



## CAPITALAND CHINA TRUST

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

### ANNOUNCEMENT

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#### RENEWAL OF THE PROPERTY MANAGEMENT AGREEMENTS IN RELATION TO THE RETAIL PROPERTIES OF CAPITALAND CHINA TRUST

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##### 1. INTRODUCTION

CapitaLand China Trust Management Limited (the "**Manager**"), in its capacity as manager of CapitaLand China Trust ("**CLCT**"), wishes to announce that agreements have been entered into with CapitaLand Retail (Shanghai) Management & Consulting Co., Ltd. and its branches (the "**Property Managers**", and each, a "**Property Manager**") for the renewal of the provision of property management services by the Property Managers in respect of CapitaMall Xizhimen, CapitaMall Wangjing, CapitaMall Grand Canyon, CapitaMall Shuangjing, CapitaMall Xinnan, CapitaMall Qibao, CapitaMall Xuefu, CapitaMall Aidemengdun, CapitaMall Yuhuating, CapitaMall Nuohemule and Rock Square (the "**PMAs**", and each, a "**PMA**").

##### 2. DISCLOSURE REQUIREMENTS

Under Chapter 9 of the Listing Manual of the SGX-ST (the "**Listing Manual**"), where an entity at risk (as defined in the Listing Manual) proposes to enter into a transaction with an interested person (as defined in the Listing Manual) and the value of the transaction (either in itself or when aggregated with the value of other transactions, each of a value equal to or greater than S\$100,000, with the same interested person during the same financial year) is equal to or exceeds three per cent. (3%) but is less than five per cent. (5%), of the latest audited net tangible asset ("**NTA**") of the issuer and its subsidiaries (the "**Issuer Group**"), an immediate announcement of the transaction must be made and if the value is equal to or exceeds five per cent. (5%) of the Issuer Group's latest audited consolidated NTA, approval of the unitholders of the issuer must be obtained.

As at the date of this announcement, CapitaLand Investment Limited ("**CLI**") has an aggregate indirect interest in 498,538,976 units in CLCT ("**Units**"), representing approximately 29.82% of the total number of Units in issue, and is therefore regarded as a "controlling unitholder" of CLCT under both the Listing Manual and Appendix 6 of the Code on Collective Investment Schemes issued by the Monetary Authority of Singapore

(the "**Property Funds Appendix**"). In addition, as the Manager is an indirect wholly-owned subsidiary of CLI, CLI is therefore regarded as a "controlling shareholder" of the Manager under both the Listing Manual and the Property Funds Appendix.

For the purposes of Chapter 9 of the Listing Manual and Paragraph 5 of the Property Funds Appendix, the Property Managers, being indirect wholly-owned subsidiaries of CLI, are considered associates of (i) a "controlling unitholder" of CLCT and (ii) a "controlling shareholder" of the Manager and therefore "interested persons" (under the Listing Manual) and "interested parties" (for the purposes of the Property Funds Appendix) of CLCT. CLCT is regarded as an "entity at risk" for these purposes.

Therefore, the renewal of the PMAs ("**PMAs Renewal**") constitute as interested person transactions under Chapter 9 of the Listing Manual as well as interested party transactions under the Property Funds Appendix. The PMAs Renewal would exceed 3.0% of the latest NTA of CLCT, and accordingly under Rule 905 of the Listing Manual, the Manager must make an announcement of the PMAs Renewal.

### **3. DETAILS OF THE PMA**

The term of the PMAs ranges from a period of two and a half years to five years<sup>1</sup>, and each commences from 1 July 2022. The PMAs have been renewed on substantially the same terms and conditions, including fees, as the original PMAs.

#### **3.1 Property Manager's Services**

The services provided by each Property Manager in respect of the relevant property under its management include, amongst others, the following:

- (a) property management services for the relevant property, subject to the overall management of the relevant project company's property management services, including (i) establishing operating budgets and annual plans for the operation, management, marketing and maintenance of the relevant property, (ii) operating and maintaining the relevant property in accordance with such operating budgets and annual plans (and revisions thereof), and (iii) coordinating, reviewing and maintaining at all times certain insurance coverage with the assistance of insurance advisers; and
- (b) lease management services, including (i) recommending leasing strategy and negotiating leases, licenses and concessions, (ii) supervising and controlling all collections and receipts, payments and expenditure relating to the property, and (iii) lease administration.

Additionally, each Property Manager will deploy dedicated personnel at their respective

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<sup>1</sup> Except for CapitaMall Qibao, where the term of the PMA will be aligned with the expiry of the master lease (held by a subsidiary of CLCT) in January 2024.

property under management and also a centralised team of personnel to provide expertise on leasing, technical services, tenancy co-ordination, marketing and communications to the properties as a whole. This is to provide strategic support to the properties, for example, in establishing strategic relationships with key tenants and tenancy co-ordination work.

### **3.2 Fees**

The fees payable to the relevant Property Managers under the PMAs are as follows:

- (a) a fee of 2.0% per annum of the total revenue for each property; and
- (b) a fee of 2.5% per annum of the net property income for each property.

### **3.3 Reimbursable Amount**

Under each PMA, each Property Manager will be fully reimbursed for (i) the employment costs and remuneration relating to certain personnel engaged solely for the provision of services for the relevant property under its management, (ii) the allocated employment costs and remuneration relating to the centralised team of personnel engaged exclusively to provide group services for the property under its management, as approved in each annual budget by the relevant project company, and (iii) certain shared services, including but not limited to finance shared service, IT consulting service and corporate shared services.

### **3.4 Expenses**

Each Property Manager is authorised to utilise funds deposited in operating accounts (which are separate from the collection accounts into which all rental income is paid) of CLCT to make payment for all costs and expenses incurred in the operation and management of each property, within an annual budget approved by the relevant project company.

### **3.5 Termination**

The relevant project company may terminate the appointment of the relevant Property Manager by giving written notice.

## **4. RATIONALE**

The Manager believes that the renewal of the PMAs would benefit unitholders of CLCT ("**Unitholders**"). The Property Managers possess a broad range of commercial experience, including expertise in property investment, development and management. This ensures continuity and operational efficiency in the provision of property management services for CLCT's properties. The fees payable to the Property Managers under the PMAs are competitive and are within market norms.

## **5. STATEMENT FROM THE AUDIT COMMITTEE**

Having considered the terms and conditions of the PMAs, as well as the rationale for the renewal of the PMAs, the Audit Committee of the Manager is of the view that the PMAs Renewal is on normal commercial terms and is not prejudicial to the interests of CLCT and its minority Unitholders.

## **6. VALUE OF INTERESTED PERSON TRANSACTIONS**

As at the date of this announcement, the value of all interested person transactions entered into between CLCT and CLI and/or the associates of CLI during the course of the current financial year (including the PMAs to be renewed but excluding any transaction with a value of less than S\$100,000) is approximately S\$98.61 million.

The value of all interested person transactions entered into between CLCT and all interested persons during the course of the current financial year (including the PMAs to be renewed but excluding any transaction with a value of less than S\$100,000) is approximately S\$99.26 million.

## **7. INTERESTS OF DIRECTORS AND CONTROLLING UNITHOLDERS**

As at the date of this announcement, certain directors of the Manager collectively hold an aggregate direct and indirect interest in 1,198,241 Units.

Mr Soh Kim Soon is the Chairman and a Non-Executive Independent Director of the Manager. Mr Tan Tze Woi is the Chief Executive Officer and an Executive Non-Independent Director of the Manager. Mr Neo Poh Kiat, Ms Kuan Li Li, Professor Ong Seow Eng and Ms Tay Hwee Poo are Non-Executive Independent Directors of the Manager. Mr Lim Cho Pin Andrew Geoffrey and Mr Puah Tze Shyang are Non-Executive Non-Independent Directors of the Manager.

As at the date of this announcement, CLI has an aggregate indirect interest in 498,538,976 Units, which is equivalent to approximately 29.82% of the total number of Units in issue.

Save as disclosed in this announcement and as at the date of this announcement, none of the directors of the Manager or controlling Unitholders of CLCT has an interest, direct or indirect, in the PMAs Renewal.

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 June 2022

**Important Notice**

The past performance of CLCT is not indicative of future performance. The listing of the units of CLCT ("**Units**") on the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") does not guarantee a liquid market for the Units. The value of the Units and the income derived from them may fall as well as rise. Units are not obligations of, deposits in, or guaranteed by, the Manager. An investment in the Units is subject to investment risks, including the possible loss of the principal amount invested. Investors have no right to request that the Manager redeem or purchase their Units while the Units are listed on the SGX-ST. It is intended that Unitholders may only deal in their Units through trading on the SGX-ST.

This announcement is for information only and does not constitute an invitation or offer to acquire, purchase or subscribe for the Units.