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NEWS RELEASE

CLCT posts 1H 2024 net property income of RMB631.3 million
Higher income contribution from a stronger retail portfolio contributed to 3.01 Singapore cents in DPU, improving over 2H 2023

Singapore, 30 July 2024 – CapitaLand China Trust (CLCT) reported a net property income (NPI) of RMB631.3 million for the six months ended 30 June 2024 (1H 2024). NPI decreased 4.9% year-on-year (y-o-y) mainly due to lower contributions from the logistics park and business park portfolio, mitigated by CLCT's stronger retail performance. CLCT's DPU for 1H 2024 was 3.01 Singapore cents, a 0.3% increase compared to its DPU for 2H 2023 due to higher income contribution from its retail portfolio and lower net financing cost.

The NPI for CLCT's nine retail assets grew 0.3% in 1H 2024, a positive improvement considering there were 11 retail assets¹ in the portfolio in 1H 2023. On a like-for-like basis, the NPI of CLCT's retail portfolio would have been up 6.1% y-o-y. In addition, the retail portfolio NPI for 1H 2024 increased by 3.7% over 2H 2023. This growth was driven by broad-based improvements in operating metrics and higher contributions from malls that have completed asset enhancement initiatives (AEI).

For 1H 2024, the strength of the Singapore Dollar (SGD) against Renminbi (RMB) continued to impact foreign currency translation. CLCT reported a distributable income of S\$51.3 million and Distribution Per Unit (DPU) of 3.01 Singapore cents on an enlarged unit base.

Based on CLCT's closing price of S\$0.68 on 29 July 2024, the annualised distribution yield for 1H 2024 was 8.9%, representing a spread of 6.7% above the China 10-year government bond yield. The Record Date for 1H 2024 distribution is 7 August 2024, and Unitholders will receive the 1H 2024 DPU of 3.01 Singapore cents on 25 September 2024.

Mr Tan Tze Wooi, CEO of CapitaLand China Trust Management Limited, the manager of CLCT, said: "Our proactive efforts in portfolio and lease management have enabled CLCT to improve its portfolio occupancy despite a challenging business environment. By integrating new offerings and immersive customer experiences, CLCT achieved high retail occupancy of 97.8% driven by strong y-o-y growth in shopper traffic and tenant sales at malls that recently completed AEI.

Through a targeted leasing approach, we have secured both international and domestic tenants from key sectors, maintaining steady occupancy at our business parks that have outperformed the market in 1H 2024. We also made leasing progress across three logistics

¹ CLCT divested CapitaMall Shuangjing in January 2024 and ceased operations at CapitaMall Qibao at the end of March 2023.

assets and signed in new tenants in July to move their average occupancy to more than 91%². As we evaluate repositioning options for Shanghai Fengxian Logistics Park, we will expand our local network to explore immediate leasing opportunities and develop a longer-term asset plan.

As a long-term China REIT, we remain focused on building a high-quality and resilient portfolio to capture opportunities stemming from growth levers in consumption, technology and innovation. Leveraging the core strengths of CLCT and our sponsor, we will engage in a multi-pronged approach to drive asset performance, optimise portfolio and strengthen our capital structure. We will navigate the market with agility, identify opportunities for monetisation to enhance our balance sheet and pursue sustainable growth through economic cycles.”

China recorded a GDP growth of 5.0% y-o-y while retail sales of consumer goods increased by 3.7% y-o-y in 1H 2024³. Stimulating domestic demand and promoting technological advancements will be a key focus among the series of reforms by Chinese policymakers as the country strives to achieve its full-year growth target of 5.0% in 2024. CLCT is positioned to capitalise on the growth opportunities arising from these policy directions.

Operating performance

As at 30 June 2024, CLCT's retail portfolio occupancy increased to 97.8%. Majority of its retail assets recorded improved occupancy y-o-y. Rental reversion for 1H 2024 was positive at 1.2%⁴. Footfall across the retail portfolio grew 14.1% y-o-y while tenant sales rose by 6.6% y-o-y. This increase was primarily driven by the strong performance of its dominant malls and malls that recently completed AEI, including CapitaMall Yuhuating, Rock Square and CapitaMall Grand Canyon.

Occupancy of CLCT's business parks increased from 90.2% as at 31 March 2024 to 90.5% as at 30 June 2024. Despite the influx in supply, the occupancy rate of CLCT's three logistics assets advanced to an average 90.3% as at 30 June 2024⁵. Chengdu Shuangliu Logistics Park's occupancy improved three consecutive quarters to reach 81.1%. Including new leases signed in July 2024, the logistics portfolio occupancy⁶ would be more than 91%. CLCT will continue to prioritise the occupancy of its new economy assets and actively engage prospects to meet their needs.

Capital management

CLCT continued to maintain a strong balance sheet with a well-staggered debt maturity profile and diversified sources of funding. As part of its proactive capital management strategy, CLCT refinanced all loans due in FY 2024 and secured refinancing for certain loans due in FY 2025 and FY 2026 at lower interest rates, ahead of their maturities. As at 30 June 2024, the average term to maturity of its borrowings was 3.4 years.

² Secured new tenants, which would boost Kunshan Bacheng Logistics Park's occupancy to 99% as at end July 2024.

³ China's National Bureau of Statistics.

⁴ Based on average rent of new lease vs average rent of old lease.

⁵ Including Shanghai Fengxian Logistics Park which is undergoing an evaluation for repositioning, the occupancy of the logistics park portfolio would be 70.4%.

⁶ Excluding Shanghai Fengxian Logistics Park.

As at 30 June 2024, CLCT's cost of debt stood at 3.49% per annum, supported by a healthy interest coverage ratio at 3.2 times. CLCT's gearing remained stable from the previous quarter at 40.8%, well below the regulatory limit of 50%.

To mitigate interest rate risk exposure, 76% of CLCT's total debt is on fixed interest rates. As at 30 June 2024, CLCT has increased the proportion of its RMB denominated loan facilities to 27% of its total debt and is on track to further expand this proportion to 30% by the end of the year. This move has enabled CLCT to capitalise on favourable onshore interest rates to effectively lower its overall cost of debt.

Sustainability initiatives

CLCT remains committed to making a positive environmental and social impact on the communities where it operates. The proportion of CLCT's sustainability-linked loans increased from 31% as at 31 December 2023 to 33% as at 30 June 2024.

Summary of CLCT results

	1H 2024¹	1H 2023	Change
	S\$'000	S\$'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	1H 2023	Change
	RMB'000	RMB'000	%
Gross Revenue ²	925,929	947,781	(2.3)
Net Property Income ^{2,3}	631,328	663,709	(4.9)

Footnotes:

1. 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.

2. Average exchange rate for SGD/RMB.

1H 2024	1H 2023	Change
		%
5.353	5.136	4.2

3. 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.

4. 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.

About CapitaLand China Trust (www.clct.com.sg)

CapitaLand China Trust (CLCT) is Singapore's largest China-focused real estate investment trust (REIT). CLCT's portfolio constitutes nine shopping malls, five business park properties and four logistics park properties. The geographically diversified portfolio has a total gross floor area (GFA) of approximately 1.8 million square metres (sq m), located across 12 leading Chinese cities. CLCT was listed on the Singapore Exchange Securities Trading Limited (SGXST) on 8 December 2006. It was 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's retail properties are strategically located in densely populated areas with good connectivity to public transport. The malls are positioned as one-stop family-oriented destinations that offer essential services and house a wide range of lifestyle offerings that cater to varied consumer preferences in shopping, dining and entertainment. CLCT's portfolio comprises a diverse mix of leading brands including ZARA, UNIQLO, Xiaomi, Li-Ning, Haidilao, Nanjing Impressions, TANYU, Nike, Sephora, Starbucks Coffee and Chow Tai Fook. The malls are CapitaMall Xizhimen, CapitaMall Wangjing, CapitaMall Grand Canyon in Beijing; Rock Square in Guangzhou; CapitaMall Xinnan in Chengdu; CapitaMall Nuohemule in Hohhot; CapitaMall Xuefu and CapitaMall Aidemengdun in Harbin and CapitaMall Yuhuating in Changsha.

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

The portfolio of four logistics parks is located in key logistics hubs near transportation nodes such as seaports, airports and railways to serve the growing domestic logistic needs of China's Eastern, Central and Southwest regions. The properties are fitted with modern features to meet a wide range of e-commerce and logistics requirements. The tenants cater to a variety of sectors from logistics and warehouse, pharmaceuticals, manufacturing to e-commerce. The properties are Shanghai Fengxian Logistics Park in Shanghai, Kunshan Bacheng Logistics Park in Kunshan, Wuhan Yangluo Logistics Park in Wuhan and Chengdu Shuangliu Logistics Park in Chengdu.

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

About CapitaLand Investment Limited (www.capitalandinvest.com)

Headquartered and listed in Singapore, CapitaLand Investment Limited (CLI) is a leading global real asset manager with a strong Asia foothold. As at 31 March 2024, CLI had S\$134 billion of assets under management as well as S\$100 billion of funds under management (FUM) held via six listed real estate investment trusts and business trusts, and more than 30 private vehicles across Asia Pacific, Europe and USA. Its diversified real estate asset classes cover retail, office, lodging, business parks, industrial, logistics, self-storage and data centres.

CLI aims to scale its FUM and fee-related earnings through fund management, lodging management and commercial management, and maintain effective capital management. As the investment management arm of CapitaLand Group, CLI has access to the development capabilities of and pipeline investment opportunities from CapitaLand's development arm.

As a responsible company, CLI places sustainability at the core of what it does and has committed to achieve Net Zero carbon emissions for Scope 1 and 2 by 2050. CLI contributes to the environmental and social well-being of the communities where it operates, as it delivers long-term economic value to its stakeholders.

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