
**CAPITALAND CHINA TRUST
UNAUDITED FINANCIAL STATEMENTS AND DISTRIBUTION ANNOUNCEMENT
FOR THE YEAR ENDED 31 DECEMBER 2021**

INTRODUCTION

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

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

CLCT completed the acquisitions of five business parks in 2021, 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 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. During the year, CLCT also completed the acquisition of four logistics parks, with 100% interest in Kunshan Bacheng Logistics Park, Wuhan Yangluo Logistics Park, Chengdu Shuangliu Logistics Park and Shanghai Fengxian Logistics Park on 10 November 2021.

Divestments of the interest in CapitaMall Minzhongleyuan and CapitaMall Saihan were completed on 10 February 2021 and 7 June 2021 respectively.

As at 31 December 2021, CLCT owns and invests in a portfolio of 11 retail malls, 5 business parks and 4 logistics parks located in 12 cities in China.

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

**CAPITALAND CHINA TRUST
UNAUDITED FINANCIAL STATEMENTS & DISTRIBUTION ANNOUNCEMENT FOR THE YEAR ENDED
31 DECEMBER 2021**

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CapitaLand China Trust and its Subsidiaries

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

Condensed Interim Financial Statements
For the six-month period and year ended 31 December 2021

CapitaLand China Trust and its Subsidiaries
Condensed Interim Financial Statements
For the six-month period and year ended 31 December 2021

1(a) Condensed Interim Statements of Financial Position
As at 31 December 2021

	Note	Group		Trust	
		31 December 2021 \$'000	31 December 2020 \$'000	31 December 2021 \$'000	31 December 2020 \$'000
Non-current assets					
Investment properties	3	5,249,617	3,726,433	-	-
Plant and equipment		3,749	2,394	-	-
Subsidiaries		-	-	2,946,142	2,208,738
Financial derivatives		5,735	-	5,735	-
Other receivables		1,365	1,266	-	-
		<u>5,260,466</u>	<u>3,730,093</u>	<u>2,951,877</u>	<u>2,208,738</u>
Current assets					
Non-trade amounts due from subsidiaries		-	-	2,247	2,216
Financial derivatives		7	1	7	1
Trade and other receivables		26,567	148,353	329	93,187
Cash and cash equivalents		288,860	208,440	15,994	858
		<u>315,434</u>	<u>356,794</u>	<u>18,577</u>	<u>96,262</u>
Assets held for sale		-	223,370	-	-
		<u>315,434</u>	<u>580,164</u>	<u>18,577</u>	<u>96,262</u>
Total assets		<u>5,575,900</u>	<u>4,310,257</u>	<u>2,970,454</u>	<u>2,305,000</u>
Current liabilities					
Trade and other payables		149,996	177,704	60,830	22,619
Security deposits		51,352	36,893	-	-
Financial derivatives		821	2,193	821	2,193
Interest-bearing borrowings	4	215,001	155,560	179,953	145,359
Lease liabilities		5,147	4,091	-	-
Provision for taxation		7,716	7,066	10	23
		<u>430,033</u>	<u>383,507</u>	<u>241,614</u>	<u>170,194</u>
Liabilities held for sale		-	32,161	-	-
		<u>430,033</u>	<u>415,668</u>	<u>241,614</u>	<u>170,194</u>
Non-current liabilities					
Financial derivatives		2,820	16,134	2,820	16,134
Other payables		24,131	85	-	-
Security deposits		66,035	37,806	-	-
Interest-bearing borrowings	4	1,774,520	1,200,374	1,416,154	1,046,380
Lease liabilities		5,505	10,631	-	-
Deferred tax liabilities		318,493	284,705	-	-
		<u>2,191,504</u>	<u>1,549,735</u>	<u>1,418,974</u>	<u>1,062,514</u>
Total liabilities		<u>2,621,537</u>	<u>1,965,403</u>	<u>1,660,588</u>	<u>1,232,708</u>
Net assets		<u>2,954,363</u>	<u>2,344,854</u>	<u>1,309,866</u>	<u>1,072,292</u>
Represented by:					
Unitholders' funds		2,588,199	2,245,244	1,210,256	972,682
Perpetual securities holders		99,610	99,610	99,610	99,610
Non-controlling interests		266,554	-	-	-
		<u>2,954,363</u>	<u>2,344,854</u>	<u>1,309,866</u>	<u>1,072,292</u>
Units in issue ('000)	5	<u>1,659,528</u>	<u>1,506,433</u>	<u>1,659,528</u>	<u>1,506,433</u>
Net asset value per Unit attributable to Unitholders (\$)	6	<u>1.56</u>	<u>1.49</u>	<u>0.73</u>	<u>0.65</u>

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

1(b)(i) Condensed Interim Consolidated Statements of Total Return
Six-month period and year ended 31 December 2021

	Note	Group			
		Six-month period ended		Year ended	
		31 December		31 December	
		2021	2020	2021	2020
		\$'000	\$'000	\$'000	\$'000
Gross rental income		184,621	100,404	348,569	194,771
Other income		16,454	8,604	29,398	15,754
Gross revenue		201,075	109,008	377,967	210,525
Property related tax		(17,093)	(8,930)	(32,927)	(18,571)
Business tax		(1,137)	(479)	(2,143)	(1,025)
Property management fees and reimbursables		(12,732)	(6,722)	(24,067)	(14,561)
Other property operating expenses		(40,028)	(22,959)	(68,403)	(41,172)
Total property operating expenses		(70,990)	(39,090)	(127,540)	(75,329)
Net property income		130,085	69,918	250,427	135,196
Manager's management fees	7	(10,846)	(7,816)	(20,938)	(15,532)
Trustee's fees		(350)	(292)	(677)	(584)
Audit fees		(316)	(159)	(582)	(399)
Valuation fees		(69)	41	(136)	(65)
Other operating income/(expenses)		1,600	(516)	808	(905)
Foreign exchange gain/(loss) - realised		(697)	(482)	1,307	1,657
Finance income		2,328	3,730	3,941	7,194
Finance costs		(25,617)	(17,361)	(48,118)	(37,557)
Net finance costs	8	(23,289)	(13,631)	(44,177)	(30,363)
Net income before share of results of joint venture		96,118	47,063	186,032	89,005
Share of results (net of tax) of joint venture		-	334	-	3,698
Net income		96,118	47,397	186,032	92,703
Gain/(loss) on disposal of subsidiaries		(164)	-	13,164	34,708
Change in fair value of investment properties	3	(10,220)	(99,000)	(10,220)	(99,057)
Change in fair value of financial derivatives		51	(802)	1,230	(1,786)
Foreign exchange gain/(loss) - unrealised		141	2,150	(612)	1,769
Total return for the period/year before taxation		85,926	(50,255)	189,594	28,337
Taxation		(32,788)	(11,588)	(66,792)	(40,366)
Total return for the period/year after taxation		53,138	(61,843)	122,802	(12,029)
Attributable to:					
Unitholders		41,961	(62,453)	103,303	(12,639)
Perpetual securities holders		1,701	610	3,375	610
Non-controlling interests		9,476	-	16,124	-
Total return for the period/year after taxation		53,138	(61,843)	122,802	(12,029)
Earnings per Unit (cents)	9				
- Basic		2.77	(4.84)	6.92	(0.96)
- Diluted		2.76	(4.84)	6.86	(0.96)

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

1(b)(ii) Condensed Interim Distribution Statements
Six-month period and year ended 31 December 2021

	Note	Group			
		Six-month period ended 31 December		Year ended 31 December	
		2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
Amount available for distribution to Unitholders at beginning of the period/year		64,916	37,716	9,582	44,315
Total return for the period/year attributable to Unitholders and perpetual securities holders		43,662	(61,843)	106,678	(12,029)
Less: Total return attributable to perpetual securities holders		(1,701)	(610)	(3,375)	(610)
Distribution adjustments	A	29,484	101,633	32,213	87,117
Income for the period/year available for distribution to Unitholders		<u>71,445</u>	<u>39,180</u>	<u>135,516</u>	<u>74,478</u>
Amount available for distribution to Unitholders		136,361	76,896	145,098	118,793
Distribution to Unitholders during the period/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)	-	(64,259)	-
- Distribution of 2.70 cents per Unit for the period from 1 July 2021 to 20 October 2021		(41,331)	-	(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)	-	(36,931)
- Distribution of 2.75 cents per Unit for the period from 1 July 2020 to 25 November 2020		-	(33,883)	-	(33,883)
		<u>(105,590)</u>	<u>(70,814)</u>	<u>(114,327)</u>	<u>(114,461)</u>
Amount released for general corporate and working capital purposes	B	-	3,500	-	5,250
Amount available for distribution to Unitholders at end of the period/year		30,771	9,582	30,771	9,582
Distribution per Unit ("DPU") (cents)		4.50	3.33	8.73	6.35
Adjusted DPU (cents) ⁽¹⁾		4.50	3.32	8.73	6.33

(1) The figures for six-month period and year ended 31 December 2020 have 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 from an integral part of these condensed interim financial statements.

1(b)(ii) Condensed Interim Distribution statements (cont'd)
Six-month period and year ended 31 December 2021

Note A – Distribution adjustments

	Group			
	Six-month period ended 31 December		Year ended 31 December	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
Distribution adjustment items:				
- (Gain)/loss on disposal of subsidiaries	144	-	(8,232)	(23,814)
- Straight line rental and leasing commission adjustments ⁽¹⁾	1,271	-	2,311	-
- Manager's management fees payable in Units	7,483	3,757	14,292	7,322
- Change in fair value of financial derivatives	(51)	802	(1,230)	1,786
- Change in fair value of investment properties ⁽¹⁾	8,799	99,000	8,799	99,057
- Deferred taxation ⁽¹⁾	12,395	(211)	21,130	7,213
- Transfer to general reserve ⁽¹⁾	(3,308)	(2,477)	(6,783)	(5,324)
- Unrealised foreign exchange (gain)/loss ⁽¹⁾	(143)	(2,150)	608	(1,769)
- Other adjustments ⁽¹⁾	2,894	(1,676)	1,318	(3,357)
- Adjustments for share of results (net of tax) of joint venture	-	4,588	-	6,003
Net effect of distribution adjustments	29,484	101,633	32,213	87,117

⁽¹⁾ Excludes non-controlling interest's share

Note B – Distributable amount to Unitholders

For the six-month period ended 31 December 2020, CLCT released \$3.5 million retained in first half of 2020 and FY 2019 from the pre-termination compensation received by CapitaMall Erqi, following the exit of its anchor tenant.

For the year ended 31 December 2020, a total of \$5.3 million was released for general corporate and working capital from the one-off pre-termination compensation received by CapitaMall Erqi.

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

1(b)(iii) Condensed Interim Statements of Movements in Unitholders' Funds
For the year ended 31 December 2021

	Group Year ended 31 December		Trust Year ended 31 December	
	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
Distributions to Unitholders	190,258	358,214	190,258	358,214
Equity issue expenses	(114,327)	(114,461)	(114,327)	(114,461)
	(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 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 at end of the year	99,610	99,610	99,610	99,610
Total	2,687,809	2,344,854	1,309,866	1,072,292

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

1(c) Portfolio Statement
As at 31 December 2021

Description of leasehold property	Location	Term of lease (years)	Remaining term of lease (years)	Valuation		Valuation		Percentage of Unitholders' funds	
				2021 RMB'000	2020 RMB'000	2021 \$'000	2020 \$'000	2021 %	2020 %
Group									
<u>Retail Malls</u>									
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 from an integral part of these condensed interim financial statements.

1(c) Portfolio Statement (cont'd)
As at 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									
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 Tian Gu 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 Gao Xin 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	-
				<u>23,045,000</u>	<u>18,193,000</u>	<u>4,880,240</u>	<u>3,711,736</u>	<u>188.5</u>	<u>165.3</u>

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

1(c) Portfolio Statement (cont'd)
As at 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									
Balance brought forward				23,045,000	18,193,000	4,880,240	3,711,736	188.5	165.3
<u>Logistics Parks</u>									
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 3)				24,739,000	18,193,000	5,238,978	3,711,736	202.3	165.3
<u>Divested Assets</u>									
<u>Retail Malls</u>									
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
				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

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

- (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 from an integral part of these condensed interim financial statements.

CapitaLand China Trust and its Subsidiaries
Condensed Interim Financial Statements
For the six-month period and year ended 31 December 2021

1(d) Condensed Interim Consolidated Statement of Cash Flows
For the year ended 31 December 2021

	Note	Group Year ended 31 December 2021 \$'000	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(i)	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	A(ii)	(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 properties		(15,996)	-
Deposit paid for acquisition of subsidiaries		-	(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		288,860	208,440

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

1(d) Condensed Interim Consolidated statement of cash flows (cont'd)
For the year ended 31 December 2021

Notes:

(A) Significant non-cash and other transactions

- (i) \$14.3 million of the Manager's management fees (performance and partial base fees) in 2021 will be paid through the issuance of new Units subsequent to the year end.
- \$7.3 million of the Manager's management fees (performance and partial base fees) in 2020 was paid through the issuance of 5,359,744 new Units in March 2021.
- (ii) The Group enhanced its investment properties during the year, of which \$26.5 million (31 December 2020: \$26.7 million) was paid.

(B) Net cash outflow on the acquisition of subsidiaries

Net cash outflow on acquisition of subsidiaries is provided below:

	Year ended 31 December	
	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	(24,834)	(109,837)
Security deposits	(30,964)	(9,279)
Interest-bearing borrowings	(249,628)	(83,532)
Shareholder loan	(151,083)	-
Provision for taxation	(2,286)	-
Net identifiable assets and liabilities acquired	953,688	564,484
Net identifiable assets and liabilities based on percentage acquired	713,516	276,597
Add: Shareholder's loan and interest payable novated	97,036	17
Total consideration payable	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

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

1(d) Condensed Interim Consolidated statement of cash flows (cont'd)
For the year ended 31 December 2021

(C) Net cash inflow on the divestment of subsidiaries

Net cash inflow on divestment of subsidiaries are provided below:

	Group Year ended 31 December	
	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
Percentage shareholdings	100%	100%
Net assets based on percentage shareholdings	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

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

1(e) Notes to the Condensed Interim Financial Statements

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

These Condensed Interim Financial Statements as at and for the six-month period and year ended 31 December 2021 relate to CLCT and its subsidiaries (the "Group").

1. General

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

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

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

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

(a) Trustee's fees

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

(b) Manager's management fees

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

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

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

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

(c) Property management fees

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

Retail:

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

Business 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 (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.

(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.

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

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

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

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

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

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

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

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

(b) New standards and amendments

The Group 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 do not have any material impact on the Group's Condensed Interim Financial Statements.

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

3. Investment properties

	Group	
	31 December 2021	31 December 2020
	\$'000	\$'000
At 1 January	3,726,433	3,166,006
Reclassified to assets held for sale	-	(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 (31 December 2020: \$4.6 million).

Security

At 31 December 2021, investment properties of the Group with carrying amounts of \$1,813.0 million (31 December 2020: \$1,058.4 million) are pledged as security to secure bank loans (see Note 4).

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.

	31 December 2021	31 December 2020
	\$'000	\$'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

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 a risk adjusted discount rates to arrive at the market value.

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

3. Investment properties (cont'd)

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.

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	<ul style="list-style-type: none"> ● Capitalisation rates (from 4.00% to 7.00%) (31 December 2020: from 4.00% to 7.00%) 	The fair value increases as capitalisation rates decrease.
Discounted cash flows approach	<ul style="list-style-type: none"> ● Discount rates (from 7.00% to 10.50%) (31 December 2020: from 6.75% to 9.50%) ● Terminal rates (from 4.80% to 7.25%) (31 December 2020: from 4.75% to 6.75%) 	The fair value increases as discount rates and terminal rates decrease.

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

4. Aggregate amount of borrowings and debt securities

	Group		Trust	
	31 December 2021 \$'000	31 December 2020 \$'000	31 December 2021 \$'000	31 December 2020 \$'000
Unsecured borrowings				
- Amount repayable within one year	180,000	145,500	180,000	145,500
- Amount repayable after one year	1,420,000	1,050,000	1,420,000	1,050,000
Secured borrowings ⁽¹⁾				
- Amount repayable within one year	35,048	10,201	-	-
- Amount repayable after one year	358,366	153,994	-	-
	1,993,414	1,359,695	1,600,000	1,195,500
Less: Unamortised transaction 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

⁽¹⁾ CapitaMall Xuefu, Rock Square, Ascendas Innovation Towers, Singapore-Hangzhou Science & Technology Park Phase I and Phase II and Kunshan Bacheng Logistics Park, Wuhan Yangluo Logistics Park and Chengdu Shuangliu Logistics Park were acquired with a legal mortgage and an assignment of the properties' insurance policies in favour of the lender over the properties as at 31 December 2021. (see note 3)

5. Units in issue

	Group and Trust			
	Six-month period ended 31 December		Year ended 31 December	
	2021	2020	2021	2020
	Number of Units	Number of Units	Number of Units	Number of Units
Balance as at beginning of year	1,511,793,159	1,222,871,665	1,506,433,415	1,209,067,206
New Units issued:				
- Units in connection with private placement exercise	128,756,000	205,331,000	128,756,000	205,331,000
- Units in connection with preferential offering exercise	-	68,997,855	-	68,997,855
- As payment of distribution through reinvestment plan	11,645,817	9,232,895	11,645,817	18,325,770
- As payment of manager's acquisition fee	7,332,674	-	7,332,674	-
- As payment of Manager's management fees	-	-	5,359,744	4,711,584
Total issued Units as at 31 December	1,659,527,650	1,506,433,415	1,659,527,650	1,506,433,415
New Units to be issued:				
- as payment of Manager's management fees	7,171,811	2,389,921	12,106,981	5,359,744
Total issued and issuable Units as at 31 December	1,666,699,461	1,508,823,336	1,671,634,631	1,511,793,159

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

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

	Group		Trust	
	2021	2020	2021	2020
NAV/NTA per Unit ⁽¹⁾	1.56	1.49	0.73	0.65
Adjusted NAV/NTA per Unit (excluding distributable income)	1.54	1.48	0.71	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 year.

7. Manager’s management fees

Manager’s management fees comprise base fee of \$12.0 million (31 December 2020: \$9.8 million) and performance fee of \$9.0 million (31 December 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 \$9.0 million (31 December 2020: \$5.7 million) and base fee amounting to \$5.3 million (31 December 2020: \$1.6 million) will be paid through the issue of 12,106,981 (31 December 2020: 5,359,744) new Units subsequent to the year end.

8. Finance income and finance costs

	Group			
	Six-month period ended		Year ended	
	31 December		31 December	
	2021	2020	2021	2020
	\$'000	\$'000	\$'000	\$'000
Interest income:				
- financial institutions	2,328	1,792	3,941	3,263
- joint venture	-	1,938	-	3,931
Finance income	<u>2,328</u>	<u>3,730</u>	<u>3,941</u>	<u>7,194</u>
Interest expenses:				
- financial institutions	(20,392)	(10,910)	(37,665)	(28,082)
- related parties	(869)	-	(910)	-
	<u>(21,261)</u>	<u>(10,910)</u>	<u>(38,575)</u>	<u>(28,082)</u>
Cash flow hedges – losses reclassified from hedging reserve	(4,041)	(5,689)	(8,858)	(7,900)
Finance lease expenses	(315)	(762)	(685)	(1,575)
Finance costs	<u>(25,617)</u>	<u>(17,361)</u>	<u>(48,118)</u>	<u>(37,557)</u>
Net finance costs recognised in statement of total return	<u>(23,289)</u>	<u>(13,631)</u>	<u>(44,177)</u>	<u>(30,363)</u>

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

9. Earnings per Unit

Basic earnings per Unit

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

	Group			
	Six-month period ended		Year ended	
	31 December		31 December	
	2021	2020	2021	2020
	\$'000	\$'000	\$'000	\$'000
Total return for the period/year after taxation before distribution	43,662	(61,843)	106,678	(12,029)
Less: Total return attributable to perpetual securities holders	(1,701)	(610)	(3,375)	(610)
Total return attributable to Unitholders	<u>41,961</u>	<u>(62,453)</u>	<u>103,303</u>	<u>(12,639)</u>

	Trust	
	Number of Units	
	2021	2020
	'000	'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	<u>1,542,572</u>	<u>1,250,084</u>

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 year, adjusted for the effects of all dilutive potential Units.

	Trust	
	Number of Units	
	2021	2020
	'000	'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	<u>1,554,646</u>	<u>1,250,084</u>

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

10. Segment information

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 Maker ("CODM") reviews 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.

CapitaLand China Trust and its Subsidiaries
Condensed Interim Financial Statements
For the six-month period and year ended 31 December 2021

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

10. Segment information (cont'd)

	Retail Malls \$'000	Business Parks \$'000	Logistics Parks \$'000	Group \$'000
2021				
External revenues:				
Gross rental income	255,213	90,758	2,598	348,569
Others	23,263	6,100	35	29,398
Gross revenue	278,476	96,858	2,633	377,967
Segment net property income	179,727	68,844	1,856	250,427
Finance income	2,571	1,321	42	3,934
Finance costs	(8,024)	(8,033)	(556)	(16,613)
Reportable segments total return before taxation	148,408	80,405	(1,842)	226,971
Segment assets	4,040,250	1,130,935	382,169	5,553,354
Segment liabilities	648,148	257,055	80,725	985,928
Other segment items:				
Depreciation and amortisation	(977)	(374)	(17)	(1,368)
Write-back/(Impairment losses) on trade receivables, net	(174)	15	-	(159)
Net change in fair value of investment properties and Right-of-Use assets	(25,575)	18,520	(3,165)	(10,220)
Capital expenditure	(16,929)	(3,028)	28	19,929

	Group Retail Malls \$'000
2020	
External revenues:	
Gross rental income	194,771
Others	15,754
Gross revenue	210,525
Segment net property income	135,196
Finance income	7,177
Finance costs	(5,122)
Share of results (net of tax) of joint venture	3,698
Reportable segments total return before taxation	43,453
Segment assets	3,992,501
Segment liabilities	690,695
Other segment items:	
Depreciation and amortisation	(897)
Write-back/(Impairment losses) on trade receivables, net	(357)
Net change in fair value of investment properties and Right-of-Use assets	(99,057)
Capital expenditure	(38,098)

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

10. Segment information (cont'd)

Reconciliations of reportable segment revenue, total return, assets and liabilities and other material items

	2021	2020
	\$'000	\$'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	Unallocated amounts	Consolidated totals
	\$'000	\$'000	\$'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.

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

11. Financial ratios

	Group	
	Year ended	
	31 December	
	2021	2020
	%	%
Expenses to weighted average net assets ⁽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⁾	6.7	7.7

⁽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	
	Year ended	
	31 December	
	2021	2020
Aggregate leverage (%) ⁽¹⁾	37.7	31.8
Interest coverage (times) ⁽²⁾	4.9	3.9

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

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

Other information required by Listing Rule Appendix 7.2

CAPITALAND CHINA TRUST
UNAUDITED FINANCIAL STATEMENTS & DISTRIBUTION ANNOUNCEMENT FOR THE YEAR ENDED 31
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2. Summary of CLCT Results

The Condensed Interim Financial Statements of CapitaLand China Trust and its subsidiaries as at 31 December 2021 (the "Group"), which comprise the Statements of Financial Position of the Group and the Trust and Portfolio Statement of the Group as at 31 December 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 year ended and certain explanatory notes have not been audited or reviewed.

	1 July to 31 December 2021 ("2H 2021")^{1,2}	1 July to 31 December 2020 ("2H 2020")	FY 2021^{1,2}	FY 2020
	Actual S\$'000	Actual S\$'000	Actual S\$'000	Actual S\$'000
Gross Revenue ^{3,4}	201,075	109,008	377,967	210,525
Net Property Income ³	130,085	69,918	250,427	135,196
Income available for distribution to Unitholders	71,445	39,180	135,516	74,478
Distributable amount to Unitholders ⁵	71,445	42,680	135,516	79,728

Distribution Per Unit ("DPU") (cents)				
For the period/year	4.50	3.33	8.73	6.35

	2H 2021^{1,2}	2H 2020	FY 2021^{1,2}	FY 2020
	Actual RMB'000	Actual RMB'000	Actual RMB'000	Actual RMB'000
Gross Revenue ⁴	965,152	545,240	1,826,147	1,056,226
Net Property Income	624,180	349,622	1,209,901	678,194

	1 Jan 2021 to 20 Oct 2021	21 Oct 2021 to 31 Dec 2021	FY 2021
	Actual S\$'000	Actual S\$'000	Actual S\$'000
Gross Revenue	295,718	82,249	377,967
Net Property Income	199,287	51,140	250,427
Distributable amount to Unitholders	105,419	30,097	135,516
Distribution Per Unit ("DPU") (cents)			
For the period/year	6.93	1.80	8.73

Footnotes:

- The financial results in 2H 2021 and FY 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.*
- The financial results in 2H 2021 and FY 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. In addition, it includes contributions from Kunshan Bacheng Logistics Park, Wuhan Yangluo Logistics Park, Chengdu Shuangliu Logistics Park and Shanghai Fengxian Logistics Park from 10 November 2021.*
- Average exchange rate for SGD/RMB.*

2H 2021	2H 2020	Change %	FY 2021	FY 2020	Change %
4.798	5.000	(4.0)	4.831	5.016	(3.7)

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2. Summary of CLCT Results (cont'd)

4. *The financial results include rental relief extended to tenants in view of the COVID-19 situation.*
5. *CLCT released \$1.8 million and \$5.3 million retained in FY 2019 from the one-off pre-termination compensation received by CapitaMall Erqi, following the exit of its anchor tenant in 2H 2020 and FY 2020 respectively. At the same time, \$1.8 million which was retained from the income available for distribution to Unitholders in the first half of 2020 was also released in the distributable amount to Unitholders in 2H 2020.*

DISTRIBUTION & RECORD DATE

Distribution	For 21 October 2021 to 31 December 2021
Distribution type	Tax exempt income distribution
Distribution rate	1.80 cents per Unit
Record date	10 February 2022
Payment date	7 March 2022

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

	Group					
	2H 2021 ¹	2H 2020	Change	FY 2021 ¹	FY 2020	Change
	\$'000	\$'000	%	\$'000	\$'000	%
Gross rental income	184,621	100,404	83.9	348,569	194,771	79.0
Other income ²	16,454	8,604	91.2	29,398	15,754	86.6
Gross revenue³	201,075	109,008	84.5	377,967	210,525	79.5
Property related tax	(17,093)	(8,930)	91.4	(32,927)	(18,571)	77.3
Business tax	(1,137)	(479)	N.M.	(2,143)	(1,025)	N.M.
Property management fees and reimbursables ⁴	(12,732)	(6,722)	89.4	(24,067)	(14,561)	65.3
Other property operating expenses ⁵	(40,028)	(22,959)	74.3	(68,403)	(41,172)	66.1
Total property operating expenses	(70,990)	(39,090)	81.6	(127,540)	(75,329)	69.3
Net property income	130,085	69,918	86.1	250,427	135,196	85.2
Manager's management fees	(10,846)	(7,816)	38.8	(20,938)	(15,532)	34.8
Trustee's fees	(350)	(292)	19.9	(677)	(584)	15.9
Audit fees	(316)	(159)	98.7	(582)	(399)	45.9
Valuation fees	(69)	41	N.M.	(136)	(65)	N.M.
Other operating income/(expenses) ⁷	1,600	(516)	N.M.	808	(905)	N.M.
Foreign exchange gain/(loss) - realised ⁸	(697)	(482)	44.6	1,307	1,657	(21.1)
Finance income ⁹	2,328	3,730	(37.6)	3,941	7,194	(45.2)
Finance costs ¹⁰	(25,617)	(17,361)	47.6	(48,118)	(37,557)	28.1
Net income before share of results of joint venture	96,118	47,063	N.M.	186,032	89,005	N.M.
Share of results (net of tax) of joint venture ¹¹	-	334	N.M.	-	3,698	N.M.
Net income	96,118	47,397	N.M.	186,032	92,703	N.M.
Gain/(loss) on disposal of subsidiaries ¹²	(164)	-	N.M.	13,164	34,708	(62.1)
Change in fair value of investment properties ¹³	(10,220)	(99,000)	(89.7)	(10,220)	(99,057)	(89.7)
Change in fair value of financial derivatives	51	(802)	N.M.	1,230	(1,786)	N.M.
Foreign exchange gain/(loss) - unrealised	141	2,150	(93.4)	(612)	1,769	N.M.
Total return for the period/year before taxation	85,926	(50,255)	N.M.	189,594	28,337	N.M.
Taxation ¹⁴	(32,788)	(11,588)	N.M.	(66,792)	(40,366)	65.5
Total return for the period/year after taxation	53,138	(61,843)	N.M.	122,802	(12,029)	N.M.
Attributable to:						
Unitholders	41,961	(62,453)	N.M.	103,303	(12,639)	N.M.
Perpetual securities holders	1,701	610	N.M.	3,375	610	N.M.
Non-controlling interests ¹⁵	9,476	-	N.M.	16,124	-	N.M.
Total return for the period/year after taxation	53,138	(61,843)	N.M.	122,802	(12,029)	N.M.

N.M. – not meaningful

1. The financial results in 2H 2021 and FY 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. 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. In addition, it includes contributions from Kunshan Bacheng Logistics Park, Wuhan Yangluo Logistics Park, Chengdu Shuangliu Logistics Park and Shanghai Fengxian Logistics Park from 10 November 2021.

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

2. Other income comprises mainly income earned from atrium space, carpark revenue, trolley carts and advertisement panels.
3. Includes rental relief of approximately 0.3 months in FY 2021 and 1.3 months in FY 2020 equivalent of gross rental income respectively, in view of the COVID-19 situation.
4. Includes reimbursement of costs to property manager.
5. Includes items in the table below as part of the other property operating expenses.

	Group					
	2H 2021 S\$'000	2H 2020 S\$'000	Change %	FY 2021 S\$'000	FY 2020 S\$'000	Change %
Depreciation and amortisation	(689)	(447)	54.1	(1,368)	(897)	52.5
Impairment losses on trade receivables, net ⁶	(65)	(67)	(3.0)	(159)	(357)	(55.5)
Plant and equipment written off	(40)	(82)	(51.2)	(40)	(85)	(52.9)

6. Includes provision of impairment losses for tenants with higher credit risk.
7. Includes a one-off compensation of \$1.9 million received from seller in relation to the asset swap of CapitaMall Nuohemule in 2H 2021 and FY 2021. Includes land rental concession of \$0.4 million and \$0.7 million received by CapitaMall Minzhongleyuan in 2H 2020 and FY 2020 respectively.
8. In FY 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 FY 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 FY 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 FY 2021.

For information only:

	2H 2020 S\$'000	FY 2020 S\$'000
Gross revenue	9,526	18,176
Property operating expenses	(3,087)	(5,050)
Net property income	6,439	13,126
Finance income	534	725
Finance costs	(2,007)	(4,049)
Other operating expenses	(489)	(1,961)
Change in fair value of investment property	(4,143)	(4,143)
Share of results (net of tax) of joint venture	334	3,698

12. This relates to the gain/(loss) arising from the disposal of 100% interest in the company which held CapitaMall Saihan and CapitaMall Minzhongleyuan and the disposal of 100% interest in the company which held CapitaMall Erqi in FY 2021 and FY 2020 respectively.
13. Includes fair value changes of Right-of-Use assets.
14. FY 2021 includes withholding tax payment of \$4.9 million relating to the divestment of CapitaMall Saihan, repatriation of dividends from China SPVs and over provision of taxation from prior years of \$1.0 million. FY 2020 includes withholding tax payment of \$10.9 million relating to the divestment of CapitaMall Erqi and under provision of taxation from prior years of \$45,000.
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.

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

	Group					
	2H 2021 S\$'000	2H 2020 S\$'000	Change %	FY 2021 S\$'000	FY 2020 S\$'000	Change %
Total return for the period attributable to Unitholders before distribution	43,662	(61,843)	N.M.	106,678	(12,029)	N.M.
Less: Amount reserved for distribution to perpetual securities holders	(1,701)	(610)	N.M.	(3,375)	(610)	N.M.
Distribution adjustments (Note A)	29,484	101,633	(71.0)	32,213	87,117	(63.0)
Income available for distribution to Unitholders	71,445	39,180	82.4	135,516	74,478	82.0

Distributable amount to Unitholders¹	71,445	42,680	67.4	135,516	79,728	70.0
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Note A						
Distribution adjustments						
- (Gain)/loss on disposal of subsidiaries ²	144	-	N.M.	(8,232)	(23,814)	(65.4)
- Straight line rental and leasing commission adjustments ⁴	1,271	-	N.M.	2,311	-	N.M.
- Manager's management fees payable in Units	7,483	3,757	99.2	14,292	7,322	95.2
- Change in fair value of investment properties ^{4,5}	8,799	99,000	(91.1)	8,799	99,057	(91.1)
- Change in fair value of financial derivatives	(51)	802	N.M.	(1,230)	1,786	N.M.
- Deferred taxation ⁴	12,395	(211)	N.M.	21,130	7,213	N.M.
- Transfer to general reserve ⁴	(3,308)	(2,477)	33.5	(6,783)	(5,324)	27.4
- Unrealised foreign exchange (gain)/loss ⁴	(143)	(2,150)	(93.3)	608	(1,769)	N.M.
- Other adjustments ^{3, 4}	2,894	(1,676)	N.M.	1,318	(3,357)	N.M.
- Adjustments for share of results (net of tax) of joint venture	-	4,588	N.M.	-	6,003	N.M.
Net effect of distribution adjustments	29,484	101,633	(71.0)	32,213	87,117	(63.0)

N.M. – not meaningful

Footnotes:

1. CLCT released \$1.8 million and \$5.3 million retained in FY 2019 from the one-off pre-termination compensation received by CapitaMall Erqi, following the exit of its anchor tenant in 2H 2020 and FY 2020 respectively. At the same time, \$1.8 million which was retained from the income available for distribution to Unitholders in the first half of 2020 was also released in the distributable amount to Unitholders in 2H 2020.
2. This relates to gain arising from the divestments of CapitaMall Saihan, CapitaMall Minzhongleyuan in FY 2021, and CapitaMall Erqi in FY 2020.
3. Includes lease payments for Right-of-Use assets, less interest expense on lease liabilities.
4. Excludes Non-controlling interests (NCI).
5. Includes fair value changes of Right-of-Use assets.

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

	Group		
	31 December 2021	31 December 2020	Change
	\$'000	\$'000	%
Non-current assets			
Investment properties ^{1,2,3}	5,249,617	3,726,433	40.9
Plant and equipment	3,749	2,394	56.6
Financial derivatives	5,735	-	N.M.
Other receivables	1,365	1,266	7.8
	5,260,466	3,730,093	41.0
Current assets			
Financial derivatives ⁴	7	1	N.M.
Trade and other receivables ⁵	26,567	148,353	(82.1)
Cash and cash equivalents ⁶	288,860	208,440	38.6
	315,434	356,794	(11.6)
Assets held for sale ⁷	-	223,370	N.M.
	315,434	580,164	(45.6)
Total assets	5,575,900	4,310,257	29.4
Current liabilities			
Trade and other payables	149,996	177,704	(15.6)
Security deposits	51,352	36,893	39.2
Financial derivatives ⁴	821	2,193	(62.6)
Interest-bearing borrowings ⁸	215,001	155,560	38.2
Lease liabilities ²	5,147	4,091	25.8
Provision for taxation	7,716	7,066	9.2
	430,033	383,507	12.1
Liabilities held for sale ⁷	-	32,161	N.M.
	430,033	415,668	3.5
Non-current liabilities			
Financial derivatives ⁴	2,820	16,134	(82.5)
Other payables ⁹	24,131	85	N.M.
Security deposits	66,035	37,806	74.7
Interest-bearing borrowings ⁸	1,774,520	1,200,374	47.8
Lease liabilities ²	5,505	10,631	(48.2)
Deferred tax liabilities	318,493	284,705	11.9
	2,191,504	1,549,735	41.4
Total liabilities	2,621,537	1,965,403	33.4
Net assets	2,954,363	2,344,854	26.0
Represented by:			
Unitholders' funds	2,588,199	2,245,244	15.3
Perpetual securities holders	99,610	99,610	-
Non-controlling interests ¹⁰	266,554	-	N.M.
	2,954,363	2,344,854	26.0

N.M. – not meaningful

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UNAUDITED FINANCIAL STATEMENTS & DISTRIBUTION ANNOUNCEMENT FOR THE YEAR ENDED 31
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Footnotes:

1. *The increase in investment properties as at 31 December 2021 was mainly due to the consolidation of 5 business parks and 4 logistics parks following the completion of the acquisitions and strengthening of RMB against SGD.*
2. *This includes Right-of-Use assets and lease liabilities of CapitaMall Qibao under FRS 116 Leases.*
3. *Investment properties are measured at their respective fair values at each reporting date. The 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.*
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 31 December 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 as at 31 December 2020.*
6. *The increase in cash and cash equivalents was mainly due to the consolidation of the business parks and logistics parks in FY 2021.*
7. *The assets and liabilities held for sale as at 31 December 2020 relates to CapitaMall Minzhongleyuan and CapitaMall Saihan which were divested in June 2021 and February 2021 respectively.*
8. *The increased in interest-bearing borrowings were mainly due to loans drawn down to finance the acquisitions of the business parks and logistics parks and the consolidation of onshore RMB denominated loans upon completion of the acquisitions in 2021.*
9. *The increased in other payable were mainly due to the inclusion of the entrustment loan payable to NCI in Ascendas Xinsu Portfolio in 2021.*
10. *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.*

3 Review of the Performance

2H 2021 vs 2H 2020

In RMB terms, gross revenue in 2H 2021 increased by RMB419.9 million, or 77.0% higher than 2H 2020. The increase was attributable to the following:

- (a) new contribution from Ascendas Xinsu Portfolio, Ascendas Innovation Towers, Ascendas Innovation Hub, Singapore-Hangzhou Science & Technology Park Phase I and Phase II (“five Business Parks” and new contribution from Kunshan Bacheng, Wuhan Yangluo, Chengdu Shuangliu and Shanghai Fengxian (“4 logistics parks”);
- (b) consolidation of 100% stake in Rock Square; and
- (c) full contribution from CapitaMall Nuohemule which officially opened in December 2020.

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 2H 2021 increased by \$92.1 million, or 84.5%.

Property expenses for 2H 2021 increased by \$31.9 million, or 81.6% compared to 2H 2020. This was mainly due to the inclusion of expenses of the 5 business parks, 4 logistics 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 \$3.0 million higher than 2H 2020 mainly due to higher deposited properties and net property income after the acquisition of the 5 business parks, 4 logistics parks and the remaining 49% stake in Rock Square.

Finance costs in 2H 2021 was \$8.3 million higher than 2H 2020. This was mainly due to increase in interest-bearing borrowings drawn down to fund the business park acquisitions, logistics parks, 49% stake in Rock Square and consolidation of the onshore RMB-denominated loans upon completion of the business parks and logistics parks acquisition.

Share of results (net of tax) from joint venture in 2H 2020 relates to the contribution from the 51% stake in Rock Square. As the acquisition of the balance 49% interest was completed on 30 December 2020, 100% stake in Rock Square have been consolidated in 2021.

Taxation in 2H 2021 increased by \$21.2 million as compared to 2H 2020 mainly due to the inclusion of the five business parks and four logistics parks, and higher provision of deferred tax liabilities from the fair value loss of the portfolio investment properties in 2H 2021.

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FY 2021 vs FY 2020

In RMB terms, gross revenue in FY 2021 increased by RMB769.9 million, or 72.9% higher than FY 2020. The increase was attributable to the following:

- (a) maiden contribution from the completion of the five business parks and four logistics parks;
- (b) consolidation of 100% stake in Rock Square;
- (c) full contribution from CapitaMall Nuohemule which officially opened in December 2020;
- (d) lower revenue in FY 2020 arising from higher rental relief and lease restructuring that were extended to tenants to tide through COVID-19; and
- (e) insurance claim on the closure of CapitaMall Grand Canyon for 19 days in mid 2020.

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 FY 2021 increased by \$167.4 million, or 79.5%.

Property expenses for FY 2021 increased by \$52.2 million, or 69.3% compared to FY 2020. This was mainly due to the inclusion of expenses of the 5 business parks, 4 logistics 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 \$5.4 million higher than FY 2020 mainly due to higher deposited properties and net property income after the acquisition of the 5 business parks, 4 logistics parks and remaining 49% stake in Rock Square.

Finance costs in FY 2021 was \$10.6 million higher than FY 2020. This was mainly due to increase in interest-bearing borrowings drawn down to fund the business park acquisitions, logistics parks acquisition and consolidation of the onshore RMB-denominated loans upon completion of the business parks and logistics park acquisition, as well as acquisition of 49% stake in Rock Square.

Share of results (net of tax) from joint venture in FY 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 FY 2021.

Taxation in FY 2021 increased by \$26.4 million as compared to FY 2020 mainly due to the inclusion of the five business parks and four logistics parks, higher withholding tax incurred in FY 2021 for the repatriation of dividends from retail malls in Beijing and higher provision of deferred tax liabilities from the fair value loss of the portfolio investment properties in FY 2021; partially offset by the higher withholding tax paid for the divestment of CapitaMall Erqi in FY 2020.

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4 Status on the use of proceeds raised from any offerings pursuant to Chapter 8 and whether the use of proceeds is in accordance with the stated use

Cash of \$15.9 million in aggregate was retained from Distribution Reinvestment Plan on 27 September 2021.

Date	Amount retained	Use of proceeds	Amount used
	S\$' million		S\$'million
27-Sep-21	15.9	For repayment of Trust's interest-bearing borrowings, general corporate and working capital purposes.	15.9
Total	15.9		15.9

Gross proceeds of \$150.0 million received from the private placement on 21 October 2021 were applied as follows:

Date	Use of proceeds	Amount used
		S\$'million
13-Oct-2021	For payment of estimated fees and expenses, including professional fees and expenses, incurred in connection with the Private Placement.	3.8
27-Oct-2021	To finance part of the total acquisition cost of the Acquisition by way of partial payment of the purchase consideration for the Acquisition of companies which hold four logistics parks in Shanghai, Kunshan, Wuhan and Chengdu.	29.1
10-Nov-2021		117.1
Total		150.0

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

CLCT has not disclosed any forecast to the market.

6 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 8.1% for 2021, exceeding the government's target of 'above 6%' for the year. Total retail sales of consumer goods increased 12.5% for 2021 while the Purchasing Managers Index (PMI) came in at 50.3 for December 2021¹. As China pivots its economy towards greater self-reliance through the "dual circulation" strategy and strives for "common prosperity", sectors that fall within these themes will stand to benefit. CLCT is strategically aligned to China's pillars of growth, with retail malls that cater to the middle-income segment, and new economy assets that are anchored by high growth emerging sectors of biomedical, electronics, engineering and e-commerce. With our diversified portfolio of asset class and geographic concentration, CLCT is well-positioned to navigate sporadic COVID-19 outbreaks and market uncertainties.

Retail Malls

Beijing Market Update

For 2021, Beijing's GDP rose 8.5% year-on-year while retail sales continued to rise steadily, increasing 8.4% year-on-year². One new project debuted in 3Q 2021, bringing the total stock in the city to 10.3 million sq m. Vacancy rate citywide improved to 5.8% in 3Q 2021, from 10.7% in corresponding period last year. Citywide shopping mall first-floor rents came in at RMB854.3 per sq m per month in 3Q 2021. Consumption in the city was boosted by the official opening of the Universal Beijing Resort as well as marketing activities carried out by retail malls during the various festive seasons including Mid-Autumn Festival and Golden Week.

The two shopping malls to be launched in 4Q 2021 will add around 80,000 sq m added to the total stock³. The retail market in Beijing is expected to benefit as the city continues to stimulate spending through the introduction of policies to establish itself as an international consumer centre. These incentives range from attracting new brands to encouraging landlord and existing retailers to implement promotional initiatives⁴.

Shanghai Market Update

Shanghai's GDP improved to 8.1% year-on-year while retail sales increased 13.5% year-on-year for 2021⁵. Six new retail projects, with a total GFA of 560,000 sq m, were launched in 3Q 2021. Shopping mall vacancy rates maintained at 9.1% in 3Q 2021, an improvement of 2.4 percentage points year-on-year. Consequently, first-floor rents rose 0.7% year-on-year to an average of RMB783.0 per sq m per month⁶. F&B tenants contributed to 39% of the space taken up in the quarter with local cuisine, cafes, bakery and dessert shops expanding actively while the fashion sector accounted for 24% of the leasing demand with women's wear and sports brands leading the demand⁷.

Seven projects are scheduled to launch in 4Q 2021, adding 551,000 sq m of new supply to the market. With the entry of newly completed malls, competition is expected to be keen, putting pressure on rent and vacancy rates.

¹ China National Bureau of Statistics

² China National Bureau of Statistics

³ Savills, Beijing Retail, Beijing October 2021

⁴ CBRE, Beijing 3Q 2021, MarketView 11 November 2021

⁵ Shanghai Bureau of Statistics

⁶ Savills, Shanghai Retail, Shanghai October 2021

⁷ CBRE, Shanghai 3Q 2021, MarketView 20 October 2021

Guangzhou Market Update

Guangzhou registered a GDP growth of 9.9% year-on-year for 9M 2021. The consumer market continued to improve with retail sales increasing 11.2% year-on-year from January to November 2021⁸. Two new retail malls launched in 3Q 2021, bringing the city total stock to 6.7 million sq m. The retail market recovered quickly from the small COVID-19 outbreak in June with retail sales improving from -1.4% in June to 4.3% in July. In 3Q 2021, citywide average vacancy rate improved 0.1 percentage points quarter-on-quarter to 12.9% while citywide average rent declined 0.4% quarter-on-quarter on an index basis to RMB684.8 per sq m per month. The F&B, new energy vehicle, and skincare and cosmetics sectors expanded presence in the city in 3Q 2021.

Two new shopping centres, with an aggregate GFA of 260,000 sq m, are scheduled for completion in 4Q 2021⁹. Over the next three years, around 1 million sq m of retail supply is expected to come online, most of which are located in non-core submarkets. As Guangzhou positions itself as an international consumption centre, the retail environment is expected to be more dynamic and diverse. Mall operators will have to continue improving shopping experiences to meet the elevated expectations¹⁰.

Chengdu Market Update

Chengdu's 2021 GDP increased 8.6% year-on-year. Retail sales for the city rose 14.0% year-on-year for the period from January to December 2021¹¹. One new retail project launched in 3Q 2021 adding 100,000 sq m of supply, increasing the retail stock in the city to 7.3 million sq m. Vacancy rate increased 0.37 percentage points to 7.0% for the quarter, as a result of tenant mix adjustments at some retail malls. However, average prime rent increased 0.06% quarter-on-quarter to RMB631.00 per sq m per month.

In 4Q 2021, around 200,000 sq m of new supply is expected to be completed. The Chengdu government has been actively promoting the retail scene and organised a First Store Economic Conference in September 2021 to encourage more brands to open their maiden store in the city¹².

Business Parks

Suzhou Market Update

Suzhou's GDP grew 10.9% year-on-year for 9M 2021. Three new projects totaling 240,000 sq m were launched in 4Q 2021, within the Suzhou Industrial Park (SIP) submarket. Demand for industrial submarkets in SIP remained strong led by biomedical science sector. In 4Q 2021, average vacancy was 13.6% while the average rent was RMB44.1 per sq m per month. SIP is expected to see 925,298 sq m of new supply manufacturing and workshops in 2022.

The establishment of Suzhou Free Trade Zone in September 2019 has benefitted, and is likely to lead the continued enhancement of the standard and quality of industrial development. Industrial agglomeration is expected to increase, which will accelerate SIP's growth. New generation of IT including AI, big data, may thrive from the infrastructure upgrade. Further, with the opening of metro line 5 in 2021, transportation has improved in SIP, which will help to drive up average rental¹³.

⁸ Guangzhou Bureau of Statistics

⁹ Savills, Guangzhou Retail, Guangzhou October 2021

¹⁰ Cushman & Wakefield, Guangzhou Retail, MarketBeat 3Q 2021

¹¹ Chengdu Bureau of Statistics

¹² Cushman & Wakefield, Chengdu Retail, MarketBeat 3Q 2021

¹³ Colliers, Suzhou Standard Workshop and Business Park Market Overview 3Q 2021

Xi'an Market Update

For 9M 2021, Xi'an's GDP increased 5.7% year-on-year. In 4Q 2021, two new projects commenced operations within the Xi'an High-Tech Industry Development Zone (XHTZ) submarket, adding 160,000 sq m of office space, bringing the total supply in the submarket to 2.7 million sq m. XHTZ's vacancy rate rose slightly to 25.2% for 4Q 2021, while average rents maintained at RMB53.7 per sq m per month. The main demand for the quarter came from domestic companies. 160,000 sq m of new supply is expected to come onstream in 2022.

Among the submarkets, XHTZ is the most established submarket due to the convenient transportation, good infrastructure, and developed business environment. Even though supply in the city is expected to rise over the next three years, the Xi'an business park market is dominated by local government tenants. Most of these major tenants are government-led military enterprises and scientific research institutes, which are less likely to be affected by market factors. Hence, rent rates are expected to remain relatively stable in the foreseeable future¹⁴.

Hangzhou Market Update

Hangzhou's GDP rose 8.5% year-on-year for 2021. No new projects commenced operations in the Hangzhou Economic and Technological Development Area (HEDA) submarket in 4Q 2021, maintaining the total stock in the submarket at 2.4 million sq m. With a vacancy rate of 20.1%, average rent increased to RMB57.3 per sq m per month as of the end of 4Q 2021. Demand for space within the HEDA submarket was driven mainly by the technology and Internet sectors. New supply of 80,000 sq m is expected to enter the market in 2H 2021.

The outbreak of COVID-19 has benefitted the IT / Internet, bio-medical and medical instrument companies. With HEDA increasingly positioned as a bio-medical, IT/technology focused submarket, demand for space in the area is expected to be strong in the next few quarters. This is further supported by the improving infrastructure in the HEDA, which may lead to the growth of the business park. Metro Line 1 phase III commenced operations in December 2020, connecting HEDA with Xiaoshan International Airport while Metro line 8 is currently under construction and is expected to be completed before 2022 Asian Games¹⁵.

Logistics Parks

Shanghai Market Update

In 3Q 2021, a net absorption of 209,600 sq m was recorded, with robust uptake for both new completions as well as older assets. During the quarter, two projects of around 180,000 sq m entered the market. Despite the increase in supply, vacancy rate declined from 5.9% to 4.4% for the quarter, with most submarkets seeing improvement in space leased out. Warehouse rental growth increased 2.8% year-on-year to reach RMB45.9 per sq m per month, on the back of strong demand. The third-party logistics sector continued to be the primary source of demand, with both international and domestic logistics companies signing new leases and renewals. Five projects totaling 930,000 sq m are expected to be completed by 4Q 2021. In 2022, more than 500,000 sq m of planned supply will be completed¹⁶.

¹⁴ Colliers, Xi'an Business Park Market Overview 3Q 2021

¹⁵ Colliers, Hangzhou Business Park Market Overview 3Q 2021

¹⁶ JLL, Asia Pacific Logistics and Industrial Digest 3Q 2021

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7 Distribution

7(a) Current Financial Period

Any distribution declared for the current financial period?	Yes.
Name of distribution	: Distribution for 21 October 2021 to 31 December 2021 ¹
Distribution type	: Tax exempt income distribution
Distribution rate	: 1.80 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 21 October 2021 to 31 December 2021 is expected to be funded from borrowing at the Trust level as well as internal cash flow from operations.

Footnote:

1. Advance distribution of 2.70 cents per Unit for the period from 1 July 2021 to 20 October 2021 comprised of tax-exempt income distribution was paid in November 2021. The total distribution for the period from 1 July 2021 to 31 December 2021 was 4.50 cents per Unit.

7(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 26 November 2020 to 31 December 2020 ¹
Distribution type	: Capital distribution
Distribution rate	: 0.58 cents per Unit
Par value of Units	: Not meaningful

Footnote:

1. Advanced distribution of 2.75 cents per Unit for the period from 1 July 2020 to 25 November 2020 comprised of tax-exempt income/capital distribution was paid in December 2020. The total distribution for the period from 1 July 2020 to 31 December 2020 was 3.33 cents per Unit.

7(c) Date payable : 7 March 2022

7(d) Record date : 10 February 2022

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

Not applicable.

9 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.

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10 In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments

Please refer to paragraph 3 on the review.

11 A breakdown of sales as follows: -

	Group		
	FY 2021 S\$'000	FY 2020 S\$'000	% Change
16(a) Gross revenue reported for first half year	176,892	101,517	74.2
16(b) Net income after tax and NCI for first half year	63,016	49,814	26.5
16(c) Gross revenue reported for second half year	201,075	109,008	84.5
16(d) Net income after tax and NCI for second half year	43,662	(61,843)	N.M.

12 A breakdown of the total distributions for the current year and the previous year: -

	FY 2021 S\$'000	FY 2020 S\$'000
In respect of period:		
1 Jan 21 – 30 Jun 21	64,071	-
1 Jul 21 – 20 Oct 21	41,348	-
21 Oct 21 – 31 Dec 21	30,097	-
1 Jan 20 – 30 Jun 20	-	37,048
1 Jul 20 – 25 Nov 20	-	33,984
26 Nov 20 – 31 Dec 20	-	8,696
Total distributions to Unitholders	135,516	79,728

13 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.

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14 Disclosure of person occupying a managerial position or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder.

Pursuant to Rule 704(13) of the Listing Manual of the Singapore Exchange Securities Trading Limited, CapitaLand China Trust Management Limited (the “Company”), being the manager of CapitaLand China Trust (“CLCT”), confirms that there is no person occupying a managerial position in the Company or in any of CLCT’s principal subsidiaries who is a relative of a director, chief executive officer, substantial shareholder of the Company or substantial Unitholder of CLCT.

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
31 January 2022