
CAPITALAND CHINA TRUST
2021 HALF YEAR UNAUDITED FINANCIAL STATEMENTS AND DISTRIBUTION ANNOUNCEMENT

INTRODUCTION

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

CLCT is a Singapore-based real estate investment trust (“REIT”) established with the objective of investing on a long-term basis in a diversified portfolio of income-producing real estate and real estate-related assets in 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).

Since the beginning of the financial period, CLCT has completed the acquisitions of the 5 business parks, with the acquisitions of 51% interest in Ascendas Xinsu Portfolio, 100% interest in Ascendas Innovation Towers and 80% interest in Ascendas Innovation Hub completed on 4 January 2021, 10 February 2021, and 26 February 2021 respectively. While the acquisitions of the 80% interest in 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.

The divestments of CapitaMall Minzhongleyuan and CapitaMall Saihan were announced on 10 February 2021 and 7 June 2021 respectively.

As at 30 June 2021, CLCT owns and invests in a portfolio of 11 retail and 5 business parks assets located in 10 cities in China as below.

| | |
|-----------------------|---|
| Retail | <ol style="list-style-type: none"> 1. CapitaMall Xizhimen 2. Rock Square 3. CapitaMall Wangjing 4. CapitaMall Grand Canyon 5. CapitaMall Xuefu 6. CapitaMall Xinnan 7. CapitaMall Nuohemule 8. CapitaMall Yuhuating 9. CapitaMall Aidemengdun 10. CapitaMall Qibao 11. CapitaMall Shuangjing |
| Business parks | <ol style="list-style-type: none"> 1. Ascendas Xinsu Portfolio 2. Ascendas Innovation Towers 3. Ascendas Innovation Hub 4. Singapore-Hangzhou Science & Technology Park (Phase I) 5. Singapore-Hangzhou Science & Technology Park (Phase II) |

TABLE OF CONTENTS

| Item No. | Description | Page No. |
|-----------------|---|-----------------|
| - | Introduction | 1 |
| - | Condensed Interim Financial Statements Six-month period ended 30 June 2021 | 3 |
| 1(a) | Condensed Interim Statements of Financial Position | 4 |
| 1(b)(i) | Condensed Interim Consolidated Statements of Total Return | 5 |
| 1(b)(ii) | Condensed Interim Distribution Statements | 6 - 7 |
| 1(b)(iii) | Condensed Interim Statements of Movements in Unitholders' Funds | 8 |
| 1(c) | Portfolio Statement | 9 - 11 |
| 1(d) | Condensed Interim Consolidated Statement of Cash Flows | 12 – 14 |
| 1(e) | Notes to the Condensed Interim Consolidated Financial Statements | 15 – 22 |
| - | Other information required by Listing Rule Appendix 7.2 | 23 – 37 |

CapitaLand China Trust

**(Constituted in the Republic of Singapore pursuant
to a trust deed dated 23 October 2006 (As amended))**

Condensed Interim Financial Statements
Six-month period ended 30 June 2021

1(a) Condensed Interim Statements of Financial Position
As at 30 June 2021

| | Note | Group | | Trust | |
|--|------|-------------------------|-------------------------|-------------------------|-------------------------|
| | | 30/6/2021 \$'000 | 31/12/2020 \$'000 | 30/6/2021 \$'000 | 31/12/2020 \$'000 |
| Non-current assets | | | | | |
| Investment properties | 3 | 4,775,287 | 3,726,433 | – | – |
| Plant and equipment | | 3,324 | 2,394 | – | – |
| Subsidiaries | | – | – | 2,612,343 | 2,208,738 |
| Financial derivatives | | 2,459 | – | 2,459 | – |
| Other receivables | | 1,344 | 1,266 | – | – |
| | | <u>4,782,414</u> | <u>3,730,093</u> | <u>2,614,802</u> | <u>2,208,738</u> |
| Current assets | | | | | |
| Non-trade amounts due from subsidiaries | | – | – | 4,817 | 2,216 |
| Financial derivatives | | – | 1 | – | 1 |
| Trade and other receivables | | 40,848 | 148,353 | 1,190 | 93,187 |
| Cash and cash equivalents | | 236,435 | 208,440 | 6,575 | 858 |
| | | <u>277,283</u> | <u>356,794</u> | <u>12,582</u> | <u>96,262</u> |
| Assets held for sale | | – | 223,370 | – | – |
| | | <u>277,283</u> | <u>580,164</u> | <u>12,582</u> | <u>96,262</u> |
| Total assets | | <u>5,059,697</u> | <u>4,310,257</u> | <u>2,627,384</u> | <u>2,305,000</u> |
| Current liabilities | | | | | |
| Trade and other payables | | 152,125 | 177,704 | 55,621 | 22,619 |
| Security deposits | | 48,791 | 36,893 | – | – |
| Financial derivatives | | 2,302 | 2,193 | 2,302 | 2,193 |
| Interest-bearing borrowings | 4 | 72,365 | 155,560 | 50,000 | 145,359 |
| Lease liabilities | | 4,158 | 4,091 | – | – |
| Provision for taxation | | 8,837 | 7,066 | 23 | 23 |
| | | <u>288,578</u> | <u>383,507</u> | <u>107,946</u> | <u>170,194</u> |
| Liabilities held for sale | | – | 32,161 | – | – |
| | | <u>288,578</u> | <u>415,668</u> | <u>107,946</u> | <u>170,194</u> |
| Non-current liabilities | | | | | |
| Financial derivatives | | 5,807 | 16,134 | 5,807 | 16,134 |
| Other payables | | 49 | 85 | – | – |
| Security deposits | | 59,142 | 37,806 | – | – |
| Interest-bearing borrowings | 4 | 1,643,741 | 1,200,374 | 1,346,231 | 1,046,380 |
| Lease liabilities | | 8,562 | 10,631 | – | – |
| Deferred tax liabilities | | 299,065 | 284,705 | – | – |
| | | <u>2,016,366</u> | <u>1,549,735</u> | <u>1,352,038</u> | <u>1,062,514</u> |
| Total liabilities | | <u>2,304,944</u> | <u>1,965,403</u> | <u>1,459,984</u> | <u>1,232,708</u> |
| Net assets | | <u>2,754,753</u> | <u>2,344,854</u> | <u>1,167,400</u> | <u>1,072,292</u> |
| Represented by: | | | | | |
| Unitholders' funds | | 2,373,845 | 2,245,244 | 1,067,799 | 972,682 |
| Perpetual securities holders | | 99,601 | 99,610 | 99,601 | 99,610 |
| Non-controlling interests | | 281,307 | – | – | – |
| | | <u>2,754,753</u> | <u>2,344,854</u> | <u>1,167,400</u> | <u>1,072,292</u> |
| Units in issue ('000) | 5 | <u>1,511,793</u> | <u>1,506,433</u> | <u>1,511,793</u> | <u>1,506,433</u> |
| Net asset value per Unit attributable to Unitholders (\$) | 6 | <u>1.57</u> | <u>1.49</u> | <u>0.71</u> | <u>0.65</u> |

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

1(b)(i) Condensed Interim Consolidated Statements of Total Return
Six-month period ended 30 June 2021

| | Note | Group | | Trust | |
|--|------|---|---|---|---|
| | | Six-month period ended 30/6/2021 \$'000 | Six-month period ended 30/6/2020 \$'000 | Six-month period ended 30/6/2021 \$'000 | Six-month period ended 30/6/2020 \$'000 |
| Gross rental income | | 163,948 | 94,367 | – | – |
| Other income | | 12,944 | 7,150 | – | – |
| Gross revenue | | 176,892 | 101,517 | – | – |
| Property related tax | | (15,834) | (9,641) | – | – |
| Business tax | | (1,006) | (546) | – | – |
| Property management fees and reimbursables | | (11,335) | (7,839) | – | – |
| Other property operating expenses | | (28,375) | (18,213) | – | – |
| Total property operating expenses | | (56,550) | (36,239) | – | – |
| Net property income | | 120,342 | 65,278 | – | – |
| Manager's management fees | 7 | (10,092) | (7,716) | (10,092) | (7,716) |
| Manager's acquisition fee | | – | – | (6,667) | – |
| Manager's divestment fee | | – | – | (946) | (782) |
| Trustee's fees | | (327) | (292) | (327) | (292) |
| Audit fees | | (266) | (240) | (75) | (74) |
| Valuation fees | | (67) | (106) | – | – |
| Other trust operating (expense)/income | | (792) | (389) | 979 | (166) |
| Dividend income | | – | – | 121,532 | 109,606 |
| Foreign exchange gain/(loss) - realised | | 2,004 | 2,139 | (8,778) | (13,720) |
| Finance income | | 1,613 | 3,464 | 5,348 | 5,620 |
| Finance costs | | (22,501) | (20,196) | (15,146) | (17,577) |
| Net finance costs | 8 | (20,888) | (16,732) | (9,798) | (11,957) |
| Net income before share of results of joint venture | | 89,914 | 41,942 | 85,828 | 74,899 |
| Share of results (net of tax) of joint venture | | – | 3,364 | – | – |
| Net income | | 89,914 | 45,306 | 85,828 | 74,899 |
| Gain on disposal of subsidiary ⁽¹⁾ | | 13,328 | 34,708 | – | – |
| Change in fair value of investment properties | 3 | – | (57) | – | – |
| Change in fair value of financial derivatives | | 1,179 | (984) | 1,179 | (984) |
| Foreign exchange (loss)/gain - unrealised | | (753) | (381) | 214 | 29,226 |
| Total return for the period before taxation | | 103,668 | 78,592 | 87,221 | 103,141 |
| Taxation | | (34,004) | (28,778) | – | – |
| Total return for the period after taxation | | 69,664 | 49,814 | 87,221 | 103,141 |
| Attributable to: | | | | | |
| Unitholders | | 61,342 | 49,814 | 85,547 | 103,141 |
| Perpetual securities holders | | 1,674 | – | 1,674 | – |
| Non-controlling interests | | 6,648 | – | – | – |
| Total return for the period after taxation | | 69,664 | 49,814 | 87,221 | 103,141 |
| Earnings per Unit (cents) | 9 | | | | |
| - Basic | | <u>4.17</u> | <u>4.08⁽²⁾</u> | | |
| - Diluted | | <u>4.16</u> | <u>4.07⁽²⁾</u> | | |

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

(2) The figures have been 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.

1(b)(ii) Condensed Interim Distribution Statements
Six-month period ended 30 June 2021

| | Note | Group | | Trust | |
|--|------|--|--|--|--|
| | | Six-month period ended 30/6/2021 \$'000 | Six-month period ended 30/6/2020 \$'000 | Six-month period ended 30/6/2021 \$'000 | Six-month period ended 30/6/2020 \$'000 |
| Amount available for distribution to Unitholders at beginning of the period | | 9,582 | 44,315 | 9,582 | 44,315 |
| Total return for the period attributable to Unitholders and perpetual securities holders | | 63,016 | 49,814 | 87,221 | 103,141 |
| Less: Total return attributable to perpetual securities holders | | (1,674) | – | (1,674) | – |
| Distribution adjustments | A | 2,729 | (14,516) | (21,476) | (67,843) |
| Income for the period available for distribution to Unitholders | | 64,071 | 35,298 | 64,071 | 35,298 |
| Distributable amount to Unitholders | | 64,071 | 35,298 | 64,071 | 35,298 |
| Amount available for distribution to Unitholders | | 73,653 | 79,613 | 73,653 | 79,613 |
| Distribution to Unitholders during the period: | | | | | |
| - Distribution of 0.58 cents per Unit for the period from 26 November 2020 to 31 December 2020 | | (8,737) | – | (8,737) | – |
| - Distribution of 3.61 cents per Unit for the period from 14 August 2019 to 31 December 2019 | | – | (43,647) | – | (43,647) |
| | | (8,737) | (43,647) | (8,737) | (43,647) |
| Amount released for general corporate and working capital purposes | B | – | 1,750 | – | 1,750 |
| Amount available for distribution to Unitholders at end of the period | | 64,916 | 37,716 | 64,916 | 37,716 |
| Distribution per Unit (“DPU”) (cents) | | 4.23 | 3.02 | | |
| Adjusted DPU (cents) ⁽¹⁾ | | 4.23 | 3.01 | | |

(1) For 1H 2020, the figure has been adjusted and restated respectively 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.

1(b)(ii) Condensed Interim Distribution statements (cont'd)
Six-month period ended 30 June 2021

Note A – Distribution adjustments

| | Group | | Trust | |
|---|--|--|--|--|
| | Six-month period ended 30/6/2021 \$'000 | Six-month period ended 30/6/2020 \$'000 | Six-month period ended 30/6/2021 \$'000 | Six-month period ended 30/6/2020 \$'000 |
| Distribution adjustment items: | | | | |
| - Gain on disposal of subsidiary | (8,376) | (23,814) | – | – |
| - Straight line rental and marketing expense adjustments ⁽¹⁾ | 1,040 | – | – | – |
| - Manager's management fees payable in Units | 6,809 | 3,565 | 6,809 | 3,565 |
| - Change in fair value of financial derivatives | (1,179) | 984 | (1,179) | 984 |
| - Change in fair value of investment properties | – | 57 | – | – |
| - Deferred taxation ⁽¹⁾ | 8,735 | 7,424 | – | – |
| - Transfer to general reserve ⁽¹⁾ | (3,475) | (2,847) | – | – |
| - Unrealised foreign exchange loss/(gain) ⁽¹⁾ | 751 | 381 | (214) | (29,226) |
| - Other adjustments ⁽¹⁾ | (1,576) | (1,681) | – | – |
| - Adjustments for share of results (net of tax) of joint venture | – | 1,415 | – | – |
| - Net overseas income not distributed to the Trust | – | – | (26,892) | (43,166) |
| Net effect of distribution adjustments | 2,729 | (14,516) | (21,476) | (67,843) |

⁽¹⁾ Excludes non-controlling interest's share

Note B – Distributable amount to Unitholders

For 1H 2020, CLCT released \$3.5 million retained in FY 2019 from the compensation received by CapitaMall Erqi, following the exit of its anchor tenant. At the same time, \$1.8 million was retained from the income available for distribution to Unitholders for general corporate and working capital purposes.

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

1(b)(iii) Condensed Interim Statements of Movements in Unitholders' Funds
Six-month period ended 30 June 2021

| | Group | | Trust | |
|--|--|--|--|--|
| | Six-month period ended 30/6/2021 \$'000 | Six-month period ended 30/6/2020 \$'000 | Six-month period ended 30/6/2021 \$'000 | Six-month period ended 30/6/2020 \$'000 |
| Operations | | | | |
| Unitholders' funds as at beginning of the period | 2,245,244 | 1,873,671 | 972,682 | 711,698 |
| Change in Unitholders' funds resulting from operations | 63,016 | 49,814 | 87,221 | 103,141 |
| Total return attributable to perpetual securities holders | (1,674) | – | (1,674) | – |
| Transfer to general reserve | (3,475) | (2,847) | – | – |
| Net increase in net assets resulting from operations | 57,867 | 46,967 | 85,547 | 103,141 |
| Movements in hedging reserve | | | | |
| Effective portion of changes in fair value of cash flow hedges | 11,498 | (14,888) | 11,498 | (14,888) |
| Movements in foreign currency translation reserve | | | | |
| Translation differences from financial statements of foreign operations | 51,389 | 91,783 | – | – |
| Exchange differences on monetary items forming part of net investment in foreign operations | 6,300 | 25,129 | – | – |
| Net gain/(loss) recognised directly in Unitholders' funds | 69,187 | 102,024 | 11,498 | (14,888) |
| Movement in general reserve | 3,475 | 2,847 | – | – |
| Unitholders' transactions | | | | |
| Creation of Units payable/paid to manager | | | | |
| - Units issued and to be issued as satisfaction of the portion of Manager's management fees payable in Units | 6,809 | 3,565 | 6,809 | 3,565 |
| - Units issued in respect of the distribution reinvestment plan | – | 13,713 | – | 13,713 |
| Distributions to Unitholders | 6,809 | 17,278 | 6,809 | 17,278 |
| Net decrease in net assets resulting from Unitholders' transactions | (1,928) | (26,369) | (1,928) | (26,369) |
| Unitholders' funds as at end of the period | 2,373,845 | 1,999,140 | 1,067,799 | 773,582 |
| Perpetual securities holders' funds | | | | |
| Balance at beginning of the financial period | 99,610 | – | 99,610 | – |
| Amount reserved for distribution to perpetual securities holders | 1,674 | – | 1,674 | – |
| Distributions to perpetual securities holders | (1,683) | – | (1,683) | – |
| Balance at end of the financial period | 99,601 | – | 99,601 | – |
| Total | 2,473,446 | 1,999,140 | 1,167,400 | 773,582 |

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

1(c) Portfolio statement
As at 30 June 2021

| Description of leasehold property | Location | Term of lease (years) | Remaining term of lease (years) | Valuation | | Valuation | | Percentage of Unitholders' funds | |
|-----------------------------------|--|-----------------------|---------------------------------|--------------------------|-------------------|--------------------------|------------------|----------------------------------|--------------|
| | | | | 30/6/2021 ⁽¹⁾ | 31/12/2020 | 30/6/2021 ⁽¹⁾ | 31/12/2020 | 30/6/2021 | 31/12/2020 |
| | | | | RMB'000 | RMB'000 | \$'000 | \$'000 | % | % |
| Group | | | | | | | | | |
| <u>Retail malls</u> | | | | | | | | | |
| CapitaMall Xizhimen | No. 1, Xizhimenwai Road, Xicheng District, Beijing | 40 - 50 | 23 - 33 | 3,584,282 | 3,580,000 | 742,233 | 730,392 | 31.3 | 32.5 |
| Rock Square | 106-108 Gongye Avenue North, Haizhu District, Guangzhou City, Guangdong Province | 40 | 24 | 3,422,242 | 3,414,000 | 708,678 | 696,524 | 29.9 | 31.0 |
| CapitaMall Wangjing | No. 33, Guangshun North Road, Chaoyang District, Beijing | 38 - 48 | 21 - 31 | 2,773,156 | 2,772,000 | 574,265 | 565,543 | 24.2 | 25.2 |
| CapitaMall Grand Canyon | No. 16, South Third Ring West Road, Fengtai District, Beijing | 40 - 50 | 23 - 33 | 2,128,212 | 2,125,000 | 440,710 | 433,543 | 18.6 | 19.4 |
| CapitaMall Xuefu | No. 1, Xuefu Road, Nangang District, Harbin, Heilongjiang Province | 40 | 24 | 1,776,726 | 1,774,000 | 367,924 | 361,931 | 15.5 | 16.1 |
| CapitaMall Xinnan | No. 99, Shenghe Yi Road, Gaoxin District, Chengdu, Sichuan Province | 40 | 26 | 1,602,096 | 1,600,000 | 331,762 | 326,432 | 14.0 | 14.5 |
| CapitaMall Nuohemule | No. 201, Block A Jinyu Xintiandi, E'erdusi Street, Yuquan District, Hohhot, Inner Mongolia Autonomous Region | 40 | 28 | 1,006,147 | 1,006,000 | 208,353 | 205,244 | 8.8 | 9.1 |
| CapitaMall Yuhuating | No. 421, Middle Shaoshan Road, Yuhua District, Changsha, Hunan Province | 39 | 23 | 760,835 | 760,000 | 157,554 | 155,055 | 6.6 | 6.9 |
| CapitaMall Shuangjing | No. 31, Guangqu Road, Chaoyang District, Beijing | 40 | 21 | 610,000 | 610,000 | 126,319 | 124,453 | 5.3 | 5.5 |
| CapitaMall Aidemengdun | No. 38, Aidemengdun Road, Daoli District, Harbin, Heilongjiang Province | 40 | 21 | 469,157 | 469,000 | 97,153 | 95,685 | 4.1 | 4.3 |
| Balance carried forward | | | | <u>18,132,853</u> | <u>18,110,000</u> | <u>3,754,951</u> | <u>3,694,802</u> | <u>158.3</u> | <u>164.5</u> |

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

1(c) Portfolio statement (cont'd)
As at 30 June 2021

| Description of leasehold property | Location | Term of lease (years) | Remaining term of lease (years) | Valuation | | Valuation | | Percentage of Unitholders' funds | |
|--|--|-----------------------|---------------------------------|--------------------------|-------------------|--------------------------|------------------|----------------------------------|--------------|
| | | | | 30/6/2021 ⁽¹⁾ | 31/12/2020 | 30/6/2021 ⁽¹⁾ | 31/12/2020 | 30/6/2021 | 31/12/2020 |
| | | | | RMB'000 | RMB'000 | \$'000 | \$'000 | % | % |
| Group | | | | | | | | | |
| Balance brought forward | | | | 18,132,853 | 18,110,000 | 3,754,951 | 3,694,802 | 158.3 | 164.5 |
| Retail mall | | | | | | | | | |
| CapitaMall Qibao ⁽²⁾ | No. 3655, Qixin Road, Minhang District, Shanghai | 19 | 2 | 83,000 | 83,000 | 17,188 | 16,934 | 0.7 | 0.8 |
| Business Parks | | | | | | | | | |
| Ascendas Xinsu Portfolio ⁽³⁾ | Suzhou Industrial Park, Suzhou City, Jiangsu Province | 50 | 25 – 36 | 2,280,277 | – | 472,200 | – | 19.9 | – |
| Ascendas Innovation Towers ⁽⁴⁾ | No. 88 Tian Gu 7 Road, Xi'an Hi-Tech Industries Development Zone, Xi'an City, Shaanxi Province | 50 | 43 | 768,646 | – | 159,171 | – | 6.7 | – |
| Ascendas Innovation Hub ⁽⁵⁾ | No. 38 Gao Xin 6 Road, Xi'an Hi-Tech Industries Development Zone, Xi'an City, Shaanxi Province | 50 | 30 | 302,072 | – | 62,553 | – | 2.6 | – |
| Singapore-Hangzhou Science & Technology Park (Phase I) ⁽⁶⁾ | No. 2 Kejiyuan Road, Hangzhou Economic & Technological Development Area, Qiantang New Area, Hangzhou City, Zhejiang Province | 50 | 35 | 646,302 | – | 133,836 | – | 5.6 | – |
| Singapore-Hangzhou Science & Technology Park (Phase II) ⁽⁶⁾ | No. 20 & 57 Kejiyuan Road, Hangzhou Economic & technological Development Area, Qiantang New Area, Hangzhou City, Zhejiang Province | 50 | 39 | 774,917 | – | 160,470 | – | 6.8 | – |
| Investment properties, at valuation (Note 3) | | | | 22,988,067 | 18,193,000 | 4,760,369 | 3,711,736 | 200.6 | 165.3 |

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

1(c) Portfolio statement (cont'd)
As at 30 June 2021

| Description of leasehold property | Location | Term of lease (years) | Remaining term of lease (years) | Valuation | | Valuation | | Percentage of Unitholders' funds | |
|---|---|-----------------------|---------------------------------|-------------------------------------|-----------------------|------------------------------------|----------------------|----------------------------------|-----------------|
| | | | | 30/6/2021 ⁽¹⁾ RMB'000 | 31/12/2020 RMB'000 | 30/6/2021 ⁽¹⁾ \$'000 | 31/12/2020 \$'000 | 30/6/2021 % | 31/12/2020 % |
| Group | | | | | | | | | |
| Balance brought forward - Investment properties, at valuation (Note 3) | | | | 22,988,067 | 18,193,000 | 4,760,369 | 3,711,736 | 200.6 | 165.3 |
| Reclassified to assets held for sale | | | | | | | | | |
| 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, Jiangnan District, Wuhan, Hubei Province | 40 | 23 - 25 | – | 440,911 | – | 89,955 | – | 4.0 |
| | | | | 22,988,067 | 19,093,911 | 4,760,369 | 3,895,540 | 200.6 | 173.5 |
| Other assets and liabilities (net) | | | | | | (2,005,616) | (1,550,686) | (84.5) | (69.1) |
| | | | | | | <u>2,754,753</u> | <u>2,344,854</u> | <u>116.1</u> | <u>104.4</u> |
| Net assets attributable to perpetual securities holders | | | | | | (99,601) | (99,610) | (4.2) | (4.4) |
| Net assets attributable to non-controlling interests | | | | | | (281,307) | – | (11.9) | – |
| Net assets attributable to Unitholders | | | | | | 2,373,845 | 2,245,244 | 100.0 | 100.0 |

⁽¹⁾ Valuation of investment properties as at 30 June 2021 represent the valuation as at 31 December 2020 plus additional capex incurred during 1H 2021.

⁽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 as at 31 December 2020 is on the basis that CLCT did not exercise its option which expired on 31 January 2021.

⁽³⁾ New acquisition which was completed in 4 January 2021.

⁽⁴⁾ New acquisition which was completed in 10 February 2021.

⁽⁵⁾ New acquisition which was completed in 26 February 2021.

⁽⁶⁾ New acquisition which was completed in 18 June 2021.

⁽⁷⁾ CapitaMall Saihan which was divested in June 2021, hence no carrying amount disclose as at 30 June 2021.

⁽⁸⁾ CapitaMall Minzhongleyuan which was divested in February 2021, hence no carrying amount disclose as at 30 June 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.

1(d) Condensed Interim Consolidated statement of cash flows
Six-month period ended 30 June 2021

| | Note | Group | |
|---|-------|--|--|
| | | Six-month period ended 30/6/2021 \$'000 | Six-month period ended 30/6/2020 \$'000 |
| Operating activities | | | |
| Total return for the period after taxation | | 69,664 | 49,814 |
| Adjustments for: | | | |
| Finance income | | (1,613) | (3,464) |
| Finance costs | | 22,501 | 20,196 |
| Depreciation and amortisation | | 679 | 450 |
| Taxation | | 34,004 | 28,778 |
| Manager's management fees payable in Units | A(i) | 6,809 | 3,565 |
| Plant and equipment written off | | – | 3 |
| Change in fair value of investment properties | | – | 57 |
| Change in fair value of financial derivatives | | (1,179) | 984 |
| Share of joint venture's results (net of tax) | | – | (3,364) |
| Gain on disposal of subsidiary | | (13,328) | (34,708) |
| Impairment losses on trade receivables, net | | 94 | 290 |
| Operating income before working capital changes | | 117,631 | 62,601 |
| Changes in working capital: | | | |
| Trade and other receivables | | (3,023) | (19,746) |
| Trade and other payables | | (12,153) | (23,729) |
| Cash generated from operating activities | | 102,455 | 19,126 |
| Income tax paid | | (22,368) | (15,701) |
| Net cash from operating activities | | 80,087 | 3,425 |
| Investing activities | | | |
| Interest received | | 1,613 | 2,109 |
| Capital expenditure on investment properties | A(ii) | (17,437) | (4,907) |
| Net cash outflow on acquisition of subsidiaries | B | (325,126) | – |
| Proceeds from disposal of subsidiaries | C | 166,225 | 150,412 |
| Deposit refund for divestment of subsidiaries | | (46,982) | (3,865) |
| Purchase of plant and equipment | | (841) | (136) |
| Proceeds from disposal of plant and equipment | | 2 | – |
| Net (used in)/cash from investing activities | | (222,546) | 143,613 |
| Financing activities | | | |
| Distribution to Unitholders | | (8,737) | (29,934) |
| Payment of equity issue expenses | | (1,202) | (108) |
| Payment of financing expenses | | (735) | (720) |
| Payment of lease liabilities | | (2,998) | (1,662) |
| Proceeds from draw down of interest-bearing borrowings | | 550,800 | 125,100 |
| Repayment of interest-bearing borrowings | | (372,560) | (250,300) |
| Settlement of derivative contracts | | (342) | 56 |
| Interest paid | | (22,055) | (19,428) |
| Net cash from/(used in) financing activities | | 142,171 | (176,996) |
| Net decrease in cash and cash equivalents | | (288) | (29,958) |
| Cash and cash equivalents at 1 January | | 233,244 | 139,920 |
| Effect of foreign exchange rate changes on cash balances | | 3,479 | 5,571 |
| Reclassification of cash balances to assets held for sale | | – | 13,910 |
| Cash and cash equivalents at 30 June | | 236,435 | 129,443 |

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

1(d) Condensed Interim Consolidated statement of cash flows (cont'd)
Six-month period ended 30 June 2021

Notes:

(A) Significant non-cash and other transactions

- (i) \$6.8 million of the Manager's management fees (performance and partial base fees) in 2021 will be paid through the issuance of 4,935,170 new Units in March 2022.
- \$3.6 million of the Manager's management fees (performance and partial base fees) in 2020 was paid through the issuance of 2,609,369 new Units in March 2021.
- (ii) The Group enhanced its investment properties during the period, of which \$17.4 million (30 June 2020: \$0.4 million) was paid.

(B) Net cash outflow on the acquisition of subsidiaries

Net cash outflow on acquisition of subsidiaries is provided below:

| | Six-month period ended 30/6/2021 \$'000 |
|---|--|
| Investment properties | 961,793 |
| Plant and equipment | 681 |
| Trade and other receivables | 5,626 |
| Cash and cash equivalents | 69,851 |
| Trade and other payables | (22,503) |
| Security deposits | (27,568) |
| Interest-bearing borrowings | (176,272) |
| Shareholder loan | (61,187) |
| Provision for taxation | (2,251) |
| Net identifiable assets and liabilities acquired | 748,170 |
| Net identifiable assets and liabilities based on percentage acquired | 507,999 |
| Add: Shareholder's loan and interest payable novated | 7,140 |
| Total consideration payable | 515,139 |
| Cash of the subsidiaries acquired | (54,275) |
| Deposit paid | (115,604) |
| Consideration payable | (21,988) |
| Cash paid to vendor in respect of acquisition of subsidiary in 2020 | 1,854 |
| Net cash outflow | 325,126 |

No acquisition of subsidiary in 1H 2020.

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

1(d) Condensed Interim Consolidated statement of cash flows (cont'd)
Six-month period ended 30 June 2021

(C) Net cash inflow on the divestment of subsidiaries

Net cash inflow on divestment of subsidiaries are provided below:

| | Group | |
|--|--|--|
| | Six-month period ended 30/6/2021 \$'000 | Six-month period ended 30/6/2020 \$'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 | (13,369) | (24,648) |
| Provision for taxation | (9) | – |
| Net identifiable assets and liabilities divested | 156,038 | 118,706 |
| Percentage shareholdings | 100% | 100% |
| Net assets based on percentage shareholdings | 156,038 | 118,706 |
| Gain on disposal of subsidiary | 13,328 | 34,735 |
| Realisation of translation reserves | 2,012 | 13,855 |
| Sale consideration | 171,378 | 167,296 |
| Tax paid | (4,546) | (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 | 166,225 | 150,412 |

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

1(e) Notes to the Condensed Interim Consolidated Financial Statements

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

These consolidated condensed interim financial statements as at and for the six-month period ended 30 June 2021 relate to the Trust and its subsidiaries (the "Group").

1. General

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

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

The intermediate and ultimate holding companies of the Group are CapitaLand Limited and Temasek Holdings Private Limited respectively. The intermediate and ultimate holding companies are incorporated in the Republic of Singapore.

The principal activities of the Trust are those relating to investment in a diversified portfolio of income-producing properties located primarily in the People's Republic of China ("China"), Hong Kong and Macau and used primarily for retail, office and industrial purposes.

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
- an authorised investment management fee of 0.5% per annum of the value of authorised investments which are not real estate. Where such authorised investment is an interest in a property fund (either a real estate investment trust or private property fund) wholly managed by a wholly-owned subsidiary of CapitaLand Limited, no authorised investment management fee shall be payable in relation to such authorised investment.

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

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

(c) Property management fees

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

Retail:

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

Business Parks:

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

(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.

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

(d) Acquisition fee (cont'd)

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. Summary of significant accounting policies

(a) Basis of preparation

The Financial Statements has been prepared in accordance with the *Statement of Recommended Accounting Practice ("RAP") 7 "Reporting Framework for Investment Funds"* issued by the Institute of Singapore Chartered Accountants, and the applicable requirements of the Code on Collective Investment Schemes issued by the Monetary Authority of Singapore and the provisions of the Trust Deed, and should be read in conjunction with the Group's last annual consolidated financial statements as at and for the year ended 31 December 2020. RAP 7 requires the accounting policies to generally comply with the recognition and measurement principles of Singapore Financial Reporting Standards ("FRS").

The Interim Financial Statements does not include all of the information required for full annual financial statements and should be read in conjunction with the financial statements of the Group as at 31 December 2020.

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

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

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

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

The accounting policies applied by the Group in this Interim Financial Statements are the same as those applied by the Group in the financial statements as at and for the year ended 31 December 2020.

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

(b) New standards and amendments

The Group adopted the revised version of RAP 7 and applied the recognition and measurement principles of a number of new standards and amendments to standards for the financial period beginning 1 January 2021.

The adoption of these new and revised standards did not have any material impact on the Group's condensed Interim Financial Statements.

3. Investment properties

| | Group | |
|---|------------------|-------------------|
| | 30/6/2021 | 31/12/2020 |
| | \$'000 | \$'000 |
| At 1 January | 3,726,433 | 3,166,006 |
| Reclassified to assets held for sale | – | (103,651) |
| Disposal of investment properties | (201,274) | (129,858) |
| Reclassified from joint venture | – | 352,589 |
| Acquisition of investment properties ¹ | 971,514 | 343,395 |
| Expenditure capitalised | 3,750 | 37,643 |
| Changes in fair value | – | (99,057) |
| Translation differences | 274,864 | 159,366 |
| At 30 June 2021/31 December 2020 | 4,775,287 | 3,726,433 |

⁽¹⁾ Includes acquisition fees and acquisition related expenses of \$9.7 million (31 December 2020: \$4.6 million).

Security

At 30 June 2021, investment properties of the Group with carrying amounts of \$1,530.1 million (31 December 2020: \$1,058.4 million) are pledged as security to secure bank loans (see Note 4).

Measurement of fair value

As at 30 June 2021, management conducted an internal assessment of the valuation of the investment properties, including considering any significant changes in operating performance of the properties, and in consultation with our panel of external property valuers, assessed whether movement in market data, such as discount rates, capitalisation rates, have any significant impact to the valuation of the investment properties. Based on the assessment, management is of the view that the fair value of the investment properties has not materially changed from 31 December 2020 valuation which was performed by the independent external valuers Jones Lang LaSalle Corporate Appraisal and Advisory Limited, Cushman & Wakefield International Property Advisers (Shanghai) Co., Ltd. and Savills Valuation and Professional Services (S) Pte. Ltd.

The independent external valuers have adopted the capitalisation approach is an investment approach whereby the estimated gross passing income (on both a passing and market rent basis) is adjusted to reflect anticipated operating costs and a natural vacancy to produce the net income on a fully leased basis. The adopted fully leased net income is capitalised over the remaining term of the lease from the valuation date at an appropriate investment yield. The discounted cash flow method involves the estimation and projection of a net income stream over a period and discounting the net income stream with an internal rate of return to arrive at the market value. The discounted cash flow method requires the valuer to assume a rental growth rate indicative of market and the selection of a target internal rate of return consistent with current market requirements. Where applicable, the comparison method provides an indication of value by comparing the investment property with identical or similar properties where reliable sales evidence of assets of similar nature is available.

The above valuation methods involve certain estimates. The Manager reviews the key valuation parameters and underlying data including market-corroborated capitalisation rates, discount rates and terminal yield rates adopted and is of the view that they are reflective of available market data as at 30 June 2021.

| | 30/6/2021 | 31/12/2020 |
|--|------------------|-------------------|
| | \$'000 | \$'000 |
| Fair value of investment properties (based on valuation reports) | 4,760,369 | 3,711,736 |
| Add: Carrying amount of lease liabilities | 14,918 | 14,697 |
| Carrying amount of investment properties | 4,775,287 | 3,726,433 |

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

4. Aggregate amount of borrowings and debt securities

| | Group | | Trust | |
|--|------------------------|------------------------|------------------------|------------------------|
| | 30 Jun 2021 S\$'000 | 31 Dec 2020 S\$'000 | 30 Jun 2021 S\$'000 | 31 Dec 2020 S\$'000 |
| Unsecured borrowings | | | | |
| - Amount repayable within one year | 50,000 | 145,500 | 50,000 | 145,500 |
| - Amount repayable after one year | 1,350,000 | 1,050,000 | 1,350,000 | 1,050,000 |
| Secured borrowings ⁽¹⁾ | | | | |
| - Amount repayable within one year | 22,365 | 10,201 | - | - |
| - Amount repayable after one year | 297,510 | 153,994 | - | - |
| | 1,719,875 | 1,359,695 | 1,400,000 | 1,195,500 |
| Less: Unamortised transaction costs | (3,769) | (3,761) | (3,769) | (3,761) |
| | 1,716,106 | 1,355,934 | 1,396,231 | 1,191,739 |

⁽¹⁾ CapitaMall Xuefu, Rock Square, Ascendas Innovation Towers, and Singapore-Hangzhou Science & Technology Park Phase I and Phase II were acquired with a legal mortgage and an assignment of the properties' insurance policies in favour of the lender over the properties as at 30 June 2021. (see Note 3)

5. Units in issue

| | 30/6/2021 Number of Units | 31/12/2020 Number of Units |
|---|------------------------------|-------------------------------|
| Balance as at beginning of period/year | 1,506,433,415 | 1,209,067,206 |
| New Units issued: | | |
| - Units in connection with private placement exercise | - | 205,331,000 |
| - Units in connection with preferential offering exercise | - | 68,997,855 |
| - As payment of distribution through distribution reinvestment plan | - | 18,325,770 |
| - As payment of Manager's management fees | 5,359,744 | 4,711,584 |
| Total issued Units as at 30 June 2021/31 December 2020 | 1,511,793,159 | 1,506,433,415 |
| New Units to be issued: | | |
| - as payment of Manager's management fees | 4,935,170 | 5,359,744 |
| Total issued and issuable Units as at 30 June 2021/ 31 December 2020 | 1,516,728,329 | 1,511,793,159 |

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

| | Group | | Trust | |
|--|-------------|-------------|-------------|-------------|
| | 30 Jun 2021 | 31 Dec 2020 | 31 Jun 2021 | 31 Dec 2020 |
| NAV/NTA per Unit ⁽¹⁾ | \$1.57 | \$1.49 | \$0.71 | \$0.65 |
| Adjusted NAV/NTA per Unit (excluding distributable income) | \$1.53 | \$1.48 | \$0.66 | \$0.64 |

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

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

7. Manager's management fees

Manager's management fees comprise base fee of \$5.8 million (30 June 2020: \$5.0 million) and performance fee of \$4.3 million (30 June 2020: \$2.8 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 \$4.3 million (30 June 2020: \$2.8 million) and base fee amounting to \$2.5 million (30 June 2020: \$0.8 million) will be paid through the issue of 4,935,170 (30 June 2020: 2,969,823) new Units subsequent to 30 June 2021.

8. Finance income and finance costs

| | Group | | Trust | |
|--|--|--|--|--|
| | Six-month period ended 30/6/2021 \$'000 | Six-month period ended 30/6/2020 \$'000 | Six-month period ended 30/6/2021 \$'000 | Six-month period ended 30/6/2020 \$'000 |
| Interest income: | | | | |
| - financial institutions | 1,613 | 1,471 | 3 | 3 |
| - joint venture | – | 1,993 | 5,345 | 5,617 |
| Finance income | <u>1,613</u> | <u>3,464</u> | <u>5,348</u> | <u>5,620</u> |
| Interest expenses: | | | | |
| - financial institutions | (17,273) | (17,172) | (10,329) | (15,366) |
| - related party | (41) | – | – | – |
| | <u>(17,314)</u> | <u>(17,172)</u> | <u>(10,329)</u> | <u>(15,366)</u> |
| Cash flow hedges – losses reclassified from hedging reserve | (4,817) | (2,211) | (4,817) | (2,211) |
| Finance lease expenses | (370) | (813) | – | – |
| Finance costs | <u>(22,501)</u> | <u>(20,196)</u> | <u>(15,146)</u> | <u>(17,577)</u> |
| Net finance costs recognised in statement of total return | <u>(20,888)</u> | <u>(16,732)</u> | <u>(9,798)</u> | <u>(11,957)</u> |

9. Earnings per Unit

Basic earnings per Unit

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

| | Group | |
|---|--|--|
| | Six-month period ended 30/6/2021 \$'000 | Six-month period ended 30/6/2020 \$'000 |
| Total return for the period after taxation before distribution | 63,016 | 49,814 |
| Less: Total return attributable to perpetual securities holders | (1,674) | – |
| Total return attributable to Unitholders | <u>61,342</u> | <u>49,814</u> |

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

9. Earnings per Unit (cont'd)

| | Trust | |
|--|---|---|
| | Number of Units Six-month period ended 30/6/2021 '000 | Number of Units Six-month period ended 30/6/2020 '000 |
| Issued Units at beginning of period | 1,506,433 | 1,209,067 |
| Effect of creation of new Units: | | |
| - Distribution to Unitholders in respect of distribution reinvestment plan | - | 4,796 |
| - Manager's management fees paid/payable in Units | 3,522 | 3,045 |
| - Adjustments for effect of preferential offering | - | 4,628 |
| Weighted average number of issued and issuable Units at end of the period | 1,509,955 | 1,221,536 |

Diluted earnings per Unit

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

| | Trust | |
|--|---|---|
| | Number of Units Six-month period ended 30/6/2021 '000 | Number of Units Six-month period ended 30/6/2020 '000 |
| Issued Units at beginning of period | 1,506,433 | 1,209,067 |
| Effect of creation of new Units: | | |
| - Distribution to Unitholders in respect of distribution reinvestment plan | - | 4,796 |
| - Manager's management fees paid/payable in Units | 8,430 | 5,998 |
| - Adjustments for effect of preferential offering | - | 4,628 |
| Weighted average number of issued and issuable Units at end of the period | 1,514,863 | 1,224,489 |

Basic and diluted earnings per Unit in 1H 2020 have been restated for the effect of the bonus element of the preferential offering of 68,997,855 Units which were issued on 16 December 2020.

10. Commitments

(a) Capital commitments

| | Group | |
|-----------------------------------|---------------------|----------------------|
| | 30/6/2021 \$'000 | 31/12/2020 \$'000 |
| Payable: | | |
| - contracted but not provided for | 8,796 | 2,374 |

(b) The Group has non-cancellable operating leases with rentals payables as follows:

| | Group | |
|-----------------------------------|---------------------|----------------------|
| | 30/6/2021 \$'000 | 31/12/2020 \$'000 |
| Payable: | | |
| - within 1 year | 376 | 28 |
| - after 1 year but within 5 years | 51 | 58 |
| - after 5 years | - | - |
| | 427 | 86 |

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

11. Financial ratios

| | Group | |
|---|---|---|
| | Six-month period ended 30/6/2021 | Six-month period ended 30/6/2020 |
| | % | % |
| Expenses to weighted average net assets ⁽¹⁾ | | |
| -including performance component of Manager's management fees | 0.88 | 0.88 |
| -excluding performance component of Manager's management fees | 0.55 | 0.59 |
| Portfolio turnover rate ⁽²⁾ | 14.0 | 16.1 |

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

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

Aggregate leverage and interest coverage ratios

| | Group | |
|--|---|---|
| | Six-month period ended 30/6/2021 | Six-month period ended 30/6/2020 |
| Aggregate leverage (%) ¹ | 35.9% | 31.8% |
| Interest coverage (times) ² | 4.4 times | 3.7 times |

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

⁽²⁾ *Ratio of EBITDA over consolidated interest expenses (includes 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 (including FRS 116 finance expense) in accordance with MAS guidelines.*

Other information required by Listing Rule Appendix 7.2

CAPITALAND CHINA TRUST
2021 HALF YEAR UNAUDITED FINANCIAL STATEMENTS & DISTRIBUTION ANNOUNCEMENT

2. Summary of CRCT Results

The Condensed Interim Financial Statements of CapitaLand China Trust and its subsidiaries as at 30 June 2021 (the "Group"), which comprise the Statements of Financial Position of the Group and the Trust and Portfolio Statement of the Group as at 30 June 2021, the Statement of Total Return, Distribution Statement, Statement of Cash Flows of the Group and the Statements of Movements in Unitholders' Funds of the Group and the Trust for the six-month period then ended and certain explanatory notes have not been audited or reviewed.

| | 1H 2021^{1,2} | 1H 2020 | |
|--|------------------------------|---------------------------|---------------------|
| | Actual S\$'000 | Actual S\$'000 | Change % |
| Gross Revenue ^{3,4} | 176,892 | 101,517 | 74.2 |
| Net Property Income ³ | 120,342 | 65,278 | 84.4 |
| Income available for distribution to Unitholders | 64,071 | 35,298 | 81.5 |
| Distributable amount to Unitholders ⁵ | 64,071 | 37,048 | 72.9 |

| Distribution Per Unit ("DPU") (cents) | | | |
|--|------|------|------|
| For the period | 4.23 | 3.02 | 40.1 |

| | 1H 2021 | 1H 2020 | |
|----------------------------|---------------------------|---------------------------|---------------------|
| | Actual RMB'000 | Actual RMB'000 | Change % |
| Gross Revenue ⁴ | 860,995 | 510,986 | 68.5 |
| Net Property Income | 585,721 | 328,572 | 78.3 |

Footnotes:

1. The financial results in 1H 2021 exclude contributions from CapitaMall Saihan, CapitaMall Minzhongleyuan and CapitaMall Erqi which were divested on 7 June 2021, 10 February 2021, and 1 June 2020 respectively.

2. The financial results in 1H 2021 include contributions from Rock Square, Ascendas Xinsu Portfolio, Ascendas Innovation Towers and Ascendas Innovation Hub from 30 December 2020, 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.

3. Average exchange rate for SGD/RMB.

| 1H 2021 | 1H 2020 | Change % |
|----------------|----------------|---------------------|
| 4.867 | 5.033 | (3.3) |

4. 1H 2021 and 1H 2020 include rental relief extended to tenants in view of the COVID-19 situation.

5. For 1H 2020, CLCT released \$3.5 million retained in FY 2019 from the compensation received by CapitaMall Erqi, following the exit of its anchor tenant. At the same time, \$1.8 million was retained from the income available for distribution to Unitholders for general corporate and working capital purposes.

DISTRIBUTION & RECORD DATE

| | |
|-------------------|------------------------------------|
| Distribution | For 1 January 2021 to 30 June 2021 |
| Distribution type | Tax exempt income distribution |
| Distribution rate | 4.23 cents per Unit |
| Record date | 6 August 2021 |
| Payment date | 27 September 2021 |

CAPITALAND CHINA TRUST
2021 HALF YEAR UNAUDITED FINANCIAL STATEMENTS & DISTRIBUTION ANNOUNCEMENT

2(a) Statement of total return for the Group (1H 2021 vs 1H 2020)

| | Group | | |
|---|----------------------------|-----------------|---------------|
| | 1H 2021¹ | 1H 2020 | % |
| | S\$'000 | S\$'000 | Change |
| Gross rental income | 163,948 | 94,367 | 73.7 |
| Other income ² | 12,944 | 7,150 | 81.0 |
| Gross revenue³ | 176,892 | 101,517 | 74.2 |
| Property related tax | (15,834) | (9,641) | 64.2 |
| Business tax | (1,006) | (546) | 84.2 |
| Property management fees and reimbursables ⁴ | (11,335) | (7,839) | 44.6 |
| Other property operating expenses ⁵ | (28,375) | (18,213) | 55.8 |
| Total property operating expenses | (56,550) | (36,239) | 56.0 |
| Net property income | 120,342 | 65,278 | 84.4 |
| Manager's management fees | (10,092) | (7,716) | 30.8 |
| Trustee's fees | (327) | (292) | 12.0 |
| Audit fees | (266) | (240) | 10.8 |
| Valuation fees | (67) | (106) | (36.8) |
| Other trust operating expenses ⁷ | (792) | (389) | N.M. |
| Foreign exchange gain – realised ⁸ | 2,004 | 2,139 | (6.3) |
| Finance income ⁹ | 1,613 | 3,464 | (53.4) |
| Finance costs ¹⁰ | (22,501) | (20,196) | 11.4 |
| Net income before share of results of joint ventures | 89,914 | 41,942 | N.M. |
| Share of results (net of tax) of joint ventures ¹¹ | - | 3,364 | (100.0) |
| Net income | 89,914 | 45,306 | 98.5 |
| Gain on disposal of subsidiary ¹² | 13,328 | 34,708 | (61.6) |
| Change in fair value of investment properties ¹³ | - | (57) | (100.0) |
| Change in fair value of financial derivatives | 1,179 | (984) | N.M. |
| Foreign exchange loss – unrealised | (753) | (381) | 97.6 |
| Total return for the period before taxation | 103,668 | 78,592 | 31.9 |
| Taxation ¹⁴ | (34,004) | (28,778) | 18.2 |
| Total return for the period after taxation | 69,664 | 49,814 | 39.8 |
| Attributable to: | | | |
| Unitholders | 61,342 | 49,814 | 23.1 |
| Perpetual securities holders | 1,674 | - | 100.0 |
| Non-controlling interests ¹⁵ | 6,648 | - | 100.0 |
| Total return for the period after taxation | 69,664 | 49,814 | 39.8 |

N.M. – not meaningful

Footnotes:

- The financial results in 1H 2021 excludes contributions from CapitaMall Saihan, CapitaMall Minzhongleyuan and CapitaMall Erqi which were divested on 7 June 2021, 10 February 2021, and 1 June 2020 respectively. However, it includes contributions from Rock Square, Ascendas Xinsu Portfolio, Ascendas Innovation Towers and Ascendas Innovation Hub from 30 December 2020, 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.*
- Other income comprises mainly income earned from atrium space, carpark revenue, trolley carts and advertisement panels.*

CAPITALAND CHINA TRUST
2021 HALF YEAR UNAUDITED FINANCIAL STATEMENTS & DISTRIBUTION ANNOUNCEMENT

2(a) Statement of total return for the Group (1H 2021 vs 1H 2020) (cont'd)

3. Includes rental relief of approximately 1.2 months equivalent of gross rental income, which was extended to tenants in 1H 2020 in view of the COVID-19 situation and approximately 0.2 months in 1H 2021.
4. Includes reimbursement of costs to property manager.
5. Includes items in the table below as part of the other property operating expenses.

| | Group | | |
|--|----------------|----------------|---------------|
| | 1H 2021 | 1H 2020 | % |
| | S\$'000 | S\$'000 | Change |
| Depreciation and amortisation | (679) | (450) | 50.9 |
| Impairment losses on trade receivables, net ⁶ | (94) | (290) | (67.6) |
| Plant and equipment written off | - | (3) | (100.0) |

6. Includes provision of impairment losses made in 1H 2021 and 1H 2020 for tenants with higher credit risk.
7. Includes land rental concession of \$0.3 million received by CapitaMall Minzhongleyuan in 1H 2020.
8. In 1H 2021, realised foreign exchange gain arose from the capital reduction in CapitaMall Xinnan, and repatriation of dividends from CapitaMall Xizhimen, CapitaMall Wangjing and CapitaMall Shuangjing. In 1H 2020, it arose from repayment of the USD denominated shareholder's loan principal in CapitaMall Erqi.
9. Finance income relates mainly to interest from loan to joint venture and interest from bank deposits placed with financial institutions.
10. Includes the interest expense on the lease liabilities under FRS 116.
11. This relates to the share of results from CLCT's 51% interest in Rock Square Joint Venture in 1H 2020. Following the completion of the acquisition of 49% stake in Rock Square on 30 December 2020, 100% Rock Square contribution was consolidated in the reported gross revenue and net property income for 1H 2021.

For information only:

| | 1H 2020 |
|---|----------------|
| | S\$'000 |
| Gross revenue | 8,650 |
| Property operating expenses | (1,963) |
| Net property income | 6,687 |
| Finance income | 191 |
| Finance costs | (2,042) |
| Other operating expenses | (1,472) |
| Share of results (net of tax) of joint venture | 3,364 |

12. This relates to gain arising from the divestment of CapitaMall Saihan, CapitaMall Minzhongleyuan in 1H 2021, and CapitaMall Erqi in 1H 2020.
13. CLCT will conduct property valuation on an annual basis instead of a half-yearly basis, as announced on 26 February 2020. In 1H 2020, the change in fair value change for investment properties relates to the markdown of additional capital expenditure for CapitaMall Saihan, being carried at its fair value of RMB460.0 million as announced on 1 February 2019.
14. 1H 2021 includes withholding tax payment of \$4.5 million relating to the divestment of CapitaMall Saihan, repatriation of dividends from China SPVs and over provision of taxation for 1H 2021 of \$0.9 million. 1H 2020 includes withholding tax payment of \$10.9 million relating to divestment of CapitaMall Erqi and under provision of taxation from prior years of \$24,000.
15. This relates to 49% non-controlling interest (NCI) in Ascendas Xinsu Portfolio and 20% NCI in Ascendas Innovation Hub, Singapore-Hangzhou Science & Technology Park Phase I and Phase II.

CAPITALAND CHINA TRUST
2021 HALF YEAR UNAUDITED FINANCIAL STATEMENTS & DISTRIBUTION ANNOUNCEMENT

2(b) Distribution statement for the Group (1H 2021 vs 1H 2020)

| | Group | | |
|--|----------------|-----------------|---------------|
| | 1H 2021 | 1H 2020 | % |
| | S\$'000 | S\$'000 | Change |
| Total return for the period attributable to Unitholders before distribution | 63,016 | 49,814 | 26.5 |
| Less: Amount reserved for distribution to perpetual securities holders | (1,674) | - | 100.0 |
| Distribution adjustments (Note A) | 2,729 | (14,516) | N.M. |
| Income available for distribution to Unitholders | 64,071 | 35,298 | 81.5 |
| Distributable amount to Unitholders ¹ | 64,071 | 37,048 | 72.9 |
| Note A | | | |
| Distribution adjustments | | | |
| - Gain on disposal of subsidiary ² | (8,376) | (23,814) | (64.8) |
| - Straight line rental and marketing expense adjustments ⁴ | 1,040 | - | 100.0 |
| - Manager's management fees (performance component payable in Units) | 6,809 | 3,565 | 91.0 |
| - Change in fair value of investment properties | - | 57 | (100.0) |
| - Change in fair value of financial derivatives | (1,179) | 984 | N.M. |
| - Deferred taxation ⁴ | 8,735 | 7,424 | 17.7 |
| - Transfer to general reserve ⁴ | (3,475) | (2,847) | 22.1 |
| - Unrealised foreign exchange gain ⁴ | 751 | 381 | 97.1 |
| - Other adjustments ^{3, 4} | (1,576) | (1,681) | (6.2) |
| - Adjustments for share of results (net of tax) of joint venture | - | 1,415 | (100.0) |
| Net effect of distribution adjustments | 2,729 | (14,516) | N.M. |

N.M. – not meaningful

Footnotes:

1. For 1H 2020, CLCT released \$3.5 million retained in FY 2019 from the compensation received by CapitaMall Erqi, following the exit of its anchor tenant. At the same time, \$1.8 million was retained from the income available for distribution to Unitholders for general corporate and working capital purposes. The retention represents 5.0% of the income available for distribution to Unitholders.
2. This relates to gain arising from the divestment of CapitaMall Saihan, CapitaMall Minzhongleyuan in 1H 2021, and CapitaMall Erqi in 1H 2020.
3. Includes lease payments for Right-of-Use (ROU) assets, less interest expense on lease liabilities.
4. Excludes Non-controlling interests (NCI).

CAPITALAND CHINA TRUST
2021 HALF YEAR UNAUDITED FINANCIAL STATEMENTS & DISTRIBUTION ANNOUNCEMENT

2(c) Statement of financial position as at 30 June 2021 vs 31 December 2020

| | Group | | |
|--|------------------------|------------------------|---------------|
| | 30 Jun 2021 S\$'000 | 31 Dec 2020 S\$'000 | % Change |
| Non-current assets | | | |
| Investment properties ^{1,2,3} | 4,775,287 | 3,726,433 | 28.1 |
| Plant and equipment | 3,324 | 2,394 | 38.8 |
| Financial derivatives | 2,459 | - | 100.0 |
| Other receivables | 1,344 | 1,266 | 6.2 |
| | 4,782,414 | 3,730,093 | 28.2 |
| Current assets | | | |
| Financial derivatives ⁴ | - | 1 | (100.0) |
| Trade and other receivables ⁵ | 40,848 | 148,353 | (72.5) |
| Cash and cash equivalents ⁶ | 236,435 | 208,440 | 13.4 |
| | 277,283 | 356,794 | (22.3) |
| Assets held for sale ⁷ | - | 223,370 | (100.0) |
| | 277,283 | 580,164 | (52.2) |
| Total assets | 5,059,697 | 4,310,257 | 17.4 |
| Current liabilities | | | |
| Trade and other payables | 152,125 | 177,704 | (14.4) |
| Security deposits | 48,791 | 36,893 | 32.3 |
| Financial derivatives ⁴ | 2,302 | 2,193 | 5.0 |
| Interest-bearing borrowings ⁸ | 72,365 | 155,560 | (53.5) |
| Lease liabilities ² | 4,158 | 4,091 | 1.6 |
| Provision for taxation | 8,837 | 7,066 | 25.1 |
| | 288,578 | 383,507 | (24.8) |
| Liabilities held for sale ⁷ | - | 32,161 | (100.0) |
| | 288,578 | 415,668 | (30.6) |
| Non-current liabilities | | | |
| Financial derivatives ⁴ | 5,807 | 16,134 | (64.0) |
| Other payables | 49 | 85 | (42.4) |
| Security deposits | 59,142 | 37,806 | 56.4 |
| Interest-bearing borrowings ⁸ | 1,643,741 | 1,200,374 | 36.9 |
| Lease liabilities ² | 8,562 | 10,631 | (19.5) |
| Deferred tax liabilities | 299,065 | 284,705 | 5.0 |
| | 2,016,366 | 1,549,735 | 30.1 |
| Total liabilities | 2,304,944 | 1,965,403 | 17.3 |
| Net assets | 2,754,753 | 2,344,854 | 17.5 |
| Represented by: | | | |
| Unitholders' funds | 2,373,845 | 2,245,244 | 5.7 |
| Perpetual securities holders | 99,601 | 99,610 | - |
| Non-controlling interests ⁹ | 281,307 | - | 100.0 |
| | 2,754,753 | 2,344,854 | 17.5 |

CAPITALAND CHINA TRUST
2021 HALF YEAR UNAUDITED FINANCIAL STATEMENTS & DISTRIBUTION ANNOUNCEMENT

Footnotes:

1. *The increase in investment properties was mainly due to the consolidation of 5 business parks following completion of the acquisitions as at 30 June 2021 and strengthening of RMB against SGD.*
2. *This includes ROU assets and lease liabilities of CapitaMall Qibao under FRS 116 Leases.*
3. *Investment properties are measured at their respective fair values at each reporting date. The outbreak of COVID-19 has impacted global markets, and although the situation in China has shown improvement in the past couple of months, the impact of COVID-19 to the Chinese economy remains fluid and evolving. The carrying amounts of the investment properties are current as at 30 June 2021 only and would be reassessed at the end of the financial year based on the market conditions then.*
4. *The financial derivative assets and financial derivative liabilities mainly relate to the fair value of the interest rate swaps (“IRS”) and the foreign currency forwards (“FXF”). The IRS are designated to hedge the variable rate borrowings and FXF are used to hedge RMB cashflows.*
5. *The decrease in trade and other receivables as at 30 June 2021 was mainly due to the partial deposit payment of \$115.6 million for the purchase consideration of Ascendas Xinsu Portfolio, Ascendas Innovation Towers and Ascendas Innovation Hub in December 2020.*
6. *The increase in cash and cash equivalents was mainly due to the consolidation of the business parks in 1H 2021.*
7. *The decrease in assets and liabilities held for sale as at 30 June 2021 was mainly due to the completion of CapitaMall Saihan and CapitaMall Minzhongleyuan divestments in June 2021 and February 2021 respectively.*
8. *The increase in interest-bearing borrowings was mainly due to loans drawdown to finance the acquisition of the business parks as well as the consolidation of Ascendas Innovation Towers, Singapore-Hangzhou Science & Technology Park Phase I and Phase II onshore RMB denominated loans upon completion of acquisition.*
9. *This relates to 49% non-controlling interest (NCI) in Ascendas Xinsu Portfolio and 20% NCI in Ascendas Innovation Hub, Singapore-Hangzhou Science & Technology Park Phase I and Phase II.*

CAPITALAND CHINA TRUST
2021 HALF YEAR UNAUDITED FINANCIAL STATEMENTS & DISTRIBUTION ANNOUNCEMENT

3 Review of the Performance

3(i) Breakdown of Gross Revenue – Actual

| | 1H 2021 | 1H 2020 | % | 1H 2021 | 1H 2020 | % |
|---|----------------|----------------|---------------|----------------|----------------|---------------|
| | RMB'000 | RMB'000 | Change | S\$'000 | S\$'000 | Change |
| <u>Multi-Tenanted Malls</u> | | | | | | |
| CapitaMall Xizhimen | 135,625 | 128,325 | 5.7 | 27,865 | 25,494 | 9.3 |
| Rock Square ¹ | 85,237 | - | 100.0 | 17,513 | - | 100.0 |
| CapitaMall Wangjing | 98,491 | 100,588 | (2.1) | 20,236 | 19,984 | 1.3 |
| CapitaMall Grand Canyon | 43,695 | 49,720 | (12.1) | 8,978 | 9,878 | (9.1) |
| CapitaMall Xuefu | 82,881 | 48,269 | 71.7 | 17,021 | 9,590 | 77.5 |
| CapitaMall Xinnan | 57,529 | 54,226 | 6.1 | 11,820 | 10,773 | 9.7 |
| CapitaMall Nuohemule | 39,312 | - | 100.0 | 8,077 | - | 100.0 |
| CapitaMall Yuhuating | 36,771 | 33,648 | 9.3 | 7,555 | 6,685 | 13.0 |
| CapitaMall Aidemengdun | 16,491 | 14,573 | 13.2 | 3,388 | 2,895 | 17.0 |
| CapitaMall Qibao ² | 36,697 | 30,377 | 20.8 | 7,540 | 6,035 | 24.9 |
| Total multi-tenanted malls | 632,729 | 459,726 | 37.6 | 129,993 | 91,334 | 42.3 |
| CapitaMall Shuangjing ³ | 21,136 | 21,945 | (3.7) | 4,342 | 4,360 | (0.4) |
| <u>Divested Malls</u> | | | | | | |
| CapitaMall Minzhongleyuan ⁴ | - | 2,116 | (100.0) | - | 419 | (100.0) |
| CapitaMall Saihan ⁵ | 522 | 27,199 | (98.1) | 107 | 5,404 | (98.0) |
| Total Gross Revenue - Retail | 654,387 | 510,986 | 28.1 | 134,442 | 101,517 | 32.4 |
| <u>Business Parks</u>⁶ | | | | | | |
| Ascendas Xinsu Portfolio | 101,841 | - | 100.0 | 20,924 | - | 100.0 |
| Ascendas Innovation Towers | 28,751 | - | 100.0 | 5,908 | - | 100.0 |
| Ascendas Innovation Hub | 11,363 | - | 100.0 | 2,335 | - | 100.0 |
| Singapore-Hangzhou Science & Technology Park (Phase I) | 30,674 | - | 100.0 | 6,302 | - | 100.0 |
| Singapore-Hangzhou Science & Technology Park (Phase II) | 33,979 | - | 100.0 | 6,981 | - | 100.0 |
| Total Gross Revenue – Business Parks | 206,608 | - | 100.0 | 42,450 | - | 100.0 |
| Total Gross Revenue (Retail and Business Parks) | 860,995 | 510,986 | 68.5 | 176,892 | 101,517 | 74.2 |

CAPITALAND CHINA TRUST
2021 HALF YEAR UNAUDITED FINANCIAL STATEMENTS & DISTRIBUTION ANNOUNCEMENT

3(ii) Breakdown of Net Property Income – Actual

| | 1H 2021 | 1H 2020 | % | 1H 2021 | 1H 2020 | % |
|--|----------------|----------------|--------------|----------------|---------------|--------------|
| | RMB'000 | RMB'000 | Change | S\$'000 | S\$'000 | Change |
| Multi-Tenanted Malls | | | | | | |
| CapitaMall Xizhimen | 94,823 | 90,358 | 4.9 | 19,482 | 17,952 | 8.5 |
| Rock Square ¹ | 58,864 | - | 100.0 | 12,094 | - | 100.0 |
| CapitaMall Wangjing | 69,423 | 73,034 | (4.9) | 14,264 | 14,510 | (1.7) |
| CapitaMall Grand Canyon | 29,279 | 32,825 | (10.8) | 6,016 | 6,521 | (7.7) |
| CapitaMall Xuefu | 55,983 | 23,329 | N.M. | 11,495 | 4,635 | N.M. |
| CapitaMall Xinnan | 39,466 | 38,952 | 1.3 | 8,109 | 7,739 | 4.8 |
| CapitaMall Nuohemule | 17,088 | - | 100.0 | 3,518 | - | 100.0 |
| CapitaMall Yuhuating | 21,190 | 19,967 | 6.1 | 4,354 | 3,967 | 9.8 |
| CapitaMall Aidemengdun | 6,701 | 4,546 | 47.4 | 1,376 | 903 | 52.4 |
| CapitaMall Qibao ² | 25,226 | 19,514 | 29.3 | 5,183 | 3,877 | 33.7 |
| Total multi-tenanted malls | 418,043 | 302,525 | 38.2 | 85,891 | 60,104 | 42.9 |
| CapitaMall Shuangjing ³ | 16,852 | 18,320 | (8.0) | 3,462 | 3,640 | (4.9) |
| Divested Malls | | | | | | |
| CapitaMall Erqi ⁷ | - | (1,260) | (100.0) | - | (249) | (100.0) |
| CapitaMall Minzhongleyuan ⁴ | - | (2,203) | (100.0) | - | (439) | (100.0) |
| CapitaMall Saihan ⁵ | (464) | 11,190 | N.M. | (95) | 2,222 | N.M. |
| Total Net Property Income - Retail | 434,431 | 328,572 | 32.2 | 89,258 | 65,278 | 36.7 |
| Business Parks⁶ | | | | | | |
| Ascendas Xinsu Portfolio | 74,928 | - | 100.0 | 15,394 | - | 100.0 |
| Ascendas Innovation Towers | 17,675 | - | 100.0 | 3,632 | - | 100.0 |
| Ascendas Innovation Hub | 8,166 | - | 100.0 | 1,678 | - | 100.0 |
| Singapore-Hangzhou Science & Technology Park (Phase I) | 22,000 | - | 100.0 | 4,520 | - | 100.0 |
| Singapore-Hangzhou Science & Technology Park (Phase II) | 28,521 | - | 100.0 | 5,860 | - | 100.0 |
| Total Net Property Income – Business Parks | 151,290 | - | 100.0 | 31,084 | - | 100.0 |
| Total Net Property Income (Retail and Business Parks) | 585,721 | 328,572 | 78.3 | 120,342 | 65,278 | 84.4 |

N.M. – not meaningful

Footnotes:

- Includes 100% interest contribution from Rock Square in 1H 2021.*
- Includes the impact of FRS 116, where lease expenses associated with the operating leases have been replaced with net changes in fair value of investment properties and interest expense on lease liabilities.*
- CapitaMall Shuangjing is a master-leased mall.*
- The mall was divested on 10 February 2021.*
- The mall was divested on 7 June 2021.*
- Includes contributions from Ascendas Xinsu Portfolio, Ascendas Innovation Towers, Ascendas Innovation Hub and Singapore-Hangzhou Science & Technology Park Phase I and Phase II which were acquired on 4 January 2021, 10 February 2021, 26 February 2021 and 18 June 2021 respectively.*
- No contribution from CapitaMall Erqi was recorded in 1H 2020 due to the pre-termination by its anchor tenant in FY 2019. The mall was divested with effect from 1 June 2020.*

CAPITALAND CHINA TRUST
2021 HALF YEAR UNAUDITED FINANCIAL STATEMENTS & DISTRIBUTION ANNOUNCEMENT

1H 2021 vs 1H 2020

In RMB terms, gross revenue in 1H 2021 increased by RMB350.0 million, or 68.5% higher than 1H 2020. The increase was attributable to the following:

- (a) maiden contribution from the completion of the five business parks (Ascendas Xinsu Portfolio, Ascendas Innovation Towers, Ascendas Innovation Hub, Singapore-Hangzhou Science & Technology Park Phase I and Phase II), as well as consolidation of 100% stake in Rock Square;
- (b) full contribution from CapitaMall Nuohemule which officially opened in December 2020; and
- (c) lower revenue in 1H 2020 arising from higher rental relief and lease restructuring that were extended to tenants to tide through COVID-19.

The increase in gross revenue was partially offset by the absence of contribution from CapitaMall Saihan and CapitaMall Minzhongleyuan following their divestments.

In SGD terms, gross revenue in 1H 2021 increased by \$75.4 million, or 74.2%.

Property expenses for 1H 2021 increased by \$20.3 million, or 56.0% compared to 1H 2020. This was mainly due to the inclusion of expenses of the 5 business parks and 100% stake in Rock Square, as well as higher operating expenses for CapitaMall Nuohemule which started operation this year. The increase was partially offset by savings in expenses from CapitaMall Saihan, CapitaMall Minzhongleyuan and CapitaMall Erqi which were divested.

Management fees payable to the manager were \$2.4 million higher than 1H 2020 mainly due to higher deposited properties and net property income after the acquisition of the 5 business parks and remaining 49% stake in Rock Square.

Finance costs in 1H 2021 was \$2.3 million higher than 1H 2020. This was mainly due to increase in interest-bearing borrowings drawn down to fund the business park acquisitions and consolidation of the onshore RMB-denominated loans upon completion of the business parks acquisition and acquisition of 49% stake in Rock Square.

Share of results (net of tax) from joint venture in 1H 2020 relates to the contribution from 51% stake in Rock Square. As the acquisition of the balance 49% interest was completed on 30 December 2020, no share of result (net of tax) from joint venture have been accounted for 1H 2021.

Taxation in 1H 2021 increased by \$5.2 million as compared to 1H 2020 mainly due to the inclusion of the five business parks, partially offset by the higher withholding tax paid for the divestment of CapitaMall Erqi in 1H 2020.

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

CLCT has not disclosed any forecast to the market.

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

China reported a GDP growth of 12.7% for 1H 2021 as the country continues to rebound from the impact of the coronavirus pandemic last year. Total retail sales of consumer goods increased 23.0% for 1H 2021 while the Purchasing Managers Index (PMI) came in at 50.9 for June 2021¹. With the increase in vaccination rate as well as the push towards technological self-reliance and higher domestic consumption in China, further normalisation of economy activity is expected, which will lead to the expansion of consumer demand and business investments

Retail

Beijing Market Update

For 1H 2021, Beijing's GDP grew 13.4% year-on-year while retail sales continue to pick up, increasing 21.0% year-on-year². Three new projects were launched in 2Q 2021, pushing the total shopping mall space to 10.2 million sq m. In 2Q 2021, the city's vacancy rate came in at 6.9%, down 2.8 percentage points year-on-year. Citywide shopping mall first-floor rents reached RMB849.9 per sq m per month in 2Q 2021, with the rental index increasing 1.8% quarter-on-quarter and 2.0% year-on-year. In celebration of Labour Day and Dragon Boat Festival holidays, major shopping malls held sales promotions to boost consumption, stimulating the recovery of Beijing's retail market³.

An estimated 576,000 sq m of new retail space, mostly located in the suburban areas, is expected to enter the market in 2H 2021. The Beijing's 14th Five-Year Plan has earmarked retail as an area of development. With supporting policies and guidelines to encourage consumption, the local government will continue to look into enriching the retail market overall quality and consumer engagement⁴.

Shanghai Market Update

For 1H 2021, Shanghai's GDP increased 12.7% year-on-year, while retail sales rose 30.3% year-on-year⁵. Four new projects were opened in the second quarter of 2021, bringing the total stock within the Outer Ring Road to 14 million sq m. Vacancy for shopping malls dropped 0.4 percentage points in 2Q 2021 to 9.2%, down 2.5 percentage points year-on-year. Consequently, first-floor rents recorded 0.3% growth in 2Q 2021 to RMB789 per sq m per month. Service brands dominated 39% of newly leased space in 1H 2021, an increase of 13 percentage points year-on-year, with strong demand coming in from leisure and entertainment tenants. To attract younger consumers, malls are increasing their offer of experiential tenants and brands to set themselves apart.

For the rest of the year, 12 projects are expected to be launched, adding 1.3 million sq m of new supply to the market⁶. As Shanghai continues to invest in its transport infrastructure and the "Five New Towns" urban plan, new retail projects are expected to be developed in the non-prime areas and suburbs that will constrain the city's future overall rental growth⁷.

¹ China National Bureau of Statistics

² Shanghai Bureau of Statistics

³ Savills, Beijing Retail, Beijing April 2021

⁴ Cushman & Wakefield, Beijing Retail 2Q 2021

⁵ Beijing Bureau of Statistics

⁶ Savills, Shanghai Retail, Shanghai April 2021

⁷ Cushman & Wakefield, Shanghai Retail 2Q 2021

Guangzhou Market Update

Guangzhou recorded a GDP growth of 13.7% year-on-year in 1H 2021. Retail sales for the first six months of 2021 increased 19.0% year-on-year⁸. In 2Q 2021, 234,000 sq m of supply came into the market, bringing the city's prime retail stock up to 4.7 million sq m. As leasing demand from a wide range of retailers gradually picked up, overall vacancy rate fell by 1.0 percentage points quarter-on-quarter to 4.5% while overall average rent rose 1.7% quarter-on-quarter to reach RMB722.7 sq m per month. Leasing demand came mainly from the F&B, leisure and entertainment, jewellery and electronics sectors.

Around 399,000 sq m of retail supply is scheduled to come onstream later this year, with more than half of the new supply expected to be in the non-core submarkets. While the city saw a re-emergence of COVID-19 in 2Q, market confidence remains strong with the prompt roll out of pandemic prevention measures⁹.

Chengdu Market Update

Chengdu's 1H 2021 GDP rose 13.1% year-on-year. Retail sales for the city increased 24.0% year-on-year for January to June 2020¹⁰. Chengdu's total shopping mall stock increased to 6.6 million sq m with the entry of a 144,000 sq m shopping mall in 1Q 2021. With only small-scale tenant adjustments made in the first quarter of the year, citywide shopping mall first-floor rents remained at RMB424.6 per sq m per month. Average vacancy rate decreased 0.5 percentage points quarter-on-quarter to 8.8% for 1Q 2021, making it the third quarter-on-quarter fall since the emergence of COVID-19. The retail market remains attractive to both local and international renowned brands, with most of the opening coming from the sports fashion and toy sectors.

Chengdu's retail market supply is estimated to reach approximately 500,000 sq m by the end of this year. With fewer upcoming supply in the next few years, citywide vacancy is expected to decline steadily¹¹.

Business Parks

Suzhou Market Update

In 1H 2021, Suzhou's GDP increased 14.0% year-on-year. Within the Suzhou Industrial Park (SIP) submarket, 1 new 12,000 sq m manufacturing project was completed in 2Q 2021. While the pandemic affected some businesses and thus the net absorption in 2020, the demand for space has increased steadily with the roll out of the vaccines. In 2Q 2021, vacancy decreased to 12.8% while the average rent increased quarter-on-quarter to RMB44.6 per sq m per month. SIP is expected to see 124,392 sq m of new supply in 2021.

The establishment of Suzhou Free Trade Zone in September 2019 is expected to promote the level and quality of industrial development. Industrial agglomeration is expected to improve in SIP, which will accelerate the region's development. New generation of IT such as AI, big data, may benefit from the promotion of new infrastructure construction¹².

⁸ Guangzhou Bureau of Statistics

⁹ Cushman & Wakefield, Guangzhou Retail 2Q 2021

¹⁰ Chengdu Bureau of Statistics

¹¹ Savills, Market in Minutes, Chengdu, Apr 2021

¹² Colliers, Suzhou Standard Workshop and Business Park Market Overview 2Q 2021

Xi'an Market Update

Xi'an's GDP grew 7.8% year-on-year for 1H 2021. In 2Q 2021, a new project was launched within the Xi'an High-Tech Industry Development Zone (XHTZ) submarket with a net office area of 94,357 sq m, bringing the total supply in the submarket to 2.6 million sq m. XHTZ's vacancy rate rose slightly to 22.8% for 2Q 2021, while average rents increased to RMB53.4 per sq m per month. The main demand for the quarter came from the technology sector. Another 103,075 sq m of new supply is expected to come onstream later in the year.

The government continues to be one of the major developers in XHTZ submarket. In addition to issuing preferential policies to support the development of the hard technology industry, XHTZ government is also constantly strengthening the infrastructure construction and improving the conditions of regional roads and public transport to increase the accessibility of the area¹³.

Hangzhou Market Update

In 1Q 2021, Hangzhou's GDP increased 18.3% year-on-year. As there were no new projects launched in the Hangzhou Economic and Technological Development Area (HEDA) submarket this quarter, total stock in the submarket remained at 2.0 million sq m. As a result, HEDA's vacancy rate decreased to 20.0% while the average rent increased to RMB54.9 per sq m per month as of the end of 2Q 2021. Demand for space within the HEDA submarket came mainly from the biomedical and technology sectors. New supply of 574,423 sq m is expected to enter the market in 2H 2021.

Metro Line 1 phase III has begun operating in December 2020, connecting HEDA with Xiaoshan International Airport while Metro line 8 is currently under construction and is expected to complete before 2022 Asian Games. The improvement of transportation may encourage the industrial linkage between different industrial area and promote the growth of the business park¹⁴.

¹³ Colliers, Xi'An Business Park Market Overview 2Q 2021

¹⁴ Colliers, Hangzhou Business Park Market Overview 2Q 2021

**CAPITALAND CHINA TRUST
2021 HALF YEAR UNAUDITED FINANCIAL STATEMENTS & DISTRIBUTION ANNOUNCEMENT**

6 Distribution

6(a) Current Financial Period

| | |
|---|--|
| Any distribution declared for the current financial period? | Yes. |
| Name of distribution | : Distribution for 1 January 2021 to 30 June 2021 |
| Distribution type | : Tax exempt income distribution |
| Distribution rate | : 4.23 cents per Unit |
| Par value of Units | : Not meaningful |
| Tax rate | : Tax exempt income distribution is exempt from Singapore income tax in the hands of all Unitholders. No tax will be deducted from such distribution. |
| Remark | : The tax exempt income distribution from 1 January 2021 to 30 June 2021 is expected to be funded from borrowing at the Trust level as well as internal cash flow from operations. |

6(b) Corresponding period of the preceding financial period

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

| | |
|----------------------|---|
| Name of distribution | : Distribution for 1 January 2020 to 30 June 2020 |
| Distribution type | : Tax exempt income distribution |
| Distribution rate | : 3.02 cents per Unit |
| Par value of Units | : Not meaningful |
| Date payable | : 27 September 2021 |
| Record date | : 6 August 2021 |

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

Not applicable.

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

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

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

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

CAPITALAND CHINA TRUST
2021 HALF YEAR UNAUDITED FINANCIAL STATEMENTS & DISTRIBUTION ANNOUNCEMENT

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

To the best of our knowledge, nothing has come to the attention of the Board of Directors of the Manager which may render the unaudited interim financial statements of the Group and Trust (comprising the statement of financial position as at 30 June 2021, statement of total return and distribution statement, statement of cash flow and statement of movements in Unitholders' funds for the six months ended on that date), together with their accompanying notes, to be false or misleading, in any material respect.

On behalf of the Board of the Manager

Mr Lim Cho Pin Andrew Geoffrey
Director

Mr Tan Tze Woi
Chief Executive Officer / Director

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

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

Chuo Cher Shing
Company Secretary
29 July 2021