Science & Technology Park (Phase II) 新加坡杭州科技园二期	No. 20 & 57, Kejiyuan Road, Hangzhou Economic & Technological Development Area, Jianggang District, Hangzhou, Zhejiang Province	130,261	126,294

1. CLCT, through its wholly owned subsidiaries, CRCT Investment (Suzhou) Pte. Ltd., CRCT Investment (Xi'an II) Pte. Ltd. and CRCT Investment (Xi'an I) Pte. Ltd. entered into agreements with Ascendas China Business Park IV Trustee Pte. Ltd., in its capacity as trustee of Ascendas China Business Parks Fund 4, Xi'an Business Park II Pte. Ltd. and Xi'an Business Park III Pte. Ltd. to acquire the respective interests in the shares of: (i) 51.0% of the shares of Singapore Suzhou Industrial Holdings Pte. Ltd. which indirectly holds the Ascendas Xinsu Portfolio comprising six properties located in different locations in Suzhou Industrial Park, China; (ii) 100.0% of the shares in Ascendas Xi An High-Tech Development Co., Ltd. which holds Ascendas Innovation Towers located in the Hi-tech Industries Development Zone in Xi'an, China; and (iii) 80.0% of the shares in Xi An Ascendas Science Technology Investment Co., Ltd. which holds Ascendas Innovation Hub located in the Hi-tech Industries Development Zone in Xi'an, China. Separately, CLCT, through its wholly owned subsidiaries, CRCT Investment (Hangzhou I) Pte. Ltd. and CRCT Investment (Hangzhou II) Pte. Ltd. entered into an agreement with Ascendas Singapore-Hangzhou Science & Technology Park I Pte. Ltd. and Ascendas Singapore-Hangzhou Science & Technology Park IV Pte. Ltd. to acquire 80.0% of the shares in Ascendas Hangzhou Science & Technology Co., Ltd. and Ascendas Hangzhou Data Processing Co., Ltd. which hold Singapore-Hangzhou Science & Technology Park Phase I and Phase II, respectively located in the Hangzhou Economic & Technological Development Area in Jianggan District, China. The balance 20.0% of the equity interests in each of the SHSTP Target Companies are

Portfolio Summary (Logistics Park)[7]

Name	Address	GFA (sq m)	Number of Leases
Shanghai Fengxian Logistics Park 上海奉贤物流园	No. 435 Haishang Road, Fengxian District, Shanghai	62,785	2
Kunshan Bacheng Logistics Park 昆山巴城物流园	No. 998 Yuyang Road, Yushan Town, Kunshan, Jiangsu Province	43,945	2[12]
Wuhan Yangluo Logistics Park 武汉阳逻物流园	10 Qiuli Road, Yangluo Development Zone, Xinzhou District, Wuhan	86,973	2[12]
Chengdu Shuangliu Logistics Park 成都双流物流园	No. 86 Tongguan Road, Shuangliu District, Chengdu, Sichuan Province	71,556	25

7. CLCT entered into three share purchase agreements with QR Asia Logistics Master Holdco I Pte. Ltd. to acquire all the issued shares of (i) Wuhan Logistics Pte. Ltd., which indirectly holds the Wuhan Yangluo Logistics Park, (ii) ABM KS Investment Pte. Ltd., which indirectly holds the Kunshan Bacheng Logistics Park and (iii) Forum Court Limited, which indirectly holds the Chengdu Shuangliu Logistics Park; and another share purchase agreement with QR Asia Logistics Master Holdco II Pte. Ltd. to acquire all the issued shares of Hanson Logistics Limited, which indirectly holds the Shanghai Fengxian Logistics Park. CBRE Limited, an independent valuer, valued the open market value of Wuhan Yangluo Logistics Park, Kunshan Bacheng Logistics Park, Chengdu Shuangliu Logistics Park, and Shanghai Fengxian Logistics Park at RMB383.0 million, RMB330.0 million, RMB357.0 million, and RMB624.0 million respectively as at 31 August 2021 using the discounted cash flow and direct capitalisation approach.

Portfolio Summary (Business Park)[1]

Number of Leases	Land Use Right Expiry	Market Valuation[2,3] (RMB Million)	Purchase Price[3] (RMB Million)	Acquisition Date[4]	Committed Occupancy Rate[5]
325	31 December 2046 to 30 May 2057[6]	2,294.0	2,265.0	04 January 2021	97.4%
92	19 February 2064	794.0	759.0	10 February 2021	98.9%
48	23 May 2051	305.0	298.0	26 February 2021	98.1%
181	04 September 2056	672.0	641.0	18 June 2021	89.3%
77	06 July 2060	814.0	767.0	18 June 2021	95.7%

owned by an unrelated third-party joint venture partner. CLCTML, the Manager, commissioned an independent property valuer, Jones Lang Lasalle Corporate Appraisal and Advisory Limited ("JLL"). JLL valued the open market value of Ascendas Xinsu Portfolio, Ascendas Innovation Towers, Ascendas Innovation Hub, Singapore-Hangzhou Science & Technology Park (Phase 1) and Singapore-Hangzhou Science & Technology Park (Phase 2) at RMB2,267.0 million, RMB802.0 million, RMB311.0 million, RMB657.0 million, and RMB792.0 million respectively as at 31 October 2020 using the discounted cash flow and direct capitalisation approach.

2. Independent valuations were conducted by Beijing Colliers International Real Estate Valuation Co., Ltd.
3. All information are presented based on 100% ownership.
4. Refers to the completion of the acquisition of the special purpose vehicles which own the properties.
5. Based on all committed leases as of 31 December 2021.
6. Ascendas Xinsu Porfolio consists of multiple plots of land with varying land use right expiry.

Portfolio Summary (Logistics Park)[7]

Land Use Right Expiry	Market Valuation[8,9] (RMB Million)	Purchase Price[9] (RMB Million)	Acquisition Date[10]	Committed Occupancy Rate[11]
20 July 2059	624.0	623.7	10 November 2021	98.6%
16 June 2064	330.0	328.0	10 November 2021	99.4%
14 July 2064	383.0	379.7	10 November 2021	99.4%
25 April 2062	357.0	352.0	10 November 2021	92.2%

8. Independent valuations were conducted by CBRE (Shanghai) Management Limited.
9. All information are presented based on 100% ownership.
10. Refers to the completion of the acquisition of the special purpose vehicles which own the properties.
11. Based on all committed leases as of 31 December 2021.
12. Excludes dormitory leases.

CapitaMall Xizhimen

GROSS REVENUE
RMB281.9 MILLION

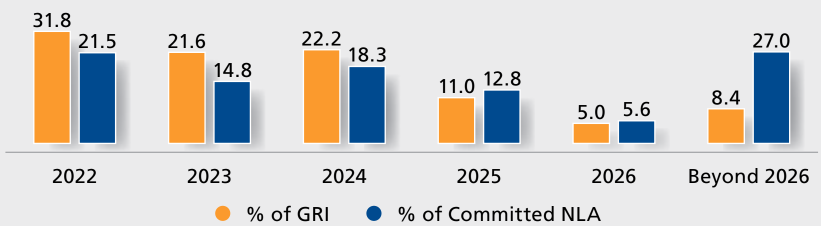
NET PROPERTY INCOME
RMB192.1 MILLION

PROPERTY VALUATION
RMB3,620.0 MILLION

CapitaMall Xizhimen is strategically located next to the Second Ring Road in Xicheng district and is well-served by Beijing's metro lines 2, 4 and 13, as well as the Beijing North Railway Station. The mall offers a diverse array of product offerings, which serves the needs of a large and well-established catchment of more than one million people within a three-kilometre radius, comprising middle-income residents, working professionals from the Beijing Financial Street and technological zones of Zhongguancun District, as well as students from the nearby universities. Positioned as a vibrant mall targeting the young and trendy, CapitaMall Xizhimen features a large supermarket, a state-of-the-art cinema, popular fast-fashion tenants such as UNIQLO, domestic brands including Huawei and a wide selection of dining options such as Nanjing Impressions and Haidilao.

Trade Sector	By GRI (%)	By Committed NLA (%)
Food & Beverage	40.5	35.1
Fashion & Accessories	21.8	16.0
Beauty & Healthcare	7.0	5.9
Gifts & Souvenirs	3.8	2.0
Services	3.7	2.2
Supermarket	3.5	20.0
IT & Telecommunication	3.5	2.0
Sporting Goods & Apparel	3.3	2.8
Education	3.2	4.5
Shoes & Bags	2.7	1.4
Jewellery / Watches	2.0	0.7
Others	1.8	2.9
Home Living	1.2	1.1
Toys & Hobbies	1.2	0.4
Leisure & Entertainment	0.8	3.0

Lease Profile Expiry (%)
As at 31 December 2021



Rock Square

GROSS REVENUE
RMB197.9
MILLION

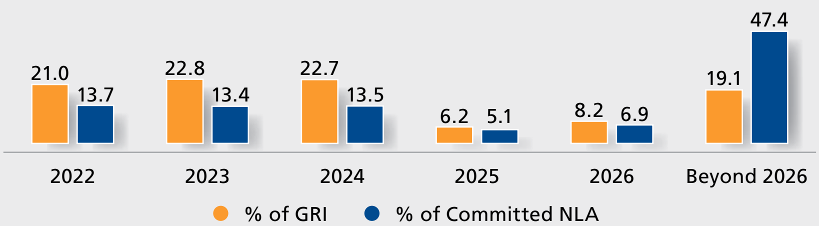
NET PROPERTY INCOME
RMB137.1
MILLION

PROPERTY VALUATION
RMB3,422.0
MILLION

Rock Square is one of the largest shopping malls located within the well-established Jiangnanxi retail cluster in the Haizhu district, the second most populous urban district in Guangzhou. The mall is directly connected to Shayuan metro station, which serves Line 8 that links Guangzhou's eastern and western areas, and Guangfo Line that connects Guangzhou with Foshan. Catering to the needs of growing middle-and-high income families and professionals from the surrounding densely populated residential estates of about 800,000 residents, Rock Square presents a premier one-stop shopping and lifestyle experience. The mall offers a wide range of fashion, dining and entertainment options for modern lifestyle needs, featuring well-known domestic and international brands such as AEON, Nio Space, ZARA, OPPO, Green Tea Restaurant and Meland.

Trade Sector	By GRI (%)	By Committed NLA (%)
Food & Beverage	34.6	26.6
Fashion & Accessories	13.0	11.8
Beauty & Healthcare	7.0	5.9
Leisure & Entertainment	7.0	13.7
Supermarket	6.3	24.5
Services	5.3	2.1
Others	4.7	3.0
Education	4.3	4.7
Gifts & Souvenirs	3.7	1.8
Jewellery / Watches	3.4	1.0
Home Living	3.1	1.1
IT & Telecommunication	3.1	1.1
Sporting Goods & Apparel	2.5	1.6
Toys & Hobbies	1.4	0.8
Shoes & Bags	0.6	0.3

Lease Profile Expiry (%)
As at 31 December 2021



CapitaMall Wangjing

GROSS REVENUE
RMB196.9 MILLION

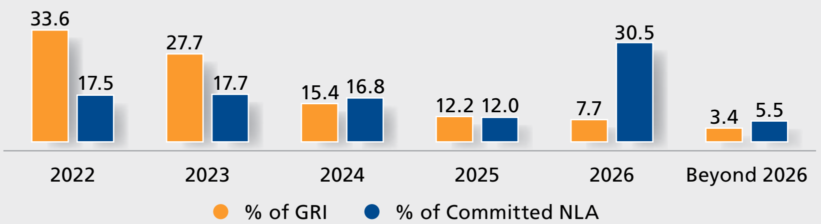
NET PROPERTY INCOME
RMB135.4 MILLION

PROPERTY VALUATION
RMB2,795.0 MILLION

CapitaMall Wangjing, a leading shopping mall within the densely populated Wangjing residential enclave, is located near the North Fourth Ring Road of Beijing. The mall is conveniently located next to Futong station, which is served by metro line 14, and in close proximity to Wangjing station, the interchange for metro lines 14 and 15. The mall enjoys steady daily traffic as it is a popular meeting place amongst working professionals and discerning expatriates in search of high-quality shopping, dining and entertainment options in the district. Surrounded by an immediate catchment of more than 750,000 residents within a three-kilometre radius, the mall remains competitive in attracting new tenants and is home to a diverse range of brands including VERO MODA, ZARA, Nanjing Impressions, Sisyphe Books and BHG Supermarket.

Trade Sector	By GRI (%)	By Committed NLA (%)
Food & Beverage	33.4	25.3
Fashion & Accessories	26.4	19.2
Services	9.4	9.3
Beauty & Healthcare	9.3	9.1
Jewellery / Watches	4.8	1.2
Supermarket	3.7	24.2
Education	2.4	3.1
Sporting Goods & Apparel	2.4	1.1
Toys & Hobbies	2.2	1.4
Others	2.1	4.2
Gifts & Souvenirs	1.2	0.5
Shoes & Bags	1.2	0.7
IT & Telecommunication	1.0	0.4
Home Living	0.5	0.3

Lease Profile Expiry (%)
As at 31 December 2021



CapitaMall Grand Canyon

GROSS REVENUE
RMB94.0
MILLION

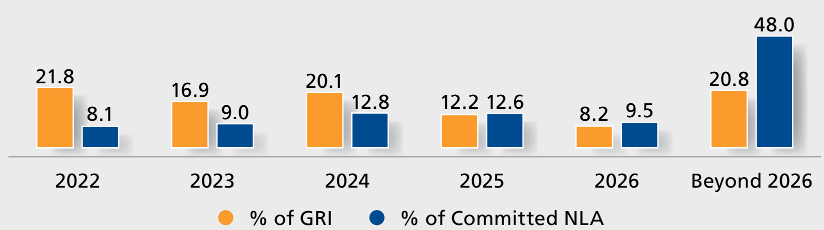
NET PROPERTY INCOME
RMB58.2
MILLION

PROPERTY VALUATION
RMB2,022.0
MILLION

CapitaMall Grand Canyon faces the busy South Third Ring West Road in Beijing's Fengtai district. The mall is easily accessible via several public bus routes, Beijing South Railway Station, and metro line 4 from the nearby Majiapu station. Serving the needs of a population of more than 800,000 within a three-kilometre radius, CapitaMall Grand Canyon offers an exciting array of restaurants, retail and service offerings that makes it an attractive destination for families, students and office workers around the precinct. The mall's comprehensive offerings and well-established tenants include Carrefour, Poly Cinema, VERO MODA, UNIQLO, H&M, Nanjing Impressions, Tan Yu, Chow Tai Fook and Aofei Happy World, making it a sought-after retail and lifestyle destination within the local community.

Trade Sector	By GRI (%)	By Committed NLA (%)
Food & Beverage	31.9	16.2
Supermarket	14.3	34.2
Fashion & Accessories	14.3	11.9
Education	8.4	7.8
Beauty & Healthcare	7.0	4.5
Leisure & Entertainment	6.8	17.0
IT & Telecommunication	5.3	2.5
Services	3.3	1.7
Gifts & Souvenirs	2.6	1.0
Jewellery / Watches	2.5	0.8
Home Living	1.6	0.8
Shoes & Bags	1.1	0.5
Others	0.9	1.1

Lease Profile Expiry (%)
As at 31 December 2021



CapitaMall Xuefu

GROSS REVENUE
RMB153.7
MILLION

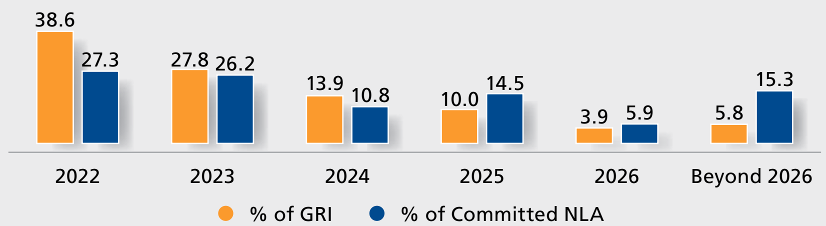
NET PROPERTY INCOME
RMB96.5
MILLION

PROPERTY VALUATION
RMB1,789.0
MILLION

CapitaMall Xuefu is a modern and experiential regional shopping mall that is located in the Nangang District of Harbin, the capital and largest city of the Heilongjiang Province. It is strategically located next to a cluster of eight tertiary education institutions, where the student population form a large proportion of the catchment of approximately 750,000 within a three-kilometre radius. Situated at the intersection of multiple arterial roads, it serves the city that connects directly to Second Ring Road. CapitaMall Xuefu is directly connected to the Xuefu Road Station on Line 1 of the Harbin Metro. Incorporating experiential elements to its unique retail concepts, the mall features Harbin's first all-year-round Amazon-style indoor garden "Dream Park" as well as the first artistic food street. CapitaMall Xuefu houses a diverse mix of tenants such as BHG Supermarket, CGV Cinema, Haidilao, H&M, Adidas, Sisyphe Books, Starbucks Reserve and Urban Revivo.

Trade Sector	By GRI (%)	By Committed NLA (%)
Fashion & Accessories	32.3	27.7
Food & Beverage	30.9	23.8
Sporting Goods & Apparel	4.9	5.3
Supermarket	4.3	13.7
Beauty & Healthcare	4.1	3.3
Leisure & Entertainment	3.5	9.1
Jewellery / Watches	3.2	1.6
Gifts & Souvenirs	3.0	1.4
Shoes & Bags	3.0	2.3
Education	3.0	4.9
IT & Telecommunication	2.5	1.4
Services	1.6	1.2
Toys & Hobbies	1.3	1.0
Home Living	1.2	1.0
Others	1.2	2.3

Lease Profile Expiry (%)
As at 31 December 2021



CapitaMall Xinnan

GROSS REVENUE
RMB117.1
MILLION

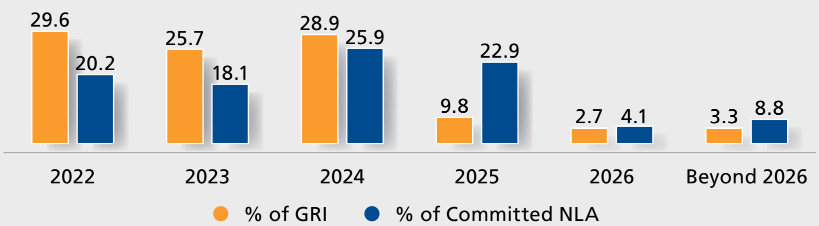
NET PROPERTY INCOME
RMB78.0
MILLION

PROPERTY VALUATION
RMB1,611.0
MILLION

CapitaMall Xinnan is situated along one of the most established shopping belts in the affluent Gaoxin district, south of Chengdu. The mall is conveniently accessible via the nearby Chengdu South Railway Station, a major transportation hub linked to operational metro lines 1 and 7 plying the South Railway metro station, and to Chengdu Airport via airport express line (metro line 18). The mall's diverse mix of fashion and entertainment options sets it apart as a trendy destination with varied retail experiences that appeal to families and young urbanites living in the middle-and-high income neighbourhood. Its tenant mix includes well-known international brands such as Golden Harvest Cinema, GAP, UNIQLO, Sephora, NOME and Nayuki Tea & Bakery.

Trade Sector	By GRI (%)	By Committed NLA (%)
Fashion & Accessories	40.6	37.3
Food & Beverage	20.2	19.6
Sporting Goods & Apparel	8.7	6.0
Shoes & Bags	5.5	3.5
Beauty & Healthcare	5.2	5.9
Leisure & Entertainment	5.0	14.2
Services	2.4	1.6
Home Living	2.4	2.5
IT & Telecommunication	2.4	1.9
Jewellery / Watches	2.1	1.1
Others	1.9	1.9
Gifts & Souvenirs	1.8	1.4
Education	1.2	2.0
Books & Stationery	0.6	1.1

Lease Profile Expiry (%)
As at 31 December 2021



GROSS REVENUE
RMB80.9
MILLION

NET PROPERTY INCOME
RMB35.6
MILLION

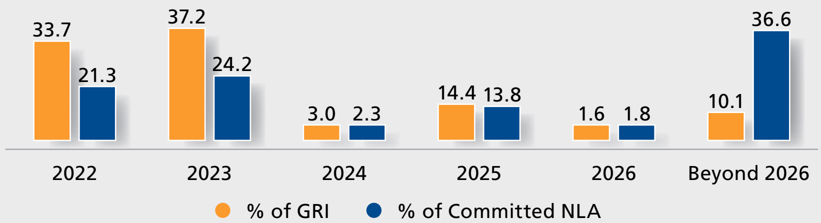
PROPERTY VALUATION
RMB1,020.0
MILLION

CapitaMall Nuohemule

CapitaMall Nuohemule is strategically located in the well-established Yuquan District in Hohhot, Inner Mongolia, China. The design of CapitaMall Nuohemule incorporates abundant natural elements, bringing to life the concept of "mall in a garden" with 10,000 sq m of verdant greenery. The mall enjoys excellent connectivity, sitting atop Nuohemule Station on Metro Line 2 and three stops from an interchange station that also serves Metro Line 1. Positioned as a destination lifestyle mall with over 700,000 residents within a five-kilometre radius, CapitaMall Nuohemule offers a wide range of fashion, food & beverage, IT & electronics and leisure & entertainment-based tenants such as Wanda Cinema, Haidilao, Nike Kicks Lounge, Huawei, Li-Ning and Gymboree, as well as a wide variety of experiential and new retailing concepts to appeal to the modern shopper.

Trade Sector	By GRI (%)	By Committed NLA (%)
Food & Beverage	29.8	23.7
Fashion & Accessories	22.7	16.3
Sporting Goods & Apparel	14.1	8.2
Supermarket	4.3	12.2
Leisure & Entertainment	4.2	17.7
Others	3.8	8.2
Beauty & Healthcare	3.4	2.8
Shoes & Bags	3.2	2.1
IT & Telecommunication	2.7	1.4
Gifts & Souvenirs	2.7	1.6
Toys & Hobbies	2.6	1.8
Jewellery / Watches	2.5	0.8
Home Living	2.2	1.3
Services	1.2	1.2
Education	0.6	0.7

Lease Profile Expiry (%)
As at 31 December 2021



GROSS REVENUE
RMB76.2
MILLION

NET PROPERTY INCOME
RMB45.2
MILLION

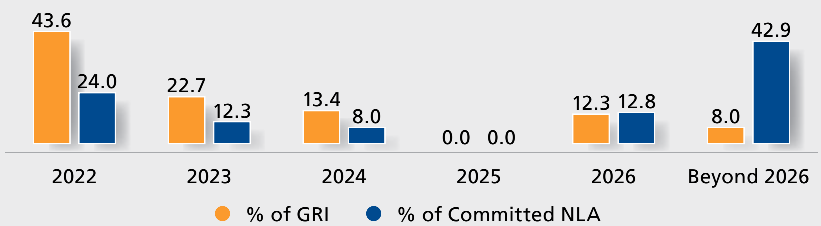
PROPERTY VALUATION
RMB770.0
MILLION

CapitaMall Yuhuating

CapitaMall Yuhuating is an established mall located within the Dongtang retail hub of Yuhua District. It is conveniently accessible via numerous bus routes as well as the Tujiachong and Shazitang metro stations that are approximately one-kilometre away. CapitaMall Yuhuating is positioned as a community mall located within a core retail hub, where there is a high concentration of populated residential communities and office buildings, providing the mall with a dense catchment of approximately 700,000 within a three-kilometre radius. Having operated in the local market for over 10 years and with no direct competitors in the area within the vicinity, CapitaMall Yuhuating has firmly established itself within its main trade area and has built strong brand awareness among the locals. As a one-stop shopping destination, CapitaMall Yuhuating offers a broad spectrum of international and local brands such as Bosideng, China Film Cinema, Haidilao, Li-Ning, Starbucks Coffee, UNIQLO, Helens and Xtep.

Trade Sector	By GRI (%)	By Committed NLA (%)
Food & Beverage	31.6	19.1
Fashion & Accessories	22.8	11.6
Leisure & Entertainment	12.8	14.8
Supermarket	9.9	43.6
Beauty & Healthcare	5.0	2.4
Sporting Goods & Apparel	4.7	2.3
Services	3.8	1.9
IT & Telecommunication	2.6	0.9
Jewellery / Watches	2.6	0.8
Shoes & Bags	2.2	0.9
Gifts & Souvenirs	0.9	0.4
Home Living	0.6	0.3
Others	0.5	1.0

Lease Profile Expiry (%)
As at 31 December 2021



CapitaMall Aidemengdun

GROSS REVENUE
RMB33.5 MILLION

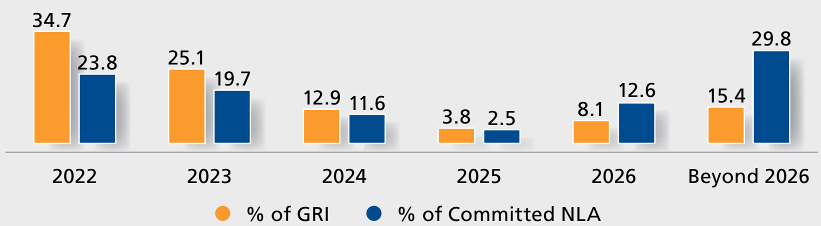
NET PROPERTY INCOME
RMB11.7 MILLION

PROPERTY VALUATION
RMB446.0 MILLION

CapitaMall Aidemengdun is located in Downtown Harbin and is positioned as a community mall to serve the needs of residents from the neighbouring high-density residential communities and students and staff from nearby tertiary education institutions. The mall is in close proximity to Second Ring Road, and enjoys direct frontage to Aidemengdun Road that connects the Harbin Taiping International Airport to Central Street in the city centre. The mall can be easily accessed via public transportation and is within one and a half-kilometre from two metro stations on Line 1 of the Harbin Metro. As one of the earliest community malls in the area, it has a captive consumer base formed by the surrounding residents, with strong focus on young families with children, sports and education offerings. The mall features popular tenants such as Qi Cai International Cineplex, Starbucks Coffee, Adidas, Bosideng, Li-Ning and Sketchers.

Trade Sector	By GRI (%)	By Committed NLA (%)
Food & Beverage	25.4	20.5
Fashion & Accessories	18.7	17.8
Supermarket	12.5	25.6
Sporting Goods & Apparel	10.3	9.4
Education	6.3	5.5
Beauty & Healthcare	5.4	4.2
Leisure & Entertainment	4.7	7.5
Jewellery / Watches	4.4	1.7
IT & Telecommunication	3.6	2.1
Shoes & Bags	3.6	2.7
Gifts & Souvenirs	1.9	0.8
Home Living	1.2	0.6
Toys & Hobbies	0.7	0.4
Services	0.7	0.3
Others	0.6	0.9

Lease Profile Expiry (%)
As at 31 December 2021



CapitaMall Shuangjing

GROSS REVENUE
RMB43.0
MILLION

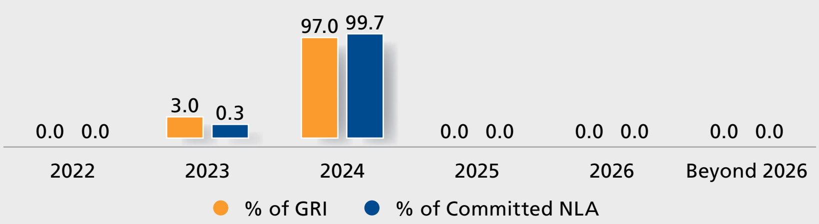
NET PROPERTY INCOME
RMB34.2
MILLION

PROPERTY VALUATION
RMB616.0
MILLION

CapitaMall Shuangjing is located in Beijing's Chaoyang district near the East Third Ring Road. The mall is well-served by public bus routes and lies within close proximity to the Jiulongshan metro station, which is served by lines 7 and 14. Its long-term lease anchor tenants, Carrefour and B&Q, are strong retail brands that are able to draw significant shopper traffic from the surrounding local and expatriate community as well as office workers from nearby commercial buildings.

Trade Sector	By GRI (%)	By Committed NLA (%)
Supermarket	59.6	63.1
Home Living	33.3	35.1
Food & Beverage	7.1	1.8

Lease Profile Expiry (%)
As at 31 December 2021



CapitaMall Qibao

GROSS REVENUE
RMB70.1
MILLION

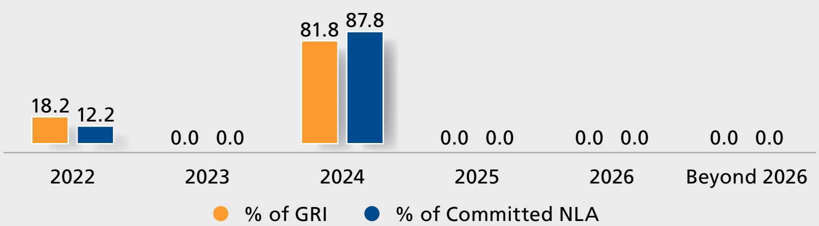
NET PROPERTY INCOME
RMB44.8
MILLION

PROPERTY VALUATION
RMB55.0
MILLION

CapitaMall Qibao is located in Shanghai's Minhang district near the bustling Hongqiao transport hub. Surrounded by residences, the mall is positioned as a family friendly shopping destination for the growing number of residents living in this choiced neighbourhood. The mall offers interactive leisure and learning facilities, making it an interesting destination for children, at the same time, provides a myriad of shopping, dining and entertainment experiences to capture family spending. Young families can enjoy one of the city's largest rooftop playground featuring exhibits of animals, fishing, outdoor movie screenings and vegetable planting - fun and fulfilling activities that provide for a meaningful experience. The mall features well-known brands such as Carrefour, UNIQLO, TOM'S WORLD, Ajisen Ramen and Xiabu Xiabu.

Trade Sector	By GRI (%)	By Committed NLA (%)
Food & Beverage	45.5	16.7
Supermarket	10.3	35.2
Education	9.0	8.5
Leisure & Entertainment	7.7	14.0
Beauty & Healthcare	7.1	6.0
Fashion & Accessories	7.0	10.6
Services	3.8	1.2
Others	2.7	2.1
Home Living	2.4	1.2
Gifts & Souvenirs	1.8	0.7
IT & Telecommunication	1.2	0.7
Sporting Goods & Apparel	1.1	2.9
Shoes & Bags	0.4	0.2

Lease Profile Expiry (%)
As at 31 December 2021



GROSS REVENUE
RMB212.1
MILLION

NET PROPERTY INCOME
RMB154.4
MILLION

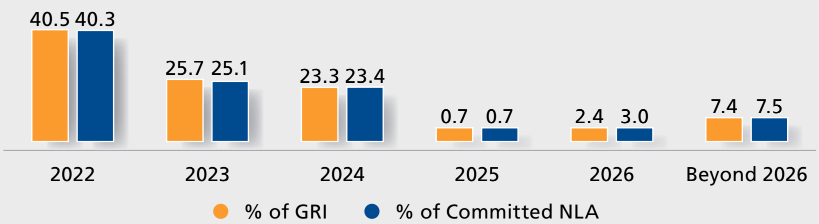
PROPERTY VALUATION
RMB2,294.0
MILLION

Ascendas Xinsu Portfolio

The Ascendas Xinsu Portfolio comprises six properties located in different locations covering a range of asset types, including business parks, built-to-suit factories, and ready-built factories. The Ascendas Xinsu Portfolio consists of 61 buildings including R&D and industrial portion, with a total gross floor area of 373,334 sq m. The Portfolio is accessible via various modes of transportation including High Speed Railway Station, Metro Line 1, 3 as well as upcoming Line 6 of Suzhou Rail Transit, which is expected to provide easy access to other parts of Suzhou. Some key tenants in the portfolio includes Beckman Coulter Laboratory Systems, CCL Design Label, TDK (Suzhou) Electronics Co Ltd, Curtiss Wright, Nexteer Automotive (Suzhou) Co., Ltd, and Herbalife Health Products.

Trade Sector	By GRI (%)	By Committed NLA (%)
Engineering	30.9	32.9
Electronics	20.1	22.3
Others	13.3	10.7
Biomedical Sciences	12.9	13.3
Professional Services	12.6	11.4
Information & Communications Technology	9.7	9.1
e-Commerce	0.3	0.2
Financial Services	0.2	0.1

Lease Profile Expiry (%)
As at 31 December 2021



Ascendas Innovation Towers

GROSS REVENUE
RMB70.7 MILLION

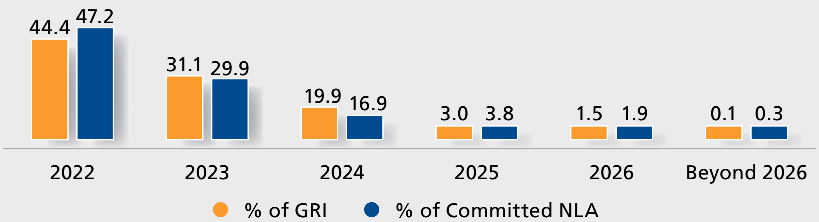
NET PROPERTY INCOME
RMB44.6 MILLION

PROPERTY VALUATION
RMB794.0 MILLION

Ascendas Innovation Towers is a business park that features two 23-storey office towers with a five-storey podium and a three-storey standalone building. The project has a total gross floor area of 118,495 sq m and net leasable area of 96,347 sq m. It is positioned as a landmark asset, providing quality focal point for the development of Xi'an's new economy, including hi-tech, innovation, software and R&D sectors. Notable tenants include Ping An Insurance Company, DHC Software, Dahua Technology, Anchnet and Transcosmos.

Trade Sector	By GRI (%)	By Committed NLA (%)
Information & Communications Technology	32.2	29.8
Financial Services	23.9	25.7
Electronics	19.5	18.9
Professional Services	12.9	13.1
Others	9.4	10.3
Engineering	2.1	2.2

Lease Profile Expiry (%)
As at 31 December 2021



GROSS REVENUE
RMB28.0
MILLION

NET PROPERTY INCOME
RMB19.9
MILLION

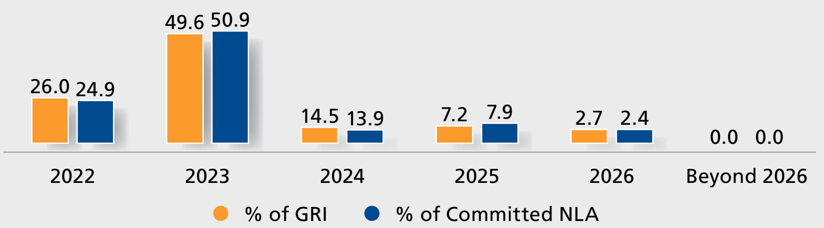
PROPERTY VALUATION
RMB305.0
MILLION

Ascendas Innovation Hub

Ascendas Innovation Hub is a business park with two office towers, located within the core area of Xi'an Software Park in Hi-tech Industries Development Zone, the most mature business park submarket in Xi'an. The property has a total gross floor area of 40,547 sq m and net leasable area of 36,108 sq m. Ascendas Innovation Hub has good accessibility and the area is home to a mixture of office, retail, and residential as well as hotel developments. Notable tenants include UnilC Semiconductors, Montage Technology and Qualcomm.

Trade Sector	By GRI (%)	By Committed NLA (%)
Electronics	67.9	66.4
Information & Communications Technology	16.0	15.2
Professional Services	11.0	10.7
Others	3.1	5.6
e-Commerce	1.4	1.5
Biomedical Sciences	0.6	0.6

Lease Profile Expiry (%)
As at 31 December 2021



Singapore-Hangzhou Science & Technology Park Phase I

GROSS REVENUE
RMB76.3 MILLION

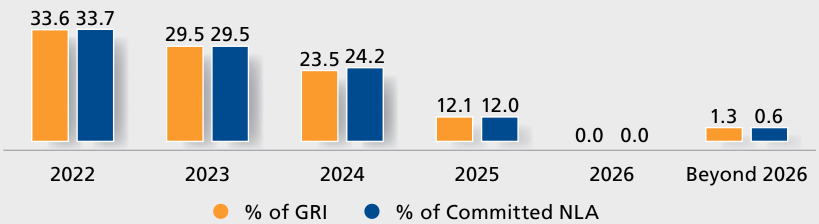
NET PROPERTY INCOME
RMB50.4 MILLION

PROPERTY VALUATION
RMB672.0 MILLION

Singapore-Hangzhou Science & Technology Park Phase I is an integrated business park located in the heart of Hangzhou Economic and Technological Development Area. The Phase I property comprises five R&D buildings of four to 20 storeys and two ancillary buildings, with a total gross floor area of 101,811 sq m and a net leasable area of 101,450 sq m. The property is in close proximity to Hangzhou Metro Line 1 and adjacent to Zhejiang's largest university zone. Singapore-Hangzhou Science & Technology Park Phase I hosts a good mixture of companies in the high-growth E-commerce, Biomedical Sciences, Information and Communication Technology sectors such as Sowow, MiRXES, CITIC Bank, China Life and Si Shan Technology.

Trade Sector	By GRI (%)	By Committed NLA (%)
e-Commerce	33.7	35.7
Others	15.1	12.6
Information & Communications Technology	9.2	9.4
Electronics	8.7	9.1
Fast Moving Consumer Goods	7.2	7.0
Professional_Services	6.8	6.8
Textile and Garments	5.4	5.5
Biomedical Sciences	4.2	4.0
Education	4.1	4.2
Logistics & Supply Chain Management	3.0	3.1
Financial Services	1.9	1.9
Engineering	0.7	0.7

Lease Profile Expiry (%)
As at 31 December 2021



Singapore-Hangzhou Science & Technology Park Phase II

GROSS REVENUE
RMB80.8
MILLION

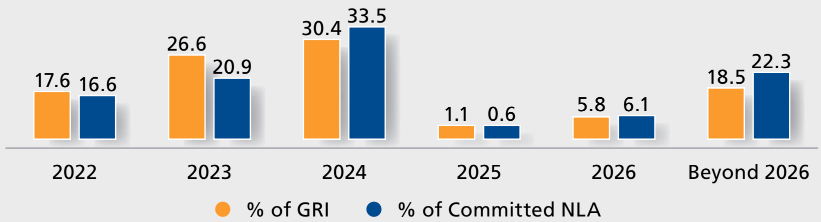
NET PROPERTY INCOME
RMB63.3
MILLION

PROPERTY VALUATION
RMB814.0
MILLION

Singapore-Hangzhou Science & Technology Park Phase II is an integrated business park located in the heart of Hangzhou Economic and Technological Development Area. The Phase II property comprises five R&D buildings of 11 to 15 storeys and five semi-detached standalone R&D buildings of four storeys and ancillary facilities, with a total gross floor area of 130,261 sq m and a net leasable area of 126,294 sq m. The property is in close proximity to Hangzhou Metro Line 1 and adjacent to Zhejiang's largest university zone. Singapore-Hangzhou Science & Technology Park Phase II hosts a good mixture of companies in Real Estate, high-growth E-commerce, Biomedical Sciences, Information and Communication Technology sectors such as Lelong Technology, the University of Auckland (Hangzhou) Innovation Institute, Weinian Technology and Nest.Bio Labs.

Trade Sector	By GRI (%)	By Committed NLA (%)
Real Estate	51.2	61.9
Food	15.6	11.9
Others	11.7	8.0
Biomedical Sciences	7.2	5.9
e-Commerce	6.5	5.3
Professional Services	5.9	5.4
Information & Communications Technology	1.5	1.2
Electronics	0.4	0.4

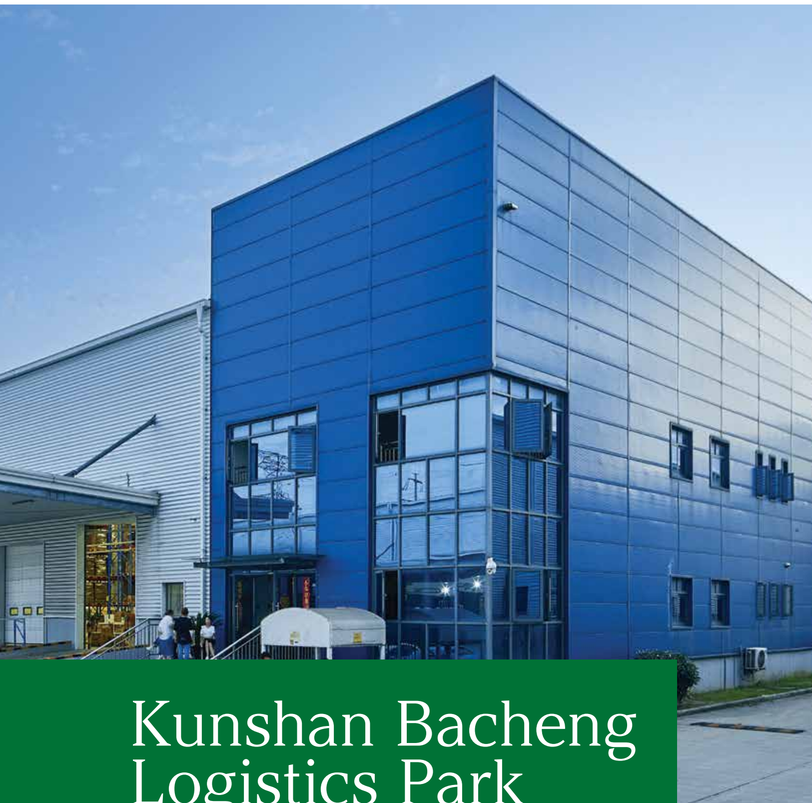
Lease Profile Expiry (%)
As at 31 December 2021



Shanghai Fengxian Logistics Park

Shanghai Fengxian Logistics Park is surrounded by logistics enterprises with convenient access to transport network due to its close proximity to established road, rail, air and sea transportation nodes. It comprises a block of double-storey lift warehouse and ancillaries such as office and guard room, with a total gross floor area of 62,785 sq m. The main entrance to the property is located along Haishang Road, at the north of the site. The vertical accessibility of the asset is mainly served by 2 cargo lifts and 6 pallet lifts.

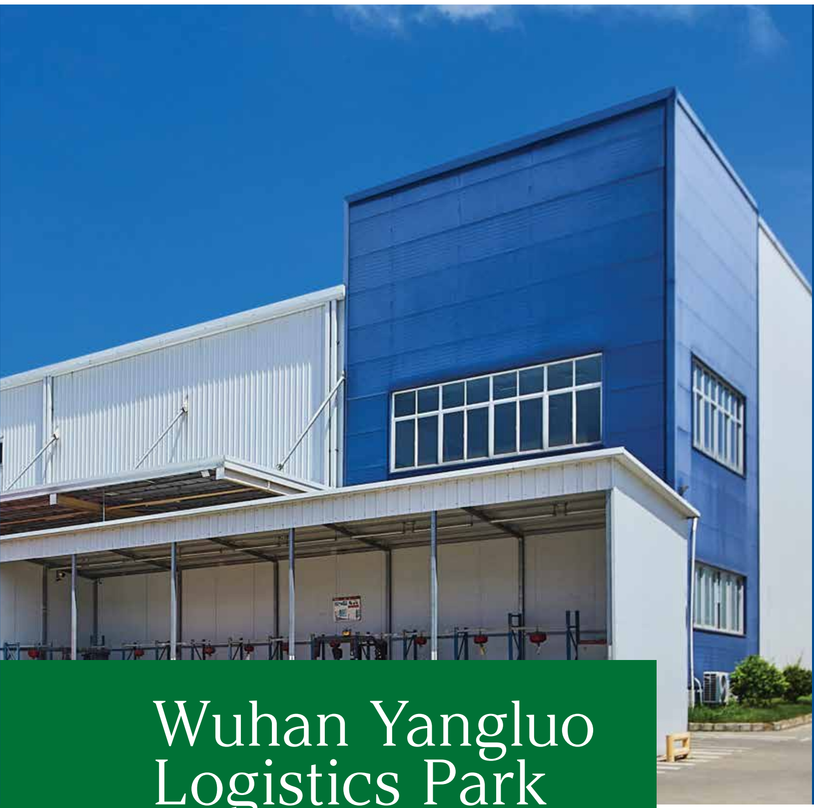
Trade Sector	By GRI (%)	By Committed NLA (%)
Logistics & Warehouse	100.0	100.0



Kunshan Bacheng Logistics Park

Kunshan Bacheng Logistics Park is situated within the distribution centre that covers the Yangtze River Delta region in Eastern China with extensive transportation options. The property is within an hour drive to Shanghai. It comprises three blocks of single-storey warehouse and 4 blocks of single-storey ancillaries such as office, guard room and facility room, with a total gross floor area of 43,945 sq m. The main entrance to the property is located along Yuyang Road, at the south of the site.

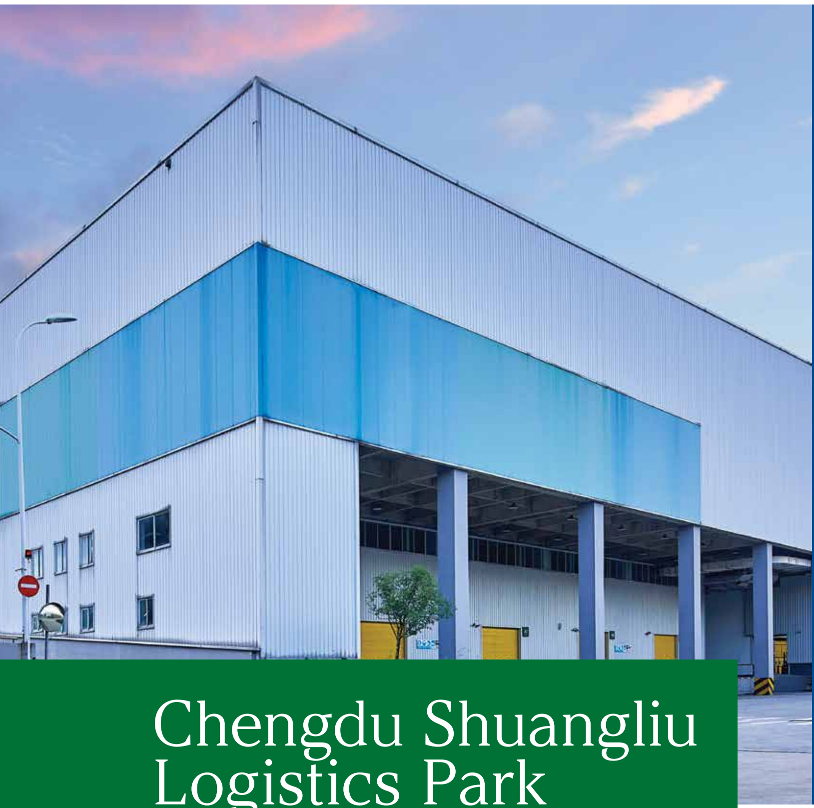
Trade Sector	By GRI (%)	By Committed NLA (%)
E-commerce	67.3	67.6
Logistics & Warehouse	30.4	29.1
Others	2.3	3.3



Wuhan Yangluo Logistics Park

Wuhan Yangluo Logistics Park is located at the east gate of Wuhan, catering to the logistics catchment area of Central China. With its favourable locational attribute of close proximity to the airport, highway network, railway and port, the logistics park is well-positioned to capture central China's logistical demands. Wuhan Yangluo Logistics Park comprises four blocks of single-storey warehouse and ancillaries such as dormitory, with a total gross floor area of 86,973 sq m. The main entrance to the property is located along Qiuli Road, at the north of the site.

Trade Sector	By GRI (%)	By Committed NLA (%)
Logistics and warehouse	95.0	95.3
Others	5.0	4.7



Chengdu Shuangliu Logistics Park

Chengdu Shuangliu Logistics Park is positioned to cater to inner and inter-city distribution and express delivery centres in Western China. With less than 30 minutes' drive to the international airport and major railway station, Chengdu Shuangliu Logistics Park is connected both within and beyond of Chengdu. The logistics park comprises one single-storey warehouse and two double-storey ramped warehouses with a total gross floor area of 71,556 sq m. The main entrance to the property is located along Tongguan Road, at the west of the site.

Trade Sector	By GRI (%)	By Committed NLA (%)
Logistics & Warehouse	60.3	60.6
Manufacturing	28.0	28.0
Pharmaceuticals	11.6	11.3
Information & Communications Technology	0.1	0.1

Tenants and Shoppers Engagement

CLCT's diversified portfolio mix of properties form an integral part of the community and our marketing promotions and events are curated with the needs of our tenants and shoppers in mind. Our strategic marketing activities aim to build a community through meticulously designed customer and tenant-centric experiences through active engagement and collaboration.

Ascendas Innovation Towers

To promote healthy living, numerous community-building events such as regular fitness training and games were organised during the year. Held in collaboration with health and fitness tenants, these activities helped to enhance the community spirit and inject vibrancy to the business park.

CapitaMall Yuhuating

Teamed up with 11 tenants, such as Starbucks, Haidilao and Nine Fresh, at CapitaMall Yuhuating to express our appreciation to frontliners for their efforts in battling COVID-19.

CapitaMall Nuohemule

Bringing the feel of the sun and sand closer to home, CapitaMall Nuohemule collaborated with 15 tenants to organise a "Pink Dream Beach Party" that featured many exciting beach activities.

CapitaMall Xuefu and CapitaMall Aidemengdun

Capitalising on the furore surrounding the Winter Olympics, CapitaMall Xuefu and CapitaMall Aidemengdun targeted sports enthusiasts by organising live sports tournaments, including the 2021 U.S Professional Wrestling China Tour as well as numerous basketball matches.

CapitaMall Qibao

Serving as a hub for the community, CapitaMall Qibao organised regular kids activities and events across the year including Children's Sports Day and hands-on interactive DIY activities to promote family bonding.

Rock Square

As part of the social drive to increase awareness to the needy within the community, a charity drive was organised at Rock Square to raise funds for the elderly and children with special needs.

CapitaMall Nuohemule

Inspired by one of the latest trending games that took the world by storm, CapitaMall Nuohemule organised a "Squid Game" inspired event over the course of 3 days. More than 1,300 participants joined the event. As part of the game, participants needed to use the CapitaStar platform and were rewarded with coupons from participating tenants once they completed their missions.

CapitaMall Wangjing and CapitaMall Xizhimen

Leveraging on our CapitaStar platform, CapitaMall Wangjing and CapitaMall Xizhimen collaborated with multiple tenants to host live streaming sessions featuring a wide variety of offerings from fashion to food products. These engaging events helped to boost online sales and create top-of-mind awareness for our customers.

Ascendas Xinsu Portfolio

Organised a social networking event for tenants, who are singles, to interact and establish new friendships and bonds through various fun-filled team bonding activities.

Contents

FINANCIAL STATEMENTS

Report of the Trustee

HSBC Institutional Trust Services (Singapore) Limited (the "Trustee") is under a duty to take into custody and hold the assets of CapitaLand China Trust (the "Trust") in trust for the Unitholders. In accordance with the Securities and Futures Act (Cap. 289), its subsidiary legislation and the Code on Collective Investment Schemes, the Trustee shall monitor the activities of CapitaLand China Trust Management Limited (the "Manager") for compliance with the limitations imposed on the investment and borrowing powers as set out in 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 the Manager and the Trustee in each annual accounting period and report thereon to Unitholders in an annual report.

To the best knowledge of the Trustee, the Manager has, in all material respects, managed the Trust during the year covered by these financial statements, set out on pages 133 to 219, in accordance with the limitations imposed on the investment and borrowing powers set out in the Trust Deed.

For and on behalf of the Trustee,
HSBC Institutional Trust Services (Singapore) Limited

Authorised Signatory

Singapore
10 March 2022

Statement by the Manager

In the opinion of the directors of CapitaLand China Trust Management Limited (the "Manager"), the accompanying financial statements set out on pages 133 to 219 comprising the consolidated statement of financial position and consolidated portfolio statement of the CapitaLand China Trust (the "Trust") and its subsidiaries (the "Group") and the statement of financial position of the Trust as at 31 December 2021, the consolidated statement of total return, consolidated distribution statement, consolidated statement of movements in Unitholders' funds and consolidated statement of cash flows of the Group and the statement of movements in Unitholders' funds of the Trust for the year then ended, and a summary of significant accounting policies and other explanatory information, are drawn up so as to present fairly, in all material respects, the consolidated financial position and the portfolio holdings of the Group and the financial position of the Trust as at 31 December 2021 and the consolidated total return, consolidated distributable income, consolidated movements in Unitholders' funds and consolidated cash flows of the Group and the movements in Unitholders' funds of the Trust for the year ended on that date in accordance with the recommendations of Statement of Recommended Accounting Practice 7 "*Reporting Framework for Investment Funds*" issued by the Institute of Singapore Chartered Accountants and the provisions of the Trust Deed. At the date of this statement, there are reasonable grounds to believe that the Group will be able to meet its financial obligations as and when they materialise.

For and on behalf of the Manager,
CapitaLand China Trust Management Limited

Tan Tze Wooi
Director

Singapore
10 March 2022

UNITHOLDERS OF CAPITALAND CHINA TRUST
(CONSTITUTED UNDER A TRUST DEED DATED 23 OCTOBER 2006 (AS AMENDED) IN THE REPUBLIC OF SINGAPORE)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of CapitaLand China Trust (the "Trust") and its subsidiaries (the "Group"), which comprise the consolidated statement of financial position and consolidated portfolio statement of the Group and the statement of financial position of the Trust as at 31 December 2021, the consolidated statement of total return, consolidated distribution statement, consolidated statement of movements in Unitholders' funds and consolidated statement of cash flows of the Group and the statement of movements in Unitholders' funds of the Trust for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 133 to 219.

In our opinion, the accompanying consolidated financial statements of the Group, and the statement of financial position and statement of movements in Unitholders' funds of the Trust present fairly, in all material respects, the consolidated financial position and the portfolio holdings of the Group and the financial position of the Trust as at 31 December 2021 and the consolidated total return, consolidated distributable income, consolidated movements in Unitholders' funds and consolidated cash flows of the Group and the movements in Unitholders' funds of the Trust for the year then ended in accordance with the recommendations of Statement of Recommended Accounting Practice 7 "*Reporting Framework for Investment Funds*" ("RAP 7") issued by the Institute of Singapore Chartered Accountants.

Basis for opinion

We conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). Our responsibilities under those standards are further described in the '*Auditors' responsibilities for the audit of the financial statements*' section of our report. We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority *Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities* ("ACRA Code") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Valuation of investment properties

(Refer to Portfolio Statement and Notes 4 and 10 to the financial statements)

Risk

The Group owns and invests in a portfolio of 11 retail assets, 5 business parks and 4 logistics parks located in 12 cities in China. Investment properties represent the largest asset item on the consolidated statement of financial position, at $5.2 billion as at 31 December 2021 (2020: $3.9 billion (including CapitaMall Saihan and CapitaMall Minzhongleyuan which were classified as held for sale, but excluding right-of-use assets)).

The investment properties are stated at their fair value based on independent external valuations. The valuation process involves significant judgement in determining the appropriate valuation methodologies and in estimating the underlying assumptions to be applied in the valuations. Any changes in the key assumptions applied could result in a material impact to the financial statements.

The valuation reports obtained from the independent valuers for certain of the properties 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.

Our response

We evaluated the objectivity, qualifications and competence of the external valuers and discussed with the valuers to understand their valuation approaches, assumptions used and bases of valuations. We considered the valuation methodologies against those applied by other valuers for similar property types.

We compared the projected cash flows used in the valuations to lease agreements and other supporting documents. We evaluated the appropriateness of the discount, capitalisation and terminal yield rates used in the valuation by comparing these against historical trends and available industry data, taking into consideration comparability and market factors. Where the rates were outside the expected ranges, we undertook further procedures to understand the effect of additional factors and, when necessary, held further discussions with the valuers.

Our findings

The Group has a structured process in appointing external valuers and in reviewing, challenging and accepting their valuations. The valuers are members of generally-recognised professional bodies for valuers. The valuation methodologies used are in line with generally accepted market practices and the key assumptions used are supported by market data.

Other information

CapitaLand China Trust Management Limited, the Manager of the Trust (the "Manager"), is responsible for the other information contained in the annual report. Other information is defined as all information in the annual report other than the financial statements and our auditors' report thereon.

We have obtained all other information prior to the date of this auditors' report.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibility of the Manager for the financial statements

The Manager is responsible for the preparation and fair presentation of these financial statements in accordance with the recommendations of RAP 7 issued by the Institute of Singapore Chartered Accountants, and for such internal control as the Manager determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Manager is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Manager either intends to terminate the Group or to cease operations, or has no realistic alternative but to do so.

The Manager's responsibilities include overseeing the Group's financial reporting process.

Auditors' responsibility for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.

- Obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Manager.

- Conclude on the appropriateness of the Manager's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Manager regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal controls that we identify during our audit.

We also provide the Manager with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Manager, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless the law or regulations preclude public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditors' report is Lim Pang Yew, Victor.

KPMG LLP
Public Accountants and
Chartered Accountants

Singapore
10 March 2022

Statements of Financial Position

AS AT 31 DECEMBER 2021

	Note	Group 2021 $'000	Group 2020 $'000	Trust 2021 $'000	Trust 2020 $'000
Non-current assets					
Investment properties	4	**5,249,617**	3,726,433	**–**	–
Plant and equipment	5	**3,749**	2,394	**–**	–
Subsidiaries	6	**–**	–	**2,946,142**	2,208,738
Financial derivatives	7	**5,735**	–	**5,735**	–
Other receivables	8	**1,365**	1,266	**–**	–
		5,260,466	3,730,093	**2,951,877**	2,208,738
Current assets					
Non-trade amounts due from subsidiaries	6	**–**	–	**2,247**	2,216
Financial derivatives	7	**7**	1	**7**	1
Trade and other receivables	8	**26,567**	148,353	**329**	93,187
Cash and cash equivalents	9	**288,860**	208,440	**15,994**	858
		315,434	356,794	**18,577**	96,262
Assets held for sale	10	**–**	223,370	**–**	–
		315,434	580,164	**18,577**	96,262
Total assets		**5,575,900**	4,310,257	**2,970,454**	2,305,000
Current liabilities					
Trade and other payables	11	**149,996**	177,704	**60,830**	22,619
Security deposits		**51,352**	36,893	**–**	–
Financial derivatives	7	**821**	2,193	**821**	2,193
Interest-bearing borrowings	12	**215,001**	155,560	**179,953**	145,359
Lease liabilities	13	**5,147**	4,091	**–**	–
Provision for taxation		**7,716**	7,066	**10**	23
		430,033	383,507	**241,614**	170,194
Liabilities held for sale	10	**–**	32,161	**–**	–
		430,033	415,668	**241,614**	170,194
Non-current liabilities					
Financial derivatives	7	**2,820**	16,134	**2,820**	16,134
Other payables	11	**24,131**	85	**–**	–
Security deposits		**66,035**	37,806	**–**	–
Interest-bearing borrowings	12	**1,774,520**	1,200,374	**1,416,154**	1,046,380
Lease liabilities	13	**5,505**	10,631	**–**	–
Deferred tax liabilities	14	**318,493**	284,705	**–**	–
		2,191,504	1,549,735	**1,418,974**	1,062,514
Total liabilities		**2,621,537**	1,965,403	**1,660,588**	1,232,708
Net assets		**2,954,363**	2,344,854	**1,309,866**	1,072,292
Represented by:					
Unitholders' funds	15	**2,588,199**	2,245,244	**1,210,256**	972,682
Perpetual securities holders	16	**99,610**	99,610	**99,610**	99,610
Non-controlling interests	17	**266,554**	–	**–**	–
		2,954,363	2,344,854	**1,309,866**	1,072,292
Units in issue ('000)	16	**1,659,528**	1,506,433	**1,659,528**	1,506,433
Net asset value per Unit attributable to Unitholders ($)		**1.56**	1.49	**0.73**	0.65

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

Statements of Total Return

YEAR ENDED 31 DECEMBER 2021

	Note	Group 2021 $'000	Group 2020 $'000
Gross rental income		**348,569**	194,771
Other income		**29,398**	15,754
Gross revenue		**377,967**	210,525
Property related tax		**(32,927)**	(18,571)
Business tax		**(2,143)**	(1,025)
Property management fees and reimbursables		**(24,067)**	(14,561)
Other property operating expenses	19	**(68,403)**	(41,172)
Total property operating expenses		**(127,540)**	(75,329)
Net property income		**250,427**	135,196
Manager's management fees	20	**(20,938)**	(15,532)
Trustee's fees		**(677)**	(584)
Audit fees		**(582)**	(399)
Valuation fees		**(136)**	(65)
Other operating income/(expense)	21	**808**	(905)
Foreign exchange gain – realised		**1,307**	1,657
Finance income		**3,941**	7,194
Finance costs		**(48,118)**	(37,557)
Net finance costs	22	**(44,177)**	(30,363)
Net income before share of results of joint venture		**186,032**	89,005
Share of results (net of tax) of joint venture	23	**–**	3,698
Net income		**186,032**	92,703
Gain on disposal of subsidiaries (1)		**13,164**	34,708
Change in fair value of investment properties	4	**(10,220)**	(99,057)
Change in fair value of financial derivatives		**1,230**	(1,786)
Foreign exchange (loss)/gain – unrealised		**(612)**	1,769
Total return for the year before taxation		**189,594**	28,337
Taxation	24	**(66,792)**	(40,366)
Total return/(loss) for the year after taxation		**122,802**	(12,029)
Attributable to:			
Unitholders		**103,303**	(12,639)
Perpetual securities holders		**3,375**	610
Non-controlling interests	17	**16,124**	–
Total return/(loss) for the year after taxation		**122,802**	(12,029)
Earnings per Unit (cents)	25		
– Basic		**6.92**	(0.96)
– Diluted		**6.86**	(0.96)

(1) For 2021, this relates to the gain arising from the disposal of 100% interest in the companies which held CapitaMall Minzhongleyuan and CapitaMall Saihan. For 2020, this relates to the gain arising from the disposal of 100% interest in the company which held CapitaMall Erqi.

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

Distribution Statements

YEAR ENDED 31 DECEMBER 2021

	Note	Group 2021 $'000	Group 2020 $'000
Amount available for distribution to Unitholders at beginning of the year		**9,582**	44,315
Total return/(loss) for the year attributable to Unitholders and perpetual securities holders		**106,678**	(12,029)
Less: Total return attributable to perpetual securities holders		**(3,375)**	(610)
Distribution adjustments	A	**32,213**	87,117
Income for the year available for distribution to Unitholders		**135,516**	74,478
Amount available for distribution to Unitholders		**145,098**	118,793
Distribution to Unitholders during the year:			
Distribution of 0.58 cents per Unit for the period from 26 November 2020 to 31 December 2020		**(8,737)**	–
Distribution of 4.23 cents per Unit for the period from 1 January 2021 to 30 June 2021		**(64,259)**	–
Distribution of 2.70 cents per Unit for the period from 1 July 2021 to 20 October 2021		**(41,331)**	–
Distribution of 3.61 cents per Unit for the period from 14 August 2019 to 31 December 2019		**–**	(43,647)
Distribution of 3.02 cents per Unit for the period from 1 January 2020 to 30 June 2020		**–**	(36,931)
Distribution of 2.75 cents per Unit for the period from 1 July 2020 to 25 November 2020		**–**	(33,883)
		(114,327)	(114,461)
Amount released for general corporate and working capital purposes	B	**–**	5,250
Amount available for distribution to Unitholders at end of the year (1)		**30,771**	9,582
Distribution per Unit ("DPU") (cents) (1)		**8.73**	6.35
Adjusted DPU (cents) (2)		**8.73**	6.33

(1) The Distribution per Unit relates to the distributions in respect of the relevant financial year. The distribution relating to 21 October 2021 to 31 December 2021 will be paid within 90 days from the end of the distribution period, in accordance with the provisions of the Trust Deed.
(2) The figure for FY2020 has been adjusted and restated for the effect of the bonus element of the preferential offering of 68,997,855 Units which were issued on 16 December 2020.

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

Note A – Distribution adjustments

	Group	
	2021 $'000	2020 $'000
Distribution adjustment items:		
– Gain on disposal of subsidiaries	**(8,232)**	(23,814)
– Straight line rental and leasing commission adjustments [1]	**2,311**	–
– Manager's management fees payable in Units	**14,292**	7,322
– Change in fair value of financial derivatives	**(1,230)**	1,786
– Change in fair value of investment properties [1]	**8,799**	99,057
– Deferred taxation [1]	**21,130**	7,213
– Transfer to general reserve [1]	**(6,783)**	(5,324)
– Unrealised foreign exchange loss/(gain) [1]	**608**	(1,769)
– Other adjustments [1]	**1,318**	(3,357)
– Adjustments for share of results (net of tax) of joint venture	**–**	6,003
Net effect of distribution adjustments	**32,213**	87,117

(1) Excludes non-controlling interest's share

Note B – Distributable amount to Unitholders

For the year ended 31 December 2020, amount released of $5.3 million for general corporate and working capital relates to the one-off compensation received by CapitaMall Erqi.

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

Statements of Movements in Unitholders' Funds

YEAR ENDED 31 DECEMBER 2021

	Group		Trust	
	2021 $'000	2020 $'000	2021 $'000	2020 $'000
Operations				
Unitholders' funds as at beginning of the year	**2,245,244**	1,873,671	**972,682**	711,698
Change in Unitholders' funds resulting from operations	**106,678**	(12,029)	**149,621**	36,250
Total return attributable to perpetual securities holders	**(3,375)**	(610)	**(3,375)**	(610)
Transfer to general reserve	**(6,783)**	(5,324)	**–**	–
Net increase/(decrease) in net assets resulting from operations	**96,520**	(17,963)	**146,246**	35,640
Movements in hedging reserve				
Effective portion of changes in fair value of cash flow hedges	**19,197**	(11,609)	**19,197**	(11,609)
Movements in foreign currency translation reserve				
Translation differences from financial statements of foreign operations	**134,406**	142,123	**–**	–
Exchange differences on monetary items forming part of net investment in foreign operations	**13,918**	16,745	**–**	–
Net gain/(loss) recognised directly in Unitholders' funds	**167,521**	147,259	**19,197**	(11,609)
Movement in general reserve	**6,783**	**5,324**	**–**	**–**
Unitholders' transactions				
New Units issued				
– Units issued in connection with private placement	**150,001**	245,371	**150,001**	245,371
– Units issued in connection with preferential offering	**–**	80,727	**–**	80,727
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	**14,292**	7,322	**14,292**	7,322
– Units issued in respect of acquisition fees	**10,055**	–	**10,055**	–
Units issued in respect of the distribution reinvestment plan	**15,910**	24,794	**15,910**	24,794
	190,258	358,214	**190,258**	358,214
Distributions to Unitholders	**(114,327)**	(114,461)	**(114,327)**	(114,461)
Equity issue expenses	**(3,800)**	(6,800)	**(3,800)**	(6,800)
Net increase in net assets resulting from Unitholders' transactions	**72,131**	236,953	**72,131**	236,953
Unitholders' funds as at end of the year	**2,588,199**	2,245,244	**1,210,256**	972,682
Perpetual securities holders' funds				
Balance as at beginning of the year	**99,610**	–	**99,610**	–
New issuance of perpetual securities	**–**	100,000	**–**	100,000
Issue expenses relating to perpetual securities	**–**	(1,000)	**–**	(1,000)
Amount reserved for distribution to perpetual securities holders	**3,375**	610	**3,375**	610
Distributions to perpetual securities holders	**(3,375)**	–	**(3,375)**	–
Balance as at end of the year	**99,610**	99,610	**99,610**	99,610

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

Statements of Movements in Unitholders' Funds

YEAR ENDED 31 DECEMBER 2021

	Group		Trust	
	2021	2020	2021	2020
	$'000	$'000	$'000	$'000
Non-controlling interests				
Balance at beginning of the financial year	–	–	–	–
Acquisition of subsidiaries	**240,401**	–	–	–
Total return attributable to non-controlling interests	**16,124**	–	–	–
Dividend paid	**(620)**	–	–	–
Translation differences from financial statements of foreign operations	**10,649**	–	–	–
Balance at end of the year	**266,554**	–	–	–
Total	**2,954,363**	2,344,854	**1,309,866**	1,072,292

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

Portfolio Statement

YEAR ENDED 31 DECEMBER 2021

Description of leasehold property	Location	Term of lease (years)	Remaining term of lease (years)	Valuation		Valuation		Percentage of Unitholders' funds	
				2021	2020	2021	2020	2021	2020
				RMB'000	RMB'000	$'000	$'000	%	%
Group									
Retail Malls									
CapitaMall Xizhimen	No. 1, Xizhimenwai Street, Xicheng District, Beijing	40 – 50	23 – 33	**3,620,000**	3,580,000	**766,608**	730,392	**29.6**	32.5
Rock Square	No. 106-108 Gongye Avenue North, Haizhu District, Guangzhou City, Guangdong Province	40	24	**3,422,000**	3,414,000	**724,677**	696,524	**28.0**	31.0
CapitaMall Wangjing	No. 33, Guangshunbei North Road, Chaoyang District, Beijing	38 – 48	22 – 32	**2,795,000**	2,772,000	**591,897**	565,543	**22.9**	25.2
CapitaMall Grand Canyon	No. 16, South Third Ring West Road, Fengtai District, Beijing	40 – 50	23 – 33	**2,022,000**	2,125,000	**428,199**	433,543	**16.6**	19.4
CapitaMall Xuefu	No. 1, Xuefu Road, Nangang District, Harbin, Heilongjiang Province	40	24	**1,789,000**	1,774,000	**378,857**	361,931	**14.6**	16.1
CapitaMall Xinnan	No. 99, Shenghe First Road, Gaoxin District, Chengdu, Sichuan Province	40	26	**1,611,000**	1,600,000	**341,162**	326,432	**13.2**	14.5
CapitaMall Nuohemule	Block A Jinyu Xintiandi, E'erduosi Street, Yuquan District, Hohhot, Inner Mongolia Autonomous Region	40	28	**1,020,000**	1,006,000	**216,005**	205,244	**8.3**	9.1
CapitaMall Yuhuating	No. 421, Shaoshan Middle Road, Yuhua District, Changsha, Hunan Province	39	23	**770,000**	760,000	**163,063**	155,055	**6.3**	6.9
CapitaMall Shuangjing	No. 31, Guangqu Road, Chaoyang District, Beijing	40	21	**616,000**	610,000	**130,450**	124,453	**5.0**	5.5
CapitaMall Aidemengdun	No. 38, Aidemengdun Road, Daoli District, Harbin, Heilongjiang Province	40	21	**446,000**	469,000	**94,449**	95,685	**3.6**	4.3
Balance carried forward				**18,111,000**	18,110,000	**3,835,367**	3,694,802	**148.1**	164.5

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

Portfolio Statement

YEAR ENDED 31 DECEMBER 2021

Description of leasehold property	Location	Term of lease (years)	Remaining term of lease (years)	Valuation 2021 RMB'000	Valuation 2020 RMB'000	Valuation 2021 $'000	Valuation 2020 $'000	Percentage of Unitholders' funds 2021 %	Percentage of Unitholders' funds 2020 %
Group									
Balance brought forward				**18,111,000**	18,110,000	**3,835,367**	3,694,802	**148.1**	164.5
Retail Malls									
CapitaMall Qibao[1]	No. 3655, Qixin Road, Minhang District, Shanghai	19	3	**55,000**	83,000	**11,647**	16,934	**0.5**	0.8
Business Parks									
Ascendas Xinsu Portfolio[2]	Suzhou Industrial Park, Suzhou City, Jiangsu Province	50	25 – 36	**2,294,000**	–	**485,800**	–	**18.8**	–
Ascendas Innovation Towers[3]	No. 88 Tiangu Seventh Road, Xi'an Hi-Tech Industries Development Zone, Xi'an, Shaanxi Province	50	43	**794,000**	–	**168,145**	–	**6.5**	–
Ascendas Innovation Hub[4]	No. 38 Gaoxin Sixth Road, Xi'an Hi-Tech Industries Development Zone, Xi'an, Shaanxi Province	50	30	**305,000**	–	**64,590**	–	**2.5**	–
Singapore-Hangzhou Science & Technology Park (Phase I)[5]	No. 2 Kejiyuan Road, Hangzhou Economic & Technological Development Area, Jianggan District, Hangzhou, Zhejiang Province	50	35	**672,000**	–	**142,310**	–	**5.4**	–
Singapore-Hangzhou Science & Technology Park (Phase II)[5]	No. 20 & 57 Kejiyuan Road, Hangzhou Economic & Technological Development Area, Jianggan District, Hangzhou, Zhejiang Province	50	39	**814,000**	–	**172,381**	–	**6.7**	–
				23,045,000	18,193,000	**4,880,240**	3,711,736	**188.5**	165.3

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

Portfolio Statement

YEAR ENDED 31 DECEMBER 2021

Description of leasehold property	Location	Term of lease (years)	Remaining term of lease (years)	Valuation 2021 RMB'000	Valuation 2020 RMB'000	Valuation 2021 $'000	Valuation 2020 $'000	Percentage of Unitholders' fund 2021 %	Percentage of Unitholders' fund 2020 %
Group									
Balance brought forward				**23,045,000**	18,193,000	**4,880,240**	3,711,736	**188.5**	165.3
Logistics Parks									
Kunshan Bacheng Logistics Park[6]	No. 998 Yuyang Road Yushan Town, Kunshan, Jiangsu Province	50	43	**330,000**	–	**69,884**	–	**2.7**	–
Wuhan Yangluo Logistics Park[6]	10 Qiuli Road, Yangluo Development Zone, Xinzhou District, Wuhan	50	43	**383,000**	–	**81,108**	–	**3.1**	–
Chengdu Shuangliu Logistics Park[6]	No. 86 Tongguan Road, Shuangliu District, Chengdu, Sichuan Province	50	41	**357,000**	–	**75,602**	–	**2.9**	–
Shanghai Fengxian Logistics Park[6]	No. 435 Haishang Road, Fengxian District, Shanghai	50	38	**624,000**	–	**132,144**	–	**5.1**	–
Investment properties, at valuation (Note 4)				**24,739,000**	18,193,000	**5,238,978**	3,711,736	**202.3**	165.3
Divested Assets									
Retail Malls									
CapitaMall Saihan[7]	No. 32, Ordos Street, Saihan District, Hohhot, Inner Mongolia Autonomous Region	35	20	–	460,000	–	93,849	–	4.2
CapitaMall Minzhongleyuan[8]	No. 704, Zhongshan Avenue, Jianghan District, Wuhan, Hubei Province	40	23 – 25	–	440,911	–	89,955	–	4.0
				24,739,000	19,093,911	**5,238,978**	3,895,540	**202.3**	173.5
Other assets and liabilities (net)						**(2,284,615)**	(1,550,686)	**(88.3)**	(69.1)
						2,954,363	2,344,854	**114.0**	104.4
Net assets attributable to perpetual securities holders						**(99,610)**	(99,610)	**(3.8)**	(4.4)
Net assets attributable to non-controlling interests						**(266,554)**	–	**(10.2)**	–
Net assets attributable to Unitholders						**2,588,199**	2,245,244	**100.0**	100.0

(1) 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 in January 2024, with the right to renew for a further term of 19 years and two months from January 2024 at the option of the Group. Accordingly, the land use rights is held by Jin Qiu. The valuation is on the basis that CLCT did not exercise its option which expired on 31 January 2021.
(2) New acquisition which was completed on 4 January 2021.
(3) New acquisition which was completed on 10 February 2021.
(4) New acquisition which was completed on 26 February 2021.
(5) New acquisition which was completed on 18 June 2021.
(6) New acquisition which was completed on 10 November 2021.
(7) No carrying amount disclosed as at 31 December 2021 because CapitaMall Saihan was divested in June 2021.
(8) No carrying amount disclosed as at 31 December 2021 because CapitaMall Minzhongleyuan was divested in February 2021. The carrying amount as at 31 December 2020 includes the valuation of the retail mall and carrying amount of three residential units.

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

Consolidated Statement of Cash Flows

YEAR ENDED 31 DECEMBER 2021

	Note	Group 2021 $'000	Group 2020 $'000
Operating activities			
Total return/(loss) for the year after taxation		**122,802**	(12,029)
Adjustments for:			
Finance income		**(3,941)**	(7,194)
Finance costs		**48,118**	37,557
Depreciation and amortisation		**1,368**	897
Taxation		**66,792**	40,366
Manager's management fees payable in Units	A	**14,292**	7,322
Plant and equipment written off		**40**	85
Change in fair value of investment properties		**10,220**	99,057
Change in fair value of financial derivatives		**(1,230)**	1,786
Share of joint venture's results (net of tax)		**–**	(3,698)
Gain on disposal of subsidiaries		**(13,164)**	(34,708)
Impairment losses on trade receivables, net		**159**	357
Operating income before working capital changes		**245,456**	129,798
Changes in working capital:			
Trade and other receivables		**11,969**	(10,525)
Trade and other payables		**1,565**	(13,476)
Cash generated from operating activities		**258,990**	105,797
Income tax paid		**(44,899)**	(27,226)
Net cash from operating activities		**214,091**	78,571
Investing activities			
Interest received		**3,941**	4,588
Capital expenditure on investment properties		**(26,539)**	(26,725)
Net cash outflow on acquisition of subsidiaries	B	**(616,380)**	(200,640)
Proceeds from disposal of subsidiaries	C	**169,720**	150,412
Deposit refund for divestment of subsidiaries		**(46,982)**	(3,865)
Acquisition of investment property		**(15,996)**	–
Partial purchase consideration payment for acquisition of subsidiaries	D	**–**	(115,604)
Purchase of plant and equipment		**(1,189)**	(407)
Proceeds from disposal of plant and equipment		**3**	7
Net cash used in investing activities		**(533,422)**	(192,234)
Financing activities			
Proceeds from issuance of new Units		**150,001**	326,098
Distribution to Unitholders		**(98,417)**	(89,667)
Payment of equity issue expenses		**(2,887)**	(2,813)
Payment of financing expenses		**(1,485)**	(1,820)
Proceeds from issuance of perpetual securities		**–**	100,000
Payment of transaction costs on issuance of perpetual securities		**–**	(545)
Payment of lease liabilities		**(5,757)**	(4,019)
Proceeds from draw down of interest-bearing borrowings		**811,300**	539,200
Repayment of interest-bearing borrowings		**(440,601)**	(650,510)
Settlement of derivative contracts		**(1,098)**	(703)
Interest paid		**(44,922)**	(35,556)
Net cash from financing activities		**366,134**	179,665
Net increase in cash and cash equivalents		**46,803**	66,002
Cash and cash equivalents at 1 January		**208,440**	139,920
Effect of foreign exchange rate changes on cash balances		**8,813**	8,060
Changes in cash and cash equivalents reclassified to assets held for sale		**24,804**	(5,542)
Cash and cash equivalents at 31 December	9	**288,860**	208,440

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

Notes:

(A) Significant non-cash and other transactions

Manager's management fees (performance and partial base fees) of $14.3 million in 2021 will be paid through the issue of new Units subsequent to the year end.

Manager's management fees (performance and partial base fees) of $7.3 million in 2020 was paid through the issuance of 5,359,744 new Units in March 2021.

(B) Net cash outflow on the acquisition of subsidiaries

In 2021, the Group acquired 51% of the shares in Singapore Suzhou Industrial Holdings Pte. Ltd., which holds Ascendas – Xinsu Development (Suzhou) Co., Ltd. for Ascendas Xinsu Portfolio, 100.0% of the shares in Ascendas Xi An Hi-Tech Development Co., Ltd., which holds Ascendas Innovation Towers, 80.0% of the shares in Xi An Ascendas-Science Technology Investment Co., Ltd. which holds Ascendas Innovation Hub, 80.0% of the shares in Ascendas Hangzhou Science & Technology Co., Ltd. and Ascendas Hangzhou Data Processing Co., Ltd. which hold Singapore Hangzhou Science & Technology Park Phase I and Phase II, respectively.

On 10 November 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.

The total consideration paid for the above acquisitions was $801.4 million.

On 30 December 2020, the Group acquired the remaining 49% of the shares in Gold Yield Pte. Ltd., which holds Guangzhou Starshine Properties Co., Ltd.. The assets of Guangzhou Starshine Properties Co., Ltd. largely consists of investment property without substantial operational or management processes. Substantially all of the fair value of the gross assets acquired is concentrated in the investment property.

The Group applied the concentration test and the acquisition of the remaining 49% of the shares in Gold Yield Pte. Ltd. has been assessed and accounted for as an acquisition of assets in the financial statements.

The consideration, fully paid in cash, at the acquisition date for the acquisition of the remaining 49% of the shares in Gold Yield Pte. Ltd. was $272.3 million.

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

(B) *Net cash outflow on the acquisition of subsidiaries* *(continued)*

Net cash outflow on acquisition of subsidiaries is provided below:

	Group	
	2021 $'000	2020 $'000
Investment properties	**1,314,909**	691,352
Plant and equipment	**1,379**	193
Trade and other receivables	**6,845**	3,967
Cash and cash equivalents	**89,350**	71,620
Trade and other payables	**(24,605)**	(109,803)
Security deposits	**(30,964)**	(9,279)
Interest-bearing borrowings	**(249,628)**	(83,532)
Shareholder loans	**(54,047)**	–
Provision for taxation	**(2,286)**	–
Net identifiable assets and liabilities acquired	**1,050,953**	564,518
Non-controlling interest	**(240,401)**	–
Net identifiable assets and liabilities based on percentage acquired	**810,552**	276,614
Cash of the subsidiaries acquired	**(73,774)**	(71,620)
Deposit paid in 2020	**(115,604)**	–
Consideration payable	**(9,148)**	(4,354)
Cash paid to vendor in respect of acquisition of subsidiary in 2020	**4,354**	–
Net cash outflow	**616,380**	200,640

(C) *Net cash inflow on the divestment of subsidiaries*

Net cash inflow on divestment of subsidiaries are provided below:

	Group	
	2021 $'000	2020 $'000
Investment properties	**201,274**	129,858
Plant and equipment	**53**	2
Trade and other receivables	**954**	6,785
Cash and cash equivalents	**607**	6,983
Trade and other payables	**(19,258)**	(274)
Lease liabilities	**(13,685)**	–
Security deposits	**(529)**	–
Deferred tax liabilities	**(13,175)**	(24,648)
Provision for taxation	**(9)**	–
Net identifiable assets and liabilities divested	**156,232**	118,706
Gain on disposal of subsidiary	**13,164**	34,735
Realisation of translation reserves	**5,864**	13,855
Sale consideration	**175,260**	167,296
Tax paid	**(4,933)**	(10,895)
Cash of subsidiary divested	**(607)**	(6,983)
Cash received from vendor in respect of divestment of subsidiary in 2019	**–**	994
Net cash inflow	**169,720**	150,412

(D) *Partial purchase consideration payment for acquisition of subsidiaries*

On 6 November 2020, the Group entered into conditional agreements with related parties to acquire Ascendas Xinsu Portfolio, Ascendas Innovation Towers, Ascendas Innovation Hub and SHSTP Phase I and Phase II for a purchase consideration of RMB2.4 billion (approximately $495.0 million), subject to post-completion. The Group made partial payments amounting to $115.6 million in 2020.

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

These notes form an integral part of the financial statements.

The financial statements were authorised for issue by the Manager and the Trustee on 10 March 2022.

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.

For financial reporting purposes, the intermediate and ultimate holding companies of the Group are CapitaLand Group Pte. Ltd. ("CLG") (formerly known as CapitaLand Limited or "CL") and Temasek Holdings (Private) Limited respectively for FY 2020. With effect from September 2021, following the internal restructuring of CL, CL ceased to be the intermediate holding company of the Group.

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 principal activities of the subsidiaries are those of investment holding of properties located in China and used for retail, office and industrial purposes.

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

1. **GENERAL** (continued)

(b) Manager's management fees (continued)

- 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 CLG, 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.

(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 Parks / 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 three (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. GENERAL (continued)

(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.

2. BASIS OF PREPARATION

(a) Statement of compliance

The financial statements have been prepared in accordance with the recommendations of the Statement of Recommended Accounting Practice ("RAP") 7 *"Reporting Framework for Investment Funds"* issued by the Institute of Singapore Chartered Accountants, the applicable requirements of the Code on Collective Investment Schemes (the "CIS Code") issued by the Monetary Authority of Singapore ("MAS") and the provisions of the Trust Deed. RAP 7 requires that accounting policies adopted should generally comply with the recognition and measurement principles of the Singapore Financial Reporting Standards ("FRS").

(b) Basis of measurement

The financial statements have been prepared on the historical cost basis except for the following material items on the statement of financial position:

- investment properties are measured at fair value; and
- derivative financial instruments are measured at fair value.

(c) Functional and presentation currency

Items included in the financial statements of each entity in the Group are measured using the currency that best reflects the economic substance of the underlying events and circumstances relevant to that entity (the "functional currency"). The consolidated financial statements of the Group are presented in Singapore dollars, which is the functional currency of the Trust. All financial information presented in Singapore dollars has been rounded to the nearest thousand, unless otherwise stated.

(d) Use of estimates and judgements

The preparation of 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. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying amounts of assets and liabilities that are not readily apparent from other sources.

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.

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment within the next financial year are included in the following notes:

- Note 4 – Valuation of investment properties;
- Note 13 – Lease term: whether the Group is reasonably certain to exercise extension options; and
- Note 31 – Valuation of financial instruments.

2. BASIS OF PREPARATION (continued)

(d) Use of estimates and judgements (continued)

Measurement of fair values

A number of the Group's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement (with Level 3 being the lowest).

The Group recognises transfers between levels of the fair value hierarchy as of the end of the reporting period during which the change has occurred.

Further information about the assumptions made in measuring fair values is included in the following notes:

- Note 4 – Investment properties;
- Note 10 – Assets/Liabilities held for sale; and
- Note 31 – Valuation of financial instruments.

(e) Changes in accounting policies

The Group has applied the principles under the following amendments to and interpretations of FRSs for the first time for the annual period beginning on 1 January 2021:

- *COVID-19-Related Rent Concessions* (Amendments to FRS 116)
- *Interest Rate Benchmark Reform – Phase 2* (Amendments to FRS 109, FRS 39 and FRS 107, FRS 104 and FRS 116)

The application of these amendments to standards and interpretations does not have a material impact on the Group's consolidated financial statements.

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to all periods presented in these financial statements, and have been applied consistently by Group entities.

(a) Basis of consolidation

(i) Business combinations and property acquisitions

The Group accounts for business combinations using the acquisition method when the acquired set of activities and assets meets the definition of a business and control is transferred to the Group (see Note 3(a)(ii)). In determining whether a particular set of activities and assets is a business, the Group assesses whether the set of assets and activities acquired includes, at a minimum, an input and substantive process and whether the acquired set has the ability to produce outputs.

The Group has an option to apply a 'concentration test' that permits a simplified assessment of whether an acquired set of activities and assets is not a business. The optional concentration test is met if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar identifiable assets.

The Group measures goodwill at the date of acquisition as:

- the fair value of the consideration transferred; plus
- the recognised amount of any non-controlling interest ("NCI") in the acquiree; plus
- if the business combination is achieved in stages, the fair value of the pre-existing equity interest in the acquiree,

over the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed. Any goodwill that arises is tested annually for impairment.

When the excess in negative, a gain on bargain purchase is recognised immediately in the statement of total return.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognised in the statement of total return.

Costs related to the acquisition, other than those associated with the issue of debt or equity investments, that the Group incurs in connection with a business combination are expensed as incurred.

NCI that are present ownership interests and entitle their holders to a proportionate share of the acquiree's net assets in the event of liquidation are measured either at fair value or at the NCI's proportionate share of the recognised amounts of the acquiree's identifiable net assets, at the date of acquisition. The measurement basis taken is elected on a transaction-by-transaction basis. All other NCI are measured at acquisition-date fair value, unless another measurement basis is required under the principles of FRSs. If the business combination is achieved in stages, the Group's previously held equity interest in the acquiree is re-measured to fair value at each acquisition date and any changes are taken to the statement of total return.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

(a) Basis of consolidation (continued)

(i) Business combinations and property acquisitions (continued)

When acquisition of an asset or a group of assets does not constitute a business combination, it is treated as property acquisition. In such cases, the individual identifiable assets acquired and liabilities assumed are recognised. The acquisition cost shall be allocated to the individual identifiable assets and liabilities on the basis of their relative fair values at the date of acquisition. Such a transaction does not give rise to goodwill.

(ii) Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases. The accounting policies of subsidiaries have been changed when necessary to align them with the policies adopted by the Group. Losses applicable to the non-controlling interests in a subsidiary are allocated to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

(iii) Loss of control

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related non-controlling interest and other components of equity. Any resulting gain or loss is recognised in the statement of total return. Any interest retained in the former subsidiary is measured at fair value when control is lost.

(iv) Joint ventures

A joint venture is an arrangement in which the Group has joint control, whereby the Group has rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities.

Investments in joint ventures are accounted for using the equity method. They are recognised initially at cost, which includes transaction costs. Subsequent to initial recognition, the consolidated financial statements include the Group's share of profit or loss and other comprehensive income ("OCI") of equity-accounted investees, after adjustments to align the accounting policies with those of the Group, from the date that joint control commences until the date that joint control ceases.

(v) Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income or expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements. Unrealised gains arising from transactions with equity-accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

(a) Basis of consolidation (continued)

(vi) Accounting for subsidiaries by the Trust

Investments in subsidiaries are stated in the Trust's statement of financial position at cost less accumulated impairment losses.

(b) Foreign currency

(i) Foreign currency transactions

Transactions in foreign currencies are translated at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to the functional currency at the exchange rates at that date. Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are translated at the exchange rates at the date that the fair value was determined. Non-monetary items in a foreign currency that are measured in terms of historical cost are translated using the exchange rate at the date of the transaction.

Foreign currency differences arising on translation are recognised in the statement of total return, except for foreign currency differences arising from the translation of financial liabilities designated as hedges of the net investment in a foreign operation to the extent that the hedge is effective, and qualifying cash flow hedges to the extent that the hedge is effective (see Note 3(c)(vi)).

(ii) Foreign operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated to Singapore dollars at exchange rates at the reporting date. The income and expenses of foreign operations are translated to Singapore dollars at exchange rates at the dates of the transactions.

Foreign currency differences are recognised in the foreign currency translation reserve in Unitholders' funds. However, if the foreign operation is a non-wholly-owned subsidiary, then the relevant proportionate share of the translation difference is allocated to the NCI. When a foreign operation is disposed of such that control or joint control is lost, the cumulative amount in the translation reserve related to that foreign operation is reclassified to the statement of total return as part of the gain or loss on disposal. When the Group disposes of only part of its interest in a subsidiary that includes a foreign operation while retaining control, the relevant proportion of the cumulative amount is reattributed to NCI. When the Group disposes of only part of its investment in a joint venture that includes a foreign operation while retaining joint control, the relevant proportion of the cumulative amount is reclassified to the statement of total return.

When the settlement of a monetary item receivable from or payable to a foreign operation is neither planned nor likely in the foreseeable future, foreign exchange gains and losses arising from such a monetary item that are considered to form part of a net investment in a foreign operation are recognised in Unitholders' funds and are presented in the foreign currency translation reserve.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

(c) Financial instruments

(i) Initial recognition

Non-derivative financial assets and financial liabilities

Trade receivables are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Group becomes a party to the contractual provisions of the instrument.

(ii) Classification and measurement

Non-derivative financial assets

The Group classifies its non-derivative financial assets as measured at amortised cost.

The classification depends on the Group's business model for managing the financial assets as well as the contractual terms of the cash flows of the financial asset.

The Group reclassifies financial assets when and only when its business model for managing those assets changes.

Financial assets at amortised cost

Financial assets at amortised cost comprise non-trade amounts due from subsidiaries, trade and other receivables (excluding prepayments), and cash and cash equivalents.

Initial measurement

A financial asset at amortised cost is initially measured at its fair value plus transaction costs that are directly attributable to the acquisition of the financial asset.

Subsequent measurement

Financial assets at amortised cost are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are subsequently measured at amortised cost. Interest income from these financial assets is included in interest income using the effective interest rate method. Any gain or loss on derecognition is recognised in the statement of total return.

Non-derivative financial liabilities

The Group classifies non-derivative financial liabilities under the other financial liabilities category. Such financial liabilities are initially measured at fair value less directly attributable transaction costs. Subsequent to initial recognition, these financial liabilities are measured at amortised cost using the effective interest method. Other financial liabilities comprise trade and other payables, security deposits and interest-bearing borrowings.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

(c) Financial instruments (continued)

(iii) Derecognition

Financial assets

The Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Group enters into transactions whereby it transfers assets recognised in its statement of financial position, but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognised.

Financial liabilities

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. The Group also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in the statement of total return.

(iv) Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liabilities simultaneously.

(v) Cash and cash equivalents

Cash and cash equivalents comprise cash balances and bank deposits.

(vi) Derivative financial instruments and hedge accounting

Derivative financial instruments and hedge accounting

The Group holds derivative financial instruments to hedge its interest rate risk exposure. Embedded derivatives are separated from the host contract and accounted for separately if the host contract is not a financial asset and certain criteria are met.

Derivatives are initially measured at fair value and any directly attributable transaction costs are recognised in the statement of total return as incurred. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are generally recognised in the statement of total return.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

(c) Financial instruments (continued)

(vi) Derivative financial instruments and hedge accounting (continued)

The Group designates certain derivatives and non-derivative financial instruments as hedging instruments in qualifying hedging relationships. At inception of designated hedging relationships, the Group documents the risk management objective and strategy for undertaking the hedge. The Group also documents the economic relationship between the hedged item and the hedging instrument, including whether the changes in cash flows of the hedged item and hedging instrument are expected to offset each other.

Hedges directly affected by interest rate benchmark reform

Phase 1 amendments: Prior to interest rate benchmark reform – when there is uncertainty arising from interest rate benchmark reform

For the purpose of evaluating whether there is an economic relationship between the hedged item(s) and the hedging instrument(s), the Group assumes that the benchmark interest rate is not altered as a result of interest rate benchmark reform.

For a cash flow hedge of a forecast transaction, the Group assumes that the benchmark interest rate will not be altered as a result of interest rate benchmark reform for the purpose of assessing whether the forecast transaction is highly probable and presents an exposure to variations in cash flows that could ultimately affect the statement of total return. In determining whether a previously designated forecast transaction in a discontinued cash flow hedge is still expected to occur, the Group assumes that the interest rate benchmark cash flows designated as a hedge will not be altered as a result of the interest rate benchmark reform.

The Group will cease to apply the amendments to its retrospective and prospective effectiveness assessment of the hedging relationship when the uncertainty arising from interest rate benchmark reform is no longer present with respect to the timing and the amount of the interest rate benchmark-based cash flows of the hedged item or hedging instrument, or when the hedging relationship is discontinued.

Phase 2 amendments: Replacement of benchmark interest rates – when there is no longer uncertainty arising from interest rate benchmark reform

When the basis for determining the contractual cash flows of the hedged item or the hedging instrument changes as a result of interest rate benchmark reform and therefore there is no longer uncertainty arising about the cash flows of the hedged item or the hedging instrument, the Group amends the hedge documentation of that hedging relationship to reflect the change(s) required by interest rate benchmark reform. A change in the basis for determining the contractual cash flows is required by interest rate benchmark reform if the following conditions are met:

– the change is necessary as a direct consequence of the reform; and

– the new basis for determining the contractual cash flows is economically equivalent to the previous basis – i.e. the basis immediately before the change.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

(c) Financial instruments (continued)

(vi) Derivative financial instruments and hedge accounting (continued)

For this purpose, the hedge designation is amended only to make one or more of the following changes:

– designating an alternative benchmark rate as the hedged risk;

– updating the description of hedged item, including the description of the designated portion of the cash flows or fair value being hedged; or

– updating the description of the hedging instrument.

The Group amends the description of the hedging instrument only if the following conditions are met:

– it makes a change required by interest rate benchmark reform by changing the basis for determining the contractual cash flows of the hedging instrument or using another approach that is economically equivalent to changing the basis for determining the contractual cash flows of the original hedging instrument; and

– the original hedging instrument is not derecognised.

The Group amends the formal hedge documentation by the end of the reporting period during which a change required by interest rate benchmark reform is made to the hedged risk, hedged item or hedging instrument. These amendments in the formal hedge documentation do not constitute the discontinuation of the hedging relationship or the designation of a new hedging relationship.

If changes are made in addition to those changes required by interest rate benchmark reform described above, then the Group first considers whether those additional changes result in the discontinuation of the hedge accounting relationship. If the additional changes do not result in discontinuation of the hedge accounting relationship, then the Group amends the formal hedge documentation for changes required by interest rate benchmark reform as mentioned above.

When the interest rate benchmark on which the hedged future cash flows had been based is changed as required by interest rate benchmark reform, for the purpose of determining whether the hedged future cash flows are expected to occur, the Group deems that the hedging reserve recognised in OCI for that hedging relationship is based on the alternative benchmark rate on which the hedged future cash flows will be based.

3. **SIGNIFICANT ACCOUNTING POLICIES** (continued)

(c) **Financial instruments** (continued)

(vi) Derivative financial instruments and hedge accounting (continued)

Cash flow hedges

The Group designates certain derivatives as hedging instruments to hedge the variability in cash flows associated with highly probable forecast transactions arising from changes in interest rates.

When a derivative is designated as a cash flow hedging instrument, the effective portion of changes in the fair value of the derivative is recognised and presented in the hedging reserve in Unitholders' fund. The effective portion of changes in the fair value of the derivative that is recognised in the hedging reserve is limited to the cumulative change in fair value of the hedged item, determined on a present value basis, from inception of the hedge. Any ineffective portion of changes in the fair value of the derivative is recognised immediately in the statement of total return.

When the hedged forecast transaction subsequently results in the recognition of a non-financial item such as inventory, the amount accumulated in the hedging reserve and the cost of hedging reserve is included directly in the initial cost of the non-financial item when it is recognised.

For all other hedged forecast transactions, the amount accumulated in the hedging reserve and the cost of hedging reserve is reclassified to the statement of total return in the same period or periods during which the hedged expected future cash flows affect the statement of total return.

If the hedge no longer meets the criteria for hedge accounting or the hedging instrument is sold, expires, is terminated or is exercised, then hedge accounting is discontinued prospectively. When hedge accounting for cash flow hedges is discontinued, the amount that has been accumulated in the hedging reserve and the cost of hedging reserve remains in equity until, for a hedge of a transaction resulting in recognition of a non-financial item, it is included in the non-financial item's cost on its initial recognition or, for other cash flow hedges, it is reclassified to the statement of total return in the same period or periods as the hedged expected future cash flows affect the statement of total return.

If the hedged future cash flows are no longer expected to occur, then the amounts that have been accumulated in the hedging reserve and the cost of hedging reserve are immediately reclassified to the statement of total return.

Net investment hedges

The Group designates certain derivatives and non-derivative financial liabilities as hedges of foreign exchange risk on net investments in foreign operations.

When a derivative instrument or a non-derivative financial liability is designated as the hedging instrument in a hedge of a net investment in a foreign operation, the effective portion of, for a derivative, changes in the fair value of the hedging instrument or, for a non-derivative, foreign exchange gains and losses is recognised and presented in the foreign currency translation reserve in Unitholders' funds. Any ineffective portion of the changes in the fair value of the derivative or foreign exchange gains or losses on the non-derivative is recognised immediately in the statement of total return. The amount recognised in translation reserve is reclassified to the statement of total return as a reclassification adjustment on disposal of the foreign operation.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

(d) Investment properties

Investment properties are properties held either to earn rental income or for capital appreciation or both. Investment properties are accounted for as non-current assets and are stated at initial cost on acquisition and at fair value thereafter. The cost of a purchased property comprises its purchase price and any directly attributable expenditure. Transaction costs are included in the initial measurement. Fair value is determined in accordance with the Trust Deed, which requires the investment properties to be valued by independent registered valuers at least once a year in accordance with the CIS Code issued by the MAS.

Any increase or decrease on revaluation is credited or charged to the statement of total return as a net change in fair value of the investment properties.

Subsequent expenditure relating to investment properties that have already been recognised is added to the carrying amount when it is probable that future economic benefits, in excess of the originally assessed standard of performance of the existing asset will flow to the Group.

All other subsequent expenditure is recognised as an expense in the period in which it is incurred.

When an investment property is disposed of, the resulting gain or loss recognised in the statement of total return is the difference between the net proceeds from disposal and the carrying amount of the property.

Investment properties are not depreciated. The properties are subject to continued maintenance and regularly revalued on the basis set out above.

(e) Plant and equipment

(i) Recognition and measurement

Plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the asset.

When parts of an item of plant and equipment have different useful lives, they are accounted for as separate items (major components) of plant and equipment.

Gains or losses arising from the retirement or disposal of plant and equipment are determined as the difference between the estimated net disposal proceeds and the carrying amount of the asset and are recognised in the statement of total return on the date of retirement or disposal.

(ii) Subsequent costs

The cost of replacing a component of an item of plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the component will flow to the Group, and its cost can be measured reliably. The costs of the day-to-day servicing of plant and equipment are recognised in the statement of total return as incurred.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

(e) Plant and equipment (continued)

(iii) Depreciation

Depreciation is recognised as an expense in the statement of total return on a straight-line basis over the estimated useful lives of each component of an item of plant and equipment as follows:

Improvement to premises	–	5 years
Plant and machinery	–	3 to 5 years
Motor vehicles	–	5 years
Furniture, fittings and equipment	–	2 to 5 years

Depreciation methods, useful lives and residual values are reviewed, and adjusted as appropriate, at each reporting date.

(f) Leases

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

(i) As a lessee

The Group has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component for all leases.

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Group by the end of the lease term or the cost of the right-of-use asset reflects that the Group will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

The Group determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

(f) Leases (continued)

(i) As a lessee (continued)

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Group is reasonably certain to exercise, lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if the Group changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in the statement of total return if the carrying amount of the right-of-use asset has been reduced to zero.

The Group presents right-of-use assets that do not meet the definition of investment property and lease liabilities separately in the statement of financial position.

Short-term leases and leases of low-value assets

The Group has elected not to recognise right-of-use assets and lease liabilities for leases of low-value assets and lease term of one year or less with no renewal option, including IT equipment. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

COVID-19-related rent concessions

The Group has applied the principles under Amendments to FRS 116 – *Covid-19-Related Rent Concessions*. The Group applies the practical expedient allowing it not to assess whether eligible rent concessions that are a direct consequence of the Covid-19 pandemic are lease modifications. The Group applies the practical expedient consistently to contracts with similar characteristics and in similar circumstances. For rent concessions in leases to which the Group chooses not to apply the practical expedient, or do not qualify for the practical expedient, the Group assesses whether there is a lease modification.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

(f) Leases (continued)

(ii) As a lessor

At inception or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices.

When the Group acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease.

To classify each lease, the Group makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As part of this assessment, the Group considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

When the Group is an intermediate lessor, it accounts for its interests in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short-term lease to which the Group applies the exemption described above, then it classifies the sub-lease as an operating lease.

If an arrangement contains lease and non-lease components, then the Group applies the principles under FRS 115 to allocate the consideration in the contract.

The Group recognises lease payments received under operating leases as income on a straight-line basis over the lease term as part of 'gross rental income'.

(g) Impairment

(i) Non-derivative financial assets

The Group recognises loss allowances for expected credit losses ("ECLs") on financial assets measured at amortised costs.

Loss allowances of the Group are measured on either of the following bases:

- 12-month ECLs: these are ECLs that result from default events that are possible within the 12 months after the reporting date (or for a shorter period if the expected life of the instrument is less than 12 months); or
- Lifetime ECLs: these are ECLs that result from all possible default events over the expected life of a financial instrument.

The Group applies the simplified approach to provide for ECLs for all trade receivables. The simplified approach requires the loss allowance to be measured at an amount equal to lifetime ECLs. The Group applies the general approach of 12-month ECL at initial recognition for all other financial assets.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

(g) Impairment (continued)

(i) Non-derivative financial assets (continued)

The Group considers a financial asset to be in default when:

- the borrower is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held); or
- the financial asset is more than 90 days past due.

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

Measurement of ECLs

ECLs are probability-weighted estimates of credit losses. Credit losses are measured at the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Group expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

Credit-impaired financial assets

At each reporting date, the Group assesses whether financial assets carried at amortised cost are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower;
- a breach of contract such as a default or being more than 90 days past due;
- the restructuring of a loan or advance by the Group on terms that the Group would not consider otherwise; or
- it is probable that the borrower will enter bankruptcy or other financial reorganisation.

Presentation of allowance for ECLs in the statement of financial position

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of these assets.

Write-off

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

(g) Impairment (continued)

(ii) Joint venture

An impairment loss in respect of a joint venture is measured by comparing the recoverable amount of the investment with its carrying amount in accordance with the requirements for non-financial assets. An impairment loss is recognised in the statement of total return. An impairment loss is reversed if there has been a favourable change in the estimates used to determine the recoverable amount and only to the extent that the recoverable amount increases.

(iii) Non-financial assets

The carrying amounts of the Group's non-financial assets, other than investment properties, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. An impairment loss is recognised if the carrying amount of an asset or its related cash-generating unit ("CGU") exceeds its estimated recoverable amount.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs.

Impairment losses are recognised in the statement of total return. Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the CGU (group of CGUs), and then to reduce the carrying amounts of the other assets in the CGU (group of CGUs) on a *pro rata* basis.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

(h) Non-current assets held for sale

Non-current assets, or disposal groups comprising assets and liabilities, that are highly probable to be recovered primarily through sale rather than through continuing use, are classified as held for sale. Immediately before classification as held for sale, the assets, or components of a disposal group, are remeasured in accordance with the Group's accounting policies. Thereafter, the assets, or disposal group classified as held for sale are generally measured at the lower of their carrying amount and fair value less costs to sell.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

(h) Non-current assets held for sale (continued)

Any impairment loss on a disposal group is first allocated to goodwill, then to remaining assets and liabilities on *pro rata* basis, except that no loss is allocated to financial assets, deferred tax assets and investment property, which continue to be measured in accordance with the Group's accounting policies. Impairment losses on initial classification as held for sale or distribution and subsequent gain or losses on remeasurement are recognised in the statement of total return. Gains are not recognised in excess of any cumulative impairment loss.

Plant and equipment once classified as held for sale are not depreciated. In addition, equity accounting of joint venture ceases once classified as held for sale.

(i) Unitholders' funds

Unitholders' funds represent the residual interests in the Group's net assets upon termination and are classified as equity.

Expenses incurred in connection with the issuance of Units in the Trust are deducted directly against the Unitholders' funds.

(j) Perpetual securities

The perpetual securities do not have a maturity date and the distribution payment is optional at the discretion of the Trust. As the Trust does not have a contractual obligation to repay the principal nor make any distributions, perpetual securities are classified as Unitholders' funds.

Any distributions made are directly debited from Unitholders' funds. Incremental costs directly attributable to the issue of the perpetual securities are deducted against the proceeds from the issue.

(k) Employee benefits

(i) Defined contribution plans

Obligations for contributions to defined contribution pension plans are recognised as an expense in the statement of total return as incurred.

(ii) Short-term benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid under short-term cash bonus if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

(l) Distribution policy

The Trust's distribution policy is to distribute at least 90.0% of its distributable income in each financial year to Unitholders, other than from the sale of properties that are determined by Inland Revenue Authority of Singapore to be trading gains.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

(m) Revenue recognition

(i) Rental income

Rental income receivable under operating leases is recognised on a straight-line basis over the term of the lease, except where an alternative basis is more representative of the time pattern of benefits to be derived from the leased assets. Lease incentives granted are recognised as an integral part of the total rental income. Contingent rentals, which include gross turnover rental, are recognised as income in the accounting period on an earned basis. No contingent rental is recognised if there are uncertainties due to the possible return of the amounts received.

(ii) Dividend income

Dividend income is recognised when the right to receive payment is established.

(n) Expenses

(i) Property expenses

Property expenses are recognised on an accrual basis.

(ii) Manager's management fees, property management fees and Trustee's fees

These are recognised on an accrual basis based on the applicable formula stipulated in Note 1.

(o) Finance income and finance costs

Finance income comprises interest income recognised in the statement of total return as it accrues, using the effective interest method.

Finance costs comprise interest expense on borrowings and lease liabilities, and expense incurred in connection with borrowings recognised in the statement of total return, using the effective interest method over the period of the borrowings.

(p) Taxation

Taxation on the returns for the year comprises current and deferred tax. Taxation is recognised in the statement of total return except to the extent that it relates to items recognised directly in Unitholders' funds.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any.

Current tax assets and liabilities are offset only if certain criteria are met.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

(p) Taxation (continued)

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss; and
- temporary differences related to investments in subsidiaries and joint ventures to the extent that it is probable that they will not reverse in the foreseeable future.

The measurement of deferred taxes reflects the tax consequences that would follow the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities. For investment property that is measured at fair value, the carrying amount of the investment property is presumed to be recovered through sale, and the Group has not rebutted this presumption. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the unused tax losses and credits can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Except for the tax exemption as described below, income earned by the Trust will be subject to Singapore income tax at the Trust level at the prevailing corporate tax rate.

The Trust is exempted from Singapore income tax under Section 13(12) of the Singapore Income Tax Act on the following income:

(i) dividends; and

(ii) interest on shareholders' loans,

payable by its subsidiaries in Barbados, Singapore, Hong Kong and British Virgin Islands out of underlying rental income derived from the investment properties in China.

This exemption is granted subject to certain conditions, including the condition that the Trustee is a tax resident of Singapore.

The tax exemption also applies to dividends payable by these subsidiaries out of gains, if any, derived from the disposal of their shares in the subsidiaries in China.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

(q) Earnings per Unit

The Group presents basic and diluted earnings per Unit ("EPU") data for its Units. Basic EPU is calculated by dividing the total return attributable to Unitholders of the Group by the weighted average number of ordinary Units outstanding during the period. Diluted EPU is determined by adjusting the total return attributable to Unitholders and the weighted average number of Units outstanding for the effects of all dilutive potential Units.

(r) Segment reporting

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision-Makers ("CODMs").

Segment results that are reported to the CODMs include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly financial derivative assets and liabilities, other receivables, cash and cash equivalents, trade and other payables, and interest-bearing borrowings.

Segment capital expenditure is the total cost incurred during the year for acquisition of plant and equipment and capital expenditure on investment properties.

(s) New standards and interpretations not yet adopted

A number of new standards are effective for annual periods beginning after 1 January 2021 and earlier application is permitted; however, the Group has not early adopted the principles under the new or amended standards in preparing these consolidated financial statements.

The principles under the following new FRSs, amended standards and interpretations are not expected to have a significant impact on the Group's consolidated financial statements:

- *FRS 117 Insurance Contracts and Amendments to FRS 117 Insurance Contracts*
- *Classification of Liabilities as Current or Non-current (Amendments to FRS 1)*
- *Covid-19-Related Rent Concessions beyond 30 June 2021 (Amendment to FRS 116)*
- *Reference to the Conceptual Framework (Amendments to FRS 103)*
- *Property, Plant and Equipment – Proceeds before Intended Use (Amendments to FRS 16)*
- *Onerous Contracts – Costs of Fulfilling a Contract (Amendments to FRS 37)*
- *Annual Improvements to FRSs 2018 – 2020*
- *Disclosure of Accounting Policies (Amendments to FRS 1 and FRS Practice Statement 2)*
- *Definition of Accounting Estimates (Amendments to FRS 8)*
- *Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to FRS 12)*

4. INVESTMENT PROPERTIES

	Note	Group 2021 $'000	Group 2020 $'000
At 1 January		**3,726,433**	3,166,006
Reclassified to assets held for sale	10	**–**	(103,651)
Disposal of investment properties		**–**	(129,858)
Reclassified from joint venture		**–**	352,589
Acquisition of investment properties[1]		**1,330,787**	343,395
Expenditure capitalised		**18,688**	37,643
Changes in fair value		**(10,220)**	(99,057)
Translation differences		**183,929**	159,366
At 31 December		**5,249,617**	3,726,433

(1) Includes acquisition fees and acquisition related expenses of $15.9 million (2020: $4.6 million).

Security

At 31 December 2021, investment properties of the Group with carrying amounts of $1,813.0 million (2020: $1,058.4 million) are pledged as security to secure bank loans (see Note 12).

Measurement of fair value

Investment properties are stated at fair value based on valuation performed by independent professional valuers having appropriate recognised professional qualifications and recent experience in the location and category of property being valued. In determining the fair value, the valuers have used valuation methods which involve certain estimates. The Manager reviews the key valuation parameters and underlying data including discount, capitalisation and terminal yield rates adopted by the valuers and is of the view that the valuation methods and estimates are reflective of the current market conditions.

The fair values are based on open market values, being the estimated amount for which a property could be exchanged on the date of the valuation between a willing buyer and a willing seller in an arm's length transaction wherein the parties had each acted knowledgeably and without compulsion.

The fair value measurement for all of the investment properties of $5.2 billion (2020: $3.7 billion) has been categorised as a Level 3 fair value based on the inputs to the valuation technique used (see Note 2(d)).

	2021 $'000	2020 $'000
Fair value of investment properties (based on valuation reports)	**5,238,978**	3,711,736
Add: Carrying amount of lease liabilities	**10,639**	14,697
Carrying amount of investment properties	**5,249,617**	3,726,433

4. INVESTMENT PROPERTIES (continued)

The valuers have considered valuation techniques including the market comparable, capitalisation and discounted cash flows approaches in arriving at the open market value as at the reporting date.

The market comparable approach involves the analysis of comparable sales of similar properties and adjusting the sale prices to that reflective of the investment property.

The capitalisation approach is an investment approach whereby the estimated gross passing income (on both passing and market rent basis) is adjusted to reflect anticipated operating costs to produce a 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 capitalisation rate. The discounted cash flow method involves the estimation and projection of an income stream over a period and discounting the income stream with risk adjusted discount rates to arrive at the market value.

Fair value of the investment properties were based on independent professional full valuations carried out by the following valuers on the dates stated below:

Valuers	Valuation Date	Valuation Date
Beijing Colliers International Real Estate Valuation Co., Ltd.	31 December 2021	–
CBRE (Shanghai) Management Limited	31 December 2021	–
Cushman & Wakefield International Property Advisers (Shanghai) Co., Ltd.	31 December 2021	31 December 2020
Jones Lang LaSalle Corporate Appraisal and Advisory Limited	31 December 2021	31 December 2020
Savills Valuation and Professional Services (S) Pte. Ltd.	–	31 December 2020

The valuation reports obtained from the independent valuers for certain of our properties 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.

Investment properties comprise retail, business parks and logistics parks properties that are held mainly for use by tenants under operating leases. Most leases contain an initial non-cancellable period of within 1 to 3 years (2020: within 1 to 3 years). See Note 13 for further information.

Contingent rents, representing income based on certain sales achieved by tenants, recognised in the statement of total return during the year amounted to $8.1 million (2020: $10.4 million).

4. INVESTMENT PROPERTIES (continued)

Level 3 fair values

The following table shows the significant unobservable inputs used in the valuation models:

Valuation methods	Significant unobservable inputs	Inter-relationship between key unobservable inputs and fair value measurement
Capitalisation approach	Capitalisation rates (from 4.00% to 7.00%) (2020: from 4.00% to 7.00%)	The fair value increases (decreases) as capitalisation rates decrease (increase).
Discounted cash flows approach	Discount rates (from 7.00% to 10.50%) (2020: from 6.75% to 9.50%) Terminal rates (from 4.80% to 7.25%) (2020: from 4.75% to 6.75%)	The fair value increases (decreases) as discount rates and terminal rates decrease (increase).

5. PLANT AND EQUIPMENT

Group	Improvement to premises $'000	Plant and machinery $'000	Motor vehicles $'000	Furniture, fittings and equipment $'000	Total $'000
Cost					
At 1 January 2020	11,459	469	22	7,908	19,858
Reclassified from joint venture	60	19	–	157	236
Assets acquired	58	19	–	151	228
Assets disposed	(377)	–	–	(19)	(396)
Reclassified to assets held for sale	(349)	(17)	–	(440)	(806)
Additions	9	12	–	434	455
Disposal/written off	(1)	–	(23)	(494)	(518)
Translation difference on consolidation	591	23	1	389	1,004
At 31 December 2020	11,450	525	–	8,086	20,061
Assets acquired	112	681	–	586	1,379
Additions	–	322	77	841	1,240
Disposal/written off	(320)	–	–	(616)	(936)
Translation difference on consolidation	436	25	–	311	772
At 31 December 2021	**11,678**	**1,553**	**77**	**9,208**	**22,516**

5. PLANT AND EQUIPMENT (continued)

Group	Improvement to premises $'000	Plant and machinery $'000	Motor vehicles $'000	Furniture, fittings and equipment $'000	Total $'000
Less: Accumulated depreciation					
At 1 January 2020	11,455	325	20	5,662	17,462
Reclassified from joint venture	48	8	–	70	126
Assets acquired	46	7	–	68	121
Assets disposed	(377)	–	–	(17)	(394)
Reclassified to assets held for sale	(349)	(22)	–	(382)	(753)
Charge for the year	–	106	–	744	850
Disposal/written off	(1)	–	(21)	(479)	(501)
Translation difference on consolidation	445	19	1	291	756
At 31 December 2020	11,267	443	–	5,957	17,667
Charge for the year	66	150	60	1,036	1,312
Disposal/written off	(320)	–	–	(573)	(893)
Translation difference on consolidation	425	20	–	236	681
At 31 December 2021	**11,438**	**613**	**60**	**6,656**	**18,767**
Carrying amounts					
At 1 January 2020	4	144	2	2,246	2,396
At 31 December 2020	183	82	–	2,129	2,394
At 31 December 2021	**240**	**940**	**17**	**2,552**	**3,749**

6. SUBSIDIARIES

		Trust 2021 $'000	Trust 2020 $'000
Non-current assets			
(a)	Unquoted equity, at cost	**707,694**	535,175
	Less: Allowance for impairment loss	**(27,284)**	(32,824)
		680,410	502,351
(b)	Loans to subsidiaries	**268,557**	267,477
	Non-trade amounts due from subsidiaries	**1,997,175**	1,438,910
		2,265,732	1,706,387
		2,946,142	2,208,738
Current assets			
(b)	Non-trade amounts due from subsidiaries	**2,247**	2,216

6. SUBSIDIARIES (continued)

Movement in allowance for impairment loss was as follows:

	Trust	
	2021 $'000	2020 $'000
At 1 January	**(32,824)**	(11,561)
Write back/(allowance) for impairment loss	**5,540**	(21,263)
At 31 December	**(27,284)**	(32,824)

During the year, a write back of impairment loss amounting to $5.5 million (2020: impairment loss of $21.3 million) was recognised in respect of the Trust's subsidiary subsequent to the disposal of its investment property in 2021. The recoverable amounts were assessed based on the fair value less costs to sell estimated using the revalued net assets of the subsidiaries and categorised as Level 3 on the fair value hierarchy.

(a) Details of the subsidiaries are as follows:

Name of subsidiaries	Principal activities	Place of incorporation/ business	Effective equity held by the Group 2021 %	2020 %
(i) Direct subsidiaries				
* CapitaRetail China Investments (B) Pte. Ltd.	Investment holding	Barbados	**100**	100
*** CapitaRetail China Investments (B) Alpha Pte. Ltd.	Investment holding	Singapore	**100**	100
* CapitaRetail China Investments (B) Beta Pte. Ltd.	Investment holding	Barbados	**100**	100
**** CapitaRetail China Investments (B) Gamma Pte. Ltd.	Investment holding	Barbados	**100**	100
** CapitaRetail China Investments (BVI) Alpha Limited	Investment holding	British Virgin Islands	**100**	100
*** Somerset (Wuhan) Investments Pte. Ltd.	Investment holding	Singapore	**100**	100
*** CapitaLand Retail Investments (SY) Pte. Ltd.	Investment holding	Singapore	**100**	100
* BR Spicy (HK) Limited	Investment holding	Hong Kong	**100**	100

6. SUBSIDIARIES (continued)

(a) Details of the subsidiaries are as follows: (continued)

Name of subsidiaries	Principal activities	Place of incorporation/ business	Effective equity held by the Group 2021 %	2020 %
(i) Direct subsidiaries (continued)				
*** Gold Rock Investment Pte. Ltd.	Investment holding	Singapore	**100**	100
*** CRCT Yuquan Investment Pte. Ltd.	Investment holding	Singapore	**100**	100
*** Springjade Pte. Ltd.	Investment holding	Singapore	**100**	100
*** CRCT China Investment (Changsha) Pte. Ltd.	Investment holding	Singapore	**100**	100
*** CRCT China Investment (Harbin I) Pte. Ltd.	Investment holding	Singapore	**100**	100
*** CRCT China Investment (Harbin II) Pte. Ltd.	Investment holding	Singapore	**100**	100
*** CRCT Investment (Hangzhou I) Pte. Ltd.	Investment holding	Singapore	**100**	100
*** CRCT Investment (Hangzhou II) Pte. Ltd.	Investment holding	Singapore	**100**	100
*** CRCT Investment (Suzhou) Pte. Ltd.	Investment holding	Singapore	**100**	100
*** CRCT Investment (Xi'an I) Pte. Ltd.	Investment holding	Singapore	**100**	100
*** CRCT Investment (Xi'an II) Pte. Ltd.	Investment holding	Singapore	**100**	100
*** ABM KS Investment Pte. Ltd.	Investment holding	Singapore	**100**	–
*** Wuhan Logistics Pte. Ltd.	Investment holding	Singapore	**100**	–
* Hanson Logistics Limited	Investment holding	Hong Kong	**100**	–
** Forum Court Limited	Investment holding	British Virgin Islands	**100**	–

6. SUBSIDIARIES (continued)

(a) Details of the subsidiaries are as follows: (continued)

Name of subsidiaries	Principal activities	Place of incorporation/ business	Effective equity held by the Group 2021 %	2020 %
(ii) Indirect subsidiaries				
Subsidiary of CapitaRetail China Investments (B) Pte. Ltd.				
* CapitaRetail Beijing Wangjing Real Estate Co., Ltd.	Property investment	China	**100**	100
Subsidiaries of CapitaRetail China Investments (B) Alpha Pte. Ltd.				
* CapitaRetail Dragon Mall (Shanghai) Co., Ltd.	Property investment	China	**100**	100
* CapitaRetail Beijing Shuangjing Real Estate Co., Ltd.	Property investment	China	**100**	100
* # ^ Huaxin Saihan Huhhot Real Estate Co., Ltd.	Property investment	China	**–**	100
Subsidiary of CapitaRetail China Investments (B) Beta Pte. Ltd.				
* CapitaRetail Beijing Xizhimen Real Estate Co., Ltd.	Property investment	China	**100**	100
Subsidiary of Gold Rock Investment Pte. Ltd.				
*** Gold Yield Pte. Ltd.	Investment holding	Singapore	**100**	100

6. SUBSIDIARIES (continued)

(a) Details of the subsidiaries are as follows: (continued)

Name of subsidiaries	Principal activities	Place of incorporation/ business	Effective equity held by the Group 2021 %	2020 %
(ii) Indirect subsidiaries (continued)				
Subsidiary of Somerset (Wuhan) Investments Pte. Ltd.				
* # ^ Wuhan New Minzhong Leyuan Co., Ltd.	Property investment	China	–	100
Subsidiary of CapitaLand Retail Investments (SY) Pte. Ltd.				
* Beijing Huakun Real Estate Management Co., Ltd.	Property investment	China	**100**	100
Subsidiary of Gold Yield Pte. Ltd.				
* Guangzhou Starshine Properties Co., Ltd.	Property investment	China	**100**	100
Subsidiary of BR Spicy (HK) Limited				
* Spicy (Chengdu) Limited	Property investment	China	**100**	100
Subsidiary of CRCT Yuquan Investment Pte. Ltd.				
* Huhhot Xinkai Qingtou Real Estate Leasing Co., Ltd.	Property investment	China	**100**	100
Subsidiary of Springjade Pte. Ltd.				
* Huhhot Nuohe Mule Corporate Management Co., Ltd.	Property management	China	**100**	100

6. SUBSIDIARIES (continued)

(a) Details of the subsidiaries are as follows: (continued)

Name of subsidiaries	Principal activities	Place of incorporation/ business	Effective equity held by the Group 2021 %	Effective equity held by the Group 2020 %
(ii) Indirect subsidiaries (continued)				
Subsidiary of CRCT China Investment (Changsha) Pte. Ltd.				
* CapitaMalls Hunan Commercial Property Co., Ltd.	Property investment	China	**100**	100
Subsidiary of CRCT China Investment (Harbin I) Pte. Ltd.				
* CapitaRetail Harbin Shangdu Real Estate Co., Ltd.	Property investment	China	**100**	100
Subsidiary of CRCT China Investment (Harbin II) Pte. Ltd.				
* Beijing Hualian Harbin Real Estate Development Co., Ltd.	Property investment	China	**100**	100
Subsidiary of CRCT Investment (Hangzhou I) Pte. Ltd.				
* Ascendas Hangzhou Science & Technology Co., Ltd.	Property investment	China	**80**	–
Subsidiary of CRCT Investment (Hangzhou II) Pte. Ltd.				
* Ascendas Hangzhou Data Processing Co., Ltd.	Property investment	China	**80**	–

6. SUBSIDIARIES (continued)

(a) Details of the subsidiaries are as follows: (continued)

Name of subsidiaries	Principal activities	Place of incorporation/ business	Effective equity held by the Group 2021 %	2020 %
(ii) Indirect subsidiaries (continued)				
Subsidiary of CRCT Investment (Suzhou) Pte. Ltd.				
*** Singapore Suzhou Industrial Holdings Pte. Ltd.	Investment holding	Singapore	**51**	–
Subsidiary of CRCT Investment (Xi'an I) Pte. Ltd.				
* Xi An Ascendas-Science Technology Investment Co., Ltd.	Property investment	China	**80**	–
Subsidiary of CRCT Investment (Xi'an II) Pte. Ltd.				
* Ascendas Xi An High-Tech Development Co., Ltd.	Property investment	China	**100**	–
Subsidiary of Singapore Suzhou Industrial Holdings Pte. Ltd.				
* Ascendas – Xinsu Development (Suzhou) Co., Ltd.	Property investment	China	**51**	–
Subsidiary of ABM KS Investment Pte. Ltd.				
* Kunshan Jixinxiang Auto Development Co. Ltd.	Property investment	China	**100**	–
Subsidiary of Wuhan Logistics Pte. Ltd.				
* Wuhan Lin Gang Zenith Logistics Limited	Property investment	China	**100**	–

6. SUBSIDIARIES (continued)

(a) Details of the subsidiaries are as follows: (continued)

Name of subsidiaries	Principal activities	Place of incorporation/ business	Effective equity held by the Group 2021 %	2020 %
(ii) Indirect subsidiaries (continued)				
Subsidiary of Hanson Logistics Limited				
* Agility Distribution Services Ltd.	Property investment	China	**100**	–
Subsidiary of Forum Court Limited				
* Gloryrise Logistics Investment Limited	Investment holding	Hong Kong	**100**	–
Subsidiary of Gloryrise Logistics Investment Limited				
* Chengdu Xindi Chengyun Logistics Co., Ltd.	Property investment	China	**100**	–

* Audited by other member firms of KPMG International.
** This subsidiary is not required to be audited by the laws of the country of incorporation.
*** Audited by KPMG LLP Singapore.
****This subsidiary is not audited as it is undergoing liquidation.
^ Reclassified as held for sale in 2020.
\# The subsidiary was divested in 2021 (see Note C in Consolidated Statement of Cash Flows).

(b) The loans to subsidiaries, amounting to $268.6 million (2020: $267.5 million) and the non-trade amounts due from subsidiaries amounting to $1,997.2 million (2020: $1,438.9 million) are unsecured, interest free and repayable with a notice period of 366 days. The remaining $2.2 million (2020: $2.2 million) of the non-trade amounts due from subsidiaries are unsecured, interest-free and repayable on demand. The loans to subsidiaries bear interest rates of 6.37% (2020: 6.37%) per annum. There is no allowance for doubtful debts arising from these outstanding balances as ECL is not material.

7. FINANCIAL DERIVATIVES

	Group and Trust 2021 $'000	Group and Trust 2020 $'000
Non-current assets		
Interest rate swaps	**5,735**	–
Current assets		
Forwards	**7**	1
Non-current liabilities		
Interest rate swaps	**(2,820)**	(16,134)
Current liabilities		
Forwards	**(348)**	(562)
Interest rate swaps	**(473)**	(1,631)
	(821)	(2,193)

The following are the contractual maturities of financial derivative assets and liabilities, including estimated interest payments:

	Carrying amount $'000	Contractual cash flow $'000	Within 1 year $'000	Within 2 to 5 years $'000
Group and Trust				
Financial derivative assets				
2021				
Forwards	**7**	**7**	**7**	**–**
Interest rate swaps	**5,735**	**6,288**	**(1,534)**	**7,822**
	5,742	**6,295**	**(1,527)**	**7,822**
2020				
Forwards	1	1	1	–
Group and Trust				
Financial derivative liabilities				
2021				
Forwards	**(348)**	**(348)**	**(348)**	**–**
Interest rate swaps	**(3,293)**	**(3,207)**	**(2,372)**	**(835)**
	(3,641)	**(3,555)**	**(2,720)**	**(835)**
2020				
Forwards	(562)	(562)	(562)	–
Interest rate swaps	(17,765)	(17,560)	(7,731)	(9,829)
	(18,327)	(18,122)	(8,293)	(9,829)

7. FINANCIAL DERIVATIVES (continued)

As at reporting date, it is not expected that the cash flows included in the maturity analysis could occur significantly earlier, or at significantly different amounts.

The table also indicates the periods in which the cash flows associated with derivatives that are expected to occur and impact the statement of total return and Unitholders' funds.

8. TRADE AND OTHER RECEIVABLES

	Group		Trust	
	2021 $'000	2020 $'000	2021 $'000	2020 $'000
Trade receivables	**11,435**	20,913	**–**	–
Impairment losses	**(410)**	(353)	**–**	–
	11,025	20,560	**–**	–
Other receivables	**5,696**	2,941	**329**	607
Deposits	**4,379**	119,383	**–**	92,580
	21,100	142,884	**329**	93,187
Prepayments	**6,832**	6,735	**–**	–
	27,932	149,619	**329**	93,187
Current	**26,567**	148,353	**329**	93,187
Non-current	**1,365**	1,266	**–**	–
	27,932	149,619	**329**	93,187

Concentration of credit risk relating to trade and other receivables (excluding prepayments) is limited as the Group has many varied tenants located in several cities in China and a credit policy of obtaining security deposits from tenants for the lease of units in the Group's investment properties. These tenants comprises tenants from the retail, business parks and logistics assets.

The maximum exposure to credit risk for trade and other receivables at the reporting date (by geographical area in China) is:

	Group	
	2021 $'000	2020 $'000
Beijing	**3,875**	30,337
Inner Mongolia, Hohhot	**4,388**	9,994
Shanghai	**2,481**	2,996
Guangzhou	**2,840**	2,917
Hunan	**411**	1,453
Harbin	**819**	1,398
Chengdu	**4,192**	602
Suzhou	**945**	–
Hangzhou	**376**	–
Others	**444**	–
	20,771	49,697

8. TRADE AND OTHER RECEIVABLES (continued)

Impairment losses

The ageing of trade and other receivables at the reporting date is:

	Gross		Impairment	
	2021 $'000	2020 $'000	2021 $'000	2020 $'000
Group				
Not past due	**16,212**	134,362	**–**	97
Past due 1 – 30 days	**1,945**	2,193	**162**	–
Past due 31 – 60 days	**861**	1,418	**–**	–
Past due 61 – 90 days	**399**	896	**–**	19
More than 90 days past due	**2,093**	4,368	**248**	237
	21,510	143,237	**410**	353
Trust				
Not past due	**329**	93,187	**–**	–

Expected credit loss assessment for individual customers as at 1 January and 31 December 2021

The Group uses an allowance matrix to measure the ECLs of trade receivables from individual customers, which comprise a very large number of balances.

Loss rates are calculated using a 'roll rate' method based on the probability of a receivable progressing through successive stages of delinquency to write-off and are based on actual credit loss experience over the past five years.

The Manager believes that no allowance for impairment beyond the amounts provided for is necessary in respect of trade receivables as these receivables relate mainly to tenants that have good records with the Group or have sufficient security deposits as collateral, and hence ECL is not material.

The movement in the allowance for impairment in respect of trade receivables during the year is as follows:

	Note	Group	
		2021 $'000	2020 $'000
At 1 January		**353**	–
Impairment losses on trade receivables, net	19	**159**	357
Assets acquired		**83**	–
Allowance utilised		**(198)**	(12)
Translation difference		**13**	8
At 31 December		**410**	353

9. CASH AND CASH EQUIVALENTS

	Group		Trust	
	2021 $'000	2020 $'000	2021 $'000	2020 $'000
Cash at banks and in hand	**76,621**	7,363	**15,994**	858
Fixed deposits with financial institutions	**212,239**	201,077	**–**	–
	288,860	208,440	**15,994**	858

10. ASSETS/LIABILITIES HELD FOR SALE

On 1 February 2019, the Group announced that it has, through its subsidiary, entered into a co-operative framework agreement with unrelated party to divest the issued shares of Huaxin Saihan Huhhot Real Estate Co., Ltd., which holds CapitaMall Saihan for RMB460.0 million (approximately $90.8 million). The divestment was completed on 7 June 2021.

On 11 January 2021, the Group announced that it has, through its subsidiary, entered into equity transfer agreement with unrelated party to divest the issued shares of Wuhan New Minzhong Leyuan Co., Ltd., which holds CapitaMall Minzhongleyuan, for RMB458.0 million (approximately $93.4 million). The divestment was completed on 10 February 2021.

At 31 December 2020, the disposal groups were stated at fair value less costs to sell and comprised the following assets and liabilities:

	Note	CapitaMall Saihan $'000	CapitaMall Minzhongleyuan $'000	Total $'000
Group				
2020				
Investment property	4	93,849	103,651	197,500
Plant and equipment	5	–	53	53
Trade and other receivables		266	747	1,013
Cash and cash equivalents		24,721	83	24,804
Assets held for sale		118,836	104,534	223,370
Trade and other payables		2,000	873	2,873
Security deposits		2,079	529	2,608
Provision for taxation		81	–	81
Lease liabilities		–	13,696	13,696
Deferred tax liabilities	14	10,319	2,584	12,903
Liabilities held for sale		14,479	17,682	32,161

The following table shows the Group's valuation technique used in measuring the fair value of the disposal group, as well as the significant unobservable inputs used.

Valuation methods	Significant unobservable inputs
Capitalisation approach	• Capitalisation rates (FY 2020: from 4.75% to 7.25%)
Discounted cash flows approach	• Discount rate (FY 2020: from 8.25% to 10.50%)

11. TRADE AND OTHER PAYABLES

	Group		Trust	
	2021 $'000	2020 $'000	2021 $'000	2020 $'000
Trade payables	**4,084**	19,455	**599**	381
Accrued operating expenses	**39,907**	33,120	**7,443**	7,055
Accrued development expenditure	**21,124**	21,155	**–**	–
Amounts due to related parties (trade)	**18,244**	11,130	**5,262**	5,431
Amounts due to related parties (non-trade)	**37**	4	**32,292**	4,364
Amounts due to related parties – NCI (non-trade)	**24,013**	–	**–**	–
Other deposits and advances	**55,314**	81,156	**–**	–
Interest payable	**6,796**	5,603	**6,086**	5,388
Other payables	**4,608**	6,166	**9,148**	–
	174,127	177,789	**60,830**	22,619
Current	**149,996**	177,704	**60,830**	22,619
Non-current	**24,131**	85	**–**	–
	174,127	177,789	**60,830**	22,619

Included in amounts due to related parties (trade) are amounts due to the Manager, Property and Project Managers of $5.3 million (2020: $5.4 million), $12.0 million (2020: $4.9 million) and $nil (2020: $0.3 million) respectively.

The amounts due to related parties (non-trade) at the Trust level included the proceeds received on behalf of its subsidiary, Somerset (Wuhan) Investments Pte. Ltd., relating to the divestment of CapitaMall Minzhongleyuan.

Included in amounts due to related parties – NCI (non-trade) of $24.0 million are amounts due to the non-controlling interest of which entrustment loan amounting $17.1 million bears interest rate of 3.85% per annum, is unsecured and is repayable on 23 December 2022. The Group has the option to extend the entrustment loan for another year from 23 December 2022. The remaining balance of $6.9 million is unsecured, interest free and not expected to be repaid within the next twelve months.

12. INTEREST-BEARING BORROWINGS

		Group		Trust	
	Note	2021 $'000	2020 $'000	2021 $'000	2020 $'000
Unsecured term loans	(a)	**1,320,000**	1,065,500	**1,320,000**	1,065,500
Medium Term Notes ("MTN")	(b)	**280,000**	130,000	**280,000**	130,000
Secured loan	(c)	**393,414**	164,195	**–**	–
Less: Unamortised transactions costs		**(3,893)**	(3,761)	**(3,893)**	(3,761)
		1,989,521	1,355,934	**1,596,107**	1,191,739
Current		**215,001**	155,560	**179,953**	145,359
Non-current		**1,774,520**	1,200,374	**1,416,154**	1,046,380
		1,989,521	1,355,934	**1,596,107**	1,191,739

12. INTEREST-BEARING BORROWINGS (continued)

(a) As at 31 December 2021, the Group has an aggregate of $1,320.0 million (2020: $1,065.5 million) unsecured floating rate term loans (collectively known as "Trust Term Loan Facilities"). These facilities have negative pledge covenants which require the Trust not to, amongst others, create or have outstanding any security on or over the Group's interest in any of the investment properties without the prior written consent of the lender.

The Trust Term Loan Facilities are repayable in full at maturity, although the Trust has the option to make early repayments.

(b) At the reporting date, $280.0 million (2020: $130.0 million) MTN were issued under the $1.0 billion Multicurrency Debt Issuance Programme. Under the Multicurrency Debt Issuance Programme, the Trust may:

(i) issue notes in any currency, in various amounts and tenors, and the notes may bear interest at fixed, floating, variable or hybrid rates or may not bear interest, in each case as agreed between the Trustee, the Manager and the relevant dealer(s) of the Notes and as specified in the relevant Pricing Supplement; and

(ii) issue perpetual securities in registered and/or bearer form in any currency, in various amounts and the perpetual securities may confer a right to receive distribution at fixed or floating rates, in each case as agreed between the Trustee, the Manager and the relevant dealer(s) of the Perpetual Securities and as specified in the relevant Pricing Supplement.

(c) At the reporting date, secured loans comprises outstanding term loans of $393.4 million (RMB1,857.7 million). The term loans bear interest rates referenced against 5-year Loan Prime Rate ("LPR") with lending rates ranging from 4.31% to 5.51% per annum and repriced on a monthly and quarterly basis.

As security for the loans, the Group has granted in favour of the respective lenders the following:

(i) mortgage over retail assets CapitaMall Xuefu and Rock Square, with carrying amounts of $378.9 million (2020: $361.9 million) and $724.7 million (2020: $696.5 million) respectively (see Note 4);

(ii) mortgage over business park assets Ascendas Innovation Towers, Singapore-Hangzhou Science & Technology Park (Phase I and Phase II), with carrying amounts of $168.1 million, $142.3 million and $172.4 million respectively (see Note 4);

(iii) mortgage over logistics park assets Kunshan Bacheng Logistics Park, Wuhan Yangluo Logistics Park and Chengdu Shuangliu Logistics Park, with carrying amounts of $69.9 million, $81.1 million and $75.6 million respectively (see Note 4);

(iv) pledge of bank accounts of the respective assets; and

(v) assignment of the insurance policies of the respective assets.

The RMB term loans are amortised and payable on a quarterly or half-yearly basis with final lump sum payment at the maturity of the respective loans.

12. INTEREST-BEARING BORROWINGS (continued)

Terms and debt repayment schedule

Terms and conditions of the outstanding interest-bearing borrowings are as follows:

	Nominal interest rate per annum %	Year of maturity	Face value $'000	Carrying amount $'000
2021				
Group				
S$ fixed rate MTN	**2.40-3.25**	**2022-2028**	**280,000**	**279,789**
S$ unsecured floating rate loans	**1.09-1.49**	**2022-2028**	**1,320,000**	**1,316,318**
RMB secured floating rate term loan	**4.31-5.51**	**2022-2036**	**393,414**	**393,414**
Trust				
S$ fixed rate MTN	**2.40-3.25**	**2022-2028**	**280,000**	**279,789**
S$ unsecured floating rate loans	**1.09-1.49**	**2022-2028**	**1,320,000**	**1,316,318**
2020				
Group				
S$ fixed rate MTN	3.25	2022	130,000	129,951
S$ unsecured floating rate loans	0.86-2.67	2021-2026	1,065,500	1,061,788
RMB secured floating rate term loan	4.31–4.65	2023-2026	164,195	164,195
Trust				
S$ fixed rate MTN	3.25	2022	130,000	129,951
S$ unsecured floating rate loans	0.86-2.67	2021-2026	1,065,500	1,061,788

12. INTEREST-BEARING BORROWINGS (continued)

The following are the contractual maturities of non-derivative financial liabilities, including estimated interest payments and excluding the impact of netting agreements:

	Carrying amount $'000	Contractual cash flow $'000	Within 1 year $'000	Within 2 to 5 years $'000	After 5 years $'000
2021					
Group					
S$ fixed rate MTN	**279,789**	**307,640**	**137,825**	**14,410**	**155,405**
S$ unsecured floating rate loans	**1,316,318**	**1,427,465**	**20,065**	**1,250,588**	**156,812**
RMB secured floating rate term loan	**393,414**	**457,980**	**30,490**	**349,421**	**78,069**
Lease liabilities	**10,652**	**11,284**	**5,597**	**5,687**	**–**
Trade and other payables	**174,127**	**174,127**	**149,996**	**134**	**23,997**
Security deposits	**117,387**	**117,387**	**51,352**	**59,243**	**6,792**
	2,291,687	**2,495,883**	**395,325**	**1,679,483**	**421,075**
Trust					
S$ fixed rate MTN	**279,789**	**307,640**	**137,825**	**14,410**	**155,405**
S$ unsecured floating rate loans	**1,316,318**	**1,427,465**	**20,065**	**1,250,588**	**156,812**
Trade and other payables	**60,830**	**60,830**	**60,830**	**–**	**–**
	1,656,937	**1,795,935**	**218,720**	**1,264,998**	**312,217**
2020					
Group					
S$ fixed rate MTN	129,951	138,450	4,225	134,225	–
S$ unsecured floating rate loans	1,061,788	1,112,723	157,349	803,902	151,472
RMB secured floating rate term loan	164,195	186,097	12,839	169,337	3,921
Lease liabilities	14,722	15,978	5,120	10,858	–
Trade and other payables	177,789	177,789	177,704	85	–
Security deposits	74,699	74,699	36,893	32,440	5,366
	1,623,144	1,705,736	394,130	1,150,847	160,759
Trust					
S$ fixed rate MTN	129,951	138,450	4,225	134,225	–
S$ unsecured floating rate loans	1,061,788	1,112,723	157,349	803,902	151,472
Trade and other payables	22,619	22,619	22,619	–	–
	1,214,358	1,273,792	184,193	938,127	151,472

It is not expected that the cash flows included in the maturity analysis could occur significantly earlier, or at significantly different amounts.

12. INTEREST-BEARING BORROWINGS (continued)

Reconciliation of movements of liabilities to cash flows arising from financing activities

			Non-cash changes						
	Adjusted balance at 1 January $'000	Financing cash flows $'000	Finance costs $'000	Fair value loss $'000	Foreign exchange movement $'000	Assets acquired $'000	Reclassified to liabilities held for sale $'000	Other changes $'000	At 31 December $'000
2021									
Interest-bearing borrowings[1]	**1,361,537**	**324,292**	**46,523**	**–**	**13,492**	**250,473**	**–**	**–**	**1,996,317**
Interest rate swaps used for hedging and forward exchange contracts – assets	**(1)**	**–**	**–**	**(5,741)**	**–**	**–**	**–**	**–**	**(5,742)**
Interest rate swaps used for hedging and forward exchange contracts– liabilities	**18,327**	**(1,098)**	**–**	**(13,588)**	**–**	**–**	**–**	**–**	**3,641**
Lease liabilities	**14,722**	**(5,757)**	**685**	**–**	**574**	**12**	**–**	**416**	**10,652**
	1,394,585	**317,437**	**47,208**	**(19,329)**	**14,066**	**250,485**	**–**	**416**	**2,004,868**
2020									
Interest-bearing borrowings[1]	1,386,330	(148,686)	35,982	–	4,322	83,651	–	(62)	1,361,537
Interest rate swaps used for hedging and forward exchange contracts – assets	(346)	270	–	75	–	–	–	–	(1)
Interest rate swaps used for hedging and forward exchange contracts – liabilities	5,277	(973)	–	14,023	–	–	–	–	18,327
Lease liabilities	31,245	(4,019)	1,575	–	1,487	25	(13,696)	(1,895)	14,722
	1,422,506	(153,408)	37,557	14,098	5,809	83,676	(13,696)	(1,957)	1,394,585

(1) Includes interest payable.

13. LEASES

Leases as lessee (FRS 116)

The Group leases land and building which form part of its investment properties and motor vehicles which form part of its property, plant and equipment. The leases of land and building and motor vehicles typically run for a period of 20 years and 3 years respectively, with an option to renew the lease after that date.

Information about leases for which the Group is a lessee is presented below.

i. Amounts recognised in the statement of total return

	2021 $'000	2020 $'000
Group		
Interest on lease liabilities	**685**	1,575

13. LEASES (continued)

Leases as lessee (FRS 116) (continued)

ii. Amounts recognised in statement of cash flows

	2021 $'000	2020 $'000
Total cash outflow for leases	**5,757**	4,019

iii. Extension options

The investment property leases contain extension options exercisable by the Group. The Group assesses at lease commencement date whether it is reasonably certain to exercise the extension options. The Group reassesses whether it is reasonably certain to exercise the options if there is a significant event or significant changes in circumstances within its control.

CLCT did not exercise its option which expired on 31 January 2021.

Leases as lessor

The Group leases out its investment properties consisting of its owned commercial properties as well as leased properties (see Note 4). All leases are classified as operating leases from a lessor perspective.

The Group has classified these leases as operating leases, because they do not transfer substantially all of the risks and rewards incidental to the ownership of the assets. Note 4 sets out information about the operating leases of investment properties.

Rental income from investment properties and investment property subleases recognised by the Group during 2021 was $348.6 million (2020: $194.8 million).

The following table sets out a maturity analysis of lease payments, showing the undiscounted lease payments to be received after the reporting date.

	2021 $'000	2020 $'000
Group		
Less than one year	**381,559**	219,150
One to two years	**280,634**	156,412
Two to three years	**160,501**	118,791
Three to four years	**80,937**	67,786
Four to five years	**53,251**	49,113
More than five years	**87,730**	86,780
Total	**1,044,612**	698,032

14. DEFERRED TAX (ASSETS)/LIABILITIES

The movement in deferred tax liabilities during the financial year is as follows:

	At 1 January 2021 $'000	Statement of total return (Note 24) $'000	Disposal of subsidiary $'000	Acquired asset $'000	Reclassified to liabilities held for sale $'000	Translation difference $'000	At 31 December 2021 $'000
Group							
Deferred tax liabilities							
Investment properties	265,364	26,330	–	(955)	(300)	10,662	301,101
Tax on unrepatriated profits	19,341	(2,007)	–	–	58	–	17,392
	284,705	24,323	–	(955)	(242)	10,662	318,493

	At 1 January 2020 $'000	Statement of total return (Note 24) $'000	Disposal of subsidiary $'000	Reclassified from joint venture $'000	Reclassified to liabilities held for sale $'000	Translation difference $'000	At 31 December 2020 $'000
Group							
Deferred tax liabilities							
Investment properties	259,255	4,248	(18,210)	9,963	(3,755)	13,863	265,364
Tax on unrepatriated profits	15,492	4,165	(296)	–	(20)	–	19,341
	274,747	8,413	(18,506)	9,963	(3,775)	13,863	284,705

Deferred tax assets have not been recognised in respect of the following item because it is not probable that future taxable profit will be available against which the Group can utilise the benefits therefrom:

	Group 2021 $'000	Group 2020 $'000
Tax losses	**50,998**	41,796

The tax losses are subject to agreement by the tax authorities and compliance with tax regulations in the country in which the subsidiaries operate. These tax losses can be carried forward up to five consecutive years and will expire on the fifth year from which the tax losses arise.

15. UNITHOLDERS' FUNDS

	Note	Group		Trust	
		2021 $'000	2020 $'000	2021 $'000	2020 $'000
Net assets resulting from operations		**1,476,177**	1,379,657	**302,402**	156,156
Hedging reserve	(a)	**2,321**	(16,876)	**2,321**	(16,876)
Foreign currency translation reserve	(b)	**146,710**	(1,614)	**–**	–
Unitholders' transactions		**905,533**	833,402	**905,533**	833,402
General reserve	(c)	**57,458**	50,675	**–**	–
		2,588,199	2,245,244	**1,210,256**	972,682

(a) The hedging reserve comprises the effective portion of the cumulative net change in the fair value of cash flow hedging instruments relating to forecast hedged transactions.

(b) The foreign currency translation reserve comprises:

(i) foreign exchange differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from the functional currency of the Trust;

(ii) the gains or losses on financial instruments used to hedge the Group's net investment in foreign operations that are determined to be effective hedges; and

(iii) the foreign exchange differences on monetary items which form part of the Group's net investment in foreign operations, provided certain conditions are met.

(c) General reserve

The subsidiaries incorporated in China are required to transfer 10% of their profits after taxation, as determined under the accounting principles and relevant financial regulations of China to the general reserve until the reserve balance reaches 50% of registered capital. The transfer to this reserve must be made before distribution of dividends to its shareholders.

General reserve can be used to make good previous years' losses, if any, and may be converted to registered capital in proportion to the existing interests of the shareholders, provided that the balance after such conversion is not less than 25% of the registered capital.

16. UNITS IN ISSUE AND PERPETUAL SECURITIES

(a) Units in issue

	2021 Number of Units	2020 Number of Units
Balance as at beginning of year	**1,506,433,415**	1,209,067,206
New Units issued:		
– Units in connection with private placement exercise	**128,756,000**	205,331,000
– Units in connection with preferential offering exercise	**–**	68,997,855
– As payment of distribution through distribution reinvestment plan	**11,645,817**	18,325,770
– As payment of Manager's management fees	**5,359,744**	4,711,584
– As payment of Manager's acquisition fee	**7,332,674**	–
Total issued Units as at end of the year	**1,659,527,650**	1,506,433,415
New Units to be issued:		
– as payment of Manager's management fees	**12,106,981**	5,359,744
Total issued and issuable Units as at end of the year	**1,671,634,631**	1,511,793,159

Units issued during the year ended 31 December 2021 are as follows:

(a) On 5 March 2021, the Trust issued 1,190,921 and 4,168,823 new Units at an issue price of $1.3664 per Unit as partial payment of the base component and performance component of the management fee respectively for the period from 1 January 2020 to 31 December 2020;

(b) On 30 July 2021, the Trust issued 7,332,674 new Units at a weighted average issue price of $1.3713 per Unit as payment of acquisition fee for the acquisition of the 5 business parks and remaining 49.0% of Rock Square;

(c) On 24 September 2021, the Trust issued 11,645,817 new Units at an issue price of $1.366 per Unit as payment of distribution under the distribution reinvestment plan for the period from 1 January 2021 to 30 June 2021; and

(d) On 21 October 2021, the Trust issued 128,756,000 new Units via private placement at an issue price of $1.165 per Unit to fund the acquisition of the 4 logistics parks.

Units issued during the year ended 31 December 2020 are as follows:

(a) On 6 March 2020, the Trust issued 4,711,584 new Units at an issue price of $1.5911 per Unit as payment of the performance component of the management fee for the period from 1 January 2019 to 31 December 2019;

(b) On 27 March 2020, the Trust issued 9,092,875 new Units at an issue price of $1.5080 per Unit as payment of distribution under the distribution reinvestment plan for the period from 14 August 2019 to 31 December 2019;

(c) On 25 September 2020, the Trust issued 9,232,895 new Units at an issue price of $1.2000 per Unit as payment of distribution under the distribution reinvestment plan for the period from 1 January 2020 to 30 June 2020;

16. UNITS IN ISSUE AND PERPETUAL SECURITIES (continued)

(a) Units in issue (continued)

(d) On 26 November 2020, the Trust issued 205,331,000 new Units via private placement at an issue price of $1.1950 per Unit to fund the acquisition of the 5 business parks and remaining 49.0% of Rock Square; and

(e) On 16 December 2020, the Trust issued 68,997,855 new Units via preferential offering at an issue price of $1.1700 per Unit to fund the acquisition of the 5 business parks and remaining 49.0% of Rock Square.

The issue prices were determined based on the volume weighted average traded price for all trades done on the SGX-ST in the ordinary course of trading for the last 10 business days of the relevant periods in which the management fees accrue.

Each Unit in the Trust represents an undivided interest in the Trust. The rights and interests of Unitholders are contained in the Trust Deed and include the right to:

- one vote per Unit;
- receive income and other distributions attributable to the Units held;
- participate in the termination of the Trust by receiving a share of all net cash proceeds derived from the realisation of the assets of the Trust less any liabilities, in accordance with their proportionate interests in the Trust. However, a Unitholder has no equitable or proprietary interest in the underlying assets of the Trust and is not entitled to the transfer of any assets (or part thereof) or any estate or interest in any asset (or part thereof) of the Trust; and
- attend all Unitholders' meetings. The Trustee or the Manager may (and the Manager shall at the request in writing of not less than 50 Unitholders or one-tenth in number of Unitholders, whichever is lesser) at any time convene a meeting of Unitholders in accordance with the provisions of the Trust Deed.

The restrictions of a Unitholder include the following:

- a Unitholder's right is limited to the right to require due administration of the Trust in accordance with the provisions of the Trust Deed; and
- a Unitholder has no right to request the Manager to redeem his Units while the Units are listed on the SGX-ST.

A Unitholder's liability is limited to the amount paid or payable for any Unit in the Trust. The provisions of the Trust Deed provide that no Unitholder will be personally liable to indemnify the Trustee or any creditor of the Trustee in the event that the liabilities of the Trust exceed its assets.

16. UNITS IN ISSUE AND PERPETUAL SECURITIES (continued)

(b) Perpetual securities

On 27 October 2020, the Trust issued $100.0 million of fixed rate subordinated perpetual securities under the $1.0 billion multicurrency Debt Issuance Programme with an initial distribution rate of 3.375% per annum, with the first distribution rate reset falling on 27 October 2025 and subsequent resets occurring every five years thereafter.

The Perpetual Securities will have no fixed redemption date and redemption is at the option of the Trust in accordance with the terms of issue of the securities. The distribution will be payable semi-annually at the discretion of the Trust and will be non-cumulative.

In terms of distribution payments or in the event of winding-up of the Trust:

- These perpetual securities will constitute direct, unconditional, subordinated and unsecured obligations of the Trust and shall at all times rank pari passu, without any preference or priority among themselves and with any parity obligations of the Trust.

- The Trust shall not declare or pay any distributions to the Unitholders, or make redemptions, unless the Trust fully redeems all the outstanding perpetual securities; pays in full an Optional Distribution equal to the amount of the distribution payable that was unpaid in full or in part; pays the next schedule distribution to the holders of the perpetual securities in full; or obtains an extraordinary resolution of the holders of the perpetual securities permitting the Trust to do so.

These perpetual securities are classified as equity instruments and recorded within the Statements of movements in Unitholders' funds. The $99.6 million (2020: $99.6 million) presented on the Statements of financial position represents the $100.0 million (2020: $100.0 million) perpetual securities net of issue costs and include total return attributable to perpetual securities holders from issue date.

17. NON-CONTROLLING INTERESTS

The following subsidiaries have NCI that are material to the Group.

Name	Place of incorporation/ business	Operating segment	Ownership interests held by NCI 2021	2020
Xinsu subgroup[1]	Singapore/China	Business parks	**49**	–
Ascendas Hangzhou Science & Technology Co., Ltd.	China	Business parks	**20**	–
Ascendas Hangzhou Data Processing Co., Ltd.	China	Business parks	**20**	–
Xi An Ascendas-Science Technology Investment Co., Ltd.	China	Business parks	**20**	–

(1) Includes Singapore Suzhou Industrial Holdings Pte. Ltd. and Ascendas–Xinsu Development (Suzhou) Co., Ltd.

17. NON-CONTROLLING INTERESTS (continued)

The following summarises the financial information of the Group's significant subsidiaries with material NCI.

	Xinsu subgroup[1] $'000	Ascendas Hangzhou Science & Technology Co., Ltd. $'000	Ascendas Hangzhou Data Processing Co., Ltd. $'000	Xi An Ascendas-Science Technology Investment Co., Ltd. $'000	Total $'000
2021					
Statement of financial position					
Non-current assets	496,303	141,408	171,160	63,818	872,689
Current assets	29,221	26,736	20,553	5,810	82,320
Non-current liabilities	(25,771)	(54,767)	(68,781)	(1,509)	(150,828)
Current liabilities	(70,791)	(7,125)	(10,559)	(2,451)	(90,926)
Net assets	428,962	106,252	112,373	65,668	713,255
Add: Dividend declared to NCI	–	–	–	620	620
	428,962	106,252	112,373	66,288	713,875
Net assets based on percentage shareholdings	210,191	21,250	22,475	13,258	267,174
Less: Dividends declared to NCI	–	–	–	(620)	(620)
Net assets attributable to NCI	210,191	21,250	22,475	12,638	266,554
2021					
Statement of total return					
Revenue	43,910	16,498	16,715	5,797	82,920
Total return after taxation	22,714	9,145	12,269	3,554	47,682
Attributable to NCI:					
Total return after taxation	11,130	1,829	2,454	711	16,124
Total return allocated to NCI	11,130	1,829	2,454	711	16,124
Statement of cash flows					
Cash flows from operating activities	16,505	10,421	13,749	4,431	45,106
Cash flows used in investing activities	(1,369)	(846)	(575)	(451)	(3,241)
Cash flows from financing activities (dividends to NCI: SGD338,000)	–	(21,840)	(3,288)	(338)	(25,466)
Net decrease in cash and cash equivalents	15,136	(12,265)	9,886	3,642	16,399

Dividends of $620,000 was declared to non-controlling interest of Xi An Ascendas-Science Technology Investment Co., Ltd. during the year, of which $338,000 was paid in 2021, the remaining balance will be paid in 2022.

18. TOTAL UNITHOLDERS' DISTRIBUTION

Unitholders' distribution for the year is accounted for as distribution from operations and distribution from Unitholders' contributions:

(a) Distribution from operations

This refers to distribution made by the Trust that is represented by income received or receivable during the financial year, as the case may be, net of expenses. Such income comprises mainly the following:

- dividend from subsidiaries in Barbados, Singapore, Hong Kong and British Virgin Islands paid out of dividend declared by the subsidiaries in China;
- dividend from subsidiaries in Barbados paid out of net interest income earned by subsidiaries in Barbados on shareholders' loans extended to subsidiaries in China; and
- interest income earned by the Trust on shareholders' loans extended to subsidiaries in Barbados.

The above income originates from income derived by the subsidiaries in China in respect of the current financial year.

(b) Distribution from Unitholders' contributions

This refers to the amount of distribution made by the Trust for the financial year where the underlying cash is not, or may not be, received or receivable as income by the Trust during that period. Such distribution comprises mainly the following:

- profits from operations arising from the investment properties which are declared as dividend income after the financial year, as the case may be, and accordingly also received as dividends by the Trust after that year;
- profits from operations arising from the investment properties which cannot be declared as dividends;
- adjustment for depreciation expenses of the investment properties; and
- adjustments for trust expenses that are paid in Units, foreign currency differences attributable to net investment hedges undertaken by the Trust and certain unrealised expenses.

Income available for distribution to Unitholders at end of the year

Distributions are made on a semi-annual basis, with the amount calculated as at 30 June and 31 December each year for the six-month period ending on each of the said dates. In accordance with the provisions of the Trust Deed, the Manager is required to pay distributions within 90 days from the end of each distribution period. Distributions, when paid, will be in Singapore dollars.

19. OTHER PROPERTY OPERATING EXPENSES

	Note	Group 2021 $'000	2020 $'000
Utilities		**9,996**	6,234
Advertising and promotion		**13,764**	7,435
Maintenance		**23,111**	12,873
Staff costs		**17,896**	11,248
Depreciation of plant and equipment	5	**1,312**	850
Impairment losses on trade receivables, net	8	**159**	357
Amortisation of deferred expenditure included in other receivables		**56**	47
Plant and equipment written off		**40**	85
Others		**2,069**	2,043
		68,403	41,172

Included in staff costs is contribution to defined contribution plans of $2.7 million (2020: $0.8 million).

20. MANAGER'S MANAGEMENT FEES

Manager's management fees comprise base fee of $12.0 million (2020: $9.8 million) and performance fee of $8.9 million (2020: $5.7 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 $8.9 million (2020: $5.7 million) and base fee amounting to $5.4 million (2020: $1.6 million) will be paid through the issue of 12,106,981 (2020: 5,359,744) new Units subsequent to the year end.

21. OTHER OPERATING (INCOME)/EXPENSES

	Group 2021 $'000	2020 $'000
Professional fees	**172**	206
Others[1]	**(980)**	699
	(808)	905

(1) Includes a one-off compensation of $1.9 million received from seller in relation to the asset swap of CapitaMall Nuohemule.

22. FINANCE INCOME AND FINANCE COSTS

	Group 2021 $'000	Group 2020 $'000
Interest income:		
– financial institutions	**3,941**	3,263
– joint venture	**–**	3,931
Finance income	**3,941**	7,194
Interest expenses		
– financial institutions	**(37,665)**	(28,082)
– related parties	**(910)**	–
	(38,575)	(28,082)
Cash flow hedges – losses reclassified from hedging reserve	**(8,858)**	(7,900)
Finance lease expenses	**(685)**	(1,575)
Finance costs	**(48,118)**	(37,557)
Net finance costs recognised in statement of total return	**(44,177)**	(30,363)

23. INTEREST IN JOINT VENTURE

On 30 December 2020, the Group has completed the acquisition of the remaining 49% of the shares in Gold Yield Pte. Ltd., which indirectly holds Rock Square, for RMB1.4 billion (approximately $276.6 million), subject to post-completion adjustment. As a result, the Group has derecognised the joint venture and consolidated the entities from 30 December 2020.

The following table summarises the financial information of the Group's joint venture, based on its consolidated financial statements prepared in accordance with the principles under FRS, modified for fair value adjustments on acquisition and differences in the Group's accounting policies.

	2021 $'000	2020 $'000
Statement of income and expenditure		
Revenue	–	35,639
Expenses	–	(22,295)
Net change in fair value of investment property	–	(6,093)
Total return after tax [a]	–	7,251
Group's share of total return	–	3,698
[a] Includes:		
– Depreciation and amortisation	–	(121)
– Interest income	–	1,420
– Interest expense	–	(7,936)
– Taxation	–	(3,512)

24. TAXATION

	Note	Group 2021 $'000	Group 2020 $'000
Current taxation			
Current year		**43,447**	31,908
(Over)/Under provision in prior years		**(978)**	45
		42,469	31,953
Deferred taxation			
Origination and reversal of temporary differences	14	**24,323**	8,413
Income tax expense		**66,792**	40,366
Reconciliation of effective tax rate			
Total return for the year before taxation		**189,594**	28,337
Tax calculated using Singapore tax rate of 17% (2020: 17%)		**32,231**	4,817
Adjustments:			
Effect of different tax rates in foreign jurisdictions		**19,700**	11,900
Income not subject to tax		**(9,318)**	(160)
Expenses not deductible for tax purposes		**10**	318
Deferred tax assets not recognised		**398**	1,199
Tax losses not allowed to be carried forward		**10,642**	8,675
Reversal of deferred tax assets		**955**	–
Utilisation of previously unrecognised tax losses		**(893)**	–
Foreign tax suffered		**14,045**	13,572
Over provision in prior years		**(978)**	45
		66,792	40,366

25. EARNINGS PER UNIT

Basic earnings per Unit

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

	Group 2021 $'000	Group 2020 $'000
Total return/(loss) for the year after taxation and non-controlling interest before distribution	**106,678**	(12,029)
Less: Total return attributable to perpetual securities holders	**(3,375)**	(610)
Total return attributable to Unitholders	**103,303**	(12,639)

25. EARNINGS PER UNIT (continued)

Basic earnings per Unit (continued)

	Trust	
	Number of Units 2021 '000	Number of Units 2020 '000
Issued Units at beginning of year	**1,506,433**	1,209,067
Effect of creation of new Units:		
– Units in connection with private placement exercise	**25,398**	20,197
– Units in connection with preferential offering exercise	**–**	3,016
– Distribution to Unitholders in respect of distribution reinvestment plan	**3,159**	9,429
– Manager's management fees paid/payable in Units	**4,468**	3,889
– Units issued in respect of acquisition fees	**3,114**	–
– Adjustments for effect of preferential offering	**–**	4,486
Weighted average number of issued and issuable Units at end of the year	**1,542,572**	1,250,084

Diluted earnings per Unit

Diluted earnings per Unit is calculated based on total return for the year 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	
	Number of Units 2021 '000	Number of Units 2020 '000
Issued Units at beginning of year	**1,506,433**	1,209,067
Effect of creation of new Units:		
– Units in connection with private placement exercise	**25,398**	20,197
– Units in connection with preferential offering exercise	**–**	3,016
– Distribution to Unitholders in respect of distribution reinvestment plan	**3,159**	9,429
– Manager's management fees paid/payable in Units	**16,542**	3,889
– Units issued in respect of acquisition fees	**3,114**	–
– Adjustments for effect of preferential offering	**–**	4,486
Weighted average number of issued and issuable Units at end of the year	**1,554,646**	1,250,084

26. ISSUE EXPENSES – PERPETUAL SECURITIES

	Group	
	2021 $'000	2020 $'000
Underwriting fees and selling commission	**–**	544
Professional fees	**–**	255
Others	**–**	201
	–	1,000

27. RELATED PARTY TRANSACTIONS

For the purposes of these financial statements, parties are considered to be related to the Group if the Group has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group and the party are subject to common significant influence. Related parties are entities which are direct or indirect wholly owned subsidiaries of CLG.

In the normal course of the operations of the Trust, the Manager's management fees and the Trustee's fees have been paid or are payable to the Manager and Trustee respectively. The property management fees, reimbursables and project management fees have been paid or are payable to the Property and Project Managers respectively.

During the financial year, other than those disclosed elsewhere in the financial statements, the following were significant related party transactions carried out in the normal course of business on arm's length commercial terms:

	Group	
	2021 $'000	2020 $'000
Project management fees paid/payable to a related party	**979**	899

28. FINANCIAL RATIOS

	Group	
	2021 %	2020 %
Ratio of expenses to average net asset value (1)		
– including performance component of Manager's management fees	**0.85**	0.84
– excluding performance component of Manager's management fees	**0.52**	0.56
Portfolio turnover rate (2)	**6.70**	7.70

Notes:

(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.

29. OPERATING SEGMENTS

With effect from 1 January 2021, the Group has re-organised its reporting structure into strategic divisions to more accurately reflect the way the Group manage its business. For the purpose of making resource allocation decisions and the assessment of segment performance, the Group's Chief Operating Decision Makers ("CODMs") review internal/management reports of its strategic divisions. This forms the basis of identifying the operating segments of the Group consistent with the principles of FRS 108 *Operating Segments*.

The Group is organised into the following main business segments:

– Retail Malls: management of retail properties in China;

– Business Parks: management of business parks in China; and

– Logistics Parks: management of logistics parks in China.

Segment revenue comprises mainly income generated from its tenants. Segment net property income represents the income earned by each segment after allocating property operating expenses. This is the measure reported to the CODMs for the purpose of assessment of segment performance. In addition, the CODMs monitor the non-financial assets as well as financial assets attributable to each segment when assessing segment performance.

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly the Trust's financial assets and liabilities and its expenses. Segment capital expenditure is the total cost incurred during the year to acquire segment assets that are expected to be used for more than one year.

Information regarding the Group's reportable segments is presented in the tables in the following pages.

For the purpose of monitoring segment performance, the Group's CODMs monitor the non-financial assets as well as financial assets attributable to each segment.

29. OPERATING SEGMENTS (continued)

Information about reportable segments

	Retail Malls		Business Parks		Logistics Parks		Group	
	2021 $'000	2020 $'000	2021 $'000	2020 $'000	2021 $'000	2020 $'000	2021 $'000	2020 $'000
External revenue:								
– Gross rental income	**255,213**	194,771	**90,758**	–	**2,598**	–	**348,569**	194,771
– Others	**23,263**	15,754	**6,100**	–	**35**	–	**29,398**	15,754
– Gross revenue	**278,476**	210,525	**96,858**	–	**2,633**	–	**377,967**	210,525
Segment net property income	**179,727**	135,196	**68,844**	–	**1,856**	–	**250,427**	135,196
Finance income	**2,571**	7,177	**1,321**	–	**42**	–	**3,934**	7,177
Finance costs	**(8,024)**	(5,122)	**(8,033)**	–	**(556)**	–	**(16,613)**	(5,122)
Share of results (net of tax) of joint venture	**–**	3,698	**–**	–	**–**	–	**–**	3,698
Reportable segment total return before taxation	**148,408**	43,453	**80,405**	–	**(1,842)**	–	**226,971**	43,453
Segment assets	**4,040,250**	3,992,501	**1,130,935**	–	**382,169**	–	**5,553,354**	3,992,501
Segment liabilities	**648,148**	690,695	**257,055**	–	**80,725**	–	**985,928**	690,695
Other segment items:								
Depreciation and amortisation	**(977)**	(897)	**(374)**	–	**(17)**	–	**(1,368)**	(897)
Write-back/(Impairment losses) on trade receivables, net	**(174)**	(357)	**15**	–	**–**	–	**(159)**	(357)
Net change in fair value of investment properties and ROU assets	**(25,575)**	(99,057)	**18,520**	–	**(3,165)**	–	**(10,220)**	(99,057)
Capital expenditure	**(16,929)**	(38,098)	**(3,028)**	–	**28**	–	**(19,929)**	(38,098)

29. OPERATING SEGMENTS (continued)

Reconciliations of reportable segment revenue, total return, assets and liabilities and other material items

	2021 $'000	2020 $'000
Revenue		
Total revenue for reporting segments	**377,967**	210,525
Total return		
Total return for reportable segments before taxation	**226,971**	43,453
Unallocated amounts:		
– Other corporate expenses	**(37,377)**	(15,116)
Total return before taxation	**189,594**	28,337
Assets		
Total assets for reportable segments	**5,553,354**	3,992,501
Assets held for sale	**–**	223,370
Other unallocated amounts	**22,546**	94,386
Consolidated assets	**5,575,900**	4,310,257
Liabilities		
Total liabilities for reportable segments	**985,928**	690,695
Liabilities held for sale	**–**	32,161
Other unallocated amounts	**1,635,609**	1,242,547
Consolidated liabilities	**2,621,537**	1,965,403

	Reportable segment totals $'000	Unallocated amounts $'000	Consolidated totals $'000
Other material items 2021			
Finance income	**3,934**	**7**	**3,941**
Finance costs	**(16,613)**	**(31,505)**	**(48,118)**
Other material items 2020			
Finance income	7,177	17	7,194
Finance costs	(5,122)	(32,435)	(37,557)

Geographical segments

All of the Group's investment properties are used for retail malls, business parks and logistics parks purposes. All properties are in China.

Major tenant

Revenue from one tenant of the Group represents approximately $9.4 million (2020: $8.9 million) of the Group's total revenue.

30. COMMITMENTS

(a) Capital commitments

	Group	
	2021	2020
	$'000	$'000
Payable:		
– contracted but not provided for	**7,542**	2,374

(b) The Group has non-cancellable operating leases with rentals payable as follows:

	Group	
	2021	2020
	$'000	$'000
Payable:		
– within 1 year	**205**	28
– after 1 year but within 5 years	**43**	58
	248	86

31. CAPITAL AND FINANCIAL RISK MANAGEMENT

Capital management

The Group's objectives when managing capital are to optimise Unitholders' value through the combination of available capital sources which include debt and equity instruments whilst complying with statutory and constitutional capital and distribution requirements, maintaining aggregate leverage and interest coverage ratio within approved limits. As a key part of the Group's overall strategy, the Board of the Manager reviews the Group and the Trust's debt and capital management cum financing policy regularly so as to optimise the Group and the Trust's funding structure. The Board also monitors the Group and the Trust's exposure to various risk elements by closely adhering to clearly established management policies and procedures.

The Group is subject to the aggregate leverage limit as defined in Appendix 6 of the CIS Code ("Property Fund Appendix"). The Property Fund Appendix stipulates that the total borrowings and deferred payments (together, the "Aggregate Leverage") of a property fund should not exceed 50.0% (2020: 50.0%) of its Deposited Property. The Group has complied with the Aggregate Leverage limit of 50.0% (2020: 50.0%) during the financial year, with an aggregate leverage of 37.7% as at 31 December 2021 (2020: 31.8%).

There were no changes in the Group's approach to capital management during the financial year.

31. CAPITAL AND FINANCIAL RISK MANAGEMENT (continued)

Financial risk management

Overview

The Group's returns are primarily from net operating income and capital appreciation of its assets. However, these returns are exposed to financial risks including credit, liquidity, interest rate and foreign currency risks.

Financial risk management is integral to the whole business of the Group. The Group adopts an integrated approach to manage the financial risks arising in the normal course of the Group's business. The Group has written risk management policies and guidelines, and established processes to monitor and manage significant exposures. Risk management policies and processes are reviewed regularly to reflect changes in market conditions and the Group's activities.

The Group adheres to standardised accounting and financial policies and exercises effective controls over the financial affairs of its subsidiaries. This is achieved by ensuring group-wide adherence to a comprehensive set of guidelines covering contracts, policies and procedures and other requirements. Adequate measures are in place to ensure that the reliability and integrity of financial information compiled from subsidiaries are kept intact.

Credit risk

While it is necessary to assume a certain level of tenant credit risks to remain competitive in China, the Group has established credit limits for tenants and monitors their balances on an ongoing basis. Risks associated with credit limits are reflected in the level of security deposits and bank guarantees placed as collateral in respect of the leases. Appropriate risk mitigating actions are in place to manage trade receivables.

In monitoring customer credit risk, customers are grouped according to their credit characteristics, including whether they are an individual or legal entity, trade history with the Group, aging profile, maturity and existence of previous financial difficulties.

Cash and fixed deposits are placed with banks and financial institutions which are regulated. Impairment on cash and cash equivalents has been measured on the 12-month expected loss basis and reflects the short maturities of the exposures. The Group considers that its cash and cash equivalents have low credit risk based on the external credit ratings of the counterparties. The amount of allowance on cash and cash equivalents was negligible.

Liquidity risk

The Group monitors its liquidity risk and maintains a level of cash and cash equivalents deemed adequate by management to finance the Group's operations and to mitigate the effects of fluctuations in cash flows. Typically the Group ensures that it has sufficient cash on demand to meet expected operational expenses for a reasonable period, including the servicing of financial obligations.

31. CAPITAL AND FINANCIAL RISK MANAGEMENT (continued)

Financial risk management *(continued)*

Liquidity risk *(continued)*

In addition, the Group maintains the following debt facilities and programme as at 31 December 2021.

S$ denominated facilities:

- $92.5 million money market line (MML) facilities
- $100.0 million MML & Financial Guarantee (FG) facilities
- $100.0 million multicurrency MML facility
- $250.0 million four-year trust term loan facilities
- $650.0 million five-year trust term loan facilities
- $370.0 million six-year trust term loan facilities
- $150.0 million seven-year trust term loan facility

United States dollar ("US$") denominated facilities:

- US$50.0 million multicurrency MML facility

RMB denominated facilities:

- RMB394.0 million secured term loan facility
- RMB410.8 million secured term loan facility
- RMB300.0 million secured term loan facility
- RMB400.0 million secured term loan facility
- RMB410.0 million secured term loan facility
- RMB139.0 million secured term loan facility
- RMB142.0 million secured term loan facility
- RMB95.0 million secured term loan facility

Multicurrency Debt Issuance Programme:

- $1.0 billion multicurrency Debt Issuance Programme

As at 31 December 2021, the Group has outstanding debt of $1,320.0 million (2020: $1,065.5 million) trust term loan facilities, $280.0 million MTN (2020: $130.0 million) and RMB1,857.7 million (2020: RMB804.8 million) secured loan facilities.

The Group also monitors and observes the Property Fund Appendix issued by MAS concerning limits on total borrowings.

31. CAPITAL AND FINANCIAL RISK MANAGEMENT (continued)

***Financial risk management** (continued)*

Interest rate risk

The Manager adopts a proactive interest rate management policy to manage the risk associated with changes in interest rates on the Group's loan facilities while also seeking to ensure that the ongoing cost of debt remains competitive.

The Group determines the existence of an economic relationship between the hedging instrument and hedged item based on the reference interest rates, tenors, repricing dates and maturities and the notional or par amounts. If a hedging relationship is directly affected by uncertainty arising from interest rate benchmark reform, then the Group assumes for this purpose that the benchmark interest rate is not altered as a result of interest rate benchmark reform.

Managing interest rate benchmark reform and associated risks

Overview

A fundamental reform of major interest rate benchmarks is being undertaken globally, including the replacement of some interbank offered rates (IBORs) with alternative nearly risk-free rates (referred to as 'interest rate benchmark reform'). The Group has exposures to IBORs on its financial instruments that will be replaced or reformed as part of these market-wide initiatives.

The Group's main IBOR exposure at 31 December 2021 was indexed to SOR. In Singapore, the Steering Committee for SOR and SIBOR transition to SORA (SC-STS) together with the Association of Banks in Singapore (ABS) and Singapore Foreign Exchange Market Committee (SFEMC), has recommended the discontinuation of SOR and SIBOR and a shift towards the use of Singapore Overnight Rate Average (SORA) as the alternative interest rate benchmark in Singapore. The timeline for SORA to replace SOR and SIBOR is by the end of June 2023 and December 2024 respectively.

The Group monitors and manages the Group's hedged items and hedging instruments which continue to be indexed to IBOR benchmark rates. The Group evaluates the extent to which contracts reference IBOR cash flows, whether such contracts will need to be amended as a result of interest rate benchmark reform and how to manage communication about interest rate benchmark reform with counterparties.

Non-derivative financial liabilities

The Group's IBOR exposures to non-derivative financial liabilities as at 31 December 2021 included unsecured bank loans indexed to SOR. The Group is still in the process of communication with the counterparties for SOR indexed exposures which are affected by the interest rate benchmark reform and specific changes have yet to be agreed.

Derivatives

The Group holds interest rate swaps for risk management purposes that are designated in cash flow hedging relationships. The interest rate swaps have floating legs that are indexed to SOR. The Group's derivative instruments are governed by contracts based on the International Swaps and Derivatives Association (ISDA)'s master agreements. The Group is still in the process of communication with the counterparties for SOR indexed exposures which are affected by the interest rate benchmark reform and specific changes have yet to be agreed.

31. CAPITAL AND FINANCIAL RISK MANAGEMENT (continued)

***Financial risk management** (continued)*

Hedge accounting

The Group has evaluated the extent to which its cash flow hedging relationships are subject to uncertainty driven by interest rate benchmark reform as at 31 December 2021. The Group's hedged items and hedging instruments continue to be indexed to IBOR benchmark rates which are SOR. These benchmark rates are quoted each day and the IBOR cash flows are exchanged with its counterparties as usual.

For SOR cash flow hedging relationships which extend beyond the anticipated cessation date of SOR, the Group is still in the process of communication with the counterparties for SOR indexed exposures affected by the interest rate benchmark reform and the relevant hedging instruments and hedged items have not been amended to transition from SOR. The Group has evaluated that there is uncertainty about when and how replacement may occur with respect to the relevant hedged items and hedging instruments and such uncertainty may impact the hedging relationship. The Group continues to apply the principles under the amendments to FRS 109 issued in December 2020 (Phase 1) to those hedging relationships directly affected by interest rate benchmark reform.

Hedging relationships impacted by interest rate benchmark reform may experience ineffectiveness attributable to market participants' expectations of when and how the shift from the existing IBOR benchmark rate to an alternative benchmark interest rate will occur for the relevant hedged items and hedging instruments. This transition may also occur at different times for the hedged item and hedging instrument, which may lead to hedge ineffectiveness. The Group has measured its hedging instruments indexed to Singapore-dollar SOR using available quoted market rates for SOR-based instruments of the same tenor and similar maturity and has measured the cumulative change in the present value of hedged cash flows attributable to changes in and SOR on a similar basis.

Total amounts of unreformed contracts, including those with an appropriate fallback clause

The Group monitors the progress of transition from IBORs to new benchmark rates by reviewing the total amounts of contracts that have yet to transition to an alternative benchmark rate and the amounts of such contracts that include an appropriate fallback clause. The Group considers that a contract is not yet transitioned to an alternative benchmark rate when interest under the contract is indexed to a benchmark rate that is still subject to interest rate benchmark reform, even if it includes a fallback clause that deals with the cessation of the existing IBOR (referred to as an 'unreformed contract').

The following table shows the total amounts of unreformed contracts and those with appropriate fallback language at 31 December 2021. The amounts of financial assets and financial liabilities are shown at their carrying amounts and derivatives are shown at their nominal amounts.

	SOR	
	Total amount of unreformed contracts $'000	Amount with appropriate fallback clause $'000
Group		
31 December 2021		
Financial liabilities		
Unsecured bank loans	**1,170,000**	–
Derivatives		
Interest rate swaps	**805,000**	–

31. CAPITAL AND FINANCIAL RISK MANAGEMENT (continued)

***Financial risk management** (continued)*

	SOR Total amount of unreformed contracts $'000	Amount with appropriate fallback clause $'000
Trust		
31 December 2021		
Financial liabilities		
Unsecured bank loans	**1,170,000**	–
Derivatives		
Interest rate swaps	**805,000**	–

Exposure to interest rate risk

The Group's exposure to Singapore-dollar SOR designated in hedging relationships is $1,170.0 million nominal amount at 31 December 2021, representing both the nominal amount of the hedging interest rate swap and the principal amount of the Group's hedged SGD-denominated unsecured bank loan liabilities maturing in 2022 to 2028.

As at 31 December 2021, the Group has interest rate swaps ("IRS") with notional contract amount of $955.0 million (2020: $810.0 million). The Group's exposure to SOR designated in a hedging relationship is limited to a nominal amount of $805.0 million at 31 December 2021 (2020: $810.0 million) attributable to the interest rate swaps hedging SOR cash flows on the Group's SGD term loans maturing between 2022 to 2028.

The term loans and the underlying IRS have the same terms and conditions.

The Manager proactively seeks to minimise the level of interest rate risk by locking the majority of the Group's borrowings at fixed rates. As at 31 December 2021, the Group has locked in approximately 77% (2020: 80%) of its borrowings at fixed rates (excluding money market line, bridge loan and RMB loan).

Fair value sensitivity analysis for fixed rate instruments

The Group does not account for any fixed rate financial liabilities at fair value through profit or loss and the Group does not designate interest rate derivatives as hedging instruments under a fair value hedge accounting model. Therefore a change in interest rates at the reporting date would not affect the statement of total return.

Cash flow sensitivity analysis for variable rate instruments

The net change in fair value of the interest component of IRS as at 31 December 2021 of $19.2 million (2020: $11.6 million), representing the effective portion of the cash flow hedge, has been recognised directly in the hedging reserve.

31. CAPITAL AND FINANCIAL RISK MANAGEMENT (continued)

***Financial risk management** (continued)*

Effects of a 100 basis point ("bp")* movement in interest rate at the reporting date would increase/(decrease) statement of total return and Unitholders' funds by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency rates, remain constant. The analysis is performed on the same basis for 2020.

* 100 basis point is equivalent to 1 percentage point

	Statement of total return		Unitholders' funds	
	100 bp increase $'million	100 bp decrease $'million	100 bp increase $'million	100 bp decrease $'million
Group and Trust				
2021				
Interest rate swaps	**–**	**–**	**6.9**	**(6.9)**
Variable rate instruments	**(6.1)**	**6.1**	**–**	**–**
Cash flow sensitivity (net)	**(6.1)**	**6.1**	**6.9**	**(6.9)**
2020				
Interest rate swaps	–	–	6.6	(6.6)
Variable rate instruments	(2.7)	2.7	–	–
Cash flow sensitivity (net)	(2.7)	2.7	6.6	(6.6)

Foreign currency risk

The Group is exposed to foreign currency risk on cash holdings and operating expenses that are denominated in a currency other than the respective functional currencies of the Group entities. The currencies giving rise to this risk are primarily the US$ and RMB.

The Manager's strategy is to achieve a natural hedge through local RMB financing. To mitigate the foreign currency cashflow, the Manager will enter into foreign currency forwards to limit on exposure for the RMB denominated cashflow.

The Group determines the existence of an economic relationship between the hedging instrument and hedged item based on the currency, amount and timing of their respective cash flows. The Group assess whether the derivative designated in each hedging relationship is expected to be and has been effective in offsetting changes in cash flows of the hedged item using the hypothetical derivative method.

The Group's and Trust's exposure to foreign currencies is as follows:

	US$ $'000	RMB $'000	Total $'000
Group			
2021			
Cash and cash equivalents	**5,086**	**8,807**	**13,893**
2020			
Cash and cash equivalents	1,481	78	1,559

31. CAPITAL AND FINANCIAL RISK MANAGEMENT (continued)

Financial risk management (continued)

Foreign currency risk *(continued)*

	US$ $'000	RMB $'000	Total $'000
Trust			
2021			
Loans to subsidiaries	**268,557**	**–**	**268,557**
Non-trade amounts due from subsidiaries	**126,596**	**–**	**126,596**
Cash and cash equivalents	**3,808**	**8,783**	**12,591**
	398,961	**8,783**	**407,744**
2020			
Loans to subsidiaries	267,477	–	267,477
Non-trade amounts due from subsidiaries	126,068	–	126,068
Cash and cash equivalents	179	55	234
	393,724	55	393,779

Sensitivity analysis

A 10% strengthening of Singapore dollar against the US$ and RMB at the reporting date would increase/(decrease) total return after tax by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant. The analysis is performed on the same basis for 2020.

	Statements of total return	
	Group $'000	Trust $'000
2021		
US$	**(509)**	**(39,896)**
RMB	**(881)**	**(878)**
2020		
US$	(148)	(39,372)
RMB	(8)	(6)

A 10% weakening of Singapore dollar against the US$ and RMB would have had equal but opposite effect on the US$ and RMB to the amounts shown above, on the basis that all other variables remain constant.

Forwards

At 31 December 2021, the group has foreign currency forward contracts with notional amount of $12.3 million (2020: $20.7 million) to economically hedge the undistributed income for financial year 2021. The fair value of the forwards as at 31 December 2021 of $341,000 (2020: $561,000) has been recognised directly in the statement of total return.

A 10% strengthening/weakening of Singapore dollar against the RMB at the reporting date would increase and decrease the statement of total return by $1.1 million and $1.4 million (2020: $1.4 million and $2.9 million) respectively.

31. CAPITAL AND FINANCIAL RISK MANAGEMENT (continued)

Financial risk management (continued)

Hedge accounting

Cash flow hedges

The Group held the following instruments to hedge exposures to changes in foreign currency and interest rates.

	Maturity 1 – 6 months	Maturity 6 – 12 months	More than one year
Interest rate risk			
Interest rate swaps			
2021			
Notional amount (in thousands of SGD)	**150,000**	**–**	**655,000**
Average fixed interest rate	**2.1%**	**–**	**1.0%**
2020			
Notional amount (in thousands of SGD)	175,000	45,000	490,000
Average fixed interest rate	1.9%	2.1%	1.5%

The amounts relating to items designated as hedging instruments and hedge ineffectiveness were as follows.

	2021			During the period – 2021			
Group and Trust	Notional amount $'000	Carrying amount – assets $'000	Carrying amount – liabilities $'000	Changes in the value of the hedging instrument recognised in Unitholders' funds $'000	Amount reclassified from hedging reserve to the statement of total return $'000	Amount reclassified from costs of hedging reserve to the statement of total return $'000	Line item in the statement of total return affected by the reclassification
Interest rate risk							
Interest rate swaps	**805,000**	**5,735**	**(3,293)**	**28,055**	**(8,858)**	**–**	**Finance income/(costs)**

	2020			During the period – 2020			
Group and Trust	Notional amount $'000	Carrying amount – assets $'000	Carrying amount – liabilities $'000	Changes in the value of the hedging instrument recognised in Unitholders' funds $'000	Amount reclassified from hedging reserve to the statement of total return $'000	Amount reclassified from costs of hedging reserve to the statement of total return $'000	Line item in the statement of total return affected by the reclassification
Interest rate risk							
Interest rate swaps	710,000	–	(17,765)	(3,709)	(7,900)	–	Finance income/(costs)

31. CAPITAL AND FINANCIAL RISK MANAGEMENT (continued)

Financial risk management (continued)

Hedge accounting (continued)

Cash flow hedges *(continued)*

The following table provides a reconciliation by risk category of components of equity and analysis of items recognised in Unitholders' funds, net of tax, resulting from cash flow hedge accounting.

	Group and Trust	
	Hedging reserve $'000	Cost of hedging reserve $'000
Balance at 1 January 2020	(5,267)	–
Cash flow hedges		
Change in fair value:		
Interest rate risk	(3,709)	–
Amount reclassified to statement of total return:		
Interest rate risk	(7,900)	–
Balance at 31 December 2020	(16,876)	–

	Group and Trust	
	Hedging reserve $'000	Cost of hedging reserve $'000
Balance at 1 January 2021	**(16,876)**	**–**
Cash flow hedges		
Change in fair value:		
Interest rate risk	**28,055**	**–**
Amount reclassified to statement of total return:		
Interest rate risk	**(8,858)**	**–**
Balance at 31 December 2021	**2,321**	**–**

31. CAPITAL AND FINANCIAL RISK MANAGEMENT (continued)

Accounting classifications and fair values

The carrying amounts and fair values of financial assets and liabilities, including their levels in the fair value hierarchy are as follows. It does not include fair value information for financial assets and liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value. Trade and other receivables and trade and other payables classified as held for sale are not included in the table below (see Note 10). Further, for the current year, the fair value disclosure of lease liabilities is also not required.

			Carrying amount				Fair value			
	Note	Amortised costs $'000	Fair value to statement of total return $'000	Fair value to hedging reserve $'000	Other financial liabilities $'000	Total carrying amount $'000	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
Group										
2021										
Financial assets not measured at fair value										
Trade and other receivables	8	**21,100**	–	–	–	**21,100**	–	–	–	–
Cash and cash equivalents	9	**288,860**	–	–	–	**288,860**	–	–	–	–
		309,960	–	–	–	**309,960**				
Financial assets measured at fair value										
Financial derivative assets	7	–	**7**	–	–	**7**	–	**7**	–	**7**
Financial liabilities not measured at fair value										
Trade and other payables	11	–	–	–	**174,127**	**174,127**	–	–	–	–
Security deposits		–	–	–	**117,387**	**117,387**	–	**114,671**	–	**114,671**
Interest-bearing borrowings	12	–	–	–	**1,989,521**	**1,989,521**	–	**1,993,414**	–	**1,993,414**
		–	–	–	**2,281,035**	**2,281,035**				
Financial liabilities measured at fair value										
Financial derivative liabilities	7	–	**348**	**3,293**	–	**3,641**	–	**3,641**	–	**3,641**

31. CAPITAL AND FINANCIAL RISK MANAGEMENT (continued)

Accounting classifications and fair values (continued)

	Note	Carrying amount					Fair value			
		Amortised costs $'000	Fair value to statement of total return $'000	Fair value to hedging reserve $'000	Other financial liabilities $'000	Total carrying amount $'000	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
Group										
2020										
Financial assets not measured at fair value										
Trade and other receivables	8	142,884	–	–	–	142,884	–	–	–	–
Cash and cash equivalents	9	208,440	–	–	–	208,440	–	–	–	–
		351,324	–	–	–	351,324				
Financial assets measured at fair value										
Financial derivative assets	7	–	1	–	–	1	–	1	–	1
Financial liabilities not measured at fair value										
Trade and other payables	11	–	–	–	177,789	177,789	–	–	–	–
Security deposits		–	–	–	74,699	74,699	–	73,234	–	73,234
Interest-bearing borrowings	12	–	–	–	1,355,934	1,355,934	–	1,359,695	–	1,359,695
		–	–	–	1,608,422	1,608,422				
Financial liabilities measured at fair value										
Financial derivative liabilities	7	–	562	17,765	–	18,327	–	18,327	–	18,327

31. CAPITAL AND FINANCIAL RISK MANAGEMENT (continued)

Accounting classifications and fair values (continued)

		Carrying amount					Fair value			
	Note	Amortised costs $'000	Fair value to statement of total return $'000	Fair value to hedging reserve $'000	Other financial liabilities $'000	Total carrying amount $'000	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
Trust										
2021										
Financial assets not measured at fair value										
Loans to subsidiaries	6	268,557	–	–	–	268,557	–	–	265,366	265,366
Non-trade amounts due from subsidiaries	6	1,999,422	–	–	–	1,999,422	–	–	1,975,662	1,975,662
Trade and other receivables	8	329	–	–	–	329	–	–	–	–
Cash and cash equivalents	9	15,994	–	–	–	15,994	–	–	–	–
		2,284,302	–	–	–	2,284,302				
Financial assets measured at fair value										
Financial derivative assets	7	–	7	–	–	7	–	7	–	7
Financial liabilities not measured at fair value										
Trade and other payables	11	–	–	–	60,830	60,830	–	–	–	–
Interest-bearing borrowings	12	–	–	–	1,596,107	1,596,107	–	1,600,000	–	1,600,000
		–	–	–	1,656,937	1,656,937				
Financial liabilities measured at fair value										
Financial derivative liabilities	7	–	348	3,293	–	3,641	–	3,641	–	3,641

31. CAPITAL AND FINANCIAL RISK MANAGEMENT (continued)

Accounting classifications and fair values (continued)

	Note	Carrying amount					Fair value			
		Amortised costs $'000	Fair value to statement of total return $'000	Fair value to hedging reserve $'000	Other financial liabilities $'000	Total carrying amount $'000	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
Trust										
2020										
Financial assets not measured at fair value										
Loans to subsidiaries	6	267,477	–	–	–	267,477	–	–	265,607	265,607
Non-trade amounts due from subsidiaries	6	1,441,126	–	–	–	1,441,126	–	–	1,431,053	1,431,053
Trade and other receivables	8	93,187	–	–	–	93,187	–	–	–	–
Cash and cash equivalents	9	858	–	–	–	858	–	–	–	–
		1,802,648	–	–	–	1,802,648				
Financial assets measured at fair value										
Financial derivative assets	7	–	1	–	–	1	–	1	–	1
Financial liabilities not measured at fair value										
Trade and other payables	11	–	–	–	22,619	22,619	–	–	–	–
Interest-bearing borrowings	12	–	–	–	1,191,739	1,191,739	–	1,195,500	–	1,195,500
		–	–	–	1,214,358	1,214,358				
Financial liabilities measured at fair value										
Financial derivative liabilities	7	–	562	17,765	–	18,327	–	18,327	–	18,327

31. CAPITAL AND FINANCIAL RISK MANAGEMENT (continued)

Estimation of fair value

The following summarises the significant methods and assumptions used in estimating the fair values of financial instruments of the Group and Trust.

Financial derivatives

The fair values of deliverable forwards and interest rates are based on banks' quotes. These quotes are tested for reasonableness by discounting estimated future cash flows based on the terms and maturity of each contract and using market interest rates for a similar instrument at the measurement date. Fair values reflect the credit risk of the Group entity and counterparties when appropriate.

Interest-bearing borrowings

Fair value, which is determined for disclosure purposes, is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the reporting date.

Other financial assets and liabilities

The carrying amounts of financial assets and liabilities (including trade and other receivables, cash and cash equivalents, trade and other payables and current security deposits) are assumed to approximate their fair values because they are either short term in nature, or effect of discounting is immaterial. All other financial assets and liabilities (non-current security deposits) are discounted to determine their fair values.

Interest rates used in determining fair values

The interest rates used to discount estimated cash flows, where applicable, are based on the forward yield curve as at 31 December 2021 plus an adequate constant credit spread, and are as follows:

	2021 % p.a.	2020 % p.a.
Group		
Interest-bearing borrowings	**1.09-5.51**	0.89-4.65
Security deposits	**1.19-1.47**	0.98-1.18
Trust		
Loans to subsidiaries	**1.20**	0.70
Non-trade amounts due from subsidiaries	**1.20**	0.70
Interest-bearing borrowings	**1.09-3.25**	0.89-3.25

Offsetting financial assets and financial liabilities

The disclosures set out in the tables below include financial assets and financial liabilities that:

- are offset in the Trust's statements of financial position; or
- are subject to an enforceable master netting arrangement, irrespective of whether they are offset in the statement of financial position.

Financial instruments such as loans and receivables and financial liabilities are not disclosed in the tables below unless they are offset in the statements of financial position.

31. CAPITAL AND FINANCIAL RISK MANAGEMENT (continued)

***Offsetting financial assets and financial liabilities** (continued)*

The Trust's derivative transactions that are not transacted on an exchange are entered into under International Swaps and Derivatives Association ("ISDA") Master Agreements. In certain circumstances, for example when a termination event such as a default occurs, all outstanding transactions under the agreement are terminated, the termination value is assessed and only a single net amount is due or payable in settlement of all transactions.

Under the agreements signed, the Trust and its counterparties neither have a legal obligation nor intend to settle on a net basis or to realise the assets and settle the liabilities simultaneously. In addition, the right of set-off of recognised amounts is enforceable only following the occurrence of a termination event as set out in the agreements. Accordingly, the ISDA agreements do not meet the criteria for offsetting and the derivatives financial instruments presented below are not offset in the Statement of Financial Position.

Financial assets and liabilities subject to offsetting and enforceable master netting arrangement under termination events

	Gross amounts of recognised financial instruments $'000	Gross amount of recognised financial instruments offset in the statement of financial position $'000	Net amounts of financial instruments presented in the statement of financial position $'000	Related amounts not offset in the statement of financial position $'000	Net amounts $'000
31 December 2021					
Financial assets					
Interest rate swaps	**5,735**	**–**	**5,735**	**(2,861)**	**2,874**
Forwards	**7**	**–**	**7**	**–**	**7**
	5,742	**–**	**5,742**	**(2,861)**	**2,881**
Financial liabilities					
Interest rate swaps	**3,293**	**–**	**3,293**	**(2,861)**	**432**
Forwards	**348**	**–**	**348**	**–**	**348**
	3,641	**–**	**3,641**	**(2,861)**	**780**
31 December 2020					
Financial assets					
Forwards	1	–	1	(1)	–
Financial liabilities					
Interest rate swaps	17,765	–	17,765	–	17,765
Forwards	562	–	562	(1)	561
	18,327	–	18,327	(1)	18,326

32. SUBSEQUENT EVENTS

On 31 January 2022, the Manager declared a distribution of 1.80 cents per Unit to Unitholders in respect of the period from 21 October 2021 to 31 December 2021.

On 4 March 2022, 12,106,981 Units was issued to the Manager for the payment of Manager's management fees (see Note 20).

INTERESTED PERSON TRANSACTIONS

The transactions entered into with interested persons during the financial year, which fall under the Listing Manual and the Property Funds Appendix of the CIS Code (excluding transactions of less than $100,000 each), are as follows:

Name of Interested Persons	Nature of relationship	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than S$100,000 and transactions conducted under Unitholders' mandate pursuant to Rule 920) S$'000	Aggregate value of all interested person transactions conducted under Unitholders' mandate pursuant to Rule 920 (excluding transactions less than S$100,000) S$'000
CapitaLand Investment Limited and its subsidiaries or associates[1]	Immediate controlling shareholder of the Manager and immediate controlling Unitholder		
– Acquisition fee		10,193	–
– Divestment fee		946	–
– Manager's Management fees		20,938	–
– Property Management fees[2]		24,478	–
– Project Management fees		926	–
Temasek Holdings (Private) Limited and its subsidiaries or associates[3]	Ultimate controlling shareholder of the Manager and ultimate controlling Unitholder		
– Project Management fees		188	–
HSBC Institutional Trust Services (Singapore) Limited	Trustee		
– Trustee's fees		677	–

Saved as disclosed above, there were

i) no additional Interested Person Transactions (excluding transactions of less than S$100,000 each) entered into during the financial period under review.

ii) no material contracts of CLCT and its subsidiaries involving the interests of the chief executive officer or each director of the Manager or the controlling unitholder of CLCT, either still subsisting at the end of FY 2021 or if not then subsisting, entered into since the end of FY 2021.

1 Following the strategic restructuring of CapitaLand Limited (now known as CapitaLand Group Pte Ltd) and the listing of CapitaLand Investment Limited ("CLI") with effect from 20 September 2021, all transactions aggregated under the CLI group of companies shall exclude transactions entered into with CapitaLand Group Pte Ltd and its subsidiaries or associates (not inclusive of CLI and its subsidiaries or associates) (collectively the "CL Group").

2 Inclusive of reimbursables and leasing commission.

3 Following the strategic restructuring of CapitaLand Limited (now known as CapitaLand Group Pte Ltd) and the listing of CLI with effect from 20 September 2021, all transactions aggregated entered into with the CL Group (excluding CLI and its subsidiaries or associates) shall be aggregated under the Temasek group of companies.

The fees and charges payable by CLCT to the Manager under the Trust Deed, and to the Property Managers under the Property Management Agreements (collectively, the "Exempted Agreements"), each of which constitutes an Interested Person Transaction, are deemed to have been specifically approved by the Unitholder upon purchase of the Units and are therefore not subject to Rules 905 and 906 of the Listing Manual to the extent that there is no subsequent change to the rates and/or bases of the fees charged thereunder which will affect CLCT. However, the renewal of such agreements will be subject to Rules 905 and 906 of the Listing Manual.

Please also see Related Party Transactions on note 27 in the financial statements.

SUBSCRIPTION OF CLCT UNITS

An aggregate of 5,359,744 Units were issued during the year as part payment of the base and performance component of the Manager's management fee for the financial year 2020. As at 31 December 2021, 1,671,634,631 Units were in issue and outstanding. In the first quarter of 2022, 12,106,981[1] Units will be issued to the Manager as part payment of the base and performance component of its management fee for the financial year 2021.

1 Based on the volume weighted average price per Unit for all trades on the SGX-ST in the ordinary course of trading for the period of 10 business days immediately preceding the financial year 2021.

ADDITIONAL DISCLOSURE FOR OPERATING EXPENSES

The total operating expenses incurred by CLCT Group amounted to $156.1 million in 2021, which was equivalent to 5.3% of CLCT Group's net asset value as at 31 December 2021. The amount included all fees and charges paid to the Manager and interested parties.

Statistics of Unitholdings

AS AT 3 MARCH 2022

ISSUED AND FULLY PAID UNITS

1,659,527,650 Units (voting rights: 1 vote per Unit)
Market Capitalisation: S$1,925,052,074 (based on closing Unit price of S$1.16 on 3 March 2022)

DISTRIBUTION OF UNITHOLDINGS

SIZE OF UNITHOLDINGS	NO. OF UNITHOLDERS	%	NO. OF UNITS	%
1 – 99	257	1.46	10,446	0.00
100 – 1,000	1,870	10.60	1,484,693	0.09
1,001 – 10,000	9,842	55.76	48,616,330	2.93
10,001 – 1,000,000	5,639	31.95	239,763,995	14.45
1,000,001 AND ABOVE	41	0.23	1,369,652,186	82.53
TOTAL	**17,649**	**100.00**	**1,659,527,650**	**100.00**

LOCATION OF UNITHOLDINGS

COUNTRY	NO. OF UNITHOLDERS	%	NO. OF UNITS	%
SINGAPORE	17,228	97.61	1,650,335,144	99.45
MALAYSIA	278	1.58	5,881,455	0.35
OTHERS	143	0.81	3,311,051	0.20
TOTAL	**17,649**	**100.00**	**1,659,527,650**	**100.00**

TWENTY LARGEST UNITHOLDERS

	NAME	NO. OF UNITS	%
1	HSBC (SINGAPORE) NOMINEES PTE LTD	269,884,437	16.26
2	RETAIL CROWN PTE. LTD.	256,098,427	15.43
3	DBS NOMINEES (PRIVATE) LIMITED	233,129,058	14.05
4	CITIBANK NOMINEES SINGAPORE PTE LTD	168,409,397	10.15
5	CAPITALAND CHINA TRUST MANAGEMENT LIMITED	97,025,296	5.85
6	RAFFLES NOMINEES (PTE.) LIMITED	95,520,736	5.76
7	DBSN SERVICES PTE. LTD.	86,579,909	5.22
8	UOB KAY HIAN PRIVATE LIMITED	22,925,266	1.38
9	PHILLIP SECURITIES PTE LTD	14,677,921	0.88
10	UNITED OVERSEAS BANK NOMINEES (PRIVATE) LIMITED	12,464,303	0.75
11	IFAST FINANCIAL PTE. LTD.	11,032,131	0.66
12	OCBC NOMINEES SINGAPORE PRIVATE LIMITED	10,635,052	0.64
13	MAYBANK SECURITIES PTE. LTD.	10,374,879	0.63
14	OCBC SECURITIES PRIVATE LIMITED	9,046,331	0.55
15	BPSS NOMINEES SINGAPORE (PTE.) LTD.	8,573,822	0.52
16	ABN AMRO CLEARING BANK N.V.	6,651,795	0.40
17	CGS-CIMB SECURITIES (SINGAPORE) PTE. LTD.	6,145,144	0.37
18	DB NOMINEES (SINGAPORE) PTE LTD	5,350,684	0.32
19	MORGAN STANLEY ASIA (SINGAPORE) SECURITIES PTE LTD	4,521,076	0.27
20	DBS VICKERS SECURITIES (SINGAPORE) PTE LTD	4,236,480	0.26
	TOTAL	**1,333,282,144**	**80.35**

DIRECTORS' INTERESTS IN UNITS AND CONVERTIBLE SECURITIES AS AT 21 JANUARY 2022

Based on the Register of Directors' Unitholdings, the interests of the Directors in Units and convertible securities issued by CLCT are as follows:

	No. of Units		Contingent Awards of Units[1] under the Manager's	
Name of Director	Direct Interest	Deemed Interest	Performance Unit Plan	Restricted Unit Plan
Soh Kim Soon	70,016	–	–	–
Tan Tze Wooi	432,160	5,800	0 to 770,114 [2]	166,410 [3,4] 0 to 221,026 [2,4]
Neo Poh Kiat	90,693	–	–	–
Christopher Gee Kok Aun	91,560	–	–	–
Professor Tan Kong Yam	68,323	–	–	–
Kuan Li Li	59,609	–	–	–
Puah Tze Shyang	–	–	–	–
Professor Ong Seow Eng	–	–	–	–
Lim Cho Pin Andrew Geoffrey	22,074	–	–	–

1 This refers to the number of Units which are the subject of contingent awards granted but not released under the Manager's Performance Unit Plan ("PUP") and Restricted Unit Plan ("RUP"). The final number of Units that will be released could range from 0% to a maximum of 200% of the baseline award under the PUP and from 0% to a maximum of 150% of the baseline award under the RUP.
2 The final number of Units to be released will depend on the achievement of pre-determined targets at the end of the respective performance periods for the PUP and RUP.
3 Being the unvested Units under the RUP
4 On the final vesting, an additional number of Units of a total value equal to the value of the accumulated distributions which are declared during each of the vesting periods and deemed foregone due to the vesting mechanism of the RUP, will also be released.

AS AT 3 MARCH 2022

SUBSTANTIAL UNITHOLDERS' UNITHOLDINGS AS AT 3 MARCH 2022

Based on the information available to the Manager as at 3 March 2022, the unitholdings of Substantial Unitholders of CLCT are as follows:

	Direct Interest		Deemed Interest	
Name of Substantial Unitholder	No. of Units	%[1]	No. of Units	%[1]
Temasek Holdings (Private) Limited (THPL)	–	–	499,799,150[2]	30.11
Tembusu Capital Pte. Ltd. (Tembusu)	–	–	486,615,703[3]	29.32
Bartley Investments Pte. Ltd. (Bartley)	–	–	486,504,058[4]	29.31
Mawson Peak Holdings Pte. Ltd. (Mawson)	–	–	486,504,058[4]	29.31
Glenville Investments Pte. Ltd. (Glenville)	–	–	486,504,058[4]	29.31
TJ Holdings (III) Pte. Ltd. (TJ Holdings (III))	–	–	486,504,058[4]	29.31
CLA Real Estate Holdings Pte. Ltd. (CLA)	–	–	486,504,058[4]	29.31
CapitaLand Group Pte. Ltd. (CLG)	–	–	486,504,058[5]	29.31
CapitaLand Investment Limited (CLI)	–	–	486,504,058[6]	29.31
CapitaLand Mall Asia Limited (CMA)	–	–	256,098,427[6]	15.43
CapitaLand Retail China Pte. Ltd. (CLRC)	–	–	256,098,427[6]	15.43
Retail Crown Pte. Ltd. (RCPL)	256,098,427	15.43	–	–
CLI Singapore Pte. Ltd. (CLIS)	–	–	133,380,335[6]	8.03
HSBC Institutional Trust Services (Singapore) Limited, as trustee of CapitaLand Integrated Commercial Trust	133,380,335	8.03	–	–
CapitaLand China Trust Management Limited (CLCTML)	97,025,296	5.84	–	–

1 The percentages are rounded down to the nearest 0.01%.
2 THPL is deemed to have an interest in the unitholdings in which its subsidiaries and associated companies (including but not limited to CLA) have or are deemed to have an interest pursuant to Section 4 of the Securities and Futures Act 2001 (SFA).
3 Tembusu is deemed to have an interest in the unitholdings in which its subsidiaries (including but not limited to CLA) have or are deemed to have an interest pursuant to Section 4 of the SFA.
4 THPL holds 100% of the equity interest in Tembusu, which holds 100% of the equity interest in Bartley, which holds 100% of the equity interest in Mawson, which holds 100% of the equity interest in Glenville, which holds 100% of the equity interest in TJ Holdings (III), which holds 100% of the shares in CLA, which holds 100% of shares in CLG. Each of Bartley, Mawson, Glenville, TJ Holdings (III) and CLA is deemed to have an interest in the unitholdings in which CLG is deemed to have an interest pursuant to Section 4 of the SFA.
5 CLG holds 52.30% of the equity interest in CLI and is deemed to have an interest in the unitholdings that CLI is deemed to have an interest pursuant to Section 4 of the SFA.
6 Pursuant to Section 4 of the SFA, CLI is deemed to have an interest in the unitholdings held by (a) CLI's indirect wholly owned subsidiary, RCPL that CLI's indirect wholly owned subsidiary, CLRC and CLI's direct wholly owned subsidiary, CMA are deemed to have an interest; (b) HSBC Institutional Trust Services (Singapore) Limited, as trustee of CapitaLand Integrated Commercial Trust (CICT) as CLI's direct wholly owned subsidiary, CLIS is deemed to have an interest in CLCT through CLIS' wholly owned subsidiaries which collectively hold more than 20% in CICT; and (c) CLI's direct wholly owned subsidiary, CLCTML.

PUBLIC FLOAT

Based on the information available to the Manager, approximately 69.7% of the Units in CLCT were held in the hands of the public as at 3 March 2022. Accordingly, Rule 723 of the Listing Manual of the SGX-ST has been compiled with.

RETAIL

BEIJING
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CapitaMall Aidemengdun
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No. 38, Aidemengdun Road,
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Heilongjiang Province
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HOHHOT
CapitaMall Nuohemule
凯德广场•诺和木勒
Block A Jinyu Xintiandi, E’erduosi Street,
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Hohhot, Inner Mongolia
Autonomous Region
内蒙古自治区呼和浩特市 玉泉区鄂尔多斯大街 金宇新天地A座二层201号

Portfolio Directory

NEW ECONOMY - BUSINESS PARK

SUZHOU
Ascendas Xinsu Portfolio
腾飞新苏
Suzhou Industrial Park, Suzhou City,
Jiangsu Province
苏州工业园区星汉街5号, 苏州

HANGZHOU
Singapore-Hangzhou Science & Technology Park Phase I
新加坡杭州科技园一期
No. 2, Kejiyuan Road,
Hangzhou Economic and Technological Development Area, JIanggan District, Hangzhou, Zhejiang Province
杭州经济技术开发区科技园路2号, 杭州

Singapore-Hangzhou Science & Technology Park Phase II
新加坡杭州科技园二期
No. 20 & 57, Kejiyuan Road,
Hangzhou Economic and Technological Development Area, Jianggan District, Hangzhou, Zhejiang Province
杭州经济技术开发区科技园路20号 与57号, 杭州

XI'AN
Ascendas Innovation Towers
新加坡腾飞科汇城
No. 88, Tiangu Seventh Road,
Xi'an High-tech Industries Development Zone,
Xi'an, Shaanxi Province
西安市高新区天谷七路88号, 西安

Ascendas Innovation Hub
腾飞创新中心
No. 38 Gaoxin Sixth Road,
Xi'an High-tech Industries Development Zone,
Xi'an, Shaanxi Province
西安高新技术产业开发区高新六路38号, 西安

NEW ECONOMY - LOGISTICS PARK

SHANGHAI
Shanghai Fengxian Logistics Park
上海物流产业
No.435 Haishang Road,
Fengxian District, Shanghai
上海市奉贤区海尚路435号, 上海

KUNSHAN
Kunshan Bacheng Logistics Park
昆山物流产业
No.998 Yuyang Road, Yushan Town,
Kunshan, Jiangsu Province
昆山市玉山镇玉杨路998号, 昆山

WUHAN
Wuhan Yangluo Logistics Park
武汉物流产业
10 Qiuli Road, Yangluo Development Zone,
Xinzhou District, Wuhan
武汉市新洲区阳逻经济开发区，邱栗大道（南）10 号，武汉

CHENGDU
Chengdu Shuangliu Logistics Park
成都物流产业
No.86 Tongguan Road, Shuangliu District,
Chengdu, Sichuan Province
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Corporate Information

CapitaLand China Trust

REGISTERED ADDRESS OF THE TRUSTEE
HSBC Institutional Trust Services (Singapore) Limited
10 Marina Boulevard
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Stock Code: AU8U
Counter Name: CapLand China T

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Partner-In-Charge:
Lim Pang Yew, Victor
Appointed: With effect from financial year ended 31 December 2017

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The Manager

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BOARD OF DIRECTORS

Soh Kim Soon
Chairman & Non-Executive Independent Director

Tan Tze Wooi
Chief Executive Officer & Executive Non-Independent Director

Neo Poh Kiat
Non-Executive Independent Director

Christopher Gee Kok Aun
Non-Executive Independent Director

Professor Tan Kong Yam
Non-Executive Independent Director

Kuan Li Li
Non-Executive Independent Director

Professor Ong Seow Eng
Non-Executive Independent Director

Lim Cho Pin Andrew Geoffrey
Non-Executive Non-Independent Director

Puah Tze Shyang
Non-Executive Non-Independent Director

AUDIT COMMITTEE
Neo Poh Kiat
Chairman

Christopher Gee Kok Aun
Professor Tan Kong Yam
Kuan Li Li

NOMINATING AND REMUNERATION COMMITTEE
Soh Kim Soon
Chairman

Neo Poh Kiat
Lim Cho Pin Andrew Geoffrey

EXECUTIVE COMMITTEE
Lim Cho Pin Andrew Geoffrey
Chairman

Tan Tze Wooi
Puah Tze Shyang

COMPANY SECRETARY
Chuo Cher Shing

This Annual Report to Unitholders may contain forward-looking statements. 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 customer demands, shifts in expected levels of occupancy rate, property rental income, charge out collections, changes in operating expenses (including property operating expenses, employee wages, benefits and training costs), governmental and public policy changes and the continued availability of financing in the amounts and on the terms necessary to support future business. Investors are cautioned not to place undue reliance on these forward-looking statements, which are based on the current view of management regarding future events.

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As a Manager of CapitaLand China Trust
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