
CAPITALAND CHINA TRUST
2024 FIRST HALF UNAUDITED FINANCIAL STATEMENTS AND DISTRIBUTION ANNOUNCEMENT

INTRODUCTION

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

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

As at 30 June 2024, CLCT owns and invests in a portfolio of 9 retail malls, 5 business parks and 4 logistics parks located in 12 cities in mainland China.

Retail Malls	Business Parks	Logistics Parks
1. CapitaMall Xizhimen	1. Ascendas Xinsu Portfolio	1. Shanghai Fengxian 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. Kunshan Bacheng Logistics Park
5. CapitaMall Xuefu		
6. CapitaMall Xinnan	5. Singapore-Hangzhou Science & Technology Park (Phase II)	
7. CapitaMall Nuohemule		
8. CapitaMall Yuhuating		
9. CapitaMall Aidemengdun		

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CapitaLand China Trust and its Subsidiaries
**(Constituted in the Republic of Singapore pursuant
to a trust deed dated 23 October 2006 (As amended))**

Condensed Interim Financial Statements
For the six-month period ended 30 June 2024

1(a) Condensed Interim Statements of Financial Position
As at 30 June 2024

	Note	Group		Trust	
		30 Jun 2024 \$'000	31 Dec 2023 \$'000	30 Jun 2024 \$'000	31 Dec 2023 \$'000
Non-current assets					
Investment properties	3	4,523,327	4,543,213	-	-
Plant and equipment		2,017	2,155	-	-
Subsidiaries		-	-	2,836,209	2,866,926
Financial derivatives		13,698	15,573	13,698	15,573
Other receivables		1,061	1,073	-	-
		<u>4,540,103</u>	<u>4,562,014</u>	<u>2,849,907</u>	<u>2,882,499</u>
Current assets					
Non-trade amounts due from subsidiaries		-	-	-	1,897
Financial derivatives		3,421	4,654	3,421	4,654
Trade and other receivables		25,304	24,444	677	647
Cash and cash equivalents		247,829	243,464	4,669	1,208
		<u>276,554</u>	<u>272,562</u>	<u>8,767</u>	<u>8,406</u>
Assets held for sale		-	161,183	-	-
		<u>276,554</u>	<u>433,745</u>	<u>8,767</u>	<u>8,406</u>
Total assets		<u>4,816,657</u>	<u>4,995,759</u>	<u>2,858,674</u>	<u>2,890,905</u>
Current liabilities					
Trade and other payables		103,242	147,239	56,404	47,020
Security deposits		48,299	48,268	-	-
Financial derivatives		80	-	80	-
Interest-bearing borrowings	4	153,091	131,008	149,906	109,468
Lease liabilities		21	41	-	-
Provision for taxation		9,540	10,768	-	-
		<u>314,273</u>	<u>337,324</u>	<u>206,390</u>	<u>156,488</u>
Liabilities held for sale		-	30,657	-	-
		<u>314,273</u>	<u>367,981</u>	<u>206,390</u>	<u>156,488</u>
Non-current liabilities					
Financial derivatives		5,278	5,349	5,278	5,349
Other payables		6,878	6,955	111,810	111,630
Security deposits		47,760	49,183	-	-
Interest-bearing borrowings	4	1,691,492	1,820,076	1,350,357	1,495,588
Deferred tax liabilities		336,403	329,449	-	-
		<u>2,087,811</u>	<u>2,211,012</u>	<u>1,467,445</u>	<u>1,612,567</u>
Total liabilities		<u>2,402,084</u>	<u>2,578,993</u>	<u>1,673,835</u>	<u>1,769,055</u>
Net assets		<u>2,414,573</u>	<u>2,416,766</u>	<u>1,184,839</u>	<u>1,121,850</u>
Represented by:					
Unitholders' funds		2,033,519	2,039,854	1,085,238	1,022,240
Perpetual securities holders		99,601	99,610	99,601	99,610
Non-controlling interests		281,453	277,302	-	-
		<u>2,414,573</u>	<u>2,416,766</u>	<u>1,184,839</u>	<u>1,121,850</u>
Units in issue ('000)	5	<u>1,704,357</u>	<u>1,688,862</u>	<u>1,704,357</u>	<u>1,688,862</u>
Net asset value per Unit attributable to Unitholders (\$)	6	<u>1.19</u>	<u>1.21</u>	<u>0.64</u>	<u>0.61</u>

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

1(b)(i) Condensed Interim Statements of Total Return
Six-month period ended 30 June 2024

	Note	Group	
		Six-month period ended	
		30 Jun 2024	30 Jun 2023
		\$'000	\$'000
Gross rental income		158,496	169,464
Other income		14,486	15,078
Gross revenue		172,982	184,542
Property related tax		(15,205)	(13,638)
Business tax		(975)	(952)
Property management fees and reimbursables		(10,875)	(12,112)
Other property operating expenses		(27,983)	(28,609)
Total property operating expenses		(55,038)	(55,311)
Net property income		117,944	129,231
Manager's management fees	7	(9,792)	(10,659)
Trustee's fees		(324)	(345)
Audit fees ⁽¹⁾		(329)	(381)
Valuation fees		(30)	(57)
Other operating (expenses)/income		(324)	258
Foreign exchange gain - realised		1,687	3,499
Finance income		1,302	1,119
Finance costs		(32,836)	(34,486)
Net finance costs	8	(31,534)	(33,367)
Net income		77,298	88,179
Gain on disposal of subsidiary ⁽²⁾		7,335	-
Change in fair value of investment properties	3	(22,932)	(10,696)
Change in fair value of financial derivatives		(412)	(1,247)
Foreign exchange loss - unrealised		13	(167)
Total return for the period before taxation		61,302	76,069
Taxation		(40,537)	(33,856)
Total return for the period after taxation		20,765	42,213
Attributable to:			
Unitholders		11,446	33,189
Perpetual securities holders		1,683	1,674
Non-controlling interests		7,636	7,350
Total return for the period after taxation		20,765	42,213
Earnings per Unit (cents)	9		
- Basic		0.67	1.98
- Diluted		0.67	1.97

(1) Relates to audit fees paid or payable to the auditors of the Group. There is no non-audit fees incurred for both periods.

(2) The gain relates to the divestment of CapitaMall Shuangjing.

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

1(b)(ii) Condensed Interim Distribution Statements
Six-month period ended 30 June 2024

Note	Group	
	30 Jun 2024 \$'000	30 Jun 2023 \$'000
Amount available for distribution to Unitholders at beginning of the period	51,765	57,978
Total return for the period attributable to Unitholders and perpetual securities holders	13,129	34,863
Less: Total return attributable to perpetual securities holders	(1,683)	(1,674)
Distribution adjustments	39,856	29,939
Income for the period available for distribution to Unitholders	51,302	63,128
Amount available for distribution to Unitholders	103,067	121,106
Distribution to Unitholders during the period:		
- Distribution of 3.00 cents per Unit for the period from 1 July 2023 to 31 December 2023	(50,666)	-
- Distribution of 3.40 cents per Unit for the period from 1 July 2022 to 31 December 2022	-	(56,912)
	(50,666)	(56,912)
Amount available for distribution to Unitholders at end of the period	52,401	64,194
Distribution per Unit ("DPU") (cents)	3.01	3.74

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

1(b)(ii) Condensed Interim Distribution Statements (cont'd)
Six-month period ended 30 June 2024

Note A – Distribution adjustments

	Group	
	Six-month period ended	Six-month period ended
	30 Jun 2024	30 Jun 2023
	\$'000	\$'000
Distribution adjustment items:		
- Gain on disposal of subsidiary ⁽¹⁾	(7,335)	-
- Withholding tax on gain from disposal of subsidiary ⁽¹⁾	12,115	-
- Straight line rental and leasing commission adjustments ⁽²⁾	589	2,612
- Manager's management fees payable in Units	7,134	7,681
- Change in fair value of investment properties ⁽³⁾	22,932	10,696
- Change in fair value of financial derivatives	412	1,247
- Deferred taxation ⁽²⁾⁽⁴⁾	7,667	13,448
- Transfer to general reserve ⁽²⁾	(4,040)	(3,958)
- Unrealised foreign exchange loss ⁽²⁾	13	154
- Other adjustments ⁽²⁾	369	(1,941)
Net effect of distribution adjustments	39,856	29,939

(1) The gain and withholding tax relate to the divestment of CapitaMall Shuangjing. The divestment of CapitaMall Shuangjing was announced on 6 December 2023 and completed on 23 January 2024. A fair value uplift in investment property in relation to CapitaMall Shuangjing was recognised in the year ended 31 December 2023.

(2) Excludes non-controlling interest's share.

(3) The change in fair value for investment properties relates to the fair value adjustment based on current market and operating conditions to the logistics parks portfolio in the six-month period ended 30 June 2024 and change in fair value in CapitaMall Qibao in the six-month period ended 30 June 2023 as the mall had ceased operations since March 2023.

(4) The reduction in the adjustment of deferred taxation is due to higher amount of dividends declared by the subsidiaries in China during the six-month period ended 30 June 2024. Accordingly, higher withholding taxes were paid in the same period.

1(b)(iii) Condensed Interim Statements of Movements in Unitholders' Funds
Six-month period ended 30 June 2024

	Group		Trust	
	Six-month period ended			
	30 Jun 2024	30 Jun 2023	30 Jun 2024	30 Jun 2023
	\$'000	\$'000	\$'000	\$'000
Operations				
Unitholders' funds as at beginning of the period	2,039,854	2,306,231	1,022,240	1,160,483
Change in Unitholders' funds resulting from operations	13,129	34,863	94,745	(11,304)
Total return attributable to perpetual securities holders	(1,683)	(1,674)	(1,683)	(1,674)
Transfer to general reserve	(4,040)	(3,958)	-	-
Net increase/(decrease) in net assets resulting from operations	7,406	29,231	93,062	(12,978)
Movements in hedging reserve				
Effective portion of changes in fair value of cash flow hedges	978	(1,024)	978	(1,024)
Movements in foreign currency translation reserve				
Translation differences from financial statements of foreign operations	9,470	(38,595)	-	-
Exchange differences on monetary items forming part of net investment in foreign operations	6,317	(9,450)	-	-
Exchange differences on hedges of net investment in foreign operations	(3,504)	-	-	-
Net gain/(loss) recognised directly in Unitholders' funds	13,261	(49,069)	978	(1,024)
Movement in general reserve	4,040	3,958	-	-
Unitholders' transactions				
Creation of Units payable/paid to Manager				
- Units issued and to be issued as satisfaction of the portion of Manager's management fees payable in Units	7,134	7,681	7,134	7,681
- Units issued in respect of the distribution reinvestment plan	12,490	1,794	12,490	1,794
	19,624	9,475	19,624	9,475
Distributions to Unitholders	(50,666)	(56,912)	(50,666)	(56,912)
Net decrease in net assets resulting from Unitholders' transactions	(31,042)	(47,437)	(31,042)	(47,437)
Unitholders' funds as at end of the period	2,033,519	2,242,914	1,085,238	1,099,044
Perpetual securities holders' funds				
Balance as at beginning of the period	99,610	99,610	99,610	99,610
Amount reserved for distribution to perpetual securities holders	1,683	1,674	1,683	1,674
Distribution to perpetual securities holders	(1,692)	(1,683)	(1,692)	(1,683)
Balance as at end of the period	99,601	99,601	99,601	99,601

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

1(b)(iii) Condensed Interim Statements of Movements in Unitholders' Funds (cont'd)
Six-month period ended 30 June 2024

	Group		Trust	
	Six-month period ended			
	30 Jun 2024	30 Jun 2023	30 Jun 2024	30 Jun 2023
	\$'000	\$'000	\$'000	\$'000
Non-controlling interests				
Balance as at beginning of the period	277,302	277,201	-	-
Total return attributable to non-controlling interests	7,636	7,350	-	-
Dividend paid	(3,433)	(3,181)	-	-
Translation differences from financial statements of foreign operations	(52)	(2,659)	-	-
Balance as at end of the period	281,453	278,711	-	-
Total	2,414,573	2,621,226	1,184,839	1,198,645

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

**1(c) Portfolio Statement
As at 30 June 2024**

**Portfolio Statement
As at 30 June 2024**

Description of leasehold property	Location	Term of lease (years)	Remaining term of lease (years)	Valuation		Valuation		Percentage of Unitholders' funds	
				30 Jun 2024 ⁽¹⁾	31 Dec 2023	30 Jun 2024 ⁽¹⁾	31 Dec 2023	30 Jun 2024	31 Dec 2023
				RMB'000	RMB'000	\$'000	\$'000	%	%
Group									
Retail Malls									
CapitaMall Xizhimen	No. 1, Xizhimenwai Street, Xicheng District, Beijing	40 - 50	20 - 30	3,672,756	3,668,000	684,418	683,532	33.6	33.5
Rock Square	No. 106-108 Gongye Avenue North, Haizhu District, Guangzhou, Guangdong Province	40	21	3,411,277	3,410,000	635,691	635,453	31.3	31.2
CapitaMall Wangjing	No. 33, Guangshun North Street, Chaoyang District, Beijing	38 - 48	19 - 29	2,845,264	2,844,000	530,215	529,979	26.1	26.0
CapitaMall Grand Canyon	No. 16, South Third Ring West Road, Fengtai District, Beijing	40 - 50	20 - 30	1,884,003	1,883,000	351,084	350,897	17.3	17.2
CapitaMall Xuefu	No. 1, Xuefu Road, Nangang District, Harbin, Heilongjiang Province	40	21	1,789,813	1,789,000	333,532	333,380	16.4	16.3
CapitaMall Xinnan	No. 99, Shenghe First Road, Gaoxin District, Chengdu, Sichuan Province	40	23	1,461,173	1,460,000	272,290	272,071	13.4	13.3
CapitaMall Nuohemule	Block A Jinyu Xintiandi, Ordos Street, Yuquan District, Hohhot, Inner Mongolia Autonomous Region	40	25	1,030,703	1,030,000	192,072	191,941	9.4	9.4
CapitaMall Yuhuating	No. 421, Shaoshan Middle Road, Yuhua District, Changsha, Hunan Province	39	20	802,420	802,000	149,531	149,453	7.3	7.3
CapitaMall Aidemengdun	No. 38, Aidemengdun Road, Daoli District, Harbin, Heilongjiang Province	40	18	402,313	402,000	74,971	74,913	3.7	3.7
Balance carried forward				17,299,722	17,288,000	3,223,804	3,221,619	158.5	157.9

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

1(c) Portfolio Statement (cont'd)
As at 30 June 2024

Description of leasehold property	Location	Term of lease (years)	Remaining term of lease (years)	Valuation		Valuation		Percentage of Unitholders' funds	
				30 Jun 2024 ⁽¹⁾	31 Dec 2023	30 Jun 2024 ⁽¹⁾	31 Dec 2023	30 Jun 2024	31 Dec 2023
				RMB'000	RMB'000	\$'000	\$'000	%	%
Group									
Balance brought forward				17,299,722	17,288,000	3,223,804	3,221,619	158.5	157.9
Business Parks									
Ascendas Xinsu Portfolio	Suzhou Industrial Park, Suzhou City, Jiangsu Province	50	23 - 33	2,339,572	2,340,000	435,979	436,059	21.4	21.4
Ascendas Innovation Towers	No. 88 Tian Gu Seventh Road, Xi'an Hi-Tech Industries Development Zone, Xi'an, Shaanxi Province	50	40	902,420	902,000	168,166	168,088	8.3	8.2
Ascendas Innovation Hub	No. 38 Gao Xin Sixth Road, Xi'an Hi-Tech Industries Development Zone, Xi'an, Shaanxi Province	50	27	357,087	353,000	66,543	65,782	3.3	3.2
Singapore-Hangzhou Science & Technology Park (Phase I)	No. 2 Kejiyuan Road, Hangzhou Economic & Technological Development Area, Qiantang New Area, Hangzhou, Zhejiang Province	50	32	825,107	824,000	153,759	153,552	7.6	7.5
Singapore-Hangzhou Science & Technology Park (Phase II)	No. 20 & 57 Kejiyuan Road, Hangzhou Economic & Technological Development Area, Qiantang New Area, Hangzhou, Zhejiang Province	50	36	1,042,379	1,043,000	194,247	194,363	9.5	9.6
				22,766,287	22,750,000	4,242,498	4,239,463	208.6	207.8

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

(c) Portfolio Statement (cont'd)
As at 30 June 2024

Description of leasehold property	Location	Term of lease (years)	Remaining term of lease (years)	Valuation		Valuation		Percentage of Unitholders' funds	
				30 Jun 2024 ⁽¹⁾	31 Dec 2023	30 Jun 2024 ⁽¹⁾	31 Dec 2023	30 Jun 2024	31 Dec 2023
				RMB'000	RMB'000	\$'000	\$'000	%	%
Group									
Balance brought forward				22,766,287	22,750,000	4,242,498	4,239,463	208.6	207.8
Logistics Parks									
Shanghai Fengxian Logistics Park	No. 435 Haishang Road, Fengxian District, Shanghai	50	35	538,000	598,000	100,256	111,437	4.9	5.4
Wuhan Yangluo Logistics Park	No. 10 Qiuli South Road, Yangluo Development Zone, Xinzhou District, Wuhan, Hubei Province	50	40	332,000	357,000	61,868	66,527	3.1	3.3
Chengdu Shuangliu Logistics Park	No. 86 Tongguan Road, Shuangliu District, Chengdu, Sichuan Province	50	38	342,000	348,000	63,732	64,850	3.1	3.2
Kunshan Bacheng Logistics Park	No. 998 Yuyang Road Yushan Town, Kunshan, Jiangsu Province	50	40	295,000	327,000	54,973	60,936	2.7	3.0
Investment properties, at valuation (Note 3)				24,273,287	24,380,000	4,523,327	4,543,213	222.4	222.7
Divested Asset									
CapitaMall Shuangjing ⁽²⁾	No. 31, Guangqu Road, Chaoyang District, Beijing	40	18	-	842,000	-	156,907	-	7.7
Other assets and liabilities (net)				24,273,287	25,222,000	4,523,327	4,700,120	222.4	230.4
						(2,108,754)	(2,283,354)	(103.7)	(111.9)
						2,414,573	2,416,766	118.7	118.5
Net assets attributable to perpetual securities holders						(99,601)	(99,610)	(4.9)	(4.9)
Net assets attributable to non-controlling interests						(281,453)	(277,302)	(13.8)	(13.6)
Net assets attributable to Unitholders						2,033,519	2,039,854	100.0	100.0

(1) Investment properties as at 30 June 2024 reflects the carrying values of the investment properties from 31 December 2023 or adjusted based on current market and operating conditions and the capitalised expenditure incurred to date.

(2) CapitaMall Shuangjing is classified under held for sale as at 31 December 2023 following the announcement of divestment on 6 December 2023. The completion announcement was made on 23 January 2024.

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

1(d) Condensed Interim Consolidated Statement of Cash Flows
Six-month period ended 30 June 2024

	Note	Group	
		30 Jun 2024	30 Jun 2023
		\$'000	\$'000
Operating activities			
Total return for the period after taxation		20,765	42,213
Adjustments for:			
Finance income		(1,302)	(1,119)
Finance costs		32,836	34,486
Depreciation and amortisation		379	539
Taxation		40,537	33,856
Manager's management fees payable in Units	A	7,134	7,681
Plant and equipment written off		27	8
Change in fair value of investment properties		22,932	10,696
Change in fair value of financial derivatives		412	1,247
Gain on disposal of subsidiary		(7,335)	-
Impairment losses on trade receivables, net		10	29
Operating income before working capital changes		116,395	129,636
Changes in working capital:			
Trade and other receivables		(502)	13,587
Trade and other payables		(2,961)	(9,810)
Cash generated from operating activities		112,932	133,413
Income tax paid		(22,834)	(16,397)
Net cash from operating activities		90,098	117,016
Investing activities			
Interest received		1,302	1,119
Capital expenditure on investment properties		(8,572)	(21,589)
Proceeds from disposal of subsidiary	B	127,464	-
Deposit refunded for disposal of subsidiary		(28,465)	-
Purchase of plant and equipment		(254)	(269)
Proceeds from disposal of plant and equipment		1	-
Net cash used in investing activities		91,476	(20,739)
Financing activities			
Distribution to Unitholders		(38,176)	(55,118)
Distribution to non-controlling interests		(3,433)	(3,181)
Distribution to perpetual securities holders		(1,692)	(1,683)
Payment of financing expenses		-	(200)
Payment of lease liabilities		(21)	(1,266)
Proceeds from draw down of interest-bearing borrowings		145,458	452,100
Repayment of interest-bearing borrowings		(253,019)	(431,230)
Settlement of derivative contracts		482	1,686
Interest paid		(28,184)	(32,994)
Net cash used in financing activities		(178,585)	(71,886)
Net increase in cash and cash equivalents		2,989	24,391
Cash and cash equivalents at 1 January		243,464	231,048
Effect of foreign exchange rate changes on cash balances		-	(2,748)
Changes in cash and cash equivalents reclassified to assets held for sale		1,376	-
Cash and cash equivalents at 30 June		247,829	252,691

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

1(d) Condensed Interim Consolidated Statement of Cash Flows (cont'd)
Six-month period ended 30 June 2024

Notes:

(A) Significant non-cash and other transactions

\$7.1 million of the Manager's management fees (performance and partial base fees) in 2024 will be paid through the issuance of new Units subsequent to the period end.

\$7.7 million of the Manager's management fees (performance and partial base fees) in 2023 will be paid through the issuance of new Units subsequent to the period end.

(B) Net cash inflow on the divestment of subsidiary

	Group Six-month period ended 30 Jun 2024 \$'000
Investment properties	156,570
Plant and equipment	29
Trade and other receivables	3,251
Cash and cash equivalents	1,141
Trade and other payables	(734)
Security deposits	(1,175)
Deferred tax liabilities	(28,611)
Net identifiable assets and liabilities divested	130,471
Net assets base on percentage shareholdings	130,471
Gain on disposal of subsidiary	7,335
Realisation of translation reserves	2,914
Sale consideration	140,720
Tax paid	(12,115)
Cash of the subsidiary divested	(1,141)
Net cash inflow	127,464

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

1(e) Notes to the Condensed Interim Financial Statements

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

These Condensed Interim Financial Statements as at and for the six-month period ended 30 June 2024 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, a tenth supplemental deed dated 26 January 2021, and an eleventh supplemental deed dated 31 August 2023) (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 Group Pte Ltd, no authorised investment management fee shall be payable in relation to such authorised investment.

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

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

(c) Property management fees

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

Retail:

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

Business Parks¹ / Logistics Parks:

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

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

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

(d) Acquisition fee

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

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

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

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

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

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

(e) Divestment fee

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

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

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

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

2. Summary of material accounting policies

(a) Basis of preparation

The Condensed Interim Financial Statements has been prepared in accordance with the *Statement of Recommended Accounting Practice 7 "Reporting Framework for Investment Funds" ("RAP 7")* issued by the Institute of Singapore Chartered Accountants, 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 2023. RAP 7 requires the accounting policies to generally comply with the recognition and measurement principles of Financial Reporting Standards in Singapore ("FRS").

The Condensed Interim Financial Statements does not include all of the information required for full annual financial statements and should be read in conjunction with the Group's last annual consolidated financial statements as at 31 December 2023.

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 preparing these Condensed Interim Financial Statements, significant judgements made by the Manager in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the last issued audited financial statements as at and for the year ended 31 December 2023.

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 2023.

(b) New standards and amendments

The Group applied the recognition and measurement principles of a number of amendments to standards for the financial period beginning 1 January 2024.

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

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

3. Investment properties

	Group	
	30 Jun 2024 \$'000	31 Dec 2023 \$'000
At 1 January	4,543,213	4,909,377
Reclassified to asset held for sale	-	(156,907)
Expenditure capitalised	2,988	30,257
Change in fair value	(22,932)	(39,769)
Translation differences	58	(199,745)
Ending balance	4,523,327	4,543,213

Security

At 30 June 2024, investment properties of the Group with carrying amounts of \$983.7 million (31 December 2023: \$1,444.2 million) are pledged as security on bank loans (see Note 4).

Measurement of fair value

For interim reporting purposes, the carrying values of the investment properties as at 30 June 2024 was reviewed and in consultation with our panel of external property valuers, assessed whether movement in parameters, such as discount rates, capitalisation rates or other operational factors had any significant impact to the valuation of the investment properties. Based on the assessment, the Manager is of the view that the carrying values of the investment properties has not materially changed from 31 December 2023 except for the logistics parks portfolio which the manager has adjusted based on current market and operating conditions to approximate the fair value of the properties. The 31 December 2023 valuation was performed by the independent external valuers CBRE (Shanghai) Management Limited, Cushman & Wakefield International Property Advisers (Shanghai) Co., Ltd. and Jones Lang LaSalle Corporate Appraisal and Advisory Limited.

The valuation reports obtained from one of the independent valuers for our assets as at 31 December 2023 draw attention to material valuation uncertainty clause due to China's economic growth remained underwhelming coupled with financial issues of a number of mainland China's largest developers which struggled to meet or defaulted on their financial obligations. There will be less certainty as to how long the valuation may sustain and property prices may fluctuate over a short period of time, therefore a higher degree of caution should be attached to the valuations when making investment decisions. This clause does not invalidate the valuations, but implies that there is substantially more uncertainty than under normal market conditions.

The above valuation methods involve certain estimates. The Manager reviewed the key valuation parameters and underlying data including market-corroborated capitalisation rates, discount rates and terminal yield rates adopted and is of the view that they are reflective of available market data as at 30 June 2024.

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

4. Aggregate amount of borrowings and debt securities

	Group		Trust	
	30 Jun 2024 \$'000	31 Dec 2023 \$'000	30 Jun 2024 \$'000	31 Dec 2023 \$'000
Unsecured borrowings				
- Amount repayable within one year ⁽¹⁾⁽²⁾	151,118	109,500	150,000	109,500
- Amount repayable after one year ⁽²⁾⁽³⁾	1,548,550	1,611,630	1,354,000	1,500,000
Secured borrowings⁽⁴⁾				
- Amount repayable within one year	2,067	21,540	-	-
- Amount repayable after one year	147,330	213,775	-	-
	1,849,065	1,956,445	1,504,000	1,609,500
Less: Unamortised transaction costs	(4,482)	(5,361)	(3,737)	(4,444)
	1,844,583	1,951,084	1,500,263	1,605,056
Current	153,091	131,008	149,906	109,468
Non-current	1,691,492	1,820,076	1,350,357	1,495,588
	1,844,583	1,951,084	1,500,263	1,605,056

(1) The Group has successfully secured refinancing for the \$150.0 million term loan due within one year.

(2) Includes the RMB denominated borrowings entered by CapitaMall Grand Canyon as at 30 June 2024. The Trustee in its capacity as trustee of the Trust has provided unconditional and irrevocable financial guarantee on all sums payable of the bank facility.

(3) Includes the RMB denominated bonds issued by CLCT MTN Pte. Ltd.. The Trustee in its capacity as trustee of the Trust has provided unconditional and irrevocable financial guarantee on all sums payable of the notes.

(4) Rock Square, Singapore-Hangzhou Science & Technology Park Phase I and II were acquired with a legal mortgage and an assignment of the properties' insurance policies in favour of the lenders over the properties as at 30 June 2024 (see Note 3).

5. Units in issue

	Six-month period ended 30 Jun 2024 Number of Units	Year ended 31 Dec 2023 Number of Units
Balance as at beginning of period/year	1,688,862,115	1,673,892,897
New Units issued:		
- As payment of distribution through distribution reinvestment plan	15,494,730	1,473,597
- As payment of Manager's management fees	-	13,495,621
Total issued Units as at end of period/year	1,704,356,845	1,688,862,115
New Units to be issued:		
- As payment of Manager's management fees	10,178,046	16,010,485
Total issued and issuable Units as at end of period/year	1,714,534,891	1,704,872,600

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

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

	Group		Trust	
	30 Jun 2024	31 Dec 2023	30 Jun 2024	31 Dec 2023
NAV/NTA per Unit(1)	1.19	1.21	0.64	0.61
Adjusted NAV/NTA per Unit (excluding distributable income)	1.16	1.18	0.61	0.58

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

7. Manager’s management fees

Manager’s management fees comprise base fee of \$5.5 million (30 June 2023: \$6.1 million) and performance fee of \$4.3 million (30 June 2023: \$4.6 million). The Manager has elected to receive partial Manager’s management fees in the form of Units. The performance component of the Manager’s management fee amounting to \$4.3 million (30 June 2023: \$4.6 million) and base fee amounting to \$2.8 million (30 June 2023: \$3.1 million) will be paid through the issue of 10,178,046 (30 June 2023: 7,234,148) new Units subsequent to the period end.

8. Finance income and finance costs

	Group	
	Six-month period ended	
	30 Jun 2024	30 Jun 2023
	\$'000	\$'000
Interest income:		
- financial institutions	1,302	1,119
Finance income	1,302	1,119
Interest expenses:		
- financial institutions	(43,559)	(45,534)
Cash flow hedges - gain reclassified from hedging reserve	10,724	11,165
Finance lease expenses	(1)	(117)
Finance costs	(32,836)	(34,486)
Net finance costs recognised in statement of total return	(31,534)	(33,367)

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 the total return attributable to the Unitholders and weighted average number of Units during the period.

	Group	
	Six-month period ended	
	30 Jun 2024	30 Jun 2023
	\$'000	\$'000
Total return for the period after taxation and non-controlling interest before distribution	13,129	34,863
Less: Total return attributable to perpetual securities holders	(1,683)	(1,674)
Total return attributable to Unitholders	11,446	33,189

	Trust	
	Six-month period ended	
	30 Jun 2024	30 Jun 2023
	Number of Units	
	'000	'000
Issued Units at beginning of period	1,688,862	1,673,893
Effect of creation of new Units:		
- Distribution to Unitholders in respect of distribution reinvestment plan	8,088	757
- Manager's management fees paid/payable in Units	56	3,470
Weighted average number of issued and issuable Units at end of the period	1,697,006	1,678,120

Diluted earnings per Unit

Diluted earnings per Unit is calculated based on the total return attributable to the Unitholders and weighted average number of Units outstanding during the period, adjusted for the effects of all dilutive potential Units.

	Trust	
	Six-month period ended	
	30 Jun 2024	30 Jun 2023
	Number of Units	
	'000	'000
Issued Units at beginning of period	1,688,862	1,673,893
Effect of creation of new Units:		
- Distribution to Unitholders in respect of distribution reinvestment plan	8,088	757
- Manager's management fees paid/payable in Units	10,178	10,664
Weighted average number of issued and issuable Units at end of the period	1,707,128	1,685,314

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

10. Financial ratios

	Group	
	Six-month period ended	
	30 Jun 2024	30 Jun 2023
	%	%
Ratio of expenses to average net asset value ⁽¹⁾		
- including performance component of Manager's management fees	0.90	0.84
- excluding performance component of Manager's management fees	0.55	0.49
Portfolio turnover rate ⁽²⁾	6.4	-

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

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

Aggregate leverage and interest coverage ratios

	Group	
	Six-month period ended	
	30 Jun 2024	30 Jun 2023
Aggregate leverage (%) ⁽¹⁾	40.8	40.2
Interest coverage (times) ⁽²⁾	3.2	3.4
Adjusted Interest coverage (times) ⁽²⁾	3.0	3.2

(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). The adjusted interest coverage ratio includes the distribution to perpetual securities holders.*

Other information required by Listing Rule Appendix 7.2

CAPITALAND CHINA TRUST
2024 FIRST HALF UNAUDITED FINANCIAL STATEMENTS & DISTRIBUTION ANNOUNCEMENT

2. Summary of CLCT Results

The Condensed Interim Financial Statements of Capitaland China Trust and its subsidiaries (the "Group") as at 30 June 2024, which comprise the Statements of Financial Position of the Group and the Trust and Portfolio Statement of the Group as at 30 June 2024, the Statement of Total Return, Distribution Statement, Statement of Cash Flows of the Group and the Statements of Movements in Unitholders' Funds of the Group and the Trust for the six-month period then ended and certain explanatory notes have not been audited or reviewed.

	1 January to 30 June 2024 (1H 2024) ¹	1 January to 30 June 2023 (1H 2023)	Change
	Actual \$'000	Actual \$'000	%
Gross Revenue ²	172,982	184,542	(6.3)
Net Property Income ^{2,3}	117,944	129,231	(8.7)
Distributable amount to Unitholders	51,302	63,128	(18.7)

Distribution Per Unit ("DPU") (cents)⁴			
For the period	3.01	3.74	(19.5)

	1H 2024 ¹	1H 2023	Change
	Actual RMB'000	Actual RMB'000	%
Gross Revenue ²	925,929	947,781	(2.3)
Net Property Income ^{2,3}	631,328	663,709	(4.9)

Footnotes:

- 1H 2024 excludes contribution from CapitaMall Qibao which had ceased operations in March 2023 and lower contribution from CapitaMall Shuangjing which was divested since January 2024.
- Average exchange rate for SGD/RMB.

1H 2024	1H 2023	Change %
5.353	5.136	4.2%
- Based on the same exchange rate as 1H 2023, net property income for 1H 2024 in SGD terms would have been \$122.9 million or 4.9% lower than 1H 2023.
- The DPU is computed based on total issued units of 1,704.4 million and 1,688.9 million in 1H 2024 and 1H 2023 respectively.

DISTRIBUTION & RECORD DATE

Distribution	For 1 January 2024 to 30 June 2024
Distribution type	Tax exempt income distribution
Distribution rate	3.01 cents per Unit
Record date	7 August 2024
Payment date	25 September 2024

CAPITALAND CHINA TRUST
2024 FIRST HALF UNAUDITED FINANCIAL STATEMENTS & DISTRIBUTION ANNOUNCEMENT

2(a) Statement of total return for the Group (1H 2024 vs 1H 2023)

	Group		
	1H 2024 ¹	1H 2023	Change
	\$'000	\$'000	%
Gross rental income	158,496	169,464	(6.5)
Other income ²	14,486	15,078	(3.9)
Gross revenue	172,982	184,542	(6.3)
Property related tax ³	(15,205)	(13,638)	11.5
Business tax	(975)	(952)	2.4
Property management fees and reimbursables	(10,875)	(12,112)	(10.2)
Other property operating expenses ⁴	(27,983)	(28,609)	(2.2)
Total property operating expenses	(55,038)	(55,311)	(0.5)
Net property income	117,944	129,231	(8.7)
Manager's management fees	(9,792)	(10,659)	(8.1)
Trustee's fees	(324)	(345)	(6.1)
Audit fees	(329)	(381)	(13.6)
Valuation fees	(30)	(57)	(47.4)
Other operating (expenses)/income ⁶	(324)	258	N.M.
Foreign exchange gain - realised ⁷	1,687	3,499	(51.8)
Finance income ⁸	1,302	1,119	16.4
Finance costs ⁹	(32,836)	(34,486)	(4.8)
Net finance costs	(31,534)	(33,367)	(5.5)
Net income	77,298	88,179	(12.3)
Gain on disposal of subsidiary ¹⁰	7,335	-	100.0
Change in fair value of investment properties ¹¹	(22,932)	(10,696)	N.M.
Change in fair value of financial derivatives	(412)	(1,247)	(67.0)
Foreign exchange loss - unrealised	13	(167)	N.M.
Total return for the period before taxation	61,302	76,069	(19.4)
Taxation ¹²	(40,537)	(33,856)	19.7
Total return for the period after taxation	20,765	42,213	(50.8)
Attributable to:			
Unitholders	11,446	33,189	(65.5)
Perpetual securities holders	1,683	1,674	0.5
Non-controlling interests ¹³	7,636	7,350	3.9
Total return for the period after taxation	20,765	42,213	(50.8)

N.M. – not meaningful

Footnotes:

- 1H 2024 excludes contribution from CapitaMall Qibao which had ceased operations in March 2023 and lower contribution from CapitaMall Shuangjing which was divested since January 2024.
- Other income comprises mainly income earned from atrium space, carpark revenue, trolley carts and advertisement panels.
- Lower property tax incentives received by the business parks in 1H 2024.

CAPITALAND CHINA TRUST
2024 FIRST HALF UNAUDITED FINANCIAL STATEMENTS & DISTRIBUTION ANNOUNCEMENT

2(a) Statement of total return for the Group (1H 2024 vs 1H 2023) (cont'd)

4. Includes items in the table below as part of the other property operating expenses.

	Group		
	1H 2024 ¹	1H 2023	Change
	\$'000	\$'000	%
Depreciation and amortisation	(379)	(539)	(29.7)
Impairment losses on trade receivables, net ⁵	(10)	(29)	(65.5)
Plant and equipment written off	(27)	(8)	N.M.

N.M. – not meaningful

5. Impairment losses mainly relate to tenants with higher and potential credit risk.
6. Includes land rental relief of \$1.3 million received by CapitaMall Qibao in 1H 2023.
7. In 1H 2024, realised foreign exchange gain arose mainly from the USD denominated sales proceeds received from the divestment of CapitaMall Shuangjing and net settlement of foreign currency forwards. In 1H 2023, the gain arose mainly from the repayment of the USD denominated shareholder's loan principal and net settlement of foreign currency forwards.
8. Finance income relates mainly to interest from bank deposits placed with financial institutions.
9. Includes the interest expense on the lease liabilities under FRS 116.
10. This relates to gain arising from the divestment of CapitaMall Shuangjing in 1H 2024.
11. The change in fair value for investment properties relates to the fair value adjustment based on current market and operating conditions to the logistics parks portfolio in 1H 2024 and change in fair value in CapitaMall Qibao in 1H 2023 as the mall had ceased operations since March 2023.
12. Includes withholding tax payment of \$12.1 million relating to the divestment of CapitaMall Shuangjing and over provision of taxation from prior years of \$1.2 million in 1H 2024. In 1H 2023, includes under provision of taxation from prior years of \$1.2 million.
13. This relates to 49% non-controlling interest (NCI) in Ascendas Xinsu Portfolio and 20% NCI in Ascendas Innovation Hub, Singapore-Hangzhou Science & Technology Park Phase I and Phase II.

CAPITALAND CHINA TRUST
2024 FIRST HALF UNAUDITED FINANCIAL STATEMENTS & DISTRIBUTION ANNOUNCEMENT

2(b) **Distribution statement for the Group (1H 2024 vs 1H 2023)**

	Group		
	1H 2024 ¹	1H 2023	Change
	\$'000	\$'000	%
Total return for the period attributable to Unitholders before distribution	13,129	34,863	(62.3)
Less: Amount reserved for distribution to perpetual securities holders	(1,683)	(1,674)	0.5
Distribution adjustments (Note A)	39,856	29,939	33.1
Distributable amount to Unitholders	51,302	63,128	(18.7)

Note A

Distribution adjustments

- Gain on disposal of subsidiary ²	(7,335)	-	100.0
- Withholding tax on gain from disposal of subsidiary ²	12,115	-	100.0
- Straight line rental and leasing commission adjustments ³	589	2,612	(77.5)
- Manager's management fees payable in Units	7,134	7,681	(7.1)
- Change in fair value of investment properties ⁴	22,932	10,696	N.M.
- Change in fair value of financial derivatives	412	1,247	(67.0)
- Deferred taxation ^{3,5}	7,667	13,448	(43.0)
- Transfer to general reserve ³	(4,040)	(3,958)	2.1
- Unrealised foreign exchange loss ³	13	154	(91.6)
- Other adjustments ^{3,6}	369	(1,941)	N.M.
Net effect of distribution adjustments	39,856	29,939	33.1

N.M. – not meaningful

Footnotes:

- 1H 2024 contribution from CapitaMall Qibao which had ceased operations in March 2023 and lower contribution from CapitaMall Shuangjing which was divested since January 2024.
- The gain and withholding tax relate to the divestment of CapitaMall Shuangjing. The divestment of CapitaMall Shuangjing was announced on 6 December 2023 and completed on 23 January 2024. A fair value uplift in investment property in relation to CapitaMall Shuangjing was recognised in the year ended 31 December 2023.
- Excludes NCI.
- The change in fair value for investment properties relates to the fair value adjustment based on current market and operating conditions to the logistics parks portfolio in 1H 2024 and change in fair value in CapitaMall Qibao in 1H 2023 as the mall had ceased operations since March 2023.
- The reduction in the adjustment of deferred taxation is due to higher amount of dividends declared by the subsidiaries in China in 1H 2024. Accordingly, higher withholding taxes were paid in the same period.
- Includes lease payments for Right-of-Use assets, less interest expense on lease liabilities.

CAPITALAND CHINA TRUST
2024 FIRST HALF UNAUDITED FINANCIAL STATEMENTS & DISTRIBUTION ANNOUNCEMENT

2(c) Statement of financial position as at 30 June 2024 vs 31 December 2023

	Group		
	30 Jun 2024	31 Dec 2023	Change
	\$'000	\$'000	%
Non-current assets			
Investment properties ¹	4,523,327	4,543,213	(0.4)
Plant and equipment	2,017	2,155	(6.4)
Financial derivatives ²	13,698	15,573	(12.0)
Other receivables	1,061	1,073	(1.1)
	4,540,103	4,562,014	(0.5)
Current assets			
Financial derivatives ²	3,421	4,654	(26.5)
Trade and other receivables	25,304	24,444	3.5
Cash and cash equivalents	247,829	243,464	1.8
	276,554	272,562	1.5
Assets held for sale ³	-	161,183	(100.0)
	276,554	433,745	(36.2)
Total assets	4,816,657	4,995,759	(3.6)
Current liabilities			
Trade and other payables ⁴	103,242	147,239	(29.9)
Security deposits	48,299	48,268	0.1
Financial derivatives ²	80	-	100.0
Interest-bearing borrowings ⁵	153,091	131,008	16.9
Lease liabilities	21	41	(48.8)
Provision for taxation	9,540	10,768	(11.4)
	314,273	337,324	(6.8)
Liabilities held for sale ³	-	30,657	(100.0)
	314,273	367,981	(14.6)
Non-current liabilities			
Financial derivatives ²	5,278	5,349	(1.3)
Other payables	6,878	6,955	(1.1)
Security deposits	47,760	49,183	(2.9)
Interest-bearing borrowings ⁵	1,691,492	1,820,076	(7.1)
Deferred tax liabilities	336,403	329,449	2.1
	2,087,811	2,211,012	(5.6)
Total liabilities	2,402,084	2,578,993	(6.9)
Net assets	2,414,573	2,416,766	(0.1)
Represented by:			
Unitholders' funds	2,033,519	2,039,854	(0.3)
Perpetual securities holders	99,601	99,610	-
Non-controlling interests ⁶	281,453	277,302	1.5
	2,414,573	2,416,766	(0.1)

N.M. – not meaningful

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Footnotes:

- 1. The decrease in investment properties as at 30 June 2024 was mainly due to the fair value adjustment based on current market and operating conditions to the logistics parks portfolio. Investment properties are measured at their respective fair values at each reporting date. The carrying amounts of the total portfolio assessed as at 30 June 2024 are not materially different from the valuation as at 31 December 2023 except for the logistics parks portfolio.*
- 2. The financial derivative assets and financial derivative liabilities mainly relate to the fair value of the Interest Rate Swaps ("IRS"), Cross-Currency Interest Rate Swap ("CCIRS") and Foreign Currency Forwards ("FXF"). These financial derivatives are designated to hedge the variable rate borrowings and RMB cashflows.*
- 3. The assets and liabilities held for sale as at 31 December 2023 relates to the announced divestment of the equity interest in CapitaRetail Beijing Shuangjing Real Estate Co., Ltd. which holds CapitaMall Shuangjing. The completion announcement was made on 23 January 2024.*
- 4. The decrease in trade and other payable as at 30 June 2024 was mainly due to the deposit refund from the divestment of CapitaMall Shuangjing.*
- 5. The decrease in interest-bearing borrowings as at 30 June 2024 was mainly due to lower Trust loans from the repayment using the proceeds from divestment of CapitaMall Shuangjing*
- 6. This relates to 49% NCI in Ascendas Xinsu Portfolio and 20% NCI in Ascendas Innovation Hub, Singapore Hangzhou Science & Technology Park Phase I and Phase II.*

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3 Review of the Performance

3(i) Breakdown of Gross Revenue – Actual

	1H 2024¹	1H 2023	Change	1H 2024¹	1H 2023	Change
	RMB'000	RMB'000	%	\$'000	\$'000	%
Retail Malls	658,746	660,983	(0.3)	123,067	128,700	(4.4)
Business Parks	243,512	243,503	-	45,493	47,412	(4.0)
Logistics Parks	23,671	43,295	(45.3)	4,422	8,430	(47.5)
Total Gross Revenue	925,929	947,781	(2.3)	172,982	184,542	(6.3)

3(ii) Breakdown of Net Property Income – Actual

	1H 2024¹	1H 2023	Change	1H 2024¹	1H 2023	Change
	RMB'000	RMB'000	%	\$'000	\$'000	%
Retail Malls	442,148	440,839	0.3	82,602	85,836	(3.8)
Business Parks	175,310	191,451	(8.4)	32,751	37,277	(12.1)
Logistics Parks	13,870	31,419	(55.9)	2,591	6,118	(57.6)
Total Net Property Income	631,328	663,709	(4.9)	117,944	129,231	(8.7)

Footnote:

1. 1H 2024 contribution from CapitaMall Qibao which had ceased operations in March 2023 and lower contribution from CapitaMall Shuangjing which was divested since January 2024.

1H 2024 vs 1H 2023

In RMB terms, gross revenue in 1H 2024 decreased by RMB21.9 million, or 2.3% compared to 1H 2023. The decrease was attributable to the following:

- lower revenue across the logistics parks portfolio mainly due to lower occupancy and rental rates;
- lower contribution from CapitaMall Shuangjing which was divested since January 2024; partially offset by
- higher revenue growth from the retail portfolio primarily driven by the completion of asset enhancement initiatives in CapitaMall Grand Canyon, Rock Square and CapitaMall Yuhuating and proactive lease management in CapitaMall Xizhimen and CapitaMall Xuefu.

Overall business park portfolio is flat year-on-year, with higher contributions from Ascendas Xinsu Portfolio and Singapore-Hangzhou Science & Technology Park Phase II, mitigating the decrease in other business parks assets.

In SGD terms, gross revenue in 1H 2024 decreased by \$11.6 million, or 6.3% due to weaker RMB against SGD.

In RMB terms, property operating expenses in 1H 2024 increased by RMB10.5 million, or 3.7% compared to 1H 2023 primarily due to reduction in property tax incentives received by the business parks in 1H 2024. This was partially offset by the absence of property operating expenses from the divestment of CapitaMall Shuangjing.

Property expenses for 1H 2024 decreased by \$0.3 million, or 0.5% due to weaker RMB against SGD.

Management fees payable to the manager were \$0.9 million lower than 1H 2023 mainly due to lower deposited properties and net property income in SGD terms.

Finance costs in 1H 2024 were \$1.7 million lower than 1H 2023 mainly due to pare down of interest-bearing loans using the sales proceeds from divestment of CapitaMall Shuangjing.

Taxation in 1H 2024 increased by \$6.7 million as compared to prior year mainly due to withholding tax payment of \$12.1 million relating to the divestment of CapitaMall Shuangjing, partially offset by the over provision of taxation from prior years in 1H 2024.

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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 \$12.5 million in aggregate was retained from Distribution Reinvestment Plan on 28 March 2024.

Date	Amount retained	Use of proceeds	Amount used
	\$' million		\$' million
28-Mar-24	12.5	For repayment of Trust's interest-bearing borrowings, general corporate and working capital purposes.	12.5
Total	12.5		12.5

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 registered a GDP growth of 5.0% year-on-year for 1H 2024 while total retail sales of consumer goods increased 3.7% year-on-year for the period January to June 2024. Industrial production grew 5.3% in June 2024¹.

At the Third Plenum meeting held in July 2024, the Chinese government outlined a series of reforms for the next five years that include focusing on innovation, urbanisation, and promoting "new-quality productive forces"². The government plans to foster scientific research and technological breakthroughs to usher in a new era of high growth³ while advancing the development of the green economy. Efforts will be made to improve the system for mobilising resources to achieve key technological breakthroughs⁴.

Expanding domestic demand and consumption will remain a key focus. The government aims to increase household property incomes through various channels and to steadily expand the middle-income group⁵. In a move to stimulate the economy, China made a series of announcement in July to reduce the short-term and long-term interest rates⁶. In addition, the government reaffirmed its commitment to achieving a full-year growth target of 5% in 2024².

With a diversified portfolio encompassing retail, business parks, and logistics assets, CLCT is positioned to navigate China's dynamic landscape and adapt to evolving market developments.

Retail Malls

Beijing Market Update

Beijing's 1H 2024 GDP grew 5.4% year-on-year, while retail sales decreased 0.3% year-on-year from January to June 2024⁷. In 2Q 2024, 2 new projects with a GFA of 425,000 sq m entered the market, bringing the citywide shopping mall stock to 15.5 million sq m. Quality upgrades and urban renewal were key themes in the retail market during this period, with citywide shopping mall vacancy rate at 10.6%. During 2Q 2024, citywide shopping mall rents ranged between RMB600 - 2,500 sq m per month⁸.

¹ China National Bureau of Statistics

² Goldman Sachs, China: Third Plenum Takeaways: Largely in line with expectations, with slight upside from pro-growth policy stance, 18 July 2024

³ The Business Times – China pledges industrial modernisation, reiterates past policy goals, 18 July 2024

⁴ CNBC, China calls for bolstering tech 'breakthroughs' and achieving the full-year growth target, 18 July 2024

⁵ SCMP, China seeks 'unified market' to surmount regional barriers, boost consumption, 19 July 2024

⁶ Paypers, China lowers key interest rates to spur economic growth, 25 July 2024.

⁷ Beijing Bureau of Statistics

⁸ Cushman & Wakefield, Beijing Retail, 2Q 2024

Around 600,000 sq m of new retail space is expected to be added in the second half of 2024, primarily in suburban areas near industrial parks and residential communities. The Beijing retail market will continue to focus on creating unique consumption themes, innovating consumption scenarios, in line with the city's plans to establish itself as a key city for global consumption⁸.

Shanghai Market Update

Shanghai recorded a GDP growth of 4.8% year-on-year for 1H 2024, while retail sales for the first six months of 2024 decreased 2.3% year-on-year⁹. 10 mid-to-high-end retail properties were completed and opened, adding a total GFA of 457,400 sq m to the market in 2Q 2024. This expansion brought the total stock in the prime retail property market to 23.4 million sq m by the end of June. Boosted by both international and domestic retailers, positive market sentiment, and local consumer spending, international brands continued their expansion through flagship stores, first stores, and new store openings. Key demand generators included the F&B, entertainment, fashion, lifestyle and smart home experience store sectors. Consequently, the citywide overall vacancy rate decreased 0.1% quarter-on-quarter to 9.3%. However, increased competition led to a 2.4% quarter-on-quarter decline in the average first-floor asking rent at mid-to-high-end shopping centres, which registered RMB760.5 per sq m per month in 2Q 2024.

With the recently completed supply, Shanghai's retail property market is experiencing more competition within the market. As a result, existing retail properties are undergoing brand mixture adjustments, facility renovations, and offering rent concessions to remain competitive. In April 2024, Shanghai introduced the "Plan for Commercial Circle Upgrading in Shanghai (2024-2026)," which proposes renewing more than 3 million sq m of commercial property. Consequently, Shanghai's retail property market is expected to continue upgrading in the coming years, with projects featuring superior market positioning, more experiential spaces, diversified brand mixtures, and intelligent, green facilities as a result of the urban renewal¹⁰.

Guangzhou Market Update

In 1H 2024, Guangzhou's GDP saw a year-on-year increase of 2.5%. Retail sales for the city remained flat year-on-year in the first six months of 2024¹¹. Guangzhou's total prime retail stock reached 5.6 million sq m as of 2Q 2024. During this quarter, the city's consumption market remained vibrant due to festive activities, attracting over 11 million local and tourist visitors during the May holiday, marking a 4.4% year-on-year rise. This period also coincided with the 135th Canton Fair, which boosted business travel and further stimulated local consumption. Prime shopping malls with mature operational experience continued to introduce new brands and maintained low vacancy rates, whereas retail projects in less favourable locations faced increased operational challenges. The average vacancy rate at prime malls remained steady at 7.3%, while the citywide average monthly rental rate rose 0.5% quarter-on-quarter to RMB716.4 per sq m.

An additional 460,000 sq m of new prime retail space is scheduled to enter the market in 2024¹². However, new supply is expected to be limited over the next three years, which should help balance supply and demand¹³. Looking ahead, the city government has unveiled a new high-quality development plan for the catering industry for 2024 to 2035, which is expected to boost the F&B sector in Guangzhou. Further, the series of policies introduced by the Chinese government to promote consumption, including trade-in subsidies, are anticipated to support a steady increase in retail market demand¹⁴.

Business Parks

Suzhou Market Update

In 1H 2024, Suzhou's GDP increased 6.2% year-on-year¹⁴. As of 2Q 2024, Suzhou's business park inventory stood at approximately 11.6 million sq m. The vacancy rate increased 4.0% year-on-year to 27.2% in 2Q 2024, driven by an influx of new supply and a rise in business exits. Despite this, the average rent remained stable at RMB47.7 per sq m per month.

⁹ Shanghai Bureau of Statistics

¹⁰ Cushman & Wakefield, Shanghai Retail, 2Q 2024

¹¹ Guangzhou Bureau of Statistics

¹² Cushman & Wakefield, Guangzhou Retail, 2Q 2024

¹³ JLL, Guangzhou Retail APPD Market Report Article 26 May 2024

¹⁴ Suzhou Bureau of Statistics

Looking ahead to the remainder of 2024, an additional 766,000 sq m of business park supply is expected to enter the Suzhou market. The local government of Suzhou has introduced several financial and policy support measures to foster scientific and technological innovation within the city. Although an oversupply is anticipated in the short term that might result in an upward trend in vacancy rates, the asking rental is expected to remain stable throughout the year¹⁵.

Hangzhou Market Update

Hangzhou's GDP rose 4.8% year-on-year for 1H 2024¹⁶. Hangzhou's business park inventory totalled 19.4 million sq m, with a vacancy rate of 29.3% as of 2Q 2024. This increase in vacancy rate is primarily due to reduced leasing demand from the internet industry, coupled with the introduction of new space. Consequently, the average rent for business parks in Hangzhou declined to RMB53.7 per sq m per month. To remain competitive, landlords have been flexible with lease terms and rent negotiations to attract tenants.

By the end of 2024, another 2.6 million sq m of business park space is expected to be added in Hangzhou, bringing the total stock to 22.1 million sq m. The Hangzhou government continues to support the biomedical and artificial intelligence sectors through various policies, fostering growth and development in these areas¹⁷.

Logistics Parks Shanghai Market Update

Shanghai Market Update

Shanghai's logistics demand remained stable in 1Q 2024, with net absorption reaching 74,000 sq m. Despite the leasing activity, the city's ongoing supply influx resulted in a 1.6% quarter-on-quarter increase in overall vacancy rate to 16.6% in 1Q 2024. As a result, overall rents experienced a decline of 0.7% quarter-on-quarter, averaging RMB 46.5 per sq m per month. Landlords of new projects prioritised filling vacancies and adopted more flexible rent strategies.

The annual supply in Shanghai is projected to reach 1.4 million sq m. Policy stimulus is anticipated to further support a recovery in consumption, which should translate into increased demand for logistics space. However, the upcoming supply will continue to exert pressure on rents¹⁸.

¹⁵ Cushman & Wakefield, Suzhou Business Park Market Review and Overview, 2Q 2024

¹⁶ Hangzhou Bureau of Statistics

¹⁷ Cushman & Wakefield, Hangzhou Business Park Market Review and Overview, 2Q 2024

¹⁸ JLL, Logistics and Industrial Research APPD Market Report Article, 26 May 2024

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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 1 January 2024 to 30 June 2024

Distribution type : Tax exempt income distribution

Distribution rate : 3.01 cents per Unit

Par value of Units : Not meaningful

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

Remark : The tax exempt income distribution from 1 January 2024 to 30 June 2024 is expected to be funded from borrowings at the Trust level as well as internal cash flows from operations.

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 1 January 2023 to 30 June 2023

Distribution type : Tax exempt income and Capital distribution

Distribution rate : 3.74 cents per Unit

Par value of Units : Not meaningful

7(c) Date payable : 25 September 2024

7(d) Record date : 7 August 2024

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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.

10 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.

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

To the best of our knowledge, nothing has come to the attention of the Board of Directors of the Manager which may render the unaudited interim financial statements of the Group and Trust (comprising the statement of financial position as at 30 June 2024, statement of total return and distribution statement, statement of cash flow and statement of movements in Unitholders’ funds for the six months ended on that date), together with their accompanying notes, to be false or misleading, in any material respect.

On behalf of the Board of the Manager

Ms Quah Ley Hoon
Director

Mr Tan Tze Wooi
Chief Executive Officer / Director

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

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

Chuo Cher Shing
Company Secretary
30 July 2024