CAPITALAND CHINA TRUST

2022 ANNUAL REPORT

CapitaLand
China Trust

Our cover page features the letters "**C**" and "**O**" intersecting to form an interlocked design, where "**C**" stands for **CapitaLand** and the "**O**" stands for **ONE**. Together, they represent the **ONE CapitaLand** ecosystem, and symbolise how the respective REITs, business trusts and businesses that are part of the CapitaLand Investment Group benefit from cross-platform synergies and complementary strengths; and are united and committed to the same shared purpose of ***Making a Positive Impact. Think Big. Do Right. Make it Last.*** by adhering to the principles of diversity and inclusion, doing right by our stakeholders and contributing to the long-term interests of the communities that we operate in.

VISION

Sustainable and resilient REIT with a professionally managed portfolio of quality real estate across China

MISSION

Deliver sustainable income growth to our Unitholders and value-add to the community and stakeholders by enhancing organic growth through proactive asset management; creating new value through innovative asset enhancement strategies; and capitalising on yield-accretive acquisition growth

THIS FLUIDITY OF SHAPES REPRESENTS THE GROUP AND OUR ONE CAPITALAND ECOSYSTEM. WE LEVERAGE OUR RESPECTIVE STRENGTHS AND GROW TOGETHER AS ONE.

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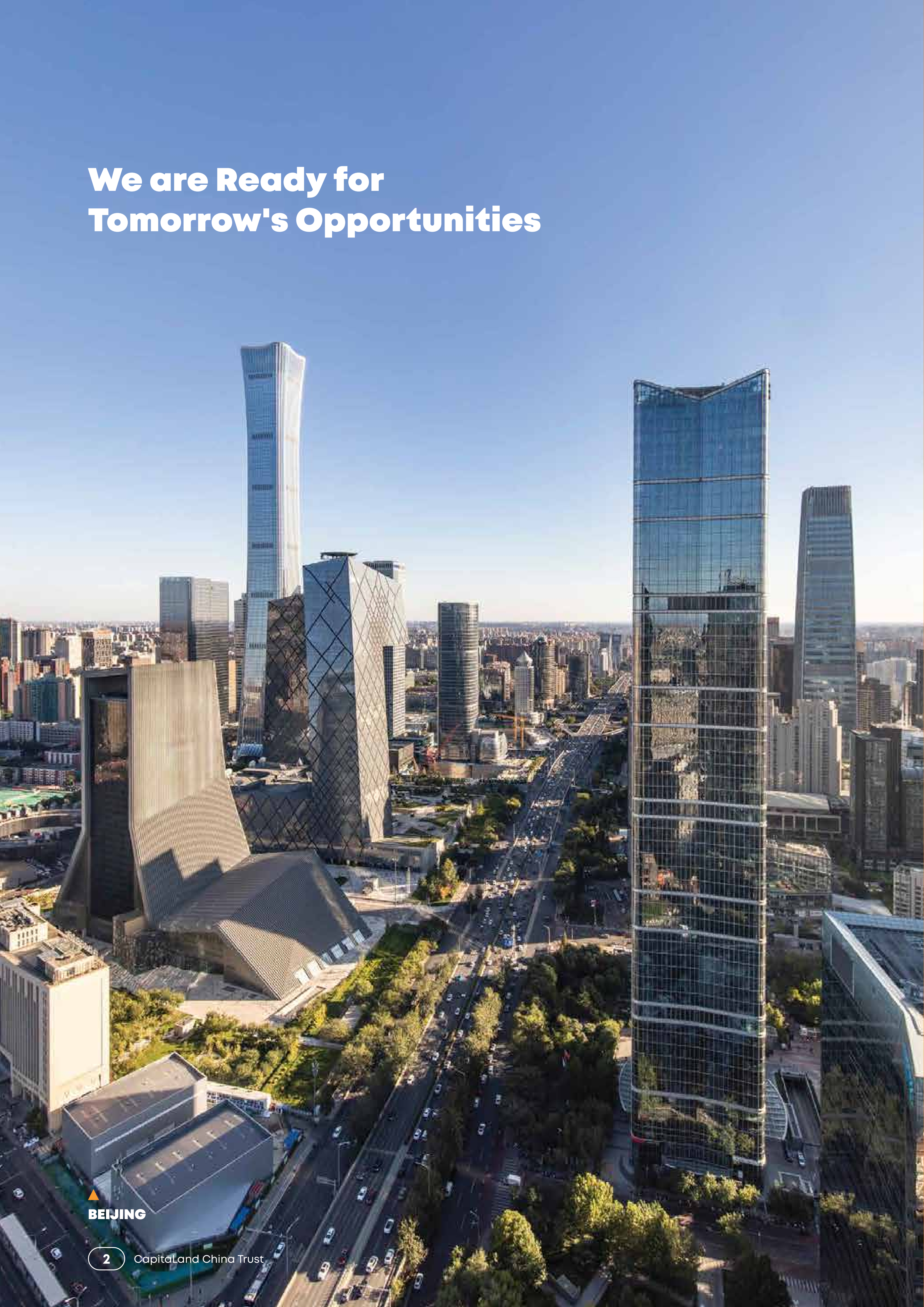
We are Ready for Tomorrow's Opportunities



BEIJING

Who We Are

CapitaLand China Trust (CLCT) is Singapore's largest China-focused real estate investment trust (REIT) with total assets of approximately S$5.2 billion as at 31 December 2022.

CLCT has a portfolio that constitutes 11 shopping malls, five business parks and four logistics parks. The geographically diversified portfolio has a total gross floor area (GFA) of approximately 2.0 million square metre (sq m), located across 12 leading Chinese cities.

The 11 retail properties are strategically located in densely populated areas with good connectivity to transportation amenities, which provide stable recurring shopper footfall. 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. The retail tenant portfolio in CLCT 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 and CapitaMall Shuangjing in Beijing; Rock Square in Guangzhou; CapitaMall Xinnan in Chengdu; CapitaMall Qibao[1] in Shanghai; CapitaMall Nuohemule in Hohhot; CapitaMall Xuefu and CapitaMall Aidemengdun in Harbin; and CapitaMall Yuhuating in Changsha.

CLCT has a portfolio of five business parks that is situated in high-growth economic zones, with high-quality and reputable domestic and multinational corporations operating in new economy sectors such as biomedical, electronics, engineering, e-commerce, information and communications technology and financial services. The business parks and industrial properties exhibit excellent connectivity to transportation hubs, and are easily accessible via various modes of transport. 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 high-quality modern 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. Fitted with high-tech and modern features to meet a wide range of e-commerce and logistics requirements, the properties are anchored by strong domestic tenants, including China's leading technology-driven supply chain solutions and logistics services providers. 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.

Listed on the Singapore Exchange Securities Trading Limited (SGX-ST) on 8 December 2006, the objective of CLCT is to invest 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 is managed by CapitaLand China Trust Management Limited (CLCTML), a wholly owned subsidiary of Singapore-listed CapitaLand Investment Limited (CLI), a leading global real estate investment manager with a strong Asia foothold.

1. The Manager is ceasing operations at the mall ahead of the master lease expiration in January 2024.

Powered by a Future-Ready Portfolio

Our transformational pivot towards the resilient business park and logistics park asset classes has provided income diversification and strengthened portfolio resilience by allowing us to benefit across market cycles. With the completion of the asset enhancement initiatives at CapitaMall Wangjing as well as the phased completion at CapitaMall Yuhuating in 2022, our timely rejuvenation of the retail portfolio and refreshed tenant mix promise to enhance customers' preference for and stickiness to our destination lifestyle malls.

REJUVENATED PORTFOLIO WELL-POSITIONED FOR CHINA'S REOPENING

As the first and largest China-focused S-REIT, CLCT is well-positioned to benefit from China's reopening theme – capturing opportunities from the revitalisation in domestic consumption as well as its drive for technological innovation.

KUNSHAN BACHENG LOGISTICS PARK

PRUDENT CAPITAL MANAGEMENT

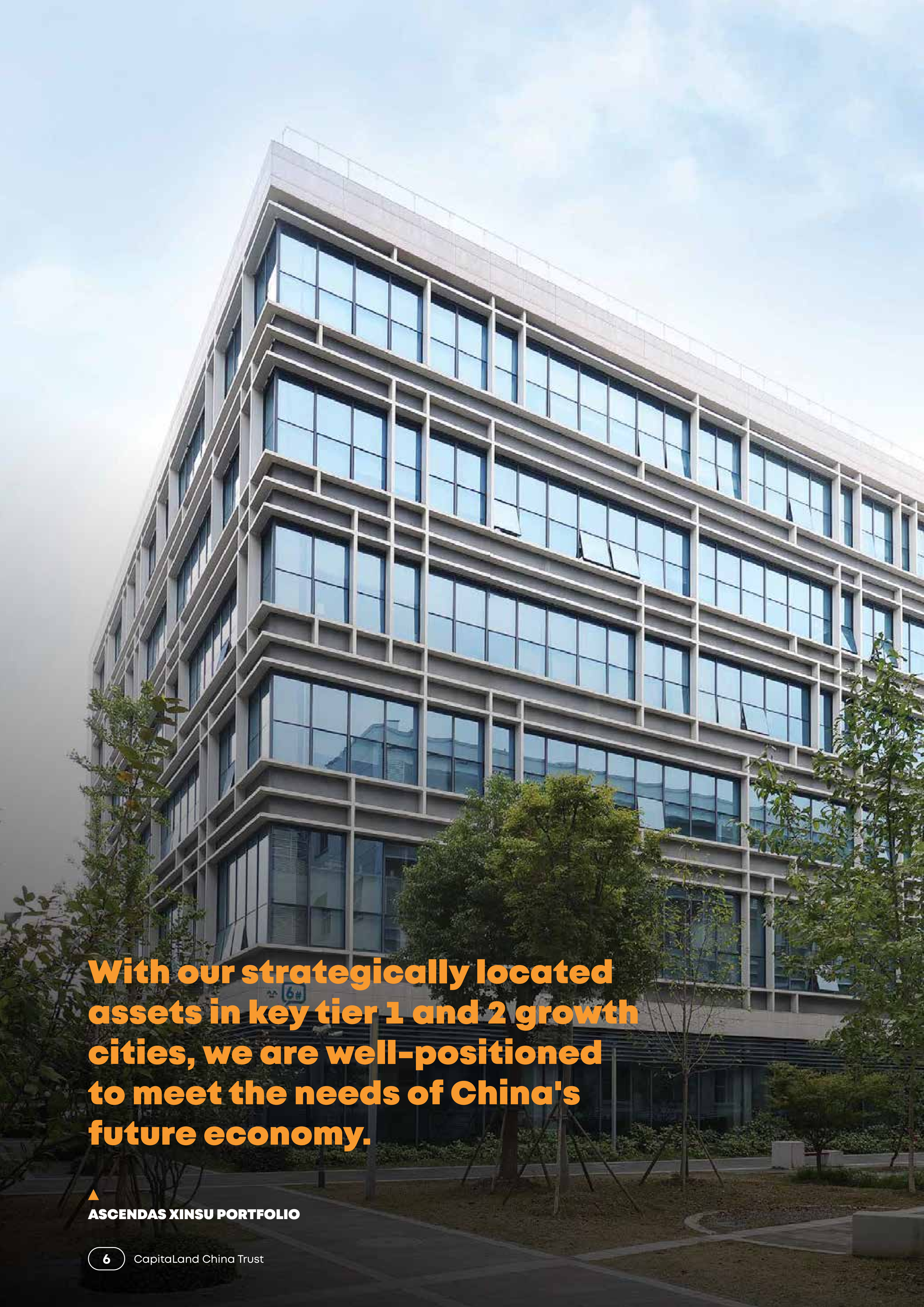
We are in a strong position to mitigate higher global interest rates with the easing interest rates in China by maintaining a portion of our borrowing onshore. Underpinned by diversified sources of funding, a well-staggered debt maturity profile and effective hedging policies, our healthy balance sheet and financial position allow us to better manage the challenging conditions of global capital markets.

DRIVING SUSTAINABILITY

From implementing green leases to attaining the Leadership in Energy and Environmental Design (LEED) Gold green certification for CapitaMall Wangjing and Rock Square, we remain steadfast in our commitment towards sustainability.

OPTIMISING GROWTH

We are proactively evaluating opportunities to reconstitute our portfolio to further fortify its resilience and increase growth prospects. With the support of a strong Sponsor, we are well-placed to create sustainable long-term value for our stakeholders.



With our strategically located assets in key tier 1 and 2 growth cities, we are well-positioned to meet the needs of China's future economy.

▲
ASCENDAS XINSU PORTFOLIO

Performance Snapshot of 2022

Operations

NO. OF LEASES[1]

2,804

GROSS FLOOR AREA

~2 million

SQ M

RENTAL REVERSION

Retail : 2.7%[1]
Business Park : 6.4%
Logistics Park: 6.6%

PORTFOLIO OCCUPANCY[2]

Retail : 95.4%[1]
Business Park : 91.4%
Logistics Park: 96.4%

Financials

NET PROPERTY INCOME

S$254.2

MILLION

DISTRIBUTION PER UNIT

7.50

S CENTS

AGGREGATE LEVERAGE[3]

39.6%

% FIXED RATE

71.4%

COST OF DEBT[4]

2.97%

Valuation

PORTFOLIO[5]

RMB25,241

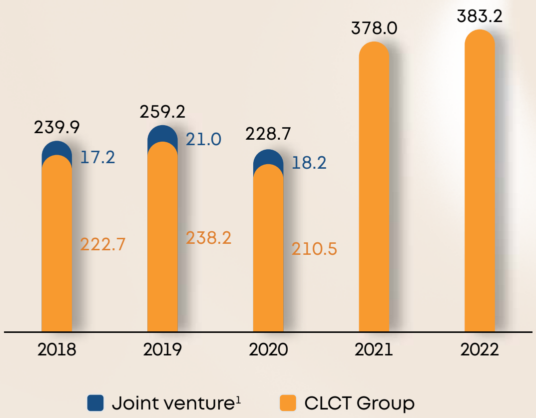
MILLION

Retail : RMB18,059 million
Business Park : RMB5,478 million
Logistics Park : RMB1,704 million

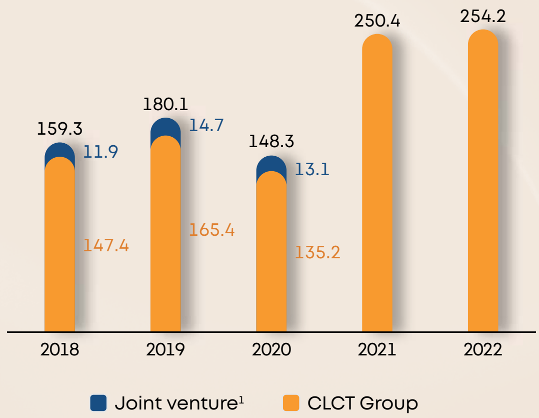
1. Excludes CapitaMall Qibao as the Manager is ceasing operations at the mall ahead of the master lease expiration in January 2024.
2. Based on committed leases as at 31 December 2022.
3. In accordance with the Property Funds Appendix, the aggregate leverage is calculated based on the proportionate share of total borrowings over deposited properties.
4. Ratio of the consolidated financial year (FY) interest expense for the respective financial year reflected over weighted average borrowings on balance sheet for that financial year.
5. Based on valuation on 100% basis as at 31 December 2022.

Financial Highlights

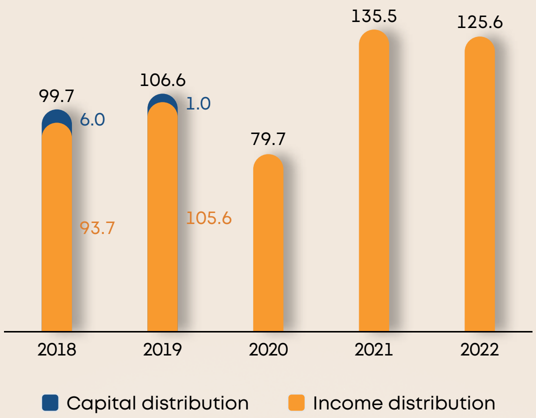
GROSS REVENUE (S$ million)



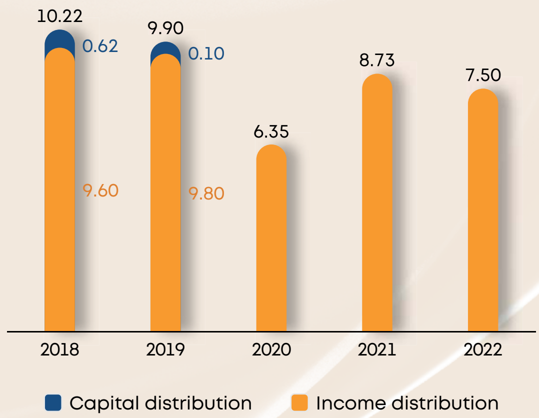
NET PROPERTY INCOME (S$ million)



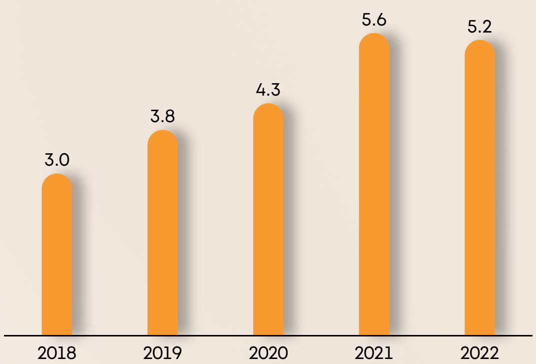
DISTRIBUTABLE INCOME (S$ million)



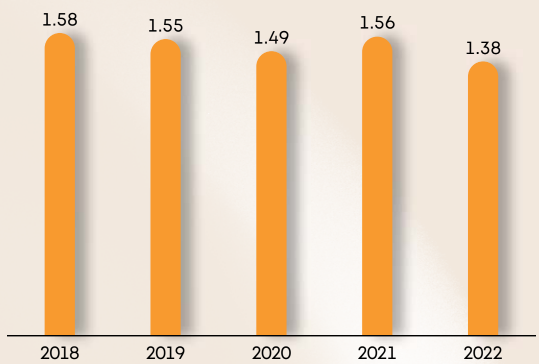
DISTRIBUTION PER UNIT (S cents)



TOTAL ASSETS (S$ billion)



NET ASSET VALUE PER UNIT (S$)



1 Joint venture refers to CLCT's 51% interest in Rock Square.

5-YEAR FINANCIAL HIGHLIGHTS

As at 31 December	2018	2019	2020	2021	2022
PERFORMANCE HIGHLIGHTS					
Gross Revenue (S$ million)	239.9[1]	259.2[1]	228.7[1]	378.0	383.2
Net Property Income (S$ million)	159.3[1]	180.1[1]	148.3[1]	250.4	254.2
Distributable Income (S$ million)	99.7	106.6	79.7	135.5	125.6
Distribution Per Unit (S cents)	10.22	9.90	6.35	8.73	7.50
- DPU from Operations	9.60	9.80	6.35	8.73	7.50[2]
- DPU from Capital Distribution	0.62	0.10	-	-	-
Earnings Per Unit (EPU) (S cents)	13.17	15.45	(0.96)	6.92	7.36
Diluted EPU (S cents)	13.11	15.39	(0.96)	6.86	7.30
FINANCIAL POSITION HIGHLIGHTS					
Portfolio Property Valuation (S$ million)[3]	2,438.9	3,223.9	3,895.3	5,239.0	4,904.3
Total Assets (S$ million)	2,982.7	3,805.7	4,310.3	5,575.9	5,221.9
Total Deposited Properties (S$ million)[4]	3,072.3	3,883.5	4,281.9	5,226.6	4,893.4
Total Borrowings (S$ million)	1,041.3	1,383.2	1,359.7	1,993.4	1,950.9
Net Assets Attributable to Unitholders (S$ million)	1,553.2	1,873.7	2,245.2	2,588.2	2,306.2
Net Asset Value Per Unit (S$)					
- Before Income Distribution	1.58	1.55	1.49	1.56	1.38
- After Income Distribution	1.54	1.51	1.48	1.54	1.34
Market Capitalisation (S$ million)	1,333.5	1,946.6	2,093.9	1,974.8	1,889.9
CAPITAL MANAGEMENT HIGHLIGHTS					
Aggregate Leverage (%)[5]	35.4	36.7	31.8	37.7	39.6
Average Cost of Debt (%)[6]	2.73	2.98	2.76	2.62	2.97
Average Term to Maturity (years)	3.5	2.8	3.0	3.4	3.4
Interest Coverage (times)[7]	5.3	5.3	3.9	4.9	3.8
Management Expense Ratio (%)[8]	1.0	1.1	0.8	0.9	0.8

1 Includes contributions from joint venture in FY 2018 to FY 2020 (51% stake in Rock Square).
2 Includes rental support of S$1.3 million (which was previously deducted from the amount paid to the vendor) for the vacancy loss and rent free provided to existing tenants for Chengdu Shuangliu Logistics Park and Wuhan Yangluo Logistics Park. The DPU impact of rental support is S$0.08 cents.
3 Based on valuation on a 100% basis as at 31 December 2022. The portfolio property valuation includes the valuation of 11 retail malls, five business parks and four logistics parks. For more details, please refer to page 98.
4 All the assets of CLCT, including CLCT's proportionate share of Project Company (if the ownership is less than 100%).
5 The aggregate leverage is calculated based on proportionate total borrowing over the deposited properties in accordance with Property Funds Appendix.
6 Ratio of the consolidated interest expenses over weighted average borrowings on balance sheet.
7 Ratio of EBITDA over consolidated interest expenses (excluding 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 interest coverage ratios for FY 2019 and FY 2020 have been restated to exclude FRS 116 finance expense. If the perpetual securities distributions (per guidelines from the Monetary Authority of Singapore (MAS)) are included, the adjusted Interest Coverage Ratio would be 3.6 for FY 2022.
8 Refers to the expenses of CLCT excluding property expenses and interest expenses but including the performance component of CLCTML's management fees, expressed as a percentage of weighted average net assets.

Year in Brief

Ascendas Xinsu Portfolio, Suzhou

First Quarter

JANUARY

» Appointed Professor Ong Seow Eng as Non-Executive Independent Director, with effect from 1 January 2022.

» Appointed Mr Neo Poh Kiat as Audit Committee (AC) Chairman and Ms Kuan Li Li as AC member, with effect from 1 January 2022.

» Reported FY 2021 Distribution Per Unit (DPU) of 8.73 S cents, an increase of 37.5% year-on-year (YoY).

» Recorded new contributions from the five business parks and four logistics parks with positive rental reversions achieved of 7.0% and 2.7% respectively in FY 2021.

Second Quarter

APRIL

» Issued CLCT's maiden standalone Integrated Sustainability Report for FY 2021.

» Held the 2022 Annual General Meeting (AGM).

» Released 1Q 2022 Business Update announcing an increase of 24.0% and 30.4% YoY in Gross Revenue and Net Property Income (NPI) respectively, with full contributions from the business park portfolio and new contributions from the logistics park portfolio.

» Announced the retirement of Mr Christopher Gee Kok Aun and Professor Tan Kong Yam as Non-Executive Independent Directors and they relinquished their roles as members of the AC, with effect from 1 May 2022.

» Appointed Professor Ong Seow Eng as AC member and Ms Tay Hwee Pio as Non-Executive Independent Director and AC member, with effect from 1 May 2022.

» Full or partial lockdowns were implemented across cities in China, including Shanghai.

CapitaMall Wangjing, Beijing

Third Quarter

JULY

» Participated in the GRESB Assessment 2022.

» Announced 1H 2022 results with NPI growth of 15.9% YoY despite impact from COVID-19 lockdowns and restrictions. Improved performance underpinned by the enlarged portfolio and strong contributions from the newly acquired business park and logistics park assets. Excluding amount retained from the amount available for distribution, DPU would have been 4.32 S cents, 2.1% higher YoY.

AUGUST

» Ranked 11th in the Singapore Governance and Transparency Index (SGTI) 2022 Award (REIT and Business Trust Category).

Singapore-Hangzhou Science & Technology Park Phase II, Hangzhou

Fourth Quarter

OCTOBER

» Awarded 2-star rating in the GRESB Assessment 2022 and received an “A” for GRESB Public Disclosure 2022.

» Released 3Q 2022 Business Update announcing YoY growth of 7.0% and 7.5% in Gross Revenue and NPI respectively, with full contributions from the business park and logistics park assets despite intermittent lockdowns and closures across several malls during 3Q 2022.

» Recorded first positive rental reversion of 4.9% since the onset of COVID-19 for the Retail Portfolio, boosted by the completion of CapitaMall Wangjing's asset enhancement initiative (AEI), achieving ~140% rental reversion and more than 20% of Return on Investment post AEI.

» Celebrated the AEI grand opening of CapitaMall Wangjing on 1 October 2022. The AEI created ~7,100 sq m of high-quality experiential space allowing the addition of 70 new stores, of which ~60% are new-to-market concepts. The revamped area features a broad range of tenant offerings alongside experiential and new retailing concepts, positioning CapitaMall Wangjing as a family-friendly destination catering to the lifestyle needs.

» Attained LEED Gold certification for CapitaMall Wangjing and Rock Square as part of CLCT's sustainability commitment.

NOVEMBER

» Ranked 23rd in the Governance Index for Trusts (GIFT) 2022 (REITs and Business Trust Category).

Message to Unitholders

In FY 2022, we seized the opportunity to rejuvenate our retail properties in preparation for the anticipated strong return of domestic consumption in the coming year.

With China lifting its restrictions and renewing its drive for growth, we are confident of an improved economic outlook and business environment for 2023.

Soh Kim Soon
Chairman

Tan Tze Wooi
Chief Executive Officer

Dear Unitholders,

In FY 2022, CapitaLand China Trust (CLCT) delivered resilient results even as China's stringent pandemic controls and restrictions weighed on a challenging operating environment for most of the year. Throughout, our geographical and asset diverse portfolio stood us in good stead, with the impact on one city cushioned by operating conditions elsewhere. We seized the opportunity to rejuvenate our retail properties in preparation for the anticipated strong return of domestic consumption in the coming year.

At the same time, our drive over the last two years to fortify our foundations and shape a resilient, future-ready portfolio began to bear fruit. The cornerstone of our reconstitution strategy involved a transformational pivot to business park and logistics park asset classes to diversify our portfolio, while retaining our commitment to strengthen our retail assets. Today, our portfolio comprises 11 retail malls, five business parks and four logistics parks across 12 cities in China. Together, they house a high-quality tenant base with five of our top 10 tenants in new economy sectors and the majority hailing from essential and high-growth industries. Beyond providing income resilience amidst a volatile environment, our diversified portfolio enables us to tap different market cycles and capture the upside from China's reopening.

A STEADY PERFORMANCE

In FY 2022, gross revenue rose 1.4% year-on-year to reach S$383.2 million, while net property income (NPI) recorded a 1.5% increase to S$254.2 million despite the challenging COVID-19 environment, particularly in 2H 2022. Improvements in gross revenue and NPI were boosted by full-year contributions from our business and logistics parks, validating our strategy of diversifying our asset classes. The increase, however, was offset by a weaker retail business landscape, where we supported our retail tenants with higher rental relief.

CLCT closed the year with a portfolio occupancy of 95.4%[1], 91.4% and 96.4% for our retail, business park and logistics park assets respectively. Due to the tight restrictions and lockdowns, FY 2022 retail traffic decreased 20.1% year-on-year[1], while tenant sales declined 12.7%[1] against the previous year.

Emerging from COVID-19, our portfolio has recorded positive rental reversion for the first time across all asset classes. Rental reversion for our retail segment came in at +2.7%[1]. This achievement was buoyed by the completion of CapitaMall Wangjing's AEI during the financial year. Meanwhile, our new economy assets registered a +6.4% rental reversion with broad-based higher rent per square metre (sq m) across the key sectors of electronics, engineering, information and communications technology, professional services and biomedical sciences. We have achieved a well-diversified tenant mix exposure with more than half of our tenants from essential and high growth sectors.

Distributable income for the year stood at S$125.6 million due to lower retail performance, higher interest expense as well as the absence of one-off proceeds[2]. Distribution per unit (DPU) on an enlarged unit base was 7.50 Singapore cents.

EXTRACTING VALUE

Throughout FY 2022, we focused on proactively managing our assets and enhancing our retail portfolio. To this end, we engaged in asset enhancement initiatives (AEIs) and space reconfigurations to launch new trending retail concepts and position our malls in preparation for China's reopening. Our asset enhancement strategy harnesses a phased approach that considers lease expiries, market opportunities, consumer trends and the right tenant mix to enrich visitor experience.

At CapitaMall Xizhimen, we redesigned a total of 879 sq m to curate an optimal mix of tenants and services to increase customer stickiness. The refreshed tenant list includes the mall's first electrical vehicle tenant, Mustang Mach-E; Huawei's top-tier Multiple Sales Centre (MSC) store, the first MSC concept store in a Beijing mall; as well as trendy F&B offerings. Completed in 1Q 2022, the reconfigured area registered a 46.0% increase in total rent.

In 3Q 2022, we concluded Phase 2 of our AEI at CapitaMall Wangjing. Recognising the shift in consumer preferences, we transformed a space previously occupied by an old department store into a 7,100 sq m high-quality experiential zone featuring more than 70 new shops, of which 60.0% are new-to-Wangjing market concepts. Since its completion, the

1 Excluding CapitaMall Qibao.
2 In reference to one-off compensation relating to CapitaMall Nuohemule and insurance proceeds received for CapitaMall Grand Canyon in FY 2021.

mall has experienced a notable uplift in performance, achieving around +140% rental reversion for the reconfigured area with the new space attracting strong interest from tenants and attaining 100% occupancy at opening[3].

Translating the success to another mall, we embarked on Phase 2 of rejuvenating CapitaMall Yuhuating. We recovered around 8,900 sq m of anchor supermarket space to offer a diverse mix of specialty tenants, injecting more lifestyle offerings and experiences. Post-AEI, level 2 of the revamped mall will feature IT and digital concepts, while level 3 will house family-themed tenants including children's fashion and entertainment outlets in addition to education and sporting brands. Slated for completion in 1Q 2023, the AEI is expected to yield a return on investment of over 15%. As of end-2022, about 82.0%[4] of the area has been pre-leased.

Elevating the shopping experience at CapitaMall Grand Canyon, we are reconfiguring 1,700 sq m of fashion space recovered from a mini-anchor tenant to house a diversified mix of electric vehicle, F&B, beauty and lifestyle tenants. Post-reconfiguration, the area is expected to generate an additional 7.4% of the mall's FY 2022 revenue. Currently, 77% of the space has commenced operations with the remaining scheduled to open by March 2023.

Throughout the year, we stepped up our drive to engage customers and cement our malls as prime social gathering spots. The immersive shopping experiences at our malls centred on key celebrations and offerings that shoppers enjoy, from summer bazaars and events commemorating Chinese Valentine's Day, to a fashion extravaganza and beauty pop-up stores.

POSITIONING FOR GROWTH

Leveraging our wealth of experience and Sponsor platform in China, we align and shape our business in tandem with the country's economic and development plans. Our move to acquire new economy assets has not only diversified our risks, but also placed CLCT on track to leverage the structural upgrading of China's economy and benefit from the country's innovation-driven growth. These properties contribute to the greater stability and vibrancy of our overall portfolio.

Shanghai Fengxian Logistics Park

As part of our portfolio reconstitution strategy, we will cease operations at CapitaMall Qibao, which is master-leased from a third party and with its lease expiring in January 2024. Amidst COVID-19 policies and lockdowns in Shanghai, CapitaMall Qibao was unable to operate normally in 2022, with several intermittent closures. This, coupled with the imminent master lease expiry, led to an expected decline in business activities. We are working towards closing the mall by 1H 2023 to reduce operating expenses. The mall's closure is expected to have minimal financial impact as it accounted for 0.11% of CLCT's portfolio valuation as at 31 December 2022.

With the aim of achieving a well-balanced portfolio, we will press on with our reconstitution strategy of capitalising on new acquisitions and divesting non-core matured assets. Our long-term growth roadmap will involve a refreshed portfolio mix comprising 30% retail, 30% new economy and 40% commercial/integrated developments. The capital generated from divestments will be deployed towards strengthening our balance sheet and capturing strategic growth opportunities.

3 As at 1 October 2022.
4 By NLA.

CapitaMall Xinnan

ANCHORED IN STRONG FUNDAMENTALS

Underpinned by a proactive capital management strategy and supported by diversified funding sources, we continued to maintain a healthy financial position. Our cost of debt remained competitive at 2.97%[5] per annum at the close of the year and we recorded a gearing of 39.6%[6], below the regulatory limit of 50.0%.

As global interest rates rose during the year, we adopted a three-pronged approach to mitigate its impact. First, we maintained a mix of onshore and offshore borrowings, with the former allowing us to benefit from China's lowering of lending benchmark rates. Second, we upheld a well-staggered debt maturity profile with an average term to maturity of 3.4 years. Having refinanced our loans early in 2022, we secured the refinancing requirements for borrowings due in 2023, well ahead of their maturities. Lastly, we sought to ensure stability in interest expenses with around 71.4%[7] of our total term loans pegged to fixed rates.

To minimise the impact of foreign currency fluctuations, we hedged approximately 54.5%[8] of our distributable income into Singapore dollars. Collectively, our disciplined capital management approach and established track record have placed us favourably with banks and the wider capital markets for financing options.

TOWARDS GREATER SUSTAINABILITY

At CLCT, we view sustainability as a continuous journey, where we constantly strive to do better. Guided by CapitaLand's 2030 Sustainability Master Plan, we remain committed to making a positive environmental and social impact in the communities where we operate.

Bearing testament to our sustainability commitment, FY 2022 marks the second year that CLCT is issuing a standalone Integrated Sustainability Report and participating in the GRESB Assessment.

Every AEI we embark on considers the environmental impact and incorporates green initiatives into our rejuvenation work where appropriate. This led to Rock Square and CapitaMall Wangjing receiving the LEED Gold certification in 2022, accrediting them as energy efficient buildings with reduced carbon emissions. Leveraging on our progress, we have actively applied for and won various green awards and subsidies from city governments for both our retail malls and business parks. Spurred on by this achievement, we are pressing ahead to attain green certifications progressively for all our assets.

On the operational front, we initiated green leasing in our retail and business park portfolio from 4Q 2022, encouraging tenants to incorporate environment-friendly features in their premises and adopt sustainable practices.

During the year, we organised a series of green events, including Earth Hour 2022, at several retail malls to raise environmental awareness. Working with the community, CapitaMall Aidemengdun launched the 'My First School Bag' programme, which provided school bags and daily necessities to underprivileged school children from Shoushan Village Primary School in support of their educational endeavours. Aimed at encouraging healthy lifestyles among our tenants, our business parks hosted numerous sporting activities, training programmes and events, designed to promote work-life balance, mental health and gender equality.

5 Ratio of the consolidated YTD interest expense for the respective financial year reflected over weighted average borrowings on balance sheet for that financial year.
6 In accordance with the Property Funds Appendix, the aggregate leverage is calculated based on the proportionate share of total borrowings over deposited properties.
7 CLCT's interest rate hedging policy is to hedge at least 60% of total debt (exclude RMB denominated and Money Market Line (MML) loans) into fixed interest rates.
8 CLCT's foreign exchange hedging policy is to hedge at least 50% of undistributed income into SGD.

Message to Unitholders

CapitaMall Xuefu

OUTLOOK

China has passed the peak of its COVID-19 situation. With the country lifting its restrictions and renewing its drive for growth, we are confident of an improved economic outlook and business environment for 2023.

Since the emergence of COVID-19 in 2020, we have remained steadfast in our pursuit to achieve better diversification and create a portfolio that is aligned with China's long-term growth vision. To accelerate economic recovery, local governments have implemented supportive policies to stimulate the domestic consumption market with most Chinese provinces announcing growth targets above 5% for 2023[9]. We have also observed positive recovery in portfolio shopper traffic, which grew 57.9% week-on-week in the final week of December 2022. With the improving outlook, CLCT's retail portfolio is expected to shift to a positive trajectory in 2023, bolstered by strategically timed AEIs and unit reconfigurations.

As we build our financial capacity with a healthy balance sheet, prudent capital management and appropriate hedging policies, we will actively access our Sponsor's pipeline assets to seek out accretive acquisition opportunities and enhance portfolio quality amidst China's reopening, in line with the country's drive for high quality development and growth.

ACKNOWLEDGEMENTS

On behalf of the Board, we would like to thank Mr Christopher Gee Kok Aun and Professor Tan Kong Yam, who stepped down from their roles as Non-Executive Independent Directors and members of the Audit Committee, with effect from 1 May 2022. We are grateful for their invaluable contributions and long service to the Board.

At the same time, we welcome Professor Ong Seow Eng and Ms Tay Hwee Pio, who were appointed as Non-Executive Independent Directors with effect from 1 January 2022 and 1 May 2022 respectively. Both Directors were appointed as members of the Audit Committee on 1 May 2022.

Amidst an uncertain operating environment and the challenges of the past year, we are thankful for the steadfast support of our Unitholders, business partners, tenants and employees.

We adopt a long-term view in managing our business in China. Having passed the worst of the COVID-19 situation in China, we are forging ahead to ride the country's swift reopening and growth prospects. As we stay focused on strengthening our business fundamentals and enhancing portfolio quality and resilience, we retain an unwavering commitment to generate growth and deliver sustainable returns to all Unitholders.

SOH KIM SOON
Chairman

TAN TZE WOOI
Chief Executive Officer

10 March 2023

9 Reuters, Most Chinese provinces set growth targets of above 5% in 2023, 18 January 2023.

致信托单位持有人之信函

尊敬的信托单位持有人，

二零二二财政年，尽管在中国严格的疫情管控措施影响，和物业的运营环境面临严峻的挑战下，凯德中国信托依然表现强韧。过去一整年，我们跨地区多元化资产组合依靠分散布局，有效地缓冲了疫情管控带来的冲击。我们也把握机会对多家商场进行了资产升级改造，以迎接来年国内消费需求的强势回升。

与此同时，我们在过去两年积极强化我们资产的基本面，并致力于打造更具韧性和前瞻性的资产组合，这些努力初见成果。我们的资产重组策略，主要是通过增加产业园及物流设施来达到资产组合多元化的转型目的；同时我们也在原有的零售资产上继续发力，争取更好的营运表现。如今，我们在中国12个城市的资产组合涵盖了11座零售商场、5座产业园以及4座物流园区。这些资产拥有高质量的租户群体，我们10大租户中，有5个来自新经济领域，其中大部分属于刚需和高增长行业。我们的多元化资产组合除了在市场波动中提供具有韧性的稳定收入，也让我们能够善用不同的市场周期，把握中国经济重新开放的契机。

稳健表现

新冠疫情在二零二二年，尤其是下半年继续带来挑战。尽管如此，凯德中国信托全年的总收入同比上升了1.4%，达到3.832亿新元，净资产收入则上升了1.5%，达到2.542亿新元。产业园及物流园的全年贡献推动了我们总收入和净资产收入的增长，验证了我们多元化资产策略的有效性。同时由于零售市场的走势较为疲弱，我们为零售租户提供了较高的租金减免，部分抵消了全年的收入增长。

截至二零二二年末，凯德中国信托的售资产、产业园及物流园的出租率分别达到了95.4%[1]、91.4% 及 96.4%。由于严格的疫情管控和封锁措施，二零二二年零售物业的客流量和租户销售额同比分别下降了20.1%[1]和12.7%[1]。

稳步走出冠病疫情之际，我们首次在所有资产类别的租金调升率都取得正面增长。当中，零售资产的租金调升率达到了+2.7%[1]。凯德广场 · 望京在这个财政年度中完成了资产增值计划升级，对零售资产的总体租金调升做出了突出贡献。与此同时，我们的新经济资产取得了+6.4%的租金调升率，包括电子、工程、资讯通信科技、专业服务及生物医药科学在内的主要行业租户的租金单价普遍上涨。我们的物业拥有一个分散多元的租户组合，过半租户来自刚需和高增长行业。

受较低的零售物业表现、较高的利息开支及上一年一次性收益[2]的综合因素影响，全年的可派发收入为1.256亿新元，按最新信托单位数计算的每单位派息为7.50新分。

挖掘资产价值

在二零二二财政年，我们采取积极的资产管理策略，强化我们的零售资产组合。为此，我们进行了多项资产升级改造，重新规划出租空间，以推出新颖时尚的零售概念，为中国经济重新放开做好准备。我们的资产升级改造策略，结合租约到期、市场契机、消费趋势及理想的租户组合，配合不同因素在不同时期灵活进行，不断努力丰富消费者的消费体验。

在凯德广场 · 西直门，我们收回并重新设计了面积为879平方米小型主力租户的空间，以优化租户产品服务搭配，提高了顾客忠诚度。崭新的租户组合，包括了商场首次引进的电动车租户福特野马电动车、华为高端综合销售中心北京商场首店，还有一些时下流行的餐饮选择。该空间在二零二二年第一季竣工后，取得了46.0%的总租金增长。

二零二二年第三季度，凯德广场 · 望京完成二期资产升级改造计划。我们顺应顾客喜好的转变，将原本由一个百货商场租用的空间，改造成一个7,100平方米的优质体验区，当中设有超过70家新店面，其中60.0%是望京市场上的首店。完工以来，重新规划的空间获得租客热烈回响，商场的表现也有了显著的提升。二期在开业时[3]成功取得100%的出租率，以及约+140%的平均租金提升。

1 凯德广场 · 七宝除外。
2 指与凯德广场 · 诺和木勒相关的一次性赔偿，以及凯德广场 · 大峡谷于二零二一财年获得的保险赔偿。
3 截至二零二二年十月一日。

我们也把这个成功模式复制在另一家商场上，对凯德广场 · 雨花亭展开了二期改造升级计划。我们从主力超市租户收回约8,900平方米的空间，切分成多元化的零售专卖店，为商场注入更多生活时尚选择和体验。改造升级完工后，商场二楼将打造成资讯科技及数码概念空间，三楼将入驻家庭主题租户，包括儿童服饰、娱乐、教育和运动品牌。工程计划在二零二三年第一季竣工，预计将取得超过15%的投资回报率。截至二零二二年底，大约82.0%[4]的面积已经成功出租。

为了提升凯德广场 · 大峡谷的购物体验，我们从一个小型主力租户收回1,700平方米，改造成涵盖多种业态的综合零售空间，引入包括电动车、餐饮、美妆及生活时尚的新租户。在改造升级完成后，该空间预计将取得约为商场二零二二财政年收入7.4%的增长。现阶段，77%的面积已经开始营业，其余租户将陆续在二零二三年三月开业。

在过去的一年，我们持续加大力度采取各种措施吸引顾客，将我们的商场打造成广受欢迎的社交聚集地。配合各类节日庆典，为顾客打造沉浸式购物体验，例如夏日市集、七夕庆祝活动、服饰时尚盛会、美妆快闪店等。

调整定位迎接增长

凭借我们多年来扎根于中国的丰富经验和集团平台，我们紧跟中国的经济和发展政策，不断对我们的业务进行调整和拓展。我们进军新经济资产不仅分散了风险，也意在使凯德中国信托能在中国经济结构升级中借势，从中国的创新导向增长趋势中受益。这有助于提高我们整体资产组合的稳定性和活力。

作为我们资产组合重组策略的一部分，我们将停止凯德广场 · 七宝的运营。这是我们通过整租方式向第三方租赁的零售商场，租约于二零二四年一月到期。在二零二二年上海实施冠病动态清零政策和封锁期间，凯德广场 · 七宝数次停业，几乎无法正常运营。受此影响，加上租约即将到期，凯德广场 · 七宝的商业活动也如预期有所下降。为了削减运营成本，我们计划在二零二三年上半年关闭凯德广场 · 七宝，相关工作已在着手进行中。截至二零二二年十二月三十一日，该商场占凯德中国信托资产估值的0.11%，其关闭预计不会带来显著的财务影响。

为了打造平衡多元的资产组合，我们持续通过新的收购计划和脱售非核心成熟资产实行资产重组策略。按照我们的长期增长路线图，我们的目标资产组合，将涵盖30%的零售资产，30%的新经济资产和40%的商业/综合发展项目。通过出售资产获得的资金将用于强化我们的财务基础，以及投资于具有增长潜能的战略机遇中。

稳扎根基

依靠积极的资本管理策略以及多元化的资金来源，我们继续保持健康的财务表现。截至年末，我们的贷款成本为2.97%[5]，继续保持竞争力。负债率维持在39.6%[6]，低于监管条规所设的50%上限。

随着这一年全球利率上升，我们采取了三管齐下的策略，以抵消加息的冲击。首先，我们维持在岸和离岸的贷款组合，前者使我们从中国较低的贷款基准利率中受惠。其次，我们的债务到期日分布均衡，平均到期期限为3.4年。我们在二零二二年提前进行了再融资安排，锁定了二零二三年到期的债务融资需求。最后，通过固定利率贷款保证利息支出稳定性，总贷款中有大约71.4%[7]是按照固定利率计息。

为了减轻外汇波动的影响，我们将大约54.5%[8]的可派发收入对冲为新元。总的来说，我们谨慎的资本管理作风及优良的过往记录，帮助我们获得银行和资本市场的信赖，在融资方面更具优势。

大步迈向可持续性发展

凯德中国信托追求可持续发展，长期坚持，努力不懈。我们依循凯德集团二零三零可持续发展总蓝图，我们仍然致力于为我们所在的社区带来正面的环境和社会影响。

二零二二年是凯德中国信托第二次发布独立的综合可持续发展报告并参与全球房地产业可持续标准评估，展现了我们对于可持续发展承诺的具体行动和实质努力。

4 按可租面积计算
5 本财政年迄今综合利息开支与本财政年财务报表中加权平均贷款之间的比率。
6 根据房地产基金附件，总杠杆的计算方式为按信托股权比例对应的借贷除以资产价值。
7 凯德中国信托的利率对冲政策是至少60.0%的总债务须为固定利率（人民币贷款及中期市场贷款除外）。
8 凯德中国信托的外汇对冲政策是将至少50.0%的未分派收入对冲为新元。

我们所进行的每一个资产增值计划，都将环境影响考虑在内，并寻找机会从中融入契合的绿色元素。乐峰广场及凯德广场·望京在建筑中融入节能方案减少碳排放，并因此在二零二二年获得领先能源与环境设计金奖认证。随着我们在可持续发展上的不断取得进展，我们也积极为我们的零售商场及产业园申请各项环保奖项及申请当地政府所提供的相关津贴，并取得了一定的成绩。这些成绩也进一步推动我们，逐步为我们所有的物业取得绿色认证。

在运营方面，我们于二零二二年第四季在我们的零售资产及产业园推出了绿色租约，借此鼓励租户在他们的租用空间中融入环保元素，满足可持续发展的行业标准。

这一年，我们在数个零售商场举办了一系列环保活动，包括二零二二年的响应地球一小时活动以提高环保意识。同时，我们也致力于回馈社区。凯德广场·埃德蒙顿开展了"我的第一个书包"公益项目，为寿山乡小学的弱势孩童提供书包及日常用品，为他们的求学道路献上支持和祝福。另外，为了鼓励我们的租户维持健康的生活方式，我们的产业园也举办了不同的体育项目、锻炼计划及活动，从而促进工作与生活的平衡、保持精神健康以及促进性别平等。

展望二零二三

中国境内的冠病疫情高峰已经过去。随着当局解除限制并把重心放回促进增长上，我们有信心二零二三年的经济展望和营商环境将有所改善。

自冠病疫情在二零二零年初爆发以来，我们一直坚持配合中国的长期发展方向，打造我们的多元资产组合。为了加速经济复苏，各地政府出台了一系列刺激国内消费市场的扶持政策，中国多数省市都宣布二零二三年增长目标在5%以上[9]。我们观察到商场客流量的迅速复苏，在二零二二年十二月的最后一周，客流量周环比增长57.9%。随着前景愈加乐观，加上我们因地制宜采取的资产增值计划，凯德中国信托的零售资产预计会在二零二三年呈现正增长。

我们健康的财务报表、严谨的资本管理，以及合宜的对冲政策，令我们保持了强劲的财务实力。在中国积极重新放开之际，我们会 积极关注集团的储备资产，结合中国推动高速发展和增长的相关政策，积极寻找具有增值潜能的收购机会，增强我们的资产组合质量。

致谢

在此，我们谨代表董事会，向余国安先生以及陈光炎教授致意。他们已于二零二二年五月一日卸下非执行独立董事以及审计委员会成员的职务。我们挚诚感谢他们在董事会的长期服务和作出的宝贵贡献。

与此同时，我们也欢迎王紹荣教授及郑慧萍女士加入董事会。他们分别于二零二二年一月一日及二零二二年五月一日，获委任为非执行独立董事。他们两位也于二零二二年五月一日获委任为审计委员会成员。

过去一年，我们处于相对不确定的运营环境，并面对诸多挑战。我们衷心感谢所有信托单位持有人、业务伙伴、租户以及员工所给予的鼎力支持。

我们始终从长期和战略的角度出发管理我们在中国的业务。在中国走出冠病疫情的低谷之际，我们会充分利用当地经济迅速重新放开的机会，快速发展，乘势前行。在我们继续专注于强化业务根本以及提升资产组合质量和韧性的同时，我们也将坚守使命，致力于为所有信托单位持有人创造价值，增加可持续的回报收益。

苏锦春
主席

陈子威
首席执行官

二零二三年三月十日

9　路透社《大部分中国省市为二零二三年设定高于5%的增长目标》，二零二三年一月十八日。

In Conversation with CEO

1. WHAT ARE YOUR THOUGHTS MOVING INTO 2023?

Over the past few years, we have focused on strategically diversifying our portfolio while strengthening our business fundamentals to enhance income resilience. We actively executed asset enhancement initiatives (AEIs) to optimise our portfolio, while seizing market opportunities for portfolio reconstitution. As China reopens, CLCT is well-placed to leverage the improving business conditions to grow organically and inorganically.

We maintain a keen focus on executing our strategies, proactively shaping our portfolio to align with China's pro-growth policies to boost domestic consumption and investment. At the same time, we remain agile to capture consumption trends, and continuously attract quality tenants from the essential and high-growth sectors to build a resilient, sector-diversified portfolio that is capable of riding cyclical changes.

2. HOW WILL THE RISING INTEREST RATE OUTLOOK AFFECT CLCT?

CLCT is in a strategic position to benefit from China's accommodative monetary policies and projected lowering of onshore lending rates. By adhering to a disciplined and prudent set of capital management principles, we maintained a proportion of onshore borrowings, achieved stability through fixed rates and ensured a well-staggered debt maturity profile. These measures have enabled us to secure a strong balance sheet, while mitigating the financial impact of a rising interest rate environment. This further augments our track record and provides the financial flexibility for us to seize market opportunities in the road ahead.

3. WHAT HAS BEEN CLCT'S ESG FOCUS AND SUSTAINABILITY PROGRESS THIS YEAR?

Sustainability is a cornerstone of our growth journey. In 2022, we made good progress in our sustainability efforts on the asset, operational and financing fronts. We obtained green certification for CapitaMall Wangjing and Rock Square and implemented green leasing across our retail and business park portfolio in 4Q 2022. We also initiated the installation of solar panels on the roof of Kunshan Bacheng Logistics Park which is expected to generate 92 megawatt hours of energy annually, translating to a reduction of 9,000 kg in carbon emissions per year. As the leading S-REIT to pioneer sustainability-linked loans for a China portfolio, we have secured an additional S$300 million of such loans during the financial year.

We have also made strides from the Social and Governance perspective. Our dedication to staff empowerment and sustainability saw full participation in ESG-related training by our employees, while our commitment to embrace diversity resulted in an increase of female Board representation from 11.1% last year to 25.0% in 2022. New annual green certification targets have also been established, with the remuneration of key management and CLCT employees linked to these goals.

More details on our efforts towards environment, social and governance can be found in our Integrated Sustainability Report 2022 that will be released in mid-April 2023 at https://investor.clct.com.sg/isr.html

4. WHAT IS CLCT'S GROWTH STRATEGY IN THE ROAD AHEAD?

We are the proxy for growth in China's future economy across multiple sectors and market cycles. As we fortify our position as Singapore's largest China-focused REIT, we are committed to ride the country's development for the long run by increasing our exposure in asset classes associated with consumption-driven, higher-value, service-led economy sectors.

China's COVID-19 situation has peaked and passed. With the worst behind us, we are taking proactive steps to leverage the country's reopening and pro-growth stance. Domestic consumption and innovation are projected to be the focal points of the economy. Our near-term objectives centre on creating, unlocking and extracting value by bolstering the diversification and resilience of our revenue streams through well-timed acquisitions in the business park and logistics park asset classes.

These are sectors that China seeks to promote domestically with supportive policies that will drive leasing demand. We will continue to expand our footprint into target growth cities, particularly across strategic Tier 1 and Tier 2 cities, and seize acquisition opportunities by actively sourcing from the Sponsor's pipeline and third-party vendors to create higher quality income streams.

To optimise our portfolio, we will divest non-core and matured assets at the optimal stages of their lifecycles to unlock value, recycle the proceeds towards new growth opportunities and enhance Unitholders' returns. Since 2017, we have monetised five assets (of which four are IPO assets) and deployed the capital towards acquiring our five business parks and four logistics properties. Meanwhile, we will also sharpen our focus to continuously extract value and propel organic growth through operational excellence, well-timed AEIs and unit reconfigurations. Against the backdrop of China's reopening in 2023, the return of shopper footfall and a pickup in consumer spending are expected to ignite a positive trajectory for our retail portfolio in the coming year.

In the longer term, we will introduce commercial/integrated properties to our portfolio, eventually achieving a balanced portfolio mix of 30% retail, 30% new economy assets and 40% commercial/integrated developments to better represent our position as a proxy to China's real estate market opportunities and growth.

Tan Tze Wooi
Chief Executive Officer

1. 您对2023年有何展望？

最近几年，我们专注于执行信托的发展战略，积极推进资产组合多元化，同时强化现有业务，以提高收入的韧性。我们积极进行资产增值计划，并把握市场契机优化资产组合。在中国经济全面重开之际，凯德中国信托已经准备就绪，借助不断改善的营商环境，力争通过有机增长和资产收购实现双向增长。

我们始终专注于执行我们的策略，随着中国推行亲增长政策，刺激国内消费及投资，我们也依循其政策方向而积极主动地重塑资产组合。同时，我们保持灵活变通，紧跟消费趋势，持续吸引刚需和高增长行业的优质租户，打造具有韧性、多元化，并且能适应不同周期性的资产组合。

2. 利息上升将如何影响凯德中国信托？

凯德中国信托处于一个有利位置，将在中国的宽松货币政策及在岸贷款利率预期下调中受益。我们通过坚持严格谨慎的资金管理原则，维持良好的境内贷款比例，通过固定利率和债务到期日分布均衡，保持利息成本稳定。这一系列举措让我们维持了强劲的资产负债表，同时也减轻利率上升带来的财务影响。这进一步巩固了我们的良好记录，也让我们在接下来的发展道路上拥有充裕的财务灵活性，有能力随时把握市场机会。

3. 凯德中国信托今年关注哪些环境、社会和治理课题，同时在可持续发展方面取得了哪些进展？

可持续性是我们发展道路上的重要基石。二零二二年，我们在促进资产、运营及融资方面的可持续发展作出了大量的努力。二零二二年第四季度，我们获得凯德广场·望京和乐峰广场的绿色认证，并在零售商场及产业园推行绿色租赁。我们也在昆山巴城物流园的建筑屋顶装置太阳能板，该设备预计每年可输出92兆瓦时的电力能源，从而每年减少9,000千克的碳排放量。作为专注投资中国的领先新加坡房地产投资信托，我们首开先河为中国资产组合取得可持续发展挂钩的贷款并在本财政年中获得了额外3亿新元的此类贷款。

在社会及公司治理方面，我们也跨前了一大步。我们致力于推动员工赋能及可持续发展，全体员工都参与了与环境、社会及公司治理相关的培训。另外，我们推动多样性的努力也颇有成果，董事会的女性成员从去年的11.1%增加到了二零二二年的25.0%。我们也已制定了新的年度绿色认证目标，凯德中国信托主要管理层及职员的薪酬也将与达标率挂钩。

欲了解有关我们为环境、社会及公司治理作出的努力，请参阅二零二二年综合可持续发展报告。报告将于二零二三年四月中在以下网页发布：https://investor.clct.com.sg/isr.html

凯德广场 · 望京

腾飞新苏

4. 放眼前路，凯德中国信托将采取怎样的增长策略？

我们是中国经济发展的优质平台代表，会受益于未来中国多个行业和市场周期的发展壮大。作为新加坡最大的专注于中国业务的房地产投资信托，我们不断巩固我们的领先地位，聚焦于消费驱动、高附加值以及服务主导的经济领域，借势整体经济发展，达到我们的长远目标。

中国的冠病疫情已经走出谷底，我们正采取积极措施，抓住中国重新放开和促进增长的政策机会，提前部署。接下来，消费及创新发展将会是中国经济发展的重点方向。我们的近期目标将专注于创造、释放和挖掘资产价值。这意味着，在时机恰当的时候，我们将继续购入具有增长潜力的产业园及物流园，加强我们收入的多元性和韧性。这些都是目前在国内积极推动的经济领域，政府也出台了相关扶持政策，促进这类产业的租用需求。我们将持续关注现有投资目的地城市，特别是具有战略优势的一二线城市，在集团及第三方的优质项目中寻找收购机会，为我们带来更高质量的收入来源。

为了优化资产组合，我们将在适当的时机脱售非核心及成熟资产，释放资产价值，并将资金重新配置到具有增长潜能的投资机会中，提高信托单位持有人的回报。自二零一七年以来，我先后脱售了5个资产（其中4个为信托刚上市时的初始资产），并将回笼资金用来收购5座产业园及4座物流设施。与此同时，我们也将继续通过强化运营能力和资产增值计划，创造价值，促进资产有机增长。二零二三年，在中国重开的大环境下，我们预料零售商场将迎来购物人潮回流，消费者的支出也将迎来强力复苏。

长远而言，我们将在资产组合中引入商业综合体，最终达到30%零售商场、30%新经济资产及40%商业综合体的理想比例，以更好地抓住中国房地产市场的机会，做强做大。

Property Portfolio

Since its IPO in 2006, CLCT's portfolio has grown from seven shopping malls to a diversified portfolio of 20 assets comprising 11 shopping malls, five business parks and four logistics parks. With a total gross floor area (GFA) of approximately 2.0 million square metre (sq m), CLCT has presence in 12 tier one and tier two prominent growth cities in China. CLCT's total asset has grown more than seven times since listing, reaching S$5.2 billion as at 31 December 2022.

Asset Class and Geographical Diversification

ASSET CLASSES BY AUM[1]

Retail:
76.4%

Business Parks:
16.4%

Logistics Park:
7.2%

CITIES BY AUM[1]

Beijing:
38.2%

Guangzhou:
14.4%

Yangtze Delta[2]:
15.6%

Other Tier 2 and Provincial Cities[3]:
31.8%

Notes:
1 Based on effective stake as at 31 December 2022.
2 Includes Shanghai, Suzhou, Kunshan and Hangzhou.
3 Includes Changsha, Chengdu, Xi'an, Wuhan, Harbin and Hohhot.

* Number of properties indicated for cities with more than one property in the same asset class.

VALUE CREATION STRATEGY

Our Strategy

Create, Unlock and Extract Value

Vision

Sustainable and resilient REIT with a professionally managed portfolio of quality real estate across China

Mission

Deliver sustainable income growth to our Unitholders and value-add to the community and stakeholders by enhancing organic growth through proactive asset management; creating new value through innovative asset enhancement strategies; and capitalising on yield-accretive acquisition growth

KEY CAPITALS	VALUE CREATED
ENVIRONMENTAL CAPITAL Monitoring, evaluating and reducing CLCT's environmental footprint ▶ Carbon Emissions ▶ Energy Management ▶ Water Stewardship ▶ Waste and Resource Management	▶ Sustainability Management: Pages 102 to 111
MANUFACTURED CAPITAL Ability to acquire high-quality properties that value-add to CLCT's portfolio ▶ Environmentally Sustainable, Healthy, Safe and Accessible Quality Buildings ▶ Innovative and Sustainable Construction Methods and Technologies	▶ Growth Strategies: Pages 26 to 29 ▶ Sustainability Management: Pages 102 to 111
HUMAN CAPITAL Fostering commitment from employees, asset managers and property managers to drive business growth ▶ Health and Safety ▶ Job Creation and Security ▶ Learning and Development ▶ Benefits and Remuneration	▶ Sustainability Management: Pages 102 to 111
SOCIAL & RELATIONSHIP CAPITAL Building and maintaining strong relationships with our stakeholders to create long-term shared value ▶ Stakeholder Relations ▶ Social License to Operate ▶ Community Development ▶ Cross-Sectoral Partnership	▶ Investor & Media Relations: Pages 81 to 83 ▶ Sustainability Management: Pages 102 to 111 ▶ Tenants and Shoppers Engagement: Pages 134 to 135
ORGANISATIONAL CAPITAL Ensuring commitment to highest standards of corporate governance and transparency, prudent risk management and ethical culture ▶ Leadership and Culture ▶ Corporate Governance ▶ Risk Management	▶ Trust Structure & Organisation Structure: Page 37 ▶ Corporate Governance: Pages 40 to 73 ▶ Risk Management: Pages 74 to 80 ▶ Sustainability Management: Pages 102 to 111
FINANCIAL CAPITAL Leveraging available pool of funds to create value and fuel sustainable growth ▶ Sustainable Financing ▶ Earnings ▶ Equity ▶ Investments ▶ Assets	▶ Financial Highlights: Pages 8 to 9 ▶ Financial Review: Pages 96 to 98 ▶ Capital Management: Pages 99 to 101 ▶ Financial Statements: Pages 136 to 215

STAKEHOLDERS

- **EMPLOYEES**
- **INVESTORS, ANALYSTS AND MEDIA**
- **CUSTOMERS** (Tenants and Shoppers)
- **SUPPLY CHAIN** (Main Contractors, Vendors, Suppliers)
- **COMMUNITY** (Government/ National Agencies/ Community and NGOs)

Growth Strategies

CLCT is well-positioned to capture China's reopening with a rejuvenated portfolio that is strategically aligned to China's economic growth policies. As the largest China focused S-REIT with a diversified portfolio of retail, business park and logistics park assets across 12 prominent top tier cities, CLCT continues to have a disciplined portfolio reconstitution strategy to achieve a well-balanced and resilient portfolio that is future-ready.

We continue to drive sustainable growth for CLCT's portfolio through our integrated strategy to Create, Unlock and Extract value. Our strong track record of enhancing portfolio value and delivering long-term income growth and returns to Unitholders is underpinned by a prudent capital and risk management strategy.

Strategic advantages and growth potential are further realised by leveraging CapitaLand Group's extensive pipeline of high-quality assets. Operational excellence is reinforced through CLI's wide-ranging real estate platform, strong local network, and professional property management capabilities.

Create Value

Objective: ***Achieve inorganic growth through well-timed acquisitions***

- Invest in a diversified portfolio of income-producing real estate across asset classes used primarily for retail, office and industrial purposes (including business parks, logistics facilities, data centres and integrated developments) to bring attractive yields and/ or increase capital appreciation potential
- Strengthen portfolio resilience and diversification by investing in assets with high growth potential and synergistic value to deliver stable and sustainable distributions
- Aim to create a portfolio mix of 30% Retail, 30% New Economy and 40% Commercial/ Integrated Developments in the long-term
- Seize opportunities by actively sourcing for opportunities from Sponsor's pipeline and/or third-party vendors

Unlock Value

Objective: ***Recycle capital through divestment of non-core, matured assets to enhance returns***

- Review asset performance and unlock value at the optimal stage of asset lifecycle to increase long-term returns for Unitholders

Extract Value

1. PROACTIVE ASSET MANAGEMENT

Objective: ***Drive organic growth through customer-centric initiatives***

- Achieve optimal tenant mix
- Implement proactive leasing strategies to achieve a healthy occupancy rate
- Deepen engagement with tenants by offering customised initiatives and programmes to build strong relationships
  - ▶ **Retail**
    - Leverage on CLI's established omnichannel platforms, innovative marketing outreach and loyalty programmes such as CapitaStar to expand customer base and capture repeat spending
  - ▶ **Business Park and Logistics Park**
    - Enhance tenant's experience by providing quality property customer services that are supported by CLI's strong property management expertise
- Enhance operational efficiency and optimise operating costs

2. INNOVATIVE ASSET ENHANCEMENT

Objective: ***Boost competitiveness through high quality malls, business parks and logistics parks***

- Achieve higher returns through innovative asset enhancement initiatives
  - ▶ **CapitaMall Wangjing:**
    - Recovered department store space and transformed it into ~7,100 sq m of high-quality experiential space that feature more than 70 new shops
    - Completed in 3Q 2022
    - Achieved ~140% rental reversion for the area
  - ▶ **CapitaMall Yuhuating:**
    - Recovered ~8,900 sq m of anchor supermarket space and created specialty tenant space, injecting more lifestyle offerings and experiences
    - To be completed in 1Q 2023
    - Target return of investment of more than 15%
- Rejuvenate spatial usage and productivity to increase leasable area
  - ▶ **CapitaMall Xizhimen**
    - Redesigned a total of 879 sq m to bring in a refreshed tenant list that is aligned to the latest retail trends
    - Completed in 1Q 2022
    - Reconfigured area registered a 46.0% increase in total rent
  - ▶ **CapitaMall Grand Canyon:**
    - Reconfigured ~1,700 sq m of fashion space that was recovered from a mini-anchor tenant to house a diversified trade mix of electric vehicle, F&B, beauty and lifestyle tenants.
    - To be completed in 1Q 2023
    - Expect to generate an additional 7.4% of the mall's FY 2022 revenue
- Refresh amenities and facilities to increase stickiness of consumers and tenants to our properties
- Enhance sustainability efforts and energy efficient initiatives

Our Board of Directors

We are navigating into the new world and CLCT is well-placed to take on these opportunities.

SOH KIM SOON
Chairman
Non-Executive Independent Director

TAN TZE WOOI
Chief Executive Officer
Executive Non-Independent Director

PROFESSOR ONG SEOW ENG
Non-Executive Independent Director

TAY HWEE PIO
Non-Executive Independent Director

NEO POH KIAT
Non-Executive Independent Director

KUAN LI LI
Non-Executive Independent Director

LIM CHO PIN ANDREW GEOFFREY
Non-Executive
Non-Independent Director

PUAH TZE SHYANG
Non-Executive Non-Independent Director

Our Board of Directors

SOH KIM SOON, 77
Chairman
Non-Executive Independent Director

- Bachelor of Arts (Honours), University of Singapore
- Associate, Chartered Institute of Bankers

Date of first appointment as a Director
20 April 2017
Date of appointment as Chairman
20 April 2017
Length of service as a Director (as at 31 December 2022)
5 years 8 months

Board committee served on
- Nominating and Remuneration Committee (Chairman)

Present principal commitments
- ORIX Investment and Management Private Limited (Chairman)
- ORIX Leasing Singapore Limited (Chairman)

Background and working experience
- Senior Managing Director of DBS Bank Ltd. (was with DBS Bank Ltd. from 1971 to 2000 where he held various senior management positions)

Awards
- Public Service Medal (2007)
- May Day Award (Friend of Labour) (2012)

TAN TZE WOOI, 49
Chief Executive Officer
Executive Non-Independent Director

- Bachelor of Accountancy (Honours), Nanyang Technological University of Singapore
- Chartered Financial Analyst® and Member, CFA Institute

Date of first appointment as a Director
1 April 2017
Length of service as a Director (as at 31 December 2022)
5 years 9 months

Board committee served on
- Executive Committee (Member)

Present principal commitments
- Chief Executive Officer of CapitaLand China Trust Management Limited (manager of CapitaLand China Trust)
- Real Estate Investment Trust Association of Singapore (REITAS) (Treasurer)

Background and working experience
- Chief Executive Officer (Designate) of CapitaLand Retail China Trust Management Limited (March 2017)
- Deputy Chief Executive Officer of CapitaLand Retail China Trust Management Limited (From December 2016 to February 2017)
- Regional General Manager, North China of CapitaMalls Asia Limited (now known as CapitaLand Mall Asia Limited) (From March 2014 to February 2017)
- Regional Deputy General Manager, North China of CapitaMalls Asia Limited (From July 2013 to February 2014)
- General Manager, Investment & Asset Management, North China of CapitaMalls Asia Limited (From September 2011 to July 2013)
- Deputy Head, Investment & Asset Management of CapitaMalls Asia Limited (From April 2010 to September 2011)
- Vice President, Investment & Asset Management of CapitaRetail China Trust Management Limited (From October 2008 to December 2014)
- Senior Manager of CapitaRetail China Trust Management Limited (From January 2007 to September 2008)
- Senior Manager of CapitaMall Trust Management Limited (From July 2005 to December 2006)
- Vice President, Wholesale Banking (Real Estate) of Standard Chartered Bank (From 2001 to 2005)
- Assistant Manager of KPMG (From 1997 to 2001)

NEO POH KIAT, 72
Non-Executive Independent Director

- Bachelor of Commerce (Honours), Nanyang University, Singapore

Date of first appointment as a Director
20 April 2017
Length of service as a Director (as at 31 December 2022)
5 years 8 months

Board committees served on
- Audit Committee (Chairman)
- Nominating and Remuneration Committee (Member)

Present directorships in other listed companies
- China Yuchai International Limited
- ValueMax Group Limited

Background and working experience
- Managing Director of Octagon Advisors (Shanghai) Co Ltd (From March 2005 to November 2018)
- Managing Director (Advisory) of Octagon Advisors Pte Ltd (From January 2005 to 30 June 2021)
- Country Officer (China) and Head, Corporate Banking (Greater China) of United Overseas Bank Ltd (From July 2001 to January 2005)
- General Manager (Leasing and Corporate Services) of Sino Land Co Ltd (From January 1994 to August 1996)
- Managing Director of DBS Bank Ltd. (was with DBS Bank group of companies from January 1976 to December 1993 and from August 1996 to July 2001 where he held various senior management positions)

KUAN LI LI, 59
Non-Executive Independent Director

- Bachelor of Economics, University of Sydney, Australia
- Bachelor of Laws, University of Sydney, Australia
- Fellow of Australian Society of Certified Practising Accountants

Date of first appointment as a Director
1 January 2018
Length of service as a Director (as at 31 December 2022)
5 years

Board committee served on
- Audit Committee (Member)

Present directorships in other listed companies
- RH Petrogas Limited
- Time Dotcom Berhad

Present principal commitments
- AIG Asia Pacific Insurance Pte Ltd (Director)
- Cott Investment Pte Ltd (Director)
- Freemont Capital Pte Ltd (Director)
- Larus Investment Pte Ltd (Director)
- Legal Inquiry Panel of Singapore (Member)
- Namak Investment Pte Ltd (Director)
- Otisco Investment Pte Ltd (Director)
- Salvia Investment Pte Ltd (Director)
- Stris Investment Pte Ltd (Director)
- Tringle Investment Pte Ltd (Director)
- Valuation Review Board of Singapore (Member)
- Winder Investment Pte Ltd (Director)
- WWF-World Wide Fund for Nature (Singapore) Limited, Audit, Risk and Finance Committee (Member)

Background and working experience
- Chief Financial Officer of ABB Pte. Ltd. (From January 2018 to January 2019)
- Chief Executive Officer of Barclays Merchant Bank (Singapore) Ltd (From June 2014 to December 2017)
- Chief Executive Officer of Barclays Capital Futures (Singapore) Private Limited (From June 2014 to December 2017)
- Country Head and Chief Operating Officer of Barclays Bank PLC (From April 2014 to December 2017)
- Head of Tax, Asia Pacific of Barclays Capital Services Limited Singapore Branch (From October 2004 to March 2014)

Our Board of Directors

PROFESSOR ONG SEOW ENG, 62
Non-Executive Independent Director

- Bachelor of Science (Estate Management) (First Class Honours), National University of Singapore
- Master in Business (Finance), Indiana University, USA
- PhD in Finance, Indiana University, USA
- Chartered Financial Analyst® and Member, CFA Institute

Date of first appointment as a Director
1 January 2022
Length of service as a Director (as at 31 December 2022)
1 year

Board committee served on
- Audit Committee (Member)

Present principal commitment
- National University of Singapore (Professor of Real Estate)

Background and working experience
- Assessor, Land Acquisition Appeals Board (From 2020 to present)
- Vice President, Investment Management of Overseas Union Bank (From 1991 to 1992)
- Senior Investment Officer, Equities, Government of Singapore Investment Corporation (GIC) (From 1986 to 1990)
- Assessor, Property Tax, Inland Revenue Authority of Singapore (From 1984 to 1986)

TAY HWEE PIO, 54
Non-Executive Independent Director

- Member, Institute of Singapore Chartered Accountants
- Fellow, Association of Chartered Certified Accountants

Date of first appointment as a Director
1 May 2022
Length of service as a Director (as at 31 December 2022)
8 months

Board committee served on
- Audit Committee (Member)

Present directorship in other listed company
- Plato Capital Limited

Background and working experience
- Chief Financial Officer of Frasers Centrepoint Asset Management Ltd (From May 2012 to July 2021)
- Member of Financial Reporting Technical Advisory Panel, Accounting and Corporate Regulatory Authority (From April 2015 to October 2019)
- Chief Financial Officer of Frasers Property Limited, China (From November 2008 to April 2012)
- Financial Controller of Frasers Property Limited, China (From October 2006 to October 2008)
- Senior Finance Manager of Keppel Land Limited, Shanghai (December 2002 to September 2006)

LIM CHO PIN ANDREW GEOFFREY, 53

Non-Executive Non-Independent Director

- Bachelor of Commerce (Economics), University of Toronto, Canada
- Master in Business Administration, Rotman School of Business, University of Toronto, Canada
- Chartered Financial Analyst® and Member, CFA Institute

Date of first appointment as a Director
1 January 2018
Length of service as a Director (as at 31 December 2022)
5 years

Board committees served on
- Executive Committee (Chairman)
- Nominating and Remuneration Committee (Member)

Present directorships in other listed companies
- CapitaLand Ascendas REIT Management Limited (manager of CapitaLand Ascendas REIT)
- CapitaLand Malaysia REIT Management Sdn. Bhd. (manager of CapitaLand Malaysia Trust)

Present principal commitments
- Accounting for Sustainability Circle of Practice (Member)
- CapitaLand Investment Limited (Group Chief Operating Officer)
- Institute of Singapore Chartered Accountants' CFO Committee (Member)
- SG Her Empowerment Limited (Director)
- SGX Listings Advisory Committee (Member)
- Sport Singapore (Singapore Sports Council) (Director and Chairman of Audit Committee)

Past directorships in other listed companies held over the preceding three years
- CapitaLand Ascott Business Trust Management Pte Ltd (trustee-manager of CapitaLand Ascott Business Trust)
- CapitaLand Ascott Trust Management Limited (manager of CapitaLand Ascott Real Estate Investment Trust)
- CapitaLand Commercial Trust Management Limited (manager of CapitaLand Commercial Trust[1])
- CapitaLand Integrated Commercial Trust Management Limited (manager of CapitaLand Integrated Commercial Trust)

Background and working experience
- Group Chief Financial Officer of CapitaLand Investment Limited (From 21 September 2021 to 31 December 2022)
- Group Chief Financial Officer of CapitaLand Limited (From 1 January 2017 to 20 September 2021)
- President of Real Estate Investment Trust Association of Singapore (REITAS) (From 4 May 2018 to 25 September 2020)
- Group Chief Financial Officer (Designate) of CapitaLand Limited (From 25 November 2016 to 31 December 2016)
- Managing Director and Head of SEA Coverage Advisory of HSBC Global Banking (From January 2016 to December 2016)
- Managing Director and Head of SEA Real Estate of HSBC Global Banking (From January 2015 to December 2015)
- Managing Director, SEA Investment Banking of HSBC Global Banking (From April 2013 to December 2014)
- Director, SEA Investment Banking of HSBC Global Banking (From April 2010 to March 2013)
- Associate Director, Investment Banking of HSBC Global Banking (From April 2007 to March 2010)
- Associate, Investment Banking of HSBC Global Banking (From July 2004 to March 2007)

1 Delisted from the official list of the Singapore Exchange Securities Trading Limited on 3 November 2020.

Our Board of Directors

PUAH TZE SHYANG, 51
Non-Executive Non-Independent Director

- Master of Engineering (First Class Honours) Degree in Electrical and Electronic Engineering, Imperial College of Science, Technology and Medicine, University of London, UK
- Executive Master of Business Administration (Honours) Degree, The University of Chicago Booth School of Business, USA

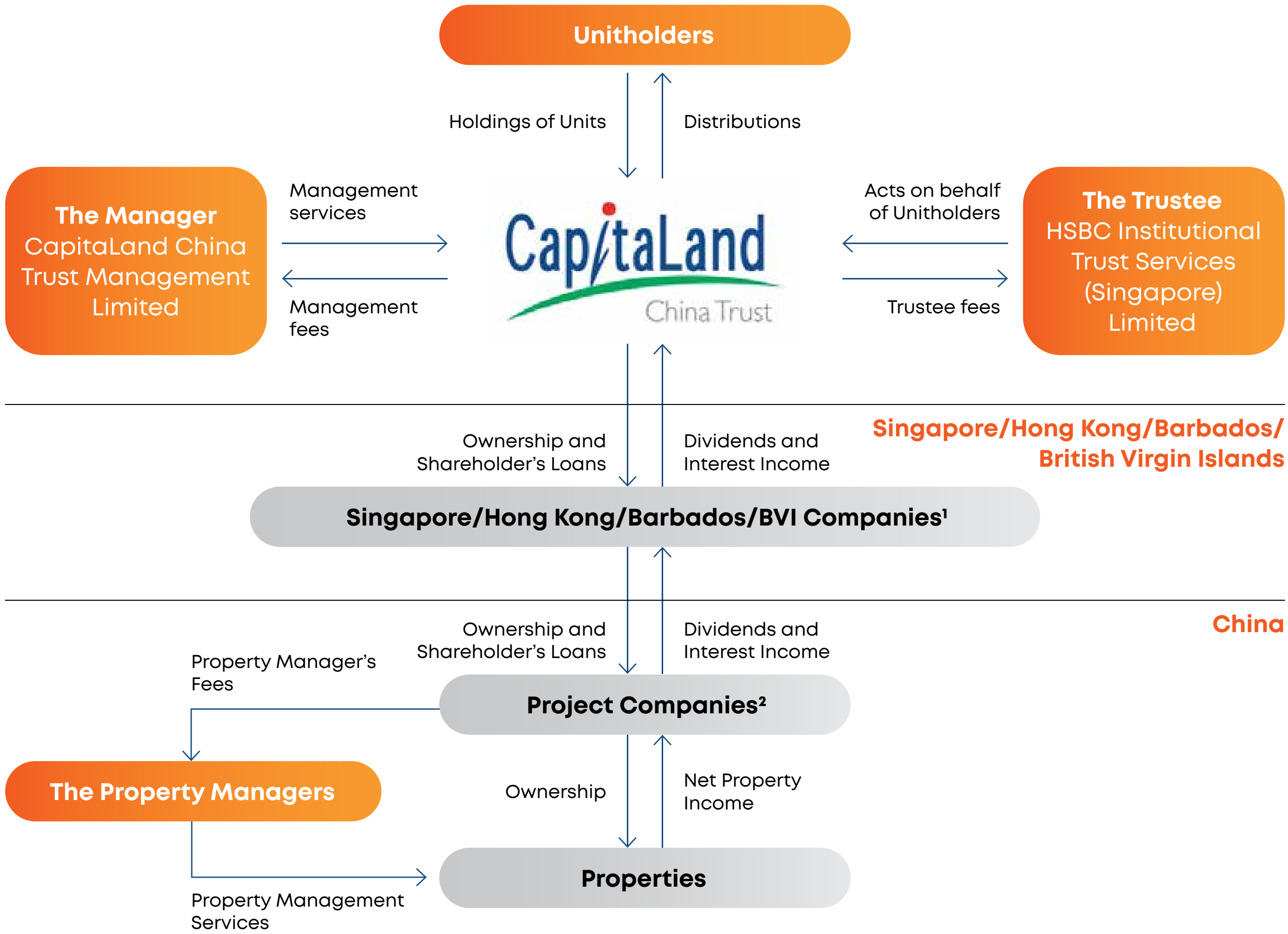
Date of first appointment as a Director
26 October 2021
Length of service as a Director (as at 31 December 2022)
1 year 2 months

Board committee served on
- Executive Committee (Member)

Present principal commitment
- CapitaLand Investment Limited (Chief Executive Officer, China)

Background and working experience
- Chief Executive Officer, Investment & Portfolio Management, China of CapitaLand Group (From July 2019 to September 2021)
- Chief Investment Officer, China of CapitaLand Group, (From April 2015 to June 2019)
- Chief Executive Officer of CapitaLand Township (From April 2011 to March 2015)

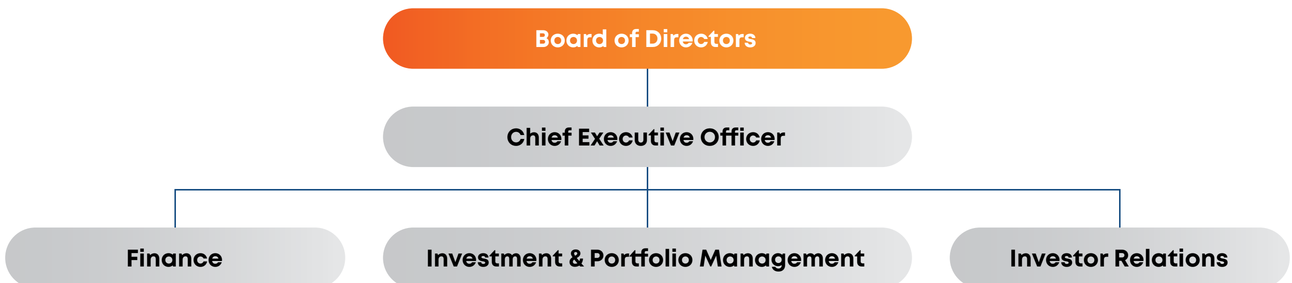
Trust Structure



1. Interest income and principal repayment of shareholder's loans from the Project Companies are payable to the Singapore/Hong Kong/Barbados/British Virgin Islands Companies (where applicable).
2. Includes Project Companies which are not wholly owned by CLCT. In such instances, CLCT receives a proportionate share of dividends, interest income and principal repayment of shareholder's loans from the Project Companies for the properties (where applicable).

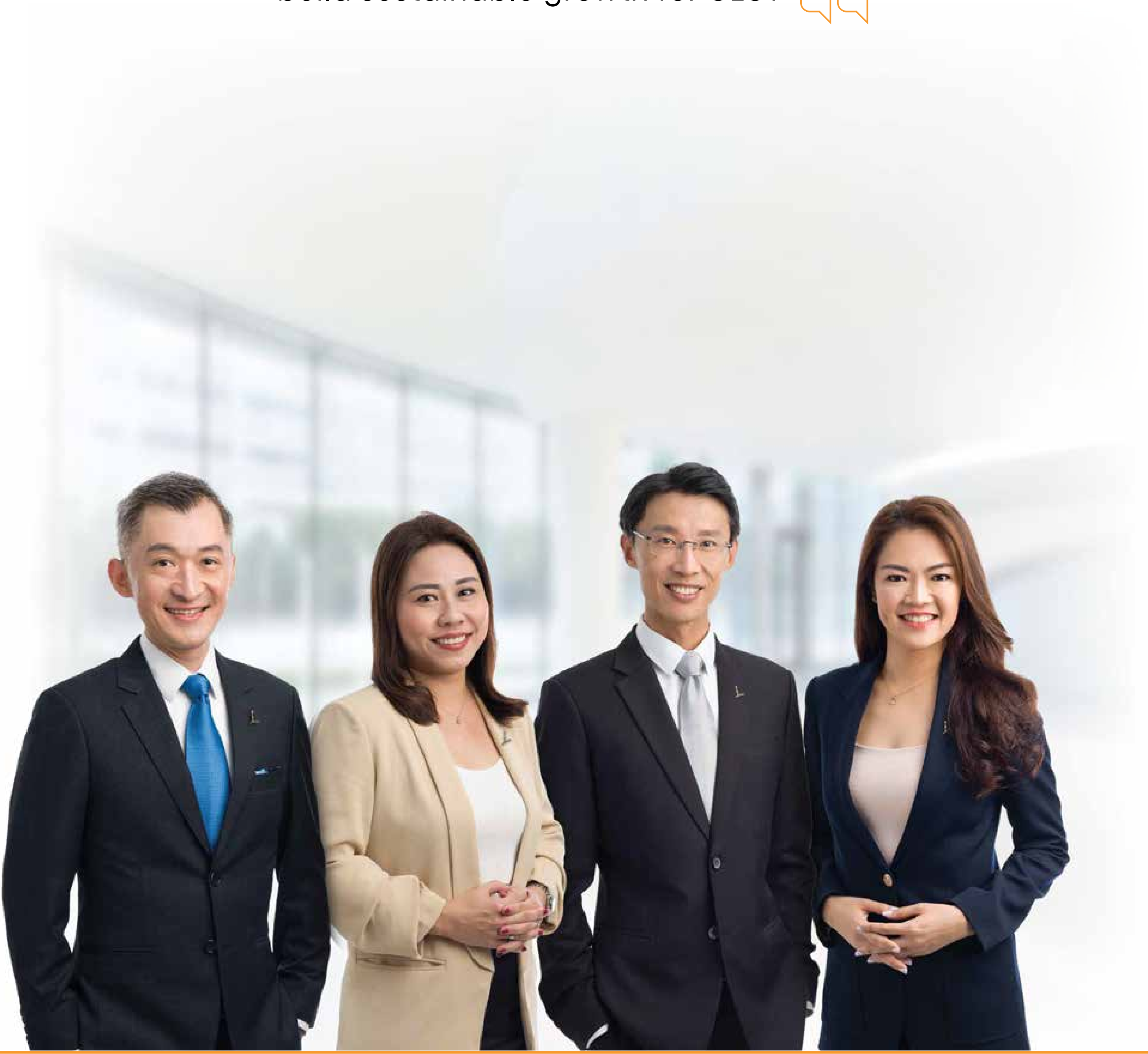
Organisation Structure

THE MANAGER
CAPITALAND CHINA TRUST MANAGEMENT LIMITED



Trust Management Team

A dedicated team committed to build sustainable growth for CLCT



TAN TZE WOOI
Chief Executive Officer
Executive Non-Independent Director

JOANNE TAN
Chief Financial Officer
(CFO)

YOU HONG
Head, Investment & Portfolio Management
(IPM)

NICOLE CHEN
Head, Investor Relations
(IR)

TAN TZE WOOI
Chief Executive Officer (CEO) & Executive Non-Independent Director

Please refer to the description under the section on Board of Directors.

JOANNE TAN
Chief Financial Officer (CFO)

Joanne heads the Finance team at CLCTML and is responsible for the financial management and reporting functions. She oversees matters involving accounting, management reporting, risk management, treasury and capital management, ensuring alignment with CLCT's investment strategy. The finance team works closely with the Investment & Portfolio Management (IPM) team to review, evaluate and execute acquisitions and divestments and funding plans. Joanne works alongside with CEO in executing strategic and business plans for CLCT.

Joanne has 24 years of experience in finance, including treasury and accounting. She has been with CapitaLand since 2005 and has headed the CLCTML Finance team since 2010. She was also a member of the team involved in the listing of CLCT in 2006 and CapitaLand Malls Asia in 2009. Prior to joining CLCTML, Joanne has extensive experience within the Group covering the retail portfolio including China and Japan private funds.

Joanne is a Chartered Accountant (CA) with the Institute of Singapore Chartered Accountants and holds a professional degree with the Association of Chartered Certified Accountants (ACCA).

YOU HONG
Head, Investment & Portfolio Management (IPM)

You Hong leads the IPM team at CLCTML and is responsible for creating value for Unitholders through acquisitions and divestments, proactive asset management and asset enhancement initiatives. The IPM team optimises CLCT's portfolio by identifying and evaluating potential acquisitions and divestments, formulating business and enhancement plans and evaluating alternative investment and asset holding structures to improve the REIT's total investment returns. The team works closely with the property managers to carry out planned asset strategies to enhance the operational and financial performance as well as manage the expenses of each property.

You Hong has more than 16 years of experience in real estate that spans various areas including investment and asset management, private fund management, risk management and real estate financing. Prior to joining CLCTML, You Hong was a fund manager for CapitaLand sponsored private funds, and an investment and asset manager based in Shanghai office.

You Hong holds a Bachelor of Science (Honours) in Quantitative Finance from the National University of Singapore.

NICOLE CHEN
Head, Investor Relations (IR)

Nicole manages the IR function at CLCTML and is responsible for building relations and facilitating strategic communications with CLCT's investors and stakeholders across various communication platforms. The IR team engages in two-way communication and produces collaterals such as press releases, annual reports and presentations to update the community on CLCT's strategy and plans.

Nicole has more than 10 years of investor relations and corporate communications experience in both in-house as well as agency positions. She has led client-servicing teams and managed multi-channel, multi-market programmes across Asia-Pacific, focusing on reputation building, positioning and content creation in both IR and PR agencies. Nicole has also amassed experience through her previous roles encompassing investor relations and corporate communications at a STI component company as well as an overseas listed company.

Nicole is a Chartered Accountant of Singapore and a holder of the International Certificate in Investor Relations. She has a Master of Science in Communication Management (Dean's List) and a Bachelor of Accountancy from the Singapore Management University.

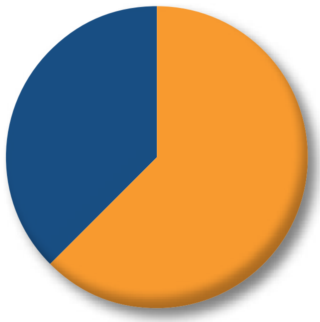
Corporate Governance

Board Members:
8

The Chairman of the Board and all members of the Audit Committee (AC) are **independent directors.**

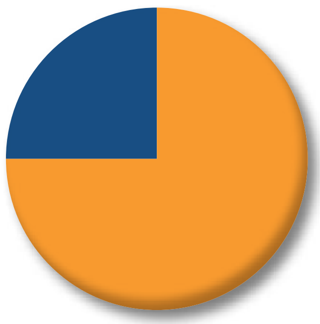
The AC
comprises four non-executive Directors, all of whom (including the chairman of the AC) are IDs.

AC chairman and other AC members have recent and relevant managerial and professional expertise in accounting, auditing and/or related financial management domains.



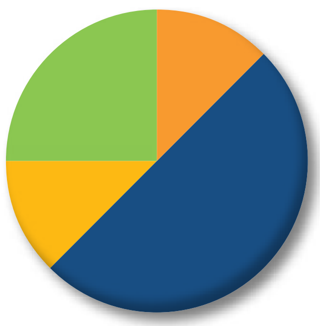
BOARD INDEPENDENCE
(As at 31 December 2022)

Independent Directors	5
Non-Independent Directors	3



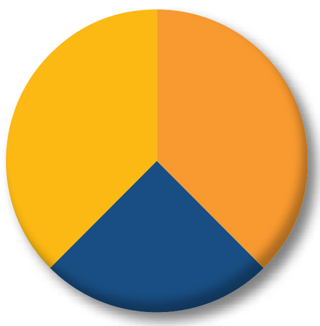
BOARD GENDER DIVERSITY
(As at 31 December 2022)

Male	6
Female	2



AGE SPREAD
(As at 31 December 2022)

50 years and below	1
51–60 years	4
61–70 years	1
Over 70 years	2



TENURE MIX
(As at 31 December 2022)

0–3 years	3
> 3–5 years	2
> 5–7 years	3

Summary of Changes in Board Composition in FY 2022

APPOINTMENT OF DIRECTORS

» Appointed Professor Ong Seow Eng as Non-Executive Independent Director, with effect from 1 January 2022

» Appointed Ms Tay Hwee Pio as Non-Executive Independent Director, with effect from 1 May 2022

RETIREMENT OF DIRECTORS

» Retirement of Mr Christopher Gee Kok Aun and Professor Tan Kong Yam as Non-Executive Independent Directors and they relinquished their roles as members of the AC, with effect from 1 May 2022

CHANGES TO COMPOSITION OF AUDIT COMMITTEE

» Appointed Mr Neo Poh Kiat as AC Chairman and Ms Kuan Li Li as AC member, with effect from 1 January 2022

» Appointed Professor Ong Seow Eng as AC member and Ms Tay Hwee Pio as AC member, with effect from 1 May 2022.

Our Commitment on Governance

Adopt a Board Diversity Policy that provides for the Board to comprise talented and dedicated Directors with a diverse mix of expertise, experience, perspectives, skills and backgrounds, including diversity in age and gender

Executive compensation framework is based on the key principle of linking pay to performance

Zero tolerance against fraud, bribery and corruption

Promote integrity throughout the organisation through policies and practices, such as CapitaLand Investment's fraud, bribery and corruption risk management policy, whistle-blowing policy and ethics and code of business conduct policies

Abide by the MAS' guidelines on the prevention of money laundering and countering the financing of terrorism

Corporate Governance

OUR ROLE

We, as the manager of CLCT (Manager), set the strategic direction of CLCT and its subsidiaries (CLCT Group) and make recommendations to HSBC Institutional Trust Services (Singapore) Limited, in its capacity as trustee of CLCT (Trustee), on any investment or divestment opportunities for CLCT and the enhancement of the assets of CLCT in accordance with the stated investment strategy for CLCT. The research, evaluation and analysis required for this purpose are coordinated and carried out by us as the Manager.

As the Manager, we have general powers of management over the assets of CLCT. Our primary responsibility is to manage the assets and liabilities of CLCT for the benefit of the unitholders of CLCT (Unitholders). We do this with a focus on generating rental income and enhancing asset value over time so as to maximise returns from the investments, and ultimately the distributions and total returns, to Unitholders.

Our other functions and responsibilities as the Manager include:

(a) using our best endeavours to conduct CLCT's business in a proper and efficient manner;
(b) preparing annual business plans for review by the directors of the Manager (Directors), including forecasts on revenue, net income and capital expenditure, explanations on major variances to previous years' financial results, written commentaries on key issues and underlying assumptions on rental rates, operating expenses and any other relevant assumptions;
(c) ensuring compliance with relevant laws and regulations, including the Listing Manual of Singapore Exchange Securities Trading Limited (SGX-ST) (Listing Manual), the Code on Collective Investment Schemes (CIS Code) issued by the Monetary Authority of Singapore (MAS) (including Appendix 6 of the CIS Code (Property Funds Appendix)), the Securities and Futures Act 2001 (SFA), written directions, notices, codes and other guidelines that MAS may issue from time to time and the tax rulings issued by the Inland Revenue Authority of Singapore on the taxation of CLCT and Unitholders;
(d) attending to all regular communications with Unitholders; and
(e) supervising the property managers which perform the day-to-day property management functions (including leasing, marketing, promotion, operations coordination and other property management activities) for CLCT's properties.

The Manager also considers sustainability issues (including environmental and social factors) as part of its responsibilities. CLCT's environmental sustainability and community outreach programmes are set out on pages 102 to 111 of this Annual Report.

CLCT, constituted as a trust, is externally managed by the Manager. The Manager appoints experienced and well qualified personnel to run its day-to-day operations.

The Manager was appointed in accordance with the terms of the trust deed constituting CLCT dated 23 October 2006 (as amended, varied or supplemented from time to time) (Trust Deed). The Trust Deed outlines certain circumstances under which the Manager can be removed, including by notice in writing given by the Trustee upon the occurrence of certain events, or by resolution passed by a simple majority of Unitholders present and voting at a meeting of Unitholders duly convened and held in accordance with the provisions of the Trust Deed.

The Manager is a wholly owned subsidiary of CapitaLand Investment Limited (CLI) which holds a significant unitholding interest in CLCT. CLI is a leading global real estate investment manager, with a vested interest in the long-term performance of CLCT. CLI's significant unitholding in CLCT demonstrates its commitment to CLCT and CLI's interest as a Unitholder is aligned with that of other Unitholders. The Manager's association with CLI provides the following benefits, among other things, to CLCT:

(a) strategic pipelines of property assets through, amongst others, CLI's access to the development capabilities of and pipeline investment opportunities from CapitaLand Group's development arm;
(b) wider and better access to banking and capital markets on favourable terms;
(c) fund raising and treasury support; and
(d) access to a bench of experienced management talent.

OUR CORPORATE GOVERNANCE FRAMEWORK AND CULTURE

The Manager embraces the tenets of good corporate governance, including accountability, transparency and sustainability. It is committed to enhancing long-term Unitholder value and has appropriate people, processes and structure to direct and manage the business and affairs of the Manager with a view to achieving operational excellence and delivering the CLCT Group's long-term strategic objectives. The policies and practices it has developed to meet the specific business needs of the CLCT Group provide a firm foundation for a trusted and respected business enterprise.

Our corporate governance framework as at the date of this Annual Report is set out below:

BOARD OF DIRECTORS

5 Independent Directors (ID) and
3 Non-Independent Directors (Non-ID)
Led by ID, Mr Soh Kim Soon, Chairman

Key Responsibility:
Oversee the Manager's strategic direction, performance and affairs and foster the success of CLCT so as to deliver sustainable value over the long term to Unitholders

AUDIT COMMITTEE (AC)

4 IDs
Led by Mr Neo Poh Kiat, AC chairman

Key Responsibility:
Assist the Board in its oversight of the financial reporting process, internal controls system, internal and external audit processes, and management of compliance with legal, regulatory and company policies

EXECUTIVE COMMITTEE (EC)

3 Non-IDs
Led by Mr Lim Cho Pin Andrew Geoffrey, EC chairman

Key Responsibility:
Assist the Board in its oversight of the day-to-day activities of the Manager and CLCT

NOMINATING AND REMUNERATION COMMITTEE (NRC)

2 IDs and 1 Non-ID
Led by Mr Soh Kim Soon, NRC chairman

Key Responsibility:
Assist the Board on Board succession planning and appointments to the Board and Board committees, and the review of the Board's performance, Director's independence and remuneration for the Directors and key management personnel of the Manager

Corporate Governance

The Board of Directors (Board) sets the tone from the top and is responsible for the Manager's corporate governance standards and policies, underscoring their importance to the CLCT Group.

This corporate governance report (Report) sets out the corporate governance practices for the financial year (FY) 2022 with reference to the Code of Corporate Governance 2018 (Code) and unless otherwise stated, is based on the composition of the Board and Board Committees in FY 2022.

Throughout FY 2022, the Manager has complied with the principles of corporate governance laid down by the Code and also, substantially, with the provisions underlying the principles of the Code. Where there are deviations from the provisions of the Code, appropriate explanations are provided in this Report. This Report also sets out additional policies and practices adopted by the Manager which are not provided in the Code.

CLCT has received accolades from the investment community for excellence in corporate governance and corporate governance-related efforts.

As recognition of its commitment to environment, social and corporate governance, CLCT received a 2-star rating for its participation in Global Real Estate Sustainability Benchmark (GRESB) Real Estate Assessment 2022 and maintained an 'A' for GRESB Public Disclosure 2022. CLCT has been included by SGX in the Fast Track Programme. The scheme recognises listed companies and real estate investment trusts (REITs) with good governance standards and compliance practices, and accords prioritised clearance for selected corporate-action submissions. For the Singapore Governance and Transparency Index (SGTI) 2022 assessment, CLCT was ranked 11 with a score of 93.7.

BOARD MATTERS

Principle 1: The Board's Conduct of Affairs

Board's Duties and Responsibilities

The Board oversees the strategic direction, performance and affairs of the Manager, in furtherance of the Manager's primary responsibility to foster the success of CLCT so as to deliver sustainable value over the long term to Unitholders. It provides overall guidance to the management team (Management), led by the Chief Executive Officer (CEO). The Board works with Management to achieve CLCT's objectives and long-term success and Management is accountable to the Board for its performance. Management is responsible for the execution of the strategy for CLCT and the day-to-day operations of CLCT's business.

The Board establishes goals for Management and monitors the achievement of these goals. It ensures that proper and effective controls are in place to assess and manage business risks and compliance with requirements under the Listing Manual, the Property Funds Appendix, as well as any other applicable guidelines prescribed by the SGX-ST, MAS or other relevant authorities, and applicable laws. It also sets the disclosure and transparency standards for CLCT and ensures that obligations to Unitholders and other stakeholders are understood and met.

The Board has adopted a set of internal controls which establishes financial approval limits for capital expenditure, investments, divestments, bank borrowings and issuance of debt instruments and this is clearly communicated to Management in writing. The Board has reserved authority to approve certain matters including:

(a) material acquisitions, investments and divestments;
(b) issue of new units in CLCT (Units);
(c) income distributions and other returns to Unitholders; and
(d) matters which involve a conflict of interest for a controlling Unitholder or a Director.

Apart from matters that specifically require the Board's approval, the Board delegates authority for transactions below the Board's approval limits to Board committees (Board Committees) and Management to optimise operational efficiency.

The Directors are fiduciaries and are collectively and individually obliged at all times to act honestly and objectively in the best interests of CLCT. Consistent with this principle, the Board is committed to ethics and integrity of action and has adopted a Board Code of Business Conduct and Ethics (Board Code) which provides that every Director is expected to, among other things, adhere to the highest standards of ethical conduct. All Directors are required to comply with the Board Code. This sets the appropriate tone from the top in respect of the desired organisational culture, and assists the Board in ensuring proper accountability within the Manager. In line with this, the Board has a standing policy that a Director must not allow himself or herself to get into a position where there is a conflict between his or her duty to CLCT and his or her own interests. Where a Director has a conflict of interest in a particular matter, he or she will be required to disclose his or her interest to the Board, recuse himself or herself from deliberations on the matter and abstain from voting on the matter. Every Director has complied with this policy, and where relevant, such compliance has been duly recorded in the minutes of meetings or written resolutions.

Furthermore, the Directors have the responsibility to act with due diligence in the discharge of their duties and ensure that they have the relevant knowledge to carry out and discharge their duties as directors, including understanding their roles as executive, non-executive, and independent directors, the business of CLCT and the environment in which CLCT operates. The Directors are also required to dedicate the necessary effort, commitment and time to their work as directors, and are expected to attend all meetings of the Board, except if unusual circumstances make attendance impractical.

Directors' Development

In view of the increasingly demanding, complex and multi-dimensional role of a Director, the Board recognises the importance of continual training and professional development for its Directors so as to equip them to discharge the duties and responsibilities of their office as Directors to the best of their abilities. The Nominating and Remuneration Committee has the responsibility to ensure that the Manager has in place a training and professional development framework to guide and support the Manager towards meeting the objective of having a Board which comprises individuals who are competent and possess up-to-date knowledge and skills necessary to discharge their duties and responsibilities. Directors who have no prior experience as a director of an issuer listed on the SGX-ST will be provided with training on the roles and responsibilities of a director of a listed issuer in accordance with the Listing Manual. The costs of training are borne by the Manager. The induction, training and development provided to new and existing Directors are set out below.

Upon appointment, each Director is provided with a formal letter of appointment and a copy of the Director's Manual (which includes information on a broad range of matters relating to the role, duties and responsibilities of a Director). All Directors, upon appointment, also undergo an induction programme which focuses on orientating the Director to CLCT's business, operations, strategies, organisation structure, responsibilities of the CEO and other persons having executive roles with authority and responsibility for planning, directing and controlling the activities of the Manager (key management personnel), and financial and governance practices. The induction programme may include visits to the CLCT Group's properties. Through the induction programme, the new Director also gets acquainted with members of Management which facilitates their interactions at Board meetings.

Following their appointment, the Directors are provided with opportunities for continuing education in areas such as director's duties and responsibilities, changes to regulations and accounting standards, industry-related matters and sustainability matters as prescribed by the SGX-ST, so as to be updated on matters that affect or may enhance their performance as Directors or Board Committee members. Such opportunities are provided at the Manager's expense. The Directors may also contribute by recommending suitable training and professional development programmes and sessions to the Board. In FY 2022, the training and professional development programmes and sessions for the Directors included (i) seminars conducted by experts and senior business leaders on board practices and issues faced by boards, (ii) sustainability training courses prescribed by the SGX-ST conducted by providers that represent different constituencies in the capital markets, and (iii) educational sessions on cyber security conducted by CLI group's information technology department. Sharing and information sessions were also organised as part of Board meetings, where guest speakers and Management team members presented on key topics to the Board. The Directors also regularly receive reading materials on topical matters or subjects as well as updates on regulatory changes and their implications.

Board Committees

The Board has established various Board Committees to assist it in the discharge of its functions. These Board Committees are the Audit Committee (AC), the Executive Committee (EC) and the Nominating and Remuneration Committee (NRC). Prior to the establishment of the NRC on 26 October 2021, the Board as a whole performed the equivalent functions of the NRC.

All the Board Committees have clear written terms of reference setting out their respective compositions, authorities and duties, including reporting back to the Board. Each of the Board Committees operates under delegated authority from the Board with the Board retaining overall oversight. The decisions and significant matters discussed at the respective Board Committees are reported to the Board on a periodic basis. The minutes of the Board Committee meetings which record the key deliberations and decisions taken during these meetings are also circulated to all Board members for their information. The composition of the various Board Committees is set out on page 72 and the inside back cover of this Annual Report. The duties and responsibilities of the Board Committees are set out in this Report.

The Board may form other Board Committees from time to time. The composition of each Board Committee is also reviewed by the NRC regularly, and as and when there are changes to Board membership. Where appropriate, changes are made to the composition of the Board Committees, with a view to ensuring there is an appropriate diversity of skills and experience, and fostering active participation and contributions from Board Committee members.

Meetings of Board and Board Committees
Board and Board Committee meetings are scheduled prior to the start of each financial year in consultation with the Directors. In addition to scheduled meetings, the Board may also hold ad hoc meetings as required by business imperatives. The Constitution of the Manager permits the Directors to participate in Board and Board Committee meetings via audio or video conference. If a Director is unable to attend a Board or Board Committee meeting, he or she may provide his or her comments to the Chairman or the relevant Board Committee chairman ahead of the meeting and these comments are taken into consideration in the deliberations. The Board and Board Committees may also make decisions by way of written resolutions.

The non-executive Directors (which for the avoidance of doubt, exclude the CEO as he is an executive Director and part of Management), led by the independent Chairman or other independent director as appropriate, also meet regularly about two times in a year without the presence of Management. In FY 2022, the non-executive Directors, led by the independent Chairman, met twice for discussions without the presence of Management. The chairman of these meetings was the independent Chairman and he provided feedback to all members of the Board and/or Management as appropriate.

At each scheduled Board meeting, the Board is apprised of the following:

(a) significant matters discussed at the AC meeting which is typically scheduled before the Board meeting;
(b) AC's recommendation on CLCT's periodic and year-end financial results following AC's review of the same;
(c) decisions made by Board Committees in the period under review;
(d) updates on the CLCT Group's business and operations in the period under review, including market developments and trends, as well as business initiatives and opportunities;
(e) financial performance, budgetary and capital management related matters in the period under review, including any material variance between any projections in budget or business plans and the actual results from business activities and operations;
(f) any risk management issues that materially impact CLCT's operations or financial performance;
(g) updates on key Unitholder engagements in the period under review, as well as analyst views and market feedback; and
(h) prospective transactions which Management is exploring.

This allows the Board to develop a good understanding of the progress of the CLCT Group's business as well as the issues and challenges faced by CLCT, and also promotes active engagement with Management.

The Manager adopts and practises the principle of collective decisions and therefore, no individual Director influences or dominates the decision-making process. There is mutual respect and trust among the Directors and therefore the Board benefits from a culture of frank and rigorous discussions. Such discussions conducted on a professional basis contribute to the dynamism and effectiveness of the Board. The Board composition is such that there is diversity in views and perspectives which enriches deliberations and contributes to better decision-making of the Board in the best interests of CLCT. At Board and Board Committee meetings, all the Directors actively participate in discussions, in particular, they engage in open and constructive debate and challenge Management on its assumptions and recommendations.

Management provides the Directors with complete, adequate and timely information prior to Board and Board Committee meetings and on an ongoing basis. This enables the Directors to make informed decisions and discharge their duties and responsibilities.

As a general rule, meeting materials are provided to the Directors at least five working days prior to Board and Board Committee meetings, to allow them to prepare for the meetings and to enable discussions to focus on any questions or issues that they may have or identify. Agendas for Board and Board Committee meetings are prepared in consultation with the Chairman and the chairmen of the respective Board Committees. This provides assurance that there is time to cover all relevant matters during the meetings.

In line with the Manager's ongoing commitment to minimise paper wastage and reduce its carbon footprint, the Manager does not provide printed copies of Board and Board Committee meeting materials. Instead, the Directors are provided with tablet devices to enable them to access and review meeting materials prior to and during meetings. This initiative also enhances information security as the meeting materials are made available through a secure channel. The Directors are also able to review and approve written resolutions using the tablet devices.

A total of five Board meetings, four AC meetings, two NRC meetings and one EC meeting were held in FY 2022. The key deliberations and decisions taken at Board and Board Committee meetings are minuted.

A record of the Directors' attendance at Board and Board Committee meetings for FY 2022 is set out on page 72 of this Annual Report. The CEO is also a Director and attends all Board meetings. He also attends all AC meetings on an ex officio basis. Other members of Management attend Board and Board Committee meetings as required to brief the Board and Board Committees on specific business matters.

There is active interaction between the Directors and Management during and outside Board and Board Committee meetings. The Directors have separate, independent and unfettered access to Management for any information that they may require. The Board and Management share a productive and harmonious relationship, which is critical for good governance and organisational effectiveness.

The Directors also have separate and independent access to the company secretary of the Manager (Company Secretary). The Company Secretary keeps herself abreast of relevant developments. She has oversight of corporate secretarial administration matters and advises the Board and Management on corporate governance matters. The Company Secretary attends Board meetings and assists the Chairman in ensuring that Board procedures are followed. The Company Secretary also facilitates the induction programme for new Directors and oversees professional development administration for the Directors. The appointment and the removal of the Company Secretary is subject to the Board's approval.

The Directors, whether individually or collectively as the Board, are entitled to have access to independent external professional advice where necessary, at the Manager's expense.

Principle 2: Board Composition and Guidance

Board Independence

The Board has a strong independent element as five out of eight directors, including the Chairman, are non-executive IDs. Other than the CEO who is the only executive Director on the Board, non-executive Directors make up the rest of the Board. None of the IDs as at the date of this Annual Report have served on the Board for nine years or longer. No lead ID is appointed as the Chairman is an ID. Profiles of the Directors, their respective Board Committee memberships and roles are set out on pages 30 to 36 of this Annual Report. Key information on the Directors is also available on CLCT's website (Website) at www.clct.com.sg.

The Board, through the NRC, reviews from time to time the size and composition of the Board and each Board Committee, with a view to ensuring that the size is appropriate in facilitating effective decision-making, and the composition reflects a strong independent element as well as balance and diversity of thought and backgrounds. The review takes into account the scope and nature of the CLCT Group's operations, and the competition that the CLCT Group faces.

The Board, through the NRC, assesses annually (and as and when circumstances require) the independence of each Director in accordance with the requirements of the Listing Manual and the guidance in the Code, the Securities and Futures (Licensing and Conduct of Business) Regulations (SFR) and where relevant, the recommendations set out in the Practice Guidance accompanying the Code (Practice Guidance). A Director is considered independent if he or she is independent in conduct, character and judgement and:

(a) has no relationship with the Manager, its related corporations, its substantial shareholders, CLCT's substantial Unitholders (being Unitholders who have interests in voting Units with 5% or more of the total votes attached to all voting Units) or the Manager's officers that could interfere, or be reasonably perceived to interfere with the exercise of his or her independent business judgement in the best interests of CLCT;
(b) is independent from the management of the Manager and CLCT, from any business relationship with the Manager and CLCT, and from every substantial shareholder of the Manager and every substantial Unitholder of CLCT;
(c) is not a substantial shareholder of the Manager or a substantial Unitholder of CLCT;
(d) is not employed and has not been employed by the Manager or CLCT or their respective related corporations in the current financial year or any of the past three financial years;
(e) does not have an immediate family member who is employed or has been employed by the Manager or CLCT or their respective related corporations in the current financial year or any of the past three financial years and whose remuneration is or was determined by the Board; and
(f) has not served on the Board for a continuous period of nine years or longer.

There is a rigorous process to evaluate the independence of each ID. As part of the process:

(a) each ID provides information of his or her business interests and confirms annually that there are no relationships which interfere with the exercise of his or her independent business judgement with a view to the best interests of the Unitholders as a whole, and such information is then reviewed by the NRC; and
(b) the NRC also reflects on the respective IDs' conduct and contributions at Board and Board Committee meetings, in particular, whether the relevant ID has exercised independent judgement in discharging his or her duties and responsibilities.

Each ID is required to recuse himself or herself from the NRC's and the Board's respective deliberations on his or her independence. In appropriate cases, the NRC also reviews the independence of an ID as and when there is a change of circumstances involving the ID. In this regard, an ID is required to report to the Manager when there is any change of circumstances which may affect his or her independence.

The NRC has carried out the assessment of the independence of its IDs for FY 2022 and the paragraphs below set out the outcome of the assessment and the Board's determination of independence based on the information available and having taken into account the views of the NRC. Each of the IDs had recused himself or herself from the NRC's and Board's respective deliberations on his or her independence.

In this section on Principle 2, the term "CLI group" refers to (i) CapitaLand Investment Limited, its subsidiaries; and/or (ii) REITs managed by CapitaLand Investment Limited's subsidiaries.

Mr Soh Kim Soon
Mr Soh is a non-executive director and chairman of ORIX Leasing Singapore Limited and is also chairman of ORIX Investment and Management Private Limited (together, the ORIX Companies). The ORIX Companies have business relationships with CLI group for the following matters:

(i) lease from CLI group; and
(ii) services provided to CLI group.

Mr Soh's role in each of the ORIX Companies is non-executive in nature and he is not involved in the day-to-day conduct of the ORIX Companies' businesses. He was not involved in the decision of the ORIX Companies to enter into business relationships with CLI group. All of the transactions with CLI group are conducted in the ordinary course of business, on an arm's length basis and based on normal commercial terms.

The NRC has assessed that (i) the respective relationships above did not interfere with the exercise of Mr Soh's independent business judgement in the discharge of his duties and responsibilities as a Director; and (ii) he has demonstrated independence in conduct, character and judgement in the discharge of his duties and responsibilities as a Director. Save for the relationships stated above, he does not have any other relationships and is not faced with any of the circumstances identified in the Code, SFR and Listing Manual, or any other relationships which may affect his independent judgement. Based on the above, the Board arrived at the determination that Mr Soh is an independent Director.

Mr Neo Poh Kiat
Mr Neo is a non-executive director of a few subsidiaries and associated corporations of Temasek. Mr Neo's roles in these corporations are non-executive in nature and he is not involved in the day-to-day conduct of the business of these corporations. Mr Neo has confirmed that he serves on the Board in his personal capacity and not as a representative of Temasek and he is not under any obligation, whether formal or informal, to act in accordance with the directions of Temasek in relation to the affairs of the Manager and CLCT.

The NRC has assessed that (i) the respective relationships above did not interfere with the exercise of Mr Neo's independent business judgement in the discharge of his duties and responsibilities as a Director; and (ii) he had demonstrated independence in conduct, character and judgement in the discharge of his duties and responsibilities as a Director. Save for the relationships stated above, he does not have any other relationships and is not faced with any of the circumstances identified in the Code, SFR and Listing Manual, or any other relationships which may affect his independent judgement. Based on the above, the Board arrived at the determination that Mr Neo is an independent Director.

Ms Kuan Li Li
Ms Kuan is a non-executive director of Freemont Capital Pte. Ltd. (the "Freemont Company"). The Freemont Company has business relationships with CLI group for various matters, including but not limited to leases from CLI group. Ms Kuan's role in the Freemont Company is non-executive in nature and she is not involved in the day-to-day conduct of the Freemont Company's business. She was not involved in the decision of the Freemont Company to enter into business relationships with CLI group. All of the transactions with CLI group are conducted in the ordinary course of business, on an arm's length basis and based on normal commercial terms.

The NRC has assessed that (i) the respective relationships above did not interfere with the exercise of Ms Kuan's independent business judgement in the discharge of her duties and responsibilities as a Director; and (ii) she has demonstrated independence in conduct, character and judgement in the discharge of her duties and responsibilities as a Director. Save for the relationship stated above, she does not have any other relationships and is not faced with any of the circumstances identified in the Code, SFR and Listing Manual, or any other relationships which may affect her independent judgement. Based on the above, the Board arrived at the determination that Ms Kuan is an independent Director.

The Board is of the view that as at the last day of FY 2022, each of Mr Soh, Mr Neo and Ms Kuan was able to act in the best interests of CLCT and all Unitholders in respect of the period in which they served as Directors in FY 2022.

Professor Ong Seow Eng and Ms Tay Hwee Pio
Professor Ong and Ms Tay do not have any relationships and are not faced with any of the circumstances identified in the Code, SFR and Listing Manual, or any other relationships which may affect their independent judgement.

The NRC has assessed that each of Professor Ong and Ms Tay has demonstrated independence in conduct, character and judgement in the discharge of his or her duties and responsibilities as a Director. Based on the above, the Board arrived at the determination that Professor Ong and Ms Tay are independent Directors.

Non-independent Directors
The remaining Directors as at the date of this Annual Report, namely, Mr Tan Tze Wooi, Mr Lim Cho Pin Andrew Geoffrey and Mr Puah Tze Shyang, are all employees of CLI group and are not considered to be independent.

Board Diversity
The Board embraces diversity and has formally adopted a Board Diversity Policy. The Board Diversity Policy provides for the Board to comprise talented and dedicated Directors with a diverse mix of expertise, experience, perspectives, skills and backgrounds, with due consideration to diversity factors, including but not limited to, diversity in age and gender.

The Board believes in diversity and values the benefits that diversity can bring to the Board in its deliberations by avoiding groupthink and fostering constructive debate. Diversity enhances the Board's decision-making capability and ensures that the Manager has the opportunity to benefit from all available talent and perspectives, which is essential to the effective governance of CLCT's business and for ensuring long-term sustainable growth.

Corporate Governance

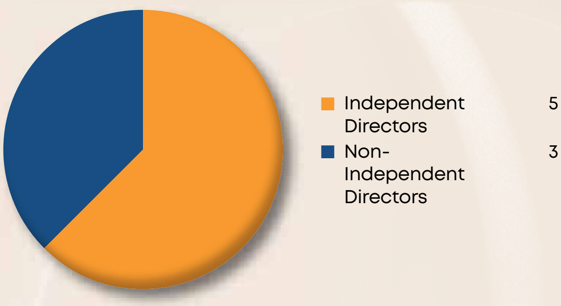
The NRC, in carrying out its duties of determining the optimal composition of the Board in its Board renewal process and addressing Board vacancies, identifies possible candidates that bring a diversity of background and opinion from amongst candidates with the appropriate background and industry or related expertise and experience. In identifying possible candidates and making recommendations of board appointments to the Board, the NRC considers, amongst others, achieving an appropriate level of diversity in the Board composition having regard to diversity factors such as age, educational, business and professional backgrounds of its members.

Gender diversity is also considered an important aspect of diversity. There has been an increase in female representation on the Board in FY 2022 and progressively over the past financial years. The current Board has two female members representing 25% of the Board.

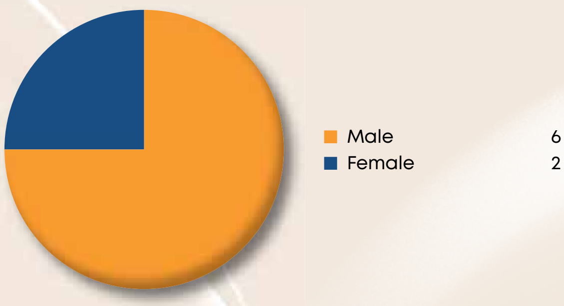
The NRC has reviewed the size and composition of the Board and is of the opinion that the Board's current size is appropriate with an appropriate balance and diversity of skills, talents, experience and backgrounds, taking into account the objectives of the Board Diversity Policy and the CLCT Group's business needs and plans, for effective decision-making and constructive debate. In line with the Board Diversity Policy, the current Board comprises eight members who are corporate and business leaders, and are professionals with varied backgrounds, expertise and experience including in accounting, finance, banking, capital markets, real estate, investment management, leadership, governance and the China market. The Board members bring with them the combination of skills, talents, experience and diversity required to serve the needs of the CLCT Group.

For further information on the Board's work in this regard, please refer to "Board Membership" under Principle 4 in this Report.

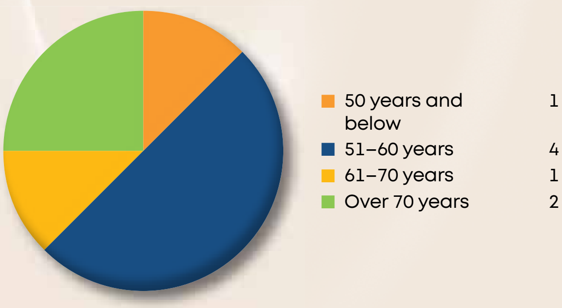
BOARD INDEPENDENCE
(As at 31 December 2022)



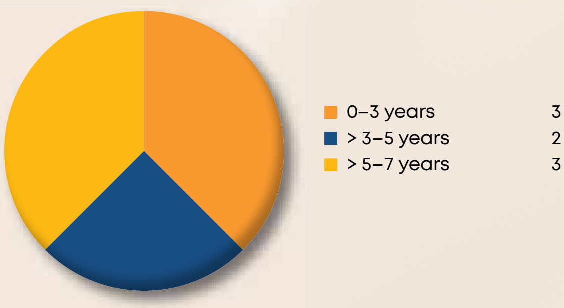
BOARD GENDER DIVERSITY
(As at 31 December 2022)



AGE SPREAD
(As at 31 December 2022)



TENURE MIX
(As at 31 December 2022)



Principle 3: Chairman and Chief Executive Officer

The roles and responsibilities of the Chairman and the CEO are held by separate individuals to ensure an appropriate balance of power, increased accountability, and greater capacity of the Board for independent decision-making, in keeping with the principles that there be a clear division of responsibilities between the leadership of the Board and Management and that no one individual has unfettered powers of decision-making. The non-executive independent Chairman is Mr Soh Kim Soon, whereas the CEO is Mr Tan Tze Wooi. They do not share any family ties. The Chairman and the CEO enjoy a positive and constructive working relationship between them, and support each other in their respective leadership roles.

The Chairman provides leadership to the Board and facilitates the conditions for the overall effectiveness of the Board, Board Committees and individual Directors. This includes setting the agenda of Board meetings, ensuring that there is sufficient information and time at meetings to address all agenda items, and promoting open and constructive engagement among the Directors as well as between the Board and the CEO on strategic issues.

The Chairman devotes considerable time to understanding the business of CLCT, as well as the issues and the competition that CLCT faces. He plays a significant leadership role by providing clear oversight, direction, advice and guidance to the CEO. He also maintains open lines of communication and engages with other members of Management regularly, and acts as a sounding board for the CEO on strategic and significant operational matters.

The Chairman also presides over the Annual General Meeting (AGM) each year and other general meetings where he plays a crucial role in fostering constructive dialogue between the Unitholders, the Board and Management.

The CEO has full executive responsibilities to manage the CLCT Group's business and to develop and implement policies approved by the Board.

The separation of the roles and responsibilities of the Chairman and the CEO, and the resulting clarity of roles provide a healthy professional relationship between the Board and Management, facilitate robust deliberations on the CLCT Group's business activities and the exchange of ideas and views to help shape the strategic process.

As the roles of the Chairman and the CEO are held by separate individuals who are not related to each other, and the Chairman is an ID, no lead ID has been appointed. Moreover, the Board has a strong independent element as five out of eight directors (including the Chairman) are non-executive IDs. There are also sufficient measures in place to address situations where the Chairman is conflicted as he is required to recuse himself from deliberations and abstain from voting on any matter that could potentially give rise to conflict. The foregoing is consistent with the intent of Principle 3 of the Code.

Principle 4: Board Membership

The Board has a formal and transparent process for the appointment and re-appointment of Directors, taking into account the need for progressive renewal of the Board. With effect from 26 October 2021, the Board has established the NRC, which makes recommendations to the Board on all appointments to the Board and Board Committees. All Board appointments are made based on merit and approved by the Board.

The NRC comprises three non-executive directors, two of whom (including the chairman of the NRC) are IDs. The three members on the NRC are Mr Soh Kim Soon (NRC Chairman), Mr Neo Poh Kiat and Mr Lim Cho Pin Andrew Geoffrey. The NRC met twice in FY 2022.

The NRC has also reviewed and approved various matters within its remit via circulating papers. Under its terms of reference, the NRC's scope of duties and responsibilities includes:

(a) reviewing the structure, size and composition of the Board and Board Committees and formulating, reviewing and making recommendations to the Board on succession plans for Directors, in particular, the appointment and/or replacement of the Chairman and the CEO;
(b) reviewing and making recommendations to the Board on the process and criteria for the evaluation of the performance of the Board, Board Committees and individual Directors and the results of such evaluation annually;
(c) considering annually and as and when circumstances require, if a Director is independent; and

(d) considering and making recommendations to the Board on the appointment and re-appointment of Directors.

In addition to the above, the NRC and/or the Board as a whole is kept abreast of relevant matters relating to the review of succession plans relating to the key management personnel, in particular the appointment and/or replacement of the key management personnel. While this is a partial deviation from Provision 4.1(a) of the Code which requires the NRC to make recommendations to the Board on relevant matters relating to the review of succession plans, in particular the appointment and/or replacement of the key management personnel, the Board is of the view that such matters could be considered either by the NRC or by the Board as a whole. This is accordingly consistent with the intent of Principle 4 of the Code.

In respect of the review of training and professional development programmes for the Board and the Directors, the Board is of the view that this should be a matter involving the views and feedback of all members of the Board. Hence, any Director may contribute by recommending to the Board specific training and development programmes which he or she believes would benefit the Directors or the Board as a whole. The review of training and professional development programmes for the Board and its Directors is done by the Board as a whole, and this function was not delegated to the NRC. This is consistent with the intent of Principle 4 of the Code, notwithstanding that the NRC was not specifically assigned to review and make recommendations to the Board on such matters.

Board Composition and Renewal

The Board, through the NRC, strives to ensure that there is an optimal blend in the Board of backgrounds, experience and knowledge in business and general management, expertise relevant to the CLCT Group's business and track record, and that each Director can bring to the Board an independent and objective perspective to enable balanced and well-considered decisions to be made in the interests of the CLCT Group. The Board has a few members who have prior working experience in the sectors that CLCT operates in. The channels used in the search and nomination process for identifying appropriate candidates, and the channels via which the eventual appointee(s) were found, and the criteria used to identify and evaluate potential new directors, are set out below.

There is a structured process for determining Board composition and for selecting candidates for appointment as Directors. In undertaking its duty of reviewing and making Board appointment recommendations to the Board, the NRC considers different time horizons for purposes of succession planning. The NRC evaluates the Board's competencies on a long-term basis and identifies competencies which may be further strengthened in the long term to achieve CLCT's strategy and objectives. As part of medium-term planning, the NRC seeks to refresh the membership of the Board progressively and in an orderly manner, whilst ensuring continuity and sustainability of corporate performance. The NRC also considers contingency planning to prepare for sudden and unforeseen changes. In reviewing succession plans, the NRC has in mind CLCT's strategic priorities and the factors affecting the long-term success of CLCT. Board succession planning takes into account the need to maintain flexibility to effectively address succession planning and to ensure that the Manager continues to attract and retain highly qualified individuals to serve on the Board. The NRC aims to maintain an optimal Board composition by considering the trends affecting CLCT, reviewing the skills needed and identifying gaps, including considering whether there is an appropriate level of diversity of thought. The process ensures that the Board composition is such that the Board has capabilities and experience which are aligned with CLCT's strategy and environment. The process includes considerations that will provide an appropriate balance and contribute to the collective skills and competencies of the Board, such as (a) the current size and composition of the Board and Board committees; (b) the independence of potential ID candidates; (c) the suitability of potential candidates for appointment to various Board committees; and (d) diversity factors such as business or professional experience, age and gender.

The Board supports the principle that Board renewal is a necessary and continual process, both for good governance and for ensuring that the Board has the skills, expertise and experience which are relevant to the evolving needs of the CLCT Group's business.

Board succession planning is carried out through the annual review by the NRC of the Board's composition as well as when a Director gives notice of his or her intention to retire or resign. The outcome of that review is reported to the Board. The Board also has in place guidelines on the tenure of Directors. The guidelines provide that an ID should serve for no more than a maximum of two three-year terms and any extension of tenure beyond six years will be reviewed by the Board through the NRC on a yearly basis up to a period of nine years (inclusive of the initial two three-year terms served).

The NRC identifies suitable candidates for appointment to the Board. Searches for possible candidates are conducted through contacts and recommendations. In this regard, the Manager may rely on external consultants from time to time to assist the NRC in identifying candidates. Candidates are identified based on the needs of CLCT and the relevant skills required, taking into account, among other things, the requirements in the Listing Manual and the Code, as well as the factors in the Board Diversity Policy. The candidates will be assessed against a range of criteria including their demonstrated business sense and judgement, skills and expertise, and market and industry knowledge (and may include elements such as financial, sustainability or other specific competency, geographical representation and business background). The NRC also considers the qualities of the candidates, in particular whether they are aligned to the strategic directions and values of CLCT. In addition, the NRC assesses the candidates' ability to commit time to the affairs of CLCT, taking into consideration their other current appointments. The NRC uses a board competency matrix as a guide in determining if there are gaps in the skills of the Board as a whole and if the skills, expertise and experience of a candidate would complement those of the existing Board members.

Board Changes
As part of the Board renewal process: (a) Professor Ong Seow Eng was appointed as a non-executive ID with effect from 1 January 2022; (b) Mr Christopher Gee Kok Aun and Professor Tan Kong Yam retired as non-executive IDs with effect from 1 May 2022 , and (c) Ms Tay Hwee Pio was appointed as a non-executive ID with effect from 1 May 2022. Professor Ong and Ms Tay were referred through contacts and recommendations.

Directors who are appointed to the Board from time to time either have prior experience as a director of an issuer listed on the SGX-ST or will undergo the training required under rule 210(5)(a) of the Listing Manual.

Professor Ong Seow Eng has prior experience as a director of an issuer listed on the SGX-ST while Ms Tay Hwee Pio has completed the requisite training under Rule 210(5)(a) of the Listing Manual.

In FY 2022, all Directors completed the training required under Rule 720(7) of the Listing Manual. Going forward, new Directors who are appointed to the Board from time to time will either have expertise in sustainability matters or will undergo further training required under Rule 720(7) of the Listing Manual.

Review of Directors' Ability to Commit Time
In view of the responsibilities of a Director, Directors need to be able to devote sufficient time and attention to adequately perform their duties and responsibilities. The NRC conducts a review of the other appointments and commitments of each Director on an annual basis and as and when there is a change of circumstances involving a Director which may affect his or her ability to commit time to the Manager. In this regard, Directors are required to report to the Board any changes in their other appointments.

In respect of the Directors' other appointments and commitments, no limit is set as to the number of listed company board appointments. The Board takes the view that the number of listed company directorships that an individual may hold should be considered on a case-by-case basis, as a person's available time and attention may be affected by many different factors, such as his or her individual capacity, whether he or she is in full-time employment, the nature of his or her other responsibilities and his or her near-term plan regarding some of the other appointments. A Director with multiple directorships is expected to ensure that he or she can devote sufficient time and attention to the affairs of the Manager. IDs are also required to consult the Chairman before accepting any invitation for appointment as a director of another entity or offer of a full time executive appointment.

There is also no alternate director to any of the Directors. In keeping with the principle that a Director must be able to commit time to the affairs of the Manager, the Board has adopted the principle that it will generally not approve the appointment of alternate directors to the Directors.

Each of the Directors is required to make his or her own self-assessment and confirm that he or she is able to devote sufficient time and attention to the affairs of the Manager. For FY 2022, all non-executive Directors had undergone the self-assessment and provided the confirmation.

On an annual basis and, where appropriate when there is a change of circumstances involving a Director, the NRC assesses each Director's ability to commit time to the affairs of the Manager. In the assessment, the NRC takes into consideration each Director's confirmation, his or her commitments, attendance record at meetings of the Board and Board Committees, as well as conduct and contributions (including preparedness and participation) at Board and Board Committee meetings.

The Directors' listed company directorships and principal commitments are disclosed on pages 32 to 36 of this Annual Report and their attendance records for FY 2022 are set out on page 72 of this Annual Report. In particular, the CEO does not serve on any listed company board outside of the CLCT Group. For FY 2022, the Directors achieved high meeting attendance rates and each Director has participated and been engaged in, and has contributed to discussions and deliberations at Board and Board Committee meetings. Based on the above, the NRC (with each NRC member recusing himself from approving the determination in respect of himself) has determined that each Director is able to commit time to the affairs of the Manager and CLCT, and is able to and has been adequately carrying out his or her duties as a Director. The NRC and the Board have noted that no Director has a significant number of listed directorships and principal commitments.

Principle 5: Board Performance

The Manager believes that oversight from a strong and effective Board goes a long way towards guiding a business enterprise to achieving success.

Whilst Board performance is ultimately reflected in the long-term performance of the CLCT Group, the Board believes that engaging in a regular process of self-assessment and evaluation of Board performance provides an opportunity for the Board to reflect on its effectiveness including the quality of its decisions, and for Directors to consider their performance and contributions. It also enables the Board to identify key strengths and areas for improvement which are essential to effective stewardship and attaining success for CLCT.

The NRC recommends for the Board's approval the objective performance criteria, and the Board undertakes a process to evaluate the effectiveness of the Board as a whole and that of each of its Board Committees and individual Directors for every financial year. As part of the process, a questionnaire is sent to the Directors. The evaluation results are aggregated and reported to the NRC, and thereafter to the Board. The findings are considered by the Board and follow-up action is taken where necessary with a view to enhancing the effectiveness of the Board, Board Committees and individual Directors in the discharge of its and their duties and responsibilities. As and when required, external facilitators may be appointed to assist in the evaluation process of the Board, Board committees and the individual Directors. For FY 2022, the evaluation process was conducted without involving any external facilitator.

Board and Board Committees

The evaluation categories covered in the questionnaire include Board composition, Board processes, strategy, performance and governance, access to information and Board Committee effectiveness. As part of the questionnaire, the Board also considers whether the creation of value for Unitholders has been taken into account in the decision-making process. For FY 2022, the outcome of the evaluation was satisfactory and the Directors generally received affirmative ratings across the evaluation categories for the Board as a whole and for each Board Committee that was evaluated.

Individual Directors

The evaluation categories covered in the questionnaire include Director's duties, contributions, conduct and interpersonal skills, as well as strategic thinking and risk management. For FY 2022, the outcome of the evaluation was satisfactory and each of the Directors generally received affirmative ratings across the evaluation categories.

The Board also recognises that contributions by an individual Director can take different forms including providing objective perspectives on issues, facilitating business opportunities and strategic relationships, and accessibility to Management outside of the formal environment of Board and Board Committee meetings.

Board Evaluation as an Ongoing Process
The Board believes that performance evaluation should be an ongoing process and the Board achieves this by seeking feedback on a regular basis. The regular interactions between the Directors, and between the Directors and Management, also contribute to this ongoing process. Through this process of engaging its members, the Board also benefits from an understanding of shared norms between Directors which also contributes to a positive Board culture. The collective Board performance and the contributions of individual Directors are also reflected in, and evidenced by, the synergistic performance of the Board in discharging its responsibilities as a whole by providing proper guidance, diligent oversight and able leadership, lending support to Management in steering CLCT in the appropriate direction, as well as the long-term performance of CLCT whether under favourable or challenging market conditions.

REMUNERATION MATTERS

Principles 6, 7 and 8: Procedures for Developing Remuneration Policies, Level and Mix of Remuneration and Disclosure on Remuneration

All fees and remuneration payable to Directors, key management personnel (including the CEO) and staff of the Manager are paid by the Manager.

The Board has a formal and transparent procedure for developing policies on Director and executive remuneration, and for fixing the remuneration packages of individual Directors and key management personnel. No Director is involved in deciding his or her own remuneration.

The Board has established the NRC. Under its terms of reference, the NRC's scope of duties and responsibilities in relation to remuneration matters include:

(a) to review and determine the Board remuneration framework and the specific remuneration packages for the Directors; and
(b) to review and determine the compensation framework and the specific remuneration packages for the CEO and other key management personnel.

While Provision 6.1 of the Code provides for the NRC to make recommendations to the Board on such matters, the Board is of the view that such matters are best reviewed and determined by the NRC as part of its focused scope, and have delegated the decision-making on such matters to the NRC. The NRC reports any decisions made on such matters to the Board. This is accordingly consistent with the intent of Principle 6 of the Code.

Guided by its terms of reference, the NRC oversees the development and succession planning for the CEO. This includes overseeing the process for the selection of the CEO and conducting an annual review of career development and succession matters for the CEO.

For further information on the composition of the NRC, please refer to "Board Membership" under Principle 4 in this Report.

Remuneration Policy for Key Management Personnel
The remuneration framework and policy are designed to support the implementation of the CLCT Group's business strategy and deliver sustainable value to Unitholders. The principles governing the remuneration policies of the Manager's key management personnel are as follows:

Business Alignment

- Focus on generating rental income and enhancing asset value over time so as to maximise returns from investments and ultimately the distributions and total returns to Unitholders
- Provide sound and structured funding to ensure affordability and cost-effectiveness in line with performance goals
- Enhance retention of key talents to build strong organisational capabilities

Motivate Right Behaviour

- Pay for performance - align, differentiate and balance rewards according to multiple dimensions of performance
- Strengthen line-of-sight linking rewards and performance

Fair & Appropriate	Effective Implementation
▶ Ensure competitive remuneration relative to the appropriate external talent markets ▶ Manage internal equity such that remuneration is viewed as fair across the CLCT Group ▶ Significant and appropriate portion of pay-at- risk, taking into account risk policies of the CLCT Group, symmetrical with risk outcomes and sensitive to the risk time horizon	▶ Maintain rigorous corporate governance standards ▶ Exercise appropriate flexibility to meet strategic business needs and practical implementation considerations ▶ Facilitate employee understanding to maximise the value of the remuneration programme

These remuneration policies are in line with the CLCT Group's business strategy and the executive compensation framework is based on the key principle of linking pay to performance, which is emphasised by linking total remuneration to the achievement of business and individual goals and objectives. The NRC considers all aspects of remuneration, including termination terms, to ensure they are fair, and has access to remuneration consultants for advice on remuneration matters as required.

In reviewing policies on remuneration and determining the remuneration packages for key management personnel, the NRC, through an independent remuneration consultant, takes into consideration appropriate compensation benchmarks within the industry, so as to ensure that the remuneration packages payable to key management personnel are competitive and in line with the objectives of the remuneration policies. It also considers the compensation framework of CLI as a point of reference. The Manager is a subsidiary of CLI which also holds a significant stake in CLCT. The association with the CLI group puts the Manager in a better position to attract and retain better qualified management talent. Additionally, it provides an intangible benefit to the Manager such that it allows its employees to associate themselves with an established corporate group which can offer them the depth and breadth of experience and enhanced career development opportunities.

In FY 2022, Willis Towers Watson was appointed as independent remuneration consultant to provide professional advice on executive remuneration. Willis Towers Watson is a leading global advisory, broking and solutions company with over 45,000 employees serving more than 140 countries and markets. The consultant is not related to the Manager, its controlling shareholder, its related corporations or any of its Directors.

Remuneration of Key Management Personnel
The remuneration of key management personnel comprises fixed components, a variable cash component, Unit-based components and employee benefits. A significant proportion of key management personnel's remuneration is in the form of variable compensation, awarded in a combination of short-term and long-term incentives, in keeping with the principle that the interests of the key management personnel should be aligned with those of Unitholders and that the remuneration framework should link rewards to business and individual performance and promote the long-term success of CLCT.

A. Fixed Components:
The fixed components comprise the base salary, fixed allowances and compulsory employer contribution to an employee's Central Provident Fund.

B. Variable Cash Component:
The variable cash component comprises the Balanced Scorecard Bonus Plan (BSBP) that is linked to the achievement of annual performance targets for each key management personnel.

Under the Balanced Scorecard framework, the CLCT Group's strategy and goals are translated to performance outcomes comprising both quantitative and qualitative targets in the dimensions of:

REIT Performance

This includes targets relating to profitability and distributions, capital structure, financial and risk management, as well as investor engagement;

Future Growth

This includes targets relating to asset enhancement, investments, asset performance and occupancy, and capital recycling;

Sustainability

This includes targets relating to talent retention, succession planning and sustainable corporate practices (including workplace safety);

Manager's Financial Health

This includes targets relating to the Manager's financial viability and efficiency.

These Balanced Scorecard targets are approved by the Board and cascaded down throughout the organisation, thereby creating alignment across the CLCT Group.

After the close of each financial year, the Board reviews the CLCT Group's achievements against the targets set in the Balanced Scorecard and determines the overall performance taking into consideration qualitative factors such as the quality of earnings, operating environment, regulatory landscape and industry trends.

In determining the payout quantum for each key management personnel under the BSBP, the NRC considers the overall business and individual performance as well as the affordability of the payout to the Manager.

C. Unit-based Components:

Unit awards were granted in FY 2022 pursuant to the CapitaLand China Trust Management Limited Performance Unit Plan (PUP) and CapitaLand China Trust Management Limited Restricted Unit Plan (RUP) (together, the Unit Plans) approved by the Board. The Manager believes that the Unit-based components of the remuneration for key management personnel serve to align the interests of such key management personnel with that of Unitholders and CLCT's long-term growth and value. The obligation to deliver the Units is satisfied out of existing Units held by the Manager.

To promote the alignment of Management's interests with that of Unitholders in the longer term, senior members of Management are subject to Unit ownership guidelines to instill stronger identification with the longer-term performance and growth of the CLCT Group. Under these guidelines, senior members of Management are required to retain a prescribed proportion of the Units received under the Unit Plans worth up to at least one year of basic salary.

Units vested pursuant to the Unit Plans may be clawed back in circumstances where the relevant participants are found to be involved in financial misstatement, misconduct, fraud or malfeasance to the detriment of the CLCT Group.

CapitaLand China Trust Management Limited Performance Unit Plan

In FY 2022, the NRC granted awards which are conditional on targets set for a three-year performance period. A specified number of Units will only be released to the recipients at the end of the qualifying performance period, provided that minimally the threshold target is achieved.

Under the PUP, an initial number of Units (PUP baseline award) is allocated conditional on the achievement of a pre-determined target in respect of the Relative Total Unitholder Return (TUR) of the CLCT Group measured by the percentile ranking of the TUR of the CLCT Group relative to the constituent REITs in the FTSE ST REIT Index.

The above performance measure has been selected as a key measurement of wealth creation for Unitholders. The final number of Units to be released will depend on the CLCT Group's performance against the pre-determined targets over the three-year qualifying performance period. This serves to align Management's interests with that of Unitholders in the longer term and to deter short-term risk taking. No Units will be released if the threshold target is not met at the end of the qualifying performance period. On the other hand, if superior targets are met, more Units than the PUP baseline award can be delivered up to a maximum of 200% of the PUP baseline award. The NRC has the discretion to adjust the number of Units released taking into consideration other relevant quantitative and qualitative factors. Recipients will receive fully paid Units, their equivalent cash value or combinations thereof, at no cost.

For FY 2022, the relevant award for assessment of the performance achieved by the CLCT Group is the award granted in FY 2020 where the qualifying performance period was FY 2020 to FY 2022. Based on the NRC's assessment that the performance achieved by the CLCT Group has partially met the pre-determined performance targets for such performance period, the resulting number of Units for the finalised award has been adjusted accordingly to reflect the performance level.

In respect of the Unit awards granted under the PUP in FY 2021 and FY 2022, the respective qualifying performance periods have not ended as at the date of this Annual Report.

CapitaLand China Trust Management Limited Restricted Unit Plan
In FY 2022, the NRC granted awards which are conditional on targets set for a one-year performance period. A specified number of Units will only be released to recipients at the end of the qualifying performance period, provided that minimally the threshold targets are achieved.

Under the RUP, an initial number of Units (RUP baseline award) is allocated conditional on the achievement of pre-determined targets in respect of the following performance conditions:

(a) Net property income of the CLCT Group; and
(b) Distribution per Unit of the CLCT Group.

The above performance measures have been selected as they are the key drivers of business performance and are aligned to Unitholder value. The final number of Units to be released will depend on the CLCT Group's performance against the pre-determined targets at the end of the one-year qualifying performance period. The Units will be released in equal annual tranches over a vesting period of three years. No Units will be released if the threshold targets are not met at the end of the qualifying performance period. On the other hand, if superior targets are met, more Units than the RUP baseline award can be delivered up to a maximum of 150% of the RUP baseline award. The NRC has the discretion to adjust the number of Units released taking into consideration other relevant quantitative and qualitative factors. Recipients will receive fully paid Units, their equivalent cash value or combinations thereof, at no cost.

In respect of the Unit awards granted under the RUP in FY 2022, based on the NRC's assessment that the performance achieved by the CLCT Group has partially met the pre-determined performance targets for FY 2022, the resulting number of Units for the finalised award has been adjusted accordingly to reflect the performance level.

The Unit Plans of the Manager are performance-based and vest over a period of three years. Coupled with interlocking annual grants, this ensures ongoing alignment between remuneration and sustainable business performance in the longer term.

D. Employee Benefits:
The benefits provided are comparable with local market practices.

Each year, the NRC evaluates the extent to which each of the key management personnel has delivered on the business and individual goals and objectives, and based on the outcome of the evaluation, approves the compensation for the key management personnel. In such evaluation, the NRC considers whether the level of remuneration is appropriate to attract, retain and motivate key management personnel to successfully manage CLCT for the long term. The CEO does not attend discussions relating to his own performance and remuneration.

While the disclosure of, among others, the CEO's exact remuneration amount and the names, amounts and breakdown of remuneration of at least the top five key management personnel (who are not Directors or the CEO) in bands no wider than S$250,000 and the aggregate of the total remuneration paid to these key management personnel would be in full compliance with Provision 8.1 of the Code, the Board has considered carefully and decided that such disclosure would not be in the interests of the Manager or Unitholders due to:

(1) the intense competition for talents in the REIT management industry, the Manager is of the view that it is in the interests of Unitholders to not make such disclosures so as to minimise potential staff movement and undue disruption to its key management team;
(2) the need to balance the confidential and commercial sensitivities associated with remuneration matters, the Manager is of the view that such disclosures could be prejudicial to the interests of Unitholders;
(3) the importance of retaining competent and experienced staff to ensure CLCT's stability and continuity of business operations, the Manager is of the view that such disclosures may subject the Manager to undue risks, including unnecessary key management turnover; and
(4) there being no misalignment between the remuneration of the CEO and key management personnel and the interest of Unitholders. Their remuneration are not borne by CLCT as they are paid out of the fees that the Manager receives (the quantum and basis of which have been disclosed on page 196 of this Annual Report).

The Manager is of the view that despite this partial deviation from Provision 8.1 of the Code, the disclosures in this Annual Report are consistent with the intent of Principle 8 of the Code and would provide sufficient information and transparency to the Unitholders on the Manager's remuneration policies and the level and mix of remuneration accorded to the key management personnel, and enable the Unitholders to understand the relationship between CLCT's performance, value creation and the remuneration of key management personnel. For the above reasons, the Manager is of the view that the interests of Unitholders are not prejudiced by this partial deviation.

Apart from the key management personnel and other employees of the Manager, the Manager outsources various other services to a wholly owned subsidiary of CLI (CLI Subsidiary). The CLI Subsidiary provides these services through its employees and employees of CLI group (together, the Outsourced Personnel). This arrangement is put in place so as to provide flexibility and maximise efficiency in resource management to match the needs of CLCT from time to time, as well as to leverage on economies of scale and tap on the management talent of an established corporate group which can offer enhanced depth and breadth of experience. Notwithstanding the outsourcing arrangement, the responsibility for due diligence, oversight and accountability continues to reside with the Board and Management. In this regard, the remuneration of such Outsourced Personnel, being employees of the CLI Subsidiary and CLI group, is not included as part of the disclosure of remuneration of key management personnel of the Manager in this Report.

The Board, together with the NRC, seeks to ensure that the remuneration of the CEO and other key management personnel is strongly linked to the achievement of business and individual performance targets. The performance targets are set at realistic yet stretched levels each year to motivate a high degree of business performance with emphasis on both shorter-term and longer-term quantifiable objectives. The aggregate remuneration of the key management personnel of CLCT in FY 2022 was approximately S$2.06 million.

In FY 2021, a one-time Special CLI Founders Performance Share Plan (Special PSP Award) was granted by the CLI group to selected senior executives within the group (including the Manager) to commemorate its listing, foster a "founders' mindset" in driving transformation and retain talent. The grant has a five-year vesting period with defined performance parameters which are linked to CLI. Subject to the performance achieved, the award may vest at the end of the third year and/or fifth year. In addition, such compensation is in the long-term interests of CLCT as CLCT is a key part of CLI's business and ecosystem (and CLI is also a substantial Unitholder of CLCT), and Management's actions to grow CLCT and drive CLCT's performance will also have a positive impact on CLI, thus reinforcing the complementary nature of the linked performance between CLCT and CLI. The cost of this one-time award will be borne by the Manager and it is not expected to form a significant part of the key management personnel's remuneration over a five-year period. In addition, a proportion of the Management's remuneration is paid in the form of Units, which further incentivises the Management to take actions which are beneficial to the Unitholders. Accordingly, the Special PSP Award will not result in the Management prioritising the interest of CLI over that of CLCT given that the bulk of their remuneration is determined based on the evaluation of the performance of CLCT and a proportion of their remuneration comprises Units. In addition, it should be further noted that under the SFA, the Manager and Directors of the Manager are required to act in the best interest of CLCT and give priority to the interest of CLCT over the interests of the shareholders of the Manager, and this would further mitigate any potential conflicts of interests. Save for the Special PSP Award, the NRC will continue to assess and reward the key management personnel based on the performance of CLCT. Accordingly, the Manager is of the view that there would not be any conflicts of interest arising from the arrangement, nor would the arrangement result in any misalignment of interest with those of Unitholders. There was no new Special PSP Award in FY2022. In respect of the Special PSP Award granted in FY 2021, the qualifying performance period has not ended as at the date of this Annual Report.

In FY 2022, no termination, retirement or post-employment benefits were granted to Directors, the CEO and other key management personnel. There was also no special retirement plan, 'golden parachute' or special severance package for any of the key management personnel.

In FY 2022, there were no employees of the Manager who were substantial shareholders of the Manager, substantial Unitholders of CLCT or immediate family members of a Director, the CEO, any substantial shareholder of the Manager or any substantial Unitholder of CLCT. "Immediate family member" refers to the spouse, child, adopted child, step-child, sibling or parent of the individual.

Remuneration for Non-Executive Directors
The non-executive Directors' fees for FY 2022, together with a breakdown of the components, are set out in the Non-Executive Directors' Remuneration Table on page 73 of this Annual Report. These non-executive Directors' fees are paid by the Manager.

The compensation policy for non-executive Directors is based on a scale of fees divided into basic retainer fees for serving as Director and additional fees for attendance and serving on Board Committees. The non-executive Directors' fee structure and Directors' fees are reviewed and benchmarked against the REIT industry, appropriate to the level of contribution and taking into account the effort, time spent and demanding responsibilities on the part of the non-executive Directors in light of the scale, complexity and geographic scope of the CLCT Group's business. The remuneration of non-executive Directors is reviewed from time to time to ensure that it is appropriate to attract, retain and motivate the non-executive Directors to provide good stewardship of the Manager and CLCT.

The CEO is remunerated as part of the key management personnel of the Manager and does not receive any Director's fees for his role as an executive Director. The non-executive Directors who are employees of the CLI group also do not receive any Directors' fees.

The non-executive Directors' fees are paid in cash (about 80%) and in the form of Units (about 20%), save that a non-executive Director (not being an employee of the CLI group) who steps down from the Board during a financial year will be paid fees fully in cash. The Manager believes that the payment of a portion of the non-executive Directors' fees in Units will serve to align the interests of non-executive Directors with the interests of Unitholders and CLCT's long-term growth and value. The payment of non-executive Directors' fees in Units is satisfied from the Units held by the Manager. No individual Director is involved in any decision of the NRC relating to his or her own remuneration.

In order to encourage the alignment of the interests of the non-executive Directors with the interests of Unitholders, a non-executive Director is required to hold the number of Units worth at least one year of the basic retainer fee or the total number of Units awarded, whichever is lower, at all times during his or her Board tenure.

As with previous years, an independent remuneration consultant, Willis Towers Watson, was appointed in FY 2022 to provide professional advice on Board remuneration, with a view to ensuring the fee structure remains in line with market. The framework for the non-executive Directors' fees has remained unchanged from that of the previous financial year.

ACCOUNTABILITY AND AUDIT

Principle 9: Risk Management and Internal Controls
The Manager maintains adequate and effective systems of risk management and internal controls addressing material financial, operational, compliance and information technology (IT) risks to safeguard Unitholders' interests and the CLCT Group's assets.

The Board has overall responsibility for the governance of risks and oversees the Manager in the design, implementation and monitoring of the risk management and internal controls systems. The AC assists the Board in carrying out the Board's responsibility of overseeing the risk management framework and policies for the CLCT Group.

Under its terms of reference, the scope of the AC's duties and responsibilities includes:

(a) making recommendations to the Board on the Risk Appetite Statement (RAS) for the CLCT Group;
(b) assessing the adequacy and effectiveness of the risk management and internal controls systems established by the Manager to manage risks;
(c) overseeing the formulation, updating and maintenance of an adequate and effective risk management framework, policies and strategies for managing risks that are consistent with the CLCT Group's risk appetite and reporting to the Board on its decisions on any material matters concerning the aforementioned;
(d) making the necessary recommendations to the Board such that an opinion regarding the adequacy and effectiveness of the risk management and internal controls systems can be made by the Board in the Annual Report in accordance with the Listing Manual and the Code; and
(e) considering and advising on risk matters referred to it by the Board or Management, including reviewing and reporting to the Board on any material breaches of the RAS, any material non-compliance with the approved framework and policies and the adequacy of any proposed action.

The Manager adopts an Enterprise Risk Management (ERM) Framework which sets out the required environmental and organisational components for managing risks in an integrated, systematic and consistent manner. The ERM Framework and related policies are reviewed annually.

As part of the ERM Framework, the Manager undertakes and performs a Risk and Control Self-Assessment (RCSA) annually to identify material risks along with their mitigating measures. The adequacy and effectiveness of the systems of risk management and internal controls are reviewed at least annually by Management, the AC and the Board, taking into account the Listing Manual and best practices and guidance in the Risk Governance Guidance for Listed Boards issued by the Corporate Governance Council.

The CLCT Group's RAS, which incorporates the CLCT Group's risk limits, addresses the management of material risks faced by the CLCT Group. Alignment of the CLCT Group's risk profile to the RAS is achieved through various communication and monitoring mechanisms (including key risk indicators set for Management) put in place across the various functions within the Manager.

More information on the Manager's ERM Framework including the material risks identified can be found in the Risk Management section on pages 74 to 80 of this Annual Report.

The internal and external auditors conduct reviews of the adequacy and effectiveness of the material internal controls (including financial, operational, compliance and IT controls) and risk management systems. This includes testing, where practicable, material internal controls in areas managed by external service providers. Any material non-compliance or lapses in internal controls together with corrective measures recommended by the internal and external auditors are reported to and reviewed by the AC. The AC also reviews the adequacy and effectiveness of the measures taken by the Manager on the recommendations made by the internal and external auditors in this respect.

The Board has received assurance from the CEO and the Chief Financial Officer (CFO) of the Manager, being the key management personnel who are responsible, that:

(a) the financial records of the CLCT Group have been properly maintained and the financial statements for FY 2022 give a true and fair view of the CLCT Group's operations and finances; and
(b) the systems of risk management and internal controls within the CLCT Group are adequate and effective to address the risks (including financial, operational, compliance and IT risks) which the Manager considers relevant and material to the current business environment.

The CEO and the CFO have obtained similar assurances from the respective risk and control owners. In addition, in FY 2022, the Board received certification by Management on the integrity of financial reporting and the Board provided a negative assurance confirmation to Unitholders as required by the Listing Manual.

Based on the ERM Framework and the reviews conducted by Management and both the internal and external auditors, as well as the assurance from the CEO and the CFO, the Board is of the opinion that the systems of risk management and internal controls within the CLCT Group are adequate and effective to address the risks (including financial, operational, compliance and IT risks) which the CLCT Group considers relevant and material to its current business environment as at 31 December 2022. The AC concurs with the Board in its opinion. No material weaknesses in the systems of risk management and internal controls were identified by the Board or the AC in the review for FY 2022.

The Board notes that the systems of risk management and internal controls established by the Manager provide reasonable assurance that the CLCT Group, as it strives to achieve its business objectives, will not be significantly affected by any event that can be reasonably foreseen or anticipated. However, the Board also notes that no system of risk management and internal controls can provide absolute assurance in this regard, or absolute assurance against poor judgement in decision-making, human error, losses, fraud or other irregularities.

Principle 10: Audit Committee

As at the date of this Annual Report, the AC comprises four non-executive Directors, all of whom (including the chairman of the AC) are IDs, namely Mr Neo Poh Kiat (AC chairman), Ms Kuan Li Li, Professor Ong Seow Eng and Ms Tay Hwee Pio. The AC chairman is a Director other than the Chairman of the Board. The AC chairman and other AC members bring with them invaluable recent and relevant managerial and professional expertise in accounting, auditing and/or related financial management domains.

The AC does not comprise former partners of CLCT's incumbent external auditors, KPMG LLP (a) within a period of two years commencing from the date of their ceasing to be partners of KPMG LLP; or (b) who have any financial interest in KPMG LLP.

The AC has explicit authority to investigate any matter within its terms of reference. Management provides the fullest co-operation in providing information and resources, and in implementing or carrying out all requests made by the AC. The AC has direct access to the internal and external auditors and full discretion to invite any Director or key management personnel to attend its meetings. Similarly, both the internal and external auditors have unrestricted access to the AC.

Under its terms of reference, the AC's scope of duties and responsibilities includes:

(a) reviewing the significant financial reporting issues and judgements so as to ensure the integrity of the financial statements of the Manager and CLCT and any announcements relating to CLCT's financial performance;
(b) reviewing and reporting to the Board at least annually the adequacy and effectiveness of the Manager's internal controls (including financial, operational, compliance and IT controls) and risk management system;
(c) reviewing the assurances from the CEO and the CFO on the financial records and financial statements;
(d) reviewing the scope and results of the external audit and the adequacy, effectiveness, independence and objectivity of the external auditors;
(e) reviewing the scope and results of the internal audit and the adequacy, effectiveness , independence and objectivity of the Manager's internal audit and compliance functions;
(f) making recommendations to the Board on the proposals to Unitholders on the appointment, re-appointment and removal of the external auditors, and approving the remuneration and scope of engagement of the external auditors;
(g) reviewing and approving processes to regulate transactions between an interested person (as defined in Chapter 9 of the Listing Manual) and/or interested party (as defined in the Property Funds Appendix) (each, an Interested Person) and CLCT and/or its subsidiaries (Interested Person Transactions), to ensure compliance with the applicable regulations. The regulations include the requirements that Interested Person Transactions are on normal commercial terms and are not prejudicial to the interests of CLCT and its minority Unitholders. In respect of any property management agreement which is an Interested Person Transaction, the AC also carries out reviews at appropriate intervals to satisfy itself that the Manager has reviewed the property manager's compliance with the terms of the property management agreement and has taken remedial actions where necessary; and
(h) reviewing the policy and arrangements for concerns about possible improprieties in financial reporting or other matters to be safely raised, and independently investigated, for appropriate follow up action to be taken.

The AC undertook a review of the independence of the external auditors, taking into consideration, among other factors, non-audit services (if any) provided by the external auditors in FY 2022, CLCT's relationships with the external auditors in FY 2022, as well as the processes and safeguards adopted by the Manager and the external auditors relating to audit independence. Based on the review, the AC is satisfied that the external auditors are independent. The external auditors have also provided confirmation of their independence to the AC. The amount of audit and audit-related fees paid or payable to the external auditors for FY 2022 amounted to S$677,444. The external auditors did not provide any non-audit services in FY2022.

The AC holds at least four scheduled meetings in a year and met four times in FY 2022. At all scheduled AC meetings in FY 2022, the CEO and the CFO were in attendance. CLCT has adopted the practice of announcing its financial statements on a half yearly basis and provide quarterly business updates in between such announcements or as and when necessary. Accordingly, during the AC meetings in January 2022 and July 2022, among other things, the AC reviewed the half-yearly financial statements including the relevance and consistency of the accounting principles adopted and any significant financial reporting issues, and recommended the half-yearly financial statements and corresponding announcements to the Board for approval. During the AC meetings in April 2022 and October 2022, the AC reviewed, among other things, the quarterly business and financial updates presented by Management. Such business updates contained, among other things, information on the CLCT Group's key operating and financial metrics.

In FY 2022, the AC also reviewed and assessed the adequacy and effectiveness of the internal controls and risk management systems established by the Manager to manage risks, taking into consideration the outcome of reviews conducted by Management and both the internal and external auditors, as well as the assurances from the CEO and the CFO.

The AC also meets with the external auditors and with the internal auditors, in each case without the presence of Management, at least once a year. In FY 2022, the AC met with the external auditors and internal auditors twice, separately and without Management's presence, to discuss the reasonableness of the financial reporting process, the internal controls and risk management systems, and the significant comments and recommendations by the auditors.

Where relevant, the AC makes reference to the best practices and guidance for audit committees in Singapore including practice directions issued from time to time in relation to the Financial Reporting Surveillance Programme administered by the Accounting and Corporate Regulatory Authority of Singapore.

Key Audit Matter
In its review of the financial statements of the CLCT Group for FY 2022, the AC had discussed with Management the accounting principles that were applied and their judgement of items that could affect the integrity of the financial statements and also considered the clarity of key disclosures in the financial statements. The AC reviewed, among other matters, the key audit matter set out below, as reported by the external auditors for FY 2022.

Key audit matter	How this issue was addressed by the AC
Valuation of investment properties	The valuation of the properties in CLCT's portfolio as at 31 December 2022 was performed by several independent external professional valuers. After conducting a review, the AC was satisfied that the appointment of these valuers was in accordance with the requirements of the Code and that these valuers were experienced, objective and independent.
	The AC considered the valuation methodologies and key assumptions applied by these valuers for investment properties in arriving at the valuations, and reviewed the outcomes of the yearly valuation process and discussed the details of the valuation with Management, focusing on properties which registered higher fair value gains/ losses during the period under review and key drivers for the changes.
	The valuation of investment properties was also an area of focus for the external auditors. The AC considered the findings of the external auditors, including their assessment of the appropriateness of valuation methodologies and the underlying key assumptions applied in the valuation of investment properties.
	The AC was satisfied with the valuation process, the methodologies used and the valuation for investment properties as adopted and disclosed in the financial statements.

The Manager confirms, on behalf of CLCT, that CLCT complies with Rules 712 and 715 of the Listing Manual.

Internal Audit

The Manager has in place an internal audit function supported by CLI's Internal Audit Department (CLI IA). CLI IA is independent of the activities it audits and has unfettered access to the CLCT Group's documents, records, properties and employees, including access to the AC, and has appropriate standing with respect to the Manager. The primary reporting line of CLI IA in respect of the CLCT Group is to the AC, however, the AC does not decide on the appointment, termination and remuneration of the head of CLI IA as it operates at the CLI group level. While this is a deviation from Provision 10.4 of the Code which requires the AC to decide on the appointment, termination and remuneration of the head of the internal audit function, CLI IA is able to carry out its role effectively for the reasons below and is accordingly consistent with the intent of Principle 10 of the Code.

The AC monitors and assesses the role and effectiveness of the internal audit function through reviewing the internal audit process from time to time and may make recommendations to the Board for any changes to the internal audit process. The AC also reviews to ensure that the IA function is adequately resourced and skilled in line with the nature, size and complexity of the Manager and CLCT's business, and that an adequate budget is allocated to the internal audit function to assure its proper functioning. In respect of FY 2022, the AC has carried out a review of the internal audit function and is satisfied that the internal audit function performed by CL IA is adequately resourced, effective and independent.

CLI IA plans its internal audit schedules in consultation with, but independently of, Management and its plan is submitted to the AC for approval prior to the beginning of each year. During FY 2022, the AC reviewed the results of audits performed by CLI IA based on the approved audit plan. The AC also reviewed reports on whistle blower complaints reviewed by CLI IA to ensure independent and thorough investigation and adequate follow up. The AC also received reports on Interested Person Transactions reviewed by CLI IA that these transactions were on normal commercial terms and were not prejudicial to the interests of CLCT and its minority Unitholders.

The AC notes that the CLI IA is independent, effective, adequately resourced and staffed with persons with the relevant qualifications and experience. CLI IA is a corporate member of The Institute of Internal Auditors Inc. (IIA), Singapore, which is an affiliate of the IIA with its headquarters in the United States of America (USA). CLI IA subscribes to, and is guided by, the International Standards for the Professional Practice of Internal Auditing (Standards) developed by the IIA, and has incorporated these Standards into its audit practices.

To ensure that internal audits are performed by competent professionals, CLI IA recruits and employs suitably qualified professional staff with the requisite skill sets and experience. For instance, CLI IA staff who are involved in IT audits have the relevant professional IT certifications and are also members of the ISACA Singapore Chapter, a professional body administering information systems audit and information security certifications that is headquartered in the USA. The ISACA Information Systems Auditing Standards provide guidance on the standards and procedures to be applied in IT audits. CLI IA identifies and provides training and development opportunities for its staff to ensure their technical knowledge and skill sets remain current and relevant.

UNITHOLDER RIGHTS AND ENGAGEMENT

Principles 11, 12 and 13: Shareholder Rights and Conduct of General Meetings, Engagement with Shareholders, Managing Stakeholder Relationships

The Manager is committed to treating all Unitholders fairly and equitably. All Unitholders enjoy specific rights under the Trust Deed and the relevant laws and regulations. These rights include, among other things, the right to participate in profit distributions.

General Meetings

In FY 2022, CLCT's AGM was convened and held on 19 April 2022 (AGM 2022) by way of electronic means pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020 (COVID-19 Temporary Measures Order) and in accordance with the checklist jointly issued by ACRA, MAS and Singapore Exchange Regulation, which gave guidance to listed and non-listed entities on the conduct of general meetings amid the evolving COVID-19 situation (Checklist).

The alternative arrangements put in place for the conduct of the AGM 2022 included attendance at AGM 2022 via electronic means, submission of questions in advance or live at the AGM 2022, addressing of substantial and relevant questions in advance of, or live, at AGM 2022 and voting live or by appointed proxy or by appointing the chairman of the meeting as proxy at AGM 2022. All Directors (including the CEO who is also a Director) attended AGM 2022 either in-person or via electronic means. A record of the Directors' attendance at AGM 2022 can be found in the record of their attendance at general meeting(s) and Board and Board Committee meetings for FY 2022 set out on page 72 of this Annual Report.

The upcoming AGM to be held in April 2023 will be convened and held in a physical format with additional facilities for Unitholders who are not physically present at the AGM to have a means to watch or observe the AGM proceedings remotely in real time pursuant to the COVID-19 Temporary Measures Order and in accordance with the Checklist. Further details on the alternative arrangements put in place for the conduct of the upcoming AGM are set out in the Manager's notice of AGM dated 27 March 2023.

The description below sets out CLCT's usual practice for Unitholders' meetings which are not convened and held pursuant to the COVID-19 Temporary Measures Order.

Unitholders are entitled to attend general meetings and are accorded the opportunity to participate effectively and vote at general meetings (including through the appointment of up to two proxies, if they are unable to attend in person or in the case of a corporate Unitholder, through its appointed representative). Unitholders such as nominee companies which provide custodial services for securities are not constrained by the two proxy limitation, and are able to appoint more than two proxies to attend, speak and vote at general meetings of CLCT.

CLCT supports the principle of encouraging Unitholder participation and voting at general meetings. CLCT's Annual Report is provided to Unitholders within 120 days from the end of CLCT's financial year. Unitholders may download the Annual Report (printed copies of the Annual Report are available upon request) and notice of general meeting from the Website. More than the legally required notice period for general meetings is generally provided. The notice of general meeting is also available on SGXNet. The rationale and explanation for each agenda item which requires Unitholders' approval at a general meeting are provided in the notice of the general meeting or in the accompanying letter or circular (if any) issued to Unitholders in respect of the matter(s) for approval at the general meeting. This enables Unitholders to exercise their votes on an informed basis. To safeguard the Unitholders' interests and rights, a separate resolution is proposed for each substantially separate matter to be approved at a general meeting, unless the issues are interdependent and linked so as to form one significant proposal. Where the resolutions are "bundled", the reasons and material implications will be explained in the notice of meeting.

At AGMs, Management makes a presentation to Unitholders to update them on CLCT's performance, position and prospects. The presentation materials are made available to Unitholders on the Website and also on SGXNet.

Unitholders are informed of the rules governing general meetings and are given the opportunity to communicate their views, ask questions and discuss with the Board and Management on matters affecting CLCT. Representatives of the Trustee, Directors (including the chairman of the respective Board Committees), key management personnel and the external auditors of CLCT, are present for the entire duration of the AGMs to address any queries that the Unitholders may have, including queries about the conduct of CLCT's external audit and the preparation and contents of the external auditors' report. Directors and Management also interact with Unitholders after the AGMs.

To ensure transparency in the voting process and better reflect Unitholders' interests, CLCT conducts electronic poll voting for all the resolutions proposed at general meetings. One Unit is entitled to one vote. Voting procedures and the rules governing general meetings are explained and vote tabulations are disclosed at the general meetings.

An independent scrutineer is also appointed to validate the vote tabulation procedures. Votes cast, for or against and the respective percentages, on each resolution are tallied and displayed 'live' on-screen to Unitholders after each resolution is voted on at the general meetings. The total number of votes cast for or against each resolution and the respective percentages are also announced on SGXNet after the general meetings.

Provision 11.4 of the Code requires an issuer's Constitution to allow for absentia voting at general meetings of shareholders. CLCT's Trust Deed currently does not permit Unitholders to vote at general meetings in absentia (such as via mail or email). The Manager will consider implementing the relevant amendments to CLCT's Trust Deed to permit absentia voting after it has carried out careful study and is satisfied that the integrity of information and the authentication of the identity of Unitholders through the internet will not be compromised, and after the implementation of legislative changes to recognise remote voting. The Manager is of the view that despite the deviation from Provision 11.4 of the Code, Unitholders nevertheless have opportunities to communicate their views on matters affecting CLCT even when they are not in attendance at general meetings. For example, Unitholders may appoint proxies to attend, speak and vote, on their behalf, at general meetings.

Minutes of the general meetings recording the substantial and relevant comments made, questions raised and answers provided, are prepared and are available to Unitholders for their inspection upon request. Minutes of general meetings are also made available on the Website. Accordingly, the rights of the Unitholders are consistent with the intent of Principle 11 of the Code.

Distribution Policy

CLCT's distribution policy is to distribute at least 90.0% of its taxable income (other than gains from the sale of real estate properties by CLCT which are determined to be trading gains), with the actual level of distribution to be determined at the Manager's discretion. Distributions are generally paid within 35 market days after the relevant record date.

Timely Disclosure of Information

The Manager is committed to keeping all Unitholders, other stakeholders, analysts and the media informed of CLCT's performance and any changes in the CLCT Group or its business which would likely to materially affect the price or value of the Units.

For FY2022, the Manager provided Unitholders with half year and full year financial statements within the relevant periods prescribed by the Listing Manual. These half year and full year financial statements were reviewed and approved by the Board prior to release to Unitholders by announcement on SGXNet. The release of half year and full year financial statements were accompanied by news releases issued to the media and which were also made available on SGXNet. In presenting half year and full year financial statements to Unitholders, the Board sought to provide Unitholders with a balanced, clear and comprehensible assessment of CLCT and the CLCT Group's performance, position and prospects.

Apart from the announcements of half year and full year financial statements in FY 2022, in keeping with the Manager's commitment to provide its Unitholders with information promptly, the Manager also provided Unitholders, on a voluntary basis, with quarterly business updates in between these announcements. Such business updates contained, among other things, information on the CLCT Group's key operating and financial metrics.

In addition to the release of half year and full year financial statements, the Manager also keeps CLCT's Unitholders, stakeholders and analysts informed of the performance and changes in the CLCT Group or its business which would likely materially affect the price or value of the Units on a timely and consistent basis, so as to assist Unitholders and investors in their investment decisions. This is performed through the release on SGXNet of announcements in compliance with regulatory reporting requirements and news releases for the media, on a timely and consistent basis. These announcements and news releases are also posted on the Website. In addition, the Manager also conducts analysts' and media briefings, and the materials used for such briefings are uploaded on SGXNet.

The Manager has a formal policy on corporate disclosure controls and procedures to ensure that CLCT complies with its disclosure obligations under the Listing Manual. These controls and procedures incorporate the decision-making process and an obligation on internal reporting of the decisions made.

The Manager believes in conducting the business of CLCT in ways that seek to deliver sustainable value to Unitholders. Best practices are promoted as a means to build an excellent business for CLCT and the Manager's accountability to Unitholders for CLCT's performance. Prompt fulfilment of statutory reporting requirements is but one way to maintain Unitholders' confidence and trust in the capability and integrity of the Manager.

Investor Relations
The Manager has in place an Investor Relations department which facilitates effective communication with Unitholders and analysts. The Manager also maintains the Website which contains information on CLCT including but not limited to its Prospectus, current and past announcements and news releases, financial statements, investor presentations and Annual Reports.

The Manager actively engages with Unitholders with a view to solicit and understand their views, and has put in place a Unitholders' Communication and Investor Relations Policy which allows for an ongoing exchange of views so as to promote regular, effective and fair communications with Unitholders. The Unitholders' Communication and Investor Relations Policy, which sets out the mechanism through which Unitholders may contact the Manager with questions and through which the Manager may respond to such questions, is available on the Website. Unitholders are welcomed to engage with the Manager beyond general meetings and they may do so by contacting the Investor Relations department whose details may be found on the Website via the Manager Contacts channel on the Website.

More information on the Manager's investor and media relations efforts can be found in the Investor & Media Relations section on pages 81 to 83 of this Annual Report.

The Manager also has in place a corporate communications function supported by CLI's Group Communications department which works closely with the media and oversees CLCT's media communications efforts.

Managing Stakeholder Relationships
The Board's role includes considering sustainability as part of its strategic formulation. The Manager adopts an inclusive approach for CLCT by considering and balancing the needs and interests of material stakeholders, as part of the overall strategy to ensure that the best interests of CLCT are served. The Manager is committed to sustainability and incorporates the key principles of environmental and social responsibility, and corporate governance in CLCT's business strategies and operations. The Manager has arrangements in place to identify and engage with material stakeholder groups from time to time to gather feedback on the sustainability issues most important to them and to manage its relationships with such groups. Such arrangements include maintaining the Website, which is kept updated with current information, to facilitate communication and engagement with CLCT's stakeholders. More details of CLCT's sustainability approach, environmental policies and stakeholder engagements can be found on pages 102 to 111 of this Annual Report.

ADDITIONAL INFORMATION

Executive Committee
In addition to the AC and NRC, the Board has also established an EC.

The EC oversees the day-to-day activities of the Manager and that of CLCT, on behalf of the Board. The EC is guided by its terms of reference, in particular, the EC:

(a) approves specific budgets for capital expenditure on development projects, acquisitions and enhancements/upgrading of properties within its approved financial limits;
(b) reviews management reports and operating budgets; and
(c) awards contracts for development projects.

The members of the EC also meet informally during the course of the year.

Dealings with Interested Persons

Review Procedures for Interested Person Transactions

The Manager has established internal control procedures to ensure that all Interested Person Transactions are undertaken on an arm's length basis and on normal commercial terms, which are generally no more favourable than those extended to unrelated third parties, and are not prejudicial to the interests of CLCT and Unitholders. In respect of such transactions, the Manager would have to demonstrate to the AC that such transactions are undertaken on normal commercial terms and are not prejudicial to the interests of CLCT and Unitholders which may include obtaining (where practicable) third party quotations or obtaining valuations from independent valuers (in accordance with applicable provisions of the Listing Manual and the Property Funds Appendix). The internal control procedures also ensure compliance with Chapter 9 of the Listing Manual and the Property Funds Appendix.

In particular, the procedures in place include the following:

Interested Person Transactions[1]	Approving Authority, Procedures and Disclosure
S$100,000 and above per transaction (which singly, or when aggregated with other transactions[2] with the same Interested Person in the same financial year is less than 3.0% of CLCT's latest audited net tangible assets/net asset value)	• Management • Audit Committee
Transaction[2] which: (a) is equal to or exceeds 3.0% of CLCT's latest audited net tangible assets/net asset value; or (b) when aggregated with other transactions[2] with the same Interested Person in the same financial year is equal to or exceeds 3.0% of CLCT's latest audited net tangible assets/net asset value	• Management • Audit Committee • Immediate announcement
Transaction[2] which: (a) is equal to or exceeds 5.0% of CLCT's latest audited net tangible assets/net asset value; or (b) when aggregated with other transactions[2,3] with the same Interested Person in the same financial year is equal to or exceeds 5.0% of CLCT's latest audited net tangible assets/net asset value	• Management • Audit Committee • Immediate announcement • Unitholders[3]

1. This table does not include the procedures applicable to Interested Person Transactions falling under the exceptions set out in Rules 915 and 916 of the Listing Manual.
2. Any transaction of less than S$100,000 in value is disregarded.
3. In relation to approval by Unitholders for transactions that are equal to or exceed 5.0% of CLCT's latest audited net tangible assets/net asset value (whether singly or aggregated), any transaction which has been approved by Unitholders, or is the subject of aggregation with another transaction that has been approved by Unitholders, need not be included in any subsequent aggregation.

A summary of Interested Person Transactions of S$100,000 and above entered into within each financial quarter will be reviewed by the Trustee on a quarterly basis, while the summary of all Interested Person Transactions within the financial year will be submitted by CLI IA to the AC for review on an annual basis. Guidelines and procedures established to monitor Interested Person Transactions will be audited by CLI IA on a periodic basis.

Role of the Audit Committee for Interested Person Transactions

The Manager's internal control procedures are intended to ensure that Interested Person Transactions are conducted at arm's length, on normal commercial terms and are not prejudicial to CLCT and Unitholders' interests.

The Manager maintains a register to record all Interested Person Transactions which are entered into by CLCT (and the basis on which they are entered into, including the quotations obtained to support such basis). All Interested Person Transactions are subject to regular periodic reviews by the AC, which in turn obtains advice from CLI IA, to ascertain that the guidelines and procedures established to monitor Interested Person Transactions, including the relevant provisions of the Listing Manual and the Property Funds Appendix, as well as any other guidelines which may from time to time be prescribed by the SGX-ST, MAS or other relevant authorities, have been complied with. The review includes an examination of the nature of the transaction and its supporting documents or such other information deemed necessary by the AC. If a member of the AC has an interest in a transaction, he or she is to abstain from participating in the review and approval process in relation to that transaction. In addition, the Trustee also reviews such audit reports to ascertain that the Listing Manual and the Property Funds Appendix have been complied with.

Details of all Interested Person Transactions (equal to or exceeding S$100,000 each in value) entered into by CLCT in FY 2022 are disclosed on pages 216 to 217 of this Annual Report.

Dealing with Conflicts of Interest
The following principles and procedures have been established to deal with potential conflicts of interest which the Manager (including its Directors, key management personnel and employees) may encounter in managing CLCT:

(a) the Manager is a dedicated manager to CLCT and will not manage any other REIT or be involved in any other real property business;
(b) all resolutions at meetings of the Board in relation to matters concerning CLCT must be decided by a majority vote of the Directors, including at least one ID;
(c) in respect of matters in which CLI and/or its subsidiaries have an interest, whether direct or indirect, any nominees appointed by CLI and/or its subsidiaries to the Board will abstain from voting. In such matters, the quorum must comprise a majority of IDs and shall exclude such nominee Directors of CLI and/or its subsidiaries;
(d) in respect of matters in which a Director or his or her associates have an interest, whether direct or indirect, such interested Director will abstain from voting. In such matters, the quorum must comprise a majority of the Directors and shall exclude such interested Director(s);
(e) if the Manager is required to decide whether or not to take any action against any person in relation to any breach of any agreement entered into by the Trustee for and on behalf of CLCT with an affiliate of the Manager, the Manager is obliged to consult with a reputable law firm (acceptable to the Trustee) which shall provide legal advice on the matter. If the said law firm is of the opinion that the Trustee, on behalf of CLCT, has a *prima facie* case against the party allegedly in breach under such agreement, the Manager is obliged to pursue the appropriate remedies under such agreement; and
(f) at least one-third of the Board shall comprise IDs.

In respect of voting rights where the Manager would face a conflict between its own interests and that of Unitholders, the Manager shall cause such voting rights to be exercised according to the discretion of the Trustee.

Dealings in Securities
The Manager has adopted a securities dealing policy for the officers and employees which applies the best practice recommendations in the Listing Manual. Under this policy, Directors and employees of the Manager as well as certain relevant executives of the CLI group (together, the Relevant Persons) are required to refrain from dealing in CLCT's securities (i) while in possession of material unpublished price-sensitive information, and (ii) during the one-month period immediately preceding, and up to the time of each announcement of CLCT's half year and full year financial statements. Prior to the commencement of each relevant black-out period, an email would be sent to all the Relevant Persons to inform them of the duration of the black-out period. The Manager also does not deal in CLCT's securities during the same black-out period. In addition, Directors and certain employees identified as "key insiders" are prohibited from dealing in the securities of CLCT, except during the open trading window (being one calendar month commencing from the relevant date of announcement of CLCT's half year or full year financial statements), provided that they are not in possession of undisclosed material or price-sensitive information. Employees and Capital Markets Services Licence Appointed Representatives (CMSL Representatives) of the Manager are also required to give a pre-trading notification to the CEO and the Compliance department before any dealing in CLCT's securities.

This policy also provides for the Manager to maintain a list of persons who are privy to price-sensitive information relating to the CLCT Group as and when circumstances require such a list to be maintained.

Directors and employees of the Manager are also required to refrain from dealing in CLCT's securities if they are in possession of unpublished price-sensitive information of CLCT arising from their appointment as Directors and/or in the course of performing their duties. As and when appropriate, they would be issued an advisory to refrain from dealing in CLCT's securities.

Under this policy, Directors and employees of the Manager are also discouraged from trading on short-term or speculative considerations. They are also prohibited from using any information with respect to other companies or entities obtained in the course of their employment in connection with securities transactions of such companies or entities.

A Director is required to notify the Manager of his or her interest in CLCT's securities within two business days after (a) the date on which he or she becomes a Director or (b) the date on which he or she acquires an interest in CLCT's securities. A Director is also required to notify the Manager of any change in his or her interests in CLCT's securities within two business days after he or she becomes aware of such change.

Dealings by the Directors are disclosed in accordance with the requirements in the SFA and the Listing Manual. In FY 2022, based on the information available to the Manager, save as disclosed in accordance with such requirements and other than the awards of Units in part payment of Directors' fees, there were no dealings by the Directors in CLCT's securities.

Code of Business Conduct
The Manager adheres to an ethics and code of business conduct policy which deals with issues such as confidentiality, conduct and work discipline, corporate gifts and concessionary offers. Clear policies and guidelines on how to handle workplace harassment and grievances are also in place.

The policies and guidelines are published on CLI group's intranet, which is accessible by all employees of the Manager. The policies that the Manager has implemented aim to help to detect and prevent occupational fraud in mainly three ways, as set out below.

First, the Manager offers fair compensation packages, based on practices of pay-for-performance and promotion based on merit to its employees. The Manager also provides various healthcare subsidies and financial assistance schemes to alleviate the common financial pressures its employees may face.

Second, clearly documented policies and work procedures incorporate internal controls which ensure that adequate checks and balances are in place. Periodic audits are also conducted to evaluate the efficacy of these internal controls.

Finally, the Manager seeks to build and maintain the right organisational culture through its core values and educate its employees on good business conduct and ethical values.

Fraud, Bribery and Corruption Risk Management Policy
In line with its core values, the Manager is committed to doing business with integrity. This is reflected in its longstanding zero tolerance stance against fraud, bribery and corruption. Consistent with this commitment, various policies and guidelines are in place to guide all employees of the Manager to maintain the highest standards of integrity in their work and business dealings. This includes clear guidelines and procedures for the giving and receipt of corporate gifts and concessionary offers, and an annual pledge by all employees of the Manager to uphold the Manager's core values and to not engage in any corrupt or unethical practices. The Manager's zero tolerance policy on bribery and corruption extends to its business dealings with third parties. Pursuant to this policy, the Manager requires that certain agreements incorporate anti-bribery and anti-corruption provisions.

The Manager's employees adhere to CLI's Fraud, Bribery and Corruption Risk Management Policy (FBC Risk Management Policy). The FBC Risk Management Policy reiterates the strong stance against fraud, bribery and corruption, and sets the overarching approach and standards in managing fraud, bribery and corruption risks in an integrated, systematic and consistent manner. The Manager's stance against bribery and corruption is also reiterated by Management during its regular staff communication sessions.

Whistle-Blowing Policy
A whistle-blowing policy applicable to the Manager has been put in place which sets out the procedures for the Manager's employees and parties who have dealings with the Manager to make a report to the Manager on misconduct or wrongdoings relating to the Manager and its officers. Procedures are put in place to

provide such employees and parties with well defined, accessible and trusted channels to report suspected fraud, corruption, dishonest practices or other improprieties in the workplace, and for the independent investigation of any reported incidents and appropriate follow up action. The Manager ensures that the identity of the whistle-blower is kept confidential. The objective of this policy is to encourage the reporting of such matters so that employees or external parties making any reports in good faith will be able to do so with the confidence that they will be treated fairly and, to the extent possible, be protected from reprisal. The Manager is committed to ensuring protection of the whistle-blower against detrimental or unfair treatment. The AC is responsible for oversight and monitoring of the investigation of whistle-blowing reports made in good faith at its scheduled meetings. Independent, thorough investigation and appropriate follow up actions are taken. The outcome of each investigation is reported to the AC. All employees of the Manager are informed of this policy which is made available on CLI group's intranet.

Business Continuity Management
The Manager has implemented a Business Continuity Management (BCM) programme that puts in place the prevention, detection, response and, business recovery and resumption measures to minimise the impact of adverse business interruptions or unforeseen events on the CLCT Group's operations and also has in place a Business Continuity Plan (BCP). Under the BCP, Management has identified the critical business functions, processes and resources, and is able to tap on a pool of CLI group's employees who are trained under a Business Psychological Resilience Programme to provide peer support to colleagues following the occurrence of adverse events. As part of the BCP, periodic desktop exercises and drills simulating different scenarios, are carried out to stress-test the effectiveness of processes, procedures and escalation protocols. This holistic approach under the BCP serves to ensure organisational and staff preparedness and readiness to deal with adverse business disruptions such as acts of terrorism, cyber attacks, data breaches and epidemics. This approach aims to minimise financial loss to CLCT, allow the Manager to continue to function as the manager of CLCT and mitigate any negative effects that the disruptions could have on the Manager's reputation, operations and ability to remain in compliance with relevant laws and regulations. The Manager has also acquired insurance policies for the CLCT Group on business interruption events.

Anti-Money Laundering and Countering the Financing of Terrorism Measures
As a holder of a Capital Markets Services Licence issued by MAS, the Manager abides by the MAS' guidelines on the prevention of money laundering and countering the financing of terrorism. Under these guidelines, the main obligations of the Manager are:

(a) evaluation of risk;
(b) customer due diligence;
(c) suspicious transaction reporting;
(d) record keeping;
(e) employee and CMSL Representative screening; and
(f) training.

The Manager has in place a policy on the prevention of money laundering and terrorism financing and remains alert at all times to suspicious transactions. Enhanced due diligence checks are performed on counterparties where there is a suspicion of money laundering or terrorism financing. Suspicious transactions will also be reported to the Suspicious Transaction Reporting Office of the Commercial Affairs Department.

Under this policy, all relevant records or documents relating to business relations with the CLCT Group's customers or transactions entered into must be retained for a period of at least five years following the termination of such business relations or the completion of such transactions.

All prospective employees, officers and CMSL Representatives of the Manager are also screened against various money laundering and terrorism financing information sources and lists of designated entities and individuals provided by MAS. Periodic training is provided by the Manager to its Directors, employees and CMSL Representatives to ensure that they are updated and aware of applicable anti-money laundering and countering of terrorism financing regulations, the prevailing techniques and trends in money laundering and terrorism financing and the measures adopted by the Manager to combat money laundering and terrorism financing.

Composition of Board Committees in FY 2022

Board Members	Audit Committee	Executive Committee	Nominating and Remuneration Committee
Soh Kim Soon, C			C
Tan Tze Wooi, CEO		M	
Neo Poh Kiat[1]	C		M
Christopher Gee Kok Aun[2]	M		
Tan Kong Yam[2]	M		
Kuan Li Li[3]	M		
Ong Seow Eng[4]	M		
Tay Hwee Pio[5]	M		
Lim Cho Pin Andrew Geoffrey		C	M
Puah Tze Shyang		M	

Denotes:
C – Chairman
M – Member
CEO – Chief Executive Officer

1. Mr Neo Poh Kiat was appointed as AC Chairman with effect from 1 January 2022.
2. Mr Christopher Gee Kok Aun and Professor Tan Kong Yam retired as non-executive IDs and relinquished their roles as AC members with effect from 1 May 2022.
3. Ms Kuan Li Li was appointed as AC member with effect from 1 January 2022.
4. Professor Ong Seow Eng was appointed as a non-executive ID with effect from 1 January 2022 and as AC member with effect from 1 May 2022.
5. Ms Tay Hwee Pio was appointed as a non-executive ID and AC member with effect from 1 May 2022.

Attendance Record of Meetings of Unitholders, Board and Board Committees in FY 2022[6]

Board Members	Board	Audit Committee	Nominating and Remuneration Committee	Executive Committee[7]	AGM
No. of Meetings Held	5	4	2	1	1
Soh Kim Soon, C	100%	N.A.	100%	N.A.	100%
Tan Tze Wooi, CEO	100%	N.A.	N.A.	100%	100%
Neo Poh Kiat	100%	100%	100%	N.A.	100%
Christopher Gee Kok Aun[8]	100%	100%	N.A.	N.A.	100%
Tan Kong Yam[8]	100%	100%	N.A.	N.A.	100%
Kuan Li Li	100%	100%	N.A.	N.A.	100%
Ong Seow Eng[9]	100%	100%	N.A.	N.A.	100%
Tay Hwee Pio[10]	100%	100%	N.A.	N.A.	N.A.[10]
Lim Cho Pin Andrew Geoffrey	100%	N.A.	100%	100%	100%
Puah Tze Shyang	100%	N.A.	N.A.	100%	100%

N.A. – Not Applicable
6. All Directors are required to attend general meetings and Board and/or Board Committee meetings called, in person or via audio or video conference, unless required to recuse. Attendance is marked against the general meetings and Board and Board Committee meetings each Director is required to attend, and the percentage computed accordingly.
7. Given the nature and scope of the work of the EC, most of their business was discussed/transacted primarily through conference call, correspondence and informal meetings.
8. Mr Christopher Gee Kok Aun and Professor Tan Kong Yam retired as non-executive IDs with effect from 1 May 2022 (which was after the AGM 2022).
9. Professor Ong Seow Eng was appointed as a non-executive ID with effect from 1 January 2022 and as AC member with effect from 1 May 2022 (which was after the AGM 2022).
10. Ms Tay Hwee Pio was appointed as a non-executive ID and AC member with effect from 1 May 2022 (which was after the AGM 2022).

CEO'S REMUNERATION

CEO's Remuneration Table for FY 2022

Remuneration	Components of remuneration: Salary and employer's CPF	Bonus and other benefits inclusive of employer's CPF[1]	Award of Units[2]	Total
CEO				
Tan Tze Wooi	38%	25%	37%	100%
Remuneration band for CEO: Above S$1,000,000 to S$1,250,000				

1. The amounts disclosed include bonuses earned which have been accrued for in FY 2022.
2. The proportion of value of the Unit awards is based on the fair value of the Units comprised in the contingent awards under the CapitaLand China Trust Management Limited Restricted Unit Plan (RUP) and CapitaLand China Trust Management Limited Performance Unit Plan (PUP) at the time of grant in FY 2022. The final number of Units released under the contingent awards of Units for the RUP and PUP will depend on the achievement of pre-determined targets and subject to the respective vesting period under the RUP and PUP.

Non-Executive Directors' Remuneration Table for FY 2022

Board Members	Components of Directors' fees[3,4] (S$): Cash component	Unit component[4]	Total (S$)
NON-EXECUTIVE DIRECTORS			
Soh Kim Soon	111,200	27,800	139,000
Neo Poh Kiat	93,600	23,400	117,000
Kuan Li Li	66,400	16,600	83,000
Ong Seow Eng	57,940	14,485	72,425
Tay Hwee Pio	42,905	10,726	53,631
Christopher Gee Kok Aun[5]	29,371	0	29,371
Tan Kong Yam[5]	29,371	0	29,371
Lim Cho Pin Andrew Geoffrey	N.A.[6]	N.A.[6]	N.A.[6]
Puah Tze Shyang	N.A.[6]	N.A.[6]	N.A.[6]
Aggregate of remuneration for Non-Executive Directors: S$523,798			

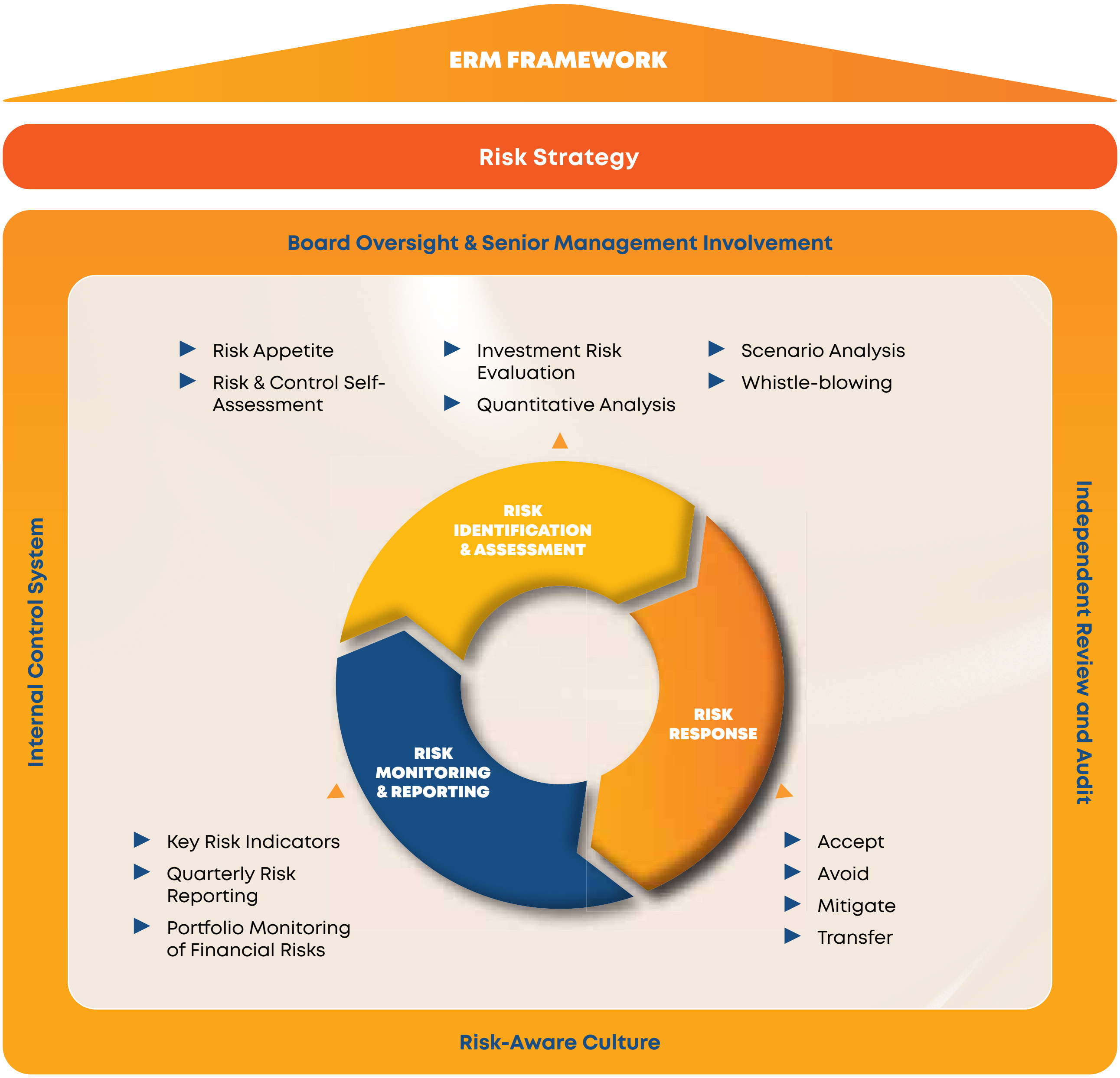
N.A. – Not Applicable
3. Inclusive of attendance fees of (a) S$2,000 (local meeting) and S$5,000 (overseas meeting) per meeting attendance in person, (b) S$1,700 per meeting attendance via audio or video conference, (c) S$1,000 per meeting attendance at project and verification meetings, and (d) S$500 per meeting attendance via audio or video conference at project and verification meetings. Attendance fees at project and verification meetings are subject to a maximum of S$10,000 per Director per annum.
4. Each non-executive Director (save for non-executive Directors who are employees of CLI group) shall receive up to 20% of his or her Director's fees in the form of Units (subject to truncation adjustments). The remainder of the Director's fees shall be paid in cash. No new Units will be issued for this purpose as these Units will be paid by the Manager from the Units it holds.
5. Mr Christopher Gee Kok Aun and Professor Tan Kong Yam retired from the Board and AC with effect from 1 May 2022. Fees are prorated accordingly and received by Mr Gee and Professor Tan fully in cash.
6. Non-executive Directors who are employees of CLI group do not receive Directors' fees.

Risk Management

CapitaLand China Trust and its subsidiaries (CLCT Group) believe in maintaining a robust risk management framework to proactively identify, assess and respond to material risks that can impact our objective to deliver stable distributions and sustainable total returns to Unitholders. By pursuing a risk strategy of optimisation of opportunities within the approved risk appetite levels, we position CLCT Group for long-term sustainable results.

ENSURING BEST-IN-CLASS RISK MANAGEMENT, CORPORATE GOVERNANCE AND COMPLIANCE TO BUILD A SUSTAINABLE BUSINESS

The Manager's Enterprise Risk Management (ERM) Framework is adapted from the International Organization for Standardization (ISO) 31000 International Risk Management Standards and is benchmarked against other relevant best practices and guidelines. It is reviewed annually to ensure its continued relevance and practicality. It sets out the required environmental and organisational components needed to identify, assess, respond, monitor and report material risks in an integrated, systematic and consistent manner as depicted below.



Board Oversight and Senior Management Involvement

The Board of Directors (the Board), assisted by Audit Committee (AC), approves CLCT Group's risk appetite (risk tolerance) which determines the nature and extent of material risks the Manager is willing to take to achieve its strategic objectives.

The Board also regularly reviews CLCT Group's risk profile, material risks and mitigation strategies; and ensures the adequacy and effectiveness of the risk management framework and policies.

CLCT Group's management team directs and monitors the implementation and practice of risk management across CLCT Group, including monitoring the risk exposure through key risk indicators.

Robust Internal Control System

CLCT Group ERM Framework operates within a risk governance structure based on three lines of defence. Employees have an important role as the first line of defence and are accountable for the effective management of risks that arise from their business activities. The first and second lines of defence are responsible for the design and implementation of effective internal controls using a risk-based approach.

Risk management and Compliance departments as part of the second line of defence provide oversight and governance over risk management and compliance practices, promote and embed a culture of risk ownership and accountability.

Regular Independent Review and Audit

Internal and External Audit as the third line of defence review the adequacy and effectiveness of risk management and internal control systems design and implementation so as to provide reasonable assurance to the Board.

A Strong Culture of Risk Awareness

The Manager works closely with the risk management and compliance departments at CLI as well as various specialist support functions, to ensure risk management practices are implemented effectively and consistently across CLCT Group.

Risk workshops are conducted regularly to ensure these practices are embedded in our decision-making and business processes.

Management reinforces the culture by setting the right 'tone at the top', leading by example, and communicating our risk strategy.

Risk Management

CLCT GROUP'S MATERIAL RISKS AND OPPORTUNITIES

A Group-wide Risk and Control Self-Assessment (RCSA) exercise is conducted annually to identify key material risks (including new and emerging risks, that CLCT Group faces in delivering our strategic objectives), its mitigating measures and the opportunities. Based on the 2022 RCSA results, the measures taken to mitigate material risks and opportunities to capitalise on are set out below:

Material Risks	Key Mitigating Actions	Opportunities
Business Interruption ▶ Exposed to business interruption risk arising from sudden and major disaster events such as fire, prolonged power outages or other major infrastructure failures which may significantly disrupt operations at our malls, business parks and logistics parks.	▶ Proactive facilities management such as carry out preventive measures by installing IoT system to detect interruptions or aircon temperature control as well as routine inspection and maintenance for our properties. ▶ The outsourced Information Technology (IT) team from CLI has a defined disaster recovery plan which is reviewed and tested annually. ▶ Adopting contactless technologies and innovative tech solutions to enhance safety and communication at CLCT Group's properties. ▶ Regular evacuation exercises involving government authorities. ▶ Future proof CLCT Group's business through digitalisation of business operations and processes.	▶ Ride on the digital adoption trend and ongoing business digitalisation to innovate and to improve product offerings to our customers. ▶ Opportunities to reposition or repurpose our assets to meet the new norms.
Climate Change ▶ Physical risks such as rising sea levels, violent storms, long intense heat waves, flash floods and fresh water depletion. ▶ Transition risks including potentially more stringent regulations and increased expectations from stakeholders.	▶ Assessment of the detailed physical risks in the evaluation of any new acquisitions. ▶ Incorporate shadow internal carbon price in the evaluation of new investment/capital expenditure decisions. This helps to price in climate-related costs and opportunities, support low-carbon investments, prepare for stringent climate-related legislation, and avoid stranded assets. ▶ Regularly review CLCT Group's mitigation and adaptation efforts, which include: • Future proofing our portfolio against changing climatic conditions from the design stage and • Improving the operational efficiency of our properties, setting targets for carbon emissions, water, energy and waste efficiency. ▶ CLI has a well-established Group environmental management system which is externally certified to ISO 14001 in 15 countries. ▶ For more information, please refer to CLCT's Integrated Sustainability Report FY 2022, to be published in the middle of April 2023.	▶ Enhance our positive reputation and strong track record in sustainability efforts as a competitive advantage for CLCT Group to build a resilient portfolio of assets and achieve resources efficiency. ▶ Accelerate sustainability innovation and collaboration with tenants, supply chain contractors, vendors and suppliers. ▶ Capture opportunities that may arise in related fields or sectors.

Material Risks	Key Mitigating Actions	Opportunities
Competition ▶ Keen industry competition from established players who are able to capture our customers by meeting their expectations or reacting aptly to market trends.	▶ Leverage on operations and development partnerships, as well as assets pipeline with CLI and CapitaLand Development via the ONE CapitaLand ecosystem. ▶ Leverage on strong network of investment and asset management professionals with deep knowledge in multi-sector assets to source for opportunities. ▶ Leverage on in-house team of industry analysts to keep CLCT Group on top of latest market trends.	▶ Tap on strong experience in multi-sector asset and portfolio management as well as best-in-class operating platforms.
Cyber Security & Information Technology ▶ Ongoing business digitalisation exposes the business to IT-related threats, which may result in compromising the confidentiality, integrity and availability of CLCT Group's information assets and/or systems.	▶ CLCT harnesses outsourced Information Technology (IT) management from CLI to strategise effective Cyber Security defense which includes regular review against evolving threat landscapes, institute measures to minimise vulnerability exposure and manage threat vectors. ▶ Ongoing mandatory staff IT Security Awareness Training to counter human intervention in the information security chain. ▶ Periodically review and update Group-wide IT Security Policy and Data Protection Framework to ensure relevancy. ▶ Maintain and test IT Security Incident Management Procedure to ensure prompt response and timely remediation to cyber security incidents. ▶ Conduct annual Disaster Recovery Plan exercise to ensure timely recoverability of business-critical IT systems. ▶ Put in place enhanced protection controls for systems that hold personal data. ▶ Board oversight with regular update to Audit Committee on the state of Cyber Security risk activities and key control improvements.	▶ Build a cyber resilient infrastructure and network to harness the full potential of innovation and digital transformation of our business processes.
Economic ▶ Economic instability or changes in macro-economic factors such as inflation or unemployment, which result in challenging business conditions.	▶ Disciplined approach to capital management and a strong balance sheet. ▶ Broaden the investment strategy of CLCT Group to explore other asset classes beyond retail sector to office and industrial to achieve a more balance portfolio. ▶ Actively monitor macroeconomic trends, policies and regulatory changes.	▶ Leverage on our strong experience and network to access investment opportunities across different asset classes to enhance portfolio diversification.

Risk Management

Material Risks	Key Mitigating Actions	Opportunities
Foreign Exchange ▶ Exposure to Chinese Renminbi (RMB) fluctuation against the Singapore Dollar which is the distribution pay out currency.	▶ Adopt natural hedging where possible, by borrowing in RMB which matches the revenue stream generated from our investments. ▶ Regularly review and monitor the foreign currency movement which will have impact on the translation of the overseas investments which are in foreign currency and put in appropriate hedging policy with the objective of keeping these investments for long term horizon. ▶ Adopt prudent forex policy to ensure at least 50% of the distributable income is hedged from RMB to SGD to protect downside to the cashflow.	▶ Manage our financial risks to give confidence to our investors.
Fraud, Bribery & Corruption ▶ Any forms of fraud, bribery and corruption that could be perpetuated by employees and third parties or collusion between employees and third parties.	▶ Foster a culture of ethics and integrity in CLCT Group. ▶ Adopt a zero-tolerance stance against fraud, bribery and corruption (FBC) across the Group. ▶ Communicate the commitment to integrity from the top through policies and practices, such as FBC Risk Management Policy, Whistle-blowing Policy, Ethics and Code of Business Conduct Policies and Anti-Money Laundering and Countering the Financing of Terrorism Policy and mandatory eLearning.	▶ Enhance our positive reputation and strong track record in sustainability efforts as a competitive advantage for CLCT Group to build a resilient portfolio of assets and achieve resources efficiency. ▶ Accelerate sustainability innovation and collaboration with tenants, supply chain contractors, vendors and suppliers. ▶ Capture opportunities that may arise in related fields or sectors.
Funding & Liquidity ▶ Poor management of cash flows can result in funding gaps which may lead to financial losses and defaults, delays in project completion, and negative reputational impact.	▶ Actively monitor CLCT Group's debt maturity profile, operating cash flows and the availability of funding to ensure that there are sufficient liquid reserves, in the form of cash and banking facilities, to finance CLCT Group's working capital obligations, operating needs and even investment opportunities. ▶ Access to various sources of funds from both banks and capital markets to minimise over-reliance on a single source of funds for any funding or refinancing requirement.	▶ Manage our financial risks to give confidence to our investors.

Material Risks	Key Mitigating Actions	Opportunities
Interest Rate ▶ Exposed to interest rate volatility on some debts which are on floating basis.	▶ Actively review and maintain an optimal mix of fixed and floating interest rate borrowings by adopting a prudent and balanced interest risk profile. ▶ Adopt a policy that requires the majority of CLCT Group debts' interest rate to be on fixed basis. This is managed through borrowing at a fixed rate or the use of hedging instruments, such as interest rate swaps, to partially mitigate the risk of interest rate fluctuations.	▶ Manage our financial risks to give confidence to our investors.
Investment & Divestment ▶ Deployment of capital into loss-making or below-target return investments due to wrong underwriting assumptions or poor execution. ▶ Inadequate planning to identify suitable divestment opportunities.	▶ Hurdle rates and weighted average cost of capital based on relevant risk adjusted input parameters, used as investment benchmarks are reviewed/ updated annually and adjusted accordingly where necessary. ▶ The Board reviews and approves all major investment and divestment decisions. ▶ All investment proposals are subject to a robust investment approval process and undergo comprehensive due diligence by engaging the support of an inter-disciplinary internal team, and/or local independent consultants to advise on legal, tax, building design, quality, environmental, safety and security, and compliance with local laws and regulations.	▶ Build on strong experience and track record in multi-sector assets and portfolios to increase our competitive advantage.
Political & Policy ▶ Exposed to political leadership uncertainty, inconsistent public policies, social unrest, change in property-related regulations and other events. ▶ Such risks may have a direct impact to the economic and sociopolitical environment, which may in turn affect the financial viability of CLCT Group's investments.	▶ Keeping abreast of economic and political developments and policy changes. ▶ CLCT Group's properties are operated by experienced management team familiar with the local cultures and environment.	▶ Access to investment opportunities across different asset classes to take advantage of shifts in growth industries.

Risk Management

Material Risks	Key Mitigating Actions	Opportunities
Regulatory & Compliance ▶ Non-compliance with applicable laws and regulations, including tax, data protection and privacy, in the markets where CLCT Group operates.	▶ Maintain a framework that proactively identifies the applicable laws and regulations, including taxation, and embed compliance into day-to-day operations. ▶ Leverage on in-house specialised teams such as compliance and tax, and external consultants to provide advisory services and updates on changes to laws and regulations. ▶ CLI establishes group-wide policies and procedures to address the requirements of the applicable laws and regulations such as Personal Data Protection Policy and Anti-Money Laundering Policy.	▶ Keep abreast of the changing regulatory landscape to identify opportunities for improvements in the various compliance areas.
Safety, Health & Well-being ▶ Increased expectations from stakeholders to provide a safe and healthy environment, including well-being, at CLCT Group's assets and operations.	▶ Assess health and safety related risks in the evaluation of any new acquisitions. ▶ Entrench a sustainable safety culture through deep safety capabilities, disciplined safety practices, and a progressive and pervasive safety mindset that drive safety key performance targets of both CLCT Group and our supply chain. ▶ CLI has a well-established Group occupational health and safety management system which is externally certified to ISO 45001 in 15 countries. ▶ For more information, please refer to CLCT's Integrated Sustainability Report FY 2022, to be published in the middle of April 2023.	▶ Enhance our positive reputation and strong track record in sustainability efforts as a competitive advantage for CLCT Group to build a resilient portfolio of assets and achieve resources efficiency. ▶ Accelerate sustainability innovation and collaboration with tenants, supply chain contractors, vendors and suppliers. ▶ Capture opportunities that may arise in related fields or sectors.
Sales & Leasing ▶ Strong competition, poor economic and market conditions are some key factors that could result in key tenants not renewing their leases, adversely affecting the leasing performance of CLCT Group's properties.	▶ Establish and maintain a diversified and sustainable tenant mix. ▶ Proactive tenant management strategies which are in line with our properties to understand and address customers' changing needs. ▶ Closely monitor tenants' performance and maintain positive relationships and rapport with them to build loyalty with CLCT Group's properties.	▶ Targeting high quality tenants from emerging high growth sectors.

Investor & Media Relations

REGULAR DIALOGUES AND COMMUNICATION WITH THE INVESTMENT COMMUNITY

CLCTML values each and every relationship it establishes with the various stakeholder groups in the investment community from retail and institutional investors, analysts to the media. The Investor Relations (IR) team develops and maintains continuous dialogue and open communication with the investment community to create long-term value for its Unitholders. To raise the profile of CLCT among investors, periodic and proactive interactions with the investment community are undertaken to present a comprehensive overview of CLCT's business, operating performance, and future growth strategy. The valuable feedback and insights gathered from these interactions enable our management to better understand the various perspectives and viewpoints and help to shape the investment decisions.

The "Unitholders' Communication and Investor Relations Policy" reflects CLCT's long-term commitment to its Unitholders. It governs the communication guidelines, communication channels, investment community communication and the conduct of Unitholders' meetings. The policy is published under the Investor Relations section on CLCT's website.

Unitholders' Communication and Investor Relations Policy:
https://investor.clct.com.sg/ir_policy.html

The CLCT's website is continuously updated to ensure prompt dissemination of information. All announcements and news, including financial results, business updates, annual reports, property details as well as presentation decks used at conferences and roadshows, are published on the website for ease of access by the investment community. Investors and the general public can reach out to CLCT by sending their queries to the dedicated "Ask Us" email.

Ask Us:
ask-us@clct.com.sg

SUSTAINABILITY MANAGEMENT

As investor emphasis on sustainability management continues to grow, the IR team has been communicating more on CLCT's sustainability targets and initiatives, as well as the plans and progress. Investors are also able to read up more about CLCT's sustainability management and practices in the Integrated Sustainability Report section of the corporate website. Our Integrated Sustainability Report 2022 will be released in mid-April 2023 at https://investor.clct.com.sg/isr.html

TIMELY AND TRANSPARENT DISCLOSURES

All material information about CLCT is made available on a transparent and timely basis via announcements, press releases, presentations and webcasts, and is published on both the SGXNet and CLCT's website. Unitholders and the investment community can subscribe for email alerts to keep themselves abreast of the latest announcements, press releases, and events.

PROACTIVE OUTREACH THROUGH MULTIPLE CHANNELS

The IR team actively interacts with the investment community through a variety of platforms and channels to forge relationships with key stakeholders and to enlarge and diversify the Unitholder base. This year, the IR team was focused on targeting new investors in China and engaging existing Unitholders. As part of the IR team's ongoing efforts to engage the investment community, on top of the usual conferences and non-deal roadshows, CLCTML participated in more panel discussions to share more about CLCT's strategies and operations, enabling the investment community to gain better insights on the REIT's direction and future growth plans. CLCT also organises post-results briefings for the media, analysts, and investors after the release of its financial results and business updates every quarter.

COVERAGE BY EQUITY RESEARCH HOUSES

As at 31 December 2022, there are a total of six equity research houses that cover CLCT. The IR team maintains an open channel of communication to ensure that the analysts understand and are kept updated on CLCT's performance and strategy.

Research Firms:
- DBS Vickers Securities
- Daiwa Capital Markets
- J.P. Morgan
- HSBC
- OCBC Investment Research
- UBS

Analyst Coverage:
https://investor.clct.com.sg/analyst.html

Investor & Media Relations

CLCTML will continue to work with various research firms and banks to expand its outreach to institutional investors, private banking clients, high net worth individuals and retail investors in new geographical locations.

MEDIA

CLCTML focuses on expanding CLCT's media exposure by ensuring all press releases are distributed to key media agencies, including print, online and broadcast mediums, in Singapore and China. In addition, CLCTML maintains good relationships with media agencies and responds promptly to media requests for information or interviews.

Newsroom:
https://investor.clct.com.sg/newsroom.html

AGMs AND EGMs

AGMs and EGMs are important communication platforms between the board of directors, the management and the Unitholders.

Prior to the AGMs and EGMs, CLCTML engages its retail Unitholders virtually through small and large group meetings. The IR team collaborates with the Securities Investors Association (Singapore) (SIAS) annually to connect with retail Unitholders through pre-AGM/ EGM virtual sessions.

CLCT convened its AGM on 19 April 2022, by way of electronics means pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020. All resolutions tabled at the AGM were duly passed.

Unitholders were invited to submit substantial and relevant questions ahead of the AGM and had the option to appoint the Chairman as proxy to exercise their voting rights at the meeting. The Manager's responses to the substantial and relevant questions were published on SGXNet and CLCT's website. To provide Unitholders with the opportunity to seek clarification from the Directors and Management, a live Question & Answer segment was included during the AGM. Post-AGM, the presentation slides and results were uploaded onto SGXNet and CLCT's website. The minutes of the meeting were also made available on the website for greater transparency.

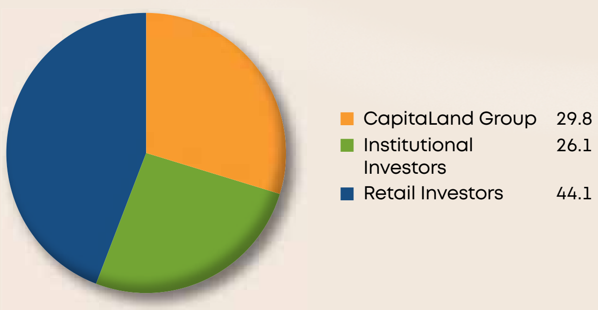
RANKING AND INDICES

In 2022, CLCT obtained the following industry rankings:

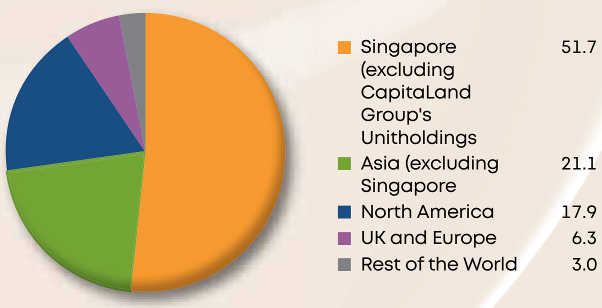
- Ranked 11th in the Singapore Governance and Transparency Index (SGTI) 2022 Award (REIT and Business Trust Category).
- Ranked 23rd in the Governance Index for Trusts (GIFT) 2022 (REITs and Business Trust Category).
- Awarded 2-star rating in the GRESB Assessment 2022 and received an "A" for GRESB Public Disclosure 2022.

CLCT remains in the FTSE Straits Times Real Estate Investment Trust Index and FTSE EPRA Nareit Global Emerging Index, GPR 250 REIT Index as well as other indices.

UNITHOLDINGS BY INVESTOR TYPE (%)
(As at 31 December 2022)



UNITHOLDERS BY GEOGRAPHY[1] (%)
(As at 31 December 2022)



1 Excludes unidentified and unanalysed holdings.

INVESTOR RELATIONS & MEDIA CALENDAR 2022

First Quarter

- FY 2021 Post-results Analyst & Media Briefing
- FY 2021 Post-results Investor Call
- SGX-Goldman Sachs Virtual Corporate Day 2022, Singapore

Second Quarter

- CLCT Annual General Meeting
- 1Q 2022 Business Update Call with Investors
- J.P. Morgan Global China Summit Property Forum 2022, Singapore
- REITs Symposium 2022, Singapore
- CLSA - CapitaLand Investment and REITs Access Call 2022, Singapore
- DBS Virtual Property Conference 2022, Singapore
- Non-Deal Roadshow (NDR), London

Third Quarter

- 1H 2022 post-results Analyst & Media Briefing
- 1H 2022 post-results Investor Call
- Non-Deal Roadshow (NDR), Singapore
- Citi-SGX-REITAS REITs / Sponsors Forum 2022, Singapore
- Haitong and Shanghai Stock Exchange C-REIT Conference 2022, Singapore

Fourth Quarter

- 3Q 2022 Business Update Call with Investors
- CapitaLand Investment Investor Day 2022, Singapore
- CapitaLand Investment and CLI REITs Corporate Day 2022, Bangkok
- CICC China-ASEAN Economic Forum, Singapore

FINANCIAL CALENDAR 2023/2024

(Dates are indicative and are subject to change)

MARCH 2023
Second Half Distribution to Unitholders

APRIL 2023
Annual General Meeting

APRIL 2023
First Quarter Business Updates

JULY 2023
First Half Results Announcement

SEPTEMBER 2023
First Half Distribution to Unitholders

OCTOBER 2023
Third Quarter Business Updates

JANUARY 2024
Full Year Results Announcement

MARCH 2024
Full Year Distribution to Unitholders

UNITHOLDER & MEDIA ENQUIRIES

If you have any enquiries or would like to find out more about CLCT, please contact:

The Manager

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Investor Relations
Email : nicole.chen@capitaland.com

Ms Chia Pei Siang
Group Communications

Tel : +65 6713 2888
Email : ask-us@clct.com.sg
Website : www.clct.com.sg

Unit Registrar

Boardroom Corporate & Advisory Services Pte. Ltd.
1 Harbourfront Avenue #14-07 Keppel Bay Tower
Tel : +65 6536 5355
Fax : +65 6536 1360
Website : www.boardroomlimited.com

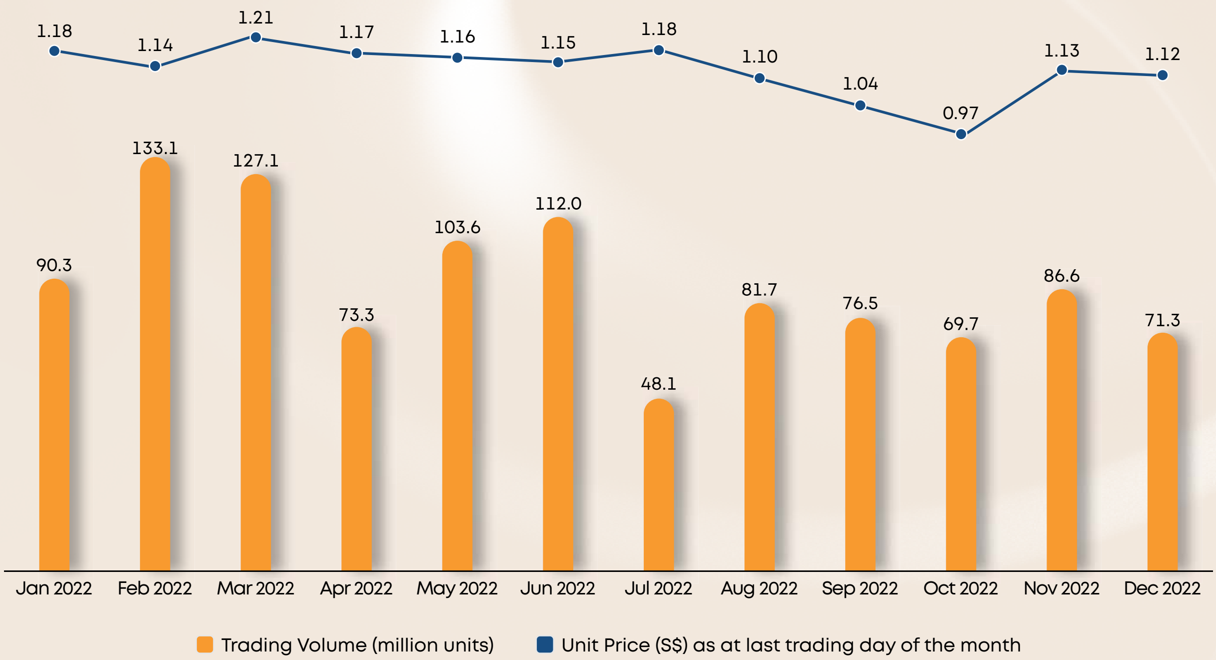
For updates or change of mailing address, please contact:
The Central Depository (Pte) Limited
Tel : +65 6535 7511
Email : asksgx@sgx.com
Website : https://investors.sgx.com/dashboard

Unit Price Performance

CLCT traded in the price range of S$0.94 to S$1.23 during the year, and closed at S$1.12 in 2022. With a total trading volume of 1.1 billion units, this translates to an average trading volume of 4.3 million units per day. The market capitalisation of CLCT as at 31 December 2022 is around S$2.0 billion.

2022 TRADING DATA	
Opening Unit Price on 3 January 2022	1.20
Closing Unit Price on 31 December 2022	1.12
Lowest Unit Price (S$)	0.94
Highest Unit Price (S$)	1.23
Average Closing Unit Price (S$)	1.12
Total Volume Traded (million units)	1,073
Average Daily Trading Volume (million units)	4.3
Market Capitalisation (S$ billion)	2.0
Net Asset Value Per Unit (S$)	1.38

2022 TRADING PERFORMANCE



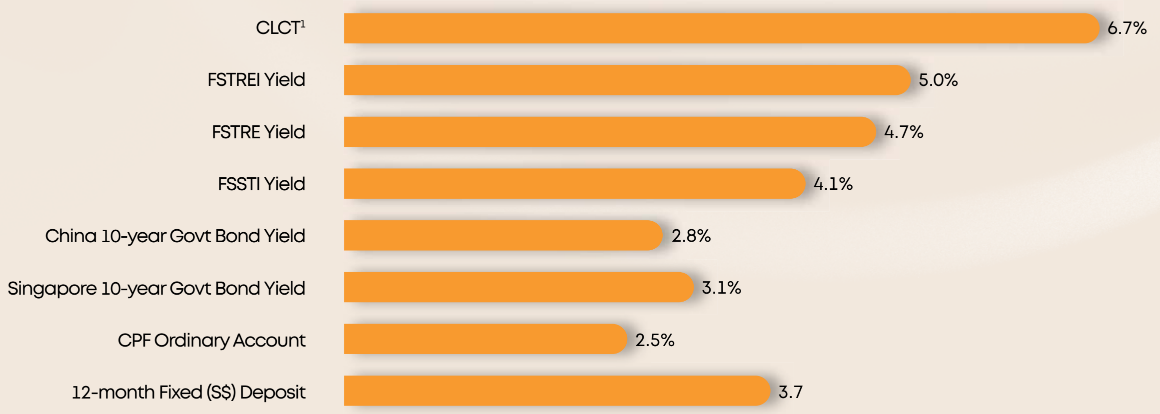
Source: Bloomberg, 31 December 2022.

RETURN ON INVESTMENT

	1 Year		3 Year	
2022 TRADING DATA	Price Change	Total Return[1]	Price Change	Total Return[1]
CLCT	-5.9%	-1.1%	-30.2%	-16.6%
STI	4.1%	8.4%	0.9%	13.1%

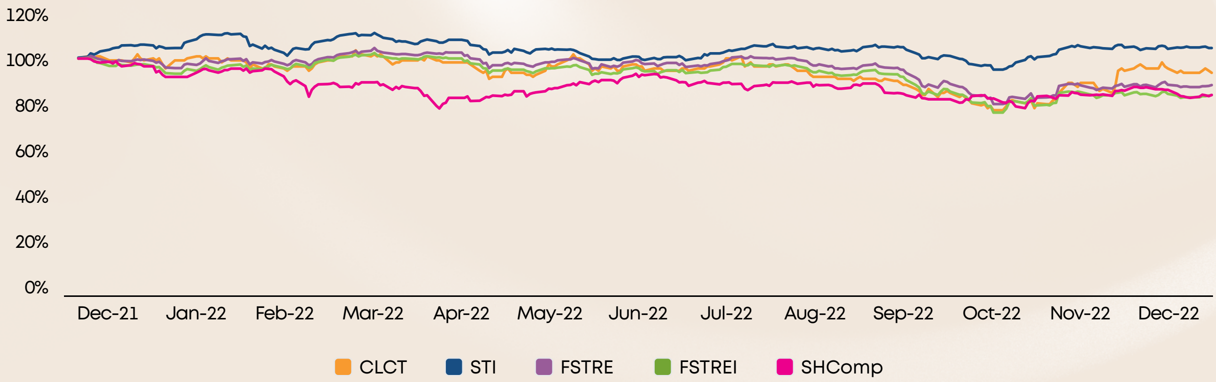
Source: Bloomberg
1 Assumes dividends were reinvested.

COMPARATIVE YIELDS (%)
(As at 31 December 2022)

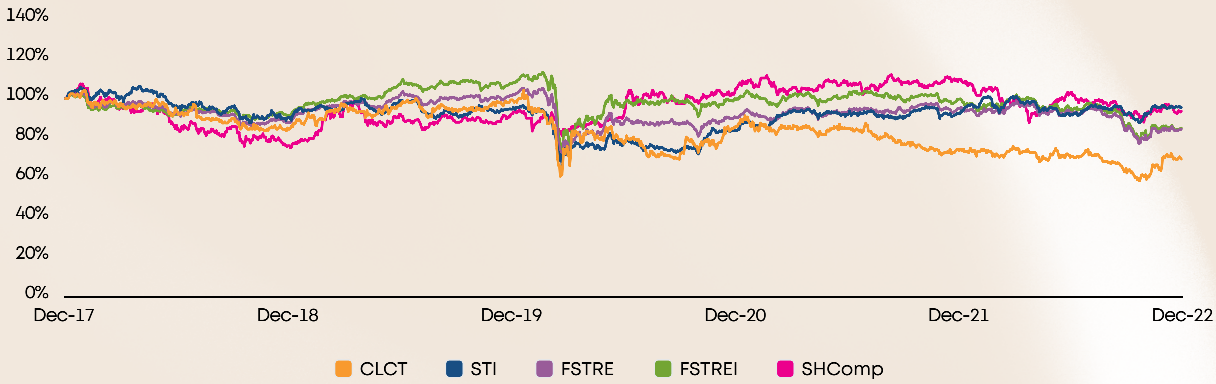


Source: Bloomberg, CLCTML, Central Provident Fund (CPF) Board, Monetary Authority of Singapore
1 Based on FY 2022 distribution per unit of 7.50 cents and the unit closing price of S$1.12 on 31 December 2022.

COMPARATIVE TRADING PERFORMANCE OF CLCT COMPARED TO MAJOR INDICES FOR 2022 (%)



COMPARATIVE TRADING PERFORMANCE OF CLCT COMPARED TO MAJOR INDICES FROM 2018 TO 2022 (%)



Operations Review

Portfolio Overview

OVERVIEW

CLCT has a geographically diversified portfolio of 11 retail properties, five business parks and four logistics parks located in 12 prominent cities across China with an aggregate GFA of approximately 2.0 million sq m. As at 31 December 2022, the portfolio[1] recorded a committed occupancy rate of 93.6% and WALE of 2.1 years by Net Lettable Area (NLA) and 2.0 years by Gross Rental Income (GRI).

HIGH-QUALITY TENANT BASE ACROSS DIVERSIFIED TRADE SECTORS

CLCT's portfolio[1] has a well-diversified tenant base of 2,804 leases spanning across more than 24 different trade sectors. The top three trade sectors are Food & Beverage, Fashion, and Electronics which account for 40.4% of the portfolio's GRI[2].

As part of its proactive leasing strategy, CLCT continued to refresh the malls' brands and retail concepts to appeal to a wider customer base. CLCT also proactively increased its tenant mix towards essential sectors for retail properties, as well as emerging and high growth sectors for its business park and logistics park properties, to further improve portfolio resilience.

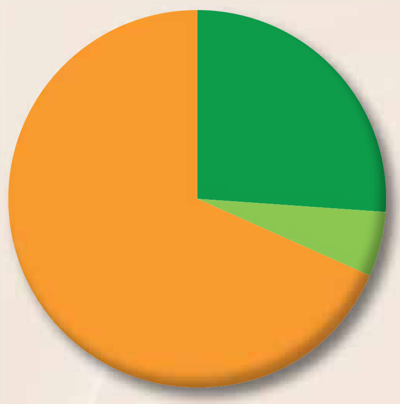
As at 31 December 2022, 45.5% of CLCT's retail tenants[1] fall within the essential trade category[3] by GRI while 67.4% of its business park tenants and 91.8%[4] of its logistics park tenants are from emerging and high-growth sectors[3] by GRI.

BREAKDOWN OF CLCT PORTFOLIO BY TRADE SECTOR[2]

(As at 31 December 2022)

Retail	68.6%
Food & Beverage	**22.0%**
Fashion	13.1%
Supermarket	**4.9%**
Services	**4.3%**
Beauty & Healthcare	4.2%
Leisure & Entertainment	3.0%
Jewellery/Watches/Pens	2.8%
Sporting Goods & Apparel	2.7%
Education	2.3%
Information & Technology	2.2%
Houseware & Furnishings	1.7%
Shoes & Bags	1.7%
Other Retail and Product Trades	3.7%

BY GRI (%)



Business Park	26.1%
Electronics	**5.3%**
Engineering	**3.6%**
Information & Communications Technology	**3.1%**
Professional Services	2.7%
Biomedical Sciences	**2.2%**
E-Commerce	**1.7%**
Financial Services	**1.2%**
Logistics & Supply Chain	**0.5%**
Other Business Park Trades	5.8%

Logistics Park	5.3%
Logistics & Warehouse	**4.0%**
E-Commerce	**0.7%**
Distributors & Trading Company	0.3%
Pharmaceuticals	**0.1%**
Other Logistics Park Trades	0.2%

1. Excludes CapitaMall Qibao as the Manager is ceasing operations at the mall ahead of the master lease expiration in January 2024.
2. Portfolio as at 31 December 2022 on a 100% basis.
3. Essential Sectors are defined as Supermarket, F&B and Services. High Growth Emerging Sectors are defined as Electronics, Engineering, E-commerce, ICT, Financial Services, Biomedical Sciences and Logistics & Supply Chain Management.
4. Any variance is due to rounding.

TOP 10 TENANTS[1]

(Based on percentage of Total Rental Income in the month of December 2022)

As at 31 December 2022, no single tenant contributed more than 2.4% of CLCT portfolio's Total Rental Income. The portfolio's biggest tenant exposure is Carrefour Group. Carrefour takes up anchor spaces at CapitaMall Grand Canyon and CapitaMall Shuangjing.

With the portfolio's diversification into new economy asset classes, five out of CLCT's top 10 tenants (6.0% of Total Rental Income) are from its business parks and logistics parks. CLCT is better positioned to take advantage of China's economic and thematic opportunities with reduced exposure to retail sector and increased exposure to new economy asset class. Collectively, the top 10 largest tenants accounted for 13.0% of the Total Rental Income for the month of December 2022.

No.	Tenant[2]	Brand Names	Trade Sector	% of Total Rental Income[3]
1	Carrefour Group of Companies	Carrefour	Supermarket	2.4%
2	JD.com Group of Companies	Jingxundi Supply Chain Management Jingbangda Supply Chain Management	E-commerce Logistics and Warehouse	2.1%
3	BHG Group of Companies	Beijing Hualian Supermarket Costa Coffee	Supermarket Food & Beverages	2.0%
4	Ping An Insurance Company	Ping An Insurance	Financial Services	1.2%
5	Yun Feng Logistics	Yun Feng International	Logistics and Warehouse	1.0%
6	Bestseller Group of Companies	Only Jack & Jones Vero Moda	Fashion & Accessories	0.9%
7	Tian Heng Logistics	Tian Heng International	Logistics and Warehouse	0.9%
8	B&Q	B&Q	Houseware & Furnishings	0.9%
9	Guangdong Yongwang Tee Mall Commerce	AEON	Supermarket	0.8%
10	Hangzhou Lelong	Lelong Technology	Real Estate	0.8%

1. Based on CLCT's effective interest in each property. Including 51% interest in Ascendas Xinsu Portfolio, 80% interest in Ascendas Innovation Hub, 80% interest in Singapore-Hangzhou Science & Technology Park Phase I And Phase II.
2. Tenants that are under the same group of companies are listed together.
3. Includes both gross rental income and the gross turnover rental income (GTO) components to account for pure GTO leases.

LEASE RENEWALS AND NEW LEASES

In FY 2022, CLCT achieved its first positive rental reversion of 2.7% for the retail asset class since the start of COVID-19. The positive rental reversion was boosted by the completion of CapitaMall Wangjing's AEI as well as the positive rental reversion from CapitaMall Yuhuating of 8.6%. During the year, CLCT signed 761 new and renewal retail leases[1,2,3], accounting for 80,798 sq m or 19.8% of the multi-tenanted malls' NLA.

For new economy portfolio, a total of 257 new and renewal leases[1,4] were signed with high quality, reputable domestic companies and MNCs in FY 2022. This accounted for 217,951 sq m or 22.4% of the new economy portfolio's NLA. These new and renewal leases achieved a positive rental reversion of 6.4%.

With China's reopening and its supportive policies to promote domestic consumption and innovation, CLCT expects rental rates to firm up in the upcoming year. While there could be near term pressure on asking rents for new and renewal leases, CLCT expects an overall positive recovery with the completion of several AEIs across the malls.

SUMMARY OF RENEWALS/NEW LEASES
(From 1 January 2022 to 31 December 2022)

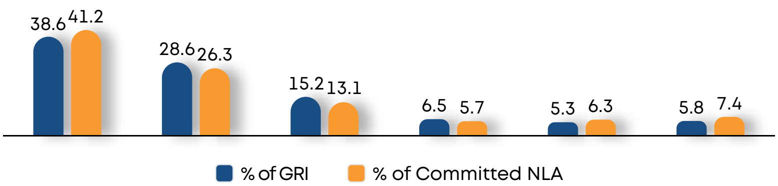
	Number of New Leases/ Renewals in FY 2022	Area (sq m)	% of Total Net Lettable Area	Variance Over Preceding Rental[1]
Retail Portfolio[2,3,5]	**761**	**80,798**	**19.8%**	**2.7%**
New Economy Portfolio[4,6]	**257**	**217,951**	**22.4%**	**6.4%**
Business Park Portfolio	251	214,640	30.2%	6.4%
Logistics Park Portfolio	6	3,311	1.3%	6.6%

1. Includes re-configured units.
2. Excludes CapitaMall Qibao and master-leased mall CapitaMall Shuangjing.
3. Excludes gross turnover component, newly created units leased, short term renewals (< 1 year) and units vacant for ≥ 1 year.
4. Excludes Amenity tenants' gross turnover component, newly created units leased, short-term renewals (<1 year) and units vacant for ≥ 1 year.
5. Calculated as last period outgoing rent of old lease versus first period incoming rent of new lease.
6. Calculated as change in effective rent of outgoing old lease versus effective rent of incoming new lease.

PORTFOLIO LEASE EXPIRY PROFILE

As at 31 December 2022, the portfolio's weighted average lease expiry (WALE)[1] is 2.0 years by GRI and 2.1 years by NLA. For new and renewed leases signed in 2022[2], the weighted average lease expiry is 2.0 years by GRI and accounts for 40.8% of the committed GRI in the month of December. The leases due in the next two years in FY 2023 and FY 2024 account for 38.6% and 28.6% of CLCT portfolio's GRI respectively.

PORTFOLIO LEASE EXPIRY PROFILE (%)
(as at 31 December 2022)



	2023	2024	2025	2026	2027	Beyond 2027
% of Total Gross Rental Income for the month of December 2022	38.6%	28.6%	15.2%	6.5%	5.3%	5.8%
% of Total NLA for the month of December 2022	41.2%	26.3%	13.1%	5.7%	6.3%	7.4%

1. Based on leases commenced before 2023, the portfolio's WALE by GRI and NLA would be 2.0 years and 2.1 years respectively.
2. Based on leases entered into and commenced in 2022, the portfolio's WALE by GRI would be 2.0 years and accounts for 39.4% of the GRI in the month of December.

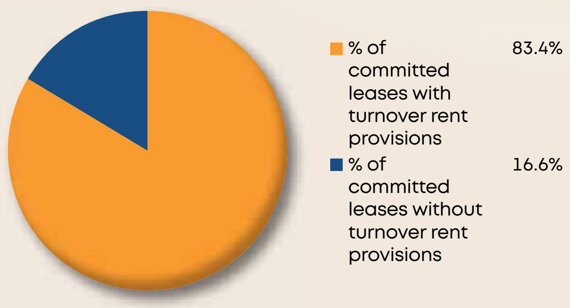
Retail Portfolio

FAVOURABLE LEASE STRUCTURE WITH UPSIDE

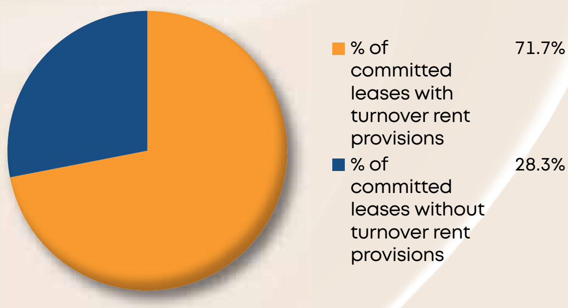
CLCT's retail leases are structured to generate stable income with growth upside. The retail GRI comprises base rental income, service fee and advertising and promotion fee. Approximately 83.4% of the leases (by GRI) have turnover rent provisions, enabling CLCT to participate in the growth of high performing tenants while providing stable base rent.

Additionally, majority of CLCT's leases for anchor and mini anchor retail tenants are structured with annual escalations, providing further stable organic growth to the income stream.

% OF COMMITTED LEASES WITH TURNOVER RENT PROVISIONS BY GROSS RENTAL INCOME[1]
(As at 31 December 2022)



% OF COMMITTED LEASES WITH TURNOVER RENT PROVISIONS BY NLA[1]
(As at 31 December 2022)



1. Excludes CapitaMall Qibao.

RETAIL LEASE EXPIRY PROFILE

All of CLCT's properties are multi-tenanted with the exception of CapitaMall Shuangjing that is predominantly master-leased to two anchor tenants. On top of actively improving the portfolio's operating performance and tenancy mix, CLCT strives to optimise rental reversions of the properties. In line with the retail trend for more lifestyle offerings and experiences, the last department store format exited the CLCT portfolio in FY 2022 and was replaced by more than 70 higher-yielding specialty stores.

CLCT's leases range from 15 to 20 years for anchor tenants, five to seven years for mini-anchor tenants, and one to three years for specialty tenants. This is in accordance with the market practice in China. To better manage its lease maturities, CLCT engages its tenants proactively ahead of lease expiries.

As at 31 December 2022, the WALE of CLCT's retail leases are 2.2 years by GRI and 3.3 years by NLA. The retail leases due in the next two years in FY 2023 and FY 2024 account for 35.3% and 28.7% of CLCT's retail portfolio GRI respectively.

WEIGHTED AVERAGE LEASE EXPIRY BY RETAIL PROPERTY[1]

(As at 31 December 2022)

	Weighted Expiry by GRI (Years)	Weighted Expiry by NLA (Years)
CapitaMall Xizhimen	2.0	3.1
Rock Square	2.4	3.3
CapitaMall Wangjing	2.2	3.3
CapitaMall Grand Canyon	2.9	4.6
CapitaMall Xuefu	1.7	2.1
CapitaMall Xinnan	1.5	2.1
CapitaMall Nuohemule	2.5	5.3
CapitaMall Yuhuating	2.5	5.6
CapitaMall Shuangjing	1.3	1.3
CapitaMall Aidemengdun	2.4	3.4
CLCT Retail Portfolio	**2.2**	**3.3**

1. Excludes CapitaMall Qibao.

LEASE EXPIRY PROFILE FOR 2023 BY RETAIL PROPERTY[2]

(As at 31 December 2022)

	No. of leases	% of GRI[3,4]	% of NLA[5]
CapitaMall Xizhimen	132	36.6%	23.5%
Rock Square	92	28.9%	21.8%
CapitaMall Wangjing	103	28.9%	16.1%
CapitaMall Grand Canyon	64	23.9%	11.2%
CapitaMall Xuefu	270	51.7%	44.2%
CapitaMall Xinnan	91	39.0%	29.2%
CapitaMall Nuohemule	117	48.3%	31.1%
CapitaMall Yuhuating	96	40.7%	25.1%
CapitaMall Shuangjing	1	3.0%	0.3%
CapitaMall Aidemengdun	108	52.1%	37.7%
CLCT Retail Portfolio	**1,074**	**35.3%**	**23.9%**

2. Excludes CapitaMall Qibao.
3. Excludes gross turnover rent.
4. As a percentage of each respective mall's contractual monthly gross rental income for December 2022.
5. As a percentage of each respective mall's net lettable area for December 2022.

RETAIL OCCUPANCY[1]

As at 31 December 2022, the retail portfolio registered a committed occupancy rate of 95.4%.

	As at 31 December 2022 (%)	As at 31 December 2021 (%)
CapitaMall Xizhimen	98.7	99.9
Rock Square	93.9	97.0
CapitaMall Wangjing	93.4	96.7[2]
CapitaMall Grand Canyon	93.4	94.0
CapitaMall Xuefu	98.2	99.5
CapitaMall Xinnan	86.2	95.0
CapitaMall Nuohemule	98.6	99.1
CapitaMall Yuhuating	95.0[2]	98.6
CapitaMall Shuangjing	100.0	100.0
CapitaMall Aidemengdun	91.6	97.8
CLCT Retail Portfolio	**95.4**	**97.9**

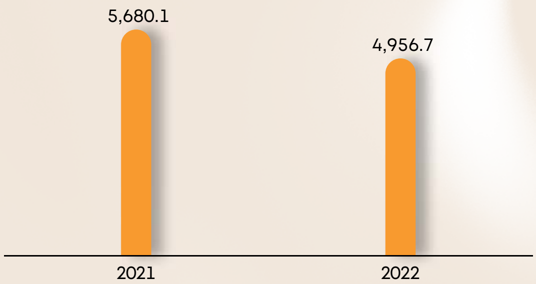
1. Excludes CapitaMall Qibao.
2. Excludes area undergoing AEI.

RETAIL TENANTS' SALES AND SHOPPER TRAFFIC

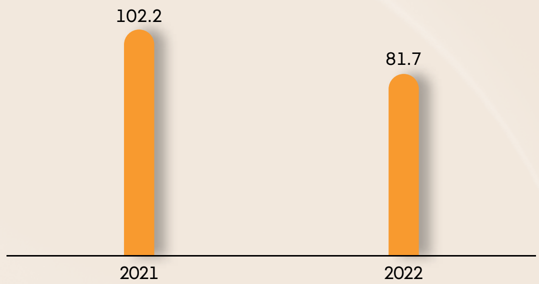
Due to China's stringent pandemic restrictions, CLCT's operations were affected by long periods of COVID-19 lockdowns during the year, particularly in 2H 2022. Consequently, total tenant sales and traffic decreased 12.7% and 20.1% year-on-year respectively during the year.

With China lifting its COVID-19 restrictions towards the end of 2022, we have observed a recovery in portfolio shopper traffic, which grew 57.9% week-on-week[3] in the final week of December 2022. With this trend expected to continue, CLCT will continue to stay ahead of evolving trends by improving our retail offerings and optimising occupancy with the desired trade concepts to meet the needs of today's consumers.

PORTFOLIO TENANTS' SALES[4]
(RMB Million)



SHOPPER TRAFFIC[4]
(Million)



3. Excludes CapitaMall Qibao.
4. Tenants' Sales and Shopper Traffic are based on CLCT's multi-tenanted assets. It excludes CapitaMall Qibao and master-leased mall CapitaMall Shuangjing.

New Economy – Business Park

BUSINESS PARK LEASE EXPIRY PROFILE

CLCT's business park portfolio has a WALE by GRI and NLA of 1.7 years and 1.7 years respectively as at 31 December 2022. To better manage its lease maturities, CLCT actively engages tenants ahead of lease expiries. The business park leases due in the next two years in FY 2023 and FY 2024 account for 37.8% and 32.8% of CLCT's business park portfolio GRI respectively.

WEIGHTED AVERAGE LEASE EXPIRY BY BUSINESS PARK PROPERTY

(As at 31 December 2022)

	Weighted Expiry by GRI (Years)	Weighted Expiry by NLA (Years)
Ascendas Xinsu Portfolio	1.7	1.7
Ascendas Innovation Towers	1.4	1.4
Ascendas Innovation Hub	1.3	1.3
Singapore-Hangzhou Science Technology Park Phase I	1.5	1.4
Singapore-Hangzhou Science Technology Park Phase II	2.0	2.2
CLCT Business Park Portfolio	**1.7**	**1.7**

LEASE EXPIRY PROFILE FOR 2023 BY BUSINESS PARK PROPERTY

(As at 31 December 2022)

	No. of leases	% of GRI	% of NLA
Ascendas Xinsu Portfolio	137	36.4%	36.0%
Ascendas Innovation Towers	47	38.9%	39.0%
Ascendas Innovation Hub	27	51.7%	53.1%
Singapore-Hangzhou Science Technology Park Phase I	77	44.8%	44.6%
Singapore-Hangzhou Science Technology Park Phase II	32	29.3%	23.6%
CLCT Business Park Portfolio	**320**	**37.8%**	**36.2%**

BUSINESS PARK OCCUPANCY

As at 31 December 2022, the business park portfolio registered a committed occupancy rate of 91.4%, backed by demand for quality space from high-growth sectors of electronics, engineering, information and communications technology, professional services and biomedical sciences.

	As at 31 December 2022 (%)	As at 31 December 2021 (%)
Ascendas Xinsu Portfolio	96.6	97.4
Ascendas Innovation Towers	87.8	98.9
Ascendas Innovation Hub	95.1	98.1
Singapore-Hangzhou Science Technology Park Phase I	78.5	89.3
Singapore-Hangzhou Science Technology Park Phase II	89.1	95.7
CLCT Business Park Portfolio	**91.4**	**96.2**


Singapore-Hangzhou Science Technology Park Phase I

New Economy – Logistics Park

LOGISTICS PARK LEASE EXPIRY PROFILE

CLCT completed the acquisition of four strategically located, premium logistics parks in November 2021. The logistics park portfolio has a WALE of 1.1 years by both GRI and NLA as at 31 December 2022. The logistics park leases due in the next two years in FY 2023 and FY 2024 account for 85.1% and 7.0% of CLCT's logistics park portfolio GRI respectively. CLCT will continue to adopt proactive lease management strategies to renew or replace these leases ahead of expiry.

WEIGHTED AVERAGE LEASE EXPIRY BY LOGISTICS PARK PROPERTY

(As at 31 December 2022)

	Weighted Expiry by GRI (Years)	Weighted Expiry by NLA (Years)
Shanghai Fengxian Logistics Park	0.9	0.9
Wuhan Yangluo Logistics Park	1.0	1.0
Chengdu Shuangliu Logistics Park	1.8	1.8
Kunshan Bacheng Logistics Park	1.0	1.0
CLCT Logistics Park Portfolio	**1.1**	**1.1**

LEASE EXPIRY PROFILE FOR 2023 BY LOGISTICS PARK PROPERTY

(As at 31 December 2022)

	No. of leases	% of GRI	% of NLA
Shanghai Fengxian Logistics Park	3	100.0%	100.0%
Wuhan Yangluo Logistics Park	6[1]	99.5%	99.2%
Chengdu Shuangliu Logistics Park	8	29.8%	29.2%
Kunshan Bacheng Logistics Park	4[1]	100.0%	100.0%
CLCT Logistics Park Portfolio	**21**	**85.1%**	**84.3%**

1. Includes leases for ancillary buildings.

LOGISTICS PARK OCCUPANCY

As at 31 December 2022, the logistics park portfolio registered a committed occupancy rate of 96.4%. The portfolio is anchored by strong tenants within the logistics park and warehousing, pharmaceuticals, and e-commerce sectors. CLCT remains well-positioned to be the beneficiary of China's growing demand for modern logistics park and warehousing space.

	As at 31 December 2022 (%)	As at 31 December 2021 (%)
Shanghai Fengxian Logistics Park	98.6	98.6
Wuhan Yangluo Logistics Park	99.7	99.4
Chengdu Shuangliu Logistics Park	88.1	92.2
Kunshan Bacheng Logistics Park	99.2	99.4
CLCT Logistics Park Portfolio	**96.4**	**97.4**

SHANGHAI FENGXIAN LOGISTICS PARK

Financial Review

In RMB terms, gross revenue in FY 2022 increased by RMB25.4 million, 1.4% higher than FY 2021 while Net Property Income (NPI) for FY 2022 increased by RMB18.5 million, 1.5% higher than FY 2021.

The business park and logistics park assets delivered higher full year financial results despite economic headwinds. The increase in gross revenue and NPI in FY 2022 was attributable to the full-year contributions from the five business parks and four logistics parks but was partially offset by lower contributions from the retail portfolio mainly due to higher rental relief provided to tenants.

GROSS REVENUE

Gross Revenue by Property	FY 2022 S$'000	FY 2021 S$'000	% Change	FY 2022 RMB'000	FY 2021 RMB'000	% Change
RETAIL						
CapitaMall Xizhimen	57,964	58,346	(0.7)	280,086	281,890	(0.6)
Rock Square	44,245	40,955	8.0	213,794	197,868	8.0
CapitaMall Wangjing	38,057	40,744	(6.6)	183,894	196,850	(6.6)
CapitaMall Grand Canyon	16,974	19,452	(12.7)	82,023	93,978	(12.7)
CapitaMall Xuefu	29,245	31,796	(8.0)	141,313	153,653	(8.0)
CapitaMall Xinnan	17,691	24,229	(27.0)	85,485	117,062	(27.0)
CapitaMall Nuohemule	14,036	16,737	(16.1)	67,826	80,863	(16.1)
CapitaMall Yuhuating	15,589	15,769	(1.1)	75,327	76,187	(1.1)
CapitaMall Aidemengdun	6,994	6,939	0.8	33,795	33,525	0.8
CapitaMall Qibao	10,266	14,507	(29.2)	49,604	70,090	(29.2)
CapitaMall Shuangjing[1]	9,244	8,895	3.9	44,671	42,977	3.9
Total multi-tenanted malls	**260,305**	**278,369**	**(6.5)**	**1,257,818**	**1,344,943**	**(6.5)**
DIVESTED						
CapitaMall Saihan[2]	-	107	N.M.	-	522	N.M.
Total Gross Revenue For Retail	**260,305**	**278,476**	**(6.5)**	**1,257,818**	**1,345,465**	**(6.5)**
BUSINESS PARK[3]						
Ascendas Xinsu Portfolio	46,467	43,910	5.8	224,534	212,148	5.8
Ascendas Innovation Towers	16,355	14,636	11.7	79,027	70,708	11.8
Ascendas Innovation Hub	6,969	5,797	20.2	33,676	28,009	20.2
Singapore-Hangzhou Science & Technology Park (Phase I)	16,444	15,800	4.1	79,461	76,338	4.1
Singapore-Hangzhou Science & Technology Park (Phase II)	18,860	16,715	12.8	91,131	80,756	12.8
Total Gross Revenue For Business Park	**105,095**	**96,858**	**8.5**	**507,829**	**467,959**	**8.5**
LOGISTICS[4]						
Shanghai Fengxian Logistics Park	5,121	792	N.M.	24,747	3,825	N.M.
Kunshan Bacheng Logistics Park	3,926	640	N.M.	18,968	3,093	N.M.
Wuhan Yangluo Logistics Park	4,614	720	N.M.	22,293	3,480	N.M.
Chengdu Shuangliu Logistics Park	4,110	481	N.M.	19,861	2,325	N.M.
Total Gross Revenue For Logistics Park	**17,771**	**2,633**	**N.M.**	**85,869**	**12,723**	**N.M.**
Total Gross Revenue	**383,171**	**377,967**	**1.4**	**1,851,516**	**1,826,147**	**1.4**

1 CapitaMall Shuangjing is a master-leased mall.
2 CapitaMall Saihan was divested in June 2021.
3 FY 2021 includes contributions from Ascendas Xinsu Portfolio, Ascendas Innovation Towers and Ascendas Innovation Hub from 4 January 2021, 10 February 2021, and 26 February 2021 respectively. While the acquisitions of the Singapore-Hangzhou Science & Technology Park Phase I and Phase II were completed on 18 June 2021, the risk and reward have been transferred from 15 February 2021.
4 FY 2021 includes contribution from Shanghai Fengxian Logistics Park, Kunshan Bacheng Logistics Park, Wuhan Yangluo Logistics Park, Chengdu Shuangliu Logistics Park following the completion on 10 November 2021.
N.M. - not meaningful

NET PROPERTY INCOME

NPI by Property	FY 2022 S$'000	FY 2021 S$'000	% Change	FY 2022 RMB'000	FY 2021 RMB'000	% Change
RETAIL						
CapitaMall Xizhimen	40,017	39,753	0.7	193,365	192,056	0.7
Rock Square	30,615	28,382	7.9	147,932	137,125	7.9
CapitaMall Wangjing	25,634	28,022	(8.5)	123,866	135,387	(8.5)
CapitaMall Grand Canyon	9,036	12,056	(25.0)	43,666	58,247	(25.0)
CapitaMall Xuefu	18,148	19,970	(9.1)	87,690	96,518	(9.1)
CapitaMall Xinnan	11,139	16,135	(31.0)	53,827	77,958	(31.0)
CapitaMall Nuohemule	6,024	7,371	(18.3)	29,109	35,575	(18.2)
CapitaMall Yuhuating	8,711	9,351	(6.8)	42,092	45,177	(6.8)
CapitaMall Aidemengdun	2,597	2,431	6.8	12,549	11,743	6.9
CapitaMall Qibao	4,782	9,281	(48.5)	23,103	44,840	(48.5)
CapitaMall Shuangjing[1]	7,426	7,070	5.0	35,884	34,162	5.0
Total multi-tenanted malls	**164,129**	**179,822**	**(8.7)**	**793,083**	**868,788**	**(8.7)**
DIVESTED						
CapitaMall Saihan[2]	-	(95)	N.M.	-	(464)	N.M.
Total Net Property Income For Retail	**164,129**	**179,727**	**(8.7)**	**793,083**	**868,324**	**(8.7)**
BUSINESS PARK[3]						
Ascendas Xinsu Portfolio	33,861	31,952	6.0	163,623	154,373	6.0
Ascendas Innovation Towers	10,498	9,234	13.7	50,722	44,610	13.7
Ascendas Innovation Hub	4,982	4,117	21.0	24,076	19,890	21.0
Singapore-Hangzhou Science & Technology Park (Phase I)	12,743	10,439	22.1	61,579	50,438	22.1
Singapore-Hangzhou Science & Technology Park (Phase II)	14,981	13,102	14.3	72,386	63,301	14.4
Total Net Property Income For Business Park	**77,065**	**68,844**	**11.9**	**372,386**	**332,612**	**12.0**
LOGISTICS[4]						
Shanghai Fengxian Logistics Park	3,882	654	N.M.	18,759	3,159	N.M.
Kunshan Bacheng Logistics Park	3,106	424	N.M.	15,009	2,049	N.M.
Wuhan Yangluo Logistics Park	3,174	523	N.M.	15,334	2,526	N.M.
Chengdu Shuangliu Logistics Park	2,860	255	N.M.	13,822	1,231	N.M.
Total Net Property Income For Logistics Park	**13,022**	**1,856**	**N.M.**	**62,924**	**8,965**	**N.M.**
Total Net Property Income	**254,216**	**250,427**	**1.5**	**1,228,393**	**1,209,901**	**1.5**

1 CapitaMall Shuangjing is a master-leased mall.
2 CapitaMall Saihan was divested in June 2021.
3 FY 2021 includes contributions from Ascendas Xinsu Portfolio, Ascendas Innovation Towers and Ascendas Innovation Hub from 4 January 2021, 10 February 2021, and 26 February 2021 respectively. While the acquisitions of the Singapore-Hangzhou Science & Technology Park Phase I and Phase II were completed on 18 June 2021, the risk and reward have been transferred from 15 February 2021.
4 FY 2021 includes contribution from Shanghai Fengxian Logistics Park, Kunshan Bacheng Logistics Park, Wuhan Yangluo Logistics Park, Chengdu Shuangliu Logistics Park following the completion on 10 November 2021.
N.M. - not meaningful

VALUATION OF PORTFOLIO

	Valuation 2022 RMB Million	Valuation 2021 RMB Million	Valuation 2022 (in per sq m of GRA) RMB	Valuation 2022 S$ Million	Valuation 2021 S$ Million
RETAIL					
CapitaMall Xizhimen	3,638.0	3,620.0	43,792	706.9	766.6
Rock Square	3,410.0	3,422.0	40,794	662.6	724.7
CapitaMall Wangjing	2,884.0	2,795.0	42,406	560.4	591.9
CapitaMall Grand Canyon	1,901.0	2,022.0	27,170	369.4	428.2
CapitaMall Xuefu	1,789.0	1,789.0	17,153	347.6	378.9
CapitaMall Xinnan	1,538.0	1,611.0	28,684	298.8	341.2
CapitaMall Nuohemule	1,030.0	1,020.0	13,498	200.1	216.0
CapitaMall Yuhuating	800.0	770.0	12,887	155.4	163.1
CapitaMall Aidemengdun	424.0	446.0	9,771	82.4	94.4
CapitaMall Qibao[1]	29.0	55.0	399	5.6	11.6
CapitaMall Shuangjing	616.0	616.0	12,454	119.7	130.5
BUSINESS PARK					
Ascendas Xinsu Portfolio	2,320.0	2,294.0	6,214	450.8	485.8
Ascendas Innovation Towers	902.0	794.0	7,612	175.3	168.1
Ascendas Innovation Hub	353.0	305.0	8,706	68.6	64.6
Singapore-Hangzhou Science & Technology Park (Phase I)	848.0	672.0	8,329	164.8	142.3
Singapore-Hangzhou Science & Technology Park (Phase II)	1,055.0	814.0	8,099	205.0	172.4
LOGISTICS PARK					
Shanghai Fengxian Logistics Park	629.0	624.0	10,018	122.2	132.1
Kunshan Bacheng Logistics Park	334.0	330.0	7,600	64.9	69.9
Wuhan Yangluo Logistics Park	384.0	383.0	4,415	74.6	81.1
Chengdu Shuangliu Logistics Park	357.0	357.0	4,989	69.4	75.6
Total	**25,241.0**	**24,739.0**	**N.M.**	**4,904.3**	**5,239.0**

1 CapitaMall Qibao is held under a master lease by CapitaRetail Dragon Mall (Shanghai) Co., Ltd, a subsidiary of CapitaRetail China Investments (B) Alpha Pte. Ltd.. The master lease was entered with Shanghai Jin Qiu (Group) Co., Ltd ("Jin Qiu"), the legal owner of CapitaMall Qibao and expires on 7 January 2024. CLCT did not exercise the option to renew the master lease which expired on 31 January 2021.

N.M. - not meaningful

	S$'000
Investment Properties as at 31 December 2022	4,909,377
Increase in valuation for FY 2022[2]	67,845

2 Includes change in fair value of ROU assets.

Capital Management

CLCT adheres to a disciplined and prudent set of capital management principles that focuses on maintaining a healthy balance sheet and having diversified sources of funding. CLCT strives to ensure a balanced debt maturity profile with optimal funding costs, and emphasises on the monitoring of its cash flow position to maintain sufficient liquidity and financial capacity. Interest rate and foreign exchange fluctuations are mitigated through proactive monitoring and adoption of prudent hedging strategies.

STRONG FINANCIAL RESOURCES

CLCT proactively secures funding from both financial institutions and capital markets to address refinancing requirements as well as support portfolio growth initiatives and working capital requirements.

CLCT has in place ample untapped facilities, including undrawn MML, loans and the multicurrency debt issuance programme. As at 31 December 2022, the total outstanding debt of CLCT was S$2.0 billion with an effective interest rate of 2.97% per annum and an aggregate leverage of 39.6%. With effect from 1 January 2022, a new minimum interest coverage ratio (ICR) requirement has been implemented by MAS. S-REITs are required to have a minimum ICR of 2.5 times before they are allowed to increase their leverage to beyond the prevailing 45% limit to 50%. Assuming CLCT gears up to 50% maximum limit set by MAS, the debt headroom would be approximately S$1.0 billion (RMB5.1 billion) if the acquired asset is fully funded by debt. The ample headroom provides greater flexibility for CLCT to manage its capital structure, capitalise on potential acquisition opportunities as well as withstand any unprecedented business scenarios that may arise.

KEY FINANCIAL INDICATORS

Key Financial Indicators[1]	As at 31 December 2022	As at 31 December 2021
Aggregate Leverage[2]	39.6%	37.7%
Net Debt / EBITDA (times)[3]	8.5	8.2
Interest Coverage (times)[4]	3.8	4.9
Adjusted Interest Coverage (times)[5]	3.6	4.5
Average Term to Maturity (Years)	3.4	3.4
Average Cost of Debt[6]	2.97%	2.62%

1 All key financial indicators exclude the effect of FRS116 Leases effective from 1 January 2020.
2 The aggregate leverage is calculated based on proportionate total borrowings over the deposited properties in accordance with the Property Funds Appendix. The Manager is of the view that the higher aggregate leverage will not have a material impact on the risk profile of CLCT as the aggregate leverage of 39.6% is still within a manageable range in the short-term and the Manager will remain prudent and disciplined in managing the overall leverage profile of CLCT.
3 Net Debt refers to the outstanding debt on the balance sheet as at 31 December and EBITDA refers to net income of CLCT Group before fair value changes, non-operational gain and/or loss, interest, tax, depreciation and amortisation.
4 Ratio of EBITDA over consolidated interest expenses (excluding 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).
5 Ratio of EBITDA over consolidated interest expenses (excluding 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) and distributions to perpetual securities holders.
6 Ratio of the consolidated interest expenses over weighted average borrowings on balance sheet.

Capital Management

As at 31 December 2022, CLCT maintains the following debt facilities:

S$ Denominated Facilities
S$80.0 million MML facilities
S$100.0 million MML & Financial Guarantee (FG) facilities
S$100.0 million multicurrency MML facility
S$250.0 million 4-year trust loan facilities
S$850.0 million 5-year trust loan facilities
S$520.0 million 6-year trust loan facilities
S$150.0 million 7-year trust loan facility

US$ Denominated Facility
US$50.0 million multicurrency MML facility

RMB Denominated Facilities
RMB394.0 million secured loan facility
RMB600.0 million secured loan facility
RMB400.0 million secured loan facility
RMB410.0 million secured loan facility
RMB133.9 million secured loan facility
RMB78.1 million secured loan facility

Multicurrency Debt Issuance Programme
S$1.0 billion multicurrency Debt Issuance Programme

CLCT's effective capital management includes hedging of its currency and interest rate risk exposures. To mitigate interest rate risk exposure, 70.4%[1] of the total debt is on fixed interest rates. In addition, 54.5%[2] of the distributable income for FY 2022 was fully hedged into SGD, mitigating foreign currency exposure.

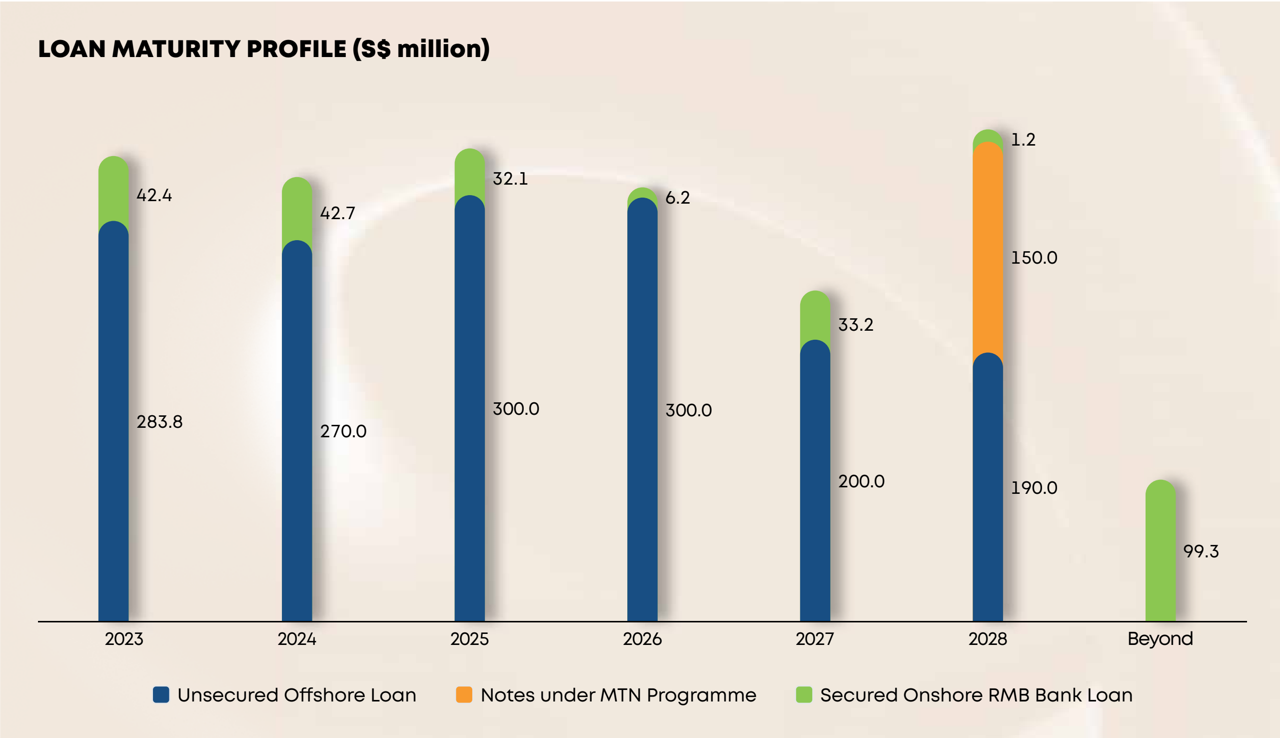
CLCT holds derivative financial instruments to hedge its currency and interest rate risk exposures. The fair value derivatives for FY 2022 comprised of financial derivative assets and financial derivative liabilities of S$44.4 million and S$0.8 million respectively. This net amount represented 1.9% of the net assets attributable to Unitholders of CLCT as at 31 December 2022.

In May 2022, CLCT early refinanced the S$50.0 million 4 year term loan (due in June 2022) with a S$50 million 5.5 year term loan, extending its maturity to August 2027. Further, CLCT refinanced the S$130.0 million senior bonds due in July 2022 with committed term loan credit facilities, extending the maturity to FY 2027. CLCT had also early refinanced S$76.8 million of onshore loan (due in FY 2023) with a 15-year term loan, and S$45.6 million (due in FY 2024) with 7-year term loan. The overall average cost of debt stands at 2.97% as at 31 December 2022.

CLCT is committed to diversifying funding sources and will continue to review its debt profile to reduce refinancing risk. CLCT has secured committed credit facilities to refinance the loan facilities due in 2023.

1 Exclude RMB denominated loans and short-term MML.
2 Based on undistributed income as at 31 December 2022.

Debt maturity profile as at 31 December 2022 is as follows:



	2023	2024	2025	2026	2027	2028	Beyond	Total
Total Debt (S$ million)	326.2	312.7	332.1	306.2	233.2	341.2	99.3	1,950.9
% of Total Debt maturing by end FY	16.7%	16.0%	17.0%	15.7%	12.0%	17.5%	5.1%	100.0%

In 2022, CLCT increased its sustainability-linked loans, forming 13% of the total outstanding loan of S$2.0 billion. CLCT is the leading REIT in Singapore to pioneer a sustainability-linked loan for a China portfolio.

CASH FLOWS AND LIQUIDITY

CLCT takes a proactive role in monitoring its cash flow position and requirements to ensure that there is sufficient liquidity and adequate funding for distribution to Unitholders as well as to meet any short-term obligations.

CASH AND CASH EQUIVALENTS

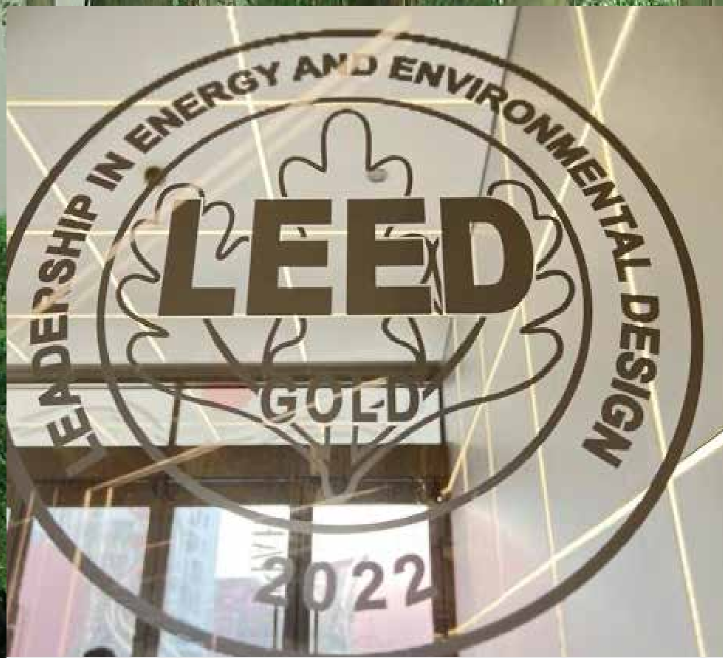
As at 31 December 2022, cash and cash equivalents stood at S$231.0 million compared to S$288.9 million as at 31 December 2021. The decrease was mainly due to prepayment of onshore loans in FY 2022 as part of active capital management.

During the year, S$2.6 million of the cash was retained from distributions through the distribution reinvestment plan on 22 September 2022 and used for the repayment of interest-bearing borrowings, general corporate and working capital purposes.

Sustainability Management

Overall ESG Performance

- » Awarded a 2-star rating in the GRESB Assessment 2022 and maintained an "A" for GRESB Public Disclosure 2022.
- » Established new annual green building certification targets that are tied to the remuneration of key management and staff, on top of the existing ESG targets.



Attained LEED Gold green certification for CapitaMall Wangjing and Rock Square

Initiated the installation of solar panels on the roof of Kunshan Bacheng Logistics Park

Environment

- » Attained LEED Gold certification for CapitaMall Wangjing and Rock Square.
- » Implemented green leasing across our retail and business parks from 4Q 2022.
- » Initiated the installation of 253 solar panels on the roof of Kunshan Bacheng Logistics Park that can collectively generate 92 megawatt hours of energy annually, equivalent to avoiding 9,000 kg of carbon emissions per year.
- » Secured additional sustainability-linked loan of S$300 million in FY 2022. CLCT is the leading REIT in Singapore to pioneer sustainability-linked loans for a China portfolio.

Social

» 100.0% of CLCT staff in Singapore and 98.8% of CLCT staff in China participated in ESG-related training, averaging 43.9 hours.

» 100.0% of contractors and suppliers attended in-house safety training, covering topics such as Environmental, Health and Safety and COVID-19 safety measures.

» 100.0% of the 83 main contractors appointed this year, are ISO 45001 certified.

» Achieved gender balance - 72.2% of the employees of the Manager in Singapore are female, and 41.3% of the employees of the property management teams in China are female.

» Reported zero incidents resulting in a fatality and permanent disability for CLCT staff and contractors.

Governance

» Ranked 11th in the Singapore Governance and Transparency Index 2022 and 23rd in the Governance Index for Trusts 2022.

» Increased female representation on Board to 25.0% (2021: 11.1%)

» Reported zero incidents relating to discrimination, child labour or forced labour

» Reported zero lapses in corporate governance, corruption or employee misconduct

Organised Fitness Week at Ascendas Innovation Towers and Ascendas Innovation Hub

Sustainability Management

CEO MESSAGE

In 2022, we continued our efforts in improving ESG performance to create long-term economic value for our stakeholders, and strived to translate our sustainability ambitions into actions that contribute to the targets set out under CapitaLand's 2030 Sustainability Master Plan (SMP).

As we continue to rejuvenate our portfolio, sustainability remains at the core of what we do. This commitment can be seen through our continuous effort to step up our efforts to contribute to the environmental and social well-being of the communities that we operate in.

In 2022, we were focused on enhancing CLCT's environmental performance by attaining green building certificates and implementing green leases across our portfolio. During the year, we obtained LEED Gold certification for CapitaMall Wangjing and Rock Square. CLCT also made significant progress by implementing green leasing across our retail and business parks from 4Q 2022.

Partnering with our network of financial institutions, CLCT obtained additional S$300 million in sustainability-linked loans during the year, bringing our total sustainability-linked loans to 13% of our total loans outstanding in FY 2022. CLCT is the leading REIT in Singapore to pioneer sustainability-linked loans for a China portfolio. CLCT will continue exploring ways to enhance its financial flexibility and resilience through sustainable financing

instruments, demonstrating the REIT's commitment towards responsible growth.

CLCT participates in industry benchmarks, such as GRESB, which assesses the sustainability performance of real estate portfolios around the world. In 2022, we received a 2-star rating in the GRESB Assessment 2022 and maintained an "A" for GRESB Public Disclosure 2022.

We embrace diversity, equality, and inclusivity. As of 2022, our female representation on Board has increased to 25.0%, up from 11.1%. Additionally, we have improved gender diversity within our managers and property management teams in Singapore and China.

Sustainability continues to underpin our strategies at CLCT. Our ESG targets are weaved into investment and business decisions while we continuously improve our sustainability performance and step up our sustainable financing efforts. As we progress to greater heights, we remain committed to contributing to the environmental and social well-being of our communities.

Tan Tze Wooi
Chief Executive Officer

Sustainability Management

Singapore-Hangzhou Science & Technology Park

BOARD STATEMENT

At CapitaLand China Trust, sustainability is at the core of everything we do. We are committed to growing in a responsible manner, delivering long-term economic value, and contributing to the environmental and social well-being of our communities. The material environmental, social and governance (ESG) factors have been identified and encapsulated in the CapitaLand 2030 SMP, which was launched in 2020, and will be reviewed by the CapitaLand Investment Board of Directors together with Management every two years.

The CapitaLand 2030 SMP steers our efforts on a common course to maximise impact through building a resilient and resource-efficient real estate portfolio, enabling thriving and future-adaptive communities, and accelerating sustainability innovation and collaboration. Ambitious ESG targets have been set which include carbon emissions reduction targets validated by the Science Based Targets initiative (SBTi). During the first scheduled review in 2022, CapitaLand Investment revised its SMP targets to elevate its SBTi-approved targets in line with a 1.5°C scenario, incorporate its Net Zero commitment, and enhance its focus on social indicators.

The CLCT Board is responsible for overseeing the REIT's sustainability efforts and takes ESG factors into consideration in determining its strategic direction and priorities. The CLCT Board also approves the executive compensation framework based on the principle of linking pay to performance. CLCT's business plans are translated to both quantitative and qualitative performance targets, including sustainable corporate practices, and are cascaded throughout the REIT.

SUSTAINABILITY COMMITMENT

In 2020, CapitaLand unveiled its 2030 SMP to elevate its commitment towards global sustainability in the built environment. The Master Plan focuses on three key pillars to drive CapitaLand's sustainability efforts in the ESG pillars, enabling CapitaLand to create a larger positive impact for the environment and society:

- Build portfolio resilience and resource efficiency,
- Enable thriving and future-adaptive communities, as well as
- Accelerate sustainability innovation and collaboration

As a CLI-sponsored REIT, CLCT aligns its sustainability objectives and strategies with CapitaLand Group. It is committed to improving the economic and social well-being of its stakeholders through management of human capital, asset, portfolio operations and project development. CLCT will steer towards the pathways set by CapitaLand and keep adapting its strategies as technologies evolve and new scientific data become available. The Manager works closely with the Asset & Property Managers in carrying out these strategies and relevant activities across its portfolio where possible.

CapitaLand has identified five pathways to achieve its sustainability objectives and will adapt its strategies as technologies evolve and new scientific data becomes available:

Integrate sustainability in CapitaLand's real estate life cycle

From the earliest stage of its investment process to the design, procurement, construction, operations and redevelopment or divestment of assets, sustainability targets will be embedded in policies, processes, best practices, and key performance indicators of its business operations.

Strengthen innovation and collaboration to drive sustainability

CapitaLand will continue to source globally for new ideas and technologies to meet its sustainability ambitions and work with like-minded partners to create shared values and key performance indicators of its business operations.

Leverage sustainability trends and data analytics

This allows CapitaLand to track critical performance and progress in water usage, waste management, energy consumption, carbon emission, and health and safety. These measurements along with social indicators are key to driving performance improvement across its operating properties and development projects.

Monitor and report progress to ensure transparency

As CapitaLand tracks its sustainability progress, CapitaLand will continue to validate its performance by external assurance and align its Global Sustainability Report to international standards.

Increase engagement and communication with key stakeholders

It is key to build awareness among its employees, investors, customers and communities, and collectively effect transformational change to achieve CapitaLand's 2030 targets.

CLCT is aligned with CapitaLand's 2030 SMP to elevate the Group's commitment to global sustainability in the built environment. The SMP drives CapitaLand's sustainability efforts in the ESG pillars, enabling the Group to create a larger positive impact for the environment and society.

CapitaLand's 2030 SMP is regularly reviewed where necessary to complement the Group's business strategy and align with climate science. The first scheduled review in 2022 is in progress and the outcome will be published before end May 2023.

CLCT is also aligned with CapitaLand's science-based targets set out in CapitaLand's 2030 SMP as we transit to a low-carbon business. CapitaLand's carbon emissions intensity reduction target is computed from the approved science-based target, to better track day-to-day operational efficiency. As part of the CapitaLand Group, CLCT is committed to working towards the long term and annual targets under CapitaLand's 2030 SMP Framework[1]. CapitaLand's long-term targets are as follows:

- Reduce carbon emissions intensity by 78% by 2030
- Reduce energy consumption intensity by 35% by 2030
- Reduce water consumption intensity by 45% by 2030

(Using 2008 as base year)

1 To operationalise its SBTi approved carbon emissions reduction target for scope 1 and 2 emissions, CLI is reviewing its carbon emissions intensity reduction targets and other environment targets, including changing reference to 2019 as the baseline year instead of 2008. The targets are being reviewed as part of the scheduled review of CapitaLand's 2030 SMP in 2022 and will be published before end May 2023.

COMMITTING TO NET ZERO BY 2050 AND ELEVATING CAPITALAND'S CARBON EMISSIONS REDUCTION TARGET TO 1.5°C SCENARIO

In 2022, CapitaLand Group elevated its scope 1 and 2 carbon emissions reduction targets which were validated by SBTi to be in line with a 1.5°C trajectory[2], currently the most ambitious designation available through the SBTi process. This will translate to Net Zero in 2050.

CLI commits to reducing its absolute scope 1 and 2 emissions by 46% by 2030 from a 2019 base year and aims to achieve Net Zero by 2050, consistent with the effort required to limit global temperature increase to below 1.5°C.

To operationalise its SBTi approved carbon emissions reduction target for scope 1 and 2 emissions, CLI is reviewing its carbon intensity reduction targets and other environment targets, including changing the reference to 2019 as the baseline year instead of 2008[3]. CLI also aims to conduct a comprehensive review of its scope 3 emissions to better track and disclose its material scope 3 emissions, and is committed to developing scope 3 emission goals aligned to science-based targets.

Over the next decade, as part of CLI's roadmap to Net Zero, CLI will prioritise the decarbonisation levers below, and in particular, continue to source globally for new ideas and technologies to achieve higher energy efficiency and intensify its renewable energy integration efforts.

RESPONSIBLE BUSINESS CONDUCT

Aligned to CLI's policies and commitments, CLCT advocates for respecting human rights and proactively addresses human rights concerns that may impact to the REIT's operations. These policy commitments are approved by CLI's Board and management, as well as CLCT's Board and management and is applied to CLCT's activities and business relationships.

CLCT leverages on CLI's Social Charter in its commitment to support the preservation of human dignity and self-respect of every individual. This Social Charter address issues from a myriad of topics such as human rights, child labour, forced labour, human trafficking, code of conduct, diversity and inclusion, and healthy work-life balance and is applicable to both our workforce and supply chain.

Other human rights related commitments such as grievance handling, harassment policies and remediation procedures have been embedded across different levels within the organisation.

MAINTAINING DIVERSITY ON THE CLCT BOARD

The CLCT Board embraces diversity and has a Board Diversity Policy which provides for the Board to comprise talented and dedicated Directors with a wide mix of expertise, experience, perspectives, skills and backgrounds, with due consideration given to diversity including but not limited to, business or professional experience, age and gender, ethnicity and culture, geographical backgrounds and nationalities.

Diversity enhances the Board's decision-making capability and ensures that the Manager has the opportunity to benefit from all available talent and perspectives, which is essential to the effective governance of CLCT's business and for ensuring long-term sustainable growth.

The Nominating and Remuneration Committee (NRC), in carrying out its duties of determining the optimal composition of the Board in its Board renewal process and addressing Board vacancies, identifies possible candidates that bring a diversity of background and opinion from amongst candidates with the appropriate background and industry or related expertise and experience. In identifying possible candidates and making recommendations of board appointments to the Board, the NRC considers, amongst others, achieving an appropriate level of diversity in the Board composition having regard to diversity factors such as age, educational, business and professional backgrounds of its members. Gender diversity is also considered an important aspect of diversity. There has been an increase in female representation on the Board in FY 2022 and progressively over the past financial years. The current Board has two female members representing 25% of the Board.

In line with the Board Diversity Policy, the current Board comprises eight members who are corporate and business leaders, and are professionals with varied backgrounds, expertise and experience including in accounting, finance, banking, capital markets, real estate, investment management, leadership, governance and the China market.

2 The carbon emissions reduction target in line with a 1.5°C trajectory was elevated from its target of a "well-below 2 °C" trajectory set in 2020.
3 It is reviewed as part of the scheduled review of CapitaLand's 2030 SMP in 2022 and will be published before end May 2023.

For more details on our Board Diversity Policy and performance, please refer to page 49 of CLCT's Annual Report 2022.

RECOGNITION BY GLOBAL BENCHMARKS

CLI is a signatory to the United Nations (UN) Global Compact since 2015. In February 2023, CLI also became a signatory of the UN-supported Principles for Responsible Investment (UN PRI), as part of its commitment to investing responsibly. CLI is listed on the Global 100 Most Sustainable Corporations Index, Dow Jones Sustainability World Index and Asia-Pacific Index, GRESB, FTSE4Good Index Series, MSCI Global Sustainability Indexes and The Sustainability Yearbook.

BOARD, TOP MANAGEMENT AND STAFF COMMITMENT AND INVOLVEMENT

The Sponsor's (CLI) Board recognises the importance of sustainability as a business imperative, and ensures that sustainability considerations are factored into CLI's strategy development.

On a regular basis, the CLI Board is updated through the Strategy and Sustainability Committee (SSC)[4] on the sustainability management performance of the Group, key material issues identified by stakeholders, and the planned follow-up measures. Additionally, through the Risk Committee and Audit Committee, the CLI Board is typically updated at least once a year and at ad hoc Board meetings on matters relating to sustainability risks, and relevant performance metrics, including carbon emissions performance, progress on achieving the reduction targets, green certification, human capital development, as well as stakeholders' expectations on climate change and/or other social matters. They are also informed of any work-related safety incidents, business malpractice incidents and environmental incidents, which may include climate-related damages or disruptions.

The SSC, a Board Committee chaired by the Lead Independent Director, is responsible for overseeing CLI's sustainability strategies and goals, including providing guidance to Management and monitoring progress against achieving the goals of sustainability initiatives. The SSC typically meets twice a year, with additional meetings convened as necessary.

The sustainability work teams comprise representatives from CLI business units and corporate functions. Each business unit also has its own Environmental, Health and Safety (EHS) Committee to drive initiatives in countries where it operates with support from various departments.

CLCT'S SUSTAINABILITY MANAGEMENT STRUCTURE

At CLCT, a Sustainability Management Committee (SMC) was established to ensure greater focus on sustainability and climate-related matters of CLCT's assets. The SMC is chaired by CLCT's CEO and comprises senior management team members to oversee CLCT's sustainability objectives and strategies directly. The SMC is responsible for providing timely and regular updates on the REIT's sustainability matters to CLCT's Board of Directors and its Chairman. Regular updates to the CLCT Board of Directors include value and mission statements, goals, strategies overviews, policies and progress related to sustainable development.

The SMC is supported by CLCT's Sustainability Working Committee (SWC), which comprises key members from various business functions, to implement sustainability-related activities and initiatives across CLCT's operations as per CLI's sustainability framework and policies.

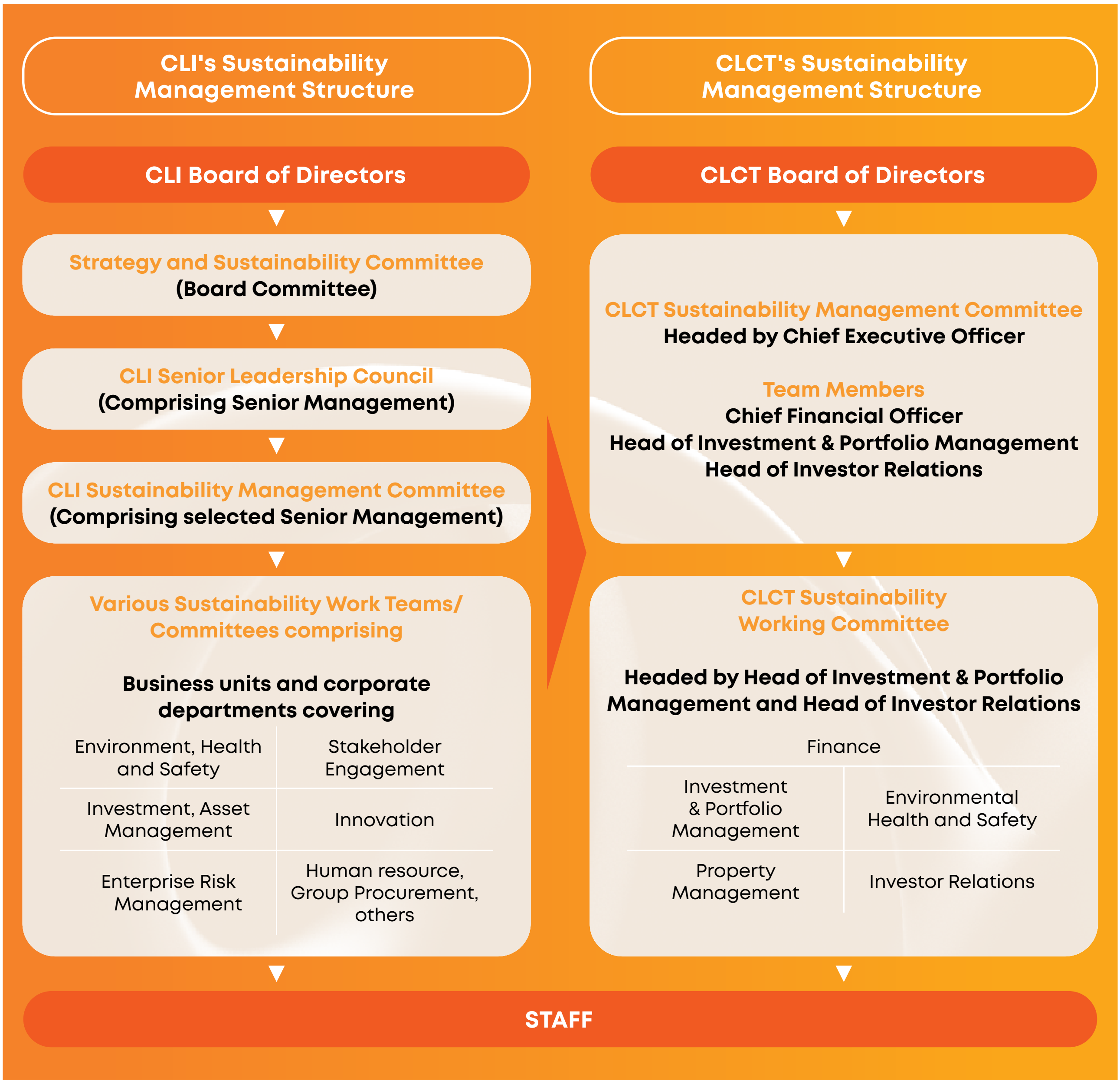
CLCT's sustainability governance is inter-linked with the Sponsor's sustainability management. The overall governance comes under the purview of the CLI Senior Leadership Council. CLCT is represented at the CLI Senior Leadership Council by CLCT's CEO who provides guidance on sustainability strategies and goals for CLCT.

This report's content, including the material topics, are reviewed and approved by the CLCT's Board of Directors. During board meetings, sustainability policies and strategies are discussed and reviewed as well.

4 With effect from 1 January 2023, the CapitaLand Investment Board Committee, Strategy Committee, was renamed to Strategy and Sustainability Committee.

Sustainability Management

STRATEGIC SUSTAINABILITY MANAGEMENT STRUCTURE



MATERIALITY

CLCT is guided by CLI's materiality assessment process, which includes regular reviews, assessments and feedback in relation to ESG topics. Key to this is an annual Group-wide Risk and Control Self-Assessment exercise which entails the identification, assessment and documentation of material risks and corresponding internal controls. These material risks include fraud and corruption, environmental (e.g. climate change), health and safety, and human capital risks which are ESG-relevant.

Guided by CapitaLand's 2030 SMP to elevate the Group's commitment to global sustainability, CLCT, as a CLI-sponsored REIT, identifies and reviews material issues that are most relevant and significant to the Company and its stakeholders. These ESG material issues are assessed and prioritised based on the likelihood and potential impact of issues affecting the business continuity of CLCT. For external stakeholders, priority is given to issues important to the community and applicable to CLCT.

PRIORITISATION OF ESG MATERIAL ISSUES

MATERIAL ESG FACTORS/INDICATORS

Environment

CRITICAL
- Climate change and carbon reduction
- Energy efficiency
- Water management

MODERATE AND EMERGING
- Waste management
- Biodiversity

Social / Labour Practices

CRITICAL
- Products and services (incl. customer health and safety)
- Occupational health & safety
- Human capital
- Stakeholder engagement
- Supply chain management
- Diversity (board and staff)

MODERATE AND EMERGING
- Human rights

Governance

CRITICAL
- Risk Management
- Business ethics

More information on stakeholder engagement, policies, practices, targets and performance relating to CLCT's material issues can be found in the ISR 2022 at https://investor.clct.com.sg/isr.html.

CREATING VALUE AND ALIGNMENT TO UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS (UN SDGS)

As a CLI-sponsored REIT, CLCT's material ESG issues and the value created, aligned to CapitaLand's 2030 SMP focus areas and commitments[5], are mapped to six integrated reporting Capitals – Environmental, Manufactured, Human, Social and Relationship, Organisational, and Financial. This is further mapped against eight UN SDGs that are most aligned with CapitaLand's 2030 SMP focus areas, and where CLI can achieve the greatest positive impact.

The UN SDGs call on companies everywhere to advance sustainable development through the investments they make, the solutions they develop, and the business practices they adopt. In doing so, the goals encourage companies to reduce their negative impacts while enhancing their positive contributions to the sustainable development agenda.

For more details of the value creation strategy, please refer to pages 26 to 29 of CLCT's Annual Report 2022.

5 CapitaLand's 2030 SMP is regularly reviewed and adjusted where necessary to complement the Group's business strategy and align with climate science. The first scheduled review in 2022 is in progress and will be published before end May 2023.

Portfolio Summary (Retail)

Name	Address	GFA (sq m)	GRA (sq m)	NLA (sq m)
CapitaMall Xizhimen 凯德MALL・西直门	No. 1, Xizhimenwai Street, Xicheng District, Beijing	83,075	83,075	50,698
Rock Square 乐峰广场	No. 106-108 Gongye Avenue North, Haizhu District, Guangzhou City, Guangdong Province	88,279	83,591	53,086
CapitaMall Wangjing 凯德MALL・望京	No. 33, Guangshunbei North Road, Chaoyang District, Beijing	83,768	68,010	45,386
CapitaMall Grand Canyon 凯德MALL・大峡谷	No. 16, South Third Ring West Road, Fengtai District, Beijing	92,918	69,967	44,495
CapitaMall Xuefu 凯德广场・学府	No. 1, Xuefu Road, Nangang District, Harbin, Heilongjiang Province	123,811	104,294	64,214
CapitaMall Xinnan 凯德广场・新南	No. 99, Shenghe First Road, Gaoxin District, Chengdu, Sichuan Province	91,816	53,619	36,931
CapitaMall Nuohemule 凯德·诺和木勒	Block A Jinyu Xintiandi, E'erduosi Street, Yuquan District, Hohhot, Inner Mongolia Autonomous Region	100,047	76,309	43,919
CapitaMall Yuhuating 凯德广场・雨花亭	No. 421, Shaoshan Middle Road, Yuhua District, Changsha, Hunan Province	75,431	62,080	40,836
CapitaMall Shuangjing 凯德MALL・双井	No. 31, Guangqu Road, Chaoyang District, Beijing	49,463	49,463	49,568
CapitaMall Aidemengdun 凯德广场・埃德蒙顿	No. 38, Aidemengdun Road, Daoli District, Harbin, Heilongjiang Province	49,040	43,394	28,130
CapitaMall Qibao 凯德七宝购物广场	No. 3655, Qixin Road, Minhang District, Shanghai	83,986	72,729	50,250

1. Independent valuations of CapitaMall Xizhimen, Rock Square, CapitaMall Wangjing, CapitaMall Grand Canyon, CapitaMall Yuhuating were conducted by CBRE (Shanghai) Management Limited.
   Independent valuations of CapitaMall Xuefu, CapitaMall Nuohemule and CapitaMall Aidemengdun were conducted by Jones Lang LaSalle Corporate Appraisal and Advisory Limited.
   Independent valuations of CapitaMall Xinnan, CapitaMall Shuangjing and CapitaMall Qibao were conducted by Cushman & Wakefield International Property Advisers (Shanghai) Co., Ltd.
2. Refers to the completion of the acquisition of the special purpose vehicles which own the properties, except for CapitaMall Nuohemule where it is a direct asset acquisition from the Vendor.

CapitaMall Xuefu

CapitaMall Aidemengdun

Number of Leases	Land Use Right Expiry	Market Valuation[1] (RMB Million)	Purchase Price (RMB Million)	Acquisition Date[2]	Committed Occupancy Rate[3]
261	23 August 2044 23 August 2054	3,638.0	1,851.4	Phase 1: 5 February 2008 Phase 2: 29 September 2008	98.7%
205	17 October 2045	3,410.0	3,400.0[4]	30 December 2020[4]	93.9%
255	15 May 2043 15 May 2053	2,884.0	1,102.0	01 December 2006	93.4%
160	29 August 2044 29 August 2054	1,901.0	1,740.0	30 December 2013	93.4%
411	15 December 2045	1,789.0	1,745.0	30 August 2019	98.2%
207	17 October 2047	1,538.0	1,500.0	30 September 2016	86.2%
234	26 July 2049	1,030.0	808.0	26 December 2019	98.6%
200	03 March 2044	800.0	746.0	30 August 2019	95.0%[5]
8	10 July 2042	616.0	414.0	01 December 2006	100.0%
156	07 September 2042	424.0	469.0	30 August 2019	91.6%
71	10 March 2043[6]	29.0[6]	264.0	08 November 2006	25.9%[6]

3. Based on all committed leases as at 31 December 2022.
4. The first 51% stake in Rock Square was purchased on 31 January 2018 at RMB 3,340.7 million, and the subsequent 49% stake was purchased on 30 December 2020 at RMB 3,400.0 million (purchase price represented on 100% basis).
5. Excludes area undergoing AEI.
6. CapitaMall Qibao is indirectly held by CLCT under a master lease with Shanghai Jin Qiu (Group) Co Ltd, the legal owner of CapitaMall Qibao. Accordingly, the land use right is owned by the legal owner. CapitaMall Qibao's valuation is RMB 29 million as at 31 December 2022 on the basis that CLCT does not renew the master lease, which expires in January 2024. The Manager is ceasing operations at the mall ahead of the master lease expiration in January 2024.

CapitaMall Yuhuating

Portfolio Summary (Business Park)

Name	Address	GFA (sq m)	NLA (sq m)
Ascendas Xinsu Portfolio 腾飞新苏	Suzhou Industrial Park, Suzhou City, Jiangsu Province	373,334	348,898
Ascendas Innovation Towers 新加坡腾飞科汇城	No. 88 Tian Gu Seventh Road, Xi'an Hi-Tech Industries Development Zone, Xi'an, Shaanxi Province	118,495	95,872
Ascendas Innovation Hub 腾飞创新中心	No. 38 Gao Xin Sixth Road, Xi'an Hi-Tech Industries Development Zone, Xi'an, Shaanxi Province	40,547	36,288
Singapore-Hangzhou Science & Technology Park (Phase I) 新加坡杭州科技园一期	No. 2 Kejiyuan Road, Hangzhou Economic & Technological Development Area, Jianggan District, Hangzhou, Zhejiang Province	101,811	101,450
Singapore-Hangzhou Science & Technology Park (Phase II) 新加坡杭州科技园二期	No. 20 & 57 Kejiyuan Road, Hangzhou Economic & Technological Development Area, Jianggang District, Hangzhou, Zhejiang Province	130,261	127,788

1. Independent valuations were conducted by CBRE (Shanghai) Management Limited.
2. All information is presented based on 100% ownership.
3. Refers to the completion of the acquisition of the special purpose vehicles which own the properties.

Portfolio Summary (Logistics Park)

Name	Address	GFA (sq m)
Shanghai Fengxian Logistics Park 上海奉贤物流园	No. 435 Haishang Road, Fengxian District, Shanghai	62,785
Wuhan Yangluo Logistics Park 武汉阳逻物流园	10 Qiuli Road, Yangluo Development Zone, Xinzhou District, Wuhan	86,973
Chengdu Shuangliu Logistics Park 成都双流物流园	No. 86 Tongguan Road, Shuangliu District, Chengdu, Sichuan Province	71,556
Kunshan Bacheng Logistics Park 昆山巴城物流园	No. 998 Yuyang Road, Yushan Town, Kunshan, Jiangsu Province	43,945

1. Independent valuations were conducted by CBRE (Shanghai) Management Limited.
2. Refers to the completion of the acquisition of the special purpose vehicles which own the properties.
3. Based on all committed leases as at 31 December 2022.

Number of Leases	Land Use Right Expiry	Market Valuation[1,2] (RMB Million)	Purchase Price[2] (RMB Million)	Acquisition Date[3]	Committed Occupancy Rate[4]
313	31 December 2046 to 30 May 2057[5]	2,320.0	2,265.0	04 January 2021	96.6%
81	19 February 2064	902.0	759.0	10 February 2021	87.8%
47	23 May 2051	353.0	298.0	26 February 2021	95.1%
150	04 September 2056	848.0	641.0	18 June 2021	78.5%
73	06 July 2060	1,055.0	767.0	18 June 2021	89.1%

4. Based on all committed leases as at 31 December 2022.
5. Ascendas Xinsu Porfolio consists of multiple plots of land with varying land use right expiry.

Number of Leases	Land Use Right Expiry	Market Valuation[1] (RMB Million)	Purchase Price[2] (RMB Million)	Acquisition Date[2]	Committed Occupancy Rate[3]
3	20 July 2059	629.0	623.7	10 November 2021	98.6%
2[4]	14 July 2064	384.0	379.7	10 November 2021	99.7%
28	25 April 2062	357.0	352.0	10 November 2021	88.1%
2[4]	16 June 2064	334.0	328.0	10 November 2021	99.2%

4. Excludes leases for ancillary buildings.

Portfolio Details

ROCK SQUARE

CapitaMall Xizhimen

CapitaMall Xizhimen is strategically located next to the Second Ring Road in Xicheng district and is well-served by Beijing's metro lines 2, 4 and 13, as well as the Beijing North Railway Station. The mall offers a diverse array of product offerings, which serves the needs of a large and well-established catchment of more than one million people within a three-kilometre radius, comprising middle-income residents, working professionals from the Beijing Financial Street and technological zones of Zhongguancun District, as well as students from the nearby universities. Positioned as a vibrant mall targeting the young and trendy, CapitaMall Xizhimen features a large supermarket, a state-of-the-art cinema, popular fast-fashion tenants such as UNIQLO and Bosideng, domestic brands including Huawei and a wide selection of dining options such as Green Tea Restaurant, and Haidilao.

Lease Profile Expiry	By GRI (%)	By Committed NLA (%)
2023	36.6%	23.5%
2024	28.4%	21.7%
2025	15.3%	15.7%
2026	6.5%	6.7%
2027	4.9%	4.6%
Beyond 2027	8.3%	27.8%

Trade Sector	By GRI (%)	By Committed NLA (%)
Food & Beverage	43.1%	35.6%
Fashion & Accessories	19.7%	14.6%
Beauty & Healthcare	6.7%	6.6%
Services	5.3%	2.7%
Supermarket	3.6%	20.3%
Gifts & Souvenirs	3.3%	1.8%
Sporting Goods & Apparel	3.0%	3.0%
IT & Telecommunication	2.9%	1.6%
Education	2.4%	3.7%
Shoes & Bags	2.3%	1.4%
Jewellery / Watches	2.1%	0.8%
Others	2.0%	3.0%
Leisure & Entertainment	1.3%	3.4%
Home Living	1.2%	1.1%
Toys & Hobbies	1.1%	0.4%

Rock Square

Rock Square is one of the largest shopping malls located within the well-established Jiangnanxi retail cluster in the Haizhu district, the second most populous urban district in Guangzhou. The mall is directly connected to Shayuan metro station, which serves Line 8 that links Guangzhou's eastern and western areas, and Guangfo Line that connects Guangzhou with Foshan. Catering to the needs of growing middle-and-high income families and professionals from the surrounding densely populated residential estates of about 800,000 residents, Rock Square presents a premier one-stop shopping and lifestyle experience. The mall offers a wide range of fashion, dining and entertainment options for modern lifestyle needs, featuring well-known domestic and international brands such as AEON, UNIQLO, Nio Space, ZARA, US KIMMY, SUSHIRO, Green Tea Restaurant and Meland.

Lease Profile Expiry	By GRI (%)	By Committed NLA (%)
2023	28.9%	21.8%
2024	28.5%	16.5%
2025	10.4%	6.2%
2026	8.9%	5.7%
2027	8.0%	10.7%
Beyond 2027	15.3%	39.1%

Trade Sector	By GRI (%)	By Committed NLA (%)
Food & Beverage	34.1%	24.8%
Services	10.8%	4.4%
Fashion & Accessories	9.1%	9.3%
Beauty & Healthcare	7.6%	7.0%
Leisure & Entertainment	7.4%	14.3%
Supermarket	6.4%	25.4%
Jewellery / Watches	4.7%	1.4%
Toys & Hobbies	4.1%	2.5%
IT & Telecommunication	3.1%	1.5%
Education	3.1%	3.6%
Gifts & Souvenirs	2.7%	1.0%
Sporting Goods & Apparel	2.6%	1.7%
Home Living	1.9%	0.9%
Shoes & Bags	1.5%	1.1%
Others	0.9%	1.1%

CapitaMall Wangjing

CapitaMall Wangjing, a leading shopping mall within the densely populated Wangjing residential enclave, is located near the North Fourth Ring Road of Beijing. The mall is conveniently located next to Futong station, which is served by metro line 14, and in close proximity to Wangjing station, the interchange for metro lines 14 and 15. The mall enjoys steady daily traffic as it is a popular meeting place amongst working professionals and discerning expatriates in search of high-quality shopping, dining and entertainment options in the district. Surrounded by an immediate catchment of more than 750,000 residents within a three-kilometre radius, the mall is home to a diverse range of brands including a co-working space operator UpOffice, MyGym, Kamal Yoga, 6IXTY8IGHT, Nanjing Impressions, BAKER & SPICE and BHG Supermarket. CapitaMall Wangjing completed a major AEI in 3Q 2022, welcoming 70 new stores, of which around 60% are new-to-market concepts, creating a high-quality experiential space for shoppers.

Lease Profile Expiry	By GRI (%)	By Committed NLA (%)
2023	28.9%	16.1%
2024	29.1%	21.5%
2025	21.6%	15.8%
2026	11.0%	29.4%
2027	5.4%	6.5%
Beyond 2027	4.0%	10.7%

Trade Sector	By GRI (%)	By Committed NLA (%)
Food & Beverage	30.0%	23.0%
Fashion & Accessories	19.4%	13.8%
Services	11.5%	12.1%
Jewellery / Watches	8.4%	2.7%
Beauty & Healthcare	6.9%	7.0%
Education	5.6%	7.5%
Shoes & Bags	3.1%	1.9%
Supermarket	3.1%	20.7%
Sporting Goods & Apparel	2.7%	1.6%
IT & Telecommunication	2.4%	1.7%
Toys & Hobbies	2.0%	1.3%
Others	1.7%	3.1%
Leisure & Entertainment	1.3%	1.4%
Gifts & Souvenirs	1.2%	0.8%
Home Living	0.7%	1.4%

CapitaMall Grand Canyon

CapitaMall Grand Canyon faces the busy South Third Ring West Road in Beijing's Fengtai district. The mall is easily accessible via several public bus routes, Beijing South Railway Station, and metro line 4 from the nearby Majiapu station. Serving the needs of a population of more than 800,000 within a three-kilometre radius, CapitaMall Grand Canyon offers an exciting array of restaurants, retail and service offerings that makes it an attractive destination for families, students and office workers around the precinct. The mall's comprehensive offerings and well-established tenants include Carrefour, Poly Cinema, UNIQLO, HOTWIND, Nanjing Impressions, Chow Tai Fook and K-SHOW KTV, making it a sought-after retail and lifestyle destination within the local community.

Lease Profile Expiry	By GRI (%)	By Committed NLA (%)
2023	23.9%	11.2%
2024	20.4%	12.4%
2025	22.0%	13.0%
2026	10.0%	9.8%
2027	6.1%	8.1%
Beyond 2027	17.6%	45.5%

Trade Sector	By GRI (%)	By Committed NLA (%)
Food & Beverage	29.7%	16.9%
Supermarket	14.4%	34.2%
Services	8.6%	3.2%
Fashion & Accessories	8.3%	6.0%
Beauty & Healthcare	8.1%	6.1%
Education	8.0%	8.6%
Leisure & Entertainment	6.7%	16.3%
IT & Telecommunication	5.9%	2.7%
Jewellery / Watches	3.4%	1.0%
Gifts & Souvenirs	3.0%	1.1%
Others	1.1%	1.5%
Home Living	1.1%	1.7%
Shoes & Bags	0.9%	0.3%
Toys & Hobbies	0.8%	0.4%

CapitaMall Xuefu

CapitaMall Xuefu is a city-centre retail landmark that offers shoppers a modern and experiential shopping experience. It is located in the Nangang District of Harbin, the capital and largest city of the Heilongjiang Province. Strategically located next to a cluster of eight tertiary education institutions, the mall captures a large student and residential population of approximately 750,000 within a three-kilometre radius. Situated at the intersection of multiple arterial roads, it serves the city that connects directly to the Second Ring Road. CapitaMall Xuefu is directly connected to the Xuefu Road Station on Line 1 of the Harbin Metro. Incorporating experiential elements to its unique retail concepts, the mall features an Amazon-style indoor garden "Dream Park" at Level 5 as well as an artistic food street. CapitaMall Xuefu houses a diverse mix of tenants such as BHG Supermarket, CGV Cinema, Haidilao, Adidas, PurCotton, Sisyphe Books, Starbucks Reserve and Urban Revivo.

Lease Profile Expiry	By GRI (%)	By Committed NLA (%)
2023	51.7%	44.2%
2024	19.7%	14.5%
2025	12.2%	14.8%
2026	8.0%	8.1%
2027	6.9%	16.5%
Beyond 2027	1.5%	1.9%

Trade Sector	By GRI (%)	By Committed NLA (%)
Fashion & Accessories	31.9%	27.4%
Food & Beverage	30.5%	22.7%
Sporting Goods & Apparel	4.8%	5.3%
Supermarket	4.5%	13.9%
IT & Telecommunication	3.8%	2.3%
Leisure & Entertainment	3.5%	9.0%
Jewellery / Watches	3.4%	1.6%
Beauty & Healthcare	3.3%	3.3%
Shoes & Bags	3.0%	2.4%
Gifts & Souvenirs	3.0%	1.3%
Education	2.8%	5.0%
Services	1.8%	1.5%
Toys & Hobbies	1.3%	1.0%
Home Living	1.3%	1.0%
Others	1.1%	2.3%

CapitaMall Xinnan

CapitaMall Xinnan is situated along one of the most established shopping belts in the affluent Gaoxin district, south of Chengdu. The mall is conveniently accessible via the nearby Chengdu South Railway Station, a major transportation hub linked to operational metro lines 1 and 7 plying the South Railway metro station, and to Chengdu Airport via airport express line (metro line 18). The mall's diverse mix of fashion and entertainment options sets it apart as a trendy destination with varied retail experiences that appeal to families and young urbanites living in the middle-and-high income neighbourhood. Its tenant mix includes well-known international brands such as H&M, UNIQLO, GAP, Sephora, NOME and Nayuki Tea & Bakery.

Lease Profile Expiry	By GRI (%)	By Committed NLA (%)
2023	39.0%	29.2%
2024	35.9%	28.3%
2025	18.9%	29.1%
2026	2.7%	5.1%
2027	1.6%	2.2%
Beyond 2027	1.9%	6.1%

Trade Sector	By GRI (%)	By Committed NLA (%)
Fashion & Accessories	38.0%	33.1%
Food & Beverage	23.1%	19.3%
Beauty & Healthcare	7.4%	6.8%
Sporting Goods & Apparel	6.8%	7.8%
Shoes & Bags	5.4%	3.3%
Jewellery / Watches	4.4%	1.5%
Services	3.0%	1.4%
IT & Telecommunication	2.7%	2.1%
Gifts & Souvenirs	2.7%	2.0%
Home Living	2.2%	2.2%
Leisure & Entertainment	1.7%	16.1%
Education	1.7%	2.2%
Others	0.5%	1.8%
Toys & Hobbies	0.4%	0.4%

CapitaMall Nuohemule

CapitaMall Nuohemule is strategically located in the well-established Yuquan District in Hohhot, Inner Mongolia, China. The design of CapitaMall Nuohemule incorporates abundant natural elements, bringing to life the concept of "mall in a garden" with 10,000 sq m of verdant greenery. The mall enjoys excellent connectivity, sitting atop Nuohemule Station on Metro Line 2 and three stops from an interchange station that also serves Metro Line 1. Positioned as a destination lifestyle mall with over 700,000 residents within a five-kilometre radius, CapitaMall Nuohemule offers a wide range of fashion, food & beverage, IT & electronics and leisure & entertainment-based tenants such as Wanda Cinema, Huawei, Haidilao, Nike Kicks Lounge, Li-Ning, Gymboree and The Colorist, as well as a wide variety of experiential and new retailing concepts to appeal to the modern shopper.

Lease Profile Expiry	By GRI (%)	By Committed NLA (%)
2023	48.3%	31.1%
2024	24.5%	15.1%
2025	14.4%	14.8%
2026	1.4%	1.9%
2027	0.0%	0.0%
Beyond 2027	11.4%	37.1%

Trade Sector	By GRI (%)	By Committed NLA (%)
Food & Beverage	27.8%	23.3%
Fashion & Accessories	25.4%	17.0%
Sporting Goods & Apparel	11.8%	7.6%
Leisure & Entertainment	7.3%	20.0%
Beauty & Healthcare	3.9%	3.2%
Supermarket	3.9%	12.4%
Shoes & Bags	3.3%	1.5%
Gifts & Souvenirs	3.0%	1.9%
Toys & Hobbies	2.7%	2.0%
Jewellery / Watches	2.6%	0.8%
IT & Telecommunication	2.5%	1.4%
Home Living	2.0%	1.4%
Services	1.4%	1.2%
Education	1.3%	2.0%
Others	1.1%	4.3%

CapitaMall Yuhuating

CapitaMall Yuhuating is an established mall located within the Dongtang retail hub of Yuhua District with no direct competitors within a three-kilometre radius. It is conveniently accessible via numerous bus routes as well as the Tujiachong and Shazitang metro stations that are approximately one-kilometre away. CapitaMall Yuhuating is positioned as a community mall located within a core retail hub, where there is a high concentration of populated residential communities and office buildings, providing the mall with a dense catchment of approximately 700,000 within a three-kilometre radius. Having operated in the local market for over 15 years, CapitaMall Yuhuating has firmly established itself within its main trade area and has built strong brand awareness among the locals. CapitaMall Yuhuating has undergone two phases of AEIs, transforming the mall into a lifestyle destination featuring both international and domestic brands in China. Some of the popular brands include Warrior, Dr Kong, Haidilao, Buffet restaurant Taste Real, Li-Ning, UNIQLO, Balabala and Helens.

Lease Profile Expiry	By GRI (%)	By Committed NLA (%)
2023	40.7%	25.1%
2024	19.2%	13.3%
2025	13.3%	9.3%
2026	17.0%	18.1%
2027	2.6%	3.2%
Beyond 2027	7.2%	31.0%

Trade Sector	By GRI (%)	By Committed NLA (%)
Food & Beverage	29.8%	21.3%
Leisure & Entertainment	16.8%	20.6%
Fashion & Accessories	16.2%	10.4%
Supermarket	6.7%	29.9%
Sporting Goods & Apparel	6.3%	3.5%
Beauty & Healthcare	6.3%	3.9%
IT & Telecommunication	5.2%	2.0%
Jewellery / Watches	3.1%	1.0%
Services	3.0%	2.1%
Shoes & Bags	2.5%	1.4%
Education	1.7%	1.7%
Home Living	0.8%	0.7%
Gifts & Souvenirs	0.7%	0.3%
Toys & Hobbies	0.5%	0.3%
Others	0.4%	0.9%

CapitaMall Aidemengdun

CapitaMall Aidemengdun is located in Downtown Harbin and is positioned as a community mall to mainly serve the needs of residents from the neighbouring high-density residential communities and students and staff from nearby tertiary education institutions. The mall is in close proximity to Second Ring Road, and enjoys direct frontage to Aidemengdun Road that connects the Harbin Taiping International Airport to Central Street in the city centre. The mall can be easily accessed via public transportation and is within one and a half-kilometres from two metro stations on Line 1 of the Harbin Metro. As one of the earliest community malls in the area, it has a captive consumer base formed by the surrounding residents, with strong focus on young families with children, sports and education offerings. The mall features popular tenants such as children enrichment tenants Learning Power, Qi Cai International Cineplex, Starbucks Coffee, Vip.com, Adidas and Skechers.

Lease Profile Expiry	By GRI (%)	By Committed NLA (%)
2023	52.1%	37.7%
2024	18.6%	17.0%
2025	2.4%	1.5%
2026	9.5%	13.4%
2027	1.9%	2.1%
Beyond 2027	15.5%	28.3%

Trade Sector	By GRI (%)	By Committed NLA (%)
Food & Beverage	22.8%	15.7%
Fashion & Accessories	20.3%	20.2%
Supermarket	13.8%	27.2%
Sporting Goods & Apparel	11.5%	9.5%
Leisure & Entertainment	5.4%	8.0%
Jewellery / Watches	4.9%	1.7%
IT & Telecommunication	4.6%	2.5%
Education	4.4%	4.9%
Beauty & Healthcare	4.0%	4.6%
Shoes & Bags	3.7%	2.4%
Gifts & Souvenirs	1.6%	0.7%
Home Living	1.4%	0.7%
Others	1.0%	1.5%
Toys & Hobbies	0.4%	0.3%
Services	0.2%	0.1%

Portfolio Details

CapitaMall Shuangjing

CapitaMall Shuangjing is located in Beijing's Chaoyang district near the East Third Ring Road. The mall is well-served by public bus routes and lies within close proximity to the Jiulongshan metro station, which is served by lines 7 and 14. Its long-term lease anchor tenants, Carrefour and B&Q, are well-known retail brands that are able to draw shopper traffic from the surrounding local and expatriate community as well as office workers from nearby commercial buildings.

Lease Profile Expiry	By GRI (%)	By Committed NLA (%)
2023	3.0%	0.3%
2024	97.0%	99.7%

Trade Sector	By GRI (%)	By Committed NLA (%)
Supermarket	59.2%	63.1%
Home Living	33.7%	35.1%
Food & Beverage	7.1%	1.8%

CapitaMall Qibao

CapitaMall Qibao is located in Shanghai's Minhang district near Hongqiao transport hub.

As CLCT's master lease for CapitaMall Qibao will be expiring in January 2024, CLCT has taken steps to wind down the retail mall and targets to close it by 1H 2023 to reduce operating expenses.

Ascendas Xinsu Portfolio

The Ascendas Xinsu Portfolio comprises six properties located in different locations covering a range of asset types, including business parks, built-to-suit factories, and ready-built factories. The Ascendas Xinsu Portfolio consists of 61 buildings including R&D and industrial portion, with a total gross floor area of 373,334 sq m. The Portfolio is accessible via various modes of transportation including High Speed Railway Station, Metro Line 1, 3 as well as upcoming Line 6 of Suzhou Rail Transit, which is expected to provide easy access to other parts of Suzhou. Some key tenants in the portfolio includes Beckman Coulter Laboratory Systems, Suzhou Juding Supply Chain Management Co. Ltd., Suzhou Suosi Medical Imaging Diagnostic Co., Ltd., Jiangsu Asymchem Biopharmaceutical Co. Ltd., Nexteer Automotive (Suzhou) Co., Ltd, and Herbalife Health Products.

Lease Profile Expiry	By GRI (%)	By Committed NLA (%)
2023	36.4%	36.0%
2024	30.3%	31.1%
2025	21.3%	20.0%
2026	3.1%	3.8%
2027	8.9%	9.1%

Trade Sector	By GRI (%)	By Committed NLA (%)
Engineering	28.4%	30.7%
Electronics	21.7%	23.8%
Others	13.1%	10.4%
Professional Services	12.5%	11.7%
Information & Communications Technology	12.4%	11.2%
Biomedical Sciences	11.6%	12.0%
Financial Services	0.2%	0.1%
e-Commerce	0.1%	0.1%

Ascendas Innovation Towers

Ascendas Innovation Towers is a business park that features two 23-storey office towers with a five-storey podium and a three-storey standalone building. The project has a total gross floor area of 118,495 sq m and net leasable area of 95,872 sq m. It is positioned as a landmark asset, providing a quality focal point for the development of Xi'an's new economy, including hi-tech, innovation, software and R&D sectors. Notable tenants include Ping An Insurance Company, DHC Software, Xi'an Ge Yi An Chuang, Shenzhen Inovance Technology Co., Ltd., and Transcosmos.

Lease Profile Expiry	By GRI (%)	By Committed NLA (%)
2023	38.9%	39.0%
2024	47.8%	46.5%
2025	11.5%	12.0%
2026	1.7%	2.1%
2027	0.0%	0.0%
Beyond 2027	0.1%	0.4%

Trade Sector	By GRI (%)	By Committed NLA (%)
Financial Services	26.2%	26.8%
Information & Communications Technology	24.8%	22.9%
Electronics	20.8%	20.1%
Professional Services	15.3%	16.1%
Others	10.6%	11.6%
Engineering	2.3%	2.5%

Ascendas Innovation Hub

Ascendas Innovation Hub is a business park with two office towers, located within the core area of Xi'an Software Park in Hi-tech Industries Development Zone, the most mature business park submarket in Xi'an. The property has a total gross floor area of 40,547 sq m and net leasable area of 36,288 sq m. Ascendas Innovation Hub has good accessibility and the area is home to a mixture of office, retail, and residential as well as hotel developments. Notable tenants include UnilC Semiconductors, Montage Technology, New H3C Technologies Co., Ltd. and Hexaflake.

Lease Profile Expiry	By GRI (%)	By Committed NLA (%)
2023	51.7%	53.1%
2024	22.2%	21.3%
2025	23.6%	23.3%
2026	2.5%	2.3%
2027	0.0%	0.0%

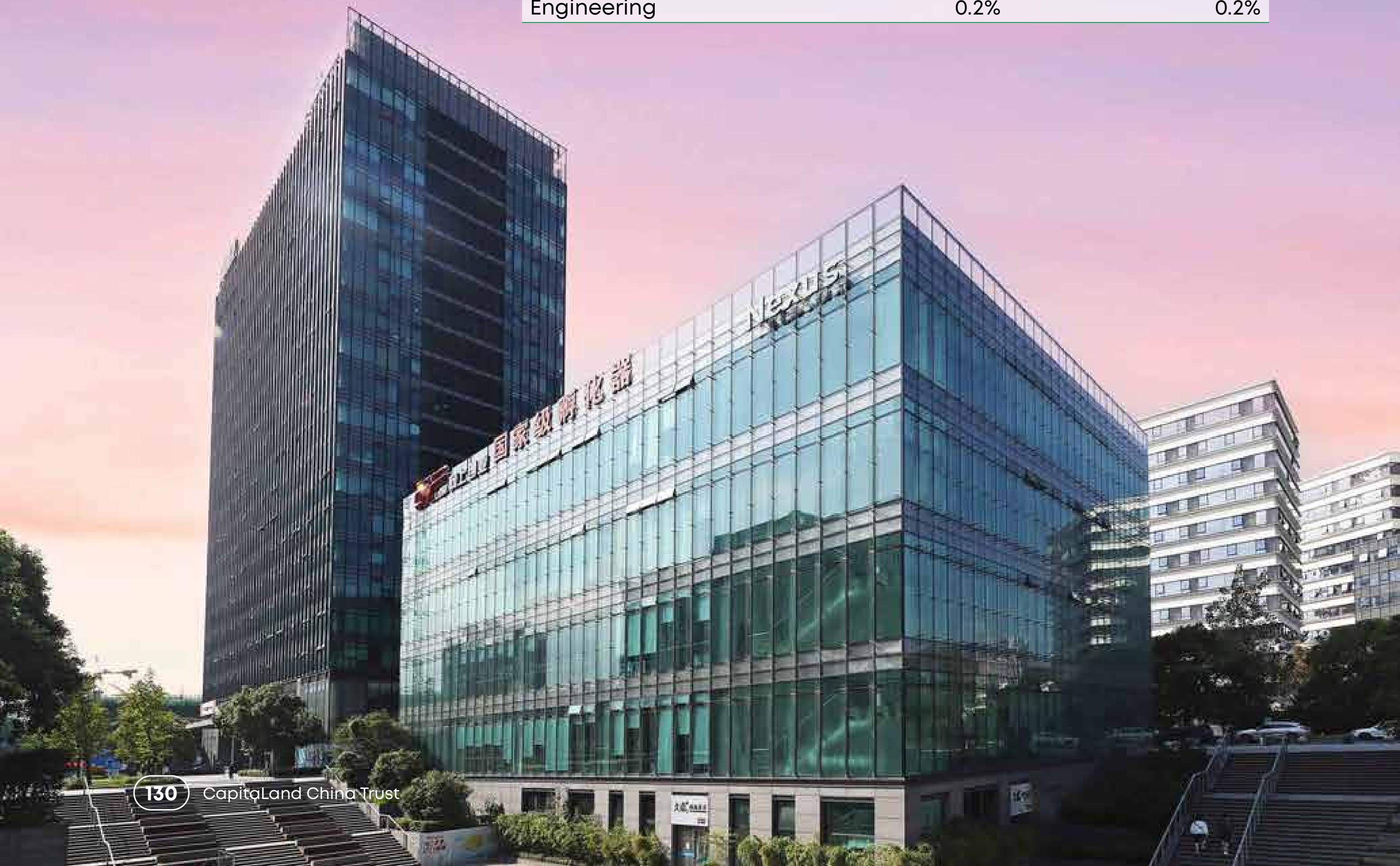
Trade Sector	By GRI (%)	By Committed NLA (%)
Electronics	80.6%	78.6%
Information & Communications Technology	12.9%	12.1%
Others	3.1%	5.8%
e-Commerce	1.4%	1.6%
Professional Services	1.3%	1.2%
Biomedical Sciences	0.7%	0.7%

Singapore-Hangzhou Science & Technology Park Phase I

Singapore-Hangzhou Science & Technology Park Phase I is an integrated business park located in the heart of Hangzhou Economic and Technological Development Area. The Phase I property comprises of five R&D buildings of four to 20 storeys and two ancillary buildings, with a total gross floor area of 101,811 sq m and a net leasable area of 101,450 sq m. The property is in close proximity to Hangzhou Metro Line 1 and adjacent to Zhejiang's largest university zone. Singapore-Hangzhou Science & Technology Park Phase I hosts a good mixture of companies in the high-growth e-commerce, biomedical sciences, information and communication technology sectors such as Sowow, MiRXES, CITIC Bank, China Life, Supmea Automation and Si Shan Technology.

Lease Profile Expiry	By GRI (%)	By Committed NLA (%)
2023	44.8%	44.6%
2024	26.7%	27.5%
2025	26.6%	26.9%
2026	0.0%	0.0%
2027	0.4%	0.3%
Beyond 2027	1.5%	0.7%

Trade Sector	By GRI (%)	By Committed NLA (%)
e-Commerce	34.1%	35.7%
Biomedical Sciences	11.5%	11.7%
Others	10.3%	7.7%
Professional Services	9.8%	9.9%
Electronics	8.8%	9.3%
Information & Communications Technology	8.7%	8.9%
Fast Moving Consumer Goods	5.1%	5.0%
Education	3.8%	3.9%
Logistics & Supply Chain Management	3.6%	3.7%
Financial Services	2.1%	2.1%
Textile and Garments	2.0%	1.9%
Engineering	0.2%	0.2%



Singapore-Hangzhou Science & Technology Park Phase II

Singapore-Hangzhou Science & Technology Park Phase II is an integrated business park located in the heart of Hangzhou Economic and Technological Development Area. The Phase II property comprises of five R&D buildings of 11 to 15 storeys and five semi-detached standalone R&D buildings of four storeys and ancillary facilities, with a total gross floor area of 130,261 sq m and a net leasable area of 127,788 sq m. The property is in close proximity to Hangzhou Metro Line 1 and adjacent to Zhejiang's largest university zone. Singapore-Hangzhou Science & Technology Park Phase II hosts a good mixture of companies in real estate, high-growth e-commerce, biomedical sciences, information and communication technology sectors such as Hangzhou Lelong Technology, Weinian Technology and Zhejiang Hebenye Enterprise Management.

Lease Profile Expiry	By GRI (%)	By Committed NLA (%)
2023	29.3%	23.6%
2024	34.7%	37.9%
2025	10.6%	8.0%
2026	6.1%	6.5%
2027	18.4%	23.4%
Beyond 2027	0.9%	0.6%

Trade Sector	By GRI (%)	By Committed NLA (%)
Real Estate	44.9%	56.7%
Others	11.8%	8.3%
Fast Moving Consumer Goods	9.8%	7.5%
e-Commerce	8.0%	6.7%
Biomedical Sciences	7.7%	6.5%
Food	6.4%	5.1%
Professional Services	4.7%	3.8%
Engineering	3.3%	2.5%
Electronics	3.1%	2.7%
Information & Communications Technology	0.3%	0.2%

Portfolio Details

Shanghai Fengxian Logistics Park

Shanghai Fengxian Logistics Park is surrounded by logistics enterprises with convenient access to transport network due to its close proximity to established road, rail, air and sea transportation nodes. It comprises a block of double-storey lift warehouse and ancillaries such as office and guard room, with a total gross floor area of 62,785 sq m. The main entrance to the property is located along Haishang Road, at the north of the site. The vertical accessibility of the asset is mainly served by two cargo lifts and six pallet lifts.

Trade Sector	By GRI (%)	By Committed NLA (%)
Logistics & Warehouse	100.0%	100.0%

Wuhan Yangluo Logistics Park

Wuhan Yangluo Logistics Park is located at the east gate of Wuhan, catering to the logistics catchment area of Central China. Located in close proximity to the airport, highway network, railway and port, the logistics park is well-positioned to capture central China's logistical demands. Wuhan Yangluo Logistics Park comprises four blocks of single-storey warehouse and ancillaries such as dormitory, with a total gross floor area of 86,973 sq m. The main entrance to the property is located along Qiuli Road, at the north of the site.

Trade Sector	By GRI (%)	By Committed NLA (%)
Logistics and warehouse	94.6%	94.9%
Others	5.4%	5.1%

Chengdu Shuangliu Logistics Park

Chengdu Shuangliu Logistics Park is positioned to cater to inner and inter-city distribution and express delivery centres in Western China. Requiring a less than 30 minutes' drive to the international airport and major railway station, Chengdu Shuangliu Logistics Park is connected both within and beyond Chengdu. The logistics park comprises one single-storey warehouse and two double-storey ramped warehouses with a total gross floor area of 71,556 sq m. The main entrance to the property is located along Tongguan Road, at the west of the site.

Trade Sector	By GRI (%)	By Committed NLA (%)
Logistics & Warehouse	58.8%	58.9%
Manufacturing	29.0%	29.3%
Pharmaceuticals	12.2%	11.8%

Kunshan Bacheng Logistics Park

Kunshan Bacheng Logistics Park is situated within the distribution centre that covers the Yangtze River Delta region in Eastern China with extensive transportation options. The property is within an hour's drive to Shanghai. It comprises three blocks of single-storey warehouse and four blocks of single-storey ancillaries that include an office, guard house and facility room, with a total gross floor area of 43,945 sq m. The main entrance to the property is located along Yuyang Road, at the south of the site.

Trade Sector	By GRI (%)	By Committed NLA (%)
E-commerce	67.9%	67.7%
Logistics & Warehouse	29.9%	29.3%
Others	2.2%	3.0%

Tenants and Shoppers Engagement

CLCT's shopping malls and business parks form an integral part of the community. In FY 2022, engagement activities and events were organised with the needs of our tenants and shoppers in mind. We aim to strengthen our bond with key stakeholders with carefully curated customer and tenant-centric events.

CapitaMall Nuohemule

CapitaMall Xinnan

Rock Square

CapitaMall Nuohemule

To attract the younger crowd and promote family bonding, CapitaMall Nuohemule organised a large scale bouncy castle event featuring different animals and a gigantic ball pit, providing an afternoon of fun and laughter to more than 150,000 families.

CapitaMall Xinnan

CapitaMall Xinnan hosted an amazing race with various puzzles and clues that brought participants to different stores across the mall, promoting wellness while increasing brand exposure of our tenants.

Rock Square

Rock Square celebrated Chinese Valentine's Day with a five-day summer bazaar, featuring 20 pop-up stalls and live music performances to entertain, engage and enrich the community.

Singapore-Hangzhou Science & Technology Park Phase I and II

Ascendas Innovation Towers and Ascendas Innovation Hub

Ascendas Xinsu Portfolio

Singapore-Hangzhou Science & Technology Park Phase I and II

Singapore-Hangzhou Science & Technology Park Phase I and II organised an ecological exploration activity for children during the school holidays with the aim of increasing environmental awareness. Themed "Ecology Exploration Camp", this event turned the young participants into little explorers for the day!

Ascendas Xinsu Portfolio

Serving as a hub for the community, Ascendas Xinsu Portfolio hosted a five-day large-scale basketball competition that was participated by around 40 teams, all vying for the top prize.

Ascendas Innovation Towers and Ascendas Innovation Hub

As part of CLCT's continuous efforts to promote healthy living among the tenant community, Ascendas Innovation Towers and Ascendas Innovation Hub held a two-part fitness event including a friendly competition in the afternoon and a workout session in the evening.

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Report of the Trustee

HSBC Institutional Trust Services (Singapore) Limited (the "Trustee") is under a duty to take into custody and hold the assets of CapitaLand China Trust (the "Trust") in trust for the Unitholders. In accordance with the Securities and Futures Act 2001, its subsidiary legislation and the Code on Collective Investment Schemes, the Trustee shall monitor the activities of CapitaLand China Trust Management Limited (the "Manager") for compliance with the limitations imposed on the investment and borrowing powers as set out in the Trust Deed dated 23 October 2006 (as amended by a first supplemental deed dated 8 November 2006, a second supplemental deed dated 15 April 2010, a third supplemental deed dated 5 April 2012, a fourth supplemental deed dated 14 February 2014, a fifth supplemental deed dated 6 May 2015, a sixth supplemental deed dated 29 April 2016, a seventh supplemental deed dated 5 June 2018, an eighth supplemental deed dated 17 April 2019, a ninth supplemental deed dated 2 April 2020, a first amending and restating deed dated 20 October 2020, and a tenth supplemental deed dated 26 January 2021) (collectively the "Trust Deed") between the Manager and the Trustee in each annual accounting period and report thereon to Unitholders in an annual report.

To the best knowledge of the Trustee, the Manager has, in all material respects, managed the Trust during the year covered by these financial statements, set out on pages 142 to 215, in accordance with the limitations imposed on the investment and borrowing powers set out in the Trust Deed.

For and on behalf of the Trustee,
HSBC Institutional Trust Services (Singapore) Limited

Authorised Signatory

Singapore
10 March 2023

Statement by the Manager

In the opinion of the directors of CapitaLand China Trust Management Limited (the "Manager"), the accompanying financial statements set out on pages 142 to 215 comprising the consolidated statement of financial position and consolidated portfolio statement of the CapitaLand China Trust (the "Trust") and its subsidiaries (the "Group") and the statement of financial position of the Trust as at 31 December 2022, the consolidated statement of total return, consolidated distribution statement, consolidated statement of movements in Unitholders' funds and consolidated statement of cash flows of the Group and the statement of movements in Unitholders' funds of the Trust for the year then ended, and a summary of significant accounting policies and other explanatory information, are drawn up so as to present fairly, in all material respects, the consolidated financial position and the portfolio holdings of the Group and the financial position of the Trust as at 31 December 2022 and the consolidated total return, consolidated distributable income, consolidated movements in Unitholders' funds and consolidated cash flows of the Group and the movements in Unitholders' funds of the Trust for the year ended on that date in accordance with the recommendations of Statement of Recommended Accounting Practice 7 *"Reporting Framework for Investment Funds"* issued by the Institute of Singapore Chartered Accountants and the provisions of the Trust Deed. At the date of this statement, there are reasonable grounds to believe that the Group will be able to meet its financial obligations as and when they materialise.

For and on behalf of the Manager,
CapitaLand China Trust Management Limited

Tan Tze Wooi
Director

Singapore
10 March 2023

Independent Auditors’ Report

UNITHOLDERS OF CAPITALAND CHINA TRUST

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

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of CapitaLand China Trust (the “Trust”) and its subsidiaries (the “Group”), which comprise the consolidated statement of financial position and consolidated portfolio statement of the Group and the statement of financial position of the Trust as at 31 December 2022, the consolidated statement of total return, consolidated distribution statement, consolidated statement of movements in Unitholders’ funds and consolidated statement of cash flows of the Group and the statement of movements in Unitholders’ funds of the Trust for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 142 to 215.

In our opinion, the accompanying consolidated financial statements of the Group, and the statement of financial position and statement of movements in Unitholders’ funds of the Trust present fairly, in all material respects, the consolidated financial position and the portfolio holdings of the Group and the financial position of the Trust as at 31 December 2022 and the consolidated total return, consolidated distributable income, consolidated movements in Unitholders’ funds and consolidated cash flows of the Group and the movements in Unitholders’ funds of the Trust for the year then ended in accordance with the recommendations of Statement of Recommended Accounting Practice 7 “*Reporting Framework for Investment Funds*” (“RAP 7”) issued by the Institute of Singapore Chartered Accountants.

Basis for opinion

We conducted our audit in accordance with Singapore Standards on Auditing (“SSAs”). Our responsibilities under those standards are further described in the ‘*Auditors’ responsibilities for the audit of the financial statements*’ section of our report. We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority *Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities* (“ACRA Code”) together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Valuation of investment properties

(Refer to Portfolio Statement and Note 4 to the financial statements)

Risk

Investment properties represent the largest asset item on the consolidated statement of financial position, at $4.9 billion as at 31 December 2022 (2021: $5.2 billion).

The investment properties are stated at their fair value based on independent external valuations.

The valuation process involves significant judgement in determining the appropriate valuation methodology to be used, and in estimating the underlying assumptions to be applied. The valuations are highly sensitive to key assumptions applied and a small change in the assumptions can have a significant impact to the valuation.

Our response

We evaluated the qualifications, competence and objectivity of the external valuers and held discussions with the valuers to understand their valuation methodologies and assumptions used.

We considered the valuation methodologies used against those applied by other valuers for similar property types and the requirements under the listing rules and property fund guidelines. We tested the integrity of the significant data inputs applied in the projected cash flows used in the valuation to supporting leases and other documents. We challenged the key assumptions used in the valuations, which included capitalisation, discount and terminal yield rates by comparing them against historical rates and available industry data, taking into consideration comparability and market factors.

We also considered the adequacy of the disclosures in the financial statements, in describing the inherent degree of subjectivity and key assumptions in the estimates. This includes the relationships between the key unobservable inputs and fair values, in conveying the uncertainties.

Our findings

The valuers are members of recognised professional bodies for valuers and have considered their own independence in carrying out their work.

The valuation methodologies adopted by the valuers are in line with generally accepted market practices and meet the requirements under the listing rules and property fund guidelines. The significant data inputs used were supported by relevant supporting documents. The key assumptions used in the valuations, including the projected cash flows, discount rates and terminal capitalisation rates were supported by the evidence available and are within the range of industry and market data. Where the assumptions were outside the expected range, the additional factors considered by the valuers were consistent with other corroborative evidence. The disclosures in the financial statements are appropriate.

Other information

CapitaLand China Trust Management Limited, the Manager of the Trust (the "Manager"), is responsible for the other information contained in the annual report. Other information is defined as all information in the annual report other than the financial statements and our auditors' report thereon.

We have obtained all other information prior to the date of this auditors' report.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibility of the Manager for the financial statements

The Manager is responsible for the preparation and fair presentation of these financial statements in accordance with the recommendations of RAP 7 issued by the Institute of Singapore Chartered Accountants, and for such internal control as the Manager determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Manager is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Manager either intends to terminate the Group or to cease operations, or has no realistic alternative but to do so.

The Manager's responsibilities include overseeing the Group's financial reporting process.

Auditors' responsibility for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.

- Obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Manager.

- Conclude on the appropriateness of the Manager's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Manager regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal controls that we identify during our audit.

We also provide the Manager with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Manager, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless the law or regulations preclude public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditors' report is Yap Wee Kee.

KPMG LLP
Public Accountants and
Chartered Accountants

Singapore
10 March 2023

Statements of Financial Position

As at 31 December 2022

	Note	Group 2022 $'000	Group 2021 $'000	Trust 2022 $'000	Trust 2021 $'000
Non-current assets					
Investment properties	4	**4,909,377**	5,249,617	**–**	–
Plant and equipment	5	**2,979**	3,749	**–**	–
Subsidiaries	6	**–**	–	**2,941,302**	2,946,142
Financial derivatives	7	**41,559**	5,735	**41,559**	5,735
Other receivables	8	**1,204**	1,365	**–**	–
		4,955,119	5,260,466	**2,982,861**	2,951,877
Current assets					
Non-trade amounts due from subsidiaries	6	**–**	–	**4,390**	2,247
Financial derivatives	7	**2,805**	7	**2,805**	7
Trade and other receivables	8	**37,134**	26,567	**173**	329
Cash and cash equivalents	9	**231,048**	288,860	**2,157**	15,994
		270,987	315,434	**9,525**	18,577
Total assets		**5,226,106**	5,575,900	**2,992,386**	2,970,454
Current liabilities					
Trade and other payables	10	**130,671**	149,996	**42,655**	60,830
Security deposits		**49,161**	51,352	**–**	–
Financial derivatives	7	**–**	821	**–**	821
Interest-bearing borrowings	11	**326,140**	215,001	**283,765**	179,953
Lease liabilities	12	**4,997**	5,147	**–**	–
Provision for taxation		**6,472**	7,716	**–**	10
		517,441	430,033	**326,420**	241,614
Non-current liabilities					
Financial derivatives	7	**825**	2,820	**825**	2,820
Other payables	10	**6,969**	24,131	**–**	–
Security deposits		**57,020**	66,035	**–**	–
Interest-bearing borrowings	11	**1,619,800**	1,774,520	**1,405,048**	1,416,154
Lease liabilities	12	**138**	5,505	**–**	–
Deferred tax liabilities	13	**340,871**	318,493	**–**	–
		2,025,623	2,191,504	**1,405,873**	1,418,974
Total liabilities		**2,543,064**	2,621,537	**1,732,293**	1,660,588
Net assets		**2,683,042**	2,954,363	**1,260,093**	1,309,866
Represented by:					
Unitholders' funds	14	**2,306,231**	2,588,199	**1,160,483**	1,210,256
Perpetual securities holders	15	**99,610**	99,610	**99,610**	99,610
Non-controlling interests	16	**277,201**	266,554	**–**	–
		2,683,042	2,954,363	**1,260,093**	1,309,866
Units in issue ('000)	15	**1,673,893**	1,659,528	**1,673,893**	1,659,528
Net asset value per Unit attributable to Unitholders ($)		**1.38**	1.56	**0.69**	0.73

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

Statements of Total Return

Year ended 31 December 2022

	Note	Group 2022 $'000	Group 2021 $'000
Gross rental income		**356,441**	348,569
Other income		**26,730**	29,398
Gross revenue		**383,171**	377,967
Property related tax		**(30,300)**	(32,927)
Business tax		**(2,138)**	(2,143)
Property management fees and reimbursables		**(25,584)**	(24,067)
Other property operating expenses	18	**(70,933)**	(68,403)
Total property operating expenses		**(128,955)**	(127,540)
Net property income		**254,216**	250,427
Manager's management fees	19	**(21,782)**	(20,938)
Trustee's fees		**(729)**	(677)
Audit fees		**(693)**	(582)
Valuation fees		**(87)**	(136)
Other operating income	20	**185**	808
Foreign exchange gain – realised		**1,083**	1,307
Finance income		**4,169**	3,941
Finance costs		**(60,399)**	(48,118)
Net finance costs	21	**(56,230)**	(44,177)
Net income		**175,963**	186,032
(Loss)/gain on liquidation/disposal of subsidiaries [1]		**(1,831)**	13,164
Change in fair value of investment properties	4	**67,845**	(10,220)
Change in fair value of financial derivatives		**1,861**	1,230
Foreign exchange (loss) – unrealised		**(927)**	(612)
Total return for the year before taxation		**242,911**	189,594
Taxation	22	**(87,785)**	(66,792)
Total return for the year after taxation		**155,126**	122,802
Attributable to:			
Unitholders		**119,618**	103,303
Perpetual securities holders		**3,375**	3,375
Non-controlling interests	16	**32,133**	16,124
Total return for the year after taxation		**155,126**	122,802
Earnings per Unit (cents)	23		
– Basic		**7.36**	6.92
– Diluted		**7.30**	6.86

(1) For 2022, the liquidation relates to the deconsolidation of the Group's subsidiary, CapitaRetail China Investments (B) Gamma Pte. Ltd., following the company's voluntary deregistration with the Corporate Affairs and Intellectual Property Office of Barbados which was completed on 10 Nov 2022.

For 2021, the disposal relates to the gain arising from the disposal of 100% interest in the companies which held CapitaMall Saihan and CapitaMall Minzhongleyuan.

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

Distribution Statements

Year ended 31 December 2022

	Note	Group 2022 $'000	Group 2021 $'000
Amount available for distribution to Unitholders at beginning of the year		**30,771**	9,582
Total return for the year attributable to Unitholders and perpetual securities holders		**122,993**	106,678
Less: Total return attributable to perpetual securities holders		**(3,375)**	(3,375)
Distribution adjustments	A	**4,708**	32,213
Income for the year available for distribution to Unitholders		**124,326**	135,516
Capital distribution (1)		**1,289**	–
Amount available for distribution to Unitholders		**156,386**	145,098
Distribution to Unitholders during the year:			
Distribution of 4.10 cents per Unit for the period from 1 January 2022 to 30 June 2022		**(68,537)**	–
Distribution of 1.80 cents per Unit for the period from 21 October 2021 to 31 December 2021		**(29,871)**	–
Distribution of 0.58 cents per Unit for the period from 26 November 2020 to 31 December 2020		**–**	(8,737)
Distribution of 4.23 cents per Unit for the period from 1 January 2021 to 30 June 2021		**–**	(64,259)
Distribution of 2.70 cents per Unit for the period from 1 July 2021 to 20 October 2021		**–**	(41,331)
		(98,408)	(114,327)
Amount available for distribution to Unitholders at end of the year		**57,978**	30,771
Distribution per Unit ("DPU") (2) (cents)		**7.50**	8.73

(1) This relates to the rental support (which was previously deducted from the amount paid to the vendor) for the vacancy loss and rent free period provided to existing tenants for Chengdu Shuangliu Logistics Park and Wuhan Yangluo Logistics Park.

(2) The Distribution per Unit relates to the distributions in respect of the relevant financial year. The distribution relating to 1 July 2022 to 31 December 2022 will be paid within 90 days from the end of the distribution period, in accordance with the provisions of the Trust Deed.

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

Note A – Distribution adjustments

	Group	
	2022	**2021**
	$'000	**$'000**
Distribution adjustment items:		
– Loss/(gain) on liquidation/disposal of subsidiaries	**1,831**	(8,232)
– Straight line rental and leasing commission adjustments [1]	**3,180**	2,311
– Manager's management fees payable in Units	**15,355**	14,292
– Change in fair value of financial derivatives	**(1,861)**	(1,230)
– Change in fair value of investment properties [1]	**(51,744)**	8,799
– Deferred taxation [1]	**43,650**	21,130
– Transfer to general reserve [1]	**(7,756)**	(6,783)
– Unrealised foreign exchange loss [1]	**859**	608
– Other adjustments [1]	**1,194**	1,318
Net effect of distribution adjustments	**4,708**	32,213

(1) Excludes non-controlling interest's share

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

Statements of Movements in Unitholders' Funds

Year ended 31 December 2022

	Group		Trust	
	2022	2021	2022	2021
	$'000	$'000	$'000	$'000
Operations				
Unitholders' funds as at beginning of the year	**2,588,199**	2,245,244	**1,210,256**	972,682
Change in Unitholders' funds resulting from operations	**122,993**	106,678	**(5,537)**	149,621
Total return attributable to perpetual securities holders	**(3,375)**	(3,375)	**(3,375)**	(3,375)
Transfer to general reserve	**(7,756)**	(6,783)	**–**	–
Net increase/(decrease) in net assets resulting from operations	**111,862**	96,520	**(8,912)**	146,246
Movements in hedging reserve				
Effective portion of changes in fair value of cash flow hedges	**39,576**	19,197	**39,576**	19,197
Movements in foreign currency translation reserve				
Translation differences from financial statements of foreign operations	**(341,572)**	134,406	**–**	–
Exchange differences on monetary items forming part of net investment in foreign operations	**(19,153)**	13,918	**–**	–
Net (loss)/gain recognised directly in Unitholders' funds	**(321,149)**	167,521	**39,576**	19,197
Movement in general reserve	**7,756**	6,783	**–**	–
Unitholders' transactions				
New Units issued				
– Units issued in connection with private placement	**–**	150,001	**–**	150,001
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	**15,355**	14,292	**15,355**	14,292
– Units issued in respect of acquisition fees	**–**	10,055	**–**	10,055
Units issued in respect of the distribution reinvestment plan	**2,616**	15,910	**2,616**	15,910
	17,971	190,258	**17,971**	190,258
Distributions to Unitholders	**(98,408)**	(114,327)	**(98,408)**	(114,327)
Equity issue expenses	**–**	(3,800)	**–**	(3,800)
Net (decrease)/increase in net assets resulting from Unitholders' transactions	**(80,437)**	72,131	**(80,437)**	72,131
Unitholders' funds as at end of the year	**2,306,231**	2,588,199	**1,160,483**	1,210,256
Perpetual securities holders' funds				
Balance as at beginning of the year	**99,610**	99,610	**99,610**	99,610
Amount reserved for distribution to perpetual securities holders	**3,375**	3,375	**3,375**	3,375
Distributions to perpetual securities holders	**(3,375)**	(3,375)	**(3,375)**	(3,375)
Balance as at end of the year	**99,610**	99,610	**99,610**	99,610

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

Statements of Movements in Unitholders' Funds

Year ended 31 December 2022

	Group		Trust	
	2022	**2021**	**2022**	**2021**
	$'000	**$'000**	**$'000**	**$'000**
Non-controlling interests				
Balance at beginning of the financial year	**266,554**	–	**–**	–
Acquisition of subsidiaries	**–**	240,401	**–**	–
Total return attributable to non-controlling interests	**32,133**	16,124	**–**	–
Dividend declared	**–**	(620)	**–**	–
Translation differences from financial statements of foreign operations	**(21,486)**	10,649	**–**	–
Balance at end of the year	**277,201**	266,554	**–**	–
Total	**2,683,042**	2,954,363	**1,260,093**	1,309,866

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

Portfolio Statement

Year ended 31 December 2022

Description of leasehold property	Location	Term of lease (years)	Remaining term of lease (years)	Valuation 2022 RMB'000	Valuation 2021 RMB'000	Valuation 2022 $'000	Valuation 2021 $'000	Percentage of Unitholders' funds 2022 %	Percentage of Unitholders' funds 2021 %
Group									
Retail Malls									
CapitaMall Xizhimen	No. 1, Xizhimenwai Street, Xicheng District, Beijing	40 – 50	22 – 32	**3,638,000**	3,620,000	**706,863**	766,608	**30.7**	29.6
Rock Square	No. 106-108 Gongye Avenue North, Haizhu District, Guangzhou City, Guangdong Province	40	23	**3,410,000**	3,422,000	**662,563**	724,677	**28.7**	28.0
CapitaMall Wangjing	No. 33, Guangshunbei North Road, Chaoyang District, Beijing	38 – 48	21 – 31	**2,884,000**	2,795,000	**560,361**	591,897	**24.3**	22.9
CapitaMall Grand Canyon	No. 16, South Third Ring West Road, Fengtai District, Beijing	40 – 50	22 – 32	**1,901,000**	2,022,000	**369,364**	428,199	**16.0**	16.6
CapitaMall Xuefu	No. 1, Xuefu Road, Nangang District, Harbin, Heilongjiang Province	40	23	**1,789,000**	1,789,000	**347,603**	378,857	**15.0**	14.6
CapitaMall Xinnan	No. 99, Shenghe First Road, Gaoxin District, Chengdu, Sichuan Province	40	25	**1,538,000**	1,611,000	**298,833**	341,162	**13.0**	13.2
CapitaMall Nuohemule	Block A Jinyu Xintiandi, E'erduosi Street, Yuquan District, Hohhot, Inner Mongolia Autonomous Region	40	27	**1,030,000**	1,020,000	**200,129**	216,005	**8.7**	8.3
CapitaMall Yuhuating	No. 421, Shaoshan Middle Road, Yuhua District, Changsha, Hunan Province	39	22	**800,000**	770,000	**155,440**	163,063	**6.7**	6.3
CapitaMall Shuangjing	No. 31, Guangqu Road, Chaoyang District, Beijing	40	20	**616,000**	616,000	**119,689**	130,450	**5.2**	5.0
CapitaMall Aidemengdun	No. 38, Aidemengdun Road, Daoli District, Harbin, Heilongjiang Province	40	20	**424,000**	446,000	**82,383**	94,449	**3.6**	3.6
Balance carried forward				**18,030,000**	18,111,000	**3,503,228**	3,835,367	**151.9**	148.1

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

Portfolio Statement

Year ended 31 December 2022

Description of leasehold property	Location	Term of lease (years)	Remaining term of lease (years)	Valuation		Valuation		Percentage of Unitholders' funds	
				2022	2021	2022	2021	2022	2021
				RMB'000	RMB'000	$'000	$'000	%	%
Group									
Balance brought forward				**18,030,000**	18,111,000	**3,503,228**	3,835,367	**151.9**	148.1
Retail Malls									
CapitaMall Qibao[1]	No. 3655, Qixin Road, Minhang District, Shanghai	19	2	**29,000**	55,000	**5,635**	11,647	**0.2**	0.5
Business Parks									
Ascendas Xinsu Portfolio	Suzhou Industrial Park, Suzhou City, Jiangsu Province	50	24 – 35	**2,320,000**	2,294,000	**450,776**	485,800	**19.6**	18.8
Ascendas Innovation Towers	No. 88 Tian Gu Seventh Road, Xi'an Hi-Tech Industries Development Zone, Xi'an, Shaanxi Province	50	42	**902,000**	794,000	**175,259**	168,145	**7.6**	6.5
Ascendas Innovation Hub	No. 38 Gao Xin Sixth Road, Xi'an Hi-Tech Industries Development Zone, Xi'an, Shaanxi Province	50	29	**353,000**	305,000	**68,588**	64,590	**3.0**	2.5
Singapore-Hangzhou Science & Technology Park (Phase I)	No. 2 Kejiyuan Road, Hangzhou Economic & Technological Development Area, Jianggan District, Hangzhou, Zhejiang Province	50	34	**848,000**	672,000	**164,766**	142,310	**7.1**	5.4
Singapore-Hangzhou Science & Technology Park (Phase II)	No. 20 & 57 Kejiyuan Road, Hangzhou Economic & Technological Development Area, Jianggan District, Hangzhou, Zhejiang Province	50	38	**1,055,000**	814,000	**204,987**	172,381	**8.9**	6.7
				23,537,000	23,045,000	**4,573,239**	4,880,240	**198.3**	188.5

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

Portfolio Statement

Year ended 31 December 2022

Description of leasehold property	Location	Term of lease (years)	Remaining term of lease (years)	Valuation 2022 RMB'000	Valuation 2021 RMB'000	Valuation 2022 $'000	Valuation 2021 $'000	Percentage of Unitholders' fund 2022 %	Percentage of Unitholders' fund 2021 %
Group									
Balance brought forward				**23,537,000**	23,045,000	**4,573,239**	4,880,240	**198.3**	188.5
Logistics Parks									
Shanghai Fengxian Logistics Park	No. 435 Haishang Road, Fengxian District, Shanghai	50	37	**629,000**	624,000	**122,215**	132,144	**5.3**	5.1
Wuhan Yangluo Logistics Park	10 Qiuli Road, Yangluo Development Zone, Xinzhou District, Wuhan	50	42	**384,000**	383,000	**74,611**	81,108	**3.2**	3.1
Chengdu Shuangliu Logistics Park	No. 86 Tongguan Road, Shuangliu District, Chengdu, Sichuan Province	50	40	**357,000**	357,000	**69,365**	75,602	**3.0**	2.9
Kunshan Bacheng Logistics Park	No. 998 Yuyang Road Yushan Town, Kunshan, Jiangsu Province	50	42	**334,000**	330,000	**64,896**	69,884	**2.9**	2.7
Investment properties, at valuation (Note 4)				**25,241,000**	24,739,000	**4,904,326**	5,238,978	**212.7**	202.3
Other assets and liabilities (net)						**(2,221,284)**	(2,284,615)	**(96.3)**	(88.3)
						2,683,042	2,954,363	**116.4**	114.0
Net assets attributable to perpetual securities holders						**(99,610)**	(99,610)	**(4.3)**	(3.8)
Net assets attributable to non-controlling interests						**(277,201)**	(266,554)	**(12.1)**	(10.2)
Net assets attributable to Unitholders						**2,306,231**	2,588,199	**100.0**	100.0

(1) CapitaMall Qibao is held under a master lease by CapitaRetail Dragon Mall (Shanghai) Co., Ltd, a subsidiary of CapitaRetail China Investments (B) Alpha Pte. Ltd. The master lease was entered with Shanghai Jin Qiu (Group) Co., Ltd ("Jin Qiu"), the legal owner of CapitaMall Qibao and expires in January 2024, with the right to renew for a further term of 19 years and two months from January 2024 at the option of the Group. Accordingly, the land use rights are held by Jin Qiu. CLCT did not exercise the option to renew the master lease which expired on 31 January 2021.

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

Consolidated Statement of Cash Flows

Year ended 31 December 2022

	Note	Group 2022 $'000	Group 2021 $'000
Operating activities			
Total return for the year after taxation		**155,126**	122,802
Adjustments for:			
Finance income	21	**(4,169)**	(3,941)
Finance costs	21	**60,399**	48,118
Depreciation and amortisation		**1,228**	1,368
Taxation		**87,785**	66,792
Manager's management fees payable in Units	A	**15,355**	14,292
Plant and equipment written off		**33**	40
Change in fair value of investment properties	4	**(67,845)**	10,220
Change in fair value of financial derivatives		**(1,861)**	(1,230)
Loss/(gain) on liquidation/disposal of subsidiaries		**1,831**	(13,164)
Impairment losses on trade receivables, net		**595**	159
Operating income before working capital changes		**248,477**	245,456
Changes in working capital:			
Trade and other receivables		**(11,001)**	11,969
Trade and other payables		**(23,306)**	4,940
Cash generated from operating activities		**214,170**	262,365
Income tax paid		**(32,089)**	(44,899)
Net cash from operating activities		**182,081**	217,466
Investing activities			
Interest received		**4,169**	3,941
Capital expenditure on investment properties		**(37,996)**	(26,539)
Net cash outflow on acquisition of subsidiaries	B	**(9,355)**	(616,380)
Proceeds from disposal of subsidiaries	C	**–**	169,720
Deposit refund for divestment of subsidiaries		**–**	(46,982)
Acquisition of investment property		**–**	(15,996)
Purchase of plant and equipment		**(786)**	(1,189)
Proceeds from disposal of plant and equipment		**7**	3
Net cash used in investing activities		**(43,961)**	(533,422)
Financing activities			
Proceeds from issuance of new Units		**–**	150,001
Distribution to Unitholders		**(95,792)**	(98,417)
Distribution to perpetual securities holders		**(3,375)**	(3,375)
Payment of equity issue expenses		**(166)**	(2,887)
Payment of financing expenses		**(2,523)**	(1,485)
Payment of lease liabilities		**(3,769)**	(5,757)
Proceeds from draw down of interest-bearing borrowings		**492,470**	811,300
Repayment of interest-bearing borrowings		**(505,185)**	(440,601)
Settlement of derivative contracts		**1,284**	(1,098)
Interest paid		**(56,452)**	(44,922)
Net cash (used in)/from financing activities		**(173,508)**	362,759
Net (decrease)/increase in cash and cash equivalents		**(35,388)**	46,803
Cash and cash equivalents at 1 January		**288,860**	208,440
Effect of foreign exchange rate changes on cash balances		**(22,424)**	8,813
Changes in cash and cash equivalents reclassified to assets held for sale		**–**	24,804
Cash and cash equivalents at 31 December	9	**231,048**	288,860

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

Notes:

(A) Significant non-cash and other transactions

$15.4 million of the Manager's management fees (performance and partial base fees) in 2022 will be paid through the issuance of new Units subsequent to the year end. The issuance of the Management Fee Units is subject to and conditional upon the grant by Securities Industry Council of a whitewash waiver and the satisfaction of all the conditions of the whitewash waiver which would include, among others, approval of independent unitholders of CLCT. In the event that the whitewash waiver is not obtained or the conditions are not satisfied, the Manager will manage the issuance of the Management Fee Units in a manner such that the unitholding of the Manager and its concert parties would not exceed 30%.

$14.3 million of the Manager's management fees (performance and partial base fees) in 2021 was paid through the issuance of 12,106,981 new Units in March 2022.

(B) Net cash outflow on the acquisition of subsidiaries

The Group paid a total consideration of $801.4 million for acquisitions completed in 2021, relating to the acquisition of 51% of the shares in Singapore Suzhou Industrial Holdings Pte. Ltd., which holds Ascendas – Xinsu Development (Suzhou) Co., Ltd. for Ascendas Xinsu Portfolio, 100.0% of the shares in Ascendas Xi An Hi-Tech Development Co., Ltd., which holds Ascendas Innovation Towers, 80.0% of the shares in Xi An Ascendas-Science Technology Investment Co., Ltd. which holds Ascendas Innovation Hub, 80.0% of the shares in Ascendas Hangzhou Science & Technology Co., Ltd. and Ascendas Hangzhou Data Processing Co., Ltd. which hold Singapore Hangzhou Science & Technology Park Phase I and Phase II, 100% of the shares ABM KS Investment Pte. Ltd., Wuhan Logistics Pte. Ltd., Forum Court Limited and Hanson Logistics Limited, which holds Kunshan Bacheng Logistics Park, Wuhan Yangluo Logistics Park, Chengdu Shuangliu Logistics Park and Shanghai Fengxian Logistics Park respectively.

Net cash outflow on acquisition of subsidiaries is provided below:

	Group 2021 $'000
Investment properties	1,314,909
Plant and equipment	1,379
Trade and other receivables	6,845
Cash and cash equivalents	89,350
Trade and other payables	(24,605)
Security deposits	(30,964)
Interest-bearing borrowings	(249,628)
Shareholder loans	(54,047)
Provision for taxation	(2,286)
Net identifiable assets and liabilities acquired	1,050,953
Non-controlling interest	(240,401)
Net identifiable assets and liabilities based on percentage acquired	810,552
Cash of the subsidiaries acquired	(73,774)
Deposit paid in 2020	(115,604)
Consideration payable [1]	(9,148)
Cash paid to vendor in respect of acquisition of subsidiary in 2020	4,354
Net cash outflow	616,380

(1) The consideration payable was paid in 2022.

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

(C) Net cash inflow on the divestment of subsidiaries

Net cash inflow on divestment of subsidiaries are provided below:

	2021 $'000
Investment properties	201,274
Plant and equipment	53
Trade and other receivables	954
Cash and cash equivalents	607
Trade and other payables	(19,258)
Lease liabilities	(13,685)
Security deposits	(529)
Deferred tax liabilities	(13,175)
Provision for taxation	(9)
Net identifiable assets and liabilities divested	156,232
Gain on disposal of subsidiary	13,164
Realisation of translation reserves	5,864
Sale consideration	175,260
Tax paid	(4,933)
Cash of subsidiary divested	(607)
Cash received from vendor in respect of divestment of subsidiary in 2019	–
Net cash inflow	169,720

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

These notes form an integral part of the financial statements.

The financial statements were authorised for issue by the Manager and the Trustee on 10 March 2023.

1. GENERAL

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

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

The principal activities of the Trust are those relating to investment in a diversified portfolio of income-producing properties located primarily in 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 principal activities of the subsidiaries are those of investment holding of properties located in China and used for retail, office and industrial purposes.

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

(a) Trustee’s fees

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

(b) Manager’s management fees

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

- a base fee of 0.25% per annum of the value of the Deposited Property;
- a performance fee of 4.0% per annum of the net property income in the relevant financial year (calculated before accounting for the performance fee in that financial year); and
- an authorised investment management fee of 0.5% per annum of the value of authorised investments which are not real estate. Where such authorised investment is an interest in a property fund (either a real estate investment trust or private property fund) wholly managed by a wholly-owned subsidiary of CapitaLand Group Pte Ltd ("CLG"), 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. GENERAL (CONTINUED)

(c) Property management fees

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

Retail:

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

Business Parks[1] / 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 three (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.

(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.

1 Except for the Business parks in Hangzhou, where the property management fees are 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. GENERAL (CONTINUED)

(d) Acquisition fee (continued)

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.

2. BASIS OF PREPARATION

(a) Statement of compliance

The financial statements have been prepared in accordance with the recommendations of the Statement of Recommended Accounting Practice ("RAP") 7 *"Reporting Framework for Investment Funds"* issued by the Institute of Singapore Chartered Accountants, the applicable requirements of the Code on Collective Investment Schemes (the "CIS Code") issued by the Monetary Authority of Singapore ("MAS") and the provisions of the Trust Deed. RAP 7 requires that accounting policies adopted should generally comply with the recognition and measurement principles of the Singapore Financial Reporting Standards ("FRS").

(b) Basis of measurement

The financial statements have been prepared on the historical cost basis except for the following material items on the statement of financial position:

- investment properties are measured at fair value; and
- derivative financial instruments are measured at fair value.

2. BASIS OF PREPARATION (CONTINUED)

(c) Functional and presentation currency

Items included in the financial statements of each entity in the Group are measured using the currency that best reflects the economic substance of the underlying events and circumstances relevant to that entity (the "functional currency"). The consolidated financial statements of the Group are presented in Singapore dollars, which is the functional currency of the Trust. All financial information presented in Singapore dollars has been rounded to the nearest thousand, unless otherwise stated.

(d) Use of estimates and judgements

The preparation of 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. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying amounts of assets and liabilities that are not readily apparent from other sources.

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.

Information about assumptions and estimation uncertainties at the reporting date that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial year are included in the following notes:

- Note 4 – Valuation of investment properties; and
- Note 28 – Valuation of financial instruments.

Measurement of fair values

A number of the Group's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement (with Level 3 being the lowest).

The Group recognises transfers between levels of the fair value hierarchy as of the end of the reporting period during which the change has occurred.

2. BASIS OF PREPARATION (CONTINUED)

(d) Use of estimates and judgements (continued)

Further information about the assumptions made in measuring fair values is included in the following notes:

- Note 4 – Investment properties; and
- Note 28 – Valuation of financial instruments.

(e) Changes in accounting policies

The Group has applied the following FRSs, amendments to and interpretations of FRS for the first time for the annual period beginning on 1 January 2022:

- Amendment to FRS 116: *COVID-19-Related Rent Concessions beyond 30 June 2021*
- Amendments to FRS 103: *Reference to the Conceptual Framework*
- Amendments to FRS 16: *Property, Plant and Equipment – Proceeds before Intended Use*
- Amendments to FRS 37: *Onerous Contracts – Cost of Fulfilling a Contract*
- Annual Improvements to FRSs 2018-2020

The application of these amendments to standards and interpretations does not have a material impact on the Group's consolidated financial statements.

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to all periods presented in these financial statements, and have been applied consistently by Group entities.

(a) Basis of consolidation

(i) Business combinations and property acquisitions

The Group accounts for business combinations using the acquisition method when the acquired set of activities and assets meets the definition of a business and control is transferred to the Group (see Note 3(a)(ii)). In determining whether a particular set of activities and assets is a business, the Group assesses whether the set of assets and activities acquired includes, at a minimum, an input and substantive process and whether the acquired set has the ability to produce outputs.

The Group has an option to apply a 'concentration test' that permits a simplified assessment of whether an acquired set of activities and assets is not a business. The optional concentration test is met if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar identifiable assets.

The Group measures goodwill at the date of acquisition as:

- the fair value of the consideration transferred; plus
- the recognised amount of any non-controlling interest ("NCI") in the acquiree; plus
- if the business combination is achieved in stages, the fair value of the pre-existing equity interest in the acquiree,

over the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed. Any goodwill that arises is tested annually for impairment.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(a) Basis of consolidation (continued)

(i) Business combinations and property acquisitions (continued)

When the excess is negative, a gain on bargain purchase is recognised immediately in the statement of total return.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognised in the statement of total return.

Costs related to the acquisition, other than those associated with the issue of debt or equity investments, that the Group incurs in connection with a business combination are expensed as incurred.

NCI that are present ownership interests and entitle their holders to a proportionate share of the acquiree's net assets in the event of liquidation are measured either at fair value or at the NCI's proportionate share of the recognised amounts of the acquiree's identifiable net assets, at the date of acquisition. The measurement basis taken is elected for each business combination. All other NCI are measured at acquisition-date fair value, unless another measurement basis is required under the principles of FRSs. If the business combination is achieved in stages, the Group's previously held equity interest in the acquiree is re-measured to fair value at each acquisition date and any changes are taken to the statement of total return.

When acquisition of an asset or a group of assets does not constitute a business combination, it is treated as property acquisition. In such cases, the individual identifiable assets acquired and liabilities assumed are recognised. The acquisition cost shall be allocated to the individual identifiable assets and liabilities on the basis of their relative fair values at the date of acquisition. Such a transaction does not give rise to goodwill.

(ii) Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

The accounting policies of subsidiaries have been changed when necessary to align them with the policies adopted by the Group. Losses applicable to the non-controlling interests in a subsidiary are allocated to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

(iii) Loss of control

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related non-controlling interest and other components of equity. Any resulting gain or loss is recognised in the statement of total return. Any interest retained in the former subsidiary is measured at fair value when control is lost.

(iv) Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income or expenses (except for foreign currency translation gains and losses) arising from intra-group transactions, are eliminated in preparing the consolidated financial statements. Unrealised gains arising from transactions with equity-accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(a) Basis of consolidation (continued)

(v) Accounting for subsidiaries by the Trust

Investments in subsidiaries are stated in the Trust's statement of financial position at cost less accumulated impairment losses.

(b) Foreign currency

(i) Foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currencies of Group entities at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to the functional currency at the exchange rates at that date. Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are translated at the exchange rates at the date that the fair value was determined. Non-monetary items in a foreign currency that are measured in terms of historical cost are translated using the exchange rate at the date of the transaction.

Foreign currency differences arising on translation are recognised in the statement of total return, except for foreign currency differences arising from the translation of financial liabilities designated as hedges of the net investment in a foreign operation to the extent that the hedge is effective, and qualifying cash flow hedges to the extent that the hedge is effective (see Note 3(c)(vi)).

(ii) Foreign operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated to Singapore dollars at exchange rates at the reporting date. The income and expenses of foreign operations are translated to Singapore dollars at exchange rates at the dates of the transactions.

Foreign currency differences are recognised in the foreign currency translation reserve in Unitholders' funds. However, if the foreign operation is a non-wholly-owned subsidiary, then the relevant proportionate share of the translation difference is allocated to the NCI. When a foreign operation is disposed of such that control or joint control is lost, the cumulative amount in the translation reserve related to that foreign operation is reclassified to the statement of total return as part of the gain or loss on disposal. When the Group disposes of only part of its interest in a subsidiary that includes a foreign operation while retaining control, the relevant proportion of the cumulative amount is reattributed to NCI. When the Group disposes of only part of its investment in a joint venture that includes a foreign operation while retaining joint control, the relevant proportion of the cumulative amount is reclassified to the statement of total return.

When the settlement of a monetary item receivable from or payable to a foreign operation is neither planned nor likely in the foreseeable future, foreign exchange gains and losses arising from such a monetary item that are considered to form part of a net investment in a foreign operation are recognised in Unitholders' funds and are presented in the foreign currency translation reserve.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(c) Financial instruments

(i) Initial recognition

Non-derivative financial assets and financial liabilities

Trade receivables are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Group becomes a party to the contractual provisions of the instrument.

(ii) Classification and measurement

Non-derivative financial assets

On initial recognition, the Group classifies its non-derivative financial assets as measured at amortised cost.

The classification depends on the Group's business model for managing the financial assets as well as the contractual terms of the cash flows of the financial asset.

Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

Financial assets at amortised cost

Financial assets at amortised cost comprise non-trade amounts due from subsidiaries, trade and other receivables (excluding prepayments), and cash and cash equivalents.

Initial measurement

A financial asset at amortised cost is initially measured at its fair value plus, or minus, transaction costs that are directly attributable to its acquisition. A trade receivable without a significant financing component is initially measured at the transaction price.

Subsequent measurement

Financial assets at amortised cost are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are subsequently measured at amortised cost. Interest income from these financial assets is included in interest income using the effective interest rate method. Any gain or loss on derecognition is recognised in the statement of total return.

Non-derivative financial liabilities

The Group classifies non-derivative financial liabilities under the other financial liabilities category. Such financial liabilities are initially measured at fair value less directly attributable transaction costs. These financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in the statement of total return. Other financial liabilities comprise trade and other payables, security deposits and interest-bearing borrowings.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(c) Financial instruments (continued)

(iii) Derecognition

Financial assets

The Group derecognises a financial asset when:

· the contractual rights to the cash flows from the financial asset expire; or

· it transfers the rights to receive the contractual cash flows in a transaction in which either:

  – substantially all of the risks and rewards of ownership of the financial asset are transferred; or

  – the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

Transferred assets are not derecognised when the Group enters into transactions whereby it transfers assets recognised in its statement of financial position, but retains either all or substantially all of the risks and rewards of the transferred assets.

Financial liabilities

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. The Group also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in the statement of total return.

Interest rate benchmark reform

When the basis for determining the contractual cash flows of a financial asset or financial liability measured at amortised cost changes as a result of interest rate benchmark reform, the Group updates the effective interest rate of the financial asset or financial liability to reflect the change that is required by the reform. No immediate gain or loss is recognised.

A change in the basis for determining the contractual cash flows is required by interest rate benchmark reform if the following conditions are met:

– the change is necessary as a direct consequence of the reform; and

– the new basis for determining the contractual cash flows is economically equivalent to the previous basis – i.e. the basis immediately before the change.

When changes were made to a financial asset or financial liability in addition to changes to the basis for determining the contractual cash flows required by interest rate benchmark reform, the Group first updates the effective interest rate of the financial asset or financial liability to reflect the change that is required by interest rate benchmark reform. After that, the Group applies the policies on accounting for modifications to the additional changes.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(c) Financial instruments (continued)

(iv) Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liabilities simultaneously.

(v) Cash and cash equivalents

Cash and cash equivalents comprise cash balances and bank deposits.

(vi) Derivative financial instruments and hedge accounting

Derivative financial instruments and hedge accounting

The Group holds derivative financial instruments to hedge its interest rate risk exposure. Embedded derivatives are separated from the host contract and accounted for separately if the host contract is not a financial asset and certain criteria are met.

Derivatives are initially measured at fair value and any directly attributable transaction costs are recognised in the statement of total return as incurred. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are generally recognised in the statement of total return.

The Group designates certain derivatives and non-derivative financial instruments as hedging instruments in qualifying hedging relationships. At inception of designated hedging relationships, the Group documents the risk management objective and strategy for undertaking the hedge. The Group also documents the economic relationship between the hedged item and the hedging instrument, including whether the changes in cash flows of the hedged item and hedging instrument are expected to offset each other.

Hedges directly affected by interest rate benchmark reform

Phase 1 amendments: Prior to interest rate benchmark reform – when there is uncertainty arising from interest rate benchmark reform

For the purpose of evaluating whether there is an economic relationship between the hedged item(s) and the hedging instrument(s), the Group assumes that the benchmark interest rate is not altered as a result of interest rate benchmark reform.

For a cash flow hedge of a forecast transaction, the Group assumes that the benchmark interest rate will not be altered as a result of interest rate benchmark reform for the purpose of assessing whether the forecast transaction is highly probable and presents an exposure to variations in cash flows that could ultimately affect the statement of total return. In determining whether a previously designated forecast transaction in a discontinued cash flow hedge is still expected to occur, the Group assumes that the interest rate benchmark cash flows designated as a hedge will not be altered as a result of the interest rate benchmark reform.

The Group will cease to apply the specific policy for assessing the economic relationship between the hedged item and the hedging instrument (i) to a hedged item or hedging instrument when the uncertainty arising from interest rate benchmark reform is no longer present with respect to the timing and the amount of the contractual cash flows of the respective item or instrument or (ii) when the hedging relationship is discontinued. For its highly probable assessment of the hedged item, the Group will no longer apply the specific policy when the uncertainty arising from interest rate benchmark reform about the timing and the amount of the interest rate benchmark-based future cash flows of the hedged item is no longer present, or when the hedging relationship is discontinued.

3. **SIGNIFICANT ACCOUNTING POLICIES** (CONTINUED)

(c) **Financial instruments** (continued)

(vi) Derivative financial instruments and hedge accounting (continued)

Phase 2 amendments: Replacement of benchmark interest rates – when there is no longer uncertainty arising from interest rate benchmark reform

When the basis for determining the contractual cash flows of the hedged item or the hedging instrument changes as a result of interest rate benchmark reform and therefore there is no longer uncertainty arising about the cash flows of the hedged item or the hedging instrument, the Group amends the hedge documentation of that hedging relationship to reflect the change(s) required by interest rate benchmark reform. A change in the basis for determining the contractual cash flows is required by interest rate benchmark reform if the following conditions are met:

– the change is necessary as a direct consequence of the reform; and

– the new basis for determining the contractual cash flows is economically equivalent to the previous basis – i.e. the basis immediately before the change.

For this purpose, the hedge designation is amended only to make one or more of the following changes:

– designating an alternative benchmark rate as the hedged risk;

– updating the description of hedged item, including the description of the designated portion of the cash flows or fair value being hedged; or

– updating the description of the hedging instrument.

The Group amends the description of the hedging instrument only if the following conditions are met:

– it makes a change required by interest rate benchmark reform by changing the basis for determining the contractual cash flows of the hedging instrument or using another approach that is economically equivalent to changing the basis for determining the contractual cash flows of the original hedging instrument; and

– the original hedging instrument is not derecognised.

The Group also amends the formal hedge documentation by the end of the reporting period during which a change required by interest rate benchmark reform is made to the hedged risk, hedged item or hedging instrument. These amendments in the formal hedge documentation do not constitute the discontinuation of the hedging relationship or the designation of a new hedging relationship.

If changes are made in addition to those changes required by interest rate benchmark reform described above, then the Group first considers whether those additional changes result in the discontinuation of the hedge accounting relationship. If the additional changes do not result in discontinuation of the hedge accounting relationship, then the Group amends the formal hedge documentation for changes required by interest rate benchmark reform as mentioned above.

When the interest rate benchmark on which the hedged future cash flows had been based is changed as required by interest rate benchmark reform, for the purpose of determining whether the hedged future cash flows are expected to occur, the Group deems that the hedging reserve recognised in OCI for that hedging relationship is based on the alternative benchmark rate on which the hedged future cash flows will be based.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(c) Financial instruments (continued)

(vi) Derivative financial instruments and hedge accounting (continued)

Cash flow hedges

The Group designates certain derivatives as hedging instruments to hedge the variability in cash flows associated with highly probable forecast transactions arising from changes in interest rates.

When a derivative is designated as a cash flow hedging instrument, the effective portion of changes in the fair value of the derivative is recognised and presented in the hedging reserve in Unitholders' fund. The effective portion of changes in the fair value of the derivative that is recognised in the hedging reserve is limited to the cumulative change in fair value of the hedged item, determined on a present value basis, from inception of the hedge. Any ineffective portion of changes in the fair value of the derivative is recognised immediately in the statement of total return.

When the hedged forecast transaction subsequently results in the recognition of a non-financial item, the amount accumulated in the hedging reserve and the cost of hedging reserve is included directly in the initial cost of the non-financial item when it is recognised.

For all other hedged forecast transactions, the amount accumulated in the hedging reserve and the cost of hedging reserve is reclassified to the statement of total return in the same period or periods during which the hedged expected future cash flows affect the statement of total return.

If the hedge no longer meets the criteria for hedge accounting or the hedging instrument is sold, expires, is terminated or is exercised, then hedge accounting is discontinued prospectively. When hedge accounting for cash flow hedges is discontinued, the amount that has been accumulated in the hedging reserve and the cost of hedging reserve remains in equity until, for a hedge of a transaction resulting in recognition of a non-financial item, it is included in the non-financial item's cost on its initial recognition or, for other cash flow hedges, it is reclassified to the statement of total return in the same period or periods as the hedged expected future cash flows affect the statement of total return.

If the hedged future cash flows are no longer expected to occur, then the amounts that have been accumulated in the hedging reserve and the cost of hedging reserve are immediately reclassified to the statement of total return.

Net investment hedges

The Group designates certain derivatives and non-derivative financial liabilities as hedges of foreign exchange risk on net investments in foreign operations.

When a derivative instrument or a non-derivative financial liability is designated as the hedging instrument in a hedge of a net investment in a foreign operation, the effective portion of changes in the fair value of a derivative or foreign exchange gains and losses for a non-derivative is recognised and presented in the foreign currency translation reserve in Unitholders' funds. Any ineffective portion of the changes in the fair value of the derivative or foreign exchange gains or losses on the non-derivative is recognised immediately in the statement of total return. The amount recognised in translation reserve is fully or partially reclassified to the statement of total return as a reclassification adjustment on disposal or partial disposal of the foreign operation, respectively.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(c) Financial instruments (continued)

(vi) Derivative financial instruments and hedge accounting (continued)

Embedded derivatives

Derivatives may be embedded in another contractual arrangement (a host contract). The Group accounts for an embedded derivative separately from the host contract when:

- the host contract is not an asset in the scope of FRS 109;
- the host contract is not itself carried at FVTPL;
- the terms of the embedded derivative would meet the definition of a derivative if they were contained in a separate contract; and
- the economic characteristics and risks of the embedded derivative are not closely related to the economic characteristic and risks of the host contract.

The Group has drawn down on loans with cash flows based on the Group meeting sustainability performance targets set by the lenders from its 2008 baseline. The Group has determined that the variability in cash flows linked to the Group's sustainability performance target is a non-financial variable specific to the party to the contract, and therefore, in accordance with the Group's accounting policy the feature fails the definition of a derivative. Accordingly, the feature is not separated. Instead, it is included in the calculation of the effective interest rate of the loans.

(d) Investment properties

Investment properties are properties held either to earn rental income or for capital appreciation or both. Investment properties are accounted for as non-current assets and are stated at initial cost on acquisition and at fair value thereafter. The cost of a purchased property comprises its purchase price and any directly attributable expenditure. Transaction costs are included in the initial measurement. Fair value is determined in accordance with the Trust Deed, which requires the investment properties to be valued by independent registered valuers at least once a year in accordance with the CIS Code issued by the MAS.

Any increase or decrease on revaluation is credited or charged to the statement of total return as a net change in fair value of the investment properties.

Subsequent expenditure relating to investment properties that have already been recognised is added to the carrying amount when it is probable that future economic benefits, in excess of the originally assessed standard of performance of the existing asset will flow to the Group.

All other subsequent expenditure is recognised as an expense in the period in which it is incurred.

When an investment property is disposed of, the resulting gain or loss recognised in the statement of total return is the difference between the net proceeds from disposal and the carrying amount of the property.

Investment properties are not depreciated. The properties are subject to continued maintenance and regularly revalued on the basis set out above.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(e) Plant and equipment

(i) Recognition and measurement

Items of plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the asset.

If significant parts of an item of plant and equipment have different useful lives, they are accounted for as separate items (major components) of plant and equipment.

Any gain or loss on disposal of and item of plant and equipment is recognised in the statement of total return.

(ii) Subsequent costs

The cost of replacing a component of an item of plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the component will flow to the Group, and its cost can be measured reliably. The carrying amount of the replaced component is derecognised. The costs of the day-to-day servicing of plant and equipment are recognised in the statement of total return as incurred.

(iii) Depreciation

Depreciation is based on the cost of an asset less its residual value. Significant components of individual assets are assessed and if a component has a useful life that is different from the remainder of that asset, that component is depreciated separately.

Depreciation is recognised as an expense in the statement of total return on a straight-line basis over the estimated useful lives of each component of an item of plant and equipment as follows:

Improvement to premises	–	5 years
Plant and machinery	–	3 to 5 years
Motor vehicles	–	5 years
Furniture, fittings and equipment	–	2 to 5 years

Depreciation methods, useful lives and residual values are reviewed at the end of each reporting period and adjusted if appropriate.

(f) Leases

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

i. As a lessee

The Group has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component for all leases.

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(f) Leases (continued)

i. As a lessee (continued)

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Group by the end of the lease term or the cost of the right-of-use asset reflects that the Group will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The right-of-use asset is subsequently stated at cost less accumulated depreciation and impairment losses, except for right-of-use assets that meet the definition of investment property are carried at fair value in accordance with Note 3(d).

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

The Group determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Group is reasonably certain to exercise, lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if the Group changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in the statement of total return if the carrying amount of the right-of-use asset has been reduced to zero.

The Group presents right-of-use assets that do not meet the definition of investment property and lease liabilities separately in the statement of financial position.

Short-term leases and leases of low-value assets

The Group has elected not to recognise right-of-use assets and lease liabilities for leases of low-value assets and lease term of one year or less with no renewal option, including IT equipment. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(f) Leases (continued)

i. As a lessee (continued)

COVID-19-related rent concessions

The Group has applied the principles under Amendments to FRS 116 – *Covid-19-Related Rent Concessions*. The Group applies the practical expedient allowing it not to assess whether eligible rent concessions that are a direct consequence of the Covid-19 pandemic are lease modifications. The Group applies the practical expedient consistently to contracts with similar characteristics and in similar circumstances. For rent concessions in leases to which the Group chooses not to apply the practical expedient, or do not qualify for the practical expedient, the Group assesses whether there is a lease modification.

ii. As a lessor

At inception or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices.

When the Group acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease.

To classify each lease, the Group makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As part of this assessment, the Group considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

When the Group is an intermediate lessor, it accounts for its interests in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short-term lease to which the Group applies the exemption described above, then it classifies the sub-lease as an operating lease.

If an arrangement contains lease and non-lease components, then the Group applies the principles under FRS 115 to allocate the consideration in the contract.

The Group recognises lease payments received under operating leases as income on a straight-line basis over the lease term as part of 'gross rental income'.

(g) Impairment

(i) Non-derivative financial assets

The Group recognises loss allowances for expected credit losses ("ECLs") on financial assets measured at amortised cost.

Loss allowances of the Group are measured on either of the following bases:

- 12-month ECLs: these are ECLs that result from default events that are possible within the 12 months after the reporting date (or for a shorter period if the expected life of the instrument is less than 12 months); or

- Lifetime ECLs: these are ECLs that result from all possible default events over the expected life of a financial instrument.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(g) Impairment (continued)

(i) Non-derivative financial assets (continued)

The Group applies the simplified approach to provide for ECLs for all trade receivables. The simplified approach requires the loss allowance to be measured at an amount equal to lifetime ECLs. The Group applies the general approach of 12-month ECL at initial recognition for all other financial assets.

The Group considers a financial asset to be in default when:

- the borrower is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held); or

- the financial asset is more than 90 days past due.

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

Measurement of ECLs

ECLs are probability-weighted estimates of credit losses. Credit losses are measured at the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Group expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

Credit-impaired financial assets

At each reporting date, the Group assesses whether financial assets carried at amortised cost are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower;

- a breach of contract such as a default or being more than 90 days past due;

- the restructuring of a loan or advance by the Group on terms that the Group would not consider otherwise; or

- it is probable that the borrower will enter bankruptcy or other financial reorganisation.

Presentation of allowance for ECLs in the statement of financial position

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of these assets.

Write-off

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

3. **SIGNIFICANT ACCOUNTING POLICIES** (CONTINUED)

(g) Impairment (continued)

(ii) Non-financial assets

The carrying amounts of the Group's non-financial assets, other than investment properties, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. An impairment loss is recognised if the carrying amount of an asset or its related cash-generating unit ("CGU") exceeds its estimated recoverable amount.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs.

Impairment losses are recognised in the statement of total return. Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the CGU (group of CGUs), and then to reduce the carrying amounts of the other assets in the CGU (group of CGUs) on a *pro rata* basis.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

(h) Unitholders' funds

Unitholders' funds represent the residual interests in the Group's net assets upon termination and are classified as equity.

Expenses incurred in connection with the issuance of Units in the Trust are deducted directly against the Unitholders' funds.

(i) Perpetual securities

The perpetual securities do not have a maturity date and the distribution payment is optional at the discretion of the Trust. As the Trust does not have a contractual obligation to repay the principal nor make any distributions, perpetual securities are classified as Unitholders' funds.

Any distributions made are directly debited from Unitholders' funds. Incremental costs directly attributable to the issue of the perpetual securities are deducted against the proceeds from the issue.

(j) Employee benefits

(i) Defined contribution plans

Obligations for contributions to defined contribution pension plans are recognised as an expense in the statement of total return in the period during which related services are rendered by employees.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(j) Employee benefits (continued)

(ii) Short-term benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid under short-term cash bonus if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

(k) Provisions

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation.

(l) Distribution policy

The Trust's distribution policy is to distribute at least 90.0% of its distributable income in each financial year to Unitholders, other than from the sale of properties that are determined by Inland Revenue Authority of Singapore to be trading gains.

(m) Revenue recognition

(i) Rental income

Rental income receivable under operating leases is recognised on a straight-line basis over the term of the lease, except where an alternative basis is more representative of the time pattern of benefits to be derived from the leased assets. Lease incentives granted are recognised as an integral part of the total rental income. Contingent rentals, which include gross turnover rental, are recognised as income in the accounting period on an earned basis. No contingent rental is recognised if there are uncertainties due to the possible return of the amounts received.

(ii) Dividend income

Dividend income is recognised when the right to receive payment is established.

(n) Expenses

(i) Property expenses

Property expenses are recognised on an accrual basis.

(ii) Manager's management fees, property management fees and Trustee's fees

These are recognised on an accrual basis based on the applicable formula stipulated in Note 1.

(o) Finance income and finance costs

Finance income comprises interest income recognised in the statement of total return as it accrues, using the effective interest method.

Finance costs comprise interest expense on borrowings and lease liabilities, and expense incurred in connection with borrowings recognised in the statement of total return, using the effective interest method over the period of the borrowings.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(p) Taxation

Taxation on the returns for the year comprises current and deferred tax. Taxation is recognised in the statement of total return except to the extent that it relates to items recognised directly in Unitholders' funds.

The Group has determined that interest and penalties related to income taxes, including uncertain tax treatments, do not meet the definition of income taxes, and therefore accounted for them under the provisions of FRS 37 *Provisions, Contingent Liabilities and Contingent Assets*.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any.

Current tax assets and liabilities are offset only if certain criteria are met.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss; and

- temporary differences related to investments in subsidiaries and joint ventures to the extent that it is probable that they will not reverse in the foreseeable future.

Temporary differences in relation to a right-of-use asset and a lease liability for a specific lease are regarded as a net package (the lease) for the purpose of recognising deferred tax.

The measurement of deferred taxes reflects the tax consequences that would follow the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities. For investment property that is measured at fair value, the carrying amount of the investment property is presumed to be recovered through sale, and the Group has not rebutted this presumption. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date, and reflects uncertainty related to income taxes, if any.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the unused tax losses and credits can be used. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves.

Except for the tax exemption as described below, income earned by the Trust will be subject to Singapore income tax at the Trust level at the prevailing corporate tax rate.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(p) Taxation (continued)

The Trust is exempted from Singapore income tax under Section 13(12) of the Income Tax Act 1947 on the following income:

(i) dividends; and

(ii) interest on shareholders' loans,

payable by its subsidiaries in Barbados, Singapore, Hong Kong and British Virgin Islands out of underlying rental income derived from the investment properties in China.

This exemption is granted subject to certain conditions, including the condition that the Trustee is a tax resident of Singapore.

The tax exemption also applies to dividends payable by these subsidiaries out of gains, if any, derived from the disposal of their shares in the subsidiaries in China.

(q) Earnings per Unit

The Group presents basic and diluted earnings per Unit ("EPU") data for its Units. Basic EPU is calculated by dividing the total return attributable to Unitholders of the Group by the weighted average number of ordinary Units outstanding during the period. Diluted EPU is determined by adjusting the total return attributable to Unitholders and the weighted average number of Units outstanding for the effects of all dilutive potential Units.

(r) Segment reporting

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision-Makers ("CODMs").

Segment results that are reported to the CODMs include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly financial derivative assets and liabilities, other receivables, cash and cash equivalents, trade and other payables, and interest-bearing borrowings.

Segment capital expenditure is the total cost incurred during the year for acquisition of plant and equipment and capital expenditure on investment properties.

(s) New standards and interpretations not yet adopted

A number of new standards are effective for annual periods beginning after 1 January 2022 and earlier application is permitted; however, the Group has not early adopted the principles under the new or amended standards in preparing these consolidated financial statements.

The principles under the following new FRSs, amended standards and interpretations are not expected to have a significant impact on the Group's consolidated financial statements:

- FRS 117 *Insurance Contracts* and Amendments to FRS 117 *Insurance Contracts*
- Amendments to FRS 1 and FRS Practice Statement 2: *Disclosure of Accounting Policies*
- Amendments to FRS 1: *Classification of Liabilities as Current or Non-Current*
- Amendments to FRS 8: *Definition of Accounting Estimates*
- Amendments to FRS 12: *Deferred Tax related to Assets and Liabilities arising from a Single Transaction*

4. INVESTMENT PROPERTIES

	Note	Group 2022 $'000	2021 $'000
At 1 January		**5,249,617**	3,726,433
Acquisition of investment properties[1]		**–**	1,330,787
Expenditure capitalised		**29,079**	18,688
Reclassification from plant and equipment	5	**53**	–
Changes in fair value		**67,845**	(10,220)
Translation differences		**(437,217)**	183,929
At 31 December		**4,909,377**	5,249,617

(1) Includes acquisition fees and acquisition related expenses of $15.9 million for 31 December 2021.

Security

At 31 December 2022, investment properties of the Group with carrying amounts of $1,519.4 million (2021: $1,813.0 million) are pledged as security to secure bank loans (see Note 11).

Measurement of fair value

Investment properties are stated at fair value based on valuation performed by independent professional valuers having appropriate recognised professional qualifications and recent experience in the location and category of property being valued. In determining the fair value, the valuers have used valuation methods which involve certain estimates. The Manager reviews the key valuation parameters and underlying data including discount, capitalisation and terminal yield rates adopted by the valuers and is of the view that the valuation methods and estimates are reflective of the current market conditions.

The fair values are based on open market values, being the estimated amount for which a property could be exchanged on the date of the valuation between a willing buyer and a willing seller in an arm's length transaction wherein the parties had each acted knowledgeably and without compulsion.

The fair value measurement for all of the investment properties of $4.9 million (2021: $5.2 billion) has been categorised as a Level 3 fair value based on the inputs to the valuation technique used (see Note 2(d)).

	2022 $'000	2021 $'000
Fair value of investment properties (based on valuation reports)	**4,904,326**	5,238,978
Add: Carrying amount of lease liabilities	**5,051**	10,639
Carrying amount of investment properties	**4,909,377**	5,249,617

The valuers have considered valuation techniques including the market comparable, capitalisation and discounted cash flows approaches in arriving at the open market value as at the reporting date.

The market comparable approach involves the analysis of comparable sales of similar properties and adjusting the sale prices to that reflective of the investment property.

The capitalisation approach is an investment approach whereby the estimated gross passing income (on both passing and market rent bases) is adjusted to reflect anticipated operating costs to produce a net income on a fully leased basis. The adopted fully leased net income is capitalised over the remaining term of the lease from the valuation date at an appropriate capitalisation rate. The discounted cash flow method involves the estimation and projection of an income stream over a period and discounting the income stream with risk adjusted discount rates to arrive at the market value.

4. INVESTMENT PROPERTIES (CONTINUED)

Fair value of the investment properties were based on independent professional full valuations carried out by the following valuers on the dates stated below:

Valuers	Valuation Date	Valuation Date
Beijing Colliers International Real Estate Valuation Co., Ltd.	–	31 December 2021
CBRE (Shanghai) Management Limited	31 December 2022	31 December 2021
Cushman & Wakefield International Property Advisers (Shanghai) Co., Ltd.	31 December 2022	31 December 2021
Jones Lang LaSalle Corporate Appraisal and Advisory Limited	31 December 2022	31 December 2021

The valuation reports obtained from the independent valuers for certain of our properties draw attention to heightened market volatility over the short-to-medium term due to global inflationary pressures and the ongoing market effects of the COVID-19 pandemic. 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.

Investment properties comprise retail, business parks and logistics parks properties that are held mainly for use by tenants under operating leases. Most leases contain an initial non-cancellable period of within 1 to 3 years (2021: within 1 to 3 years). See Note 12 for further information.

Contingent rents, representing income based on certain sales achieved by tenants, recognised in the statement of total return during the year amounted to $4.5 million (2021: $8.1 million).

Level 3 fair values

The following table shows the significant unobservable inputs used in the valuation models:

Valuation methods	Significant unobservable inputs	Inter-relationship between key unobservable inputs and fair value measurement
Capitalisation approach	· Capitalisation rates (from 4.00% to 6.75%) (2021: from 4.00% to 7.00%)	The fair value increases (decreases) as capitalisation rates decrease (increase).
Discounted cash flows approach	· Discount rates (from 7.00% to 8.85%%) (2021: from 7.00% to 10.50%) · Terminal rates (from 4.80% to 6.25%) (2021: from 4.80% to 7.25%)	The fair value increases (decreases) as discount rates and terminal rates decrease (increase).

5. PLANT AND EQUIPMENT

Group	Improvement to premises $'000	Plant and machinery $'000	Motor vehicles $'000	Furniture, fittings and equipment $'000	Total $'000
Cost					
At 1 January 2021	11,450	525	–	8,086	20,061
Assets acquired	112	681	–	586	1,379
Additions	–	322	77	841	1,240
Disposal/written off	(320)	–	–	(616)	(936)
Translation difference on consolidation	436	25	–	311	772
At 31 December 2021	11,678	1,553	77	9,208	22,516
Additions	286	11	113	319	729
Disposal/written off	(7)	(142)	(66)	(2,282)	(2,497)
Reclassification to investment property-depreciation offset	(54)	–	–	–	(54)
Reclassification to investment property (Note 4)	(53)	–	–	–	(53)
Translation difference on consolidation	(961)	(122)	(6)	(641)	(1,730)
At 31 December 2022	**10,889**	**1,300**	**118**	**6,604**	**18,911**
Less: Accumulated depreciation					
At 1 January 2021	11,267	443	–	5,957	17,667
Charge for the year	66	150	60	1,036	1,312
Disposal/written off	(320)	–	–	(573)	(893)
Translation difference on consolidation	425	20	–	236	681
At 31 December 2021	11,438	613	60	6,656	18,767
Charge for the year	41	196	37	890	1,164
Disposal/written off	(7)	(132)	(61)	(2,257)	(2,457)
Reclassification to investment property-depreciation offset	(54)	–	–	–	(54)
Translation difference on consolidation	(949)	(55)	(1)	(483)	(1,488)
At 31 December 2022	**10,469**	**622**	**35**	**4,806**	**15,932**
Carrying amounts					
At 1 January 2021	183	82	–	2,129	2,394
At 31 December 2021	240	940	17	2,552	3,749
At 31 December 2022	**420**	**678**	**83**	**1,798**	**2,979**

6. SUBSIDIARIES

	Trust 2022 $'000	Trust 2021 $'000
Non-current assets		
(a) Unquoted equity, at cost	**696,535**	707,694
Less: Allowance for impairment loss	**(24,061)**	(27,284)
	672,474	680,410
(b) Loans to subsidiaries	**203,746**	268,557
Non-trade amounts due from subsidiaries	**2,065,082**	1,997,175
	2,268,828	2,265,732
	2,941,302	2,946,142
Current assets		
(b) Non-trade amounts due from subsidiaries	**4,390**	2,247

Movement in allowance for impairment loss was as follows:

	Trust 2022 $'000	Trust 2021 $'000
At 1 January	**(27,284)**	(32,824)
(Allowance)/write back for impairment loss	**(7,936)**	5,540
Write off for impairment loss	**11,159**	–
At 31 December	**(24,061)**	(27,284)

During the year, an impairment loss amounting to $7.9 million (2021: write back of $5.5 million) was recognised in respect of the Trust's investment in its subsidiaries taking into consideration the fair value of the underlying properties held by these subsidiaries and the liabilities to be settled. There was also a write off for impairment loss of $11.2 million in 2022 relating to the liquidation of Group's subsidiary, CapitaRetail China Investments (B) Gamma Pte. Ltd.. The recoverable amounts were assessed based on the fair value less costs to sell estimated using the revalued net assets of the subsidiaries and categorised as Level 3 on the fair value hierarchy.

(a) The details of the significant subsidiaries held by the Group are as follows:

Name of subsidiaries	Principal activities	Place of incorporation/ business	Effective equity held by the Group 2022 %	2021 %
CapitaRetail Beijing Wangjing Real Estate Co., Ltd.(1)(2)	Property investment	China	**100**	100
CapitaRetail Dragon Mall (Shanghai) Co., Ltd.(1)(2)	Property investment	China	**100**	100
CapitaRetail Beijing Shuangjing Real Estate Co., Ltd.(1)(2)	Property investment	China	**100**	100
CapitaRetail Beijing Xizhimen Real Estate Co., Ltd.(1)(2)	Property investment	China	**100**	100
Beijing Huakun Real Estate Management Co., Ltd.(1)(2)	Property investment	China	**100**	100
Guangzhou Starshine Properties Co., Ltd.(1)(2)	Property investment	China	**100**	100

6. SUBSIDIARIES (CONTINUED)

(a) The details of the significant subsidiaries held by the Group are as follows (continued):

Name of subsidiaries	Principal activities	Place of incorporation/ business	Effective equity held by the Group 2022 %	2021 %
Spicy (Chengdu) Limited[1][2]	Property investment	China	**100**	100
Huhhot Xinkai Qingtou Real Estate Leasing Co., Ltd.[1][2]	Property investment	China	**100**	100
Huhhot Nuohe Mule Corporate Management Co., Ltd.[1][2]	Property management	China	**100**	100
CapitaMalls Hunan Commercial Property Co., Ltd.[1][2]	Property investment	China	**100**	100
CapitaRetail Harbin Shangdu Real Estate Co., Ltd.[1][2]	Property investment	China	**100**	100
Beijing Hualian Harbin Real Estate Development Co., Ltd.[1][2]	Property investment	China	**100**	100
Ascendas Hangzhou Science & Technology Co., Ltd.[1][2]	Property investment	China	**80**	80
Ascendas Hangzhou Data Processing Co., Ltd.[1][2]	Property investment	China	**80**	80
Xi An Ascendas-Science Technology Investment Co., Ltd.[1][2]	Property investment	China	**80**	80
Ascendas Xi An High-Tech Development Co., Ltd.[1][2]	Property investment	China	**100**	100
Ascendas – Xinsu Development (Suzhou) Co., Ltd.[1][2]	Property investment	China	**51**	51
Kunshan Jixinxiang Auto Development Co. Ltd.[1][2]	Property investment	China	**100**	100
Wuhan Lin Gang Zenith Logistics Limited[1][2]	Property investment	China	**100**	100
Agility Distribution Services Ltd.[1][2]	Property investment	China	**100**	100
Chengdu Xindi Chengyun Logistics Co., Ltd.[1][2]	Property investment	China	**100**	100

(1) Audited by other member firms of KPMG International.
(2) Indirectly held by CapitaLand China Trust.

(b) The loans to subsidiaries, amounting to $203.7 million (2021: $268.6 million) and the non-trade amounts due from subsidiaries amounting to $2,065.1 million (2021: $1,997.2 million) are unsecured, interest free and repayable with a notice period of 366 days. The remaining $4.4 million (2021: $2.2 million) of the non-trade amounts due from subsidiaries are unsecured, interest-free and repayable on demand. The loans to subsidiaries bear interest rates of 4.60% to 6.37% (2021: 6.37%) per annum. There is no allowance for doubtful debts arising from these outstanding balances as ECL is not material.

7. FINANCIAL DERIVATIVES

	Group and Trust 2022 $'000	Group and Trust 2021 $'000
Non-current assets		
Interest rate swaps	**41,559**	5,735
Current assets		
Forwards	**1,670**	7
Interest rate swaps	**1,135**	–
	2,805	7
Non-current liabilities		
Interest rate swaps	**(825)**	(2,820)
Current liabilities		
Forwards	**–**	(348)
Interest rate swaps	**–**	(473)
	–	(821)

The following are the contractual maturities of financial derivative assets and liabilities, including estimated interest payments:

	Carrying amount $'000	Contractual cash flow $'000	Within 1 year $'000	Within 2 to 5 years $'000
Group and Trust				
Financial derivative assets				
2022				
Forwards	1,670			
- Outflow		(29,315)	(29,315)	–
- Inflow		31,000	31,000	–
Interest rate swaps	42,694	48,083	21,991	26,092
	44,364	49,768	23,676	26,092
2021				
Forwards	7			
- Outflow		(2,342)	(2,342)	–
- Inflow		2,340	2,340	–
Interest rate swaps	5,735	5,904	(1,918)	7,822
	5,742	5,902	(1,920)	7,822
Group and Trust				
Financial derivative liabilities				
2022				
Interest rate swaps	(825)	(1,063)	200	(1,263)
2021				
Forwards	(348)			
- Outflow		(10,348)	(10,348)	–
- Inflow		10,000	10,000	–
Interest rate swaps	(3,293)	(3,989)	(3,154)	(835)
	(3,641)	(4,337)	(3,502)	(835)

As at reporting date, it is not expected that the cash flows included in the maturity analysis could occur significantly earlier, or at significantly different amounts.

The table also indicates the periods in which the cash flows associated with derivatives that are expected to occur and impact the statement of total return and Unitholders' funds.

8. TRADE AND OTHER RECEIVABLES

	Group		Trust	
	2022	**2021**	**2022**	**2021**
	$'000	**$'000**	**$'000**	**$'000**
Trade receivables	**23,061**	11,435	**–**	–
Impairment losses	**(832)**	(410)	**–**	–
	22,229	11,025	**–**	–
Other receivables	**5,872**	5,696	**171**	329
Deposits	**3,739**	4,379	**–**	–
	31,840	21,100	**171**	329
Prepayments	**6,498**	6,832	**2**	–
	38,338	27,932	**173**	329
Current	**37,134**	26,567	**173**	329
Non-current	**1,204**	1,365	**–**	–
	38,338	27,932	**173**	329

Concentration of credit risk relating to trade and other receivables (excluding prepayments) is limited as the Group has many varied tenants located in several cities in China and a credit policy of obtaining security deposits from tenants for the lease of units in the Group's investment properties. These tenants comprise tenants from the retail, business parks and logistics assets.

The maximum exposure to credit risk for trade and other receivables (excluding prepayments) at the reporting date (by geographical area in China) is:

	Group	
	2022	**2021**
	$'000	**$'000**
Beijing	**12,817**	3,875
Inner Mongolia, Hohhot	**1,352**	4,388
Shanghai	**4,891**	2,481
Guangzhou	**3,634**	2,840
Hunan	**957**	411
Harbin	**1,722**	819
Chengdu	**5,122**	4,192
Suzhou	**667**	945
Hangzhou	**181**	376
Others	**326**	444
	31,669	20,771

Impairment losses

The ageing of trade and other receivables (excluding prepayments) at the reporting date is:

	Gross		Impairment	
	2022	**2021**	**2022**	**2021**
	$'000	**$'000**	**$'000**	**$'000**
Group				
Not past due	**13,268**	16,212	**263**	–
Past due 1 – 30 days	**4,346**	1,945	**58**	162
Past due 31 – 60 days	**4,637**	861	**35**	–
Past due 61 – 90 days	**3,097**	399	**52**	–
More than 90 days past due	**7,324**	2,093	**424**	248
	32,672	21,510	**832**	410
Trust				
Not past due	**171**	329	**–**	–

8. TRADE AND OTHER RECEIVABLES (CONTINUED)

Expected credit loss assessment for individual tenants as at 1 January and 31 December 2022

The Group uses an allowance matrix to measure the ECLs of trade receivables from many different individual tenants, which comprise of small balances each.

Loss rates are calculated using a 'roll rate' method based on the probability of a receivable progressing through successive stages of delinquency to write-off and are based on actual credit loss experience over the past five years.

The Manager believes that no allowance for impairment beyond the amounts provided for is necessary in respect of trade receivables as these receivables relate mainly to tenants that have good records with the Group or have sufficient security deposits as collateral, and hence ECL is not material.

The movement in the allowance for impairment in respect of trade receivables during the year is as follows:

	Note	Group 2022 $'000	Group 2021 $'000
At 1 January		**410**	353
Impairment losses on trade receivables, net	18	**595**	159
Assets acquired		**–**	83
Allowance utilised		**(110)**	(198)
Translation difference		**(63)**	13
At 31 December		**832**	410

9. CASH AND CASH EQUIVALENTS

	Group 2022 $'000	Group 2021 $'000	Trust 2022 $'000	Trust 2021 $'000
Cash at banks and in hand	**58,790**	76,621	**2,157**	15,994
Fixed deposits with financial institutions	**172,258**	212,239	**–**	–
	231,048	288,860	**2,157**	15,994

10. TRADE AND OTHER PAYABLES

	Group 2022 $'000	Group 2021 $'000	Trust 2022 $'000	Trust 2021 $'000
Trade payables	**4,454**	4,084	**313**	599
Accrued operating expenses	**33,099**	39,907	**3,819**	7,443
Accrued development expenditure	**17,468**	21,124	**–**	–
Amounts due to related parties (trade)	**29,140**	18,244	**1,534**	5,262
Amounts due to related parties (non-trade)	**–**	37	**29,139**	32,292
Amounts due to related parties – NCI (non-trade)	**6,874**	24,013	**–**	–
Other deposits and advances	**37,233**	55,314	**–**	–
Interest payable	**8,031**	6,796	**7,704**	6,086
Other payables	**1,341**	4,608	**146**	9,148
	137,640	174,127	**42,655**	60,830
Current	**130,671**	149,996	**42,655**	60,830
Non-current	**6,969**	24,131	**–**	–
	137,640	174,127	**42,655**	60,830

10. TRADE AND OTHER PAYABLES (CONTINUED)

Included in amounts due to related parties (trade) are amounts due to the Manager and Property Managers of $1.5 million (2021: $5.3 million) and $26.7 million (2021: $12.0 million) respectively.

The amounts due to related parties (non-trade) at the Trust level included the proceeds received on behalf of its subsidiary, Somerset (Wuhan) Investments Pte. Ltd., relating to the divestment of CapitaMall Minzhongleyuan.

Included in amounts due to related parties – NCI (non-trade) of $6.9 million (2021: $24.0 million) is unsecured, interest free and repayable on demand. In 2021, the amounts due to the non-controlling interest included entrustment loan amounting to $17.1 million which bears interest rate of 3.85% per annum, was unsecured and was repaid in 2022.

11. INTEREST-BEARING BORROWINGS

		Group		Trust	
	Note	2022 $'000	2021 $'000	2022 $'000	2021 $'000
Unsecured term loans	(a)	**1,510,000**	1,320,000	**1,510,000**	1,320,000
Medium Term Notes ("MTN")	(b)	**150,000**	280,000	**150,000**	280,000
Secured loan	(c)	**257,127**	393,414	**–**	–
Money market loan facilities		**33,800**	–	**33,800**	–
Less: Unamortised transactions costs		**(4,987)**	(3,893)	**(4,987)**	(3,893)
		1,945,940	1,989,521	**1,688,813**	1,596,107
Current		**326,140**	215,001	**283,765**	179,953
Non-current		**1,619,800**	1,774,520	**1,405,048**	1,416,154
		1,945,940	1,989,521	**1,688,813**	1,596,107

(a) As at 31 December 2022, the Group has an aggregate of $1,543.8 million (2021: $1,320.0 million) unsecured floating rate term loans (collectively known as "Trust Term Loan Facilities"). These facilities have negative pledge covenants which require the Trust not to, amongst others, create or have outstanding any security on or over the Group's interest in any of the investment properties without the prior written consent of the lender.

The Trust Term Loan Facilities are repayable in full at maturity, although the Trust has the option to make early repayments.

11. INTEREST-BEARING BORROWINGS (CONTINUED)

(b) At the reporting date, $150.0 million (2021: $280.0 million) MTN were issued under the $1.0 billion Multicurrency Debt Issuance Programme. Under the Multicurrency Debt Issuance Programme, the Trust may:

(i) issue notes in any currency, in various amounts and tenors, and the notes may bear interest at fixed, floating, variable or hybrid rates or may not bear interest, in each case as agreed between the Trustee, the Manager and the relevant dealer(s) of the Notes and as specified in the relevant Pricing Supplement; and

(ii) issue perpetual securities in registered and/or bearer form in any currency, in various amounts and the perpetual securities may confer a right to receive distribution at fixed or floating rates, in each case as agreed between the Trustee, the Manager and the relevant dealer(s) of the Perpetual Securities and as specified in the relevant Pricing Supplement.

(c) At the reporting date, secured loan comprises outstanding term loans of $257.1 million (RMB1,323.4 million) (2021: $393.4 million (RMB1,857.7 million)). The term loans bear interest rates referenced against 5-year Loan Prime Rate ("LPR") with lending rates ranging from 3.90% to 4.90% (2021: 4.31% to 5.51%) per annum and repriced on a quarterly and half-yearly basis.

As security for the loans, the Group has granted in favour of the respective lenders the following:

(i) mortgage over retail assets CapitaMall Xuefu and Rock Square, with carrying amounts of $347.6 million (2021: $378.9 million) and $662.5 million (2021: $724.7 million) respectively (see Note 4);

(ii) mortgage over business park assets Singapore-Hangzhou Science & Technology Park (Phase I and Phase II), with carrying amounts of $164.8 million (2021: $142.3 million) and $205.0 million (2021: $172.4 million) respectively. The bank loan in Ascendas Innovation Towers was repaid during the year and the mortgage with carrying amount of $168.1 million in 2021 was discharged. (see Note 4);

(iii) mortgage over logistics park assets Kunshan Bacheng Logistics Park and Wuhan Yangluo Logistics Park, with carrying amounts of $64.9 million (2021: $69.9 million), and $74.6 million (2021: $81.1 million) respectively. The bank loan in Chengdu Shuangliu Logistics Park was repaid during the year and the mortgage with carrying amount of $75.6 million in 2021 was discharged. (see Note 4);

(iv) pledge of bank accounts of the respective assets; and

(v) assignment of the insurance policies of the respective assets.

The RMB term loans are amortised and payable on a quarterly or half-yearly basis with a final lump sum payment at the maturity of the respective loans.

11. INTEREST-BEARING BORROWINGS (CONTINUED)

Terms and debt repayment schedule

Terms and conditions of the outstanding interest-bearing borrowings are as follows:

	Nominal interest rate per annum %	Year of maturity	Face value $'000	Carrying amount $'000
2022				
Group				
S$ unsecured floating rate money market loan facilities	**SOR+Margin**	**2023**	**33,800**	**33,800**
S$ fixed rate MTN	**2.40**	**2028**	**150,000**	**149,835**
S$ unsecured floating rate loans	**SOR+Margin**	**2023-2028**	**920,000**	**917,378**
S$ unsecured floating rate loans	**SORA+Margin**	**2024-2028**	**590,000**	**587,800**
RMB secured floating rate term loan	**3.90-4.90**	**2023-2037**	**257,127**	**257,127**
Trust				
S$ unsecured floating rate money market loan facilities	**SOR+Margin**	**2023**	**33,800**	**33,800**
S$ fixed rate MTN	**2.40**	**2028**	**150,000**	**149,835**
S$ unsecured floating rate loans	**SOR+Margin**	**2023-2028**	**920,000**	**917,378**
S$ unsecured floating rate loans	**SORA+Margin**	**2024-2028**	**590,000**	**587,800**
2021				
Group				
S$ fixed rate MTN	2.40-3.25	2022-2028	280,000	279,789
S$ unsecured floating rate loans	SOR+Margin	2022-2028	1,170,000	1,167,046
S$ unsecured floating rate loans	SORA+Margin	2026	150,000	149,272
RMB secured floating rate term loan	4.31-5.51	2022-2036	393,414	393,414
Trust				
S$ fixed rate MTN	2.40-3.25	2022-2028	280,000	279,789
S$ unsecured floating rate loans	SOR+Margin	2022-2028	1,170,000	1,167,046
S$ unsecured floating rate loans	SORA+Margin	2026	150,000	149,272

11. INTEREST-BEARING BORROWINGS (CONTINUED)

The following are the contractual maturities of non-derivative financial liabilities, including estimated interest payments and excluding the impact of netting agreements:

	Carrying amount $'000	Contractual cash flow $'000	Within 1 year $'000	Within 2 to 5 years $'000	After 5 years $'000
2022					
Group					
S$ fixed rate MTN	**149,835**	**169,815**	**3,600**	**14,400**	**151,815**
S$ unsecured floating rate money market loan facilities	**33,800**	**33,824**	**33,824**	**–**	**–**
S$ unsecured floating rate loans	**1,505,178**	**1,709,192**	**316,916**	**1,196,345**	**195,931**
RMB secured floating rate term loan	**257,127**	**321,495**	**17,498**	**167,958**	**136,039**
Lease liabilities	**5,135**	**5,306**	**5,164**	**142**	**–**
Trade and other payables	**137,640**	**137,640**	**130,671**	**95**	**6,874**
Security deposits	**106,181**	**106,181**	**49,161**	**52,955**	**4,065**
	2,194,896	**2,483,453**	**556,834**	**1,431,895**	**494,724**
Trust					
S$ fixed rate MTN	**149,835**	**169,815**	**3,600**	**14,400**	**151,815**
S$ unsecured floating rate money market loan facilities	**33,800**	**33,824**	**33,824**	**–**	**–**
S$ unsecured floating rate loans	**1,505,178**	**1,709,192**	**316,916**	**1,196,345**	**195,931**
Trade and other payables	**42,655**	**42,655**	**42,655**	**–**	**–**
	1,731,468	**1,955,486**	**396,995**	**1,210,745**	**347,746**
2021					
Group					
S$ fixed rate MTN	279,789	307,640	137,825	14,410	155,405
S$ unsecured floating rate loans	1,316,318	1,427,465	20,065	1,250,588	156,812
RMB secured floating rate term loan	393,414	457,980	30,490	349,421	78,069
Lease liabilities	10,652	11,284	5,597	5,687	–
Trade and other payables	174,127	174,127	149,996	134	23,997
Security deposits	117,387	117,387	51,352	59,243	6,792
	2,291,687	2,495,883	395,325	1,679,483	421,075
Trust					
S$ fixed rate MTN	279,789	307,640	137,825	14,410	155,405
S$ unsecured floating rate loans	1,316,318	1,427,465	20,065	1,250,588	156,812
Trade and other payables	60,830	60,830	60,830	–	–
	1,656,937	1,795,935	218,720	1,264,998	312,217

The maturity analysis shows the contractual undiscounted cash flows of the Group's financial liabilities on the basis of their earliest possible contractual maturity. In addition to the above, the interest payments on the Group's sustainability-linked bond takes into consideration the Group's expectation of its ability to meet the sustainability-linked performance targets, and may change if the Group expects that it can no longer meet this target.

It is not expected that the cash flows included in the maturity analysis could occur significantly earlier, or at significantly different amounts.

11. INTEREST-BEARING BORROWINGS (CONTINUED)

Reconciliation of movements of liabilities to cash flows arising from financing activities

			Non-cash changes					
	Adjusted balance at 1 January $'000	Financing cash flows $'000	Finance costs $'000	Fair value gain $'000	Foreign exchange movement $'000	Assets acquired $'000	Other changes $'000	At 31 December $'000
2022								
Interest-bearing borrowings[1]	**1,996,317**	**(71,690)**	**59,350**	**–**	**(30,006)**	**–**	**–**	**1,953,971**
Interest rate swaps used for hedging and forward exchange contracts – assets	**(5,742)**	**–**	**–**	**(38,622)**	**–**	**–**	**–**	**(44,364)**
Interest rate swaps used for hedging and forward exchange contracts– liabilities	**3,641**	**1,284**	**–**	**(4,100)**	**–**	**–**	**–**	**825**
Lease liabilities	**10,652**	**(3,769)**	**444**	**–**	**(906)**	**110**	**(1,396)**	**5,135**
	2,004,868	**(74,175)**	**59,794**	**(42,722)**	**(30,912)**	**110**	**(1,396)**	**1,915,567**
2021								
Interest-bearing borrowings[1]	1,361,537	324,292	46,523	–	13,492	250,473	–	1,996,317
Interest rate swaps used for hedging and forward exchange contracts – assets	(1)	–	–	(5,741)	–	–	–	(5,742)
Interest rate swaps used for hedging and forward exchange contracts– liabilities	18,327	(1,098)	–	(13,588)	–	–	–	3,641
Lease liabilities	14,722	(5,757)	685	–	574	12	416	10,652
	1,394,585	317,437	47,208	(19,329)	14,066	250,485	416	2,004,868

(1) Includes interest payable.

12. LEASES

Leases as lessee

The Group leases land and building which form part of its investment properties and motor vehicles which form part of its property, plant and equipment. The leases of land and building and motor vehicles typically run for a period of 20 years and 3 years respectively, with an option to renew the lease after that date.

Information about leases for which the Group is a lessee is presented below.

i. Amounts recognised in the statement of total return

	2022 $'000	2021 $'000
Group		
Interest on lease liabilities	**444**	685

ii. Amounts recognised in statement of cash flows

	2022 $'000	2021 $'000
Total cash outflow for leases	**3,769**	5,757

12. LEASES (CONTINUED)

Leases as lessee (continued)

iii. Extension options

The investment property leases contain extension option exercisable by the Group. The Group assesses at lease commencement date whether it is reasonably certain to exercise the extension option. The Group reassesses whether it is reasonably certain to exercise the option if there is a significant event or significant changes in circumstances within its control.

CLCT did not exercise its extension option which expired on 31 January 2021.

Leases as lessor

The Group leases out its investment properties consisting of its owned retail and commercial properties as well as leased properties (see Note 4). All leases are classified as operating leases from a lessor perspective.

The Group has classified these leases as operating leases, because they do not transfer substantially all of the risks and rewards incidental to the ownership of the assets. Note 4 sets out information about the operating leases of investment properties.

Rental income from investment properties and investment property subleases recognised by the Group during 2022 was $356.4 million (2021: $348.6 million).

The following table sets out a maturity analysis of lease payments, showing the undiscounted lease payments to be received after the reporting date.

	2022 $'000	**2021 $'000**
Group		
Less than one year	**339,901**	381,559
One to two years	**210,303**	280,634
Two to three years	**127,069**	160,501
Three to four years	**63,352**	80,937
Four to five years	**40,099**	53,251
More than five years	**55,820**	87,730
Total	**836,544**	1,044,612

13. DEFERRED TAX (ASSETS)/LIABILITIES

The movement in deferred tax liabilities during the financial year is as follows:

	At 1 January 2022 $'000	Statement of total return (Note 22) $'000	Acquired asset $'000	Reclassified to liabilities held for sale $'000	Translation difference $'000	At 31 December 2022 $'000
Group						
Deferred tax liabilities						
Investment properties	**301,101**	**50,851**	**–**	**–**	**(28,079)**	**323,873**
Tax on unrepatriated profits	**17,392**	**(394)**	**–**	**–**	**–**	**16,998**
	318,493	**50,457**	**–**	**–**	**(28,079)**	**340,871**

	At 1 January 2021 $'000	Statement of total return (Note 22) $'000	Reclassified from joint venture $'000	Reclassified to liabilities held for sale $'000	Translation difference $'000	At 31 December 2021 $'000
Group						
Deferred tax liabilities						
Investment properties	265,364	26,330	(955)	(300)	10,662	301,101
Tax on unrepatriated profits	19,341	(2,007)	–	58	–	17,392
	284,705	24,323	(955)	(242)	10,662	318,493

Deferred tax assets have not been recognised in respect of the following item because it is not probable that future taxable profit will be available against which the Group can utilise the benefits therefrom:

	Group	
	2022 $'000	2021 $'000
Tax losses	**39,127**	50,998

The tax losses are subject to agreement by the tax authorities and compliance with tax regulations in the country in which the subsidiaries operate. These tax losses can be carried forward up to five consecutive years and will expire on the fifth year from which the tax losses arise.

14. UNITHOLDERS' FUNDS

	Note	Group		Trust	
		2022 $'000	2021 $'000	2022 $'000	2021 $'000
Net assets resulting from operations		**1,588,039**	1,476,177	**293,490**	302,402
Hedging reserve	(a)	**41,897**	2,321	**41,897**	2,321
Foreign currency translation reserve	(b)	**(214,015)**	146,710	**–**	–
Unitholders' transactions		**825,096**	905,533	**825,096**	905,533
General reserve	(c)	**65,214**	57,458	**–**	–
		2,306,231	2,588,199	**1,160,483**	1,210,256

(a) The hedging reserve comprises the effective portion of the cumulative net change in the fair value of cash flow hedging instruments relating to forecast hedged transactions.

14. UNITHOLDERS' FUNDS (CONTINUED)

(b) The foreign currency translation reserve comprises:

(i) foreign exchange differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from the functional currency of the Trust;

(ii) the gains or losses on financial instruments used to hedge the Group's net investment in foreign operations that are determined to be effective hedges; and

(iii) the foreign exchange differences on monetary items which form part of the Group's net investment in foreign operations, provided certain conditions are met.

(c) General reserve

The subsidiaries incorporated in China are required to transfer 10% of their profits after taxation, as determined under the accounting principles and relevant financial regulations of China to the general reserve until the reserve balance reaches 50% of registered capital. The transfer to this reserve must be made before distribution of dividends to its shareholders.

General reserve can be used to make good previous years' losses, if any, and may be converted to registered capital in proportion to the existing interests of the shareholders, provided that the balance after such conversion is not less than 25% of the registered capital.

15. UNITS IN ISSUE AND PERPETUAL SECURITIES

(a) Units in issue

	2022 Number of Units	**2021 Number of Units**
Balance as at beginning of year	**1,659,527,650**	1,506,433,415
New Units issued:		
– Units in connection with private placement exercise	**–**	128,756,000
– As payment of distribution through distribution reinvestment plan	**2,258,266**	11,645,817
– As payment of Manager's management fees	**12,106,981**	5,359,744
– As payment of Manager's acquisition fee	**–**	7,332,674
Total issued Units as at end of the year	**1,673,892,897**	1,659,527,650
New Units to be issued:		
– as payment of Manager's management fees[(1)]	**13,495,621**	12,106,981
Total issued and issuable Units as at end of the year	**1,687,388,518**	1,671,634,631

(1) The issuance of the Management Fee Units is subject to and conditional upon the grant by Securities Industry Council of a whitewash waiver and the satisfaction of all the conditions of the whitewash waiver which would include, among others, approval of independent unitholders of CLCT. In the event that the whitewash waiver is not obtained or the conditions are not satisfied, the Manager will manage the issuance of the Management Fee Units in a manner such that the unitholding of the Manager and its concert parties would not exceed 30%.

Units issued during the year ended 31 December 2022 are as follows:

(a) On 4 March 2022, the Trust issued 4,513,937 and 7,593,044 new Units at an issue price of $1.1805 per Unit as partial payment of the management fee respectively for the period from 1 January 2021 to 31 December 2021;

(b) On 21 September 2022, the Trust issued 2,258,266 new Units at an issue price of $1.157 per Unit as payment of distribution under the distribution reinvestment plan for the period from 1 January 2022 to 30 June 2022; and

15. UNITS IN ISSUE AND PERPETUAL SECURITIES (CONTINUED)

(a) Units in issue (continued)

Units issued during the year ended 31 December 2021 are as follows:

(a) On 5 March 2021, the Trust issued 1,190,921 and 4,168,823 new Units at an issue price of $1.3664 per Unit as partial payment of the management fee respectively for the period from 1 January 2020 to 31 December 2020;

(b) On 30 July 2021, the Trust issued 7,332,674 new Units at a weighted average issue price of $1.3713 per Unit as payment of acquisition fee for the acquisition of the 5 business parks and remaining 49.0% of Rock Square;

(c) On 24 September 2021, the Trust issued 11,645,817 new Units at an issue price of $1.366 per Unit as payment of distribution under the distribution reinvestment plan for the period from 1 January 2021 to 30 June 2021; and

(d) On 21 October 2021, the Trust issued 128,756,000 new Units via private placement at an issue price of $1.165 per Unit to fund the acquisition of the 4 logistics parks.

The issue prices were determined based on the volume weighted average traded price for all trades done on the SGX-ST in the ordinary course of trading for the last 10 business days of the relevant periods in which the management fees accrue.

Each Unit in the Trust represents an undivided interest in the Trust. The rights and interests of Unitholders are contained in the Trust Deed and include the right to:

- one vote per Unit;
- receive income and other distributions attributable to the Units held;
- participate in the termination of the Trust by receiving a share of all net cash proceeds derived from the realisation of the assets of the Trust less any liabilities, in accordance with their proportionate interests in the Trust. However, a Unitholder has no equitable or proprietary interest in the underlying assets of the Trust and is not entitled to the transfer of any assets (or part thereof) or any estate or interest in any asset (or part thereof) of the Trust; and
- attend all Unitholders' meetings. The Trustee or the Manager may (and the Manager shall at the request in writing of not less than 50 Unitholders or one-tenth in number of Unitholders, whichever is lesser) at any time convene a meeting of Unitholders in accordance with the provisions of the Trust Deed.

The restrictions of a Unitholder include the following:

- a Unitholder's right is limited to the right to require due administration of the Trust in accordance with the provisions of the Trust Deed; and
- a Unitholder has no right to request the Manager to redeem his Units while the Units are listed on the SGX-ST.

A Unitholder's liability is limited to the amount paid or payable for any Unit in the Trust. The provisions of the Trust Deed provide that no Unitholder will be personally liable to indemnify the Trustee or any creditor of the Trustee in the event that the liabilities of the Trust exceed its assets.

15. UNITS IN ISSUE AND PERPETUAL SECURITIES (CONTINUED)

(b) Perpetual securities

On 27 October 2020, the Trust issued $100.0 million of fixed rate subordinated perpetual securities under the $1.0 billion multicurrency Debt Issuance Programme with an initial distribution rate of 3.375% per annum, with the first distribution rate reset falling on 27 October 2025 and subsequent resets occurring every five years thereafter.

The Perpetual Securities will have no fixed redemption date and redemption is at the option of the Trust in accordance with the terms of issue of the securities. The distribution will be payable semi-annually at the discretion of the Trust and will be non-cumulative.

In terms of distribution payments or in the event of winding-up of the Trust:

- These perpetual securities will constitute direct, unconditional, subordinated and unsecured obligations of the Trust and shall at all times rank pari passu, without any preference or priority among themselves and with any parity obligations of the Trust.

- The Trust shall not declare or pay any distributions to the Unitholders, or make redemptions, unless the Trust fully redeems all the outstanding perpetual securities; pays in full an Optional Distribution equal to the amount of the distribution payable that was unpaid in full or in part; pays the next schedule distribution to the holders of the perpetual securities in full; or obtains an extraordinary resolution of the holders of the perpetual securities permitting the Trust to do so.

These perpetual securities are classified as equity instruments and recorded within the Statements of movements in Unitholders' funds. The $99.6 million (2021: $99.6 million) presented on the Statements of financial position represents the $99.6 million (2021: $100.0 million) perpetual securities net of issue costs and include total return attributable to perpetual securities holders from issue date.

16. NON-CONTROLLING INTERESTS

The following subsidiaries have NCI that are material to the Group.

Name	Place of incorporation/ business	Operating segment	Ownership interests held by NCI	
			2022	**2021**
Xinsu subgroup[(1)]	Singapore/China	Business parks	**49**	49
Ascendas Hangzhou Science & Technology Co., Ltd.	China	Business parks	**20**	20
Ascendas Hangzhou Data Processing Co., Ltd.	China	Business parks	**20**	20
Xi An Ascendas-Science Technology Investment Co., Ltd.	China	Business parks	**20**	20

(1) Includes Singapore Suzhou Industrial Holdings Pte. Ltd. and Ascendas–Xinsu Development (Suzhou) Co., Ltd.

16. NON-CONTROLLING INTERESTS (CONTINUED)

The following summarises the financial information of the Group's significant subsidiaries with material NCI.

	Xinsu subgroup[1] $'000	Ascendas Hangzhou Science & Technology Co., Ltd. $'000	Ascendas Hangzhou Data Processing Co., Ltd. $'000	Xi An Ascendas-Science Technology Investment Co., Ltd. $'000	Total $'000
2022					
Statement of financial position					
Non-current assets	**461,805**	**163,902**	**203,689**	**67,857**	**897,253**
Current assets	**18,562**	**18,571**	**21,781**	**6,491**	**65,405**
Non-current liabilities	**(24,252)**	**(44,493)**	**(39,519)**	**(1,817)**	**(110,081)**
Current liabilities	**(32,557)**	**(7,006)**	**(38,771)**	**(2,400)**	**(80,734)**
Net assets	**423,558**	**130,974**	**147,180**	**70,131**	**771,843**
Add: Dividend declared to NCI	**–**	**–**	**–**	**–**	**–**
	423,558	**130,974**	**147,180**	**70,131**	**771,843**
Net assets based on percentage shareholdings	**207,544**	**26,195**	**29,436**	**14,026**	**277,201**
Net assets attributable to NCI	**207,544**	**26,195**	**29,436**	**14,026**	**277,201**
Statement of total return					
Revenue	**46,467**	**16,507**	**18,860**	**6,969**	**88,803**
Total return after taxation	**27,265**	**34,861**	**46,137**	**12,868**	**121,131**
Attributable to NCI:					
Total return after taxation	**13,360**	**6,972**	**9,227**	**2,574**	**32,133**
Total return allocated to NCI	**13,360**	**6,972**	**9,227**	**2,574**	**32,133**
Statement of cash flows					
Cash flows from operating activities	**11,030**	**10,292**	**14,761**	**4,197**	**40,280**
Cash flows used in investing activities	**(2,141)**	**(203)**	**(553)**	**(302)**	**(3,199)**
Cash flows from financing activities (dividends to NCI: SGD272,000)	**(17,001)**	**(15,760)**	**(10,771)**	**(272)**	**(43,804)**
Net decrease in cash and cash equivalents	**(8,112)**	**(5,671)**	**3,437**	**3,623**	**(6,723)**

16. NON-CONTROLLING INTERESTS (CONTINUED)

	Xinsu subgroup[1] $'000	Ascendas Hangzhou Science & Technology Co., Ltd. $'000	Ascendas Hangzhou Data Processing Co., Ltd. $'000	Xi An Ascendas-Science Technology Investment Co., Ltd. $'000	Total $'000
2021					
Statement of financial position					
Non-current assets	496,303	141,408	171,160	63,818	872,689
Current assets	29,221	26,736	20,553	5,810	82,320
Non-current liabilities	(25,771)	(54,767)	(68,781)	(1,509)	(150,828)
Current liabilities	(70,791)	(7,125)	(10,559)	(2,451)	(90,926)
Net assets	428,962	106,252	112,373	65,668	713,255
Add: Dividend declared to NCI	–	–	–	620	620
	428,962	106,252	112,373	66,288	713,875
Net assets based on percentage shareholdings	210,191	21,250	22,475	13,258	267,174
Less: Dividends declared to NCI	–	–	–	(620)	(620)
Net assets attributable to NCI	210,191	21,250	22,475	12,638	266,554
Statement of total return					
Revenue	43,910	16,498	16,715	5,797	82,920
Total return after taxation	22,714	9,145	12,269	3,554	47,682
Attributable to NCI:					
Total return after taxation	11,130	1,829	2,454	711	16,124
Total return allocated to NCI	11,130	1,829	2,454	711	16,124
Statement of cash flows					
Cash flows from operating activities	16,505	10,421	13,749	4,431	45,106
Cash flows used in investing activities	(1,369)	(846)	(575)	(451)	(3,241)
Cash flows from financing activities (dividends to NCI: SGD338,000)	–	(21,840)	(3,288)	(338)	(25,466)
Net decrease in cash and cash equivalents	15,136	(12,265)	9,886	3,642	16,399

Dividend of $620,000 was declared to non-controlling interest of Xi An Ascendas-Science Technology Investment Co., Ltd. during the year, of which $338,000 was paid in 2021, the remaining balance was paid in 2022.

17. TOTAL UNITHOLDERS' DISTRIBUTION

Unitholders' distribution for the year is accounted for as distribution from operations and distribution from Unitholders' contributions:

(a) Distribution from operations

This refers to distribution made by the Trust that is represented by income received or receivable during the financial year, as the case may be, net of expenses. Such income comprises mainly the following:

- dividend from subsidiaries in Barbados, Singapore, Hong Kong and British Virgin Islands paid out of dividend declared by the subsidiaries in China;
- dividend from subsidiaries in Barbados paid out of net interest income earned by subsidiaries in Barbados on shareholders' loans extended to subsidiaries in China; and
- interest income earned by the Trust on shareholders' loans extended to subsidiaries in Barbados.

The above income originates from income derived by the subsidiaries in China in respect of the current financial year.

(b) Distribution from Unitholders' contributions

This refers to the amount of distribution made by the Trust for the financial year where the underlying cash is not, or may not be, received or receivable as income by the Trust during that period. Such distribution comprises mainly the following:

- profits from operations arising from the investment properties which are declared as dividend income after the financial year, as the case may be, and accordingly also received as dividends by the Trust after that year;
- profits from operations arising from the investment properties which cannot be declared as dividends;
- adjustment for depreciation expenses of the investment properties; and
- adjustments for trust expenses that are paid in Units, foreign currency differences attributable to net investment hedges undertaken by the Trust and certain unrealised expenses.

Income available for distribution to Unitholders at end of the year

Distributions are made on a semi-annual basis, with the amount calculated as at 30 June and 31 December each year for the six-month period ending on each of the said dates. In accordance with the provisions of the Trust Deed, the Manager is required to pay distributions within 90 days from the end of each distribution period. Distributions, when paid, will be in Singapore dollars.

18. OTHER PROPERTY OPERATING EXPENSES

	Note	Group 2022 $'000	Group 2021 $'000
Utilities		**10,959**	9,996
Advertising and promotion		**14,325**	13,764
Maintenance		**25,019**	23,111
Staff costs		**16,359**	17,896
Depreciation of plant and equipment	5	**1,164**	1,312
Impairment losses on trade receivables, net	8	**595**	159
Amortisation of deferred expenditure included in other receivables		**64**	56
Plant and equipment written off		**33**	40
Others		**2,415**	2,069
		70,933	68,403

Included in staff costs is contribution to defined contribution plans of $2.7 million (2021: $2.7 million).

19. MANAGER'S MANAGEMENT FEES

Manager's management fees comprise base fee of $12.8 million (31 December 2021: $12.0 million) and performance fee of $9.0 million (31 December 2021: $8.9 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 $9.0 million (31 December 2021: $8.9 million) and base fee amounting to $6.4 million (31 December 2021: $5.4 million) will be paid through the issue of 13,495,621 (31 December 2021: 12,106,981) new Units subsequent to the year end (the "Management Fee Units"). The issuance of the Management Fee Units is subject to and conditional upon the grant by Securities Industry Council of a whitewash waiver and the satisfaction of all the conditions of the whitewash waiver which would include, among others, approval of independent unitholders of CLCT. In the event that the whitewash waiver is not obtained or the conditions are not satisfied, the Manager will manage the issuance of the Management Fee Units in a manner such that the unitholding of the Manager and its concert parties would not exceed 30%.

20. OTHER OPERATING (INCOME)/EXPENSES

	Group 2022 $'000	Group 2021 $'000
Professional fees	**1,185**	172
Others[1]	**(1,370)**	(980)
	(185)	(808)

(1) Includes reversal of over provision of prior year equity fund raising related expenses in 2022 and one-off compensation of $1.9 million received in 2021 from seller in relation to the asset swap of CapitaMall Nuohemule.

21. FINANCE INCOME AND FINANCE COSTS

	Group	
	2022	2021
	$'000	$'000
Interest income:		
– financial institutions	**4,169**	3,941
Finance income	**4,169**	3,941
Interest expenses		
– financial institutions	**(63,215)**	(37,665)
– related parties	**(605)**	(910)
	(63,820)	(38,575)
Cash flow hedges – gain/(losses) reclassified from hedging reserve	**3,865**	(8,858)
Finance lease expenses	**(444)**	(685)
Finance costs	**(60,399)**	(48,118)
Net finance costs recognised in statement of total return	**(56,230)**	(44,177)

22. TAXATION

	Note	Group	
		2022	2021
		$'000	$'000
Current taxation			
Current year		**36,801**	43,447
Under/(over) provision in prior years		**527**	(978)
		37,328	42,469
Deferred taxation			
Origination and reversal of temporary differences	13	**50,457**	24,323
Income tax expense		**87,785**	66,792
Reconciliation of effective tax rate			
Total return for the year before taxation		**242,911**	189,594
Tax calculated using Singapore tax rate of 17% (2021: 17%)		**41,295**	32,231
Adjustments:			
Effect of different tax rates in foreign jurisdictions		**27,283**	19,700
Income not subject to tax		**(2,476)**	(9,318)
Expenses not deductible for tax purposes		**–**	10
Deferred tax assets not recognised		**3,078**	398
Tax losses not allowed to be carried forward		**11,182**	10,642
Reversal of deferred tax assets		**–**	955
Utilisation of previously unrecognised tax losses		**–**	(893)
Foreign tax suffered		**6,896**	14,045
Under/(over) provision in prior years		**527**	(978)
		87,785	66,792

23. EARNINGS PER UNIT

Basic earnings per Unit

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

	Group	
	2022	**2021**
	$'000	**$'000**
Total return for the year after taxation and non-controlling interest before distribution	**122,993**	106,678
Less: Total return attributable to perpetual securities holders	**(3,375)**	(3,375)
Total return attributable to Unitholders	**119,618**	103,303

	Trust	
	Number of Units	**Number of Units**
	2022	**2021**
	'000	**'000**
Issued Units at beginning of year	**1,659,528**	1,506,433
Effect of creation of new Units:		
– Units in connection with private placement exercise	**–**	25,398
– Distribution to Unitholders in respect of distribution reinvestment plan	**625**	3,159
– Manager's management fees paid/payable in Units	**10,087**	4,468
– Units issued in respect of acquisition fees	**–**	3,114
Weighted average number of issued and issuable Units at end of the year	**1,670,240**	1,542,572

Diluted earnings per Unit

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

	Trust	
	Number of Units	**Number of Units**
	2022	**2021**
	'000	**'000**
Issued Units at beginning of year	**1,659,528**	1,506,433
Effect of creation of new Units:		
– Units in connection with private placement exercise	**–**	25,398
– Distribution to Unitholders in respect of distribution reinvestment plan	**625**	3,159
– Manager's management fees paid/payable in Units	**23,546**	16,542
– Units issued in respect of acquisition fees	**–**	3,114
Weighted average number of issued and issuable Units at end of the year	**1,683,699**	1,554,646

24. RELATED PARTY TRANSACTIONS

For the purposes of these financial statements, parties are considered to be related to the Group if the Group has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group and the party are subject to common significant influence. Related parties are entities which are direct or indirect wholly owned subsidiaries of CLG.

In the normal course of the operations of the Trust, the Manager's management fees and the Trustee's fees have been paid or are payable to the Manager and Trustee respectively. The property management fees, reimbursables and project management fees have been paid or are payable to the Property and Project Managers respectively.

During the financial year, other than those disclosed elsewhere in the financial statements, the following were significant related party transactions carried out in the normal course of business on arm's length commercial terms:

	Group	
	2022	**2021**
	$'000	**$'000**
Project management fees paid/payable to a related party	**852**	979

25. FINANCIAL RATIOS

	Group	
	2022	**2021**
	%	**%**
Ratio of expenses to average net asset value [(1)]		
– including performance component of Manager's management fees	**0.79**	0.85
– excluding performance component of Manager's management fees	**0.48**	0.52
Portfolio turnover rate [(2)]	**–**	6.68

Notes:
(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.

26. OPERATING SEGMENTS

For the purpose of making resource allocation decisions and the assessment of segment performance, the Group's Chief Operating Decision Makers ("CODMs") review internal/management reports of its strategic divisions. This forms the basis of identifying the operating segments of the Group consistent with the principles of FRS 108 *Operating Segments*.

The Group is organised into the following main business segments:

- Retail Malls: management of retail properties in China;
- Business Parks: management of business parks in China; and
- Logistics Parks: management of logistics parks in China.

Segment revenue comprises mainly income generated from its tenants. Segment net property income represents the income earned by each segment after allocating property operating expenses. This is the measure reported to the CODMs for the purpose of assessment of segment performance. In addition, the CODMs monitor the non-financial assets as well as financial assets attributable to each segment when assessing segment performance.

26. OPERATING SEGMENTS (CONTINUED)

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly the Trust's financial assets and liabilities and its expenses. Segment capital expenditure is the total cost incurred during the year to acquire segment assets that are expected to be used for more than one year.

Information regarding the Group's reportable segments is presented in the tables in the following pages.

For the purpose of monitoring segment performance, the Group's CODMs monitor the non-financial assets as well as financial assets attributable to each segment.

Information about reportable segments

	Retail Malls		Business Parks		Logistics Parks		Group	
	2022	2021	2022	2021	2022	2021	2022	2021
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
External revenue:								
– Gross rental income	**239,338**	255,213	**99,696**	90,758	**17,407**	2,598	**356,441**	348,569
– Others	**20,967**	23,263	**5,399**	6,100	**364**	35	**26,730**	29,398
– Gross revenue	**260,305**	278,476	**105,095**	96,858	**17,771**	2,633	**383,171**	377,967
Segment net property income	**164,129**	179,727	**77,065**	68,844	**13,022**	1,856	**254,216**	250,427
Finance income	**2,429**	2,571	**1,449**	1,321	**270**	42	**4,148**	3,934
Finance costs	**(7,008)**	(8,024)	**(7,355)**	(8,033)	**(2,905)**	(556)	**(17,268)**	(16,613)
Reportable segment total return before taxation	**28,465**	148,408	**192,862**	80,405	**14,143**	(1,842)	**235,470**	226,971
Segment assets	**3,664,833**	4,040,250	**1,137,946**	1,130,935	**352,180**	382,169	**5,154,959**	5,553,354
Segment liabilities	**596,363**	648,148	**192,735**	257,055	**45,384**	80,725	**834,482**	985,928
Other segment items:								
Depreciation and amortisation	**(870)**	(977)	**(266)**	(374)	**(92)**	(17)	**(1,228)**	(1,368)
Write-back/ (Impairment losses) on trade receivables, net	**(569)**	(174)	**(26)**	15	**–**	–	**(595)**	(159)
Net change in fair value of investment properties and ROU assets	**(58,071)**	(25,575)	**122,064**	18,520	**3,852**	(3,165)	**67,845**	(10,220)
Capital expenditure	**(29,239)**	(16,929)	**(2,295)**	(3,028)	**1,673**	28	**(29,861)**	(19,929)

26. OPERATING SEGMENTS (CONTINUED)

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

	2022 $'000	2021 $'000
Revenue		
Total revenue for reporting segments	**383,171**	377,967
Total return		
Total return for reportable segments before taxation	**235,470**	226,971
Unallocated amounts:		
– Other corporate expenses	**7,441**	(37,377)
Total return before taxation	**242,911**	189,594
Assets		
Total assets for reportable segments	**5,154,959**	5,553,354
Other unallocated amounts	**71,147**	22,546
Consolidated assets	**5,226,106**	5,575,900
Liabilities		
Total liabilities for reportable segments	**834,482**	985,928
Other unallocated amounts	**1,708,582**	1,635,609
Consolidated liabilities	**2,543,064**	2,621,537

	Reportable segment totals $'000	Unallocated amounts $'000	Consolidated totals $'000
Other material items 2022			
Finance income	**4,148**	**21**	**4,169**
Finance costs	**(17,268)**	**(43,131)**	**(60,399)**
Other material items 2021			
Finance income	3,934	7	3,941
Finance costs	(16,613)	(31,505)	(48,118)

Geographical segments

All of the Group's investment properties are used for retail malls, business parks and logistics parks purposes. All properties are in China.

Major tenant

Revenue from one tenant of the Group represents approximately $8.2 million (2021: $9.4 million) of the Group's total revenue.

27. COMMITMENTS

(a) Capital commitments

	Group 2022 $'000	Group 2021 $'000
Payable:		
– contracted but not provided for	**6,013**	7,542

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

	Group 2022 $'000	Group 2021 $'000
Payable:		
– within 1 year	**73**	205
– after 1 year but within 5 years	**73**	43
	146	248

28. CAPITAL AND FINANCIAL RISK MANAGEMENT

Capital management

The Group's objectives when managing capital are to optimise Unitholders' value through the combination of available capital sources which include debt and equity instruments whilst complying with statutory and constitutional capital and distribution requirements, maintaining aggregate leverage and interest coverage ratio within approved limits. As a key part of the Group's overall strategy, the Board of the Manager reviews the Group and the Trust's debt and capital management cum financing policy regularly so as to optimise the Group and the Trust's funding structure. The Board also monitors the Group and the Trust's exposure to various risk elements by closely adhering to clearly established management policies and procedures.

The Group is subject to the aggregate leverage limit as defined in Appendix 6 of the CIS Code ("Property Fund Appendix"). The Property Fund Appendix stipulates that the total borrowings and deferred payments (together, the "Aggregate Leverage") of a property fund should not exceed 50.0% (2021: 50.0%) of its Deposited Property and has a minimum adjusted interest coverage ratio of 2.5 times after taking into account the interest payment obligations arising from the new borrowings. The Group has complied with the Aggregate Leverage limit of 50.0% (2021: 50.0%) and has a minimum adjusted interest coverage ratio of 2.5 times during the financial year, with an aggregate leverage of 39.6% (2021: 37.7%) and adjusted interest coverage of 3.6 times (2021: 4.5 times) as at 31 December 2022.

There were no changes in the Group's approach to capital management during the financial year.

Financial risk management

Overview

The Group's returns are primarily from net operating income and capital appreciation of its assets. However, these returns are exposed to financial risks including credit, liquidity, interest rate and foreign currency risks.

Financial risk management is integral to the whole business of the Group. The Group adopts an integrated approach to manage the financial risks arising in the normal course of the Group's business. The Group has written risk management policies and guidelines, and established processes to monitor and manage significant exposures. Risk management policies and processes are reviewed regularly to reflect changes in market conditions and the Group's activities.

The Group adheres to standardised accounting and financial policies and exercises effective controls over the financial affairs of its subsidiaries. This is achieved by ensuring group-wide adherence to a comprehensive set of guidelines covering contracts, policies and procedures and other requirements. Adequate measures are in place to ensure that the reliability and integrity of financial information compiled from subsidiaries are kept intact.

28. CAPITAL AND FINANCIAL RISK MANAGEMENT (CONTINUED)

Financial risk management *(continued)*

Credit risk

While it is necessary to assume a certain level of tenant credit risks to remain competitive in China, the Group has established credit limits for tenants and monitors their balances on an ongoing basis. Risks associated with credit limits are reflected in the level of security deposits and bank guarantees placed as collateral in respect of the leases. Appropriate risk mitigating actions are in place to manage trade receivables.

In monitoring customer credit risk, customers are grouped according to their credit characteristics, including whether they are an individual or legal entity, trade history with the Group, aging profile, maturity and existence of previous financial difficulties.

Cash and fixed deposits are placed with banks and financial institutions which are regulated. Impairment on cash and cash equivalents has been measured on the 12-month expected loss basis and reflects the short maturities of the exposures. The Group considers that its cash and cash equivalents have low credit risk based on the external credit ratings of the counterparties. The amount of allowance on cash and cash equivalents was negligible.

Liquidity risk

The Group monitors its liquidity risk and maintains a level of cash and cash equivalents deemed adequate by management to finance the Group's operations and to mitigate the effects of fluctuations in cash flows. Typically the Group ensures that it has sufficient cash on demand to meet expected operational expenses for a reasonable period, including the servicing of financial obligations.

In addition, the Group maintains the following debt facilities and programme as at 31 December 2022.

S$ denominated facilities:
- $80.0 million Money Market Line (MML) facilities
- $100.0 million MML & Financial Guarantee (FG) facilities
- $100.0 million multicurrency MML facility
- $250.0 million four-year trust term loan facilities
- $850.0 million five-year trust term loan facilities
- $520.0 million six-year trust term loan facilities
- $150.0 million seven-year trust term loan facility

United States dollar ("US$") denominated facilities:
- US$50.0 million multicurrency MML facility

RMB denominated facilities:
- RMB394.0 million secured term loan facility
- RMB600.0 million secured term loan facility
- RMB400.0 million secured term loan facility
- RMB410.0 million secured term loan facility
- RMB133.9 million secured term loan facility
- RMB78.1 million secured term loan facility

Multicurrency Debt Issuance Programme:
- $1.0 billion multicurrency Debt Issuance Programme

28. CAPITAL AND FINANCIAL RISK MANAGEMENT (CONTINUED)

Financial risk management *(continued)*

Liquidity risk *(continued)*

As at 31 December 2022, the Group has outstanding debt of $1,543.8 million (2021: $1,320.0 million) trust term loan facilities, $150.0 million MTN (2021: $280.0 million) and RMB1,323.4 million (2021: RMB1,857.7 million) secured loan facilities.

The Group also monitors and observes the Property Fund Appendix issued by MAS concerning limits on total borrowings.

Interest rate risk

The Manager adopts a proactive interest rate management policy to manage the risk associated with changes in interest rates on the Group's loan facilities while also seeking to ensure that the ongoing cost of debt remains competitive.

The Group determines the existence of an economic relationship between the hedging instrument and hedged item based on the reference interest rates, tenors, repricing dates and maturities and the notional or par amounts. If a hedging relationship is directly affected by uncertainty arising from interest rate benchmark reform, then the Group assumes for this purpose that the benchmark interest rate is not altered as a result of interest rate benchmark reform.

Managing interest rate benchmark reform and associated risks

Overview

A fundamental reform of major interest rate benchmarks is being undertaken globally, including the replacement of some interbank offered rates ("IBORs) with alternative nearly risk-free rates (referred to as 'interest rate benchmark reform'). The Group has exposures to IBORs on its financial instruments that will be replaced or reformed as part of these market-wide initiatives.

In Singapore, the Steering Committee for SOR and SIBOR transition to SORA (SC-STS) together with the Association of Banks in Singapore (ABS) and Singapore Foreign Exchange Market Committee (SFEMC), has recommended the discontinuation of SOR and SIBOR and a shift towards the use of Singapore Overnight Rate Average (SORA) as the alternative interest rate benchmark in Singapore. The timeline for SORA to replace SOR and SIBOR is by the end of June 2023 and December 2024 respectively. In 2022, the Group has undertaken amendments to its financial instruments with contractual terms indexed to SOR such that they incorporate the new benchmark rate (i.e. SORA). As at 31 December 2022, the Group's remaining IBOR exposure is indexed to SOR.

The Group monitors and manages the Group's hedged items and hedging instruments which continue to be indexed to IBOR benchmark rates. The Group evaluates the extent to which contracts reference IBOR cash flows, whether such contracts will need to be amended as a result of interest rate benchmark reform and how to manage communication about interest rate benchmark reform with counterparties.

Non-derivative financial liabilities

The Group's IBOR exposures to non-derivative financial liabilities as at 31 December 2022 included unsecured bank loans indexed to SOR. As of to-date, the Group has transited all the bank loans that are affected by the interest rate benchmark reform.

Derivatives

The Group holds interest rate swaps for risk management purposes that are designated in cash flow hedging relationships. The interest rate swaps have floating legs that are indexed to SOR. The Group's derivative instruments are governed by contracts based on the International Swaps and Derivatives Association (ISDA)'s master agreements. As of to-date, the Group has transited most of the interest rate swaps that are affected by the interest rate benchmark reform.

28. CAPITAL AND FINANCIAL RISK MANAGEMENT (CONTINUED)

***Financial risk management** (continued)*

Hedge accounting

The Group's hedged items and hedging instruments as at the reporting date are indexed to SORA and SOR. These benchmark rates are quoted each day and the IBOR cash flows are exchanged with its counterparties as usual.

As of to-date, the Group has transited most of the interest rate swaps that are affected by the interest rate benchmark reform. The Group will complete the transition of the remaining interest rate swaps prior end of June 2023 and continues to apply the principles under the amendments to FRS 109 issued in December 2020 (Phase 1) to those hedging relationships directly affected by interest rate benchmark reform.

Hedging relationships impacted by interest rate benchmark reform may experience ineffectiveness attributable to market participants' expectations of when and how the shift from the existing IBOR benchmark rate to an alternative benchmark interest rate will occur for the relevant hedged items and hedging instruments. This transition may also occur at different times for the hedged item and hedging instrument, which may lead to hedge ineffectiveness. The Group has measured its hedging instruments indexed to Singapore-dollar SOR using available quoted market rates for SOR-based instruments of the same tenor and similar maturity and has measured the cumulative change in the present value of hedged cash flows attributable to changes in and SOR on a similar basis.

Total amounts of unreformed contracts, including those with an appropriate fallback clause

The Group monitors the progress of transition from IBORs to new benchmark rates by reviewing the total amounts of contracts that have yet to transition to an alternative benchmark rate and the amounts of such contracts that include an appropriate fallback clause. The Group considers that a contract is not yet transitioned to an alternative benchmark rate when interest under the contract is indexed to a benchmark rate that is still subject to interest rate benchmark reform, even if it includes a fallback clause that deals with the cessation of the existing IBOR (referred to as an 'unreformed contract').

The following table shows the total amounts of unreformed contracts and those with appropriate fallback language at 31 December 2022. The amounts of financial assets and financial liabilities are shown at their carrying amounts and derivatives are shown at their nominal amounts.

	SOR	
	Total amount of unreformed contracts	**Amount with appropriate fallback clause**
	$'000	**$'000**
Group		
31 December 2022		
Financial liabilities		
Unsecured bank loans	**920,000**	**–**
Derivatives		
Interest rate swaps	**485,000**	**–**

28. CAPITAL AND FINANCIAL RISK MANAGEMENT (CONTINUED)

***Financial risk management** (continued)*

	SOR	
	Total amount of unreformed contracts	**Amount with appropriate fallback clause**
	$'000	**$'000**
Trust		
31 December 2022		
Financial liabilities		
Unsecured bank loans	**920,000**	**–**
Derivatives		
Interest rate swaps	**485,000**	**–**

Exposure to interest rate risk

The Group's exposure to Singapore-dollar SOR designated in hedging relationships is $920.0 million (2021: $1,170.0 million) nominal amount at 31 December 2022, representing both the nominal amount of the hedging interest rate swap and the principal amount of the Group's hedged SGD-denominated unsecured bank loan liabilities maturing between 2023 to 2028.

As at 31 December 2022, the Group has interest rate swaps ("IRS") with notional contract amount of $1,035.0 million (2021: $955.0 million). The Group's exposure to SOR designated in a hedging relationship is limited to a nominal amount of $485.0 million at 31 December 2022 (2021: $805.0 million) attributable to the interest rate swaps hedging SOR cash flows on the Group's SGD term loans maturing between 2023 to 2028.

The term loans and the underlying IRS have the same terms and conditions.

The Manager proactively seeks to minimise the level of interest rate risk by locking the majority of the Group's borrowings at fixed rates. As at 31 December 2022, the Group has locked in approximately 70.4% (2021: 77%) of its borrowings at fixed rates (excluding money market line and RMB loan) or 71.4% including IRS contracted but yet to be effective.

Fair value sensitivity analysis for fixed rate instruments

The Group does not account for any fixed rate financial liabilities at fair value through profit or loss and the Group does not designate interest rate derivatives as hedging instruments under a fair value hedge accounting model. Therefore a change in interest rates at the reporting date would not affect the statement of total return.

Cash flow sensitivity analysis for variable rate instruments

The net change in fair value of the interest component of IRS as at 31 December 2022 of $39.6 million (2021: $19.2 million), representing the effective portion of the cash flow hedge, has been recognised directly in the hedging reserve.

Effects of a 100 basis point ("bp")* movement in interest rate at the reporting date would increase/(decrease) statement of total return and Unitholders' funds by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency rates, remain constant. The analysis is performed on the same basis for 2021.

* 100 basis point is equivalent to 1 percentage point

28. CAPITAL AND FINANCIAL RISK MANAGEMENT (CONTINUED)

Financial risk management *(continued)*

	Statement of total return		Unitholders' funds	
	100 bp increase $'million	100 bp decrease $'million	100 bp increase $'million	100 bp decrease $'million
Group and Trust				
2022				
Interest rate swaps	**–**	**–**	**8.8**	**(8.8)**
Variable rate instruments	**(7.0)**	**7.0**	**–**	**–**
Cash flow sensitivity (net)	**(7.0)**	**7.0**	**8.8**	**(8.8)**
2021				
Interest rate swaps	–	–	6.9	(6.9)
Variable rate instruments	(6.1)	6.1	–	–
Cash flow sensitivity (net)	(6.1)	6.1	6.9	(6.9)

Foreign currency risk

The Group is exposed to foreign currency risk on cash holdings and operating expenses that are denominated in a currency other than the respective functional currencies of the Group entities. The currencies giving rise to this risk are primarily the US$ and RMB.

The Manager's strategy is to achieve a natural hedge through local RMB financing. To mitigate the foreign currency cashflow, the Manager will enter into foreign currency forwards to limit on exposure for the RMB denominated cashflow.

The Group determines the existence of an economic relationship between the hedging instrument and hedged item based on the currency, amount and timing of their respective cash flows. The Group assess whether the derivative designated in each hedging relationship is expected to be and has been effective in offsetting changes in cash flows of the hedged item using the hypothetical derivative method.

The Group's and Trust's exposure to foreign currencies is as follows:

	US$ $'000	RMB $'000	Total $'000
Group			
2022			
Cash and cash equivalents	**2,615**	**108**	**2,723**
2021			
Cash and cash equivalents	5,086	8,807	13,893
Trust			
2022			
Loans to subsidiaries	**203,746**	**–**	**203,746**
Non-trade amounts due from subsidiaries	**186,606**	**–**	**186,606**
Cash and cash equivalents	**216**	**86**	**302**
	390,568	**86**	**390,654**
2021			
Loans to subsidiaries	268,557	–	268,557
Non-trade amounts due from subsidiaries	126,596	–	126,596
Cash and cash equivalents	3,808	8,783	12,591
	398,961	8,783	407,744

28. CAPITAL AND FINANCIAL RISK MANAGEMENT (CONTINUED)

Financial risk management *(continued)*

Sensitivity analysis

A 10% strengthening of Singapore dollar against the US$ and RMB at the reporting date would increase/(decrease) total return after tax by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant. The analysis is performed on the same basis for 2021.

	Statements of total return	
	Group	**Trust**
	$'000	**$'000**
2022		
US$	**(262)**	**(39,057)**
RMB	**(11)**	**(9)**
2021		
US$	(509)	(39,896)
RMB	(881)	(878)

A 10% weakening of Singapore dollar against the US$ and RMB would have had equal but opposite effect on the US$ and RMB to the amounts shown above, on the basis that all other variables remain constant.

Forwards

At 31 December 2022, the Group has foreign currency forward contracts with notional amount of $31.0 million (2021: $12.3 million) to economically hedge the undistributed income for financial year 2021. The fair value of the forwards as at 31 December 2022 of $1.7 million (2021: $341,000) has been recognised directly in the statement of total return.

A 10% strengthening/weakening of Singapore dollar against the RMB at the reporting date would increase and decrease the statement of total return by $2.7 million and $3.2 million (2021: $1.1 million and $1.4 million) respectively.

Hedge accounting

Cash flow hedges

The Group held the following instruments to hedge exposures to changes in foreign currency and interest rates.

		Maturity	
	1 – 6 months	**6 – 12 months**	**More than one year**
Interest rate risk			
Interest rate swaps			
2022			
Notional amount (in thousands of SGD)	**120,000**	**20,000**	**879,000**
Average fixed interest rate	**1.1%**	**2.8%**	**1.5%**
2021			
Notional amount (in thousands of SGD)	150,000	–	655,000
Average fixed interest rate	2.1%	–	1.0%

28. CAPITAL AND FINANCIAL RISK MANAGEMENT (CONTINUED)

***Financial risk management** (continued)*

The amounts relating to items designated as hedging instruments and hedge ineffectiveness were as follows.

Group and Trust	Notional amount $'000	Carrying amount – assets $'000	Carrying amount – liabilities $'000	Changes in the value of the hedging instrument recognised in Unitholders' funds $'000	Amount reclassified from hedging reserve to the statement of total return $'000	Amount reclassified from costs of hedging reserve to the statement of total return $'000	Line item in the statement of total return affected by the reclassification
	2022			**During the period – 2022**			
Interest rate risk							
Interest rate swaps	**1,019,000**	**42,694**	**(825)**	**35,711**	**3,865**	**–**	**Finance income/(costs)**

Group and Trust	Notional amount $'000	Carrying amount – assets $'000	Carrying amount – liabilities $'000	Changes in the value of the hedging instrument recognised in Unitholders' funds $'000	Amount reclassified from hedging reserve to the statement of total return $'000	Amount reclassified from costs of hedging reserve to the statement of total return $'000	Line item in the statement of total return affected by the reclassification
	2021			**During the period – 2021**			
Interest rate risk							
Interest rate swaps	805,000	5,735	(3,293)	28,055	(8,858)	–	Finance income/(costs)

The following table provides a reconciliation by risk category of components of equity and analysis of items recognised in Unitholders' funds, net of tax, resulting from cash flow hedge accounting.

	Group and Trust	
	Hedging reserve $'000	Cost of hedging reserve $'000
Balance at 1 January 2021	(16,876)	–
Cash flow hedges		
Change in fair value:		
Interest rate risk	28,055	–
Amount reclassified to statement of total return:		
Interest rate risk	(8,858)	–
Balance at 31 December 2021	2,321	–
Balance at 1 January 2022	**2,321**	**–**
Cash flow hedges		
Change in fair value:		
Interest rate risk	**35,711**	**–**
Amount reclassified to statement of total return:		
Interest rate risk	**3,865**	**–**
Balance at 31 December 2022	**41,897**	**–**

28. CAPITAL AND FINANCIAL RISK MANAGEMENT (CONTINUED)

Accounting classifications and fair values

The carrying amounts and fair values of financial assets and liabilities, including their levels in the fair value hierarchy are as follows. It does not include fair value information for financial assets and liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value. Further, for the current year, the fair value disclosure of lease liabilities is also not required.

		Carrying amount					Fair value			
	Note	Amortised cost $'000	Fair value to statement of total return $'000	Fair value to hedging reserve $'000	Other financial liabilities $'000	Total carrying amount $'000	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
Group										
2022										
Financial assets not measured at fair value										
Trade and other receivables(1)	8	31,840	–	–	–	31,840	–	–	–	–
Cash and cash equivalents	9	231,048	–	–	–	231,048	–	–	–	–
		262,888	–	–	–	262,888				
Financial assets measured at fair value										
Financial derivative assets	7	–	1,670	42,694	–	44,364	–	44,364	–	44,364
Financial liabilities not measured at fair value										
Trade and other payables	10	–	–	–	137,640	137,640	–	–	–	–
Security deposits		–	–	–	106,181	106,181	–	99,807	–	99,807
Interest-bearing borrowings	11	–	–	–	1,945,940	1,945,940	–	1,934,739	–	1,934,739
		–	–	–	2,189,761	2,189,761				
Financial liabilities measured at fair value										
Financial derivative liabilities	7	–	–	825	–	825	–	825	–	825

(1) Excluding prepayments

28. CAPITAL AND FINANCIAL RISK MANAGEMENT (CONTINUED)

Accounting classifications and fair values (continued)

		Carrying amount					Fair value			
	Note	Amortised cost $'000	Fair value to statement of total return $'000	Fair value to hedging reserve $'000	Other financial liabilities $'000	Total carrying amount $'000	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
Group										
2021										
Financial assets not measured at fair value										
Trade and other receivables[(1)]	8	21,100	–	–	–	21,100	–	–	–	–
Cash and cash equivalents	9	288,860	–	–	–	288,860	–	–	–	–
		309,960	–	–	–	309,960				
Financial assets measured at fair value										
Financial derivative assets	7	–	7	5,735	–	5,742	–	5,742	–	5,742
Financial liabilities not measured at fair value										
Trade and other payables	10	–	–	–	174,127	174,127	–	–	–	–
Security deposits		–	–	–	117,387	117,387	–	114,671	–	114,671
Interest-bearing borrowings	11	–	–	–	1,989,521	1,989,521	–	1,976,343	–	1,976,343
		–	–	–	2,281,035	2,281,035				
Financial liabilities measured at fair value										
Financial derivative liabilities	7	–	348	3,293	–	3,641	–	3,641	–	3,641

(1) Excluding prepayments

28. CAPITAL AND FINANCIAL RISK MANAGEMENT (CONTINUED)

Accounting classifications and fair values (continued)

		Carrying amount					Fair value			
	Note	Amortised cost $'000	Fair value to statement of total return $'000	Fair value to hedging reserve $'000	Other financial liabilities $'000	Total carrying amount $'000	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
Trust										
2022										
Financial assets not measured at fair value										
Loans to subsidiaries	6	203,746	–	–	–	203,746	–	–	194,308	194,308
Non-trade amounts due from subsidiaries	6	2,069,472	–	–	–	2,069,472	–	–	1,973,608	1,973,608
Trade and other receivables(1)	8	171	–	–	–	171	–	–	–	–
Cash and cash equivalents	9	2,157	–	–	–	2,157	–	–	–	–
		2,275,546	–	–	–	2,275,546				
Financial assets measured at fair value										
Financial derivative assets	7	–	1,670	42,694	–	44,364	–	44,364	–	44,364
Financial liabilities not measured at fair value										
Trade and other payables	10	–	–	–	42,655	42,655	–	–	–	–
Interest-bearing borrowings	11	–	–	–	1,688,813	1,688,813	–	1,677,612	–	1,677,612
		–	–	–	1,731,468	1,731,468				
Financial liabilities measured at fair value										
Financial derivative liabilities	7	–	–	825	–	825	–	825	–	825

(1) Excluding prepayments

28. CAPITAL AND FINANCIAL RISK MANAGEMENT (CONTINUED)

Accounting classifications and fair values (continued)

		Carrying amount					Fair value			
	Note	Amortised cost $'000	Fair value to statement of total return $'000	Fair value to hedging reserve $'000	Other financial liabilities $'000	Total carrying amount $'000	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
Trust										
2021										
Financial assets not measured at fair value										
Loans to subsidiaries	6	268,557	–	–	–	268,557	–	–	265,366	265,366
Non-trade amounts due from subsidiaries	6	1,999,422	–	–	–	1,999,422	–	–	1,975,662	1,975,662
Trade and other receivables[1]	8	329	–	–	–	329	–	–	–	–
Cash and cash equivalents	9	15,994	–	–	–	15,994	–	–	–	–
		2,284,302	–	–	–	2,284,302				
Financial assets measured at fair value										
Financial derivative assets	7	–	7	5,735	–	5,742	–	5,742	–	5,742
Financial liabilities not measured at fair value										
Trade and other payables	10	–	–	–	60,830	60,830	–	–	–	–
Interest-bearing borrowings	11	–	–	–	1,596,107	1,596,107	–	1,582,929	–	1,582,929
		–	–	–	1,656,937	1,656,937				
Financial liabilities measured at fair value										
Financial derivative liabilities	7	–	348	3,293	–	3,641	–	3,641	–	3,641

(1) Excluding prepayments

28. CAPITAL AND FINANCIAL RISK MANAGEMENT (CONTINUED)

Estimation of fair value

The following summarises the significant methods and assumptions used in estimating the fair values of financial instruments of the Group and Trust.

Financial derivatives

The fair values of deliverable forwards and interest rates are based on banks' quotes. These quotes are tested for reasonableness by discounting estimated future cash flows based on the terms and maturity of each contract and using market interest rates for a similar instrument at the measurement date. Fair values reflect the credit risk of the Group entity and counterparties when appropriate.

Interest-bearing borrowings

Fair value, which is determined for disclosure purposes, is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the reporting date.

Other financial assets and liabilities

The carrying amounts of financial assets and liabilities (including trade and other receivables, cash and cash equivalents, trade and other payables and current security deposits) are assumed to approximate their fair values because they are either short term in nature, or effect of discounting is immaterial. All other financial assets and liabilities (non-current security deposits) are discounted to determine their fair values.

Interest rates used in determining fair values

The interest rates used to discount estimated cash flows, where applicable, are based on the forward yield curve as at 31 December 2022 plus an adequate constant credit spread, and are as follows:

	2022 **% p.a.**	**2021** **% p.a.**
Group		
Interest-bearing borrowings	**3.40-5.41**	1.09-5.51
Security deposits	**3.40-4.39**	1.19-1.47
Trust		
Loans to subsidiaries	**4.84**	1.20
Non-trade amounts due from subsidiaries	**4.84**	1.20
Interest-bearing borrowings	**3.40-5.41**	1.09-3.25

Offsetting financial assets and financial liabilities

The disclosures set out in the tables below include financial assets and financial liabilities that:

- are offset in the Trust's statements of financial position; or
- are subject to an enforceable master netting arrangement, irrespective of whether they are offset in the statement of financial position.

Financial instruments such as loans and receivables and financial liabilities are not disclosed in the tables below unless they are offset in the statements of financial position.

28. CAPITAL AND FINANCIAL RISK MANAGEMENT (CONTINUED)

Offsetting financial assets and financial liabilities *(continued)*

The Trust's derivative transactions that are not transacted on an exchange are entered into under International Swaps and Derivatives Association ("ISDA") Master Agreements. In certain circumstances, for example when a termination event such as a default occurs, all outstanding transactions under the agreement are terminated, the termination value is assessed and only a single net amount is due or payable in settlement of all transactions.

Under the agreements signed, the Trust and its counterparties neither have a legal obligation nor intend to settle on a net basis or to realise the assets and settle the liabilities simultaneously. In addition, the right of set-off of recognised amounts is enforceable only following the occurrence of a termination event as set out in the agreements. Accordingly, the ISDA agreements do not meet the criteria for offsetting and the derivatives financial instruments presented below are not offset in the Statement of Financial Position.

Financial assets and liabilities subject to offsetting and enforceable master netting arrangement under termination events

	Gross amounts of recognised financial instruments $'000	Gross amount of recognised financial instruments offset in the statement of financial position $'000	Net amounts of financial instruments presented in the statement of financial position $'000	Related amounts not offset in the statement of financial position $'000	Net amounts $'000
31 December 2022					
Financial assets					
Interest rate swaps	**42,694**	**–**	**42,694**	**(792)**	**41,902**
Forwards	**1,670**	**–**	**1,670**	**–**	**1,670**
	44,364	**–**	**44,364**	**(792)**	**43,572**
Financial liabilities					
Interest rate swaps	**825**	**–**	**825**	**(792)**	**33**
Forwards	**–**	**–**	**–**	**–**	**–**
	825	**–**	**825**	**(792)**	**33**
31 December 2021					
Financial assets					
Interest rate swaps	5,735	–	5,735	(2,861)	2,874
Forwards	7	–	7	–	7
	5,742	–	5,742	(2,861)	2,881
Financial liabilities					
Interest rate swaps	3,293	–	3,293	(2,861)	432
Forwards	348	–	348	–	348
	3,641	–	3,641	(2,861)	780

29. SUBSEQUENT EVENTS

On 3 February 2023, the Manager declared a distribution of 3.40 cents per Unit to Unitholders in respect of the period from 1 July 2022 to 31 December 2022.

Additional Information

INTERESTED PERSON TRANSACTIONS

The transactions entered into with interested persons during the financial year, which fall under the Listing Manual and the Property Funds Appendix of the CIS Code (excluding transactions of less than $100,000 each), are as follows:

Name of Interested Persons	Nature of relationship	Aggregate value of all interested person transactions during the financial year under review (excluding transactions of less than S$100,000 and transactions conducted under shareholder's mandate pursuant to Rule 920) S$'000	Aggregate value of all interested person transactions during the financial year under review under shareholder's mandate pursuant to Rule 920 (excluding transactions of less than S$100,000) S$'000
CapitaLand Investment Limited and its subsidiaries or associates[1]	Immediate controlling shareholder of the Manager and immediate controlling Unitholder		
– Manager's Management fees		21,782	–
– Property Management fees[2]		98,608	–
Temasek Holdings (Private) Limited and its subsidiaries or associates[3]	Ultimate controlling shareholder of the Manager and ultimate controlling Unitholder		
– Project Management fees		650	–
HSBC Institutional Trust Services (Singapore) Limited	Trustee		
– Trustee's fees		729	–

Saved as disclosed above, there were

i) no additional Interested Person Transactions (excluding transactions of less than S$100,000 each) entered into during the financial period under review.

ii) no material contracts of CLCT and its subsidiaries involving the interests of the chief executive officer or each director of the Manager or the controlling unitholder of CLCT, either still subsisting at the end of FY 2022 or if not then subsisting, entered into since the end of FY 2022.

1 Following the strategic restructuring of CapitaLand Limited (now known as CapitaLand Group Pte Ltd) and the listing of CapitaLand Investment Limited ("CLI") with effect from 20 September 2021, all transactions aggregated under the CLI group of companies shall exclude transactions entered into with CapitaLand Group Pte Ltd and its subsidiaries or associates (not inclusive of CapitaLand Investment Limited and its subsidiaries or associates) (collectively the "CL Group").

2. Inclusive of leasing commission, shared services, reimbursables and car park management related fees. Refer to announcement on 30 June 2022 on the renewal of the property management agreements in relation to the retail properties of Capitaland China Trust.

3 Following the strategic restructuring of CapitaLand Limited (now known as CapitaLand Group Pte Ltd) and the listing of CapitaLand Investment Limited with effect from 20 September 2021, all transactions aggregated entered into with the CL Group (excluding CLI and its subsidiaries or associates) shall be aggregated under the Temasek group of companies.

The fees and charges payable by CLCT to the Manager under the Trust Deed, and to the Property Managers under the Property Management Agreements (collectively, the "Exempted Agreements"), each of which constitutes an Interested Person Transaction, are deemed to have been specifically approved by the Unitholder upon purchase of the Units and are therefore not subject to Rules 905 and 906 of the Listing Manual to the extent that there is no subsequent change to the rates and/or bases of the fees charged thereunder which will affect CLCT. However, the renewal of such agreements will be subject to Rules 905 and 906 of the Listing Manual.

Please also see Related Party Transactions on note 24 in the financial statements.

SUBSCRIPTION OF CLCT UNITS

An aggregate of 12,106,981 Units were issued during the year as part payment of the base and performance component of the Manager's management fee for the financial year 2021. As at 31 December 2022, 1,687,388,518 Units were in issue and outstanding. 13,495,621[1] Units will be issued to the Manager as part payment of the base and performance component of its management fee for the financial year 2022. The issuance of the Management Fee Units is subject to and conditional upon the grant by Securities Industry Council of a whitewash waiver and the satisfaction of all the conditions of the whitewash waiver which would include, among others, approval of independent unitholders of CLCT. In the event that the whitewash waiver is not obtained or the conditions are not satisfied, the Manager will manage the issuance of the Management Fee Units in a manner such that the unitholding of the Manager and its concert parties would not exceed 30%.

1 Based on the volume weighted average price per Unit for all trades on the SGX-ST in the ordinary course of trading for the period of 10 business days immediately preceding the financial year 2022.

ADDITIONAL DISCLOSURE FOR OPERATING EXPENSES

According to disclosure requirements under paragraph 11.1 item (l) of the Appendix 6 to Code on Collective Investment Scheme, the total operating expenses incurred by CLCT Group in FY 2022 was S$157.7 million. The amount included all fees and charges paid to the Managers and interested parties. This translates to 5.9% of the CLCT Group's net asset value as at 31 December 2022.

Statistics of Unitholdings

AS AT 3 MARCH 2023

ISSUED AND FULLY PAID UNITS

1,673,892,897 Units (voting rights: 1 vote per Unit)
Market Capitalisation: S$1,958,454,689 (based on closing Unit price of S$1.17 on 3 March 2023)

DISTRIBUTION OF UNITHOLDINGS

SIZE OF UNITHOLDINGS	NO. OF UNITHOLDERS	%	NO. OF UNITS	%
1 - 99	306	1.66	12,545	0.00
100 - 1,000	1,885	10.23	1,485,376	0.09
1,001 - 10,000	10,037	54.46	50,227,847	3.00
10,001 - 1,000,000	6,159	33.42	263,388,122	15.74
1,000,001 AND ABOVE	43	0.23	1,358,779,007	81.17
TOTAL	**18,430**	**100.00**	**1,673,892,897**	**100.00**

LOCATION OF UNITHOLDINGS

COUNTRY	NO. OF UNITHOLDERS	%	NO. OF UNITS	%
SINGAPORE	17,991	97.62	1,663,723,777	99.39
MALAYSIA	294	1.59	6,754,945	0.40
OTHERS	145	0.79	3,414,175	0.21
TOTAL	**18,430**	**100.00**	**1,673,892,897**	**100.00**

TWENTY LARGEST UNITHOLDERS

	NAME	NO. OF UNITS	%
1	RETAIL CROWN PTE. LTD.	256,098,427	15.30
2	HSBC (SINGAPORE) NOMINEES PTE LTD	250,886,811	14.99
3	DBS NOMINEES (PRIVATE) LIMITED	210,785,569	12.59
4	CITIBANK NOMINEES SINGAPORE PTE LTD	184,249,629	11.01
5	CAPITALAND CHINA TRUST MANAGEMENT LIMITED	109,060,214	6.52
6	RAFFLES NOMINEES (PTE.) LIMITED	90,875,932	5.43
7	DBSN SERVICES PTE. LTD.	76,446,395	4.57
8	BPSS NOMINEES SINGAPORE (PTE.) LTD.	23,638,854	1.41
9	CGS-CIMB SECURITIES (SINGAPORE) PTE. LTD.	15,470,555	0.92
10	UOB KAY HIAN PRIVATE LIMITED	15,111,194	0.90
11	UNITED OVERSEAS BANK NOMINEES (PRIVATE) LIMITED	13,637,707	0.81
12	IFAST FINANCIAL PTE. LTD.	12,998,414	0.78
13	PHILLIP SECURITIES PTE LTD	11,808,447	0.71
14	OCBC NOMINEES SINGAPORE PTE LTD	11,575,968	0.69
15	OCBC SECURITIES PRIVATE LIMITED	8,001,178	0.48
16	MAYBANK SECURITIES PTE. LTD.	7,075,307	0.42
17	DB NOMINEES (SINGAPORE) PTE LTD	5,992,406	0.36
18	ABN AMRO CLEARING BANK N.V.	5,509,429	0.33
19	HENG SIEW ENG	5,246,401	0.31
20	DBS VICKERS SECURITIES (SINGAPORE) PTE LTD	4,104,484	0.25
	TOTAL	**1,318,573,321**	**78.78**

DIRECTORS' INTERESTS IN UNITS AND CONVERTIBLE SECURITIES AS AT 21 JANUARY 2023

Based on the Register of Directors' Unitholdings, the interests of the Directors in Units and convertible securities issued by CLCT are as follows:

Name of Director	No. of Units Direct Interest	No. of Units Deemed Interest	Contingent Awards of Units[1] under the Manager's Performance Unit Plan	Contingent Awards of Units[1] under the Manager's Restricted Unit Plan
Soh Kim Soon	90,458	–	–	–
Tan Tze Wooi	905,892	5,800	0 to 901,104[2]	185,127[3,4] 0 to 284,809[2,4]
Neo Poh Kiat	105,278	–	–	–
Kuan Li Li	68,739	–	–	–
Professor Ong Seow Eng	–	–	–	–
Tay Hwee Pio	–	–	–	–
Puah Tze Shyang	–	–	–	–
Lim Cho Pin Andrew Geoffrey	22,074	–	–	–

1 This refers to the number of Units which are the subject of contingent awards granted but not released under the Manager's Performance Unit Plan ("**PUP**") and Restricted Unit Plan ("**RUP**"). The final number of Units that will be released could range from 0% to a maximum of 200% of the baseline award under the PUP and from 0% to a maximum of 150% of the baseline award under the RUP.
2 The final number of Units to be released will depend on the achievement of pre-determined targets at the end of the respective performance periods for the PUP and RUP.
3 Being the unvested Units under the RUP
4 On the final vesting, an additional number of Units of a total value equal to the value of the accumulated distributions which are declared during each of the vesting periods and deemed foregone due to the vesting mechanism of the RUP, will also be released.

Statistics of Unitholdings

AS AT 3 MARCH 2023

SUBSTANTIAL UNITHOLDERS' UNITHOLDINGS AS AT 3 MARCH 2023

Based on the information available to the Manager as at 3 March 2023, the unitholdings of Substantial Unitholders of CLCT are as follows:

Name of Substantial Unitholder	Direct Interest		Deemed Interest	
	No. of Units	%[1]	No. of Units	%[1]
Temasek Holdings (Private) Limited (THPL)	–	–	511,244,729[2]	30.54
Tembusu Capital Pte. Ltd. (Tembusu)	–	–	498,538,976[3]	29.78
Bartley Investments Pte. Ltd. (Bartley)	–	–	498,538,976[3]	29.78
Mawson Peak Holdings Pte. Ltd. (Mawson)	–	–	498,538,976[3]	29.78
Glenville Investments Pte. Ltd. (Glenville)	–	–	498,538,976[3]	29.78
TJ Holdings (III) Pte. Ltd. (TJ Holdings (III))	–	–	498,538,976[3]	29.78
CLA Real Estate Holdings Pte. Ltd. (CLA)	–	–	498,538,976[3]	29.78
CapitaLand Group Pte. Ltd. (CLG)	–	–	498,538,976[4]	29.78
CapitaLand Investment Limited (CLI)			498,538,976[5]	29.78
CapitaLand Mall Asia Limited (CMA)	–	–	256,098,427[5]	15.29
CapitaLand Retail China Pte. Ltd. (CLRC)	–	–	256,098,427[5]	15.29
Retail Crown Pte. Ltd. (RCPL)	256,098,427	15.29	–	–
CLI Singapore Pte. Ltd. (CLIS)	–	–	133,380,335[5]	7.96
HSBC Institutional Trust Services (Singapore) Limited, as trustee of CapitaLand Integrated Commercial Trust	133,380,335	7.96	–	–
CapitaLand China Trust Management Limited (CLCTML)	109,060,214	6.51	–	–
CLI FM Pte. Ltd. (CLI FM)	–	–	109,060,214[5]	6.51

Notes:

1 The percentage is rounded down to the nearest 0.01%.

2 THPL is deemed to have an interest in the unitholdings in which its subsidiaries and associated companies (including but not limited to CLA) have or are deemed to have an interest pursuant to Section 4 of the Securities and Futures Act 2001 (SFA).

3 THPL holds 100% of the equity interest in Tembusu, which holds 100% of the equity interest in Bartley, which holds 100% of the equity interest in Mawson, which holds 100% of the equity interest in Glenville, which holds 100% of the equity interest in TJ Holdings (III), which holds 100% of the shares in CLA, which holds 100% of shares in CLG. Each of Tembusu, Bartley, Mawson, Glenville, TJ Holdings (III) and CLA is deemed to have an interest in the unitholdings in which CLG is deemed to have an interest pursuant to Section 4 of the SFA.

4 CLG holds 52.58% of the equity interest in CLI and is deemed to have an interest in the unitholdings that CLI is deemed to have an interest pursuant to Section 4 of the SFA.

5 Pursuant to Section 4 of the SFA, CLI is deemed to have an interest in the unitholdings held by (a) CLI's indirect wholly owned subsidiary, RCPL that CLI's indirect wholly owned subsidiary, CLRC and CLI's direct wholly owned subsidiary, CMA are deemed to have an interest; (b) HSBC Institutional Trust Services (Singapore) Limited, as trustee of CapitaLand Integrated Commercial Trust (CICT) as CLI's direct wholly owned subsidiary, CLIS is deemed to have an interest in CLCT through CLIS' wholly owned subsidiaries which collectively hold more than 20% in CICT; and (c) CLI's indirect wholly owned subsidiary, CLCTML that CLI's direct wholly owned subsidiary, CLI FM is deemed to have an interest.

PUBLIC FLOAT

Based on the information available to the Manager, approximately 69.3% of the Units in CLCT were held in the hands of the public as at 3 March 2023. Accordingly, Rule 723 of the Listing Manual of the SGX-ST has been complied with.

Portfolio Directory

Retail

BEIJING
CapitaMall Xizhimen
凯德MALL · 西直门
No. 1, Xizhimenwai Street,
Xicheng District, Beijing
北京市西城区西直门外大街1号

CapitaMall Wangjing
凯德MALL · 望京
No. 33, Guangshunbei North Road,
Chaoyang District, Beijing
北京市朝阳区广顺北大街33号

CapitaMall Grand Canyon
凯德MALL · 大峡谷
No. 16, South Third Ring West Road,
Fengtai District, Beijing
北京市丰台区南三环西路16号

CapitaMall Shuangjing
凯德MALL · 双井
No. 31, Guangqu Road,
Chaoyang District, Beijing
北京市朝阳区广渠路31号

SHANGHAI
CapitaMall Qibao
凯德七宝购物广场
No. 3655, Qixin Road,
Minhang District, Shanghai
上海市闵行区七莘路3655号

GUANGZHOU
Rock Square
乐峰广场
No. 106-108 Gongye Avenue North, Haizhu District,
Guangzhou City, Guangdong Province
广东省广州市海珠区工业大道北 106-108号

CHENGDU
CapitaMall Xinnan
凯德广场 · 新南
No. 99, Shenghe First Road,
Gaoxin District, Chengdu, Sichuan Province
四川省成都市高新区盛和一路99号

CHANGSHA
CapitaMall Yuhuating
凯德广场 · 雨花亭
No. 421, Shaoshan Middle Road,
Yuhua District, Changsha,
Hunan Province
湖南省长沙市雨花区韶山中路421号

HARBIN
CapitaMall Xuefu
凯德广场 · 学府
No. 1, Xuefu Road,
Nangang District, Harbin,
Heilongjiang Province
黑龙江省哈尔滨市南岗区学府路1号

CapitaMall Aidemengdun
凯德广场 · 埃德蒙顿
No. 38, Aidemengdun Road,
Daoli District, Harbin,
Heilongjiang Province
黑龙江省哈尔滨市埃德蒙顿路38号

HOHHOT
CapitaMall Nuohemule
凯德广场 · 诺和木勒
Block A Jinyu Xintiandi, E'erduosi Street,
Yuquan District,
Hohhot, Inner Mongolia
Autonomous Region
内蒙古自治区呼和浩特市 玉泉区鄂尔多斯大街
金宇新天地A座二层201号

New Economy - Business Park

SUZHOU
Ascendas Xinsu Portfolio
腾飞新苏
Suzhou Industrial Park, Suzhou City,
Jiangsu Province
苏州工业园区星汉街5号, 苏州

HANGZHOU
Singapore-Hangzhou Science & Technology Park Phase I
新加坡杭州科技园一期
No. 2 Kejiyuan Road,
Hangzhou Economic & Technological Development Area, Jianggan District,
Hangzhou, Zhejiang Province
杭州经济技术开发区科技园路2号, 杭州

Singapore-Hangzhou Science & Technology Park Phase II
新加坡杭州科技园二期
No. 20 & 57 Kejiyuan Road,
Hangzhou Economic & Technological Development Area, Jianggan District,
Hangzhou, Zhejiang Province
杭州经济技术开发区科技园路20号与57号, 杭州

XI'AN
Ascendas Innovation Towers
新加坡腾飞科汇城
No. 88 Tian Gu Seventh Road,
Xi'an Hi-Tech Industries Development Zone,
Xi'an, Shaanxi Province
西安市高新区天谷七路88号, 西安

Ascendas Innovation Hub
腾飞创新中心
No. 38 Gao Xin Sixth Road,
Xi'an Hi-Tech Industries Development Zone,
Xi'an, Shaanxi Province
西安高新技术产业开发区高新六路38号, 西安

New Economy - Logistics Park

SHANGHAI
Shanghai Fengxian Logistics Park
上海奉贤物流产业
No. 435 Haishang Road,
Fengxian District, Shanghai
上海市奉贤区海尚路435号, 上海

KUNSHAN
Kunshan Bacheng Logistics Park
昆山巴城物流产业
No. 998 Yuyang Road, Yushan Town,
Kunshan, Jiangsu Province
昆山市玉山镇玉杨路998号, 昆山

WUHAN
Wuhan Yangluo Logistics Park
武汉阳逻物流产业
10 Qiuli Road, Yangluo Development Zone,
Xinzhou District, Wuhan
武汉市新洲区阳逻经济开发区, 邱栗大道(南)10号, 武汉

CHENGDU
Chengdu Shuangliu Logistics Park
成都双流物流产业
No. 86 Tongguan Road, Shuangliu District,
Chengdu, Sichuan Province
成都市双流区西航港通关路86号, 成都

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Corporate Information

CapitaLand China Trust

REGISTERED ADDRESS OF THE TRUSTEE
HSBC Institutional Trust Services (Singapore) Limited
10 Marina Boulevard
Marina Bay Financial Centre
Tower 2 #48-01
Singapore 018983
Email: ask-us@clct.com.sg
Website: www.clct.com.sg
Stock Code: AU8U
Counter Name: CapLand China T

TRUSTEE
HSBC Institutional Trust Services (Singapore) Limited
20 Pasir Panjang Road
(East Lobby), #12-21
Mapletree Business City,
Singapore 117439

AUDITOR
KPMG LLP
Public Accountants and
Chartered Accountants
12 Marina View
#15-01 Asia Square Tower 2
Singapore 018961

Tel: +65 6213 3388
Fax: +65 6225 0984
Partner-In-Charge:
Yap Wee Kee
(with effect from
financial year ended
31 December 2022)

UNIT REGISTRAR
Boardroom Corporate & Advisory Services Pte. Ltd.
1 Harbourfront Avenue
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Singapore 098632
Tel : +65 6536 5355
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The Manager

REGISTERED ADDRESS OF THE MANAGER
CapitaLand China Trust Management Limited
168 Robinson Road
#30-01 Capital Tower
Singapore 068912
Tel : +65 6713 2888
Fax : +65 6713 2999

BOARD OF DIRECTORS

Soh Kim Soon
Chairman & Non-Executive Independent Director

Tan Tze Wooi
Chief Executive Officer & Executive Non-Independent Director

Neo Poh Kiat
Non-Executive Independent Director

Kuan Li Li
Non-Executive Independent Director

Professor Ong Seow Eng
Non-Executive Independent Director

Tay Hwee Pio
Non-Executive Independent Director

Lim Cho Pin Andrew Geoffrey
Non-Executive Non-Independent Director

Puah Tze Shyang
Non-Executive Non-Independent Director

AUDIT COMMITTEE
Neo Poh Kiat
Chairman

Kuan Li Li
Professor Ong Seow Eng
Tay Hwee Pio

NOMINATING AND REMUNERATION COMMITTEE
Soh Kim Soon
Chairman

Neo Poh Kiat
Lim Cho Pin Andrew Geoffrey

EXECUTIVE COMMITTEE
Lim Cho Pin Andrew Geoffrey
Chairman

Tan Tze Wooi
Puah Tze Shyang

COMPANY SECRETARY
Chuo Cher Shing

This Annual Report may contain forward-looking statements. 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, availability of real estate investment properties, competition from other developments or companies, shifts in customer demands, shifts in expected levels of occupancy rate, property rental income, changes in operating expenses (including employee wages, benefits and training, property operating expenses), 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 the current view of management regarding future events.

CAPITALAND CHINA TRUST

ANNUAL REPORT 2022

CAPITALAND CHINA TRUST MANAGEMENT LIMITED
As a Manager of CapitaLand China Trust
Company Registration No. 200611176D

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FSC www.fsc.org

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