CAPITALAND INTEGRATED COMMERICAL TRUST

2021 FIRST HALF UNAUDITED FINANCIAL STATEMENTS AND DISTRIBUTION ANNOUNCEMENT

INTRODUCTION

CICT (the "Trust", formerly known as CapitaLand Mall Trust ("CMT")) was constituted under a trust deed dated 29 October 2001 entered into between CapitaLand Integrated Commercial Trust Management Limited (as manager of CICT, formerly known as CapitaLand Mall Trust Management Limited) (the "Manager") and HSBC Institutional Trust Services (Singapore) Limited (as trustee of CICT) (the "Trustee"), as amended.

CICT is the first Real Estate Investment Trust ("REIT") listed on Singapore Exchange Securities Trading Limited (the "SGX–ST") in July 2002.

The principal activity of CICT is to invest, directly or indirectly, in real estate which is income producing and is used or primarily used for commercial purposes (including retail and/or office purposes), located predominantly in Singapore.

On 21 October 2020, the Manager announced the completion of the merger of CMT and CapitaLand Commercial Trust ("CCT") by way of a trust scheme of arrangement (the "Merger", the "Trust Scheme"). The Merger was effected through the acquisition by CMT of all the issued and paid-up units in CCT by way of the Trust Scheme in accordance with the Singapore Code on Take-overs and Mergers.

Following the completion of the Merger, the merged entity was renamed "CapitaLand Integrated Commercial Trust" on 3 November 2020.

As at 30 June 2021, CICT's property portfolio comprises:

Retail	Office	Integrated Developments
1) Bedok Mall, held through Brilliance Mall Trust ("BMT")	1) Asia Square Tower 2 ("AST2"), held through AST2 Group[1]	1) Funan, retail component held through CICT, Office components held through Victory Office 1 Trust ("VO1T") and Victory Office 2 Trust ("VO2T")
2) Bugis+	2) Capital Tower	2) Plaza Singapura
3) Bugis Junction	3) CapitaGreen, held through MSO Trust[2]	3) The Atrium@Orchard
4) Bukit Panjang Plaza (90 out of 91 strata lots)	4) Six Battery Road	4) Raffles City Singapore ("RCS"), held through RCS Trust[2]
5) Clarke Quay	5) 21 Collyer Quay	5) CapitaSpring (45.0% interest), held through Glory Office Trust[2] ("GOT") and Glory SR Trust

Retail	Office	Integrated Developments
6) IMM Building	6) Gallileo, Germany (94.9% interest), held through Gallileo Group[3]	
7) JCube	7) Main Airport Center, Germany (94.9% interest), held through MAC Group[4]	
8) Junction 8	8) One George Street (50.0% interest), held through One George Street LLP ("OGS LLP")	
9) Lot One Shoppers' Mall		
10) Tampines Mall		
11) Westgate, held through Infinity Mall Trust ("IMT")		

Footnotes:

1. *Asia Square Tower 2 ("AST2"), held through wholly owned subsidiary Asia Square Tower 2 Pte. Ltd., which is in turn held by MVKimi (BVI) Limited (collectively referred to as "AST2 Group").*
2. *Following the Merger, CCT transferred its 100.0% interest in MSO Trust, 60.0% interest in RCS Trust and 45.0% interest in GOT to CICT. RCS Trust is now a direct wholly owned subsidiary of CICT.*
3. *Gallileo, an office building in Frankfurt Germany, held through CCT's 94.9% interest in Gallileo Property S.a.r.l.("Gallileo Co."), which is in turn held by special purpose vehicles CCT Galaxy Two Pte. Ltd. and CCT Galaxy One Pte. Ltd. (collectively referred to as "Gallileo Group").*
4. *Main Airport Center ("MAC"), held through CCT's 94.9% interest in MAC Property Company B.V. and MAC Car Park Company B.V. (collectively referred to as "MAC Co."), which are in turn held by special purpose vehicle, CCT Mercury One Pte. Ltd. (collectively referred to as "MAC Group").*

In addition, CICT owns an interest in CapitaLand China Trust ("CLCT") (formerly known as CapitaLand Retail China Trust), the first China shopping mall REIT listed on the SGX-ST in December 2006, and Sentral Reit, formerly known as MRCB-Quill Reit, held through CCT, a commercial real estate investment trust listed in Malaysia. As at 30 June 2021, CICT owns approximately 8.8% interest in CLCT and 10.9% interest in Sentral Reit.

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CapitaLand Integrated Commercial Trust
(formerly known as CapitaLand Mall Trust)
and its Subsidiaries (Group)

(Constituted in the Republic of Singapore pursuant to a trust deed dated 29 October 2001 (as amended))

Condensed Interim Financial Statements

Six-month period ended 30 June 2021

Condensed Interim Statements of Financial Position
As at 30 June 2021

	Note	Group		Trust	
		30/6/2021 S$'000	**31/12/2020 S$'000**	**30/6/2021 S$'000**	**31/12/2020 S$'000**
Non-current assets					
Plant and equipment		6,661	7,064	2,403	2,638
Investment properties	3	21,427,855	21,366,075	8,045,841	8,028,300
Subsidiaries		–	–	9,841,290	9,410,942
Joint ventures		513,291	508,119	210,565	208,875
Equity investment at fair value		216,823	218,686	182,731	185,399
Financial derivatives		22,223	31,064	32	–
Deferred tax asset		10,237	10,412	–	–
Other non-current asset		1,966	1,975	1,076	890
		22,199,056	22,143,395	18,283,938	17,837,044
Current assets					
Trade and other receivables		67,435	83,000	146,790	82,463
Cash and cash equivalents		350,242	183,617	143,289	29,320
Financial derivatives		11,487	6,366	–	–
		429,164	272,983	290,079	111,783
Total assets		**22,628,220**	**22,416,378**	**18,574,017**	**17,948,827**
Current liabilities					
Financial derivatives		1,508	8,677	–	–
Trade and other payables		225,779	293,008	96,932	134,442
Current portion of security deposits		89,377	90,533	46,070	41,450
Loans and borrowings	4	697,876	931,932	189,924	414,492
Lease liabilities		2,703	2,248	1,975	2,008
Provision for taxation		7,028	7,435	209	–
		1,024,271	1,333,833	335,110	592,392
Non-current liabilities					
Financial derivatives		25,807	60,285	5,460	9,980
Trade and other payables		1,382	1,467	495,000	633,900
Loans and borrowings	4	8,051,237	7,794,313	4,906,803	4,132,420
Lease liabilities		6,861	6,442	5,489	6,442
Non-current portion of security deposits		163,391	147,394	71,286	69,474
Deferred tax liabilities		8,411	4,706	–	–
		8,257,089	8,014,607	5,484,038	4,852,216
Total liabilities		**9,281,360**	**9,348,440**	**5,819,148**	**5,444,608**
Net assets		**13,346,860**	**13,067,938**	**12,754,869**	**12,504,219**
Represented by:					
Unitholders' funds		13,316,464	13,037,638	12,754,869	12,504,219
Non-controlling interests		30,396	30,300	–	–
		13,346,860	**13,067,938**	**12,754,869**	**12,504,219**
Units in issue ('000)	5	**6,475,996**	**6,470,704**	**6,475,996**	**6,470,704**
Net asset value / net tangible asset per unit attributable to Unitholders (S$)	6	**2.05**	**2.01**	**1.97**	**1.93**

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

Condensed Interim Statement of Total Return
Six-month period ended 30 June 2021

	Note	Group Six-month period ended 30/6/2021 S$'000	Group Six-month period ended 30/6/2020 S$'000
Gross revenue		645,657	318,387
Property operating expenses		(173,494)	(102,035)
Net property income		**472,163**	**216,352**
Interest and other income		4,038	902
Investment income		2,167	4,815
Management fees	7	(40,785)	(22,113)
Professional fees		(441)	(225)
Valuation fees		(246)	(243)
Trustee's fees		(1,423)	(732)
Audit fees		(435)	(187)
Finance costs	8	(105,052)	(56,882)
Other expenses		(1,318)	(761)
Net income before share of results of joint ventures		**328,668**	**140,926**
Share of results (net of tax) of joint ventures		6,731	(27,960)
Net income		**335,399**	**112,966**
Net change in fair value of investment properties		–	(279,644)
Total return/(loss) for the period before tax		**335,399**	**(166,678)**
Taxation		(7,411)	–
Total return/(loss) for the period		**327,988**	**(166,678)**
Total return/(loss) attributable to:			
Unitholders		**327,431**	**(166,678)**
Non-controlling interests		557	–
Total return/(loss) for the period		**327,988**	**(166,678)**
Earnings per unit (cents)			
Basic	9	5.06	(4.52)
Diluted	9	5.05	(4.52)

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

Condensed Interim Distribution Statement
Six-month period ended 30 June 2021

	Note	Group Six-month period ended 30/6/2021 S$'000	Group Six-month period ended 30/6/2020 S$'000
Amount available for distribution to Unitholders at beginning of period		119,914	121,717
Total return/(loss) attributable to unitholders		327,431	(166,678)
Net tax adjustments	A	(1,682)	312,169
Tax-exempt income from subsidiaries		4,800	–
Distribution income from joint ventures		7,512	15,444
		338,061	160,935
Amount available for distribution to Unitholders		457,975	282,652
Distribution to Unitholders during the period			
Distribution of 3.11 cents per unit for period from 01/10/2019 to 31/12/2019		–	(114,722)
Distribution of 0.85 cents per unit for period from 01/01/2020 to 31/03/2020		–	(31,366)
Distribution of 1.74 cents per unit for period from 21/10/2020 to 31/12/2020		(112,590)	–
Amount retained for general corporate and working capital purposes	B	(2,167)	(4,815)
Amount available for distribution to Unitholders at end of the period		**343,218**	**131,749**
Distribution per unit (cents)[1]		**5.18**	**2.96**

[1] The Distribution per unit relates to the distributions in respect of the relevant financial period. The distribution relating to the six-month period ended 30 June 2021 will be paid after 30 June 2021.

	Group Six-month period ended 30/6/2021 S$'000	Group Six-month period ended 30/6/2020 S$'000
Note A - Net tax adjustments comprise:		
- Management fees paid and payable in Units	20,046	–
- Trustee's fees	1,423	732
- Amortisation of transaction costs	3,415	1,038
- Net change in fair value of investment properties	–	279,644
- (Profit)/Loss from subsidiaries	(25,991)	4,096
- Share of results (net of tax) of joint ventures	(6,731)	27,960
- Taxation	7,145	–
- Temporary differences and other adjustments	(884)	(1,301)
- Rollover adjustments	(105)	–
Net tax and other adjustments	(1,682)	312,169

Note B

Amount retained for general corporate and working capital in six-month period ended 30 June 2021 relates to S$0.8 million and S$1.4 million received from CLCT and Sentral Reit respectively. Amount retained for general corporate and working capital in six-month period ended 30 June 2020 relates to S$4.8 million received from CLCT.

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

Condensed Interim Statements of Movements in Unitholders' Funds
Six-month period ended 30 June 2021

	Group		Trust	
	Six-month period ended 30/6/2021 S$'000	**Six-month period ended 30/6/2020 S$'000**	**Six-month period ended 30/6/2021 S$'000**	**Six-month period ended 30/6/2020 S$'000**
Net assets attributable to unitholders at beginning of the period	**13,037,638**	**7,767,239**	**12,504,219**	**7,485,566**
Operations				
Total return/(loss) attributable to unitholders	327,431	(166,678)	340,963	(101,921)
Hedging reserves				
Effective portion of changes in fair value of cashflow hedges	45,310	73,842	3,068	(8,465)
Net change in fair value of cash flow hedges reclassified to Statement of Total Return	(2,572)	(61,796)	1,484	(315)
Share of movements in hedging reserves of joint ventures	2,320	(1,289)	–	–
Movement in foreign currency translation reserves	397	–	–	–
Movement in fair value reserves	(1,863)	(46,683)	(2,668)	(46,683)
Unitholders' transactions				
Creation of units				
- Units issued in respect of management fees	5,195	3,275	5,195	3,275
- Units to be issued in respect of management fees	15,198	–	15,198	–
Distributions to Unitholders	(112,590)	(146,088)	(112,590)	(146,088)
Net decrease in net assets resulting from Unitholders' transactions	(92,197)	(142,813)	(92,197)	(142,813)
Net assets attributable to Unitholders at end of the period	**13,316,464**	**7,421,822**	**12,754,869**	**7,185,369**

Non-controlling interests

	Group	
	Six-month period ended 30/6/2021	**Six-month period ended 30/6/2020**
At 1 January	30,300	–
Total return attributable to non-controlling interests	557	
Translation differences from financial statements of foreign operations	(461)	–
	30,396	–

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

Condensed Interim Portfolio Statement
As at 30 June 2021

Group

Description of Property	Tenure of Land	Term of Lease	Remaining Term of Lease	Location	Existing Use	Carrying Value 30/6/2021 S$'000	Carrying Value 31/12/2020 S$'000	Percentage of Total Net Assets 30/6/2021 %	Percentage of Total Net Assets 31/12/2020 %
Investment properties in Singapore									
Retail									
Bugis Junction	Leasehold	99 years	68 years	200 Victoria Street	Commercial	1,087,863	1,087,000	8.2	8.3
Westgate	Leasehold	99 years	89 years	3 Gateway Drive	Commercial	1,087,310	1,087,000	8.2	8.3
Tampines Mall	Leasehold	99 years	70 years	4 Tampines Central 5	Commercial	1,074,256	1,074,000	8.0	8.2
Junction 8	Leasehold	99 years	69 years	9 Bishan Place	Commercial	795,300	794,000	6.0	6.1
Bedok Mall	Leasehold	99 years	89 years	311 New Upper Changi Road	Commercial	779,076	779,000	5.8	6.0
IMM Building	Leasehold	60 years	28 years	2 Jurong East Street 21	Commercial Warehouse	671,373	670,000	5.0	5.1
Lot One Shoppers' Mall	Leasehold	99 years	71 years	21 Choa Chu Kang Avenue 4	Commercial	531,604	531,000	4.0	4.1
Clarke Quay	Leasehold	99 years	68 years	3A/B/C/D/E River Valley Road	Commercial	394,805	394,000	3.0	3.0
Bugis+	Leasehold	60 years	44 years	201 Victoria Street	Commercial	355,523	353,000	2.7	2.7
Bukit Panjang Plaza	Leasehold	99 years	72 years	1 Jelebu Road	Commercial	334,625	334,500	2.5	2.6
JCube	Leasehold	99 years	69 years	2 Jurong East Central 1	Commercial	276,346	276,000	2.1	2.1
Balance carried forward						7,388,081	7,379,500	55.5	56.5

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

Condensed Interim Portfolio Statement (cont'd)
As at 30 June 2021

Group

Description of Property	Tenure of Land	Term of Lease	Remaining Term of Lease	Location	Existing Use	Carrying Value 30/6/2021 S$'000	Carrying Value 31/12/2020 S$'000	Percentage of Total Net Assets 30/6/2021 %	Percentage of Total Net Assets 31/12/2020 %
Balance brought forward						7,388,081	7,379,500	55.5	56.5
Office									
Asia Square Tower 2	Leasehold	99 years	86 years	12 Marina View	Commercial	2,128,107	2,128,000	16.0	16.3
CapitaGreen	Leasehold	99 years	52 years	138 Market Street	Commercial	1,610,584	1,611,000	12.1	12.4
Six Battery Road	Leasehold	999 years	804 years	6 Battery Road	Commercial	1,425,131	1,414,000	10.7	10.8
Capital Tower	Leasehold	99 years	74 years	168 Robinson Road	Commercial	1,390,080	1,389,000	10.4	10.7
21 Collyer Quay	Leasehold	999 years	829 years	21 Collyer Quay	Commercial	482,090	468,000	3.6	3.6
Integrated Developments									
Raffles City Singapore	Leasehold	99 years	57 years	250 and 252 North Bridge Road, 2 Stamford Road and 80 Bras Basah Road	Commercial	3,178,791	3,179,000	23.9	24.4
Plaza Singapura	Freehold	NA	NA	68 Orchard Road	Commercial	1,300,854	1,300,000	9.8	10.0
The Atrium@Orchard	Leasehold	99 years	86 years	60A & 60B Orchard Road	Commercial	750,591	750,000	5.6	5.8
Funan	Leasehold	99 years	57 years	107 & 109 North Bridge Road	Commercial	750,176	742,000	5.6	5.7
Balance carried forward						20,404,485	20,360,500	153.2	156.2

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

Condensed Interim Portfolio Statement (cont'd)
As at 30 June 2021

Group

Description of Property	Tenure of Land	Term of Lease	Remaining Term of Lease	Location	Existing Use	Carrying Value 30/6/2021 S$'000	Carrying Value 31/12/2020 S$'000	Percentage of Total Net Assets 30/6/2021 %	Percentage of Total Net Assets 31/12/2020 %
Balance brought forward						20,404,485	20,360,500	153.2	156.2
Investment properties in Germany									
Office									
Gallileo	Freehold	NA	NA	Gallusanlage 7	Commercial	584,246	576,034	4.4	4.4
Main Airport Center	Freehold	NA	NA	Unterschweinstiege 2-14	Commercial	427,803	420,500	3.2	3.2
Investment properties						21,416,534	21,357,034	160.8	163.8
Other assets and liabilities (net)						(8,069,674)	(8,289,096)	(60.6)	(63.6)
Net assets of the Group						13,346,860	13,067,938	100.2	100.2
Non-controlling interests						(30,396)	(30,300)	(0.2)	(0.2)
Net assets attributable to Unitholders						13,316,464	13,037,638	100.0	100.0

NA Not Applicable

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

Condensed Interim Portfolio Statement (cont'd)
As at 30 June 2021

Investment properties as at 30 June 2021 are based on valuations performed by independent professional valuers as at 31 December 2020, adjusted for capital expenditure capitalised in the period from 1 January 2021 to 30 June 2021 (1H 2021). On 31 December 2020, independent valuations of Bedok Mall, Tampines Mall and 21 Collyer Quay were undertaken by CBRE Pte. Ltd. ("CBRE"), independent valuations of Junction 8, IMM Building, Raffles City Singapore and Asia Square Tower 2 were undertaken by Knight Frank Pte Ltd ("Knight Frank"), independent valuations of The Atrium@Orchard, Plaza Singapura, JCube and Westgate were undertaken by Savills Valuation and Professional Services (S) Pte Ltd ("Savills"), independent valuations of Bugis Junction, Bugis+, Funan, Clarke Quay and CapitaGreen were undertaken by Colliers International Consultancy & Valuation (Singapore) Pte Ltd ("Colliers"), independent valuations of Bukit Panjang Plaza, Lot One Shoppers' Mall, Capital Tower and Six Battery Road were undertaken by Cushman & Wakefield VHS Pte. Ltd. ("C&W"), while the independent valuations of Gallileo and Main Airport Center were undertaken by C&W (U.K.) LLP German Branch.

The valuations as at 31 December 2020 include the capitalisation method and discounted cash flow method. The Manager believes that the independent valuers have appropriate professional qualifications and experience in the location and category of the properties being valued.

Investment properties comprise commercial properties that are leased to external customers. Generally, the leases contain an initial non-cancellable period of three years. Subsequent renewals are negotiated with the lessees. Contingent rents recognised in the Statement of Total Return of the Group for 1H 2021 is S$26,902,000 (1 January 2020 to 30 June 2020 (1H 2020) : S$15,607,000).

Condensed Interim Statement of Cash Flows
Six-month period ended 30 June 2021

	Group	
	Six-month period ended 30/6/2021 S$'000	**Six-month period ended 30/6/2020 S$'000**
Cash flows from operating activities		
Total return/(loss) for the period	327,988	(166,678)
Adjustments for:		
Amortisation of lease incentives	(3,689)	388
Amount written back for impairment loss on receivables	(1,500)	–
Depreciation and amortisation	2,507	1,062
Finance costs	105,052	56,882
Gain on disposal of plant and equipment	(1)	–
Interest and other income	(4,038)	(902)
Investment income	(2,167)	(4,815)
Management fees payable in units	20,393	–
Net change in fair value of investment properties	–	279,644
Share of results of joint ventures	(6,731)	27,960
Taxation	7,411	–
Operating income before working capital changes	445,225	193,541
Changes in working capital:		
Trade and other receivables	23,505	(54,640)
Trade and other payables	(59,766)	(26,459)
Security deposits	12,400	(46,809)
Cash generated from operations	421,364	65,633
Income tax paid	(4,227)	–
Net cash from operating activities	417,137	65,633
Cash flows from investing activities		
Capital expenditure on investment properties	(47,852)	(25,261)
Distribution received from joint ventures	2,855	24,409
Distribution received from equity investment at fair value	2,167	4,815
Interest received	881	1,112
Purchase of plant and equipment	(197)	(1,066)
Proceeds from disposal of plant and equipment	1	–
Net cash (used in)/from investing activities	(42,145)	4,009
Cash flows from financing activities		
Distribution paid to Unitholders	(112,590)	(146,088)
Distribution paid to non-controlling interests	(888)	–
Interest paid	(104,917)	(56,781)
Payment of issue and financing expenses	(7,290)	(1,420)
Payment of lease liabilities	(1,411)	(1,121)
Proceeds from loans and borrowings	1,413,935	169,910
Repayment from loans and borrowings	(1,395,206)	(155,110)
Net cash used in financing activities	(208,367)	(190,610)

Condensed Interim Statement of Cash Flows (continued)
Six-month period ended 30 June 2021

	Group	
	Six-month period ended 30/6/2021 S$'000	**Six-month period ended 30/6/2020 S$'000**
Net increase / (decrease) in cash and cash equivalents	166,625	(120,968)
Cash and cash equivalents at beginning of the period	183,617	202,198
Cash and cash equivalents at end of the period	350,242	81,230

Significant non-cash transaction

In the six-month period ended 30 June 2021, 5,291,930 (30 June 2020: 1,350,480) units were issued to the Manager as payment for the management fees payable in units, amounting to a value of S$11,389,000 (30 June 2020: S$3,275,000).

Notes to the Condensed Interim Financial Statements

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

1 General

CapitaLand Integrated Commercial Trust (the "Trust"), formerly known as CapitaLand Mall Trust ("CMT") is a Singapore-domiciled unit trust constituted pursuant to the trust deed dated 29 October 2001 (as amended) (the "Trust Deed") between CapitaLand Integrated Commercial Trust Management Limited (the "Manager"), formerly known as CapitaLand Mall Trust Management Limited 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 and 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 ("SGX-ST") on 17 July 2002 ("Listing Date") and was included under the Central Provident Fund ("CPF") Investment Scheme on 13 September 2002.

The principal activity of CICT is to invest, directly or indirectly, in real estate which is income producing and is used or primarily used for commercial purposes (including retail and/or office purposes), located predominantly in Singapore.

These Condensed Interim Financial Statements as at and for the six-month period ended 30 June 2021 relate to the Trust and its subsidiaries (the "Group") and the Group's interests in its joint ventures.

For financial reporting purposes, the intermediate and ultimate holding companies of the Group are CapitaLand Limited and Temasek Holdings (Private) Limited respectively. The intermediate and ultimate holding companies are incorporated in Singapore.

2 Basis of preparation

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

The Condensed Interim Financial Statements does not include all of the information required for full annual financial statements and should be read in conjunction with the financial statements of the Group as at 31 December 2020.

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

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

In preparing these Condensed Interim Financial Statements, significant judgements made by the Manager in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 31 December 2020.

The accounting policies applied are consistent with those applied by the Group in its financial statements as at and for the year ended 31 December 2020, except as disclosed in Note 2.1.

2.1 New standards and amendments

The Group adopted the revised version of RAP 7 and applied the recognition and measurement principles of a number of new standards and amendments to standards for the financial period beginning 1 January 2021. The adoption of these new and revised standards did not have any material impact on the Group's Condensed Interim Financial Statements.

3 Investment properties

	Group		Trust	
	30/6/2021 S$'000	**31/12/2020 S$'000**	**30/6/2021 S$'000**	**31/12/2020 S$'000**
At 1 January	21,366,075	10,415,843	8,028,300	8,203,845
Acquisition of subsidiary	–	11,309,546	–	–
Capital expenditure	48,307	45,877	17,541	28,494
Net change in fair value of investment properties	–	(393,620)	–	(204,039)
Effects of lease incentives amortisation	(539)	(1,024)	–	–
Translation difference	14,012	(10,547)	–	–
At 30 June/ 31 December	21,427,855	21,366,075	8,045,841	8,028,300

Security

As at 30 June 2021 and 31 December 2020, the Group's investment properties with a total carrying amount of S$1,012.0 million (2020: S$996.5 million) was pledged as security to banks to secure bank facilities (refer to Note 4).

As at 30 June 2021 and 31 December 2020, all investment properties held by the Trust are unencumbered.

Measurement of fair value

The following table reconciles the fair value of the investment properties to the carrying value.

	Group		Trust	
	30/6/2021 S$'000	**31/12/2020 S$'000**	**30/6/2021 S$'000**	**31/12/2020 S$'000**
Fair value of investment properties	21,416,534	21,357,034	8,036,994	8,019,500
Add: Carrying amount of lease liabilities	11,321	9,041	8,847	8,800
Carrying amount of investment properties	21,427,855	21,366,075	8,045,841	8,028,300

External valuation of the investment properties is conducted at least once a year. As at 31 December 2020, the carrying amounts of the investment properties were based on valuations performed by the independent external valuers. The capitalisation method is an investment approach whereby the estimated gross passing income (on both a passing and market rent basis) is adjusted to reflect anticipated operating costs and a natural vacancy to produce the 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 investment yield. The discounted cash flow method involves the estimation and projection of a net income stream over a period and discounting the net income stream with an internal rate of return to arrive at the market value. The discounted cash flow method requires the valuer to assume a rental growth rate indicative of market and the selection of a target internal rate of return consistent with current market requirements.

As at 30 June 2021, in consultation with external valuers, management conducted an internal assessment of the valuation of the investment properties, including considering any significant changes in operating performance of the properties, and movement in market data such as discount rates and capitalisation rates. Based on the assessment, management is of the view that the fair value of the investment properties has not materially changed from 31 December 2020 valuation.

The outbreak of the novel coronavirus ("COVID-19") has impacted market activity in many property sectors. As the impact of COVID-19 is fluid and evolving, significant market uncertainty exists. Consequently, the valuations of investment properties are currently subject to material valuation uncertainty. The carrying amounts of the investment properties were current as at 30 June 2021 only. Values may change more rapidly and significantly given the uncertain market conditions.

4 Loans and borrowings

	Group		Trust	
	30/6/2021 S$'000	**31/12/2020 S$'000**	**30/6/2021 S$'000**	**31/12/2020 S$'000**
Secured borrowings[1]				
Amount repayable after one year	432,705	426,830	–	–
Less: Unamortised portion of transaction costs	(1,133)	(1,234)	–	–
Net secured borrowings repayable after one year	**431,572**	**425,596**	–	–
Unsecured borrowings				
Amount repayable after one year	7,636,333	7,381,711	4,920,348	4,141,234
Less: Unamortised portion of transaction costs	(16,668)	(12,994)	(13,545)	(8,814)
Net unsecured borrowings repayable after one year	**7,619,665**	**7,368,717**	**4,906,803**	**4,132,420**
Amount repayable within one year	698,175	932,544	190,100	415,000
Less: Unamortised portion of transaction costs	(299)	(612)	(176)	(508)
Net unsecured borrowings repayable within one year	**697,876**	**931,932**	**189,924**	**414,492**
Total unsecured borrowings	**8,317,541**	**8,300,649**	**5,096,727**	**4,546,912**
Grand total	**8,749,113**	**8,726,245**	**5,096,727**	**4,546,912**

[1] Details of secured borrowings are as follows:-

a) Loan facilities for Gallileo Co.

Under the loan agreement between the bank and Gallileo Co., the bank has granted Gallileo Co. secured loan facilities of EUR140.0 million.

As at 30 June 2021, Gallileo Co. has drawn down EUR140.0 million (31 Dec 2020: EUR140.0 million).

As security for the facilities granted to Gallileo Co., Gallileo Co. has granted in favour of the banks the following:

(i) Land charges over Gallileo;
(ii) Assignment of claims for restitution; and
(iii) Assignment of rights and claims arising from rental and lease agreements.

b) Loan facilities for MAC Property Company B.V. and MAC Car Park Company B.V. (MAC entities)

Under the loan agreement between the bank and the MAC entities, the bank has granted the MAC entities secured loan facilities of EUR121.9 million.

As at 30 June 2021, MAC entities has drawn down EUR121.9 million (31 Dec 2020: EUR121.9 million).

As security for the facilities granted to MAC entities, the MAC entities have granted in favour of the banks the following:

(i) Land charges over Main Airport Center;
(ii) Assignment of claims for return of security;
(iii) Assignment of rights and claims arising under lease agreements; and
(iv) Pledge of account balances.

5 Units in issue

	Group and Trust	
	30/6/2021	**31/12/2020**
	’000	**’000**
Units in issue:		
At 1 January	6,470,704	3,688,804
- Units created:		
- payment of management fees[(a)]	5,292	1,350
- consideration units in respect of the Merger[(b)]	–	2,780,550
Total issued units as at 30 June/31 December	6,475,996	6,470,704
Units to be issued:		
- payment of management fees	7,175	2,889
Total issued and issuable units as at 30 June/31 December	6,483,171	6,473,593

Units issued during the period/year were as follows:

(a) 5,291,930 (2020: 1,350,480) Units were issued at issue price of S$2.1445 to S$2.1613 (2020: S$2.4248) per Unit as payment of the 50.0% base component of the management fee for the period from 3 November 2020 to 31 March 2021 (2020: 1 October 2019 to 31 December 2019) and 50.0% of the performance component of the management fee for the period from 3 November 2020 to 31 December 2020 (2020: 1 January 2019 to 31 December 2019). The remaining 50.0% base component, and 50.0% performance component, of the management fee will be paid in cash.

(b) On 28 October 2020, 2,780,549,536 Units, amounting to S$5,310,850,000 were issued to the unitholders of CCT as partial consideration in respect of the Merger. The balance consideration was settled in cash.

6 Net asset value ("NAV") / Net tangible asset ("NTA") per Unit based on issued at end of the period

	Group		Trust	
	30/6/2021	**31/12/2020**	**30/6/2021**	**31/12/2020**
Number of Units issued at end of the period / year	6,475,996,046	6,470,704,116	6,475,996,046	6,470,704,116
NAV[1] (S$'000)	13,301,266	13,031,444	12,739,671	12,498,025
NTA[1] (S$'000)	13,301,237	13,031,404	12,739,671	12,498,025
NAV / NTA per Unit [2] (S$)	**2.05**	**2.01**	**1.97**	**1.93**
Adjusted NAV / NTA per Unit (excluding the distributable income) (S$)	**2.00**	**2.00**	**1.92**	**1.91**

1. This excludes non-controlling interests' share of NAV/NTA and management fees to be issued in Units.
2. NAV / NTA per Unit is computed based on net asset value / net tangible asset attributable to Unitholders, excluding management fees to be issued in Units over the issued Units at the end of the period/year.

7 Management fees

	Group	
	Six-month period ended 30/6/2021 S$'000	**Six-month period ended 30/6/2020 S$'000**
Base fees	20,995	12,980
Performance fees	19,790	9,133
	40,785	22,113

8 Finance costs

	Group	
	Six-month period ended 30/6/2021 S$'000	**Six-month period ended 30/6/2020 S$'000**
Interest expense	101,242	55,666
Transaction costs	3,669	1,050
Interest from lease liabilities	141	166
	105,052	56,882

9 Earnings per unit

Basic earnings per unit

The calculation of basic earnings per unit is based on the total return attributable to Unitholders for the period and weighted average number of units during the period.

	Group	
	Six-month period ended 30/6/2021 S$'000	**Six-month period ended 30/6/2020 S$'000**
Total return/(loss) attributable to Unitholders	327,431	(166,678)
	'000	**'000**
Issued units at beginning of the period	6,470,704	3,688,804
Creation of new units during the period:		
- management fees	2,768	920
- issuable as payment of management fees	39	–
Weighted average number of units at the end of the period	6,473,511	3,689,724

	Group	
	Six-month period ended 30/6/2021 cents	**Six-month period ended 30/6/2020 cents**
Basic earnings per unit	5.06	(4.52)

Diluted earnings per unit

In calculating diluted earnings per unit, the weighted average number of units during the period are adjusted for the effects of all dilutive potential units, calculated as follows:

	Group	
	Six-month period ended 30/6/2021 '000	**Six-month period ended 30/6/2020 '000**
Weighted average number of units		
Weighted average number of units used in calculation of basic earnings per unit	6,473,511	3,689,724
- effect of payment of management fees	7,136	–
Weighted average number of units at the end of the period	6,480,647	3,689,724

	Group	
	Six-month period ended 30/6/2021 cents	**Six-month period ended 30/6/2020 cents**
Diluted earnings per unit	5.05	(4.52)

10 Commitments

	Group	
	30/6/2021 S$'000	**31/12/2020 S$'000**
Capital commitments		
Contracted but not provided for	90,899	111,003

11 Financial ratios

	Group	
	Six-month period ended 30/6/2021 %	**Six-month period ended 30/6/2020 %**
Expenses to weighted average net assets[1]		
- including performance component of Manager's management fees	0.68	0.64
- excluding performance component of Manager's management fees	0.38	0.40
Portfolio turnover rate[2]	–	–

[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.

	Group	
	30/6/2021	**31/12/2020**
Aggregate leverage (%)	40.5	40.6
Interest coverage (times)	4.0	3.8

Other Information Required by Listing Rule Appendix 7.2

1 Summary of CICT Results

	FY 2019	FY 2020	1 January to 30 June 2020	1 January to 30 June 2021
	Actual	**Actual**	**Actual**	**Actual**
Gross Revenue (S$'000)	786,736	745,209	318,387	645,657
Net Property Income (S$'000)	558,215	512,740	216,352	472,163
Amount Available for Distribution (S$'000)	461,901	375,645	160,935	338,061
Distributable Income (S$'000)	441,596 [1]	369,384 [2]	109,720 [3]	335,894 [4]
Distribution Per Unit ("DPU") (cents) For the period	11.97¢	8.69¢	2.96¢	5.18¢

Footnotes:

1. *S$20.3 million comprising S$13.6 million and S$6.7 million received from CLCT and Infinity Office Trust ("IOT") respectively in FY 2019 had been retained for general corporate and working capital purposes.*

2. *For FY 2020, RCS Trust had released the remaining S$6.25 million, part of the S$12.5 million (of which S$6.25 million was released in 3Q 2020) of taxable income available for distribution previously retained in 1H2020. S$12.5 million received from CLCT had been retained for general corporate and working capital purposes.*

3. *For 1H 2020, in view of the challenging operating environment due to COVID-19 pandemic, CICT had retained S$46.4 million of its taxable income available for distribution to Unitholders. In addition, S$4.8 million received from CLCT had been retained for general corporate and working capital purposes.*

4. *S$2.2 million comprising S$0.8 million and S$1.4 million received from CLCT and Sentral Reit respectively had been retained for general corporate and working capital purposes.*

DISTRIBUTION & RECORD DATE

Distribution	For 1 January to 30 June 2021		
Distribution type	Taxable	Tax-exempt	Total
Distribution rate (cents per Unit)	5.11¢	0.07¢	5.18¢
Record date	5 August 2021		
Payment date	9 September 2021		

2 Other information

The Condensed Interim Financial Statements of CapitaLand Integrated Commercial Trust and its subsidiaries as at 30 June 2021 (the "Group"), which comprise the Statements of Financial Position of the Group and the Trust and Portfolio Statement of the Group as at 30 June 2021, the Statement of Total Return, Distribution Statement, and Statement of Cash Flows of the Group and the Statements of Movements in Unitholders' Funds of the Group and the Trust for the six-month period then ended and certain explanatory notes have not been audited or reviewed.

3. Review of the Performance

3.1 Statements of Total Return (1H 2021 vs 1H 2020)

	Group [1]		
Statements of Total Return	1H 2021 S$'000	1H 2020 S$'000	% Change
Gross rental income [2]	612,849	296,175	NM
Car park income	14,047	6,276	NM
Other income [3]	18,761	15,936	17.7
Gross revenue [4]	**645,657**	**318,387**	**NM**
Property management fees	(22,020)	(11,792)	86.7
Property tax	(60,450)	(34,775)	73.8
Other property operating expenses [5]	(91,024)	(55,468)	64.1
Property operating expenses [6]	**(173,494)**	**(102,035)**	**70.0**
Net property income	**472,163**	**216,352**	**NM**
Interest and other income	4,038	902	NM
Investment income [7]	2,167	4,815	(55.0)
Management fees [8]	(40,785)	(22,113)	84.4
Trust expenses	(3,863)	(2,148)	79.8
Finance costs [9]	(105,052)	(56,882)	84.7
Net income before share of results of joint ventures	**328,668**	**140,926**	**NM**
Share of results (net of tax) of joint ventures [10]	6,731	(27,960)	NM
Net income	**335,399**	**112,966**	**NM**
Net change in fair value of investment properties	–	(279,644)	NM
Total return/(loss) for the period before taxation	**335,399**	**(166,678)**	**NM**
Taxation	(7,411)	–	NM
Total return/(loss) for the period after taxation	**327,988**	**(166,678)**	**NM**
Attributable to			
Unitholders	327,431	(166,678)	NM
Non-controlling interests	557	–	NM
Total return/(loss) for the period	**327,988**	**(166,678)**	**NM**

Footnotes:

1. The Merger was completed on 21 October 2020. The financials of CCT and its subsidiaries (CCT Group) are consolidated into the Group's financial results with effect from 21 October 2020. In addition, RCS Trust, a joint venture of CICT prior to the Merger, is now a direct wholly owned subsidiary of CICT upon the completion of the Merger as well.

2. Gross rental income for 1H 2021 and 1H 2020 includes rental waivers granted by landlord to tenants affected by COVID-19 of S$18.9 million and S$76.5 million respectively.

3. Other income comprises various types of miscellaneous income, other than rental income, ancillary to the operation of investment properties. This includes income earned from bulk energy savings, tenants' recoveries, atrium space and advertisement panels.

4. 1H 2021 gross revenue for CICT properties at S$645.7m was higher than 1H 2020 by S$327.3m. Excluding the effect of the Merger which consolidates the financial results of CCT Group and RCS Trust with effect from 21 October 2020, 1H 2021 gross revenue for CICT properties at S$360.6m was higher than 1H 2020 by S$42.2m or 13.2%. This was mainly due to higher gross rental income arising from lower rental waivers given, as well as higher rental on gross turnover and car park income, partially offset by lower other income.

5. Other property operating expenses comprise utilities, property management reimbursements, marketing, maintenance and other expenses that are ancillary to the operation of investment properties. Included as part of the other property operating expenses are the following:

	Group		
	1H 2021 S$'000	1H 2020 S$'000	% Change
Depreciation and amortisation	2,507	1,062	NM
Amount written back for impairment loss on receivables	(1,500)	–	NM

6. Property operating expenses for 1H 2021 were S$173.5 million, an increase of S$71.5 million or 70.0% from 1H 2020. Excluding the effect of the Merger, the property operating expenses was higher than 1H 2020 by S$3.1m mainly due to higher property management fees and property management reimbursements, partially offset by lower property tax and maintenance expenses.

7. This relates to distribution income from equity investment in CLCT and Sentral Reit.

8. Management fees at S$40.8 million were S$18.7 million or 84.4% higher than 1H 2020. Excluding the effect of the Merger, the management fees were higher compared to same period last year as a result of higher NPI mainly due to lower rental waivers given to tenants in 1H 2021.

9. Finance costs includes the interest expense and amortisation of transaction cost in relation to the borrowings drawn down to fund the Merger. In 1H 2021, finance costs at S$105.1 million were S$48.2 million or 84.7% higher than 1H 2020. Excluding the effect of the Merger, the finance costs was slightly lower and this was mainly due to the refinancing of borrowings at lower interest rate.

10. In 1H 2021, share of results (net of tax) of joint ventures relates to 50.0% interest in OGS LLP, 45.0% interest in Glory Office Trust, 45.0% interest in Glory SR Trust and 30.0% interest in IOT. In 1H 2020, this relates to the Group's 40.0% interest in RCS Trust and 30.0% interest in IOT.

Details are as follows:

	Group		
	1H 2021 S$'000	1H 2020 S$'000	% Change
Share of results (net of tax) of joint ventures			
- Gross revenue [10a]	12,983	39,064	(66.8)
- Property operating expenses	(3,238)	(8,838)	(63.4)
- Net property income	9,745	30,226	(67.8)
- Finance costs	(1,912)	(6,977)	(72.6)
- Net change in fair value of investment properties	–	(48,212)	NM
- Others [10b]	(1,102)	(2,997)	(63.2)
	6,731	**(27,960)**	NM

10a. In 1H 2020, this includes rental waivers granted by RCS Trust to its tenants affected by COVID-19 of S$4.3 million (the Group's 40.0% interest).

10b. Included management fees.

NM – Not meaningful

3.2 Statements of Financial Position

	Group			Trust		
	30 Jun 2021 S$'000	31 Dec 2020 S$'000	% Change	30 Jun 2021 S$'000	31 Dec 2020 S$'000	% Change
Non-current assets						
Plant & equipment	6,661	7,064	(5.7)	2,403	2,638	(8.9)
Investment properties [1]	21,427,855	21,366,075	0.3	8,045,841	8,028,300	0.2
Subsidiaries [2]	-	-	-	9,841,290	9,410,942	4.6
Joint ventures [3]	513,291	508,119	1.0	210,565	208,875	0.8
Equity investment at fair value [4]	216,823	218,686	(0.9)	182,731	185,399	(1.4)
Financial derivatives [5]	22,223	31,064	(28.5)	32	-	NM
Deferred tax asset [6]	10,237	10,412	(1.7)	-	-	-
Other non-current asset	1,966	1,975	(0.5)	1,076	890	20.9
Total non-current assets	**22,199,056**	**22,143,395**	**0.3**	**18,283,938**	**17,837,044**	**2.5**
Current assets						
Trade & other receivables	67,435	83,000	(18.8)	146,790	82,463	78.0
Cash & cash equivalents [7]	350,242	183,617	90.7	143,289	29,320	NM
Financial derivatives [5]	11,487	6,366	80.4	-	-	-
Total current assets [8]	**429,164**	**272,983**	**57.2**	**290,079**	**111,783**	**NM**
Total assets	**22,628,220**	**22,416,378**	**0.9**	**18,574,017**	**17,948,827**	**3.5**
Current liabilities						
Financial derivatives [5]	1,508	8,677	(82.6)	-	-	-
Trade & other payables	225,779	293,008	(22.9)	96,932	134,442	(27.9)
Current portion of security deposits	89,377	90,533	(1.3)	46,070	41,450	11.1
Loans & borrowings [9]	697,876	931,932	(25.1)	189,924	414,492	(54.2)
Lease liabilities [10]	2,703	2,248	20.2	1,975	2,008	(1.6)
Provision for taxation	7,028	7,435	(5.5)	209	-	NM
Total current liabilities [8]	**1,024,271**	**1,333,833**	**(23.2)**	**335,110**	**592,392**	**(43.4)**
Non-current liabilities						
Financial derivatives [5]	25,807	60,285	(57.2)	5,460	9,980	(45.3)
Trade & other payables [11]	1,382	1,467	(5.8)	495,000	633,900	(21.9)
Loans & borrowings [12]	8,051,237	7,794,313	3.3	4,906,803	4,132,420	18.7
Lease liabilities [10]	6,861	6,442	6.5	5,489	6,442	(14.8)
Non-current portion of security deposits	163,391	147,394	10.9	71,286	69,474	2.6
Deferred tax liabilities [13]	8,411	4,706	78.7	-	-	-
Total non-current liabilities	**8,257,089**	**8,014,607**	**3.0**	**5,484,038**	**4,852,216**	**13.0**
Total liabilities	**9,281,360**	**9,348,440**	**(0.7)**	**5,819,148**	**5,444,608**	**6.9**
Net assets	**13,346,860**	**13,067,938**	**2.1**	**12,754,869**	**12,504,219**	**2.0**
Represented by:						
Unitholders' funds	13,316,464	13,037,638	2.1	12,754,869	12,504,219	2.0
Non-controlling interests	30,396	30,300	0.3	-	-	-
Total equity	**13,346,860**	**13,067,938**	**2.1**	**12,754,869**	**12,504,219**	**2.0**

Footnotes:

1. Investment properties are based on valuations performed by independent professional valuers as at 31 December 2020, adjusted for capital expenditure capitalised in 1H 2021. In addition, the Group has recognised its existing operating lease arrangements where the Group is a lessee as right of use assets in accordance with the principles of FRS 116 Leases.

   As at 30 June 2021, in consultation with external valuers, management conducted an internal assessment of the valuation of the investment properties, including considering any significant changes in operating performance of the properties, and movement in market data such as discount rates and capitalisation rates. Based on the assessment, management is of the view that the fair value of the investment properties has not materially changed from 31 December 2020 valuation.

   The outbreak of the novel coronavirus ("COVID-19") has impacted market activity in many property sectors. As the impact of COVID-19 is fluid and evolving, significant market uncertainty exists. Consequently, the valuations of investment properties are currently subject to material valuation uncertainty. The carrying amounts of the investment properties were current as at 30 June 2021 only. Values may change more rapidly and significantly given the uncertain market conditions.

   For illustrative purpose, the impact arising from a decline of every 1% in the valuation of the Group's portfolio of properties is as follows:

	30-Jun-21	Illustrative Impact	Pro forma
Properties Carrying Value (S$ million)	21,427.9	(214.3)	21,213.6
Net Asset Value (S$)	2.05	(0.03)	2.02
Aggregate Leverage (%)	40.5	0.4	40.9

   The above illustration (i) assumes that all other variables are constant and (ii) is a sensitivity analysis for illustrative purposes on the impact of a decline in valuation of the properties and does not represent the Manager's views on where the valuations might end up.

   The Manager will continue to closely monitor the evolving situation and perform property valuation (i) for material assets, when there is indication of material change and objective, appropriate valuation can be reliably obtained or (ii) by the end of the financial year, whichever is the earlier.

2. This include unitholders' loans to subsidiaries.

3. Joint ventures refer to 30.0% interest in IOT, 50.0% in OGS LLP, 45.0% interest in Glory Office Trust and 45.0% interest in Glory SR Trust (including unitholder's loans). Prior to 21 October 2020, RCS Trust was accounted for as a joint venture of the Group.

4. Equity investment at fair value as at 30 June 2021 relates to CICT's 8.8% interest in CLCT at fair value of S$182.7 million and CICT's 10.9% interest in Sentral Reit at fair value of S$34.1 million.

5. Financial derivative assets and liabilities relate to fair value of the cross currency, interest rate swaps and forward exchange contracts.

6. Deferred tax asset relates to the temporary difference arising from the fair value adjustment recognised on the borrowings of CCT Group in relation to the Merger.

7. The increase in cash and cash equivalents is mainly due to the increase in cash flows from operating activities contributed by the higher NPI as a result of the Merger.

8. Notwithstanding the net current liabilities position, based on the Group's available financial resources, the Manager is of the opinion that the Group will be able to refinance its borrowings and meet its current obligations as and when they fall due.

9. As of 30 June 2021, loans and borrowings under current liabilities relate to Medium Term Notes of S$100.0 million, HKD 1.15 billion and JPY6.3 billion as well as bank borrowings due in the next 12 months.

10. This relates to the lease liabilities recognised by the Group on its existing operating lease arrangements in accordance with the principles of FRS 116 Leases.

11. This relates to Gallileo Co. and MAC Co. at Group and amount due to subsidiary (non-trade) at Trust.

12. As of 30 June 2021, loans and borrowings under non-current liabilities relate mainly to the fixed and floating rate notes issued by CMT MTN Pte. Ltd. through its US$3.0 billion Euro-Medium Term Note Programme and S$7.0 billion Multicurrency Medium Term Note Programme, as well as fixed and floating notes issued by CCT MTN Pte. Ltd. through its S$2.0 billion Medium Term Note Programme and unsecured and secured bank borrowings of the Group.

    On 1 February 2021, CMT MTN Pte. Ltd. (“CMT MTN”), a wholly owned subsidiary of CICT, issued HKD713.0 million fixed rate notes due 1 February 2033 through its S$7.0 billion Multicurrency Medium Term Note Programme (“MTN Programme”) at 2.53% per annum. CMT MTN has entered into swap transactions to swap the HKD proceeds into Singapore dollar proceeds of S$125.0 million at fixed interest rate of 2.15% per annum.

    On 8 March 2021, CMT MTN issued S$460.0 million fixed rate notes due 8 March 2028 through its MTN Programme at 2.10% per annum. The proceeds from these two issuances have been used to refinance the existing borrowings of the Group.

13. Deferred tax liabilities relate to the temporary differences in respect of the fair value changes of overseas investment properties held by the Group.

NM – not meaningful

4 Variance from Previous Forecast / Prospect Statement

CICT has not disclosed any forecast to the market.

5 Commentary on the competitive conditions of the industry in which the Group operates and any known factors or events that may affect the Group in the next reporting period and the next 12 months

Singapore

With the rise in COVID-19 community cases, Singapore tightened its restrictions on movements and activities for a period from 16 May to 13 June 2021, known as phase 2 (Heightened Alert). During this period, restrictive measures included no dining-in, social gathering could only accommodate up to two people and work-from-home is the default. Amidst a fall in the number of community cases and increased number of vaccinated Singaporeans, the country phased its gradual resumption of activities from 14 June 2021 (phase 3 (Heightened Alert)). Further relaxation measures were applied from 12 July 2021 including dining-in in groups of up to five people (from groups of up to two people). However, a spike in community cases and clusters in the week of 12 July 2021 prompted further tightening of safe management measures back to phase 2 (Heightened Alert) from 22 July to 18 August 2021. As such, the government will continue to provide targeted support to affected sectors till 18 August 2021. To prepare Singapore for a new normal with endemic COVID-19, eligible Singaporeans are encouraged to take their vaccination.

The Ministry of Trade and Industry Singapore's 2Q 2021 advance estimates reported that Singapore economy grew by 14.3% on a year-on-year basis, extending the 1.3% growth in 1Q 2021. The year-on-year growth was largely attributed to the low base in 2Q 2020 when the circuit breaker measures were implemented from 7 April to 1 June 2020. On a quarter-on-quarter (q-o-q) seasonally-adjusted basis, the Singapore economy contracted by 2.0% in 2Q 2021, reversing the 3.1% q-o-q growth in 1Q 2021.

Retail operating environment

Based on figures released by Singapore Department of Statistics, the retail sales index (excluding motor vehicle sales) on a year-on-year basis increased by 39.2%% and 61.6% in April 2021 and May 2021 respectively. On a month-on-month basis, the seasonally adjusted retail sales declined by 0.8% in April 2021 and 5.2% in May 2021. Online retail sales contributed 16.1% of estimated total retail sales value of S$2.8 billion (excluding motor vehicle sales) in May 2021, compared to the 13.3% recorded in April 2021.

CBRE Singapore reported that despite the pressure of the retail market, the rate of rental decline has slowed. Average prime island wide retail rent eased by 0.4% q-o-q in 2Q 2021. Prime retail rents in Orchard Road declined by 1.0% q-o-q to S$34.55 per square foot per month as the malls were more affected by the default work-from-home directive and closed tourism borders. Prime suburban malls reported healthy reversionary rents of S$29.80 per square foot per month, an increase by 1.0% q-o-q. Singapore retail occupancy rate remained stable q-o-q at 91.5% as at 30 June 2021 based on Urban Redevelopment Authority (URA)'s island wide retail space vacancy rate.

CBRE Singapore noted that the retail market was affected by the stricter measures during phase 2 (Heightened Alert). The food & beverage (F&B) operators adapted better to delivery and takeaway during the no dining-in period this time compared to the circuit breaker period in 2020. New openings and expansions were observed in the F&B, sporting goods and fashion segments notwithstanding the uncertain environment. On the other hand, fashion, F&B and entertainment segments experienced higher rate of closures. The retail market will benefit with increased economic activity and better consumer sentiment on the back of the vaccination rollout.

Office operating environment

CBRE Singapore reported that as at 30 June 2021, Grade A monthly office market rent saw an uptick by 1.0% to S$10.50 per square foot from S$10.40 in the previous quarter. Year-on-year, the Grade A monthly office market rent fell by 5.8%. Island wide and Core CBD occupancy rates were at 93.2% and 92.1% respectively.

CBRE Singapore noted that most of the leasing transactions in the quarter comprised renewals and relocations with limited new and expansionary demand. Net absorption was -0.36 million square feet in 2Q 2021 due to earlier relocation moves and downsizing by occupiers. Demand was mainly from the technology and financial services sectors. Despite the demand, the tapering supply pipeline from 2021 to 2024 is expected to benefit the market. There will be a two-tiered market as the Grade A office market's outlook in the medium term looks positive, while the Grade B office market is expected to be under pressure with rising vacancy.

Germany
Germany had in place a nationwide "emergency brake" from late April 2021 due to an increase in new infections. The lockdown measures were gradually lifted as infections fell. Vaccination efforts were accelerated and about 43% of German population has been fully vaccinated (source: Our World in Data, 14 July 2021). In 1H 2021, office take-up in Frankfurt was 165,200 square metres, an increase by 50% year-on-year. Monthly prime rent remained stable at EUR 44.00 per square metre, while weighted average rent rose by 4% to EUR 23.36 per square metre per month (source: CBRE Germany). Currently, about half of the new supply pipeline completing from 2021 to 2023 has already been pre-let. With continued positive demand for modern office space in established locations, further rental growth is expected in Frankfurt's Central Business District.

Conclusion
As Singapore plans to transition from pandemic to endemic by encouraging more Singaporeans to get vaccinated, we will adapt and manage in the new normal, together with our stakeholders. We continue to remain proactive, agile and flexible in our portfolio and asset management as well as stakeholder engagements.

6 Distributions

6 (a) Current financial period

Any distributions declared for the current financial period? Yes.

Name of distribution : Distribution for 1 January 2021 to 30 June 2021

Distribution Type	**Distribution Rate Per Unit (cents)**
Taxable Income	5.11
Tax-exempt income	0.07
Total	**5.18**

Par value of Units : NA

Tax rate : Taxable Income Distribution

Qualifying investors and individuals (other than those who hold their Units through a partnership) will generally receive pre-tax distributions. These distributions are exempt from Singapore income tax in the hands of individuals unless such distributions are derived through a Singapore partnership or from the carrying on of a trade, business or profession.

Qualifying foreign non-individual investors and foreign fund investors will receive their distributions after deduction of tax at the rate of 10%.

All other investors will receive their distributions after deduction of tax at the rate of 17%.

Tax-exempt income distribution

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

Remarks : NA

6 (b) Corresponding period of the preceding financial period

Any distributions declared for the corresponding period of the immediate preceding financial period? Yes.

Name of distribution : Distribution for 1 January 2020 to 30 June 2020

Distribution Type	Distribution Rate Per Unit (cents)
Taxable Income	2.96
Total	**2.96**

Par value of Units : NA

Tax rate : Taxable Income Distribution

Qualifying investors and individuals (other than those who hold their Units through a partnership) will generally receive pre-tax distributions. These distributions are exempt from Singapore income tax in the hands of individuals unless such distributions are derived through a Singapore partnership or from the carrying on of a trade, business or profession.

Qualifying foreign non-individual investors will receive their distributions after deduction of tax at the rate of 10%.

All other investors will receive their distributions after deduction of tax at the rate of 17%.

Remarks : NA

6(c) Date payable : 9 September 2021

6(d) Record date : 5 August 2021

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

NA

8 Interested Person Transactions

CICT has not obtained a general mandate from Unitholders for Interested Person Transactions.

9 Confirmation pursuant to Rule 720(1) of the Listing Manual

The Manager confirms that it has procured undertakings from all its Directors and Executive Officers in the format set out in Appendix 7.7 of the Listing Manual of the SGX-ST (the “Listing Manual”), as required by Rule 720(1) of the Listing Manual.

10 Confirmation pursuant to Rule 705(5) of the Listing Manual

To the best of our knowledge, nothing has come to the attention of the Board of Directors of the Manager which may render the unaudited interim financial statements of the Group and the Trust (comprising the statements of financial position and portfolio statement as at 30 June 2021, statement of total return, distribution statement, statement of cash flows and statements of movements in unitholders’ funds for the six months ended on that date), together with their accompanying notes, to be false or misleading, in any material respect.

This release may contain forward-looking statements that involve assumptions, risks and uncertainties. Actual future performance, outcomes and results may differ materially from those expressed in forward-looking statements as a result of a number of risks, uncertainties and assumptions. Representative examples of these factors include (without limitation) general industry and economic conditions, interest rate trends, cost of capital and capital availability, competition from other developments or companies, shifts in expected levels of occupancy rate, property rental income, charge out collections, changes in operating expenses (including employee wages, benefits and training costs), 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 on future events.

BY ORDER OF THE BOARD
CAPITALAND INTEGRATED COMMERCIAL TRUST MANAGEMENT LIMITED
(Company registration no. 200106159R)
(as Manager of CapitaLand Integrated Commercial Trust)

Lee Ju Lin, Audrey
Company Secretary
28 July 2021