

NEWS RELEASE

**CLCT's FY 2022 net property income up 1.5% year-on-year  
to S\$254.2 million**

***Rejuvenated portfolio well-positioned to tap China's reopening***

**Singapore, 3 February 2022** – CapitaLand China Trust Management Limited (CLCTML), the manager of CapitaLand China Trust (CLCT or Trust), announced today a net property income (NPI) of S\$254.2 million for the financial year 2022 (FY 2022), 1.5% higher than FY 2021. The increase in NPI was driven by full-year contributions from the acquisitions of five business parks and four logistics parks completed in 2021. This was partially offset by higher rental relief provided for tenants whose operations were affected by long periods of COVID-19 lockdown during the year, particularly in 2H 2022.

For the period 1 July to 31 December 2022 (2H 2022), NPI was RMB570.1 million, 8.7% lower year-on-year, due to higher rental relief on the back of tougher operating conditions (particularly in 4Q 2022) and associated AEI downtime for various malls in 2H 2022. Consequent to the stronger Singapore dollar against RMB, NPI was S\$114.7 million, 11.8% lower than 2H 2021.

FY 2022 distributable income was S\$125.6 million and FY 2022 distribution per unit (DPU) on an enlarged unit base was 7.50 cents. FY 2022 distributable income was impacted by lower retail performance, higher interest expense as well as the absence of one-off proceeds<sup>1</sup>. Based on CLCT's closing price of S\$1.27 on 2 February 2023, the distribution yield for FY 2022 was 5.9%. CLCT's Record Date is 13 February 2023, and Unitholders will receive the 2H 2022 DPU of 3.40 cents on 30 March 2023.

Mr Soh Kim Soon, Chairman of CLCTML, said: "China's GDP grew by 3% in 2022, amidst COVID-19 challenges. Further to its reopening and supported by targeted fiscal and monetary policies, China's economy is expected to rebound in 2023. As the business environment improves, with most Chinese provinces targeting growth of above 5%, CLCT's diversified portfolio is well-placed to capitalise on growth opportunities across multiple sectors."

Mr Tan Tze Wooi, CEO of CLCTML, said: "Our strategic pivot to create a diversified portfolio has helped CLCT to weather the impact of COVID-19 in FY 2022, with contributions from our newly acquired new economy assets providing income stability and mitigating the softness in our retail portfolio. Despite challenges in the macro environment, CLCT's portfolio valuation as at end-2022 improved by 2.0%. This was supported by an uplift of 9.3% in the valuation of

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<sup>1</sup> In reference to one-off compensation relating to CapitaMall Nuohemule and insurance proceeds received for CapitaMall Grand Canyon in FY 2021.

our new economy assets, partially offset by a decline of 0.6% in the valuation of our retail assets.”

“Notwithstanding lower leasing activities, CLCT’s retail assets, business parks and logistics parks registered positive rental reversions for FY 2022 and achieved steady occupancy of 95.4%<sup>2</sup>, 91.4% and 96.4% respectively as at end-2022, with improved tenant quality. This was attributed to our proactive asset and lease management strategies to rejuvenate existing assets through asset enhancement initiatives (AEIs) and tenant mix refresh. More AEIs are underway to support CLCT’s efforts to capture the upside from China’s reopening, with works at CapitaMall Yuhuating and CapitaMall Grand Canyon due for completion by 1Q 2023.”

“With the worst of China’s COVID-19 situation behind us, we expect CLCT’s retail portfolio to shift to a positive trajectory in 2023, supported by strategically timed AEIs and unit reconfigurations. Looking ahead, we will focus on maintaining a strong balance sheet through disciplined capital management and the use of appropriate hedging instruments, while actively looking to unlock value from mature assets to increase our financial capacity. We will also seek out yield-accretive acquisitions to further enhance CLCT’s portfolio quality. With CLCT’s diversified portfolio and tenant base well-aligned with China’s focus on domestic consumption and innovation-driven growth, we look forward to riding on China’s swift reopening and pro-growth policies to deliver sustainable long-term value for Unitholders.”

### Operating performance

CLCT’s new economy assets demonstrated resilience throughout the pandemic, achieving a positive rental reversion of 6.4% for FY 2022. The key growth drivers are tenants in the Biomedical Sciences, Engineering, Information & Communications Technology and Electronics sectors. As at 31 December 2022, the occupancy of CLCT’s business parks and logistics parks stood at 91.4% and 96.4% respectively.

As for CLCT’s retail portfolio, FY 2022 shopper traffic and tenant sales fell 20.1%<sup>2</sup> and 12.7%<sup>2</sup> year-on-year respectively, due to a higher number of mandated mall closure days. On a positive note, shopper traffic and tenant sales have begun to pick up from December 2022. FY 2022 rental reversion was positive at 2.7%<sup>2</sup>, largely due to the boost in CapitaMall Wangjing’s rents after the completion of AEI.

CapitaMall Yuhuating’s AEI to reconfigure 8,900 square metres (sq m) of supermarket space to house a variety of specialty stores is on track for completion in 1Q 2023, with a target return on investment of more than 15%. About 82% of area has been pre-leased by end-2022. At CapitaMall Grand Canyon, CLCT recovered 1,700 sq m from a mini-anchor tenant. Post-reconfiguration, the area is expected to generate an additional 7.4% of the mall’s FY 2022 revenue. To date, about 77% of the area has commenced operations and the remaining space is slated for opening by March 2023.

CLCT’s retail portfolio occupancy was 95.4%<sup>2</sup> as at 31 December 2022. As CLCT’s master lease for CapitaMall Qibao will be expiring in January 2024, CLCT targets to close the mall in advance by 1H 2023 to reduce operating expenses. The mall’s closure is expected to

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<sup>2</sup> Excludes CapitaMall Qibao.

have minimal financial impact on CLCT as it accounted for only 0.11% of CLCT's portfolio valuation as at 31 December 2022.

### Capital management

CLCT's financial position remained strong with a well-staggered debt maturity profile and diversified sources of funding. As at 31 December 2022, the average term to maturity of CLCT's borrowings was 3.4 years and its cost of debt was 2.97% per annum. The proportion of sustainability-linked loans has increased to 13% of CLCT's total loans.

To mitigate interest rate risk exposure, about 71% of CLCT's total debt is on fixed interest rates. CLCT has hedged approximately 54.5% of its undistributed income for 2H 2022 into Singapore dollars to minimise the impact of foreign currency fluctuations. As at 31 December 2022, CLCT's gearing was a healthy 39.6%, well below the regulatory limit of 50%.

### Sustainability initiatives

CLCT is committed to making a positive environmental and social impact on the communities where it operates. During 2022, CLCT participated in the Global Real Estate Sustainability Benchmark (GRESB) Real Estate Assessment and scored a GRESB Public Disclosure rating of "A". In addition, CLCT obtained LEED Gold certification for CapitalMall Wangjing and Rock Square after completing AELs at these properties. To align tenants to its sustainability goals, CLCT has started to implement green leases that encourage tenants to incorporate environment-friendly features in their premises and adopt sustainable practices.

### Summary of CLCT results<sup>1,2</sup>

	1 Jul to 31 Dec 2022 (2H 2022)	1 Jul to 31 Dec 2021 (2H 2021)	FY 2022	FY 2021
	Actual S\$'000	Actual S\$'000	Actual S\$'000	Actual S\$'000
Gross Revenue <sup>3</sup>	183,876	201,075	383,171	377,967
Net Property Income	114,684	130,085	254,216	250,427
Amount available for distribution to Unitholders <sup>4</sup>	53,298	71,445	125,615	135,516
Amount released/(retained) <sup>5</sup>	3,616	-	-	-
Distributable amount to Unitholders	56,914	71,445	125,615	135,516

<b>Distribution Per Unit ("DPU") (cents)<sup>6</sup></b>				
For the period/year	3.40	4.50	7.50	8.73

	2H 2022	2H 2021	FY 2022	FY 2021
	Actual RMB'000	Actual RMB'000	Actual RMB'000	Actual RMB'000
Gross Revenue <sup>3</sup>	911,266	965,152	1,851,516	1,826,147
Net Property Income	570,102	624,180	1,228,393	1,209,901

Footnotes:

1. The financial results exclude contribution from CapitaMall Saihan which was divested on 7 June 2021. The financial results include contributions from Ascendas Xinsu Portfolio, Ascendas Innovation Towers and Ascendas Innovation Hub as the acquisitions of these properties were completed on 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. In addition, the results include contributions from Kunshan Bacheng Logistics Park, Wuhan Yangluo Logistics Park, Chengdu Shuangliu Logistics Park and Shanghai Fengxian Logistics Park as the acquisitions of these properties were completed on 10 November 2021.

2. Average exchange rate for SGD/RMB.

2H 2022	2H 2021	Change %	FY 2022	FY 2021	Change %
4.971	4.798	3.6	4.832	4.831	-

3. The financial results include rental relief extended to tenants in view of the COVID-19 situation.

4. Includes rental support (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 which will be distributed as capital distribution.

5. In 2H 2022, CLCT released S\$3.6 million from the amount available for distribution to Unitholders that was previously retained in 1H 2022.

6. The DPU is computed based on total issued units of 1,673.9 million and 1,659.5 million as at 31 December 2022 and 31 December 2021 respectively.

### About CapitaLand China Trust ([www.clct.com.sg](http://www.clct.com.sg))

CapitaLand China Trust (CLCT) is Singapore's largest China-focused real estate investment trust (REIT). CLCT's portfolio constitutes 11 shopping malls, five business park properties and four logistics park properties. The geographically diversified portfolio has a total gross floor area (GFA) of approximately 2.0 million square metres (sq m), located across 12 leading Chinese cities. CLCT was listed on the Singapore Exchange Securities Trading Limited (SGX-ST) on 8 December 2006, and established with the objective of investing on a long-term basis in a diversified portfolio of income-producing real estate and real estate-related assets in mainland China, Hong Kong and Macau that are used primarily for retail, office and industrial purposes (including business parks, logistics facilities, data centres and integrated developments).

CLCT's retail properties are strategically located in densely populated areas with good connectivity to public transport. The malls are positioned as one-stop family-oriented destinations that offer essential services and house a wide range of lifestyle offerings that cater to varied consumer preferences in shopping, dining and entertainment. CLCT's portfolio comprises a diverse mix of leading brands including ZARA, UNIQLO, Xiaomi, Li-Ning, Haidilao, Nanjing Impressions, TANYU, Nike, Sephora, Starbucks Coffee and Chow Tai Fook. The malls are CapitaMall Xizhimen, CapitaMall Wangjing, CapitaMall Grand Canyon and CapitaMall Shuangjing in Beijing; Rock Square in Guangzhou; CapitaMall Xinnan in Chengdu; CapitaMall Qibao in Shanghai; CapitaMall Nuohemule in Hohhot; CapitaMall Xuefu and CapitaMall Aidemengdun in Harbin and CapitaMall Yuhuating in Changsha.

The portfolio of five business parks is situated in high-growth economic zones, with 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 transportation. The properties are Ascendas Xinsu Portfolio in Suzhou, Ascendas Innovation

Towers and Ascendas Innovation Hub in Xi'an and Singapore- Hangzhou Science & Technology Park Phase I and Phase II in Hangzhou.

The portfolio of four high-quality modern logistics parks are 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.

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

**About CapitaLand Investment Limited ([www.capitalandinvest.com](http://www.capitalandinvest.com))**

Headquartered and listed in Singapore, CapitaLand Investment Limited (CLI) is a leading global real estate investment manager (REIM) with a strong Asia foothold. As at 30 September 2022, CLI had about S\$130.0 billion of real estate assets under management, and about S\$86.0 billion of real estate funds under management (FUM) held via six listed real estate investment trusts and business trusts, and about 30 private vehicles across the Asia-Pacific, Europe and USA. Its diversified real estate asset classes cover integrated developments, retail, office, lodging, business parks, industrial, logistics and data centres.

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

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

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