CapitaLand China Trust

BECAUSE TOMORROW MATTERS

ANNUAL REPORT

2020

Underpinning the breadth of CapitaLand China Trust's activities is our continuous dialogue with our stakeholders which helps to shape our business as we aim to build sustainable communities. We place significance on our conversations and share our story with care and consideration for all involved. This annual report is part of that process and the motif we have chosen for this year's report reflects our focus on maintaining communication with our stakeholders with transparency and clarity.

WE WILL CONTINUE TO SHARPEN OUR STRATEGIES, EMBRACE NEW OPPORTUNITIES AND POSITION OURSELVES AS THE PROXY FOR GROWTH IN CHINA'S FUTURE ECONOMY.

TAN TZE WOOI
CEO
CAPITALAND CHINA TRUST
MANAGEMENT LIMITED

BECAUSE TOMORROW MATTERS

BECAUSE CHANGE CREATES OPPORTUNITY

GLOBAL EVENTS THIS YEAR ACCELERATED THE NEED FOR BUSINESSES TO DEVELOP INNOVATIVE WAYS TO STAY AHEAD. AT CLCT, WE EMBRACED NEW MEANS OF CUSTOMER ENGAGEMENT, STRENGTHENED CONNECTIONS THROUGH OMNICHANNEL MARKETING INITIATIVES, AND LEVERAGED ON DIGITALISATION WITH OUR ESTABLISHED CAPITASTAR PROGRAMME. STAYING NIMBLE TO CAPTURE EVOLVING RETAIL TRENDS HELPS TO FUTURE PROOF OUR BUSINESS AND ENHANCE CUSTOMERS' STICKINESS TO OUR MALLS.

BECAUSE EXPANSION OPENS POSSIBILITIES

WE EXPANDED OUR INVESTMENT MANDATE TO COVER RETAIL, OFFICE AND INDUSTRIAL ASSETS, INCLUDING BUSINESS PARKS, LOGISTICS FACILITIES, DATA CENTRES, AND INTEGRATED DEVELOPMENTS. CLCT IS THE DEDICATED SINGAPORE-LISTED REIT (S-REIT) FOR CAPITALAND GROUP'S NON-LODGING CHINA BUSINESSES, WITH ACQUISITION PIPELINE ACCESS TO CAPITALAND'S CHINA ASSETS. WE CAN CAPTURE OPPORTUNITIES FROM BOTH OUR SPONSOR AND THIRD-PARTY VENDORS TO RIDE THE WAVE OF CHINA'S CONSUMPTION-DRIVEN, HIGHER-VALUED, SERVICE-LED ECONOMY.

Skyline of Suzhou Industrial Park

ASCENDAS
XINSU
SQUARE
R&D

BECAUSE WE SHAPE THE FUTURE

AS CLCT'S BIGGEST ACQUISITION TO-DATE, THE ACQUISITION OF THE 5 BUSINESS PARKS AND REMAINING 49% INTEREST IN ROCK SQUARE HAS ENHANCED OUR VALUE PROPOSITION AND PROVIDED US WITH A GREATER PLATFORM TO GROW. THIS MOVE HAS FORTIFIED OUR POSITION AS THE LARGEST CHINA FOCUSED S-REIT AND POSITIONED US TO BE THE PROXY TO CAPTURE CHINA'S GROWTH. WELL-PLACED TO SHAPE OUR FUTURE, WE ARE FOCUSED ON OUR RECONSTITUTION JOURNEY AND WILL CONTINUE TO CREATE A RESILIENT AND QUALITY PORTFOLIO OF ASSETS TO DELIVER SUSTAINABLE RETURNS TO OUR UNITHOLDERS.

WHO WE ARE

CapitaLand China Trust (CLCT)[1] is Singapore's largest China-focused real estate investment trust (REIT). Upon the completion of the transformational acquisition[2] of five business parks and balance 49% interest in Rock Square, CLCT's enlarged portfolio constitutes 13 shopping malls[3] and five business park properties. The geographically diversified portfolio has a total gross floor area (GFA) of approximately 1.8 million square metre (sq m), located across 11 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 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 offers essential services and houses 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 more than 2,100 leases, which include leading brands UNIQLO, Xiaomi, ZARA, Haidilao, Nike, Perfect Diary, Starbucks Coffee and Li-Ning. 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 Minzhongleyuan in Wuhan; CapitaMall Saihan and CapitaMall Nuohemule in Hohhot; CapitaMall Xuefu, CapitaMall Aidemengdun in Harbin and CapitaMall Yuhuating in Changsha.

The portfolio of five business parks and industrial properties are situated in high-growth economic zones, which houses high quality and reputable domestic and multinational corporations operating in new economy sectors such as electronics, engineering, e-commerce, information and communications technology and financial services. The business parks and industrial properties exhibit excellent connectivity with close proximity 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.

CLCT is managed by CapitaLand China Trust Management Limited[4], a wholly owned subsidiary of Singapore-listed CapitaLand Limited, one of Asia's largest diversified real estate groups

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.

1 CapitaLand Retail China Trust (CRCT) was renamed as CapitaLand China Trust (CLCT) with effect from 26 January 2021.

2 The announcement regarding the acquisition of 51% interest in Ascendas Xinsu Portfolio, 100% interest in Ascendas Innovation Towers, 80% interest in Ascendas Innovation Hub, 80% interest in Singapore-Hangzhou Science & Technology Park Phase I And Phase II and balance 49% interest in Rock Square was issued on 6 November 2020. The acquisitions of 51% interest in Ascendas Xinsu Portfolio, 100% interest in Ascendas Innovation Towers, 80% interest in Ascendas Innovation Hub and 49% interest in Rock Square were completed on 4 January 2021, 10 February 2021, 26 February 2021 and 30 December 2020, respectively. The acquisition of the remaining two business parks is expected to be completed in 2Q 2021.

3 The announcements regarding the divestment of CapitaMall Minzhongleyuan and CapitaMall Saihan were issued on 11 January 2021 and 1 February 2019 respectively. The divestment of CapitaMall Minzhongleyuan was completed in February 2021 while the divestment of CapitaMall Saihan is expected to be completed in 2Q 2021. With the completion of the divestment of CapitaMall Minzhongleyuan, CLCT has a portfolio of 12 retail malls.

4 CapitaLand Retail China Trust Management Limited (CRCTML) was renamed as CapitaLand China Trust Management Limited (CLCTML) with effect from 25 January 2021.

CONTENTS

CapitaMall Xuefu

BRIDGE+ at Singapore-Hangzhou Science & Technology Park Phase II

YEAR IN BRIEF

JANUARY

- Cluster of COVID-19 cases were reported in China. Together with our Sponsor, CLCT adopted a series of precautionary measures throughout the year that were rolled out across our malls in China to safeguard the health and safety of our tenants, shoppers and employees.
- Responded swiftly to challenges brought about by the COVID-19 pandemic during the year by putting in place business continuity plans to minimise impact to operations, while navigating an evolving landscape.
  - Rolled out tenant relief and support packages to strengthen our relationship and partnership with tenants.
  - Adopted flexible leasing strategies to balance tenant retention as well as repositioning of our malls to achieve optimal tenant mix.
  - Restructured rental terms to ease tenants' cashflow.
  - Strived towards cost efficiencies by actively seeking China's supportive COVID-19 policies and reducing non-essential spending.
  - Implemented effective leasing and marketing initiatives through a myriad of social marketing campaigns to drive footfall and sales.

FEBRUARY

- Reported FY 2019 Net Property Income (NPI) of RMB835.0 million, an increase of 15.5% year-on-year (yoy). Distribution Per Unit (DPU) was 9.90 cents for FY 2019.
- Announced the divestment of CapitaMall Erqi, a non-core master-leased asset, at an agreed value of RMB777.0 million, 20.5% above independent valuation.
- Adopted the announcement of half-yearly financial and annual property valuation reporting with effect from the financial year ending 31 December 2020 (FY 2020), pursuant to Rule 705(2) of the Listing Manual of the Singapore Exchange Securities Trading Limited (SGX-ST). CLCT continues to proactively engage with stakeholders between the half-yearly financial statements announcement through Business Updates.

APRIL

- Achieved a store opening rate of around 90% (from 34% in middle February), with all of our malls reopening from early April 2020.
- Emerging signs of recovery with shopper traffic and tenants' sales increasing 105% and 189% month-on-month from February's trough to March 2020.
- Carried out innovative marketing activities to capture wallet share of stay-at-home economy by leveraging on the established CapitaStar programme and conducting livestreaming, group buy promotions etc.

MAY

- Completed the divestment of CapitaMall Erqi as part of CLCT's active portfolio reconstitution efforts. Timely completion demonstrated strong on-the-ground execution capabilities by the management team while having to tackle challenges posed by a pandemic.

JUNE

- Held the 2020 Annual General Meeting (AGM) by way of electronic means with all resolutions passed.

JULY

- Reported distributable income of S$37.0 million and DPU of 3.02 cents for 1H 2020. Financial results were impacted by COVID-19 and the absence of contribution from CapitaMall Erqi, partially offset by positive contribution from CapitaMall Xuefu, CapitaMall Aidemengdun and CapitaMall Yuhuating, which were acquired in August 2019. Continued to uphold distribution policy by distributing more than 90% of the income available for distribution to Unitholders.
- Improved consumer sentiment and proactive asset management enabled CLCT's enlarged portfolio to record 25.9% and 23.7% quarter-on-quarter (qoq) improvement in shopper traffic and tenants' sales.

SEPTEMBER

- CapitaMall Xuefu was awarded the Outstanding Mall Award at the 2020IF·Commercial Real Estate Annual Conference hosted by The Economic Observer.
- Announced the expansion of investment strategy to include a diversified portfolio of income-producing real estate and real estate-related assets in 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). This strategic move will enable CLCT to seize new investment opportunities across asset classes and across market cycles. CLCT will be the dedicated S-REIT for CapitaLand Group's non-lodging China Business with acquisition pipeline access to CapitaLand's China's assets.

- As the proxy for China's growth, CLCT is well-positioned to capture opportunities in the "New Economy" sectors that are strongly aligned to China's future economy.
- Awarded Platinum at the 7th Asia Pacific Best of the Breeds REITs Awards 2020 in the category of Best Retail REIT with more than S$1.0 billion in market capitalisation.

OCTOBER

- Issued inaugural subordinated perpetual securities under CLCT's S$1.0 billion multicurrency debt issuance programme to diversify capital structure. Achieved attractive 3.375% p.a. for a benchmark perpetual size S$100 million.
- Reported sustained improvement in shopper traffic and tenant sales on an enlarged basis in 3Q 2020 to reach 89.0% and 91.9% as compared to last year's level, bolstered by targeted marketing initiatives.

1 Based on effective stake.

NOVEMBER

BEGINNING OF A NEW CHAPTER FOR CLCT

- Post mandate expansion, announced the proposed acquisition of Ascendas Xinsu Portfolio, Ascendas Innovation Towers, Ascendas Innovation Hub, Singapore-Hangzhou Science & Technology Park Phase I and Phase II and balance 49% interest in Rock Square at an agreed value of RMB4,945 million[1] (**the Acquisition**). The transformative acquisition has orientated CLCT towards a multi-asset class REIT play, enabling us to reach new milestones including:
  - First entry into the highly resilient business park assets
  - Expanding into three high growth provincial cities
  - Largest acquisition value-to-date

- Launched CLCT's largest equity fund raising to-date of S$326.1 million, through the issuance of approximately 274.3 million new CLCT units comprising private placement of approximately 205.3 million new units at S$1.195 per unit and renounceable preferential offering of approximately 69.0 million new units at S$1.170 per unit.
- CapitaLand announced plans to grow the new economy assets in China from S$1.5 billion to S$5.0 billion over the next few years, paving way for CLCT to tap on Sponsor's enlarged pipeline, expertise and network in new economy sectors.
- Issued and listed approximately 205.3 million new CLCT units on SGX-ST pursuant to the private placement.
- Announced advanced distribution of 2.75 cents for the period from 1 July 2020 to 25 November 2020.

DECEMBER

- Issued and listed approximately 69.0 million new CLCT units on the SGX-ST pursuant to the preferential offering.
- Announced CapitaMall Nuohemule's grand opening on 20 December 2020, with 100% occupancy. The mall features a broad range of tenant offerings alongside experiential and new retailing concepts, positioning CapitaMall Nuohemule as a one-stop family destination catering to the lifestyle needs and aspirations of Hohhot's rising middle class.
- Held the Extraordinary General Meeting (EGM) by way of electronic means to seek approval for the Acquisition, with resolution passed.
- Completed the acquisition of the balance 49.0% interest in Rock Square.

NET PROPERTY INCOME
S$135.2 million

DISTRIBUTION PER UNIT
6.35 cents

MARKET CAPITALISATION[1]
S$2.1 billion

NUMBER OF RETAIL PROPERTIES
13

AGGREGATE LEVERAGE[2]
31.8%

AGGREGATE COST OF BORROWINGS[3]
2.76%

RETAIL PORTFOLIO OCCUPANCY[4]
94.1%

RETAIL PROPERTY VALUATION[5]
RMB19.1 billion

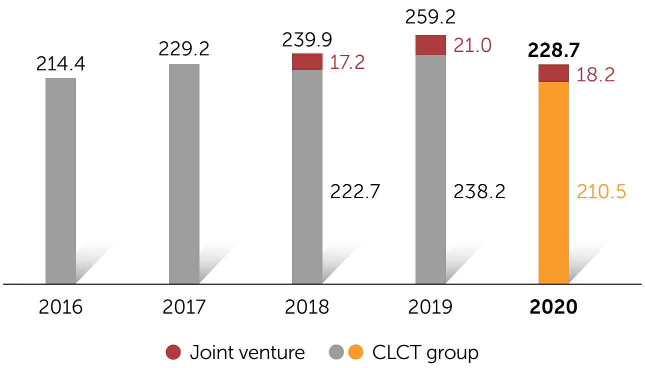
1 Based on 1,506.4 million Units at unit price of S$1.39 on 31 December 2020.
2 The aggregate leverage is calculated based on total borrowings over the deposited properties in accordance to Property Funds Appendix.
3 Ratio of the consolidated interest expenses over weighted average borrowings on balance sheet.
4 Based on all committed leases as at 31 December 2020 and excludes CapitaMall Minzhongleyuan.
5 Based on valuation as at 31 December 2020. The portfolio property valuation includes the valuation of 12 malls and the agreed property selling price of CapitaMall Saihan. For more details, please refer to page 88.

2020 HIGHLIGHTS

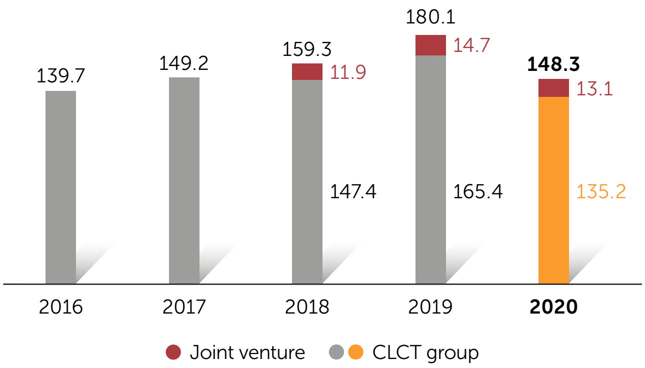
CAPITAMALL AIDEMENGDUN

FINANCIAL HIGHLIGHTS

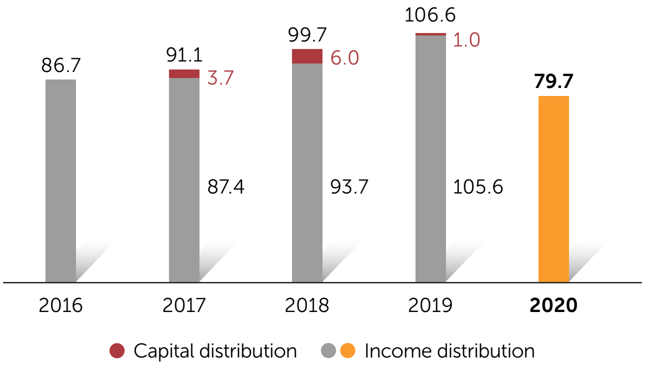
GROSS REVENUE (S$ MILLION)



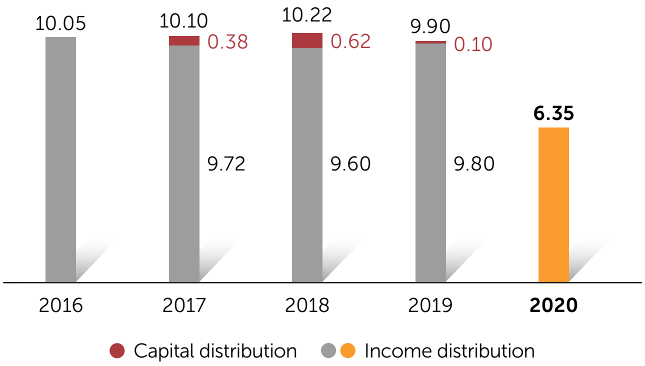
NET PROPERTY INCOME (S$ MILLION)



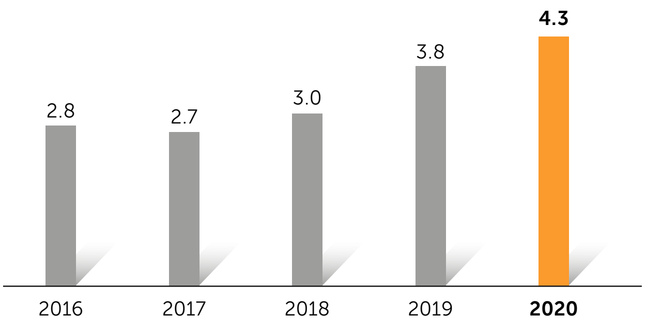
DISTRIBUTABLE INCOME (S$ MILLION)



DISTRIBUTION PER UNIT (CENTS)



TOTAL ASSETS (S$ BILLION)



5-YEAR FINANCIAL HIGHLIGHTS

As at 31 December	2016	2017	2018	2019	2020
Total Assets (S$ million)	2,783.5	2,668.1	2,982.7	3,805.7	**4,310.3**
Total Deposited Properties[1] (S$ million)	2,761.9	2,648.2	3,072.3	3,883.5	**4,281.9**
Total Borrowings (S$ million)	979.2	750.0	1,041.3	1,383.2	**1,359.7**
Net Assets Attributable to Unitholders (S$ million)	1,431.8	1,548.8	1,553.2	1,873.7	**2,245.2**
Net Asset Value Per Unit (S$)	1.65	1.60	1.58	1.55	**1.49**
Portfolio Property Valuation (S$ million)	2,628.2	2,440.8	2,438.9	3,223.9	**3,895.3**[2]
FINANCIAL RATIOS					
Earnings Per Unit ("EPU") (cents)	12.45	16.21	13.17	15.45[3]	**(0.96)**[3,4]
Diluted EPU (cents)	12.39	16.14	13.11	15.39[3]	**(0.96)**[3,4]
Distribution Per Unit (cents)	10.05	10.10	10.22	9.90	**6.35**
- DPU from Operations	10.05	9.72	9.60	9.80	**6.35**
- DPU from Capital Distribution	-	0.38	0.62	0.10	**-**
Aggregate Leverage[5] (%)	35.3	28.4	35.4	36.7	**31.8**
Interest Cover (times)[6]	6.0	5.8	5.3	5.0	**3.7**
Management Expense Ratio[7] (%)	1.0	1.0	1.0	1.1	**0.8**
Market Capitalisation (S$ million)	1,191	1,565	1,334	1,946.6	**2,093.9**

1 All the assets of CLCT, including CLCT's proportionate share of Project Company (if the ownership is less than 100%).
2 Based on valuation as at 31 December 2020. The portfolio property valuation includes the valuation of 12 malls and the agreed property selling price of CapitaMall Saihan. For more details, please refer to page 88.
3 The figures have been restated for the effect of the bonus element of the preferential offering of 68,997,855 units which were issued on 16 December 2020.
4 Excluding the change in fair value in investment properties, the EPU and diluted EPU would be 6.96 cents and 6.93 cents respectively.
5 The aggregate leverage is calculated based on total borrowings over the deposited properties in accordance to Property Funds Appendix (includes CLCT's proportionate share of its Joint Venture's borrowing and deposited property for year 2018 and 2019 only).
6 Ratio of EBITDA over consolidated interest expenses (includes finance lease interest expenses under FRS 116 as at 31 December 2020) in accordance with MAS guidelines.
7 Refers to the expenses of CLCT excluding property expenses and interest expenses but including the performance component of CLCTML management fees, expressed as a percentage of weighted average net assets.

MESSAGE TO UNITHOLDERS

Dear Unitholders,

2020 marked a challenging yet transformative year as we ushered in a new chapter of growth. We expanded our investment mandate to cover retail, office and industrial assets, including business parks, logistics facilities, data centres and integrated developments. We fortified our lead as Singapore's largest China-focused REIT by acquiring five business parks and the balance 49% interest in Rock Square for around RMB4,945.0 million (approximately S$1,005.5 million) — our largest acquisition to-date. We successfully raised our largest Equity Fund Raising (EFR) of S$326.1 million, comprising a private placement and a preferential offering that were both oversubscribed, affirming the confidence from both long-term and new investors in our strategic goals. CLCT ended the year strongly with S$4.3 billion in total assets and a record market capitalisation of S$2.1 billion[1].

The rebranding of CapitaLand Retail China Trust (CRCT) to CapitaLand China Trust (CLCT) reflects our renewed focus to achieve a more balanced and diversified portfolio mix across China's multi-asset sectors. With our enhanced stable of 13 shopping malls[1,2] and five business parks[1,3] in 11 leading provincial cities, we are well-positioned to be the proxy for China's growth opportunities in new economy sectors driven by next-generation Information and Communications Technology, biotech, and digital innovation.

Notwithstanding these efforts, FY 2020's performance was impacted by measures extended to support tenants' business recovery amidst a challenging COVID-19 environment, the absence of CapitaMall Erqi's contribution following its divestment on 28 May 2020 as well as lower average portfolio occupancy and rent; offset by incremental contributions from CapitaMall Xuefu, CapitaMall Aidemengdun and CapitaMall Yuhuating, which were acquired on 30 August 2019. CLCT reported a gross revenue of S$210.5 million and net property income of S$135.2 million, a year-on-year decrease of 11.6% and 18.2% respectively. Affirming our commitment to Unitholders, we maintained a 100% dividend payout, equivalent to a distribution per unit (DPU) of 6.35 cents for 2020.

SOH KIM SOON
Chairman

1 As at 31 December 2020.
2 The announcements regarding the divestment of CapitaMall Minzhongleyuan and CapitaMall Saihan were issued on 11 January 2021 and 1 February 2019 respectively. The divestment of CapitaMall Minzhongleyuan was completed in February 2021 while the divestment of CapitaMall Saihan is expected to be completed in 2Q 2021. With the completion of the divestment of CapitaMall Minzhongleyuan, CLCT has a portfolio of 12 retail malls.
3 Assuming completion of the five business parks.

ADAPTING TO THE NEW NORMAL

The retail sector was particularly affected by the scale and impact of COVID-19. Apart from Food and Beverage (F&B) outlets that were allowed to do takeaways and delivery orders, all non-essential businesses were mandated to shut. At the lowest point of this health crisis in 1Q 2020, 34%[4] of our retail tenants were operational. Our top priority was to ensure the health, safety and well-being of shoppers, tenants, staff and the general public. Safe distancing and crowd-control measures were strictly enforced.

An open mindset has been key to navigating the unprecedented challenges. Demonstrating solidarity with tenants, we reviewed rental agreements and tailored relief packages based on mutual needs. Rental restructuring and flexible leasing schemes were aimed at balancing occupancy and optimal tenant mix in the short term. All in, about 1.5 months of gross rental relief were extended to our retail tenants in 2020.

Throughout the year, proactive leasing strategies were implemented for us to stay relevant with the retail trends that emerged post COVID-19. These included introducing more F&B tenants with takeaway concepts, welcoming up-and-coming domestic brands into our ecosystem, as well as retaining and attracting consumer brands with a strong following. Accelerating our omnichannel approaches, digitalisation efforts were stepped up to capture wallet share of the stay-at-home economy. Our established CapitaStar rewards programme, a leading digital marketing platform by a real estate player in China, supported this endeavour with its expansive ecosystem of more than 12 million registered members in China[5]. This enabled us to obtain deeper insights on purchasing behaviours as we leveraged data analytics to design better and more targeted activities suited to consumer needs. Additionally, we rode on the latest social media trends, engaged with shoppers through live-streaming events featuring top influencers, and collaborated with tenants to roll out attractive offers to increase awareness and sales.

These concerted responses resulted in sustained improvements in shopper traffic and tenant sales across each consecutive quarter. As at 31 December 2020, the total occupancy rate for our retail portfolio stood at 94.1%, supported by a diversified spread of over 14 trade categories.

TAN TZE WOOI
Chief Executive Officer

4 By number of stores and excludes master-leased malls.
5 Press release dated 23 December 2020: CapitaLand records 10-fold surge in China gross merchandise value in 2020 amidst digitalisation push.

MESSAGE TO UNITHOLDERS

UNLOCKING VALUE THROUGH DISCIPLINED PORTFOLIO RECONSTITUTION

We continued to unlock value from our non-core matured properties, and recycled the proceeds to improve our balance sheet and capital reserves. We divested CapitaMall Erqi for RMB777.0 million (approximately S$150.8 million) at 20.5% above valuation, ahead of schedule in May 2020. In February 2021, we divested CapitaMall Minzhongleyuan, another non-core asset with limited upside, for RMB458.0 million (approximately S$93.4 million). To-date, four of our original seven IPO assets[6] have been divested, with proceeds redeployed towards improving portfolio quality.

STRENGTHENING LONG-TERM RESILIENCE AND GROWTH

In September 2020, we announced our expanded investment strategy to capture opportunities in the broader real estate market that are strongly aligned with China's latest 14th Five-Year Plan. This strategic move allows us to tap into China's future economy, driven by the country's focus on domestic consumption and innovation-based industries. Designated as CapitaLand Group's dedicated Singapore-listed REIT for non-lodging assets in China, our acquisition pipeline has access to CapitaLand China's wider network of properties, which puts us in a prime position to capture the new opportunities. We will also source and identify third-party assets in our drive to create a diversified portfolio with better growth prospects and resilience across market cycles.

In November 2020, we announced the DPU-accretive acquisition of five business parks[7] located in Suzhou, Xi'an and Hangzhou, together with the balance 49% interest of Rock Square in Guangzhou. This strategic move increased our exposure to new asset classes in provincial cities that are well-placed to support and benefit from China's industrial transformation and economic growth initiatives.

The inclusion of these high-quality assets will expand our gross floor area by 76.0% and uplift our total assets under management by 28.5% to about S$4.5 billion[8]. The diversity of our tenant mix will increase, and our gross rental income streams will broaden with a larger base of reputable domestic companies and multinational corporations. As the land lease for business parks is 50 years compared to 40 years for retail malls, our land lease expiry for the reconstituted portfolio will be extended.

With 100% ownership of Rock Square, we have deepened our presence in the Tier 1 city of Guangzhou, while fully capturing the upside from ongoing asset enhancements. Rock Square has consistently achieved double-digit positive rental reversions since we acquired our initial 51% interest in 2018. The mall continued to prove its resilience in 2020 with a rental reversion of 20.7%.

On 20 December 2020, we launched CapitaMall Nuohemule with 100% occupancy on the back of strong leasing interest — an achievement given that the Chinese economy is still recovering from the impact of COVID-19. Positioned as a destination lifestyle mall catering to families, working professionals and young adults, CapitaMall Nuohemule boasts a stellar line-up of fashion, F&B, Information Technology (IT) and electronics, and leisure & entertainment tenants. Experiential and smart retailing concepts, along with new-to-market brands and highly anticipated concept stores, are among its exciting and modern offerings. The mall also houses Inner Mongolia's first eco-friendly garden-style shopping space with 10,000 sq m of verdant greenery, Hohhot's first indoor sports park promoting healthy lifestyles, and a family zone featuring augmented reality gameplay and indoor go-carting.

Ascendas Innovation Towers

6 Includes CapitaMall Saihan, which is expected to be divested by 2Q 2021.

7 The five business parks that were acquired are as follows:
- 51% interest in Ascendas Xinsu Portfolio, Suzhou;
- 100% interest in Ascendas Innovation Towers, Xi'an;
- 80% interest in Ascendas Innovation Hub, Xi'an;
- 80% interest in Singapore-Hangzhou Science & Technology Park Phase I, Hangzhou;
- 80% interest in Singapore-Hangzhou Science & Technology Park Phase II, Hangzhou.

8 Based on circular dated 4 December 2020.

ENHANCING FLEXIBILITY THROUGH PRUDENT CAPITAL AND RISK MANAGEMENT

A well-distributed debt maturity profile, along with diversified funding sources and the ability to secure funding at competitive rates have been key to enhancing our financial strength. In October 2020, we successfully issued our maiden S$100.0 million Subordinated Perpetual Securities at a yield of 3.375% per annum (p.a.) under the S$1.0 billion Multicurrency Debt Issuance Programme to diversify capital sources. In November 2020, we achieved overwhelming support for our EFR exercise, comprising a private placement and a preferential offering, which were oversubscribed by approximately 3 times and 1.9 times respectively. With the enlarged unit base, our trading liquidity was enhanced with average daily volume more than doubling to 5.1 million Units.

We maintained a strong balance sheet throughout the course of our portfolio reconstitution activities. Our gearing ratio of 31.8% as at 31 December 2020 was well-below the regulatory limit of 50.0%. Our debt maturity profile remains well distributed, with a healthy average term to maturity of about three years. About 80% of our total debt is on fixed interest rates, providing certainty of interest expenses. To mitigate the impact of foreign currency fluctuations, we fully hedged our undistributed income in FY 2020 into Singapore dollars.

STAYING COMMITTED TO POSITIVE CHANGE

As a CapitaLand-sponsored REIT, sustainability lies at the heart of what we do. As part of value creation, we strive to reduce our carbon footprint as well as increase energy and water efficiency levels across our properties. In 2020[9], we successfully lowered our carbon emission, energy and water intensities by 51.6%, 54.1% and 44.7% respectively, against the base year of 2008.

With heightened safety precautions in place, we continued to organise year-round activities to engage with our local communities and stakeholder groups. Personal health, safety and wellness, environmental consciousness, inclusivity and the need for a caring society were among the themes of these events.

2021 OUTLOOK

While consumer sentiments have largely been cautious on the back of employment concerns, China has been the first major economy to register positive growth following the COVID-19 outbreak, reporting a 2.3% growth in 2020. On 5 March 2021, China has set its annual economic growth target at over 6% for 2021, as rising consumption and rapid urbanisation provide the backdrop for accelerated growth in China's key industries. This is likely to set the stage for stronger business outlook and support new economy asset demand across China. On the retail front, whilst the Chinese government is promoting domestic consumption, the performance and continued recovery of the sector will be dependent on any resurgence of COVID-19 cases as well as larger market confidence and sentiment.

With an expanded mandate in place, CLCT is well-placed to benefit from China's economic push. Our longer-term goal would be to achieve a more balanced portfolio to ride China's consumption-driven, higher-valued, service-led economy.

We will also continue to create, unlock and extract value from our stable of properties at appropriate times. Our focus would be to drive resilience and growth, improve financial capacity and flexibility through prudent capital and risk management, and bolster operational excellence.

ACCOLADES AND ACKNOWLEDGEMENTS

We are honoured to be conferred a Platinum Award for our achievements as the Best Retail REIT (more than US$1 billion in market capitalisation) in the 7th Edition REITS Asia Pacific & The Best of The Breeds REITS Award 2020. The award celebrates "Building Resilience", a theme that has resonated especially well in a challenging year, as we continue to drive sustainable returns to our Unitholders.

The many significant outcomes that were accomplished in 2020 would not have been possible without our dedicated teams, supportive Unitholders, collaborative business partners and committed tenants. On behalf of the Board of Directors, we take this opportunity to express our sincere appreciation to the management and staff of CapitaLand China Trust for their resourcefulness and commitment to excellence in what would likely be remembered as one of the most challenging years in recent memory. We would also like to thank our tenants, shoppers and business partners for their faith and trust. Last but not least, we thank all Unitholders of CapitaLand China Trust, as it is your continued confidence that would lift us to greater heights.

Soh Kim Soon
Chairman

Tan Tze Wooi
Chief Executive Officer

12 March 2021

9 Data provided is for the period from 1 January to 31 October 2020. The full year data from 1 January to 31 December 2020 will be available on CLCT's website at https://www.clct.com.sg/sustainability.html from end April 2021.

致信托单位持有人之信函

尊敬的信托单位持有人，

2020年是个充满挑战与变革的一年，也是我们掀开新的成长篇章的一年。我们扩大了投资范围，涵盖零售、办公和工业资产（包括产业园区、物流设施、数据中心等），以及商业综合体项目。我们以约49亿人民币（约10亿新元，也是我们迄今为止最大的收购项目），收购了五个产业园区和凯德乐峰广场剩余的49%股权，从而巩固了凯德中国信托作为新加坡最大的专注于中国市场的房地产投资信托基金的优势。我们成功筹集了3.261亿新元，是我们迄今为止最大的股权融资，其中被超额认购的私募发行和优先发售，体现了信托的新老投资者对我们战略目标的信心。信托在2020年终总资产达到43亿新元，市值超过20亿新元[1]，创下新的记录。

凯德商用中国信托(CRCT)更名为凯德中国信托（CLCT），反映了我们将重点关注中国不同资产类型来建立更加平衡、多元化的资产组合。我们拥有位于11个主要省市的13个购物中心[1,2]和5个商业园区[1,3]，使得信托处于接驳中国新一代信息通信技术、生物技术和数字创新驱动的新经济领域增长的有利位置。

尽管团队不懈努力，信托2020财政年的业绩仍然受到一系列不利因素的影响。信托为了帮助租户恢复业务采取了减免租金等扶持措施，2020年6月1日脱售凯德广场·二七后，租金收入也相应减少，以及信托资产组合受冠病疫情影响，整体出租率和租金都有所降低。2019年8月30日收购的凯德广场·学府、凯德广场·埃德蒙顿和凯德广场·雨花亭带来的收入部分抵消了这些不利因素。2020年信托的总收入为2.1亿新元，房地产净收入为1.4亿新元，同比分别减少了11.6%和18.2%。我们重申对单位持有人的承诺，维持了可分配收入100%发放的派息率，在2020年每单位派息6.35分。

适应新常态

零售业受到冠病疫情的影响特别大。在2020年第一季度疫情最严峻的时候，我们仅有34%[4]的零售租户在运营。除了外卖餐饮店和基本服务业外，所有非必要的商店都被政府部门要求关闭。在疫情期间，我们的首要任务始终是确保顾客、员工和公众的健康、安全与福利，并严格执行保持安全距离和维持人群聚集的秩序。

面对疫情所带来的前所未有的挑战，我们抱持着开放的态度。我们与租户同舟共济，调整了租赁协议，并根据双方的需求定制了援助方案。租金重组和灵活租赁计划的目的是为了让出租率和租户组合方面在短期内取得平衡。2020年，我们平均减免了零售租户约1.5个月的总租金。

我们全年采纳了积极的租赁策略，以顺应疫情后的零售趋势。这包括引进更多有外卖概念的餐饮租户，把新兴国内品牌引入我们的零售生态系统，以及保留和吸引具有强大消费者拥护群体的品牌。我们加速全渠道计划，拥抱数码化，以提高我们在"隔离经济"消费市场的份额。凯德集团的凯德星商城，一项由房地产业者打造的中国领先数字营销平台，拥有超过1200万[5]注册会员的生态系统，是我们全渠道数码策略的重要组成部分。我们充分利用凯德星平台，分析大数据，更深入的了解消费者的购买行为，以推出更好更有针对性的活动来迎合消费者的需求。我们也赶上最新的社交媒体潮流，通过网红直播与购物者进行互动，并与租户合作，推出有吸引力的促销来提高品牌知名度和销量。

这些努力使每个季度的客流和租户销售都得到持续的改善。截至2020年12月31日，我们多元化零售组合涵盖14个租户类别，整体出租率达到了94.1%。

通过有纪律的资产组合重组释放价值

我们继续释放非核心成熟资产的价值，回收资本以改善资产负债表和储备资本金。我们以7.8亿人民币（约1.5亿新元）高于估值20.5%的价格脱售凯德广场·二七，并提前在2020年5月完成交易。2021年2月，我们以4.6亿人民币（约9,340万新元），脱售凯德新民众乐园，一个潜力有限的非核心资产。迄今为止，信托上市时原有的七个资产中，有四个已被脱售[6]，回收的资本则用于改善资产组合的质量。

增强长期的韧性和促进增长

2020年9月，我们宣布将扩大投资范围，来争取抓住与中国第十四个五年规划密切相关的房地产市场商机。这一战略将让我们能够利用中国对内需消费和创新型产业的关注来开拓中国的未来经济。作为凯德集团专注除住宿以外中国业务的新加坡上市房地产投资信托基金，我们处在一个优势的地位，收购渠道包含了凯德中国旗下的资产。我们也将寻找合适的第三方资产来创建具有更好增长前景和在市场周期中具有良好韧性的多元化资产组合。

2020年11月，我们宣布收购位于苏州、西安和杭州的五个产业园区[7]，以及位于广州的凯德乐峰广场剩余的49%权益。并预期每单位派息在收购完成后能有所增加。这一收购提高了我们在主要省市新资产类别的比重，而这些省市在推进和受益于中国产业转型和经济增长计划方面正处于良好地位。

这些优质资产加入后，我们的总楼面面积将扩大76.0%，管理的总资产将提高28.5%，达到约45亿新元[8]。随着这些资产组合带来的更多信誉良好的国内和跨国公司租户，信托将会拥有更多样化的租户组合和租金收入来源。产业园区的土

1 截至2020年12月31日。
2 信托分别于2021年1月11日与2019年2月1日发布了脱售凯德新民众乐园与凯德MALL·赛罕的公告。凯德新民众乐园的脱售交易已于2021年2月完成，而凯德MALL·赛罕的脱售预计将在2021年第二季度完成。脱售凯德新民众乐园后，信托资产组合共包括12个商场。
3 假设五个产业园区都收购完成。
4 按店铺数量计算，不包括整体出租的购物中心。
5 2020年12月23日的新闻稿：在数码科技的推动下，凯德集团在2020年的中国商品总值增长了10倍。
6 包括凯德MALL·赛罕。凯德MALL·赛罕预计在2021年第二季度之前脱售。
7 被收购的五个商业园区如下：
- 苏州：腾飞新苏投资组合51%的股权
- 西安：新加坡腾飞科汇城的100%股份和腾飞创新中心80%的股份
- 杭州：新加坡杭州科技园一期80%的股份和新加坡杭州科技园二期80%的股份

8 基于2020年12月4日的通函。

地使用权期限为50年，零售购物中心的则是40年，收购完成后的信托资产组合的平均土地使用权期限也随之延长。

拥有凯德乐峰广场的100%权益加深了我们在广州这个一线城市的影响力，并让我们能够完全受益于其资产提升计划所带来的增值潜力。自从我们在2018年初收购51%权益以来，凯德乐峰广场保持着双位数的租金增长率，并在2020年再次证明其韧性，取得20.7%的租金增长率。

在中国经济受疫情冲击而正在复苏的情况下，凯德广场·诺和木勒于2020年12月20日开业，吸引了市场浓厚的兴趣，一举取得了100%出租率开业的佳绩。凯德广场·诺和木勒定位为一个迎合家庭、专业人士和年轻人生活方式的购物中心。它拥有一流的时尚、餐饮、信息和电子产品、以及休闲娱乐的租户阵容。购物中心以体验和智能式的零售概念，以及新上市品牌和备受期待的概念店，呈现精彩时尚的购物体验。凯德广场·诺和木勒设有内蒙古第一个拥有1万平方米绿植空间的绿色有氧购物花园、呼和浩特第一个提倡健康生活的室内运动公园、以及设有扩增实境游戏和室内卡丁车的家庭区域。

通过审慎的资金和风险管理增强财务灵活性

债务到期日分布均衡，资金来源多样，成本有竞争力，这些都是增强我们财务实力的关键。2020年10月，在10亿新元多元货币贷款发行计划下，我们成功发行了年收益率为3.375%的首个1亿新元次级永久债券，信托资金来源更加多样。2020年11月，信托的股权融资计划获得了市场热烈的支持，当中的私募发行和优先发售就分别被超额认购了约3倍和1.9倍。信托单位基数增加，提高了交易流动性，平均每日交易量增加了一倍以上，达到510万个单位。在重组资产组合的过程中，我们保持了稳健的资产负债表。截至2020年12月31日，我们的负债率为31.8%，远低于监管上限的50.0%。我们的债务到期分布情况仍然保持良好，平均到期期限约为三年。约80%的总债务为固定利率，保证了利息支出的确定性。为了减轻外汇波动的影响，我们已将2020财政年度还未派发的收入完全对冲为新元。

致力于积极的改变

作为凯德集团旗下的房地产投资信托，可持续发展始终是我们运营的核心。作为价值创造的一部分，我们努力减少碳足迹，提高整个资产组合的能源和用水效率。在2020年[9]，我们的碳排放，能源消耗和用水量分别比2008基准年度降低了51.6%，54.1%和44.7%。

我们加强安全预防措施，继续组织全年活动，与当地社区和利益相关者互动。这些活动的主题包括个人健康、安全与保健、环境意识、以及包容和关爱的社会。

展望2021

尽管公众因就业前景而继续保持谨慎消费态度，中国仍然在2020年取得了2.3%的增长，是在疫情爆发后取得增长的首个主要经济体。根据国际货币基金组织的数据，中国的消费增长和快速城市化会继续为主要行业的增长提供助力，而中国也计划2021年的国内生产总值增长目标为6%以上。这将为中国业务前景奠定基础，并支撑新经济相关的资产需求。在零售方面，中国政府正在促进内需消费，但行业表现和复苏将取决于疫情能否被控制和整体市场的信心与行情。

随着投资范围扩大，凯德中国信托可以继续受益于中国的经济增长。我们的长期目标是建立更平衡的资产组合，以驾驭由消费驱动、具有更高价值和服务型主导的中国经济。

我们也将在适当的时候继续从资产组合中创造、释放和提取价值。我们将专注于提升资产韧性与增长，通过谨慎的资金和风险管理加强财务能力和灵活性，以及强化卓越的运营能力。

致谢

我们很荣幸在第七届亚太地区房地产投资信托基金和最佳房地产投资信托大奖（7th Edition REITs Asia Pacific & The Best of The Breeds REITs Awards）的最佳零售房地产投资信托基金（市值10亿美元以上）组别中荣获铂金奖。这奖项表彰"增强韧性"这个在充满挑战的一年里引起共鸣的主题，也激励我们继续为信托单位持有人带来可持续的回报。

我们能够在2020年取得许多成绩，离不开我们专业团队的努力工作，信托单位持有人的大力支持，生意伙伴和忠诚租户的精诚合作。我们代表董事会对凯德中国信托管理层和员工在这个最具有挑战性的一年所显示出的勇于承担追求卓越的精神表示衷心感谢。也非常感谢租户，顾客和商业伙伴给予我们的支持和信任。最后，我们要感谢所有的信托单位持有人，正是因为有了您的长期信任，激励我们不断更上一层楼！

苏锦春
主席

陈子威
首席执行官

2021年3月12日

9 基于2020年1月1日至2020年10月31日的数据。2020年1月1日至2020年12月31日的全年数据将自4月底起在CLCT网站上提供 https://www.clct.com.sg/sustainability.html。

PROPERTY PORTFOLIO

Since IPO, CLCT's portfolio has grown from seven shopping malls to a geographically diversified portfolio of 13 shopping malls[1]. With the expansion in investment mandate, CLCT made its first foray into the business park space[2]. Including the business park assets, CLCT would have a total gross floor area (GFA) of approximately 1.8 million square metre (sq m) that are well-distributed across 11 cities in China. CLCT's total asset has grown five-fold since listing, to reach approximately S$4.3 billion as at 31 December 2020.

OUR MILESTONES

2006 – IPO with 7 Seed Assets

2008 – Acquired CapitaMall Xizhimen

2011 – Acquired CapitaMall Minzhongleyuan

2013 – Acquired CapitaMall Grand Canyon

2016 – Acquired CapitaMall Xinnan

2017 – Divested CapitaMall Anzhen

2018 – Acquired 51% stake in Rock Square

2019
- Proposed Bundle Deal to acquire CapitaMall Nuohemule and to divest CapitaMall Saihan
- Acquired CapitaMall Aidemengdun
- Acquired CapitaMall Yuhuating
- Acquired CapitaMall Xuefu
- Divested CapitaMall Wuhu

2020
- Announced acquisition of 80% stake in Singapore-Hangzhou Science & Technology Park Phase I and II
- Announced acquisition of 51% stake in Ascendas Xinsu Portfolio
- Announced acquisition of Ascendas Innovation Hub
- Announced acquisition of Ascendas Innovation Towers
- Acquired balance 49% interest in Rock Square
- Divested CapitaMall Erqi

2021 – Divested CapitaMall Minzhongleyuan

1 As at 31 December 2020. The announcements regarding the divestment of CapitaMall Minzhongleyuan and CapitaMall Saihan were issued on 11 January 2021 and 1 February 2019 respectively. The divestment of CapitaMall Minzhongleyuan was completed in February 2021. The divestment of CapitaMall Saihan is expected to be completed in 2Q 2021.

2 The announcement regarding the acquisition of 51% interest in Ascendas Xinsu Portfolio, 100% interest in Ascendas Innovation Towers, 80% interest in Ascendas Innovation Hub, 80% interest in Singapore-Hangzhou Science & Technology Park Phase I And Phase II and balance 49% interest in Rock Square was issued on 6 November 2020. The acquisitions of 51% interest in Ascendas Xinsu Portfolio, 100% interest in Ascendas Innovation Towers, 80% interest in Ascendas Innovation Hub and 49% interest in Rock Square were completed on 4 January 2021, 10 February 2021, 26 February 2021 and 30 December 2020, respectively. The acquisition of the remaining two business parks is expected to be completed in 2Q 2021.


CapitaMall Xizhimen


CapitaMall Shuangjing


CapitaMall Wangjing


CapitaMall Grand Canyon


CapitaMall Qibao


CapitaMall Xinnan


Rock Square


CapitaMall Xuefu


CapitaMall Aidemengdun


CapitaMall Yuhuating


CapitaMall Saihan


CapitaMall Nuohemule


CapitaMall Minzhongleyuan

RETAIL

CLCT's retail properties are positioned as a one-stop family-oriented destinations with strong focus on necessity spending, food and beverage outlets as well as essential services. The well-located malls enjoy stable and recurring shopper footfall that are supported by sizeable population catchment areas as well as strong commuter traffic from major transportation routes or access points.

RMB19.1 billion[1]
RETAIL PORTFOLIO PROPERTY VALUATION

1,005,289
GROSS FLOOR AREA (SQ M)

94.1%
RETAIL PORTFOLIO OCCUPANCY[2]

MORE THAN 2,100 LEASES

43.1%
ESSENTIAL SECTORS BY GRI[3]

1 Includes 100% stake of Rock Square, as the acquisition of the remaining 49% stake was completed on 30 December 2020.
2 Based on all committed leases as at 31 December 2020 and excludes CapitaMall Minzhongleyuan.
3 Includes supermarket, F&B and services.

PROPERTY PORTFOLIO

BUSINESS PARK[1]

CLCT's five business parks properties are situated in high-growth economic zones, which houses high quality and reputable domestic and multinational corporations operating in new economy sectors such as electronics, engineering, e-commerce, information and communications technology and financial services. With a comprehensive suite of sports, recreational facilities and lifestyle amenities favoured by a modern workforce, the Work-Live-Play concept is deeply rooted in the business park properties. The business parks enjoy excellent connectivity with close proximity to transportation hubs and are easily accessible via various modes of transportation.

RMB4.7 billion
BUSINESS PARKS PORTFOLIO PROPERTY VALUATION[2]

764,448
GROSS FLOOR AREA (SQ M)

92.3%
BUSINESS PARK PORTFOLIO OCCUPANCY[3]

Around 700
NUMBER OF LEASES

83
NUMBER OF BUILDINGS

Ascendas Xinsu Portfolio

Ascendas Innovation Towers

Ascendas Innovation Hub

Singapore-Hangzhou Science & Technology Park Phase I

Singapore-Hangzhou Science & Technology Park Phase II

1 The announcement regarding the acquisition of 51% interest in Ascendas Xinsu Portfolio, 100% interest in Ascendas Innovation Towers, 80% interest in Ascendas Innovation Hub, 80% interest in Singapore-Hangzhou Science & Technology Park Phase I And Phase II and balance 49% interest in Rock Square was issued on 6 November 2020. The acquisitions of 51% interest in Ascendas Xinsu Portfolio, 100% interest in Ascendas Innovation Towers, 80% interest in Ascendas Innovation Hub and 49% interest in Rock Square were completed on 4 January 2021, 10 February 2021, 26 February 2021 and 30 December 2020, respectively. The acquisition of the remaining two business parks is expected to be completed in 2Q 2021.
2 Based on agreed property value on 100% basis.
3 Based on all committed leases as at 31 December 2020.

SINGAPORE-HANGZHOU SCIENCE & TECHNOLOGY PARK PHASE I

GROWTH STRATEGIES

Sustainable growth is achieved through our integrated strategy to *Create, Unlock* and *Extract* value across our portfolio. Driven by disciplined portfolio reconstitution, proactive asset management, innovative asset enhancement, and underpinned by prudent capital and risk management, we continue our strong track record of enhancing portfolio value and delivering long-term income growth and returns to Unitholders.

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

CREATING AND UNLOCKING VALUE THROUGH DISCIPLINED PORTFOLIO RECONSTITUTION

Disciplined Portfolio Reconstitution

Objective: Achieve inorganic growth through well-timed acquisitions and divestments

- Invest in a diversified portfolio of income-producing real estate assets in China 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
- Seize opportunities by actively sourcing for opportunities from Sponsor's pipeline and/or third-party vendors
- Strengthen portfolio resilience and diversification by investing in assets with high growth potential and synergistic value to deliver stable and sustainable distributions
- Review asset performance and unlock value at the optimal stage of asset lifecycle to increase long-term returns for Unitholders

EXTRACTING VALUE THROUGH PROACTIVE ASSET MANAGEMENT AND INNOVATIVE ASSET ENHANCEMENT

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 CapitaLand's established omnichannel platforms, innovative marketing outreach and loyalty programmes such as CapitaStar to expand customer base and capture repeat spending
  - **Business Parks** - Enhance tenant's experience by providing quality property and prompt customer services that is supported by CapitaLand's best-in-class property management toolkit
- Enhance operational efficiency and optimise operating costs

Innovative Asset Enhancement

Objective: Boost competitiveness through high quality malls and business parks

- Achieve higher returns through asset enhancement initiatives
- Optimise spatial usage and productivity to increase leasable area
- Offer improved amenities and facilities to increase stickiness of consumers and tenants to our properties
- Enhance energy-efficient initiatives

PRUDENT CAPITAL & RISK MANAGEMENT

Underpinning the *Create, Unlock and Extract* approach is our prudent capital and risk management strategy of maintaining a strong balance sheet to support our working capital and acquisition needs. Key risks such as liquidity risk, credit risk and foreign currency risk are managed through disciplined capital stewardship, sound corporate governance and prudent risk management. We monitor our exposure to various risks by closely following established management policies and procedures. These risk management policies are reviewed regularly and carefully balanced with its benefits to ensure an acceptable balance between the risk and cost of managing these risks. We mitigate our capital risk by diversifying our funding sources, improving debt maturity profile, optimising our capital structure and hedging our interest rate and foreign currency exposure. CLCT leverages on CapitaLand's strong credit standing to secure competitive cost of capital to fund our expansion.

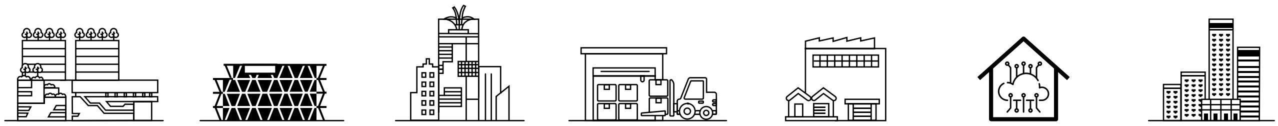
Expansion of Investment Strategy

POSITIONING CLCT TO BECOME THE LARGEST MULTI-ASSET CHINA FOCUSED S-REIT

New Investment Strategy
CLCT is a Singapore-based REIT 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 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).

Rationale for Expansion:
- Seize new and emerging opportunities with expanded investment mandate
- Enhance sector, revenue stream, asset and tenant diversification
- Bring attractive yields and/or increase capital appreciation potential
- Better positioned for growth to increase long-term returns for Unitholders

Investible Asset Classes:



Retail | Business Park | Commercial | Logistics | Industrial | Data Centre | Integrated Development

CLCT will be the dedicated Singapore-listed REIT for CapitaLand Group's non-lodging China business with acquisition pipeline access to CapitaLand's China's assets.

Acquired[1] Five Business Park Properties and Balance 49% Interest in Rock Square

Transformational Acquisition To Achieve Long-Term Resilience and Diversification

CREATE VALUE

LARGEST ACQUISITION TO-DATE
S$1,005.5 million

ASSET UNDER MANAGEMENT
+28.5%

GROSS FLOOR AREA (SQ M)
+76.0%

EXTEND LONGEST LEASE EXPIRY TERM TO
2064

Why Business Park?
- Aligned with China's economic growth initiatives and 14th Five-Year Plan
- Growing demand supported by robust industry drivers
- Resilient asset class with established and reputable domestic companies and multinational corporations

Why Suzhou, Hangzhou and Xi'an?
- Establish foothold in high-growth economic zones
- Tier 2 tech-driven provincial cities are supported by strong economic fundamentals
- Decentralisation of economic activities as global enterprises relocate to business parks in Tier 2 cities

Why additional 49% interest in Rock Square?
- Proven track record with resilient performance
- Capture 100% upside of ongoing AEIs and reconfiguration

1 The announcement regarding the acquisition of 51% interest in Ascendas Xinsu Portfolio, 100% interest in Ascendas Innovation Towers, 80% interest in Ascendas Innovation Hub, 80% interest in Singapore-Hangzhou Science & Technology Park Phase I And Phase II and balance 49% interest in Rock Square was issued on 6 November 2020. The acquisitions of 51% interest in Ascendas Xinsu Portfolio, 100% interest in Ascendas Innovation Towers, 80% interest in Ascendas Innovation Hub and 49% interest in Rock Square were completed on 4 January 2021, 10 February 2021, 26 February 2021 and 30 December 2020, respectively. The acquisition of the remaining two business parks is expected to be completed in 2Q 2021.

CREATE VALUE

SUZHOU

Ascendas Xinsu Portfolio

XI'AN

Ascendas Innovation Hub

Ascendas Innovation Towers

GUANGZHOU

Rock Square

HANGZHOU

Singapore-Hangzhou Science & Technology Park Phase I

Singapore-Hangzhou Science & Technology Park Phase II

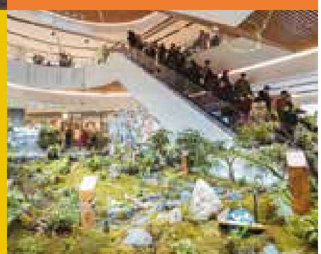
Acquired CapitaMall Nuohemule and Launched New Mall on 20 December 2020

Bundle Deal to Strengthen Portfolio with a Higher Quality Asset that has a Longer Balance Tenure

DOUBLE THE GFA OF CAPITAMALL SAIHAN

SITUATED ATOP OF NUOHEMULE STATION ON METRO LINE 2

ACHIEVED 100% OCCUPANCY DESPITE COVID-19 CHALLENGES



DESTINATION MALL WITH STELLAR LINE-UP OF FASHION, F&B, IT AND LEISURE & ENTERTAINMENT-BASED TENANTS

"MALL IN A GARDEN" CONCEPT WITH 10,000 SQ M OF VERDANT GREENERY

Recycle Capital Through Divestment of Non-Core, Matured Assets To Enhance Returns

UNLOCK VALUE

CapitaMall Erqi[1]
- Agreed divestment value of RMB777.0 million
- 20.5% above valuation
- Completed divestment in May 2020

CapitaMall Minzhongleyuan[2]
- Agreed divestment value of RMB458.0 million
- Non-core asset with limited upside
- Completed divestment in February 2021

CapitaMall Saihan[3]
- Agreed divestment value of RMB460.0 million
- Part of the bundle deal to divest CapitaMall Saihan and acquire CapitaMall Nuohemule
- Expected completion in 2Q 2021

Maximise Potential of Assets Through Customer-Centric Initiatives and Innovative Value Enhancement

EXTRACT VALUE

Ascendas Xinsu Portfolio
- Tap on opportunity to **redevelop Xinsu North Belt** to maximise plot ratio
- Capitalise on CapitaLand's development capabilities
- Capture growing needs for quality business parks in China

Rock Square
Ongoing asset enhancement initiatives
- Improve shopper circulation and area efficiency
- **Additional >1,000 sq m of NLA** to be added over the next few years

Past AEI at Rock Square resulted in rental reversion growth consistently above portfolio levels.

CapitaMall Yuhuating
- ~45% of anchor tenant's NLA (~9,000 sq m) will be recovered by 3Q 2021
- Planned AEI and reconfiguration on recovered space to house **more higher-yielding specialty stores** and introduce experiential retail offerings to inject vibrancy to the mall

1 CapitaMall Erqi was divested to Henan Dennis Department Store Co., Ltd. for an aggregate consideration of RMB790.8 million. Beijing Colliers International Real Estate Valuation Co., Ltd., an independent valuer, valued CapitaMall Erqi's open market value at RMB645.0 million as at 31 December 2019 using the market approach.

2 CapitaMall Minzhongleyuan and the three sets of premises was divested to Wuhan Chengshi Fengmao Assets Management (Group) Co. Ltd. for an aggregate consideration of RMB229.6 million. Savills Real Estate Valuation (Guangzhou) Ltd., Beijing Branch, an independent valuer, valued CapitaMall Minzhongleyuan and the three sets of premises' open market value at RMB440.0 million as at 1 November 2020 using the capitalisation approach and discounted cashflow approach.

3 CLCT, through its wholly owned subsidiary, entered into a co-operative framework agreement for (a) the acquisition of CapitaMall Nuohemule at RMB808.3 million from Inner Mongolia Guanghe New World Commercial Real Estate Co., Ltd. and (b) the divestment of CapitaMall Saihan via the divestment of CLCT's 100% interest in Huaxin Saihan Huhhot Real Estate Co., Ltd. to Beijing Fashion Qingcheng Commercial Management Ltd for an aggregate consideration of approximately RMB503.2 million (subject to post-completion adjustments). Cushman & Wakefield International Property Advisers (Shanghai) Co., an independent valuer, valued CapitaMall Saihan's open market value at RMB460.0 million as at 31 December 2018 using the discounted cash flow and direct capitalisation approach.

OUR BOARD OF DIRECTORS


SOH KIM SOON


TAN TZE WOOI


FONG HENG BOO


CHRISTOPHER GEE KOK AUN


PROFESSOR TAN KONG YAM


NEO POH KIAT


KUAN LI LI


LUCAS IGNATIUS LOH JEN YUH


LIM CHO PIN ANDREW GEOFFREY

SOH KIM SOON, 75

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 2020)
3 years 8 months

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, 47

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 2020)
3 years 9 months

Board committee served on
- Executive Committee (Member)

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)

OUR BOARD OF DIRECTORS

FONG HENG BOO, 71

NON-EXECUTIVE INDEPENDENT DIRECTOR

- Bachelor of Accountancy (Honours), University of Singapore

Date of first appointment as a Director
1 January 2013
Length of service as a Director (as at 31 December 2020)
8 years

Board committee served on
- Audit Committee (Chairman)

Present directorships in other listed companies
- Colex Holdings Limited
- Kwan Yong Holdings Limited
- Livingstone Health Holdings Limited
- Sheng Ye Capital Limited
- TA Corporation Ltd.

Present principal commitments
- Agency for Integrated Care Pte. Ltd. (Director)
- Singapore Health Services Pte Ltd (Director)
- Singapore Turf Club (Member, Management Committee)
- Surbana Jurong Private Limited (Director)

Past directorship in other listed company held over the preceding three years
- Asian American Medical Group Limited

Background and working experience
- Director, Special Duties of Singapore Totalisator Board (From July 2004 to December 2014)
- Senior Vice President, Corporate Services of Singapore Turf Club (From May 2000 to June 2004)
- Deputy General Manager, Corporate Services of Singapore Turf Club (From May 1998 to May 2000)
- Chief Financial Officer of Easycall International Pte Ltd/ Matrix Telecommunications Ltd (From June 1996 to April 1998)
- General Manager, Corporate Services of Amcol Holdings Limited (From October 1993 to May 1996)
- Assistant Auditor-General of Auditor-General's Office (From February 1987 to September 1993)
- Divisional Director of Auditor-General's Office (From May 1980 to January 1987)
- Auditor of Auditor-General's Office (From November 1975 to April 1979)

Award
- Institute of Certified Public Accountants of Singapore Silver Medal (1999)

CHRISTOPHER GEE KOK AUN, 52

NON-EXECUTIVE INDEPENDENT DIRECTOR

- Bachelor of Arts in Law (Honours), University of Nottingham, UK
- Chartered Financial Analyst® and Member, CFA Institute

Date of first appointment as a Director
24 January 2014
Length of service as a Director (as at 31 December 2020)
6 years 11 months

Board committee served on
- Audit Committee (Member)

Present principal commitments
- Institute of Policy Studies, Lee Kuan Yew School of Public Policy, National University of Singapore (Senior Research Fellow)
- Department of Real Estate, National University of Singapore (Senior Research Fellow)
- Raffles Girls' School (Member, Board of Governors)
- St. Joseph's Institution Junior (Member, School Council)

Background and working experience
- Head, Singapore Equities Research of J.P. Morgan Securities Singapore Private Limited (From July 2002 to February 2012)
- Head, Asia Real Estate Equities Research of J.P. Morgan Securities Singapore Private Limited (From September 2006 to February 2012)
- Head, Singapore and Malaysia Equities Research of ING Barings Securities (From June 2000 to June 2002)
- Head, Malaysia Equities Research and Investment Analyst of ING Barings Securities Malaysia Sdn. Bhd. (From June 1994 to June 2000)
- Audit and Corporate Recovery of Price Waterhouse, London (From September 1990 to March 1994)

PROFESSOR TAN KONG YAM, 65

NON-EXECUTIVE INDEPENDENT DIRECTOR

- Bachelor in Economics, Princeton University, USA
- PhD in Economics, Stanford University, USA

Date of first appointment as a Director
31 October 2014
Length of service as a Director (as at 31 December 2020)
6 years 2 months

Board committee served on
- Audit Committee (Member)

Present principal commitments
- APS Asset Management Pte Ltd (Director)
- Changi Airport Group (Singapore) Pte. Ltd. (Director)
- Nanyang Technological University of Singapore (Professor of Economics)
- Surbana Jurong Private Limited (Director)

Background and working experience
- Senior Economist, Beijing Office of World Bank (From July 2002 to July 2005)
- Member, Expert Group on the 11th Five Year Plan of World Bank (2004)
- Chief Economist of The Ministry of Trade and Industry (From July 1999 to June 2002)
- Head, Department of Business Policy at NUS Business School of National University of Singapore (From 1988 to 1999)

NEO POH KIAT, 70

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 2020)
3 years 8 months

Board committee served on
- Audit Committee (Member)

Present directorship in other listed company
- China Yuchai International Limited

Present principal commitment
- Octagon Advisors Pte. Ltd. (Managing Director, Advisory Services)

Background and working experience
- 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)

OUR BOARD OF DIRECTORS

KUAN LI LI, 57

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 2020)
3 years

Present directorship in other listed company
- RH Petrogas Limited

Present principal commitments
- CPA Australia Ltd's Skills-Future Committee (Member)
- Legal Inquiry Panel of Singapore (Member)
- Salvia Investment Pte Ltd (Director)
- Valuation Review Board of Singapore (Member)
- WWF-World Wide Fund for Nature (Singapore) Limited (Audit 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)

LUCAS IGNATIUS LOH JEN YUH, 54

NON-EXECUTIVE NON-INDEPENDENT DIRECTOR

- Bachelor of Science in Estate Management, National University of Singapore
- Master of Business Administration, Oklahoma City University, USA

Date of first appointment as a Director
16 August 2019
Length of service as a Director (as at 31 December 2020)
1 year 4 months

Board committee served on
- Executive Committee (Chairman)

Present directorship in other listed company
- Lai Fung Holdings Limited

Present principal commitments
- CapitaLand Group (President, China)
- Singapore-Zhejiang Economic and Trade Council (Council Member)
- Singapore-Jiangsu Cooperation Council (Council Member)
- Singapore-Guangdong Collaboration Council (Council Member)
- Singapore-Sichuan Trade and Investment Committee (Council Member)
- Singapore Chamber of Commerce and Industry in China (Shanghai Chapter) (Corporate Member)

Past directorship in other listed company held over the preceding three years
- Central China Real Estate Limited

Background and working experience
- Chief Executive Officer, China, CapitaLand Group (From April 2019 to present)
- President (China & Investment Management), CapitaLand Group (From September 2018 to March 2019)
- Chief Executive Officer, CapitaLand China Holdings Pte Ltd (From 2014 to March 2019)
- Deputy Chief Executive Officer, CapitaLand China Holdings Pte Ltd (From 2012 to 2014)
- Various positions in The Ascott Limited and CapitaLand China Holdings Pte Ltd (From 2001 to 2011)
- Associate Director for Private Equity Investment at Temasek Holdings (Private) Limited (From 1996 to 2001)

LIM CHO PIN ANDREW GEOFFREY, 51

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 2020)
3 years

Board committees served on
- Audit Committee (Member)
- Executive Committee (Member)

Present directorships in other listed companies
- Ascendas Funds Management (S) Limited (manager of Ascendas Real Estate Investment Trust)
- Ascott Business Trust Management Pte. Ltd. (trustee-manager of Ascott Business Trust)
- Ascott Residence Trust Management Limited (manager of Ascott Real Estate Investment Trust)
- CapitaLand Integrated Commercial Trust Management Limited (manager of CapitaLand Integrated Commercial Trust)
- CapitaLand Malaysia Mall REIT Management Sdn. Bhd. (manager of CapitaLand Malaysia Mall Trust)

Present principal commitments
- Accounting for Sustainability Circle of Practice (Member)
- CapitaLand Group (Group Chief Financial Officer)
- Institute of Singapore Chartered Accountants' CFO Committee (Member)
- Sports Singapore (Singapore Sports Council) (Director and Chairman of Audit Committee)

Past directorships in other listed companies held over the preceding three years
- CapitaLand Commercial Trust Management Limited (manager of CapitaLand Commercial Trust[1])
- CapitaLand Mall Trust Management Limited (manager of CapitaLand Mall Trust) (from 1 May 2017 to 9 October 2019)

Background and working experience
- 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 SGX-ST on 3 November 2020

TRUST MANAGEMENT TEAM

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 SIEW BEE

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 appropriate acquisitions and divestments as well as business plans. She also assists the CEO in executing strategic plans.

Joanne has over 20 years of experience in finance 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 CapitaLand's China and Japan private funds.

Joanne is a Chartered Accountant of Singapore 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 15 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 YU QING

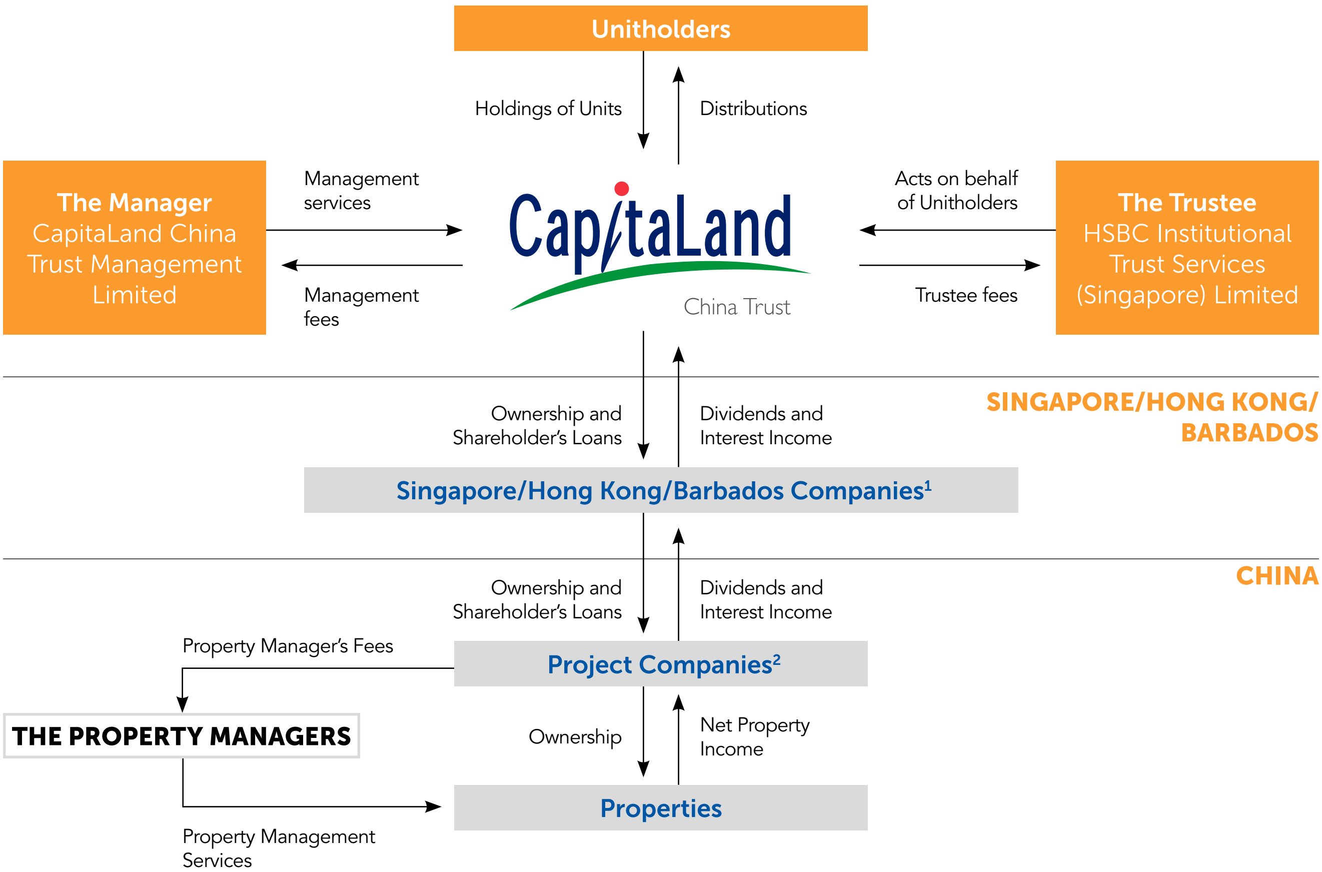
SENIOR MANAGER, INVESTOR RELATIONS

Nicole manages the Investor Relations (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 with investors, media and analysts through regular meetings and conferences and produces collaterals such as press releases, annual reports and presentations to update the community on CLCT's strategy and plans. The team is also responsible for ensuring timely update and disclosure on CLCT's website.

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.

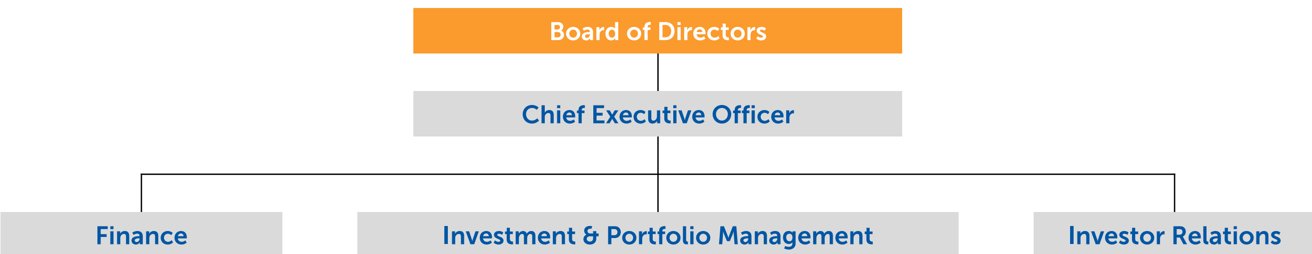
TRUST STRUCTURE



1 Interest income and shareholder's loans from the Project Companies are payable to the Singapore/Hong Kong/Barbados 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 malls (where applicable).

ORGANISATION STRUCTURE

THE MANAGER
CAPITALAND CHINA TRUST MANAGEMENT LIMITED



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, operating expenses 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 (Chapter 289 of Singapore) (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 CapitaLand Retail (Shanghai) Management & Consulting Co., Ltd. (and its branches), the property manager which performs 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 92 to 101 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 Limited (CL) which holds a significant unitholding interest in CLCT. CL is a long-term real estate developer and investor, with a vested interest in the long-term performance of CLCT. CL's significant unitholding in CLCT demonstrates its commitment to CLCT and as a result, CL's interest is aligned with that of other Unitholders. The Manager's association with CL provides the following benefits, among other things, to CLCT:

(a) a stable pipeline of property assets through CL's development activities;
(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 for the financial year (FY) 2020 is set out below:

BOARD OF DIRECTORS

6 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

3 IDs and 1 Non-ID
Led by ID, Mr Fong Heng Boo, 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

3 Non-IDs
Led by Mr Lucas Ignatius Loh Jen Yuh, EC chairman

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

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 FY 2020 with reference to the Code of Corporate Governance 2018 (Code) and is based on the composition of the Board and Board Committees in FY 2020.

Throughout FY 2020, 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. CLCT was awarded the Platinum Award at the 7th Asia Pacific Best of the Breeds REITs Awards 2020 under the Best Retail REIT category for Market Capitalisation of US$1.0 billion and above.

CLCT's score on the Singapore Governance and Transparency Index (SGTI) assessment improved from 96.2 in FY 2019 to 98.2 in FY 2020.

CORPORATE GOVERNANCE

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 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 meeting or written resolutions.

Further, 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 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 Manager has in place a training 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.

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 CEO and other persons having 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 interaction 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, and industry-related matters, so as to be updated on matters that affect or may enhance their performance as Directors or Board Committee members. The Directors may recommend suitable training and development programmes to the Board. The Directors also receive, on a regular basis, 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) and the Executive Committee (EC).

All the Board Committees have clear written terms of reference setting out their respective composition, 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 68 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 as and when there are changes to Board membership. Where appropriate, changes are made to 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. The Constitution of the Manager (Constitution) 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.

In addition to scheduled meetings, the Board may also hold ad hoc meetings as required by business imperatives. The Directors (excluding the CEO) also meet regularly without the presence of Management.

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 waste 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 and five AC meetings were held in FY 2020. 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 2020 is set out on page 68 of this Annual Report. CEO who is also a Director 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 is legally trained and 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 all 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 six out of nine 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 had served on the Board for more than nine years. Profiles of the Directors, their respective Board Committee memberships and roles are set out on pages 30 to 35 of this Annual Report. Key information on the Directors is also available on CLCT's website at www.clct.com.sg.

The Board 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 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 related corporations in the current 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 related corporations in the current 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, on an annual basis, 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 Board; and
(b) the Board 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 Board's deliberations on his or her independence. In appropriate cases, the Board 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 Board has carried out the assessment of the independence of its IDs for FY 2020 and the paragraphs below set out the outcome of the assessment based on the information available. Each of the IDs had recused himself or herself from the Board's deliberations on his or her independence.

Mr Soh Kim Soon
Mr Soh is a non-executive director and chairman of ORIX Leasing Singapore Limited (ORIX Leasing) and is also chairman of ORIX Investment And Management Private Limited (ORIX) (together, the ORIX Companies). The ORIX Companies have business relationships with CapitaLand Limited, its subsidiaries and/or REITs managed by CapitaLand Limited and its subsidiaries (in this section on Principle 2, CL group) for the following matters:

(i) lease from CL group; and
(ii) services provided to CL 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 CL group. All of the transactions with CL group are conducted in the ordinary course of business, on an arm's length basis and based on normal commercial terms.

The Board has considered the conduct of Mr Soh in the discharge of his duties and responsibilities as a Director, and is of the view that the respective relationships above did not interfere with the exercise of his independent business 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. The Board is therefore of the view that Mr Soh has exercised independent judgement in the discharge of his duties and responsibilities. Based on the above, the Board arrived at the determination that Mr Soh is an independent Director.

Mr Fong Heng Boo
Mr Fong is a non-executive director or committee member of various companies and organisations (collectively, Organisations and individually, an Organisation) which have business relationships with CL group for various matters, including but not limited to the following:

(i) purchase of CapitaVouchers from CL group;
(ii) leases from CL group;
(iii) services provided by CL group;
(iv) services provided to CL group; and/or
(v) club membership subscription fees paid by CL group.

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

Mr Fong is a non-executive director of CapitaLand Township Development Fund Pte. Ltd. and CapitaLand Township Development Fund II Pte. Ltd. (collectively, the CTDF Companies) and receives director's fees from the CTDF Companies. CTDF Companies are subsidiaries of CL. Further, Mr Fong serves as a non-executive director of Surbana Jurong Private Limited (SJPL) and receives director's fees from SJPL. SJPL is a subsidiary of Temasek.

Mr Fong has confirmed that he serves on the Board in his personal capacity and not as a representative of Temasek or CL and is not under any obligation, whether formal or informal, to act in accordance with the directions of Temasek or CL in relation to the affairs of the Manager and CLCT.

The Board has considered the conduct of Mr Fong in the discharge of his duties and responsibilities as a Director, and is of the view that the respective relationships above did not interfere with the exercise of his independent business 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. The Board is therefore of the view that Mr Fong has exercised independent judgement in the discharge of his duties and responsibilities. Based on the above, the Board arrived at the determination that Mr Fong is an independent Director.

Professor Tan Kong Yam
Professor Tan is a non-executive director of Organisations which have business relationships with CL group for various matters, including but not limited to the following:

(i) services provided to CL group; and/or
(ii) ground rent paid by CL group.

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

Professor Tan received fees from CL for the financial years 2019 and 2020 for serving as a member of CL's China Advisory Panel. Further, he serves as a non-executive director of SJPL and receives director's fees from SJPL. Professor Tan has confirmed that he serves on the Board in his personal capacity and not as a representative of CL or Temasek and is not under any obligation, whether formal or informal, to act in accordance with the directions of CL or Temasek in relation to the affairs of the Manager and CLCT.

The Board has considered the conduct of Professor Tan in the discharge of his duties and responsibilities as a Director, and is of the view that the respective relationships above did not interfere with the exercise of his independent business 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. The Board is therefore of the view that Professor Tan has exercised independent judgement in the discharge of his duties and responsibilities. Based on the above, the Board arrived at the determination that Professor Tan 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 Board has considered the conduct of Mr Neo in the discharge of his duties and responsibilities as a Director, and is of the view that the respective relationships above did not interfere with the exercise of his independent business 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. The Board is therefore of the view that Mr Neo has exercised independent judgement in the discharge of his duties and responsibilities. Based on the above, the Board arrived at the determination that Neo is an independent Director.

The Board is of the view that as at the last day of FY 2020, each of Mr Soh, Mr Fong, Professor Tan and Mr Neo was able to act in the best interests of CLCT and all Unitholders in respect of FY 2020.

Mr Christopher Gee Kok Aun and Ms Kuan Li Li

Mr Gee and Ms Kuan 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 Board has considered the conduct of Mr Gee and Ms Kuan respectively in the discharge of their duties and responsibilities as Directors. The Board is of the view that Mr Gee and Ms Kuan have exercised independent judgement in the discharge of their duties and responsibilities. Based on the above, the Board arrived at the determination that Mr Gee and Ms Kuan are independent Directors.

The remaining Directors, namely, Mr Tan Tze Wooi, Mr Lucas Ignatius Loh Jen Yuh and Mr Lim Cho Pin Andrew Geoffrey, are all employees of CL group and are not considered to be independent.

Board Diversity

The Board embraces diversity and has 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 business or professional experience, age and gender.

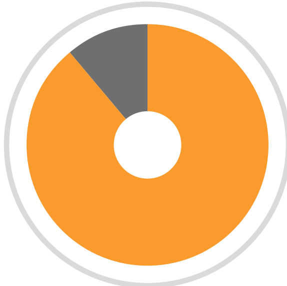
The Board believes in diversity and values the benefits that diversity can bring to the Board in its deliberations by avoiding groupthink and fostering constructive debate. Diversity enhances the Board's decision-making capability and ensures that the Manager has the opportunity to benefit from all available talent and perspectives.

The Board, in carrying out its duties of determining the optimal composition of the Board in its Board renewal process, identifying possible candidates and making recommendations of board appointments to the Board, considers diversity factors such as age, educational, business and professional backgrounds of its members. Female representation is also considered an important aspect of diversity. The current Board comprises nine members who are corporate and business leaders, and are professionals with varied backgrounds, expertise and experience including in finance, banking, real estate, legal, accounting, auditing, general management and the China market. The current Board has one female member. 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 2020

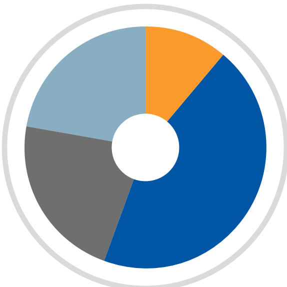
Independent Directors	6
Non-Independent Directors	3

BOARD GENDER DIVERSITY
As at 31 December 2020



Male	8
Female	1

AGE SPREAD
As at 31 December 2020



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

TENURE MIX
As at 31 December 2020

0–3 years	3
> 3–5 years	3
> 5–7 years	2
> 7–9 years	1

Principle 3: Chairman and Chief Executive Officer

The roles and responsibilities of the Chairman and the CEO are held by separate individuals, 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, and ensure an appropriate balance of power, increased accountability and greater capacity of the Board for independent decision-making.

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 six out of nine 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 delibrations 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 undertakes the functions of a nominating committee and therefore, the Manager does not have a separate nominating committee. The Board performs the functions that such a committee would otherwise perform.

The Board is able to undertake the functions of a nominating committee because:

(a) the Manager is a dedicated manager to CLCT and in general, REITs (including CLCT) have a more focused scope and scale of business compared to those of listed companies. For this reason, the Board's capacity would not be unduly stretched if the responsibilities of a nominating committee were also undertaken by the Board as the Board would be able to give adequate attention to such issues;
(b) the focused scope of the business of CLCT also means a manageable competency requirement for the Board such that the Board is able to manage the duties of a nominating committee; and
(c) IDs form at least half of the Board and the Chairman is an ID, which demonstrates that the IDs play a substantive role, and assure the objectivity and independence of the decision-making process concerning nomination. This also mitigates any concerns of conflict which can be managed by having the conflicted Directors abstain from the decision-making process. Further, conflict situations are less likely to arise in matters of nomination.

The SGX-ST has also issued a Practice Note which provides that the requirement for the establishment of nominating and remuneration committees under the Listing Manual does not apply to REITs if the REIT complies with regulations made under the SFA relating to board composition of a REIT manager. As the Manager complies with Regulation 13D of the SFR relating to the composition of the Board of the Manager, the Manager is of the opinion that the corporate governance requirements relating to the nominating and remuneration committees have been substantively addressed.

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. All Board appointments are made based on merit and approved by the Board. The Board's scope of duties and responsibilities includes:

(a) reviewing the size and composition of the Board, the succession plans for Directors, and the structure and membership of the Board Committees;
(b) reviewing the process and criteria for the evaluation of the performance of the Board, Board Committees and Directors;
(c) ensuring the Board is provided with opportunities to attend training and professional development programmes;
(d) considering, on an annual basis and as and when circumstances require, if a Director is independent;
(e) reviewing whether a Director has been adequately carrying out his or her duties as a Director; and
(f) considering the appointment and re-appointment of directors.

Board Composition and Renewal
The Board 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 sector that CLCT operates in.

There is a structured process for determining Board composition and for selecting candidates for appointment as Directors. The Board evaluates the Board's competencies on a long-term basis and identifies competencies which may be further strengthened in the long term. 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 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, composition and core competencies 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 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 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 of the Board's composition as well as when a Director gives notice of his or her intention to retire or resign. The Board seeks to refresh its membership progressively and in an orderly manner, whilst ensuring continuity and sustainability of corporate performance. The Board also has in place guidelines on the tenure of Directors. The guidelines provide that a non-executive 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. The extension could be on a yearly basis up to a period of nine years (inclusive of the initial two three-year terms served).

The Board may rely on personal contacts or recommendations in identifying suitable candidates for appointment to the Board, and may also retain external consultants from time to time to assist the Board in identifying suitable 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 Board also considers the qualities of the candidates, in particular whether they are aligned to the strategic directions and values of CLCT. In addition, the Board assesses the candidates' ability to commit time to the affairs of CLCT, taking into consideration their other current appointments.

In FY 2020, no alternate director to any ID was appointed. 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 IDs.

Board Changes
There were no changes to the composition of the Board in FY 2020.

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 further the training required under rule 210(5)(a) 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 Board 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.

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 2020, all 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 Board assesses each Director's ability to commit time to the affairs of the Manager. In conducting the assessment, the Board 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 31 to 35 of this Annual Report and their attendance record for FY 2020 is set out on page 68 of this Annual Report. In particular, the CEO does not serve on any listed company board outside of the CLCT Group. For FY 2020, the Directors achieved high meeting attendance rates and they have contributed positively to discussions at Board and Board Committee meetings. Based on the above, the Board has determined that each Director has been adequately carrying out his or her duties as a Director and 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 is essential to effective stewardship and attaining success for CLCT.

As part of the Manager's commitment towards improving corporate governance, the Board has approved and implemented a process to evaluate annually the effectiveness of the Board as a whole and that of each of its Board Committees and individual Directors. As part of the process, a questionnaire is sent to the Directors, and the evaluation results are aggregated and reported to the Chairman of the Board. The overall evaluation results are also shared with the Board and follow up action is taken where necessary with a view to enhancing the effectiveness of the Board and individual Directors in the discharge of its and their duties and responsibilities.

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 2020, the outcome of the evaluation was satisfactory and the Directors generally provided affirmative ratings across the evaluation categories.

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 2020, 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, and 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

The Board undertakes the functions of a remuneration committee and therefore, the Manager does not have a separate remuneration committee. The Board performs the functions that such a committee would otherwise perform and adopts procedures for developing remuneration policies that are consistent with the intent of Principle 6 of the Code.

The Board is able to undertake the functions of a remuneration committee because:

(a) the Manager is a dedicated manager to CLCT and in general, REITs (including CLCT) have a more focused scope and scale of business compared to those of listed companies. For this reason, the Board's capacity would not be unduly stretched by reason of it undertaking the responsibilities of a remuneration committee and the Board would be able to give adequate attention to such issues relating to remuneration matters; and

(b) the IDs form at least half of the Board and the Chairman is an ID, which demonstrate that the IDs play a substantive role and assure the objectivity and independence of the decision-making process concerning remuneration. This also mitigates any concerns of conflict which can be managed by having the conflicted Directors abstain from the decision-making process. Further, conflict situations are less likely to arise in matters of remuneration.

In undertaking this function, the Board considers all aspects of remuneration, including overseeing the design and implementation of the remuneration policy, the framework of remuneration and the specific remuneration packages for each Director and for key management personnel and termination terms (if any) to ensure they are fair. No Director, however, is involved in any decision of the Board relating to his or her own remuneration.

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. These 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 aligned with the long-term success of CLCT. Pay-for-performance is emphasised by linking total remuneration to the achievement of corporate and individual goals and objectives. The Board has access to independent remuneration consultants for advice on remuneration matters as required.

In terms of the process adopted by the Manager for developing and reviewing policies on remuneration and determining the remuneration packages for Directors and key management personnel, the Manager, through an independent remuneration consultant, takes into account compensation benchmarks within the industry, as appropriate, so as to ensure that the remuneration packages payable to Directors and key management personnel are in line with the objectives of the remuneration policies. It also considers the compensation framework of CL as a point of reference. The Manager is a subsidiary of CL which also holds a significant stake in CLCT. The association with the CL Group puts the Manager in a better position to attract and retain better qualified management talent; 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 2020, an independent remuneration consultant, Willis Towers Watson, provided professional advice on Board and executive remuneration. Willis Towers Watson is a leading global advisory, broking and solutions company with 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 Policy for Key Management Personnel

The remuneration framework and policy is designed to support the implementation of the CLCT Group's strategy and deliver sustainable unitholder value. The principles governing the Manager's key management personnel remuneration policy 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
- 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

Effective Implementation
- 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

Remuneration for Key Management Personnel
The remuneration for 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 key management personnel align with those of Unitholders and that the remuneration framework links rewards to business and individual performance.

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 as agreed at the beginning of the financial year with the Board.

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:

- Financial: This includes targets relating to profitability and distributions, capital structure and risk management;
- Execution: This includes targets relating to occupancy rates, operational efficiency and stakeholder engagement;
- Future Growth: This includes targets relating to investments and asset enhancements; and
- Sustainability: This includes targets relating to succession planning, competency development and sustainable corporate practices.

These are 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 Board considers the overall business performance and individual performance as well as the affordability of the payout for the Manager.

C. Unit-based Components:
Unit awards were granted in FY 2020 pursuant to the CapitaLand China Trust Management Limited Performance Unit Plan (PUP) and the CapitaLand China Trust Management Limited Restricted Unit Plan (RUP) (previously known as the CapitaLand Retail China Trust Management Limited Performance Unit Plan and the CapitaLand Retail China Trust Management Limited Restricted Unit Plan respectively) (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 expected to be satisfied out of the 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.

CapitaLand China Trust Management Limited Performance Unit Plan

In FY 2020, the Board 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 recipient at the end of the qualifying performance period, provided that minimally the threshold target is achieved. 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 Board has the discretion to adjust the number of Units released taking into consideration other relevant quantitative and qualitative factors. The recipient will receive fully paid Units at no cost.

For FY 2020, the relevant award for assessment of the performance achieved by the CLCT Group is the award granted in FY 2018 where the qualifying performance period was FY 2018 to FY 2020. Based on the Board'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 released has been adjusted accordingly to reflect the performance level.

In respect of the Unit awards granted under the PUP in FY 2019 and FY 2020, the respective qualifying performance periods have not ended as at the date of this Report.

CapitaLand China Trust Management Limited Restricted Unit Plan

In FY 2020, the Board 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 Board 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 at no cost.

In respect of the Unit awards granted under the RUP in FY 2020, based on the Board's assessment that the performance achieved by the CLCT Group has met the pre-determined performance targets for FY 2020, the resulting number of Units released 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.

At present, there are four key management personnel (including the CEO). Each year, the Board 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 Board 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 performance and remuneration.

The CEO's remuneration amount in a band of S$250,000 and the aggregate of the total remuneration of the other key management personnel (excluding the CEO), together with a breakdown of their respective remuneration components in percentage terms, are set out in the Key Management Personnel's Remuneration Table on page 69 of this Annual Report.

While the disclosure of the CEO's exact remuneration amount and the requisite remuneration band for each of the other key management personnel (who are not also Directors or the CEO) 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 the intense competition for talents in the industry, as well as the need to balance the confidential and commercial sensitivities associated with remuneration matters. The Manager is of the view that despite this partial deviation from Provision 8.1 of the Code, the disclosures on page 69 of 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 the key management personnel. In addition, the remuneration of the key management personnel is not borne by CLCT as it is paid out of the fees that the Manager receives (the quantum and basis of which have been disclosed).

Apart from the key management personnel and other employees of the Manager, the Manager outsources various other services to a wholly owned subsidiary of CL (CL Subsidiary). The CL Subsidiary provides the services through its employees and employees of CL 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. However, 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 CL Subsidiary and CL Group, is not included as part of the disclosure of remuneration of key management personnel of the Manager in this Report.

The Board 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 approved by the Board 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.

In FY 2020, 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 2020, 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 2020, together with a breakdown of the components, are set out in the Non-Executive Directors' Remuneration Table on page 69 of this Annual Report. The CEO who is an executive Director is remunerated as part of the key management personnel of the Manager and does not receive any Director's fees. The non-executive Directors who are employees of CL Group also do not receive any Directors' fees.

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 framework for the non-executive Directors' fees has remained unchanged from that of the previous financial year.

The compensation package is benchmarked against market, 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 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 CL 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. 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 his or her basic retainer fee or the total number of Units awarded to him or her, whichever is lower, at all times during his or her Board tenure.

In solidarity with CLCT's stakeholders, the Board agreed to a voluntary 5% reduction in the total FY 2020 fees for each Director.

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 risk 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 and ensuring that Management maintains sound systems of risk management and internal controls.

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 and CLCT's risk profile;
(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 regularly, by Management, the AC and the Board, taking into account the best practices and guidance in the Risk Governance Guidance for Listed Boards issued by the Corporate Governance Council and the Listing Manual.

The CLCT Group's RAS, incorporating the 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 ERM section on pages 70 to 74 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 that:

(a) the financial records of the CLCT Group have been properly maintained and the financial statements for FY 2020 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) that 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 2020, 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 (including financial, operational, compliance and IT controls) 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 2020. 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 2020.

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

In respect of FY 2020, the AC comprises four non-executive Directors, three of whom (including the chairman of the AC) are IDs. 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 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 scope and results of the external audit and the independence and objectivity of the external auditors;
(d) reviewing the adequacy and effectiveness of the Manager's internal audit and compliance functions;
(e) 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 of the external auditors;
(f) 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
(g) reviewing the policy and arrangements for concerns about possible improprieties in financial reporting or other matters to be 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 2020, CLCT's relationships with the external auditors in FY 2020, 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 fees paid or payable to the external auditors for FY 2020 was S$446,818, of which audit and audit-related fees amounted to S$444,318 and non-audit fees amounted to S$2,500.

The AC holds at least four scheduled meetings in a year and met five times in FY 2020. At all scheduled AC meetings in FY 2020, the CEO and the CFO were in attendance. During each of these meetings, among other things, the AC reviewed the financial statements including the relevance and consistency of the accounting principles adopted and any significant financial reporting issues. It recommended the financial statements and corresponding announcements to the Board for approval. In FY 2020, 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 2020, 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 CLCT Group for FY 2020, 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 2020.

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 2020 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 CL's Internal Audit Department (CL IA). CL 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 CL IA in respect of CLCT Group is to the AC, however, the AC does not decide on the appointment, termination and remuneration of the head of CL IA as it operates at the CL Group level. While this is a deviation from Provision 10.4 which requires the AC to decide on the appointment, termination and remuneration of the head of the internal audit function, CL 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 IA function through reviewing the IA process from time to time and may make recommendations to the Board for any changes to the IA 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 IA function to assure its proper functioning. In respect of FY 2020, 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.

CL 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 2020, the AC reviewed the results of audits performed by CL IA based on the approved audit plan. The AC also reviewed reports on whistle blower complaints reviewed by CL IA to ensure independent and thorough investigation and adequate follow up. The AC also received reports on Interested Person Transactions reviewed by CL IA that they were on normal commercial terms and are not prejudicial to the interests of CLCT and its minority Unitholders. In FY 2020, there were Interested Person Transactions, viz. the acquisition of the respective interests in the companies which hold Ascendas Xinsu Portfolio, Ascendas Innovation Towers, Ascendas Innovation Hub, Singapore-Hangzhou Science & Technology Park Phase I And Phase II and Rock Square which was subject to the approval of Unitholders. An Extraordinary General Meeting was convened on 22 December 2020 and the transaction was duly approved by independent Unitholders.

CL IA is adequately resourced and staffed with persons with the relevant qualifications and experience. CL 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). CL 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, CL IA recruits and employs suitably qualified professional staff with the requisite skill sets and experience. For instance, CL 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. CL 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 view of the COVID-19 pandemic, the annual general meeting and extraordinary general meeting held in FY 2020 (FY 2020 Meetings) were held via 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). The alternative arrangements for the FY 2020 Meetings (including electronic access to the meeting via live audio-visual webcast and live audio-only stream, submission of questions in advance of the meeting, addressing of substantial and relevant questions prior to or at the meeting, as well as voting by appointing the chairman of the meeting as proxy) were set out in the notices of the FY 2020 Meetings. The description below sets out CLCT's usual practice for Unitholders meetings when there are no pandemic risks and the COVID-19 Temporary Measures Order is not in operation.

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 from the Website and printed copies of the Annual Report are available upon request. More than the legally required notice period for general meetings is generally provided. Unitholders will receive the notices of general meetings and may download these notices from the Website. Notices of the general meetings are also advertised in the press and issued 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 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.

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.

All Directors attended the general meetings held during their tenure in FY 2020. A record of the Directors' attendance at the general meetings in FY 2020 can be found in their meeting attendance records as set out on page 68 of this Annual Report.

To safeguard the Unitholders' interests and rights, a separate resolution is proposed for each substantially separate matter to be approved at a general meeting.

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 immediately 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 AGMs 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.

The Manager provides Unitholders with periodic and annual financial statements within the relevant periods prescribed by the Listing Manual. In particular, for FY 2020, full unaudited half year financial statements have been released. These periodic and annual financial statements were reviewed and approved by the Board prior to release to Unitholders by announcement on SGXNet. The release of periodic and annual financial statements were accompanied by news releases issued to the media and which were also made available on SGXNet. In presenting the periodic and annual 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.

In addition to the release of 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 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 75 to 77 of this Annual Report.

The Manager also has in place a corporate communications function supported by CL'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 strategy and stakeholder engagement can be found on pages 92 to 101 of this Annual Report.

ADDITIONAL INFORMATION

Executive Committee
In addition to the AC, 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 CL IA to the AC for review on an annual basis. Guidelines and procedures established to monitor Interested Person Transactions will be audited by CL 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 CL 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 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 2020 are disclosed on pages 209 to 210 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 CL and/or its subsidiaries have an interest, whether direct or indirect, any nominees appointed by CL 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 CL 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 CL 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 a prescribed period in accordance with the Listing Manual (Black-out Period) immediately preceding, and up to the time of each announcement of CLCT's financial statements during a financial year. Prior to the commencement of each 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, employees and Capital Markets Services Licence Appointed Representatives (CMSL Representatives) of the Manager are 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 2020, 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 CL 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, educating 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 CL'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 and other procedures are put in place to provide the Manager's employees and parties who have dealings with the Manager 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 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 AC reviews all whistle-blowing complaints 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 CL 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 CL 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 2020

Board Members	Audit Committee	Executive Committee[1]
Soh Kim Soon, C	–	–
Tan Tze Wooi, CEO	–	M
Fong Heng Boo	C	–
Christopher Gee Kok Aun	M	–
Tan Kong Yam	M	–
Neo Poh Kiat[2]	–	–
Kuan Li Li	–	–
Lucas Ignatius Loh Jen Yuh	–	C
Lim Cho Pin Andrew Geoffrey	M	M

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

1 Given the nature and scope of the work of the EC, their business was discussed/transacted primarily through conference call, correspondence and informal meetings.
2 Appointed as Audit Committee member on 4 January 2021.

Attendance Record of Meetings of Unitholders, Board and Board Committees in FY 2020[3]

	Board	Audit Committee	AGM	EGM
No. of Meetings Held	5	5	1	1
Board Members				
Soh Kim Soon, C	100%	N.A.	100%	100%
Tan Tze Wooi, CEO	100%	N.A.	100%	100%
Fong Heng Boo	100%	100%	100%	100%
Christopher Gee Kok Aun	100%	100%	100%	100%
Tan Kong Yam	100%	80%	100%	100%
Neo Poh Kiat	100%	N.A.	100%	100%
Kuan Li Li	100%	N.A.	100%	100%
Lucas Ignatius Loh Jen Yuh	80%	N.A.	100%	100%
Lim Cho Pin Andrew Geoffrey	100%	60%[4]	100%	100%

N.A.: Not Applicable.

3 All Directors are required to attend Board and/or Board Committee meetings called, in person or via audio or video conference, unless required to recuse. Attendance is marked against the Board and Board Committee meetings each Director is required to attend, and the percentage computed accordingly.
4 In FY 2020, in addition to the four scheduled AC meetings, there was one ad-hoc AC meeting. Lim Cho Pin Andrew Geoffrey recused himself from the ad-hoc AC meeting for good corporate governance and attended three of the scheduled AC meetings.

KEY MANAGEMENT PERSONNEL'S REMUNERATION

Key Management Personnel's Remuneration Table for FY 2020

	Components of Remuneration			
Remuneration	Salary inclusive of employer's CPF	Bonus and Other Benefits inclusive of employer's CPF[1]	Award of Units[2]	Total
CEO				
Tan Tze Wooi	41%	32%	27%	100%
Remuneration band for CEO: Above S$750,000 to S$1,000,000				
Key management personnel (excluding CEO)				
Joanne Tan Siew Bee You Hong Nicole Chen Yu Qing	60%	30%	10%	100%
Aggregate of the total remuneration for key management personnel (excluding CEO): S$816,937				

1 The amounts disclosed include bonuses earned which have been accrued for in FY 2020.
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 2020. 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 2020

	Components of Directors' fees[3,4] (S$)		
	Cash component	Unit component[4]	Total (S$)[5]
NON-EXECUTIVE DIRECTORS			
Soh Kim Soon	87,400	21,850	109,250
Fong Heng Boo	72,200	18,050	90,250
Christopher Gee Kok Aun	60,800	15,200	76,000
Tan Kong Yam	59,280	14,820	74,100
Neo Poh Kiat	41,800	10,450	52,250
Kuan Li Li	41,800	10,450	52,250
Lucas Ignatius Loh Jen Yuh	N.A.[6]	N.A.[6]	N.A.[6]
Lim Cho Pin Andrew Geoffrey	N.A.[6]	N.A.[6]	N.A.[6]
Aggregate of remuneration for Non-Executive Directors: S$454,100			

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 CL 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 In solidarity with CLCT's stakeholders, the Board agreed to voluntary 5% reduction in the total FY 2020 fees for each Director.
6 Non-executive Directors who are employees of CL Group do not receive Directors' fees.

ENTERPRISE RISK MANAGEMENT

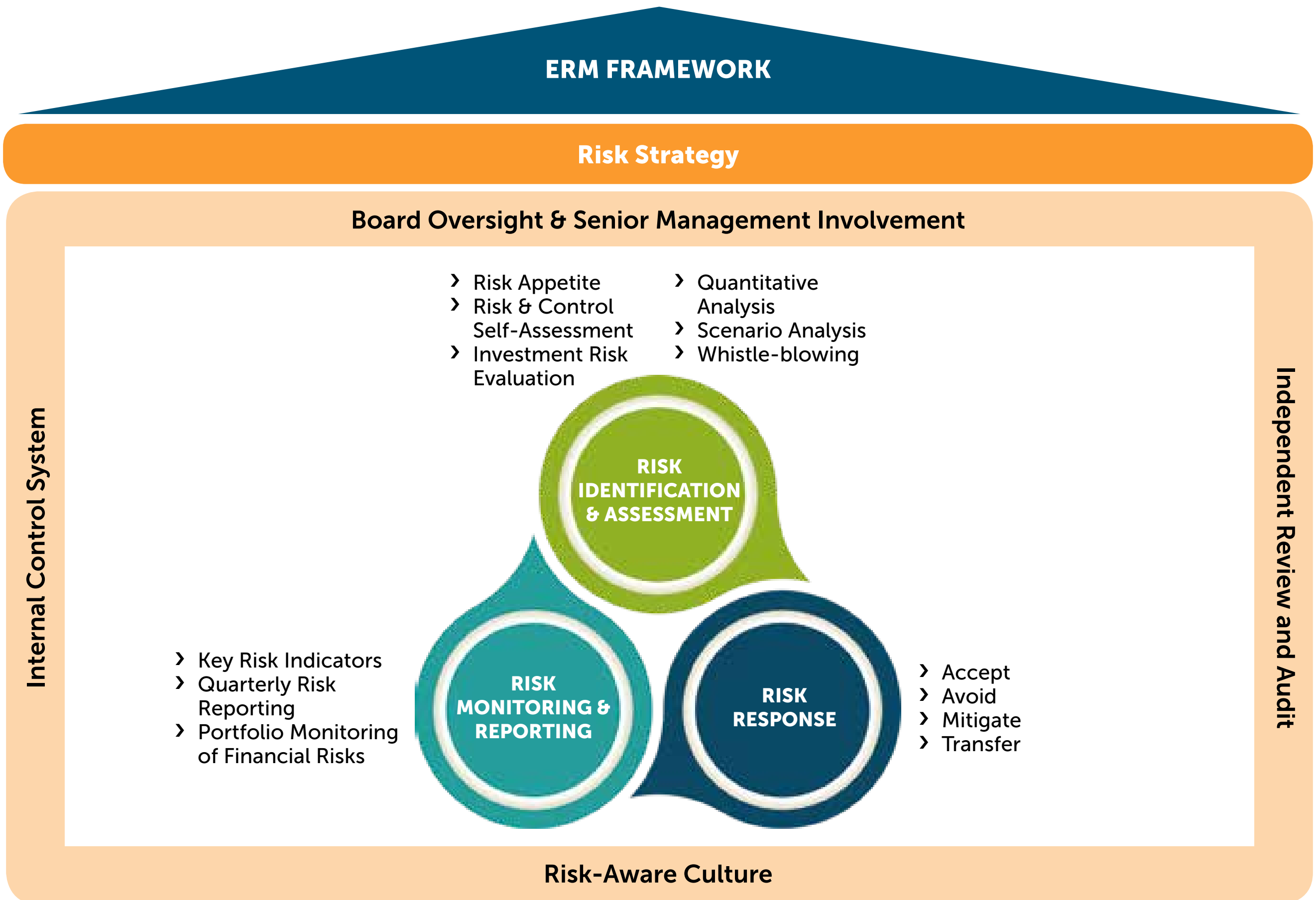
CapitaLand China Trust and its subsidiaries (CLCT Group) takes a proactive approach to risk management, making it an integral part of our business – both strategically and operationally. Our objective is not risk minimisation, but rather the optimisation of opportunities within the known and agreed risk appetite levels set by the Board of Directors. We take measured risks in a prudent manner for justifiable business reasons.

GOVERNANCE

The Board of Directors of the Manager (CLCT Board) is responsible for the governance of risks across CLCT Group. The role of the CLCT Board includes determining CLCT Group's risk appetite; overseeing the Manager's Enterprise Risk Management (ERM) Framework; regularly reviewing CLCT Group's risk profile, material risks and mitigation strategies; and ensuring the adequacy and effectiveness of the risk management framework and policies. For these purposes, the Board is assisted by the Audit Committee (AC), which provides dedicated oversight of risk management at the Board level, including adhoc risk matters referred to it by the Board.

The AC currently comprises three independent Board members and one non-independent Board member and meets quarterly. The AC meetings are attended by the CEO as well as other key management staff of the Manager.

The Board approves CLCT Group's risk appetite, which determines the nature and extent of material risks that the Manager is willing to take to achieve its strategic and business objectives. CLCT Group's Risk Appetite Statement (RAS) is expressed via formal, high-level and overarching statements and accompanying risk limits which determine specific risk boundaries established at an operational level. Taking the interests of all key stakeholders into consideration, the RAS sets out explicit and forward-looking views of CLCT Group's desired risk profile and ensures it is aligned with CLCT Group's strategies and business plans.



The Manager's ERM Framework is adapted from the International Organization for Standardization (ISO) 31000 International Risk Management Standards. It is also guided by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) Internal Control-Integrated Framework and other relevant best practices and guidelines. It specifies the required environmental and organisational components needed to manage risks in an integrated, systematic and consistent manner. The ERM Framework and related risk management policies are reviewed annually and updated in compliance with latest regulatory requirements as well as best practices in the industry.

A robust internal control system and an effective, independent review and audit process underpin the Manager's ERM Framework. While line management is responsible for the design and implementation of effective internal controls using a risk-based approach, the CapitaLand's Internal Audit function reviews such design and implementation to provide reasonable assurance to the AC on the adequacy and effectiveness of the risk management and internal control systems.

CLCT Group's ERM programme is based on fostering the right risk culture. The Manager works closely with CapitaLand's Group Risk Management Department (GRM) to conduct regular workshops to enhance risk management knowledge and promote a culture of risk awareness within CLCT Group. Risk management principles are embedded in all our decision-making and business processes.

Once a year, the Manager coordinates CLCT Group's Risk and Control Self-Assessment (RCSA) exercise. This requires respective risk and control owners to identify, assess and document material risks which includes Environment, Social and Governance (ESG)- relevant risks; along with their key controls and mitigating measures. Material risks and their associated controls are consolidated and reviewed by the Manager before they are presented to the AC and the Board.

MANAGING MATERIAL RISKS

The Manager takes a comprehensive, iterative approach in identifying, managing, monitoring and reporting material risks across CLCT Group. These material risks include:

Material Risk	Details	Key Mitigating Action
Business Interruption/ Pandemic	› 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. › Improper management and response on such sudden and major disaster events may result in loss in customer confidence and damage to reputation. › Business disruptions arising from COVID-19 pandemic has negatively impacted the real estate industry, of relevance to CLCT Group, among others, retail, resulting in potential structural disruption shifts in these asset classes.	› Proactive facilities management such as routine inspection and scheduled maintenance and having crisis management procedures for each mall. › The outsourced Information Technology (IT) team from CapitaLand has a defined disaster recovery plan which is reviewed and tested annually. › Actively monitor related news to correct any inaccuracies. › Continue to place the well-being of our tenants and shoppers being top priority by adopting contactless technologies and innovative technical solutions to enhance the safety, cleanliness and hygiene at CLCT Group's properties. › Future proof CLCT Group's business through digitalisation of business operations and processes.

ENTERPRISE RISK MANAGEMENT

Material Risk	Details	Key Mitigating Action
Climate Change	› Physical risks such as rising sea levels, violent storms, long intense heat waves, flash floods and fresh water depletion. › Transitional risks including potentially more stringent regulations and increased expectations from stakeholders.	› Regularly reviews of CLCT's Group 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. › CapitaLand has in place a Group environmental management system which is externally certified to ISO 14001. › For more information, please refer to CapitaLand's Global Sustainability Report 2020, to be published by 31 May 2021.
Competition	› Keen industry competition from established players, online businesses and new market entrants who are able to capture our customers by meeting their expectations or reacting aptly to market trends.	› Constantly strive to differentiate ourselves in the market place through ongoing brand building › Constant stream of customer-centric initiatives and a shopper loyalty programme also help set us apart › In-house team of industry analysts to keep CLCT Group on top of latest market trends. › Embrace the latest digital innovation and solutions to enhance customers' experience.
Economic	› Exposure to event risks, such as pandemic, political leadership uncertainties/ changes, trade wars, economic downturns and sudden changes in real estate-related regulations, in major economies, key financial and property markets.	› Disciplined approach to capital management and a strong balance sheet. › Well-balanced portfolio across China with majority of our malls in core cities. › Actively monitor macroeconomic trends, policies and regulatory changes.
Foreign Exchange	› Exposed 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 its investments. › Regularly review and monitor the foreign currency translation reserve as the account balance is affected by CLCT Group's overseas investments in foreign subsidiaries whose net assets are exposed to currency translation risk. › 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.
Fraud, Bribery & Corruption	› Any forms of fraud, bribery and corruption that could be perpetuated by employees, third parties or collusion between employees and third parties.	› Promote an ethical culture at all levels of the CapitaLand Group that builds strong foundations for a leading real estate company through constant education and awareness exercises. › Adopt a zero-tolerance stance against fraud, bribery and corruption in the conduct of business and reinforce the importance of integrity – one of the CapitaLand's core values. › Communicate the commitment to integrity from the top through policies in place, such as Fraud, Bribery & Corruption (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. › All employees are to sign the CapitaLand Pledge to renew their commitment to uphold the Group's core values annually.

Material Risk	Details	Key Mitigating Action
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 and operating needs. › Access to various sources of funds from banks and capital markets to minimise over-reliance on a single source of funds for any funding or refinancing requirement.
Information Technology/ Cyber Security	› 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. This may have negative impact to customer experience, financials and/or regulatory compliance.	› Executes CapitaLand's Cyber Security Strategy through ongoing review against existing/evolving threat landscapes and institute measures to minimise vulnerability exposure and manage threat vectors. › Roll out ongoing staff IT Security Awareness Training to counter human intervention in the information security chain. › Maintain and test IT Security Incident Management Procedure to ensure prompt response and timely remediation to cyber security incident. › Conduct annual Disaster Recovery Plan (DRP) exercise to ensure timely recoverability of business-critical IT systems. › Engage independent security service providers to conduct vulnerability assessment to further strengthen the IT systems.
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, taking into consideration the investments holding period and nature of the assets. › Adopt a policy that requires the majority of CLCT Group debts' interest rate to be on fixed basis. This is managed through borrowing at fixed rate or the use of hedging instruments, such as interest rate swaps, to partially mitigate the risk of unfavourable interest rate fluctuations.
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.	› Evaluate all investments against a rigorous set of investment criteria. › CapitaLand's GRM conducts a comprehensive independent risk evaluation report for all projects above a stipulated investment value threshold. › 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. › Conduct rigorous due diligence reviews on all investment and divestment proposals. › Monitor asset performance for both completed and projects under development › Integrate sustainability in real estate life cycle from the earliest stage of our investment, redevelopment and divestment process

ENTERPRISE RISK MANAGEMENT

Material Risk	Details	Key Mitigating Action
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 with economic and political developments and policy changes. › CLCT Group's malls are operated by experienced management team familiar with the local cultures and environment.
Regulatory & Compliance	Non-compliance to applicable local laws and regulations in the markets CLCT Group operates in which may lead to hefty penalties/fines and negative publicity.	› Maintain a framework that proactively identifies the applicable laws and regulations and embeds compliance into day-to-day operations. › Leverage in-house specialised teams such as compliance and tax that provide advisory services and updates on latest changes to laws and regulations. › Report significant regulatory non-compliance cases to the AC on a quarterly basis for oversight by the Board.
Safety, Health & Well-being	Increased expectations from stakeholders to provide safe and healthy environment, including well-being, at CLCT Group's development projects and operations.	› Regularly reviews of CLCT Group's mitigation efforts which include work-related safety targets applicable to both CLCT Group and our supply chain › CapitaLand has in place a Group health and safety management system which is externally certified to ISO 45001. › For more information, please refer to CapitaLand's Global Sustainability Report 2020, to be published by 31 May 2021.
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 tenant base and sustainable trade mix. › Proactive tenant management strategies to understand and address customers' changing needs › Proactive tenant management strategies which are in line with the mall's positioning are in place › Closely monitor tenants' sales performance and maintain positive relationships and rapport with retailers to build loyalty with CLCT Group's properties

INVESTOR & MEDIA RELATIONS

COMMITTED TO ENGAGE IN TWO-WAY COMMUNICATION WITH THE INVESTMENT COMMUNITY

CLCT is committed to provide the investor and media community with timely, accurate and transparent information. Regular and proactive engagement with the investment community is conducted to provide a clear overview and explanation of CLCT's business, operating performance and future growth strategy to raise the profile of CLCT among investors. The valuable feedback and insights gathered from these engagements allow the investor relations (IR) team to understand the investment community's views and concerns to better improve the communications strategy as well as outreach activities. The stakeholder groups include Unitholders, potential retail and institutional investors, analysts and the media.

Our commitment to Unitholders is underpinned by our "Unitholders' Communication and Investor Relations Policy", which addresses CLCT's guiding principles of its approach. The policy is accessible on CLCT's corporate website (www.clct.com.sg) under the Investor Relations section.

To facilitate the prompt dissemination of information, all announcements and news are published on CLCT's corporate website including financial results, business updates, annual reports, property details as well as presentation decks used at conferences and roadshows. Investors may also sign up for email alerts to receive timely updates on CLCT's latest announcements and press releases. A dedicated "Ask Us" email address (ask-us@clct.com.sg) is also available to address queries from investors and the general public.


Live virtual webcast for the proposed acquisition of the five business parks and balance 49% interest in Rock Square

PROACTIVE ENGAGEMENT THROUGH MULTIPLE CHANNELS

To cultivate relationships with key stakeholders and to broaden and diversify Unitholder base, the IR team proactively engages with the investment community through multiple platforms and channels.

Despite the onset of the COVID-19 pandemic that limited international travel, CLCT took the opportunity to participate in virtual conferences targeting institutional investors in new geographic locations such as Korea and China. Cumulative in 2020, the CLCT management team spoke with close to 400 institutional investors globally and locally through investor conferences, one-on-one meetings by virtual means and teleconferences.

Retail investors are an important part of CLCT outreach efforts. CLCT participated in the REITs Symposium 2020 Online Edition in September 2020. Attended by close to 1,800 unique attendees, the REITs Symposium provided a good platform for participants to listen to the perspective and strategic direction of CLCT as well as raise questions and interact with the management. CLCT is a member of the Investor Relations Professional Association Singapore (IRPAS) and the REITAS.

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

As announced on 26 February 2020, CLCT will adopt the announcement of financial statements on a half yearly basis. Notwithstanding the change, CLCT continues to engage stakeholders through 1Q and 3Q business updates. Analysts and media are invited to CLCT's biannual financial results virtual briefings, hosted by the CEO. Recordings of the briefings are available on CLCT's website to keep stakeholders abreast of the latest developments.

AGM AND EGM

The AGM and EGM provides an important channel of communication between the management and Unitholders.

Due to the COVID-19 restriction orders in Singapore, the AGM on 24 June 2020 was conducted via 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. All five resolutions tabled at the AGM were duly passed.

INVESTOR & MEDIA RELATIONS

Platinum at the 7th Asia Pacific Best of the Breeds REITs Awards 2020 under the Best Retail REIT category for Market Capitalisation of US$1.0 billion and above

On 22 December 2020, CLCT convened an EGM via electronic means to seek Unitholders' approval for the proposed acquisition of Ascendas Xinsu Portfolio, Ascendas Innovation Towers, Ascendas Innovation Hub, Singapore-Hangzhou Science & Technology Park Phase I and Phase II and balance 49% interest in Rock Square, which is an interested person transaction. Given that this is CLCT's maiden acquisition into a new asset class - business parks, the IR team prepared an introductory video on the proposed acquisition to ensure that Unitholders are well-informed of the transaction. At the EGM, Unitholders gave a resounding support of 99.87% in favor, providing a strong testament of Unitholder's support to CLCT's transformative move to become a multi-asset China-focused REIT.

Prior to the AGM and EGM, the management addressed all substantial and relevant questions, submitted in advanced from existing institutional and retail investors. All AGM and EGM resolutions were voted via electronic poll, with results announced during the sessions and published on SGXNet on the same day. Minutes of the AGM and EGM were also made available on CLCT's website for greater transparency.

AWARDS AND ACCOLADES

In 2020, CLCT was awarded Platinum at the 7th Asia Pacific Best of the Breeds REITs Awards 2020 under the Best Retail REIT category for Market Capitalisation of US$1.0 billion and above.

COVERAGE BY EQUITY RESEARCH HOUSES

CLCT is currently covered by six research houses as disclosed on the website, and is a component stock of FTSE Straits Times Real Estate Investment Trust Index and FTSE EPRA Nareit Global Emerging Index.

UNITHOLDINGS BY INVESTOR TYPE[1] (%)

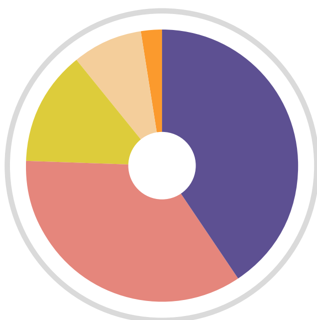
As at 31 December 2020

CapitaLand	30.9%
Institutional Investors	33.9%
Retail Investors	35.2%

1 Excludes unidentified and unanalysed holdings.

UNITHOLDERS BY GEOGRAPHY[1] (%)

As at 31 December 2020



Singapore (excluding CapitaLand Group's Unitholdings)	40.6%
Asia (excluding Singapore)	35.1%
North America	13.5%
UK and Europe	8.4%
Rest of the World	2.4%

1 Excludes unidentified and unanalysed holdings.

INVESTOR RELATIONS & MEDIA CALENDAR 2020

	Events
1st Quarter	FY 2019 post-results Analyst & Media Briefing FY 2019 post-results call with investors (Virtual)
2nd Quarter	1Q 2020 Business Updates (Virtual) 1Q 2020 post-results call with investors (Virtual) SGX-NH S-REITs Corporate Day(Virtual) CLCT SGX-BOC Virtual Event 2020 SGX-CICC Equity Virtual Event 2020 Citi Pan-Asia Regional Investor Conference 2020 (Virtual) CLCT Annual General Meeting (Virtual)
3rd Quarter	1H 2020 post-results Analyst & Media Briefing (Virtual) 1H 2020 post-results call with investors (Virtual) Citi-REITAS-SGX C-Suite Singapore REITS & Sponsors Forum 2020 (Virtual) DBS-SGX-REITAS Future of Real Estate Series (Virtual) REITs Symposium 2020 Online Edition
4th Quarter	CICC-SGX Virtual Corporate Access Event Expansion of Investment Mandate Analyst & Media Briefing (Virtual) Investor Roadshow for Issuance of Perpetual Securities (Virtual) 3Q 2020 Business Updates (Virtual) 3Q 2020 post-results call with investors (Virtual) Analyst & Media Briefing for the Proposed Acquisition of Five Business Park Properties and Balance 49% Interest in Rock Square (Virtual) Extraordinary General Meeting (Virtual)

Financial Calendar 2021/2022 (Dates are indicative and are subject to change)	
Second Half Distribution to Unitholders	March 2021
Annual General Meeting	April 2021
First Quarter Business Updates	April 2021
Second Quarter Results Announcement	July 2021
First Half Distribution to Unitholders	September 2021
Third Quarter Business Updates	October 2021
Full Year Results Announcement	January 2022
Full Year Distribution to Unitholders	March 2022

UNITHOLDER & MEDIA ENQUIRIES

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

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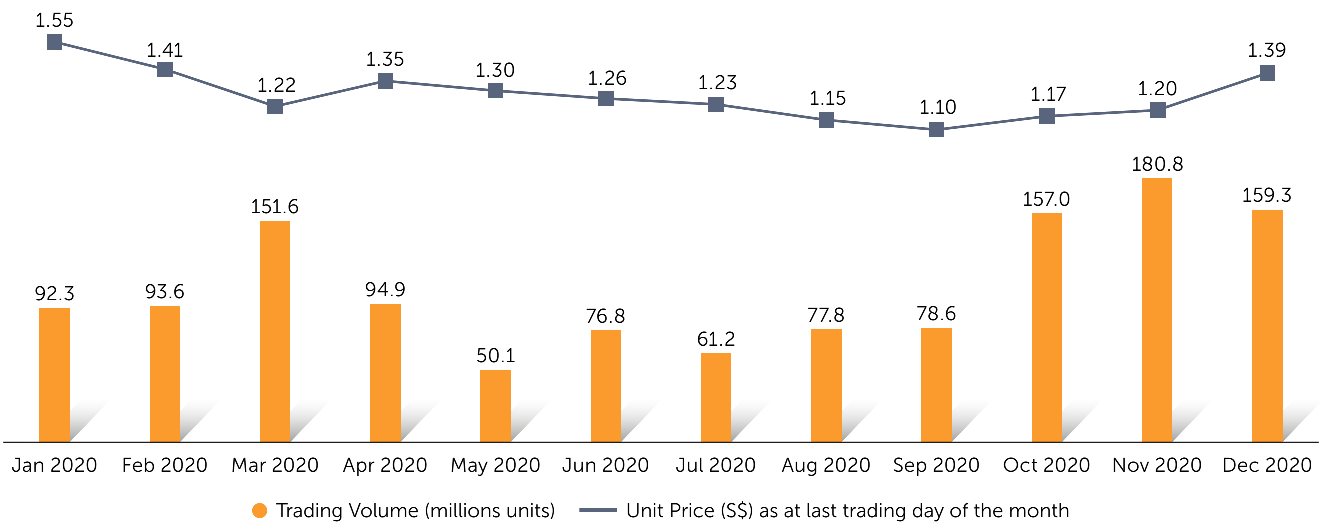
UNIT PRICE PERFORMANCE

In FY 2020, CLCT's market capitalisation reached a new high of S$2.1 billion as at 31 December 2020, affirming CLCT's position as the largest multi-asset China focused S-REIT. Likewise, CLCT recorded an average daily trading volume high of 5.1 million units, which is more than double FY 2019's level.

CLCT TRADING DATA IN FY 2020

Opening Unit Price on 2 January 2020	1.60
Closing Unit Price on 31 December 2020	1.39
Highest Unit Price (S$)	1.69
Lowest Unit Price (S$)	0.97
Average Closing Unit Price (S$)	1.30
Total Volume Traded (million units)	1,274
Average Daily Trading Volume (million units)	5.1
Market Capitalisation (S$ billion)	2.1
Net Asset Value Per Unit (S$)	1.49

CLCT MONTHLY TRADING PERFORMANCE IN FY 2020



RETURN ON INVESTMENT

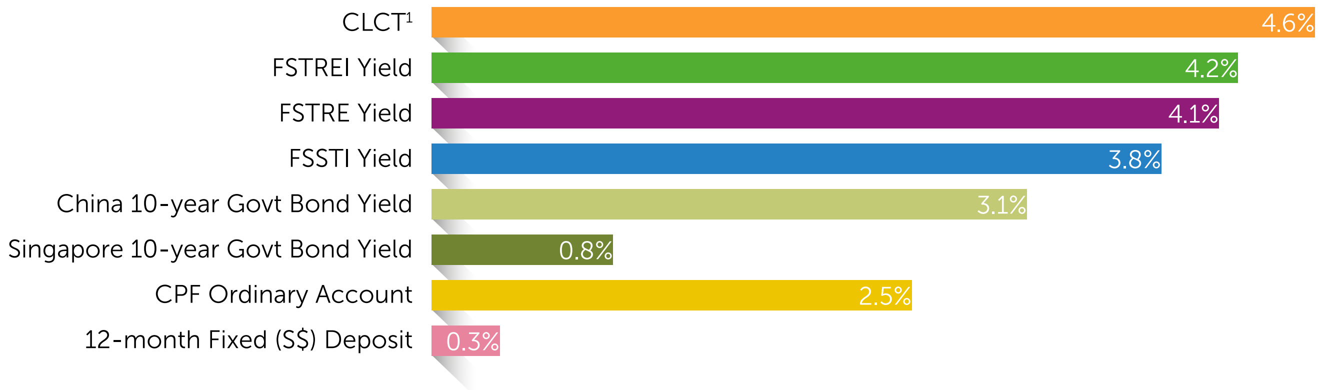
Amidst the confluence of COVID-19 pandemic and geopolitical challenges, the equity markets including S-REITs were impacted. In 2020, CLCT outperformed the Singapore Straits Times Index (STI) in terms of total return by 1.1%. Over a longer five-year period, CLCT's total return stood at 33.0% as compared to the STI at 19.1%.

	1 Year		5 Year	
	Price Change	Total Return[1]	Price Change	Total Return[1]
CLCT	-13.4%	-7.0%	-6.3%	33.0%
STI	-11.8%	-8.1%	-1.4%	19.1%

Source: Bloomberg
1 Assumes dividends were reinvested.

COMPARATIVE YIELDS (%)

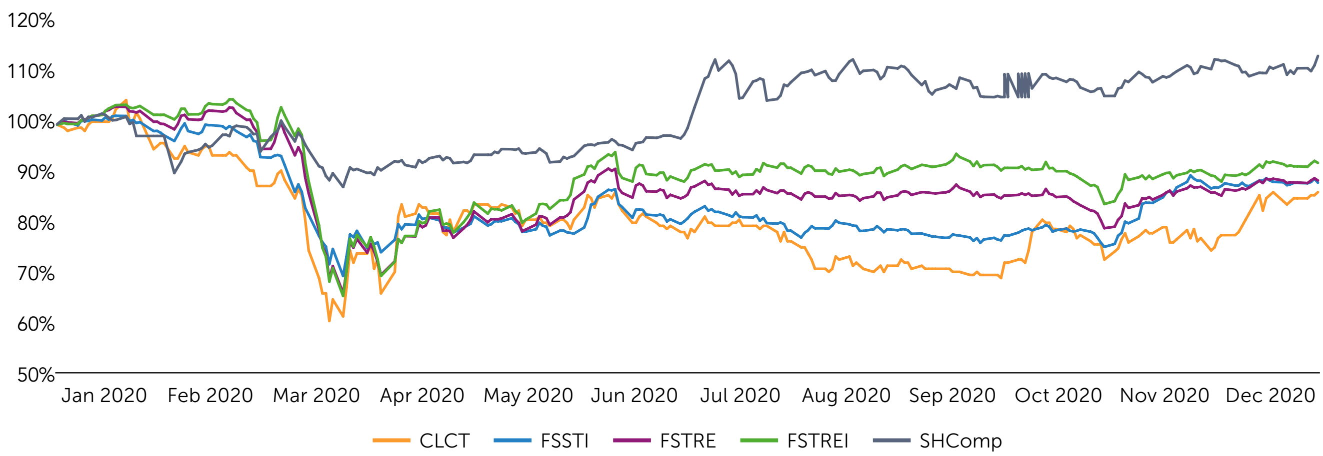
(As at 31 December 2020)



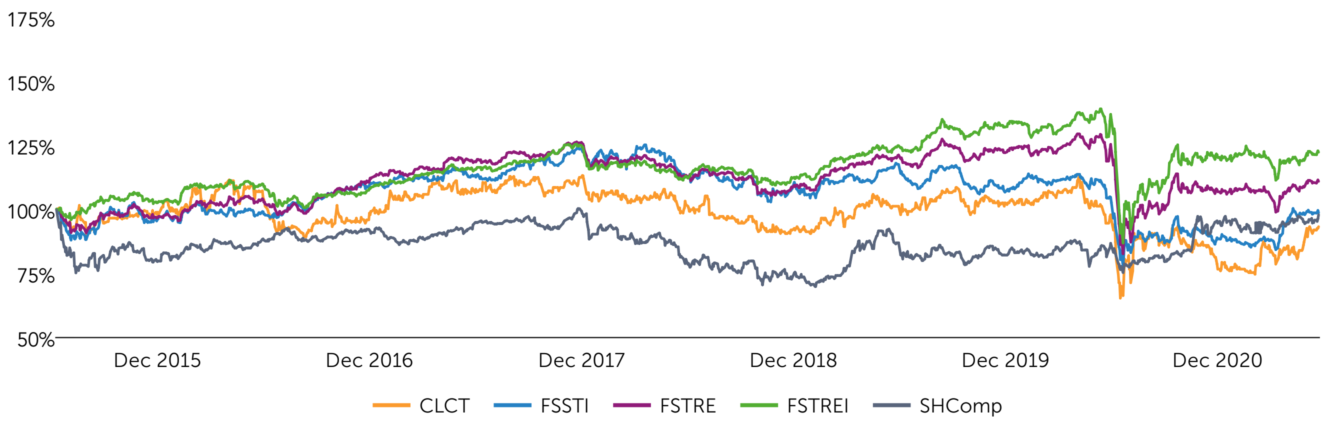
Source: Bloomberg, CLCTML, Central Provident Fund (CPF) Board, Monetary Authority of Singapore

1 Based on FY 2020 distribution per unit of 6.35 cents and the unit closing price of S$1.39 on 31 December 2020.

COMPARATIVE TRADING PERFORMANCE OF CLCT COMPARED TO MAJOR INDICES FOR FY2020



COMPARATIVE TRADING PERFORMANCE OF CLCT COMPARED TO MAJOR INDICES FROM FY2016 TO FY2020



OPERATIONS REVIEW

COVID-19 posed challenges to the operations of our shopping malls. The impact was cushioned by CLCT's geographically diverse 13 quality malls located in eight cities across China with an aggregate GFA of approximately 1.1 million sq m.

As at 31 December 2020, the portfolio had a committed occupancy rate[1] of 94.1% and a WALE[1] of 3.7 years by Net Lettable Area (NLA) and 2.4 years by Gross Rental Income (GRI).

WELL-DIVERSIFIED AND HIGH-QUALITY TENANT BASE

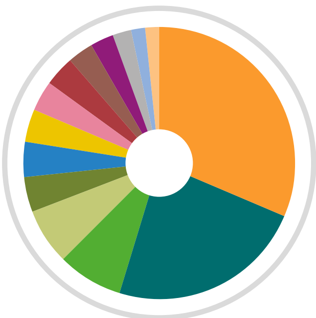
CLCT's retail portfolio has a well-diversified tenant base of more than 2,100 high quality tenants from over 14 different trade sectors. The top three largest trade sectors (F&B, Fashion & Accessories and Supermarket) accounted for 62.6% of the portfolio's GRI.

Notwithstanding the onset of COVID-19 pandemic, CLCT continued to stay focused on improving portfolio resilience by enhancing tenant diversification and increasing the tenant mix towards essential trades. 43.1% of the tenants fall within the essential trade[2] category as at 31 December 2020, providing income resilience across market cycles. To enhance our malls' offerings, CLCT attracted tenants that were aligned with emerging trends, which includes introducing more cosmetics, sports as well as new F&B concepts and brands.

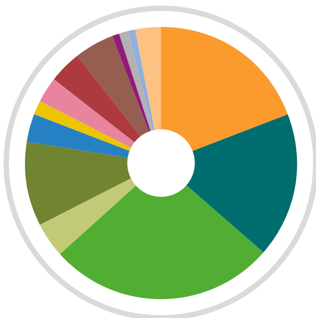
BREAKDOWN OF CLCT PORTFOLIO BY TRADE SECTOR[1]

(as at 31 December 2020)

BY GROSS RENTAL INCOME (%)



BY COMMITTED NLA (%)



Trade Sector	By GRI (%)	By Committed NLA (%)
Food & Beverage	31.6%	19.3%
Fashion & Accessories	23.4%	17.1%
Supermarket	7.6%	27.2%
Beauty & Healthcare	6.9%	4.2%
Leisure & Entertainment	4.1%	10.0%
Others	4.0%	3.2%
Sundry & Services	3.9%	1.8%
Sporting Goods & Apparel	3.8%	3.0%
Education	3.5%	3.8%
Houseware & Furnishings	2.9%	4.6%
Jewellery/Watches/Pens	2.9%	0.9%
Shoes & Bags	2.2%	1.2%
Information & Technology	1.7%	0.8%
Department Stores	1.5%	2.9%

1 Excludes CapitaMall Minzhongleyuan and CapitaMall Saihan. The divestment of CapitaMall Minzhongleyuan was completed in February 2021. The divestment of CapitaMall Saihan is expected to be completed in 2Q 2021.

2 Includes supermarket, F&B and services.

TOP 10 TENANTS

As at 31 December 2020, no single tenant contributed more than 4.1% of the portfolio's GRI. The portfolio's biggest tenant exposure is Beijing Hualian Group of Controlled Entities (BHG). BHG takes up anchor spaces at CapitaMall Xizhimen, CapitaMall Wangjing, CapitaMall Xuefu, CapitaMall Aidemengdun and CapitaMall Nuohemule. Collectively, the top 10 largest tenants accounted for 17.1% of the total rental income for the month of December 2020, down from 17.6% last year, decreasing tenant concentration risk.

TOP 10 TENANTS
(Based on percentage of Total Rental Income in the month of December 2020)

	Tenant[1]	Brand Names	Trade Sector	% of Total Rental Income[2]
1	BHG Group of Companies	Beijing Hualian Department Store Beijing Hualian Supermarket Costa Coffee	Department Store Supermarket Food & Beverages	4.1%
2	Carrefour Group of Companies	Carrefour	Supermarket	3.5%
3	UNIQLO Group of Companies	UNIQLO	Fashion & Accessories	2.3%
4	绫致时装(天津)有限公司	Only Jack & Jones Vero Moda Selected	Fashion & Accessories	1.7%
5	北京百安居装饰建材有限公司	B&Q	Houseware & Furnishings	1.1%
6	Yum! Brands Group of Companies	KFC Pizza Hut	Food & Beverage	1.1%
7	广东永旺天河城商业有限公司	AEON	Supermarket	1.0%
8	Watsons Group of Companies	Watsons	Beauty & Healthcare	0.8%
9	Inditex Group of Companies	ZARA PULL&BEAR Bershka	Fashion & Accessories	0.8%
10	Gap Group of Companies	GAP	Fashion & Accessories	0.7%

1 Tenants that are under the same group of companies are listed together.
2 Includes both the contractual gross rental income and the gross turnover rental income for the month of December 2020 to account for pure GTO leases.

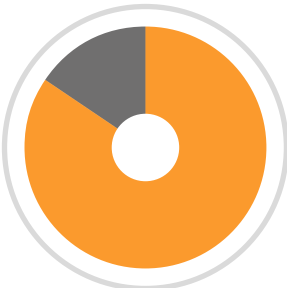
New sports retail store and food offerings at CapitaMall Xuefu

OPERATIONS REVIEW

FAVOURABLE LEASE STRUCTURE WITH UPSIDE

CLCT's lease structure is structured to provide Unitholders with stable and strong growing rental cash flow. GRI comprises base rental income, service fee and advertising and promotion fee. Approximately 84.5% of the leases (by GRI) contain turnover rent provisions, enabling CLCT to participate in the growth of high performing tenants while providing stable base rent. Majority of the leases for anchor and mini anchor tenants have annual step-up rental structures, adding steady organic growth to the income stream. In addition, tenants' sales data can be tracked seamlessly with the integration of CLCT's and tenants' point-of-sale systems.

% OF COMMITTED LEASES WITH TURNOVER RENT PROVISIONS BY GROSS RENTAL INCOME
(as at 31 December 2020)



% of committed leases with turnover rent provisions	84.5%
% of committed leases without turnover rent provisions	15.5%

% OF COMMITTED LEASES WITH TURNOVER RENT PROVISIONS BY NLA
(as at 31 December 2020)

% of committed leases with turnover rent provisions	67.3%
% of committed leases without turnover rent provisions	32.7%

LEASE RENEWALS AND NEW LEASES

A total of 946 leases[1,2,3] were newly signed or renewed in FY 2020 (FY 2019: 826), accounting for 90,637 sq m or 21.1% of the multi-tenanted malls' NLA. The average rental reversion of these new and renewal leases was -4.0%.

In the near-term, CLCT expects pressure on asking rents for new and renewal leases, taking into account the uneven pace of recovery among the retail trade sectors as well as the temporary measures undertaken to contain the resurgence of COVID-19 cases in specific cities. As such, we have adopted differentiated approaches in our lease negotiations to manage occupancy that includes offering short-term lease extensions to allow tenants more time to assess their situation before committing to a new lease as well as staggering rental payments by instalments to ease their cashflow needs.

SUMMARY OF RENEWALS/NEW LEASES[1]

(From 1 January 2020 to 31 December 2020)

	Number of New Leases/ Renewals in FY 2020	Area (sq m)	% of Total Net Lettable Area	Variance Over Preceding Rental[2,3]
CapitaMall Xizhimen	129	14,694	28.9%	(5.1%)
Rock Square	71	6,746	12.8%	20.7%
CapitaMall Wangjing	94	9,169	17.7%	(5.4%)
CapitaMall Grand Canyon	45	5,205	11.6%	(32.8%)
CapitaMall Xuefu	235	20,337	31.7%	0.5%
CapitaMall Xinnan	115	8,918	24.3%	(11.9%)
CapitaMall Yuhuating	128	9,778	20.2%	2.4%
CapitaMall Aidemengdun	51	3,540	12.5%	(4.3%)
CapitaMall Qibao	78	12,250	24.2%	(13.1%)
CLCT Portfolio	**946**	**90,637**	**21.1%**	**(4.0%)**

1 Excludes master-leased mall, CapitaMall Saihan and CapitaMall Minzhongleyuan.
2 Excludes gross turnover component, newly created units leased, short term renewals (< 1 year) and units vacant for >=1 year.
3 Includes re-configured units.

PORTFOLIO LEASE EXPIRY PROFILE[1]

All of CLCT's malls, excluding CapitaMall Shuangjing, are considered multi-tenanted and actively managed to improve operating performance and tenancy mix to optimise rental reversions. The portfolio weighted average lease expiry[1] by GRI and NLA are 2.4 years and 3.7 years respectively. The typical lease terms are 15 to 20 years for anchor tenants, 5 to 7 years for mini-anchor tenants, and 1 to 3 years for specialty tenants, which are consistent with the market practice in China. CLCT continued to engage with its tenants ahead of lease expires to manage its lease maturities. As at 31 December 2020, 5.2% of the expiring leases in FY 2021 have been renewed or leased to new tenants.

For new and renewed leases signed in 2020[2], the weighted average lease expiry (by GRI) is 2.6 years and accounts for 48.7% of the committed GRI[3] in the month of December. The leases due in the next two years in FY 2021 and FY 2022 account for 36.0% and 19.9% of CLCT's GRI respectively.

Majority of the NLA of CapitaMall Shuangjing is let out under master-leases. These leases are long-term with a typical tenure of 20 years and are supported by periodic rental escalation, which provide income stability while delivering steady income growth.

WEIGHTED AVERAGE LEASE EXPIRY BY MALL[4]

(as at 31 December 2020)

	Weighted Expiry by GRI (Years)	Weighted Expiry by NLA (Years)
CapitaMall Xizhimen	2.1	3.7
Rock Square	2.6	4.0
CapitaMall Wangjing	2.3	4.0
CapitaMall Grand Canyon	3.4	5.8
CapitaMall Xuefu	1.9	2.7
CapitaMall Xinnan	2.2	2.8
CapitaMall Nuohemule	3.7	6.9
CapitaMall Yuhuating	1.6	1.6
CapitaMall Aidemengdun	2.8	4.2
CapitaMall Qibao	2.1	2.3
CapitaMall Shuangjing	3.2	3.2
CLCT Portfolio	**2.4**	**3.7**

PORTFOLIO LEASE EXPIRY PROFILE (%)[3]

(as at 31 December 2020)

	2021	2022	2023	2024	2025	Beyond 2025
% of Total GRI for the month of December 2020	36.0%	19.9%	15.3%	12.4%	5.4%	11.0%
% of Total NLA for the month of December 2020	24.2%	12.4%	10.3%	19.8%	7.5%	25.8%

● % of Total Gross Rental Income for the month of December 2020 ● % of Total NLA for the month of December 2020

1 Based on leases entered into and commenced in 2020, the portfolio WALE by GRI and NLA would be 2.3 years and 3.7 years respectively.
2 Based on leases entered into and commenced in 2020, the new and renewed leases WALE by GRI would be 2.5 years and accounts for 46.1% of the GRI in the month of December.
3 Excludes CapitaMall Minzhongleyuan and CapitaMall Saihan. The divestment of CapitaMall Minzhongleyuan was completed in February 2021. The divestment of CapitaMall Saihan is expected to be completed in 2Q 2021.
4 Excludes CapitaMall Saihan and CapitaMall Minzhongleyuan.

LEASE EXPIRY PROFILE FOR 2021 BY MALL[1]

(as at 31 December 2020)

	No. of leases	% of Gross Rental Income[2,3]	% of Net Lettable Area[4]
CapitaMall Xizhimen	131	43.5	25.0
Rock Square	83	28.0	19.5
CapitaMall Wangjing	115	40.4	18.9
CapitaMall Grand Canyon	54	20.5	9.3
CapitaMall Xuefu	257	47.7	33.9
CapitaMall Xinnan	110	28.7	21.2
CapitaMall Nuohemule	79	17.0	9.5
CapitaMall Yuhuating	190	63.5	69.9
CapitaMall Aidemengdun	120	53.9	41.6
CapitaMall Qibao	56	25.9	18.8
CapitaMall Shuangjing	-	-	-
Total	**1,195**	**36.0**	**24.2**

1 Excludes CapitaMall Minzhongleyuan and CapitaMall Saihan. The divestment of CapitaMall Minzhongleyuan was completed in February 2021. The divestment of CapitaMall Saihan is expected to be completed in 2Q 2021.
2 As a percentage of each respective mall's contractual monthly gross rental income for December 2020.
3 As a percentage of each respective mall's committed net lettable area for December 2020.
4 Excludes gross turnover rent.

COMMITTED OCCUPANCY RATES

As at 31 December 2020, the portfolio registered a committed occupancy rate of 94.1%[5], down from 96.7% in FY 2019.

	As at 31 December 2019 (%)	As at 31 December 2020 (%)[5]
CapitaMall Xizhimen	99.0	96.1
Rock Square	99.0	93.1
CapitaMall Wangjing	98.9	93.3
CapitaMall Grand Canyon	97.7	90.4
CapitaMall Xuefu	99.9	97.9
CapitaMall Xinnan	99.4	94.7
CapitaMall Nuohemule	-	100.0[6]
CapitaMall Yuhuating	98.8	97.9
CapitaMall Aidemengdun	97.4	92.2
CapitaMall Qibao	93.5	80.6
CapitaMall Shuangjing	99.7	98.5
CapitaMall Saihan	99.8	-
CapitaMall Minzhongleyuan	55.5	-
CLCT Portfolio	**96.7**	**94.1**

5 Excludes CapitaMall Minzhongleyuan as the mall was divested in February 2021 and CapitaMall Saihan because the mall will be divested in 2Q 2021. If includes CapitaMall Minzhongleyuan, portfolio occupancy rate would be 91.6%.
6 Exclude non-retail storeroom units.

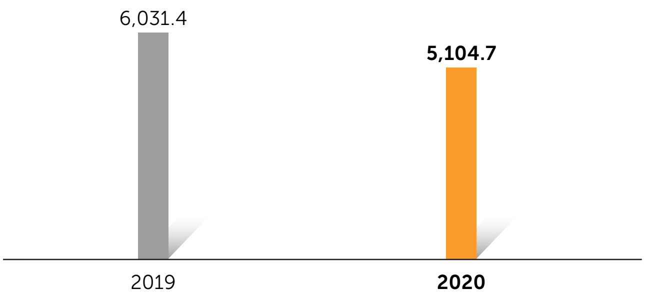
TENANTS' SALES AND SHOPPER TRAFFIC

CLCT's portfolio tenant sales and shopper traffic in FY 2020 was impacted by COVID-19. Total portfolio tenant sales and traffic for FY 2020 declined 15.4% and 20.6% year-on-year respectively due to impact from government measures taken to contain the spread of COVID-19. The range of measures undertaken by the Chinese Government includes shortening mall operating hours, closing of malls, restricting certain trades from operating, as well as adopting strict safe distancing and crowd control measures.

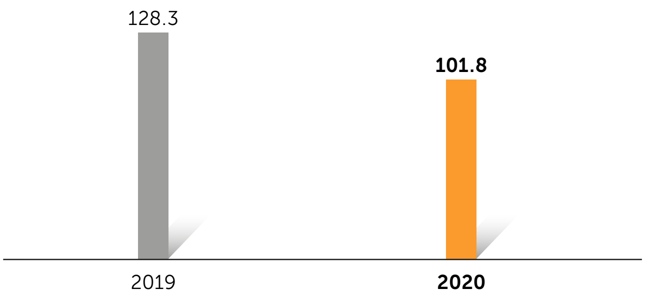
The most stringent COVID-19 measures occurred during 1Q 2020 and these measures were gradually relaxed as the situation improved. As consumer confidence returned across the quarters, we saw sustained improvement in both our tenant sales and traffic. From the peak of the outbreak in 1Q 2020, portfolio traffic increased 26.1%, 34.5% and 10.7% quarter-on-quarter (QoQ) in 2Q 2020, 3Q 2020 and 4Q 2020 respectively while portfolio tenant sales rose 9.9%, 25.7% and 5.2% in 2Q 2020, 3Q 2020 and 4Q 2020 respectively. By 4Q 2020, tenant sales on RMB per sq m reached 95.1% year-on-year recovery as compared to the same period last year.

We will continue to improve our retail offerings and balance occupancy with the desired trade concepts to meet the needs of today's consumers.

PORTFOLIO TENANTS' SALES[1]
(RMB Million)



SHOPPER TRAFFIC[1]
(Million)



1 Tenants' Sales and Shopper Traffic are based on CLCT's respective holding period of its multi-tenanted assets (namely CapitaMall Xizhimen, CapitaMall Wangjing, CapitaMall Grand Canyon, CapitaMall Xinnan, CapitaMall Qibao, CapitaMall Saihan, CapitaMall Nuohemule, Rock Square (100% basis), CapitaMall Xuefu, CapitaMall Aidemengdun and CapitaMall Yuhuating) in each respective year. Excluded tenant sales and shopper traffic from CapitaMall Minzhongleyuan as the mall has been divested.

Fun indoor go-karting at CapitaMall Nuohemule

New sports offering at CapitaMall Grand Canyon

FINANCIAL REVIEW

GROSS REVENUE

In RMB terms, gross revenue for FY 2020 was RMB1,056.2 million, a decrease of 12.2% from FY 2019. The decrease was mainly attributed to measures extended to support tenants' business recovery amidst a challenging COVID-19 environment, the absence of CapitaMall Erqi's contribution following its divestment on 28 May 2020 as well as lower average portfolio occupancy and rent, partially offset by incremental contributions from CapitaMall Yuhuating, CapitaMall Xuefu and CapitaMall Aidemengdun, which were acquired on 30 August 2019. Including Rock Square, gross revenue for FY 2020 was RMB1,147.4 million, or a decrease of 12.3% from FY 2019.

Gross Revenue by Property	FY 2020 S$'000	FY 2019 S$'000	% Change	FY 2020 RMB'000	FY 2019 RMB'000	% Change
MULTI-TENANTED MALLS						
CapitaMall Xizhimen	48,797	61,171	(20.2)	244,816	308,852	(20.7)
CapitaMall Wangjing	39,359	48,284	(18.5)	197,468	243,785	(19.0)
CapitaMall Grand Canyon	16,945	26,428	(35.9)	85,014	133,434	(36.3)
CapitaMall Xuefu[1]	26,413	11,444	N.M	132,517	57,782	N.M
CapitaMall Xinnan	22,525	27,417	(17.8)	113,010	138,425	(18.4)
CapitaMall Yuhuating[1]	14,421	5,370	N.M	72,353	27,113	N.M
CapitaMall Aidemengdun[1]	6,774	3,268	N.M	33,985	16,501	N.M
CapitaMall Qibao	14,192	19,335	(26.6)	71,203	97,620	(27.1)
Total multi-tenanted malls	**189,426**	**202,717**	**(6.6)**	**950,366**	**1,023,512**	**(7.1)**
MASTER-LEASED MALLS						
CapitaMall Shuangjing	8,640	9,427	(8.3)	43,348	47,598	(8.9)
DIVESTED / TO BE DIVESTED						
CapitaMall Erqi[2]	-	8,546	-	-	43,148	-
CapitaMall Minzhongleyuan	1,478	3,661	(59.6)	7,419	18,482	(59.9)
CapitaMall Saihan	10,981	13,820	(20.5)	55,093	69,776	(21.0)
CapitaMall Wuhu[3]	-	14	-	-	71	-
Total Gross Revenue	**210,525**	**238,185**	**(11.6)**	**1,056,226**	**1,202,587**	**(12.2)**
CLCT's interest in joint venture's gross revenue is shown below for information:						
Rock Square[4]	18,176	20,970	(13.3)	91,190	105,879	(13.9)
Total including joint venture	**228,701**	**259,155**	**(11.8)**	**1,147,416**	**1,308,466**	**(12.3)**

1 FY2019's contribution is for period from 1 September 2019 to 31 December 2019.
2 Divestment completed in May 2020.
3 Divestment completed in July 2019.
4 This relates to 51.0% interest in Rock Square.

NET PROPERTY INCOME

In RMB terms, NPI for FY 2020 was RMB678.2 million, a decrease of 18.8% from FY 2019. The decrease was mainly attributed to measures extended to support tenants' business recovery amidst a challenging COVID-19 environment, the absence of CapitaMall Erqi's contribution following its divestment on 28 May 2020 as well as lower average portfolio occupancy and rent, partially offset by incremental contributions from CapitaMall Yuhuating, CapitaMall Xuefu and CapitaMall Aidemengdun, which were acquired on 30 August 2019. Including Rock Square, NPI for FY 2020 was RMB744.0 million, a decrease of 18.2% from FY 2019.

NPI by Property	FY 2020 S$'000	FY 2019 S$'000	% Change	FY 2020 RMB'000	FY 2019 RMB'000	% Change
MULTI-TENANTED MALLS						
CapitaMall Xizhimen	33,398	43,648	(23.5)	167,469	220,378	(24.0)
CapitaMall Wangjing	28,322	35,079	(19.3)	142,097	177,113	(19.8)
CapitaMall Grand Canyon	10,127	17,891	(43.4)	50,811	90,332	(43.8)
CapitaMall Xuefu[1]	16,211	7,195	N.M	81,334	36,330	N.M
CapitaMall Xinnan	16,323	19,755	(17.4)	81,894	99,742	(17.9)
CapitaMall Yuhuating[1]	8,373	3,021	N.M	42,008	15,255	N.M
CapitaMall Aidemengdun[1]	2,783	1,698	63.9	13,961	8,573	62.8
CapitaMall Qibao[3]	9,530	14,131	(32.6)	47,812	71,347	(33.0)
Total multi-tenanted malls	**125,067**	**142,418**	**(12.2)**	**627,386**	**719,070**	**(12.8)**
MASTER-LEASED MALLS						
CapitaMall Shuangjing	7,093	7,547	6.0	35,588	38,106	6.6
DIVESTED / TO BE DIVESTED						
CapitaMall Erqi[2]	(249)	6,829	N.M.	(1,260)	34,477	N.M.
CapitaMall Minzhongleyuan[3]	(34)	697	N.M.	(166)	3,517	N.M.
CapitaMall Saihan	3,319	8,127	(59.2)	16,646	41,031	(59.4)
CapitaMall Wuhu[4]	-	(247)	-	-	(1,233)	-
Total Net Property Income	**135,196**	**165,371**	**(18.2)**	**678,194**	**834,968**	**(18.8)**
CLCT's interest in joint venture's NPI is shown below for information:						
Rock Square[5]	13,126	14,681	(10.6)	65,855	74,125	(11.2)
Total including joint venture	**148,322**	**180,052**	**(17.6)**	**744,049**	**909,093**	**(18.2)**

1 FY2019's contribution is for period from 1 September 2019 to 31 December 2019.
2 Divestment completed in May 2020.
3 Included the impact of FRS 116, where lease expenses associated with the operating lease have been replaced with net changes in fair value of investment properties and interest expense on lease liabilities.
4 Divestment completed in July 2019.
5 This relates to 51.0% interest in Rock Square.

FINANCIAL REVIEW

VALUATION AND PROPERTY YIELD OF PORTFOLIO

	Valuation 2020 RMB Million	Valuation 2019 RMB Million	Valuation 2020 (in per sq m of GRA) RMB	Property Yield 2020[1] %	Valuation 2020 S$ Million	Valuation 2019 S$ Million
MULTI-TENANTED MALLS						
CapitaMall Xizhimen	3,580.0	3,580.0	43,094	4.7	730.4	695.0
Rock Square[2]	3,414.0	3,425.0	40,842	3.8	696.5	664.9
CapitaMall Wangjing	2,772.0	2,772.0	40,759	5.1	565.5	538.2
CapitaMall Grand Canyon	2,125.0	2,125.0	30,371	2.4	433.6	412.5
CapitaMall Xuefu	1,774.0	1,792.0	17,010	4.6	361.9	347.9
CapitaMall Xinnan	1,600.0	1,600.0	29,840	5.1	326.4	310.6
CapitaMall Yuhuating	760.0	760.0	12,975	5.5	155.1	147.5
CapitaMall Aidemengdun	469.0	480.0	10,808	3.0	95.7	93.2
CapitaMall Qibao[3]	83.0	435.0	1,141	N.M.	16.9	84.5
CapitaMall Nuohemule[4]	1,006.0	857.0	13,183	N.M.	205.2	166.4
MASTER-LEASED MALLS						
CapitaMall Shuangjing	610.0	610.0	12,332	5.8	124.5	118.4
DIVESTED / TO BE DIVESTED						
CapitaMall Erqi[5]	-	645.0	-	-	-	125.2
CapitaMall Minzhongleyuan[6]	440.0	490.0	10,547	N.M.	89.8	95.1
CapitaMall Saihan[7]	460.0	460.0	10,969	3.6	93.8	89.3
Total	**19,093.0**	**19,571.0**		**4.3[8]**	**3,895.3**	**3,888.7**

1 Property yield is calculated based on FY 2020 NPI and the valuation as at 31 December 2020.
2 Includes 100% stake of Rock Square as acquisition of the remaining 49% stake was completed on 30 December 2020.
3 On the basis that CLCT does not exercise its option to renew its master lease which expires in January 2024. Assuming the master lease is renewed, the valuation will be RMB425.0 million.
4 NPI yield not meaningful for CapitaMall Nuohemule as the property was just opened towards end December 2020.
5 Divestment completed in May 2020.
6 CapitaMall Minzhongleyuan's yield is not meaningful as the mall is under operation review. The Group has entered into a sale and purchase agreement with an unrelated party to divest the issued shares of Wuhan New Minzhong Leyuan Co., Ltd., which hold CapitaMall Minzhongleyuan, for RMB458.0 million.
7 Referring to agreed property selling price.
8 NPI yield excludes CapitaMall Qibao, CapitaMall Minzhongleyuan and CapitaMall Nuohemule.
N.M. - not meaningful

	S$'000
Investment Properties as at 31 December 2020[9]	**3,923,933**
Decrease in valuation for FY 2020[10]	**(99,057)**

9 The carrying amount of the investment properties includes the carrying amount of CapitaMall Minzhongleyuan's three residential units and Rights-of-Use (ROU) assets of CapitaMall Qibao and CapitaMall Minzhongleyuan.
10 Includes change in fair value of ROU assets.

CAPITAL MANAGEMENT

CLCT adheres to a disciplined and prudent set of capital management principles that focus on a healthy balance sheet alongside diversified sources of funding. CLCT strives to ensure a balanced debt maturity profile with optimal funding costs, and emphasises monitoring of its cash flow position to maintain sufficient liquidity and financial capacity. Interest rate and foreign exchange fluctuations are mitigated to the fullest extent feasible.

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, which includes undrawn MML, term loans and multicurrency debt issuance programme. As at 31 December 2020, the total outstanding debt of CLCT was S$1.4 billion with an aggregate leverage of 31.8%. Assuming CLCT gears up to the 50% maximum limit set by the Monetary Authority of Singapore (MAS), the debt headroom would be approximately S$1.6 billion (RMB7.7 billion), if the acquired asset is fully funded by debt. The relatively large 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 2020	As at 31 December 2019
Unencumbered Assets as % of Total Assets[2]	72.8%	90.1%
Aggregate Leverage[3]	31.8%	36.7%
Net Debt / EBITDA (times)[4,5]	9.7	7.0
Interest Coverage (times)[6]	3.7	5.0
Average Term to Maturity (Years)	2.97	2.84
Average Cost of Debt[7]	2.76%	2.98%

1 All key financial indicators exclude the effect of FRS116 Leases which was effective from 1 January 2019 except for interest coverage.
2 The encumbered assets refers to CapitaMall Xuefu and Rock Square for its onshore RMB secured loan as at 31 December 2020.
3 The aggregate leverage is calculated based on total borrowings over the deposited properties in accordance to Property Funds Appendix (includes CLCT's proportionate share of its Joint Venture's borrowing and deposited property as at 31 December 2019).
4 Net Debt refers to the outstanding debt on balance sheet as at 31 December 2020 and EBITDA refers to net income of CLCT Group before fair value changes, non-operational gain and/or loss, interest, tax, depreciation and amortisation.
5 Based on annualised EBITDA.
6 Ratio of EBITDA over consolidated interest expenses (includes finance lease interest expenses under FRS 116) in accordance with MAS guidelines.
7 Ratio of the consolidated interest expenses over weighted average borrowings on balance sheet.

CAPITAL MANAGEMENT

DIVERSIFIED FUNDING SOURCES

As at 31 December 2020, CLCT maintains the following debt facilities:

S$ DENOMINATED FACILITIES
> S$90.0 million Money Market Line (MML) facilities
> S$61.0 million MML & Financial Guarantee (FG) facilities
> S$100.0 million multicurrency MML facility
> S$150.0 million one-year trust bridge loan facility
> S$250.0 million four-year trust term loan facilities
> S$500.0 million five-year trust term loan facilities
> S$370.0 million six-year trust term loan facilities
> S$150.0 million seven-year trust term loan facility

US$ DENOMINATED FACILITY
> US$50.0 million multicurrency MML facility

RMB DENOMINATED FACILITY
> RMB394.0 million secured term loan facility
> RMB410.8 million secured term loan facility

MULTICURRENCY DEBT ISSUANCE PROGRAMME
> S$1.0 billion multicurrency Debt Issuance programme

In October 2020, CLCT issued S$100.0 million subordinated perpetual securities at a competitive rate of 3.375% under CLCT's S$1.0 billion Multicurrency Debt Issuance Programme. This represents CLCT's inaugural access to the perpetual securities market. The proceeds were subsequently utilised to fund the acquisition.

On 6 November 2020, CLCT announced the proposed acquisition of the respective interests of the companies which hold the Ascendas Xinsu Portfolio, Ascendas Innovation Towers, Ascendas Innovation Hub, Singapore-Hangzhou Science & Technology Park Phase I and Phase II and the remaining 49% interest in Rock Square. The transformational acquisition amounting to S$812.4 million[1] was funded by diverse sources of funding.

To partly fund the acquisition, CLCT has fully utilised the net proceeds of S$319.3 million[2] raised from the issuance of 205,331,000 Units via private placement and 68,997,855 Units via preferential offering that were issued on 26 November 2020 and 16 December 2020, respectively. The EFR garnered strong participation from both new and existing institutional, accredited, and retail investors. The use of proceeds raised from the EFR is in accordance with the stated use and allocation of the proceeds from the announcement.

The remaining funding sources were through drawdowns from banking facilities, existing MML, and CLCT's internal cash resources.

PRUDENT HEDGING STRATEGIES

CLCT is subject to foreign exchange risks as its assets are situated in China, and interest rate fluctuations. Therefore, CLCT employs hedging strategies to maintain appropriate hedging ratios through the use of derivative financial instruments to mitigate the impact of foreign exchange rate and interest rate volatilities on distributable income.

For FY 2020, 100% of undistributed income was fully hedged into SGD, mitigating the impact of foreign exchange rate risk. With approximately 80%[3] of total debt hedged into fixed rate, any movement in base interest rates will have minimal impact on interest expenses.

The fair value of derivatives for FY2020 were included in the financial statement as financial derivatives assets and financial derivatives liabilities. The net derivative liabilities of S$18.3 million represented 0.8% of the net assets attributable to Unitholders of CLCT as at 31 December 2020.

1 Refers to the total acquisition cost, excluding S$10.0 million Acquisition Fee payable in units.
2 The net proceeds of S$319.3 million was derived from the gross proceeds of S$326.1 million after deducting the transaction costs of S$6.8 million.
3 Excludes bridge loan, MML and RMB denominated loans.

WELL-STAGGERED DEBT MATURITY PROFILE

CLCT actively carries out liability management exercises as part of its disciplined and prudent capital management strategy to manage its debt maturity profile, with respect to the existing financial environment and associated risks.

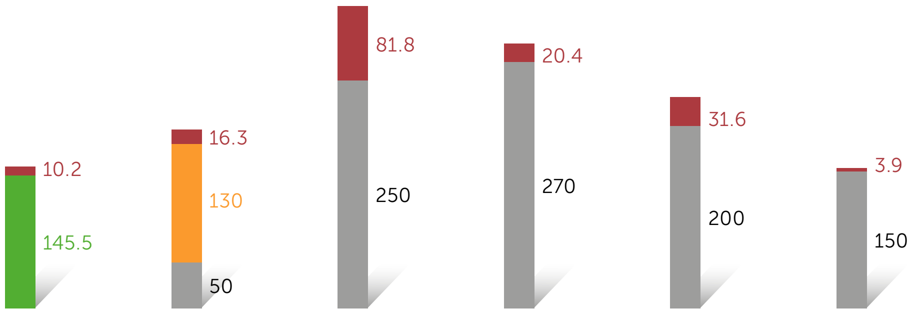
In FY 2020, CLCT refinanced and extended the maturity of a S$50.0 million term loan due in February 2021 to August 2025, and a S$50.0 million term loan due in June 2021 to September 2024, respectively, at a lower all-in cost of debt. Overall average cost of debt was lowered to 2.76% per annum as at 31 December 2020 from 2.98% as at 31 December 2019.

CLCT's debt maturity profile remains well-staggered with a weighted average term of debt duration of around 2.97 years as at 31 December 2020.

INTEREST RATES

Floating Rate	20%
Fixed Rate	80%

DEBT MATURITY PROFILE (S$ MILLION)
(as at 31 December 2020)



	2021	2022	2023	2024	2025	2026
Total Debt (S$ million)[1]	155.7	196.3	331.8	290.4	231.6	153.9
% of Outstanding Debt	11.5	14.4	24.4	21.4	17.0	11.3

1 Total outstanding debt of S$1,359.7 million (including onshore RMB denominated loans).

Trust - Unsecured Offshore Term Loan · Trust - Notes Issued Under Multicurrency Debt Issuance Programme · Trust - Floating Bridge Loan · Secured Onshore RMB Bank Loan

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 the Unitholders as well as to meet any short-term obligations.

CASH AND CASH EQUIVALENTS

As at 31 December 2020, cash and cash equivalents stood at S$208.4 million compared to S$139.9 million as at 31 December 2019. The increase mainly due to the 100% consolidation of Rock Square's cash, as a result of completion of the acquisition of the balance 49.0% interest on 30 December 2020.

During the year, S$24.8 million of the cash retained from our distributions through the distribution reinvestment plan on 30 March 2020 and 25 September 2020 were used for repayment of the Trust's interest-bearing borrowings, general corporate and working capital purposes. This is in accordance with the stated use and allocation of the proceeds from the announcement.

MANAGING SUSTAINABILITY

BOARD STATEMENT

CLCT places sustainability at the core of what it does. As a member of a responsible real estate company, CLCT contributes to the environmental and social well-being of the communities where it operates, as it delivers long-term economic value to its stakeholders.

The Board of the Manager of CLCT sets the Trust's risk appetite, which determines the nature and extent of material risks that the Manager of CLCT is willing to take to achieve its strategic and business objectives. The risk appetite incorporates environment, social and governance (ESG) factors such as fraud, corruption and bribery, environment, health and safety.

The 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 organisation.

OUR COMMITMENT AND APPROACH

As a CapitaLand-sponsored REIT, CLCT is managed by wholly owned subsidiaries of CapitaLand which include the Manager (CLCTML) as well as Property Managers that oversees the daily property operations for the portfolio of malls. The Manager and Property Managers are responsible for the property operations across CLCT's portfolio, and abide by CapitaLand sustainability framework, policies, guidelines, as well as ethics and code of business conduct.

CLCT's sustainability objectives and strategies are aligned with CapitaLand's credo of 'Building People. Building Communities.' We are committed to improving the economic and social well-being of its stakeholders through management of human capital, asset, portfolio, operations and project development. In a rapidly changing business landscape, we actively embrace innovation to ensure commercial viability without compromising the environment for future generations.

At CLCT, sustainability is placed at the core of everything we do. CLCT is committed to growing in a responsible manner, delivering long-term economic value, and contributing to the environmental and social well-being of our communities.

Our Sponsor, CapitaLand (CL Group) upholds high standards of corporate governance and transparency to safeguard shareholders' interests. It has in place an adequate and effective Enterprise Risk Management Framework to enhance business resilience and agility. CL Group's proactive approach towards environmental, health and safety (EHS) management, which incorporates universal design into developments, ensures that its properties are sustainable and future-proof. Policies and guidelines are put in place to ensure the efficient use of energy, water and other resources.

CL Group's integrated human capital strategy aims to recruit, develop and motivate employees to drive growth. Community development is an important component of its commitment to sustainability. It focuses on providing support to enhance the lives of underprivileged children and vulnerable elderly, through corporate philanthropy and employee volunteerism.

In 2020, CL Group unveiled CapitaLand's 2030 Sustainability Master Plan to elevate its commitment to global sustainability in the built environment given its presence in more than 220 cities and over 30 countries. The Master Plan focuses on three pillars to drive CapitaLand's sustainability efforts in the ESG pillars, enabling CL Group to create a larger positive impact for the environment and society.

- Building portfolio resilience and resource efficiency
- Enable thriving and future-adaptive communities
- Accelerating sustainability innovation and collaboration

CL Group identified five pathways to achieve its sustainability objectives and will adapt its strategies as technologies evolve and new scientific data become available:

1. **Integrate sustainability in CapitaLand's real estate life cycle**
From the earliest stage of CL Group's investment process, to design, procurement, construction, operations and redevelopment or divestment, sustainability targets will be embedded in policies, processes, best practices, and key performance indicators of its business operations.

2. **Strengthen innovation and collaboration to drive sustainability**
CL Group 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.

3. **Leverage sustainability trends and data analytics**
This allows CL Group 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.

4. **Monitor and report progress to ensure transparency**
As CL Group tracks its sustainability progress, it will continue to validate its performance by external assurance and align its Global Sustainability Report to international standards.

5. **Increase engagement and communication with key stakeholders**
It is key to build awareness among CL Group's employees, investors, customers and communities, and collectively effect transformational change to achieve CL Group's 2030 targets.

Push boundaries of change

To push the boundaries of change, CL Group will transit to a low-carbon business that is aligned with climate science. In November 2020, CL Group had their carbon emissions reduction targets approved by the Science Based Targets initiative (SBTi) for a 'well-below 2°C' scenario. The targets are in line with the goals of the Paris Agreement to keep global temperature rise well below 2°C in this century. CL Group is also developing a new metric, Return on Sustainability, in addition to the regular financial return to measure the Group's ESG impact.

CL Group has also launched the inaugural CapitaLand Sustainability X Challenge (CSXC), an innovation challenge to enable CapitaLand to accelerate its sustainability efforts and meet its 2030 targets. The CSXC covers seven challenge statements and reflect the key themes and goals in CapitaLand's 2030 Sustainability Master Plan.

CL Group aims to be a leader in sustainable finance and secure S$6 billion through sustainable finance by 2030. Proceeds and interest rate savings from CapitaLand's efforts in sustainable finance can also be used to drive more sustainability initiatives and innovations within the company.

Measured against global benchmarks

CapitaLand was one of the first companies in Singapore to voluntarily publish an annual Global Sustainability Report and externally assure the entire report. Benchmarking against an international standard and framework that is externally validated helps CapitaLand to overcome the challenges in sustainability reporting that may arise from our diversified asset types and geographical presence.

CL Group is also a signatory to the United Nations (UN) Global Compact and our Global Sustainability Report serves as its Communication on Progress, which will be made available at www.unglobalcompact.org when published.

For its efforts, CapitaLand is listed in the Global 100 Most Sustainable Corporations Index, Dow Jones Sustainability World Index and Asia-Pacific Index, Global Real Estate Sustainability Benchmark (Global Sector Leader, Diversified-Listed), FTSE4Good Index Series, MSCI Global Sustainability Indexes and The Sustainability Yearbook.

CapitaLand Global Sustainability Report 2020 will be published by 31 May 2021. It will continue to be prepared in accordance with the Global Reporting Initiative Standards: Core option. CL Group will continue to apply the Guiding Principles of the International Integrated Reporting Framework and ISO 26000:2010 Guidance on Social Responsibility, and reference the UN Sustainable Development Goals (UN SDGs) and the Taskforce on Climate Related Financial Disclosure. CL Group also plans to align its sustainability report to the Sustainability Accounting Standards Board (SASB). It will continue to be externally assured to AA1000 Assurance Standard.

The report will cover CL Group's global portfolio and employees, including their listed real estate investment trusts (REITs) - CapitaLand Integrated Commercial Trust, Ascendas Real Estate Investment Trust, Ascott Residence Trust, CapitaLand China Trust, Ascendas India Trust and CapitaLand Malaysia Mall Trust, unless otherwise indicated.

BOARD, TOP MANAGEMENT AND STAFF COMMITMENT AND INVOLVEMENT

CapitaLand's sustainability management comes under the purview of the CapitaLand Sustainability Council. Reporting to the CapitaLand Board, the Council comprises selected CapitaLand independent board directors and members of the CapitaLand Executive Committee. It is supported by the Group Sustainability Office and various work teams to drive continued progress and improvement in the areas of ESG. CapitaLand's Sustainability Council is chaired by Ms Goh Swee Chen, who is also the president of Global Compact Network Singapore (local chapter of the UN Global Compact).

The work teams comprise representatives from CapitaLand business units and corporate functions. Each business unit also has its own Environmental, Health and Safety (EHS) Committee to drive initiatives in countries where we operate with support from various departments. CapitaLand Board is also updated regularly through the Risk Committee and Audit Committee on matters relating to sustainability risks and business malpractice incidents. The CapitaLand Board is also updated on the sustainability management performance of the Group, key material issues identified by stakeholders and the planned follow-up measures.

CAPITADNA
Vision, Mission, Credo and Core Values

CORE VALUES

Winning Mindset	Integrity	Respect	Enterprising
Commitment to our Stakeholders			
We create great customer value and experiences through high-quality products and services	We deliver sustainable shareholder returns and build a strong global network of capital partners	We develop high performing people and teams through rewarding opportunities	We care for and contribute to the economic, environmental and social development of communities
for our **Customers** Tenants, shoppers, home owners, residents	for our **Investors** including business partners	for our **People** Staff	for our **Communities** Government agencies/ NGOs, general public, environment suppliers/ contractors

STRATEGIC SUSTAINABILITY MANAGEMENT STRUCTURE

Board of Directors

CapitaLand Sustainability Council
Strategic oversight of ESG policies and integration

CapitaLand Management Council
Strategic management of ESG implementation across the Group

Various Sustainability Work Teams
involving business units and corporate departments, covering:
- Investments
- Environment, health and safety
- Innovation
- Stakeholder engagement
- Enterprise risk management

All Staff

MATERIALITY

CapitaLand has a regular review, assessment and feedback process 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.

CL Group identifies and reviews material issues that are most relevant and significant to CapitaLand and its stakeholders. These are prioritised based on the likelihood and potential impact of issues affecting business continuity and development. For external stakeholders, priority is given to issues important to the society and applicable to CapitaLand. For more information on stakeholder engagement, please refer to the Social and Relationship Capital, Human Capital and Environmental Capital chapters in the upcoming CapitaLand Global Sustainability Report 2020.

Prioritisation of ESG Material Issues

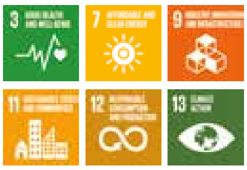
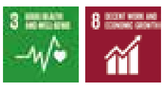
Environment	Social / Labour Practices	Governance
Critical		
› Energy efficiency › Climate change and emissions reduction › Water management	› Occupational health & safety › Employment › Stakeholder engagement › Supply chain management	› Compliance › Business ethics › Product and services[1]
Moderate and Emerging		
› Building materials › Construction and operational waste › Biodiversity	› Diversity › Human rights	

1 This includes customer health and safety.

MANAGING SUSTAINABILITY

CREATING VALUE AND ALIGNMENT TO UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS (UN SDGS[1])

The Guiding Principles of the International Integrated Reporting Council Framework were referenced in this report, and the material ESG issues are grouped into six Capitals – Environmental, Manufactured, Human, Social and Relationship, Organisational, and Financial. This is also mapped against eight UN SDGs that are most aligned with CL Group's Sustainability Master Plan 2030 targets, and where CapitaLand can achieve the greatest positive impact. For more information, please refer to the CapitaLand Global Sustainability Report 2020 which will be published by 31 May 2021.

Capitals	Material ESG Issues	What CapitaLand does
Environmental Capital › Carbon emissions › Energy management › Water stewardship › Waste and resource management **Manufactured Capital** › Environmentally sustainable, healthy, safe and accessible quality buildings › Innovative and sustainable construction methods and technologies 	› Energy efficiency › Climate change and emissions reduction › Water management › Building materials › Construction and operational waste › Biodiversity › Stakeholder engagement › Product safety and customer well-being	CapitaLand is committed to › Reduce water consumption, reuse water and prevent water pollution, especially in countries where the availability of clean water and sanitation are of concern › Transit to low-carbon business and reduce energy consumption through improved energy efficiency and increase use of renewable energy › Green its global operational portfolio by 2030 › Actively embrace innovation to ensure commercial viability without compromising the environment for future generations › Future-proof its developments by addressing the risks of climate change right from the design stage › Preserve the biodiversity of its sites as well as the wider area where possible › Build safe, accessible, vibrant and quality real estate developments to enhance the lives of its shoppers, tenants, serviced residence and hotel guests, homeowners and members of the community
Manufactured Capital › Environmentally sustainable, healthy, safe and accessible quality buildings › Innovative and sustainable construction methods and technologies **Human Capital** › Health and safety › Job creation and security › Learning and development › Benefits and remuneration 	› Occupational health & safety › Supply chain management › Employment › Diversity › Human rights	› CapitaLand believes that regardless of ethnicity, age or gender, staff can make a significant contribution based on their talent, expertise and experience. CapitaLand adopts consistent, equitable, and fair labour policies and practices in rewarding as well as developing staff under the direct hire of CapitaLand. CapitaLand is a signatory to the UN Global Compact › CapitaLand aims to provide a work environment that is safe and contributes to the general well-being of its staff › Occupational health and safety of its stakeholders is of utmost importance to CapitaLand. This includes all its staff, tenants, contractors, suppliers and the communities that use our properties

1 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 contribution to the sustainable development agenda.

2 Data provided is for the period from 1 January to 31 October 2020. The full year data from 1 January to 31 December 2020 will be available on CLCT's website at https://www.clct.com.sg/sustainability.html from end April 2021.

3 Computation of total consumption considers only managed properties and excludes master-leased properties.

4 Data excludes CapitaMall Shuangjing and CapitaMall Nuohemule.

2020 CLCT Performance and Value Created

- For 2020[2], CLCT's operational properties'[3,4], total energy consumption was 48,894 MWh. Purchased electricity and heating consumption accounted for about 94.1% and direct energy consumption from gas and diesel accounted for about 5.9% of total energy consumption. Scope 1 and 2 emissions[5] are 535 tonnes CO_2e and 26,542 tonnes CO_2e respectively. The REIT's operating properties' total water consumption was about 441,438 m^3 for 2020.
- Energy and Water Usage and Carbon Intensity Reduction[2,4,6,7]: For 2020, the reduction in water usage in m^3/m^2 was 44.7% from the 2008 baseline, and the reduction in carbon intensity (kg/m^2) was 51.6% from the 2008 baseline. Energy usage in kWh/m^2 also reduced by 54.1% from the 2008 baseline.
- Building Certifications Achieved in 2020 - CapitaMall Nuohemule - Certificate of Green Building Design Label 2020 (One Star).

- The ratio of male to female employees of the Manager and Property Managers is 60:40.
- 74% of the Manager and the Property Managers' workforce are aged between 30 and 50 (79% in 2019).
- About 33% of senior management are women.
- Almost 51% of staff have been with the Manager or the Property Managers for five years or longer.
- CapitaLand has an in-house training hub, CapitaLand Institute of Management and Business (CLIMB), which supports the training and development needs of employees. Our employees have direct access to a year-long training calendar comprising a series of pre-evaluated training courses in areas such as building managerial competencies, teambuilding and digital training. CapitaLand allocates up to 3% of its annual wage bill towards learning and development programmes for employees.
- Zero staff fatality or permanent disability.
- Periodic training is also provided to employees to ensure that they are updated and aware of applicable anti-money laundering and terrorist financing regulations, the prevailing techniques and trends in money laundering and terrorist financing and the measures adopted by the Manager to combat money laundering and terrorist financing.
- In 2020, approximately 99% of employees attended at least one training event, and the average number of training hours completed by each employee exceeded 96 hours.

5 This is computed mostly from purchased electricity consumption under Scope 2, and some direct energy consumption under Scope 1 as defined by the Greenhouse Gas (GHG) Protocol (operational control approach) and using individual country CO_2 emission factors retrieved from the IEA Statistics – CO_2 emission factors from fuel combustion 2020 edition.

6 Computation of energy, water and carbon intensities excludes new properties which have been in operation for less than 12 months, masterleased properties and properties undergoing asset enhancement initiatives (AEI).

7 Data excludes Rock Square.

MANAGING SUSTAINABILITY

Capitals	Material ESG Issues	What CapitaLand does
Social and Relationship Capital › Stakeholder relations › Social license to operate › Community development » Cross-sectoral Partnership 	› Stakeholder engagement › Products and services (include customer health and safety)	› CapitaLand is committed to building safe, accessible, vibrant and quality real estate developments to enhance the lives of its shoppers, tenants, serviced residence and hotel guests, homeowners and members of the community › CapitaLand is committed to activities that are aligned with its focus on community investment. CL Group engages its stakeholders, raising awareness in the areas of philanthropy, environment, health and safety › Promote sustainability within the tenant community › Integrate CapitaLand's ESG performance with financial metrics
Organisational Capital › Leadership and culture › Corporate Governance › Risk Management	› Compliance › Business ethics › Stakeholder engagement	› CapitaLand is a signatory to the UN Global Compact › CapitaLand's Supply Chain Code of Conduct influences its supply chain to operate responsibly in the areas of anti-corruption, human rights, health and safety, as well as environmental management › All staff are required to make an annual declaration to uphold CapitaLand's core values and not to engage in any corrupt or unethical practices › Requires third-party service providers and vendors to adhere to anti-bribery and anti-corruption provisions › Requires main contractors to ensure no child labour and forced labour at CapitaLand project sites
Financial Capital › Sustainable financing › Earnings › Equity › Investments › Assets		› Combination of operating income from investment properties and trading properties, disciplined capital recycling and growth of fee income › Calibrated balance across product platforms and geographies

2020 CLCT Performance and Value Created

CLCT organised a series of activities at our individual malls to engage our stakeholders on a variety of topics from environmental to health and safety issues. Some of the community events held include:

- CapitaMall Xuefu held a fitness-themed event that emphasised the significance of leading an active, healthy lifestyle. The event was well attended by a wide segment of the community – from the elderly to young children – with participants breaking out into synchronised dance as they moved to the musical beats.
- CapitaMall Aidemengdun organised a mass cycling event that revolved around the theme of "Young Vitality". Employees, tenants, and shoppers of all ages took a tour on a selected route through the vibrant city of Harbin. The event encouraged the use of low-carbon transportation whilst advocating for a safety-first road culture.
- More information on our activities can be found on page 101 of the Annual Report.

- Staff engagement is done through regular communication sessions for interaction between the management and the employees to address the employees concerns and gather constructive feedback for improvement. In 2020, CL Group conducted a 360-degree feedback survey for identified CLCT leaders that was conducted over 3 phases to raise self-awareness for leadership development.
- No reported incident relating to discrimination, child labour or forced labour in CLCT.
- Refer to Corporate Corporate Governance on page 38 of CLCT's Annual Report 2020.

Refer to Financial Highlights on page 14 of CLCT's Annual Report 2020.

STAKEHOLDER ENGAGEMENT

Stakeholders are groups on which CLCT's business has a significant impact and who have a vested interest in the Group's operations. Key stakeholders include staff, investors/shareholders, customers, business associates, suppliers, and the local community. Other groups include regulators and key government agencies, non-governmental organisations (NGOs), representatives of the capital market and the media. They are mapped into groups based on their impact on CLCT. Through the various engagement channels, CapitaLand seeks to understand its stakeholders' views, communicate effectively with them and respond to their concerns.

Stakeholder	Engagement Channel	Topics	Addressed in Capitals
People (Staff)	› Regular dialogue sessions with senior management › Regular staff engagement surveys › Volunteer programmes › Recreation club activities	› Work-life balance › Remuneration and benefits › Staff welfare	› Human Capital › Social and Relationship Capital
Investor (Investors, analysts and media)	› Annual general meetings › Quarterly financial results announcements › Media releases and interviews › Annual reports and sustainability reports › Company website › Regular analyst and investor meetings › Responses to sustainability surveys	› Operational efficiency, monetary savings, cost avoidance › Return on equity, earnings, business strategy, market outlook › ESG risks and opportunities	› Financial Capital › Social and Relationship Capital
Customers (Tenants and shoppers)	› Tenants: Tenant satisfaction survey, green fit out guide and joint promotions and strategic partnerships › Shoppers: mall campaigns, exhibitions, social media campaigns › CapitaLand's social media channels	› Facilities management › Customer experience	› Social and Relationship Capital › Environmental Capital
Community (Supply Chain – main contractors, vendors, suppliers)	› CapitaLand's Supply Chain Code of Conduct › Environmental, Health and Safety (EHS) management system › Quarterly EHS monitoring › Vendor evaluation, events, meetings and trainings	› Design and quality › Occupational health and safety practices › Workers' welfare and well-being › Environmental compliance	› Environmental Capital › Human Capital › Social and Relationship Capital
Community (Government/ national agencies/ Community and NGOs)	› Senior management representation on boards of various industry bodies and sustainability-related public discussions › Longstanding partner to various national programmes › Sustainability reports › Participation in external conferences/forums to consult and share experience with academics, NGOs and business associations › Corporate advertisements	› Sustainable building developments › Stakeholder programmes to advocate sustainable tenant/customer behaviours › Advocacy of best practices	› Social and Relationship Capital

In 2020, CLCT continued to expand its programmes and activities to increase sustainability engagement with various stakeholder groups by raising awareness on healthy living, the environment, as well as encouraging volunteerism.

CapitaMall Xuefu

In line with the shift to reduce carbon footprint, CapitaMall Xuefu collaborated with Tesla to introduce supercharging stations at the mall to cater to the growing needs of electric vehicle owners.

Rock Square

Rock Square held a basketball competition with rock music that infused youthful positive energy into the mall. The event also promoted the benefits of a healthy lifestyle through the popular national pastime.

CapitaMall Xinnan

CapitaMall Xinnan collaborated with the local fire department to conduct biannual fire drills to educate both tenants and employees on the necessary safety steps in the event of an emergency as well as to highlight the importance of fire safety and prevention.

CapitaMall Yuhuating

CapitaLand volunteers from CapitaMall Yuhuating hosted a "Reading Appreciation" event for children in Sangzhi County in Hunan Province, to inculcate the benefits and value of a lifetime of reading and learning. The 911 students who participated in the event received complementary school bags filled with stationery and daily necessities.

CapitaMall Nuohemule

Tenant Satisfaction Survey

A tenant satisfaction survey was conducted at 11 of the shopping malls in CLCT's portfolio. 98.6% of the malls' tenants participated in the survey. CLCT garnered feedback on a range of matters from cleanliness, security, mall ambience, adequacy of car park lots to the frequency of building maintenance. On an average, 94.0% of the respondents expressed satisfaction with our services, an improvement of 4.2 percentage points as compared to the previous year. The survey is useful in providing specific and actionable feedback, which allows us to better address our tenants' needs and concerns.

PORTFOLIO SUMMARY (RETAIL)

Name	Address	GFA (sq m)	GRA (sq m)	NLA (sq m)	Number of Leases	Land Use Right Expiry
CapitaMall Xizhimen **凯德MALL・西直门**	No. 1 Xizhimenwai Road, Xicheng District, Beijing	83,075	83,075	50,770	230	23 August 2044 23 August 2054
Rock Square **乐峰广场**	106-108 Gongye Avenue North, Haizhu District, Guangzhou City, Guangdong Province	88,279	83,591	52,807	186	17 October 2045
CapitaMall Wangjing **凯德MALL・望京**	No. 33 Guangshun North Road, Chaoyang District, Beijing	83,768	68,010	51,927	207	15 May 2043 15 May 2053
CapitaMall Grand Canyon **凯德MALL・大峡谷**	No. 16 South Third Ring West Road, Fengtai District, Beijing	92,918	69,967	44,988	141	29 August 2044 29 August 2054
CapitaMall Xuefu **凯德广场・学府**	No. 1, Xuefu Road, Nangang District, Harbin, Heilongjiang Province	123,811	104,294	64,239	411	15 December 2045
CapitaMall Xinnan **凯德广场・新南**	No. 99, Shenghe Yi Road, Gaoxin District, Chengdu, Sichuan Province	91,816	53,619	36,736	244	17 October 2047
CapitaMall Nuohemule **凯德·诺和木勒**	No. 201, Block A Jinyu Xintiandi, E'erduosi Street, Yuquan District, Hohhot, Inner Mongolia Autonomous Region	100,047	76,309	43,727	218	26 July 2049
CapitaMall Yuhuating **凯德广场・雨花亭**	No. 421, Middle Shaoshan Road, Yuhua District, Changsha, Hunan Province	75,431	58,575	48,315	236	03 March 2044
CapitaMall Aidemengdun **凯德广场・埃德蒙顿**	No. 38 Aidemengdun Road, Daoli District, Harbin, Heilongjiang Province	49,040	43,394	28,377	152	07 September 2042
CapitaMall Qibao **凯德七宝购物广场**	No. 3655, Qixin Road, Minhang District, Shanghai	83,986	72,729	50,642	144	10 March 2043[6]
CapitaMall Shuangjing **凯德MALL・双井**	No. 31 Guangqu Road, Chaoyang District, Beijing	49,463	49,463	51,193[8]	4	10 July 2042
CapitaMall Minzhongleyuan[9] **凯德新民众乐园**	No. 704 Zhongshan Avenue, Jianghan District, Wuhan, Hubei Province	41,717	41,717	N.A	N.A	30 June 2044[10] 15 September 2045
CapitaMall Saihan **凯德MALL・赛罕**	No. 32 Ordos Street, Saihan District, Hohhot, Inner Mongolia Autonomous Region	41,938	41,938	N.A	N.A	11 March 2041 20 March 2041

1 Independent valuations of CapitaMall Xizhimen, CapitaMall Wangjing, CapitaMall Grand Canyon, CapitaMall Aidemengdun, CapitaMall Xuefu, CapitaMall Nuohemule and CapitaMall Yuhuating were conducted by Cushman & Wakefield International Property Advisers (Shanghai) Co., Ltd.
Independent valuations of CapitaMall Shuangjing, CapitaMall Qibao, CapitaMall Xinnan and CapitaMall Minzhongleyuan were conducted by Savills Real Estate Valuation (Guangzhou) Ltd. Beijing Branch.
Independent valuation of Rock Square was conducted by Jones Lang Lasalle Corporate Appraisal and Advisory Limited using the discounted cash flow method and income capitalisation method.

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.

3 Based on all committed leases as at 31 December 2020.

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). CLCT, through its wholly owned subsidiary, Gold Rock Investment Pte. Ltd. entered into a conditional agreement with Gold Ruby Pte. Ltd. to acquire the balance 49.0% of the shares of Gold Yield Pte. Ltd. which indirectly holds Rock Square located in Haizhu District in Guangzhou, China.

Market Valuation[1] (RMB Million)	Purchase Price (RMB Million)	Acquisition Date[2]	Committed Occupancy Rate[3]	Major Tenants
3,580.0	1,851.4	Phase 1: 5 February 2008 Phase 2: 29 September 2008	96.1%	BHG Supermarket, Perfect World Cinema, UNIQLO, Nanjing Impressions, Green Tea Restaurant, Gymboree, Sisyphe Books
3,414.0	3,400.0[4]	30 December 2020[4]	93.1%	AEON, 华影假日电影城 (Cinema), ZARA, UNIQLO, THE COLORIST, Green Tea Restaurant, HA KKA JIA, 美联英语, NIO Space
2,772.0	1,102.0	1 December 2006	93.3%	BHG Department Store & Supermarket, UNIQLO, ZARA, VERO MODA, 北李妈妈菜, Nanjing Impressions, Ucommune, Will's Gym
2,125.0	1,740.0	30 December 2013	90.4%	Carrefour, Poly Cinema, H&M, UNIQLO, Nanjing Impressions, Tanyu
1,774.0	1,745.0	30 August 2019	97.9%	BHG Supermarket, CGV Cinema, Haidilao, H&M, C&A, Adidas, Sisyphe Books, Starbucks Reserve, Urban Revivo
1,600.0	1,500.0	30 September 2016	94.7%	Golden Harvest Cinema, UNIQLO, H&M, Selected, Tanyu, Jiyu, 劲浪体育, Sephora, Xiaomi Home
1,006.0	808.0	26 December 2019	100.0%[5]	BHG Supermarket, Wanda Cinema, UNIQLO, Haidilao, Adidas Mega Store, 加勒比阳光, 吃饭皇帝大
760.0	746.0	30 August 2019	97.9%	Walmart, China Film Cinema, 头号玩家, Haidilao, Li-Ning, Starbucks, UNIQLO, KFC, Adidas, Nike
469.0	469.0	30 August 2019	92.2%	BHG Supermarket, Qi Cai International Cineplex, UNIQLO, Haidilao, KFC, Pizza Hut, Nike, Adidas, VIP.com
83.0[7]	264.0	08 November 2006	80.6%	Carrefour, 七宝大光明影城 (Cinema), 避风塘, UNIQLO, HOTWIND, TOM'S WORLD, 老头儿油爆虾, 赢在起点, NYC Kids Club
610.0	414.0	01 December 2006	98.5%	Carrefour, B&Q
440.0	395.0	30 June 2011	N.A	N.A
460.0[11]	315.0	01 December 2006	N.A	N.A

5 Exclude non-retail storeroom units.
6 CapitaMall Qibao is indirectly held by CLCT under a master lease with Shanghai Jin Qiu (Group) Co., Ltd, the legal owner of Qibao Mall. The master lease expires in January 2024, with the right to renew for a further term of 19 years and two months. Accordingly, the land use right is owned by the legal owner.
7 On the basis that CLCT does not exercise its option to renew its master lease which expires in January 2024. Assuming the master lease is renewed, the valuation will be RMB435.0 million.
8 Included the area zoned for civil defense but is certified for commercial use.
9 CapitaMall Minzhongleyuan was divested in February 2021.
10 The conserved building is under a lease from the Wuhan Cultural Bureau.
11 Refers to the agreed property selling price for CapitaMall Saihan as the mall is classified as asset held for sale.
N.A. - Not Applicable

PORTFOLIO SUMMARY (BUSINESS PARK)[1,2]

Name	Address	GFA (sq m)	NLA (sq m)	Number of Leases	Land Use Right Expiry
Ascendas Xinsu Portfolio **腾飞新苏**	Suzhou Industrial Park, Suzhou City, Jiangsu Proince	373,334	349,700	307	31 December 2046 to 30 May 2057[7]
Ascendas Innovation Towers **新加坡腾飞科汇城**	No. 88 Tian Gu 7 Road, Xi'an Hi-Tech Industries Development Zone, Xi'an City, Shaanxi Province	118,495	95,156	82	19 February 2064
Ascendas Innovation Hub **腾飞创新中心**	No. 38 Gao Xin 6 Road, Xi'an Hi-Tech Industries Development Zone, Xi'an City, Shaanxi Province	40,547	36,288	53	23 May 2051
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, Qiantang New Area, Hangzhou City, Zhejiang Province	101,811	101,450	190	4 September 2056
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, Qiantang New Area, Hangzhou City, Zhejiang Province	130,261	126,294	83	6 July 2060

1 The announcement regarding the acquisition of 51% interest in Ascendas Xinsu Portfolio, 100% interest in Ascendas Innovation Towers, 80% interest in Ascendas Innovation Hub, 80% interest in Singapore-Hangzhou Science & Technology Park Phase I And Phase II and balance 49% interest in Rock Square was issued on 6 November 2020. The acquisitions of 51% interest in Ascendas Xinsu Portfolio, 100% interest in Ascendas Innovation Towers, 80% interest in Ascendas Innovation Hub and 49% interest in Rock Square were completed on 4 January 2021, 10 February 2021, 26 February 2021 and 30 December 2020, respectively. The acquisition of the remaining two business parks is expected to be completed in 2Q 2021.

2 CLCT, through its wholly owned subsidiaries, CRCT Investment (Suzhou) Pte. Ltd., CRCT Investment (Xi'an II) Pte. Ltd. and CRCT Investment (Xi'an I) Pte. Ltd. entered into conditional agreements with Ascendas China Business Park IV Trustee Pte. Ltd., in its capacity as trustee of Ascendas China Business Parks Fund 4, Xi'an Business Park II Pte. Ltd. and Xi'an Business Park III Pte. Ltd. to acquire the respective interests in the shares of: (i) 51.0% of the shares of Singapore Suzhou Industrial Holdings Pte. Ltd. which indirectly holds the Ascendas Xinsu Portfolio comprising six properties located in different locations in Suzhou Industrial Park, China; (ii) 100.0% of the shares in Ascendas Xi An High-Tech Development Co., Ltd. which holds Ascendas Innovation Towers located in the Hi-tech Industries Development Zone in Xi'an, China; and (iii) 80.0% of the shares in Xi An Ascendas-Science Technology Investment Co., Ltd. which holds Ascendas Innovation Hub located in the Hi-tech Industries Development Zone in Xi'an, China. Separately, CLCT, through its wholly owned subsidiaries, CRCT Investment (Hangzhou I) Pte. Ltd. and CRCT Investment Pte. Ltd. entered into a conditional agreement with Ascendas Singapore-Hangzhou Science & Technology Park I Pte. Ltd. and Ascendas Singapore-Hangzhou Science & Technology Park IV Pte. Ltd. to acquire 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, respectively located in the Hangzhou Economic & Technological Development Area in Jianggan District, China.

Ascendas Xinsu North Belt

Ascendas Innovation Towers

Ascendas Innovation Hub

Market Valuation[3,4] (RMB Million)	Purchase Price[4] (RMB Million)	Acquisition Date[5]	Committed Occupancy Rate[6]	Major Tenants
JLL (commissioned by the Manager): RMB2,267.0 million CBRE (commissioned by the Trustee): RMB2,270.0 million	2,265.0	04 January 2021	91.6%	Nexteer Automotive, TDK Electronics, Beckman Coulter Laboratory Systems, Bank of Shanghai, NIO Inc. Herbalife Health Products, CCL Design Label
JLL (commissioned by the Manager): RMB802.0 million CBRE (commissioned by the Trustee): RMB789.0 million	759.0	10 February 2021	94.2%	Ping An Insurance Company, DHC Software Company, Dahua Technology, Anchnet, Transcosmos, Sinexcel Electric
JLL (commissioned by the Manager): RMB311.0 million CBRE (commissioned by the Trustee): RMB302.0 million	298.0	26 February 2021	93.8%	UnilC Semiconductors, Zhaoxin Semiconductor, Montage Technology, Qualcomm
JLL (commissioned by the Manager): RMB657.0 million CBRE (commissioned by the Trustee): RMB680.9 million	641.0	N.A.	90.3%	Hangzhou Zhimei, Hangzhou Meacon, Zhejiang Sowow E-commerce Company, China Life, CITIC Bank
JLL (commissioned by the Manager): RMB792.0 million CBRE (commissioned by the Trustee): RMB802.2 million	767.0	N.A.	94.0%	Taodao Technology, Weinian Technology, Nest.Bio Labs, University of Auckland (Hangzhou) Innovation Institute

3 Independent valuations were conducted by Jones Lang Lasalle Corporate Appraisal and Advisory Limited using the discounted cash flow method and income capitalisation method.
4 All information are presented based on 100% ownership.
5 Refers to the completion of the acquisition of the special purpose vehicles which own the properties. Acquisition of the Business Park/Industrial assets are targeted to be completed by 2Q 2021.
6 Based on all committed leases as at 31 December 2020.
7 Ascendas Xinsu Porfolio consists of mulitple plots of land with varying land use right expiry.
N.A. - Not Applicable


Singapore-Hangzhou Science & Technology Park Phase I


Singapore-Hangzhou Science & Technology Park Phase II

PORTFOLIO DETAILS

RMB244.8 million
GROSS REVENUE

RMB167.5 million
NET PROPERTY INCOME

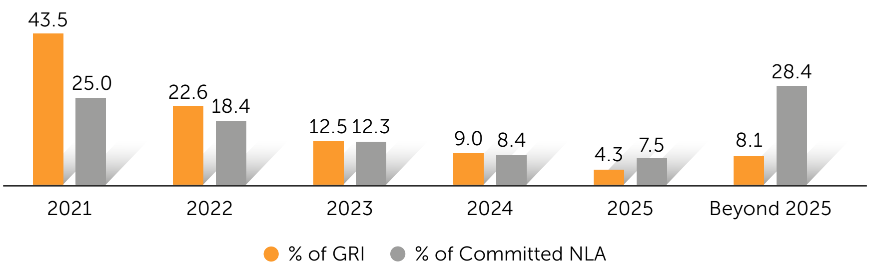
RMB3,580.0 million
PROPERTY VALUATION

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, ROCOCO and Charles & Keith, as well as a wide selection of dining options such as Nanjing Impressions, Green Tea Restaurant and the popular Chua Lam Dim Sum restaurant.

Trade Sector	By GRI (%)	By Committed NLA (%)
Food & Beverage	41.8%	35.2%
Fashion & Accessories	23.8%	19.5%
Beauty & Healthcare	7.2%	5.1%
Others	5.0%	4.0%
Supermarket	3.8%	20.8%
Education	3.6%	4.7%
Services	3.0%	1.7%
Home Living	2.6%	2.3%
Jewellery / Watches	2.6%	0.9%
Sporting Goods & Apparel	2.5%	1.2%
Shoes & Bags	2.2%	1.1%
IT & Telecommunication	1.0%	0.4%
Leisure & Entertainment	0.9%	3.1%

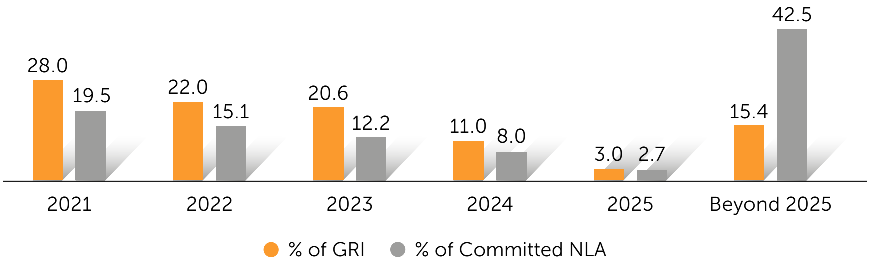
LEASE EXPIRY PROFILE (%)
As at 31 December 2020



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. Surrounded by densely populated residential estates, the mall caters to about 800,000 residents from middle- and high-income households within a three-kilometre radius. Offering a wide range of fashion, dining and entertainment options for modern lifestyle needs, the mall presents a one-stop shopping and lifestyle experience, featuring well-known domestic and international brands such as AEON, UNIQLO, Nio Space, Victoria's Secret, OPPO, Green Tea Restaurant and Perfect Diary.

Trade Sector	By GRI (%)	By Committed NLA (%)
Food & Beverage	34.8%	25.0%
Fashion & Accessories	14.3%	11.8%
Beauty & Healthcare	9.1%	5.0%
Leisure & Entertainment	7.3%	14.5%
Supermarket	6.8%	25.8%
Services	5.8%	2.2%
Education	5.2%	5.0%
Others	4.1%	5.7%
Jewellery / Watches	3.4%	1.0%
Home Living	3.2%	1.1%
Sporting Goods & Apparel	2.7%	1.6%
IT & Telecommunication	2.4%	0.9%
Shoes & Bags	0.9%	0.4%

LEASE EXPIRY PROFILE (%)
As at 31 December 2020



ROCK SQUARE

RMB178.8 million
GROSS REVENUE[1]

RMB129.1 million
NET PROPERTY INCOME[1]

RMB3,414.0 million
PROPERTY VALUATION[1]

1 Based on 100% ownership. The acquisition of balance 49% was completed on 30 December 2020.

PORTFOLIO DETAILS

CAPITAMALL WANGJING

RMB197.5 million
GROSS REVENUE

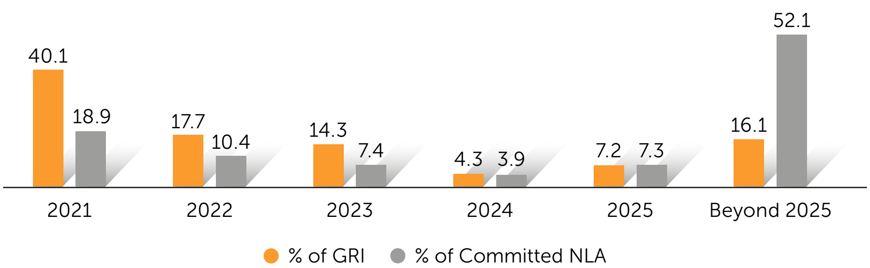
RMB142.1 million
NET PROPERTY INCOME

RMB2,722.0 million
PROPERTY VALUATION

CapitaMall Wangjing is a leading shopping mall within the densely populated Wangjing residential enclave, 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. It is also connected to major highways with numerous bus routes serving the area. 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. Developing in tandem with consumers' lifestyle shift, CapitaMall Wangjing houses Ucommune, a coworking space provider, that has taken up two retail floors, that helps to drive additional foot traffic and attract new retail tenants. Surrounded by an immediate catchment of more than 750,000 residents within a three-kilometre radius, the mall offers a wide range of brands including UNIQLO, ZARA, Starbucks Reserve, Will's Gym and BHG Supermarket.

Trade Sector	By GRI (%)	By Committed NLA (%)
Food & Beverage	29.2%	17.4%
Fashion & Accessories	27.6%	15.2%
Department Stores	10.2%	29.4%
Services	8.4%	6.7%
Beauty & Healthcare	8.3%	6.6%
Jewellery / Watches	4.4%	0.9%
Others	4.2%	3.8%
Supermarket	3.1%	18.2%
Education	1.9%	0.8%
Sporting Goods & Apparel	0.9%	0.3%
IT & Telecommunication	0.7%	0.2%
Shoes & Bags	0.6%	0.3%
Home Living	0.5%	0.2%
Leisure & Entertainment	0.0%	0.0%

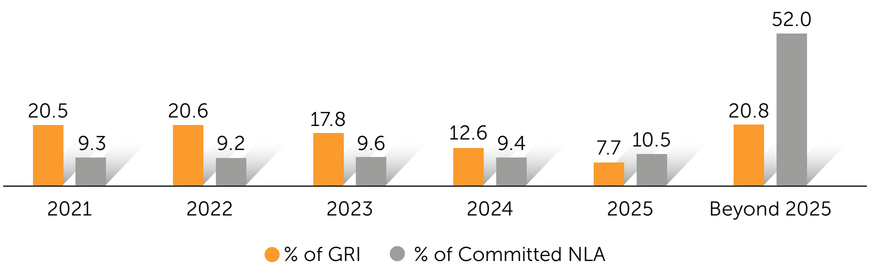
LEASE EXPIRY PROFILE (%)
As at 31 December 2020



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, UNIQLO, H&M, Nanjing Impressions, Tan Yu and Poly Cinema making it a sought-after retail and lifestyle destination within the local community.

Trade Sector	By GRI (%)	By Committed NLA (%)
Food & Beverage	29.8%	13.9%
Supermarket	15.8%	35.0%
Fashion & Accessories	14.3%	16.8%
Beauty & Healthcare	8.4%	4.3%
Education	8.4%	6.9%
Leisure & Entertainment	5.1%	15.7%
Others	4.2%	2.2%
IT & Telecommunication	3.9%	1.4%
Services	3.2%	1.6%
Jewellery / Watches	2.8%	0.7%
Shoes & Bags	2.3%	0.7%
Home Living	1.8%	0.8%

LEASE EXPIRY PROFILE (%)
As at 31 December 2020



RMB85.0 million
GROSS REVENUE

RMB50.8 million
NET PROPERTY INCOME

RMB2,125.0 million
PROPERTY VALUATION

CAPITAMALL GRAND CANYON

PORTFOLIO DETAILS

RMB132.5 million
GROSS REVENUE

RMB81.3 million
NET PROPERTY INCOME

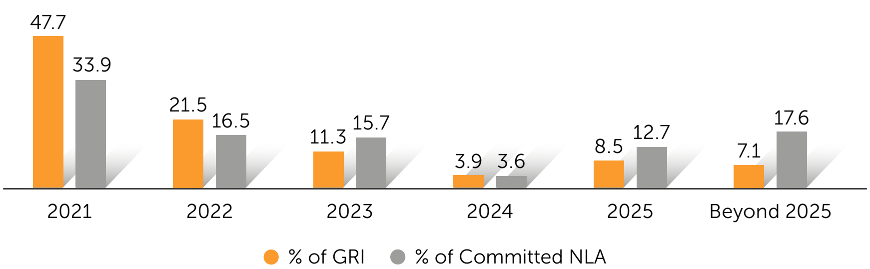
RMB1,774.0 million
PROPERTY VALUATION

CAPITAMALL XUEFU

CapitaMall Xuefu is a modern and experiential regional shopping mall that is located in the Nangang District of Harbin, the capital and largest city of the Heilongjiang Province. It is strategically located next to a cluster of eight tertiary education institutions, where the student population form a large proportion of the sizeable catchment of approximately 750,000 within a three-kilometre radius. CapitaMall Xuefu is situated at the intersection of multiple arterial roads serving the city that connects directly to the Second Ring Road. The mall is well-served by public transportation and enjoys direct connectivity via the basement to the Xuefu Road Station on Line 1 of the Harbin Metro. Incorporating experiential elements to its unique retail concepts, CapitaMall Xuefu features Harbin's first all-year-round Amazon-style indoor garden "Dream Park" at Level 5 as well as the first artistic food street at the basement. CapitaMall Xuefu houses a diverse mix of international and domestic brands such as BHG Supermarket, CGV Cinema, Haidilao, H&M, Adidas, Sisyphe Books, Green Tea Restaurant, Starbucks Reserve, Urban Revivo and Watsons.

Trade Sector	By GRI (%)	By Committed NLA (%)
Fashion & Accessories	33.5%	29.4%
Food & Beverage	29.7%	22.9%
Others	5.4%	4.5%
Sporting Goods & Apparel	5.1%	5.1%
Beauty & Healthcare	4.7%	3.3%
Supermarket	4.4%	14.0%
Jewellery / Watches	3.8%	1.9%
Shoes & Bags	3.6%	2.6%
Leisure & Entertainment	2.7%	8.1%
Education	2.1%	5.4%
Services	1.8%	1.0%
IT & Telecommunication	1.8%	0.7%
Home Living	1.4%	1.1%

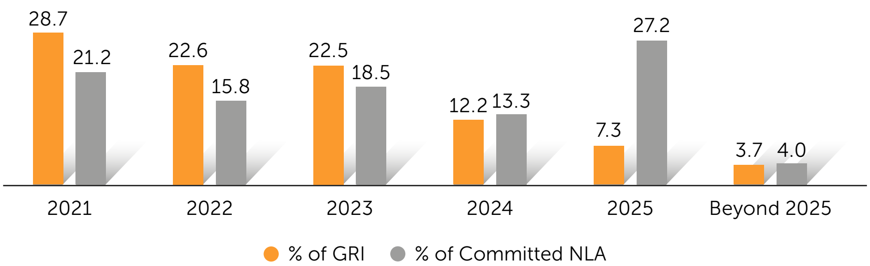
LEASE EXPIRY PROFILE (%)
As at 31 December 2020



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 via 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 mid-to high-income neighbourhood. Its tenant mix includes well-known international brands such as Golden Harvest Cinema, H&M, UNIQLO, Sephora and Charles & Keith.

Trade Sector	By GRI (%)	By Committed NLA (%)
Fashion & Accessories	42.9%	40.6%
Food & Beverage	20.4%	19.8%
Sporting Goods & Apparel	9.3%	7.2%
Beauty & Healthcare	7.3%	6.1%
Leisure & Entertainment	5.2%	14.4%
Shoes & Bags	5.0%	2.7%
Others	2.6%	2.8%
Services	2.4%	1.6%
Jewellery / Watches	1.7%	0.9%
IT & Telecommunication	1.5%	1.2%
Home Living	1.3%	2.0%
Education	0.4%	0.7%

LEASE EXPIRY PROFILE (%)
As at 31 December 2020



CAPITAMALL XINNAN

RMB113.0 million
GROSS REVENUE

RMB81.9 million
NET PROPERTY INCOME

RMB1,600.0 million
PROPERTY VALUATION

PORTFOLIO DETAILS

20 December 2020
OFFICIAL OPENING DATE

100%
OPENING OCCUPANCY RATE

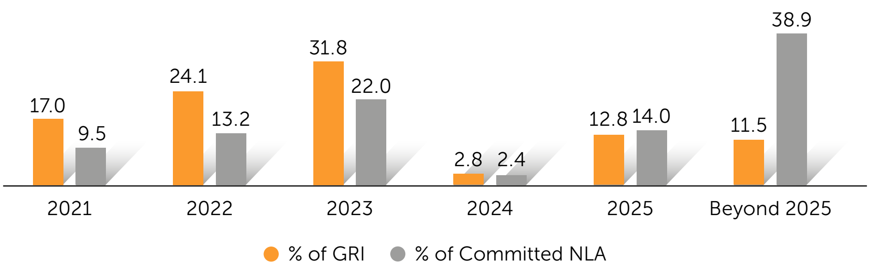
RMB1,006.0 million
PROPERTY VALUATION

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, Nike Kicks Lounge, Huawei, Li-Ning and Sisyphe Books, as well as a wide variety of experiential and new retailing concepts such as 17PLAY, Memorys Garden restaurant and Carle Speed, to appeal to the modern shopper.

Trade Sector	By GRI (%)	By Committed NLA (%)
Food & Beverage	29.7%	24.3%
Fashion & Accessories	25.4%	17.0%
Sporting Goods & Apparel	11.0%	7.1%
Leisure & Entertainment	5.5%	20.5%
Others	5.0%	6.3%
Shoes & Bags	4.3%	2.1%
Supermarket	4.2%	12.4%
Beauty & Healthcare	4.0%	3.2%
Jewellery / Watches	3.2%	1.1%
IT & Telecommunication	2.6%	1.4%
Home Living	2.2%	1.4%
Services	1.5%	1.2%
Education	1.4%	2.0%

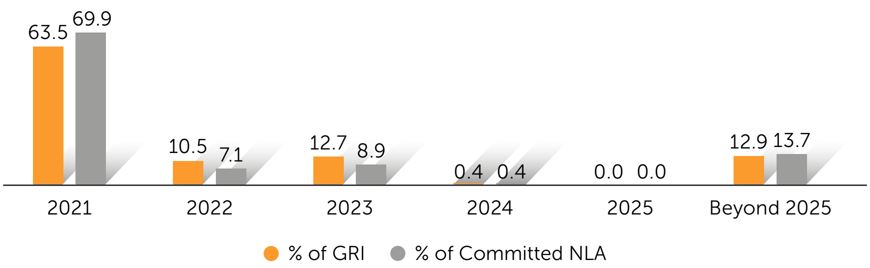
LEASE EXPIRY PROFILE (%)
As at 31 December 2020



CapitaMall Yuhuating is an established mall located within the Dongtang retail hub of Yuhua District. 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, with 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 and with no direct competitors in the area within the vicinity, CapitaMall Yuhuating has firmly established itself within its main trade area and has built strong brand awareness among the locals. As a one-stop shopping destination, CapitaMall Yuhuating offers a broad spectrum of international and local brands such as Walmart, China Film Cinema, Haidilao, Li-Ning, Starbucks Coffee, UNIQLO, KFC, Adidas and Nike.

Trade Sector	By GRI (%)	By Committed NLA (%)
Food & Beverage	30.0%	18.0%
Fashion & Accessories	23.5%	12.1%
Leisure & Entertainment	12.9%	14.9%
Supermarket	10.4%	44.0%
Beauty & Healthcare	5.2%	2.3%
Sporting Goods & Apparel	4.8%	2.4%
Services	3.4%	1.8%
Shoes & Bags	3.1%	1.3%
IT & Telecommunication	2.5%	0.9%
Others	1.8%	1.5%
Jewellery / Watches	1.4%	0.4%
Home Living	1.0%	0.4%

LEASE EXPIRY PROFILE (%)
As at 31 December 2020



RMB72.4 million
GROSS REVENUE

RMB42.0 million
NET PROPERTY INCOME

RMB760.0 million
PROPERTY VALUATION

CAPITAMALL YUHUATING

CAPITAMALL AIDEMENGDUN

RMB34.0 million
GROSS REVENUE

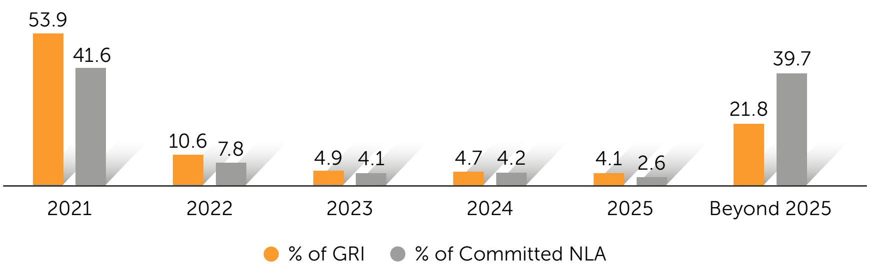
RMB14.0 million
NET PROPERTY INCOME

RMB469.0 million
PROPERTY VALUATION

CapitaMall Aidemengdun is located in Harbin's Daoli District 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. CapitaMall Aidemengdun can be easily accessed via public transportation and is within one and a half-kilometre 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 a wide tenant base consisting of popular tenants such as BHG Supermarket, Qi Cai International Cineplex, KFC, Pizza Hut, Nike, The Green Party, Watsons and Apple.

Trade Sector	By GRI (%)	By Committed NLA (%)
Food & Beverage	25.1%	18.4%
Fashion & Accessories	17.1%	18.3%
Supermarket	13.2%	26.7%
Sporting Goods & Apparel	12.5%	9.1%
Education	6.9%	6.0%
Leisure & Entertainment	5.0%	8.2%
Beauty & Healthcare	4.8%	3.1%
Jewellery / Watches	4.6%	1.6%
IT & Telecommunication	3.1%	1.6%
Others	3.3%	2.0%
Shoes & Bags	1.8%	2.0%
Services	1.3%	1.0%
Home Living	1.3%	2.0%

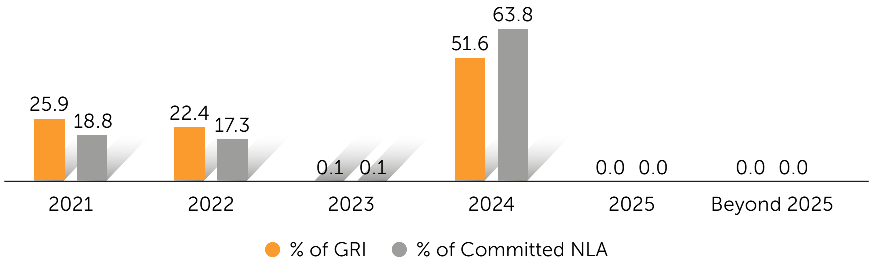
LEASE EXPIRY PROFILE (%)
As at 31 December 2020



CapitaMall Qibao is located in Shanghai's Minhang District near the bustling Hongqiao transport hub. Surrounded by residences, the mall is positioned as a family friendly shopping destination for the growing number of residents living in this choiced neighbourhood. The mall offers interactive leisure and learning facilities, making it an interesting destination for children, at the same time, provides a myriad of shopping, dining and entertainment experiences to capture family spending. Young families can enjoy one of the city's largest rooftop playground that features horse riding, fishing – fun and fulfilling activities that provide for a meaningful experience. The mall features well-known brands such as Carrefour, UNIQLO, Hotwind, Watsons, NYC Kids Club, Ajisen Ramen and Starbucks Coffee.

Trade Sector	By GRI (%)	By Committed NLA (%)
Food & Beverage	39.8%	14.9%
Education	12.9%	11.9%
Leisure & Entertainment	10.8%	14.2%
Supermarket	9.9%	35.8%
Fashion & Accessories	8.6%	10.7%
Beauty & Healthcare	7.2%	4.7%
Services	3.4%	1.2%
Others	2.9%	1.8%
Home Living	2.2%	1.2%
Sporting Goods & Apparel	1.0%	2.9%
IT & Telecommunication	1.0%	0.7%
Jewellery / Watches	0.2%	0.0%
Shoes & Bags	0.1%	0.0%

LEASE EXPIRY PROFILE (%)
As at 31 December 2020



RMB71.2 million
GROSS REVENUE

RMB47.8 million
NET PROPERTY INCOME

RMB83.0 million
PROPERTY VALUATION

CAPITAMALL QIBAO

PORTFOLIO DETAILS

CAPITAMALL SHUANGJING

RMB43.3 million
GROSS REVENUE

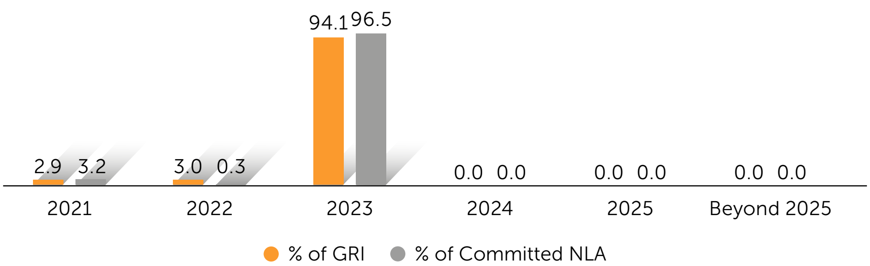
RMB35.6 million
NET PROPERTY INCOME

RMB610.0 million
PROPERTY VALUATION

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 strong retail brands that are able to draw significant shopper traffic from the surrounding local and expatriate community as well as office workers from nearby commercial buildings.

Trade Sector	By GRI (%)	By Committed NLA (%)
Supermarket	60.2%	62.0%
Home Living	33.9%	34.5%
Food & Beverage	3.0%	0.3%
Beauty & Healthcare	2.9%	3.2%

LEASE EXPIRY PROFILE (%)
As at 31 December 2020



CAPITAMALL MINZHONGLEYUAN

CapitaMall Minzhongleyuan is a heritage building constructed in 1919 that is located in the Jianghanlu business district, a short walk from Wuhan's renowned entertainment and shopping belt along the Jianghanlu pedestrian street.

In January 2021, CLCT entered into an agreement to divest CapitaMall Minzhongleyuan at an agreed property value of RMB458.0 million. CapitaMall Minzhongleyuan was identified as a non-core asset within our portfolio, with limited upside. The divestment was completed in February 2021.

CAPITAMALL SAIHAN

CapitaMall Saihan is located near to the heart of Hohhot's main retail precinct. The mall is located directly opposite of CapitaMall Nuohemule and was closed from December 2020.

In February 2019, CLCT entered into a bundle deal to divest CapitaMall Saihan at an agreed property value of RMB460.0 million, and acquire CapitaMall Nuohemule. This is part of CLCT's effort to rejuvenate and strengthen its portfolio with a higher quality asset. The divestment of CapitaMall Saihan is expected to be completed by 2Q 2021.

MARKETING & PROMOTIONS

CLCT's portfolio of properties is an integral part of the community and our promotions and events are curated with the needs of our tenants and shoppers in mind. Our strategic marketing activities aim to build shopper loyalty through meticulously designed customer-centric experiences.

In response to restrictions on in-person marketing events due to the COVID-19 pandemic, blended offline and online marketing events were rolled out to attract shoppers. Adapting to evolving consumer trends, we leveraged on our well-established CapitaStar platform to enhance overall user experience and to increase top-of-mind awareness. This omnichannel approach helped to create seamless connectivity between the online and offline realms, enhancing our ability to capture the wallet-share of the stay-at-home economy.

CapitaMall Wangjing

CapitaMall Wangjing was creatively transformed into multi-theme venues to host various live broadcast studios that featured popular influencers promoting our tenants' products online.

CapitaLand Xizhimen

Leveraging on our CapitaStar platform, CapitaLand Xizhimen held a variety of 'live' streaming sessions hosted by tenants to showcase their wide variety of food offerings and products that helped to boost demand for the mall's food delivery services.

CapitaMall Xuefu

Shoppers at CapitaMall Xuefu were able to catch some of city's best skateboarders in a carnival that aimed to bring together the city's skateboarding enthusiasts. The participants executed different skateboarding tricks, much to the delight of the audience.

Rock Square

To celebrate Rock Square's 7th Anniversary, the mall brought in more than 30 pop-up stores offering a wide variety of unique handicrafts, make-up and photoshoot services etc. that appealed to a range of interests.

CapitaMall Yuhuating

CapitaMall Yuhuating celebrated its 15th Anniversary in style with a series of 'live' performances by local celebrities that attracted hordes of fans hoping to get glimpse of their favourite personalities. A night market was also set up to complement the evening's sensory entertainment with savoury delights

CapitaMall Qibao

To promote a vibrant atmosphere for CapitaMall Qibao, multiple family-friendly events were organised in collaboration with our tenants, including the 2020 Kids International Fashion Model Contest, which attracted large crowds of shopper.

CapitaMall Nuohemule

Attracting sizable throngs of people, the opening ceremony of CapitaMall Nuohemule included a series of activities such as a ribbon-cutting ceremony, a lion dance performance, and a mall ambassador talent search.

FINANCIAL STATEMENTS

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 (formerly known as CapitaLand Retail China Trust) (the "Trust") in trust for the Unitholders. In accordance with the Securities and Futures Act (Cap. 289), its subsidiary legislation and the Code on Collective Investment Schemes, the Trustee shall monitor the activities of CapitaLand China Trust Management Limited (formerly known as CapitaLand Retail 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 127 to 208, 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
12 March 2021

STATEMENT BY THE MANAGER

In the opinion of the directors of CapitaLand China Trust Management Limited (formerly known as CapitaLand Retail China Trust Management Limited) (the "Manager"), the accompanying financial statements set out on pages 127 to 208 comprising the statements of financial position, statements of total return, distribution statements and statements of movements in Unitholders' funds of the CapitaLand China Trust (formerly known as CapitaLand Retail China Trust) (the "Trust") and its subsidiaries (the "Group") and of the Trust, the portfolio statement and statement of cash flows of the Group and a summary of significant accounting policies and other explanatory information, are drawn up so as to present fairly, in all material respects, the financial position of the Group and of the Trust and the portfolio of the Group as at 31 December 2020, the total return, distributable income and movements in Unitholders' funds of the Group and of the Trust and cash flows of the Group for the year ended on that date in accordance with the recommendations of Statement of Recommended Accounting Practice 7 *"Reporting Framework for Unit Trusts"* 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
12 March 2021

INDEPENDENT AUDITORS' REPORT

Unitholders of CapitaLand China Trust (formerly known as CapitaLand Retail 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 2020, 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 total return, distribution statement and 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 127 to 208.

In our opinion, the accompanying consolidated financial statements of the Group and the statement of financial position, statement of total return, distribution statement 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 2020 and the consolidated total return, consolidated distributable income, consolidated movements in Unitholders' funds and consolidated cash flows of the Group and the total return, distributable income, and 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 Unit Trusts*" ("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

The Group owns and invests in a portfolio of 13 shopping malls located in 8 cities in China. Investment properties represent the largest asset item on the consolidated statement of financial position, at S$3.7 billion (excluding right-of-use assets, CapitaMall Saihan and CapitaMall Minzhongleyuan which has been reclassified as held for sale) as at 31 December 2020 (2019: S$3.1 billion (excluding right-of-use assets, CapitaMall Saihan which has been reclassified as held for sale and Rock Square which was equity-accounted for)).

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 methodologies and in estimating the underlying assumptions to be applied in the valuations. Any changes in the key assumptions applied could result in a material impact to the financial statements.

INDEPENDENT AUDITORS' REPORT

Unitholders of CapitaLand China Trust (formerly known as CapitaLand Retail China Trust)
(Constituted under a trust deed dated 23 October 2006 (as amended) in the Republic of Singapore)

Our response

We evaluated the objectivity, qualifications and competence of the external valuers and discussed with the valuers to understand their valuation approaches, assumptions used and bases of valuations. We considered the valuation methodologies against those applied by other valuers for similar property types.

We compared the projected cash flows used in the valuations to lease agreements and other supporting documents. We evaluated the appropriateness of the discount, capitalisation and terminal yield rates used in the valuation by comparing these against historical trends and available industry data, taking into consideration comparability and market factors. Where the rates were outside the expected ranges, we undertook further procedures to understand the effect of additional factors and, when necessary, held further discussions with the valuers.

Our findings

The Group has a structured process in appointing external valuers and in reviewing, challenging and accepting their valuations. The valuers are members of generally-recognised professional bodies for valuers. The valuation methodologies used are in line with generally accepted market practices and the key assumptions used are supported by market data.

Other information

CapitaLand China Trust Management Limited (formerly known as CapitaLand Retail 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.

INDEPENDENT AUDITORS' REPORT

Unitholders of CapitaLand China Trust (formerly known as CapitaLand Retail China Trust)
(Constituted under a trust deed dated 23 October 2006 (as amended) in the Republic of Singapore)

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.

INDEPENDENT AUDITORS' REPORT

Unitholders of CapitaLand China Trust (formerly known as CapitaLand Retail China Trust)

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

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 Lim Pang Yew, Victor.

KPMG LLP
Public Accountants and
Chartered Accountants

Singapore
12 March 2021

STATEMENTS OF FINANCIAL POSITION

As at 31 December 2020

	Note	Group 2020 $'000	Group 2019 $'000	Trust 2020 $'000	Trust 2019 $'000
Non-current assets					
Investment properties	4	**3,726,433**	3,166,006	**–**	–
Plant and equipment	5	**2,394**	2,396	**–**	–
Subsidiaries	6	**–**	–	**2,208,738**	2,029,978
Interest in joint venture	7	**–**	262,457	**–**	–
Other receivables	9	**1,266**	1,262	**–**	–
		3,730,093	3,432,121	**2,208,738**	2,029,978
Current assets					
Non-trade amounts due from subsidiaries	6	**–**	–	**2,216**	2,237
Financial derivatives	8	**1**	346	**1**	346
Trade and other receivables	9	**148,353**	124,368	**93,187**	1,097
Cash and cash equivalents	10	**208,440**	139,920	**858**	437
		356,794	264,634	**96,262**	4,117
Assets held for sale	11	**223,370**	108,898	**–**	–
		580,164	373,532	**96,262**	4,117
Total assets		**4,310,257**	3,805,653	**2,305,000**	2,034,095
Current liabilities					
Trade and other payables	12	**177,704**	150,972	**22,619**	17,559
Security deposits		**36,893**	32,028	**–**	–
Financial derivatives	8	**2,193**	183	**2,193**	183
Interest-bearing borrowings	13	**155,560**	206,621	**145,359**	202,738
Lease liabilities	14	**4,091**	4,075	**–**	–
Provision for taxation		**7,066**	8,739	**23**	23
		383,507	402,618	**170,194**	220,503
Liabilities held for sale	11	**32,161**	14,448	**–**	–
		415,668	417,066	**170,194**	220,503
Non-current liabilities					
Financial derivatives	8	**16,134**	5,094	**16,134**	5,094
Other payables	12	**85**	326	**–**	–
Security deposits		**37,806**	34,288	**–**	–
Interest-bearing borrowings	13	**1,200,374**	1,173,291	**1,046,380**	1,096,800
Lease liabilities	14	**10,631**	27,170	**–**	–
Deferred tax liabilities	15	**284,705**	274,747	**–**	–
		1,549,735	1,514,916	**1,062,514**	1,101,894
Total liabilities		**1,965,403**	1,931,982	**1,232,708**	1,322,397
Net assets		**2,344,854**	1,873,671	**1,072,292**	711,698
Represented by:					
Unitholders' funds	16	**2,245,244**	1,873,671	**972,682**	711,698
Perpetual securities holders	18	**99,610**	–	**99,610**	–
		2,344,854	1,873,671	**1,072,292**	711,698
Units in issue ('000)	18	**1,506,433**	1,209,067	**1,506,433**	1,209,067
Net asset value per Unit attributable to Unitholders ($)		**1.49**	1.55	**0.65**	0.59

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

STATEMENTS OF TOTAL RETURN

Year ended 31 December 2020

	Note	Group		Trust	
		2020 $'000	2019 $'000	2020 $'000	2019 $'000
Gross rental income		**194,771**	221,033	**–**	–
Other income		**15,754**	17,152	**–**	–
Gross revenue		**210,525**	238,185	**–**	–
Property related tax		**(18,571)**	(21,131)	**–**	–
Business tax		**(1,025)**	(1,280)	**–**	–
Property management fees and reimbursables		**(14,561)**	(15,074)	**–**	–
Other property operating expenses	20	**(41,172)**	(35,329)	**–**	–
Total property operating expenses		**(75,329)**	(72,814)	**–**	–
Net property income		**135,196**	165,371	**–**	–
Manager's management fees	21	**(15,532)**	(15,514)	**(15,532)**	(15,514)
Manager's acquisition fee		**–**	–	**(3,388)**	(8,134)
Manager's divestment fee		**–**	–	**(782)**	(106)
Trustee's fees		**(584)**	(509)	**(584)**	(509)
Audit fees		**(399)**	(410)	**(150)**	(169)
Valuation fees		**(65)**	(39)	**–**	–
Other trust operating (expense)/income	22	**(905)**	10,727	**(302)**	(723)
Dividend income		**–**	–	**109,606**	2,197
Foreign exchange gain/(loss) – realised		**1,657**	6,521	**(14,608)**	(2,021)
Finance income		**7,194**	7,093	**11,219**	15,470
Finance costs		**(37,557)**	(36,514)	**(32,435)**	(33,328)
Net finance income/(costs)	23	**(30,363)**	(29,421)	**(21,216)**	(17,858)
Net income/(loss) before share of results of joint venture		**89,005**	136,726	**53,044**	(42,837)
Share of results (net of tax) of joint venture	7	**3,698**	8,570	**–**	–
Net income/(loss)		**92,703**	145,296	**53,044**	(42,837)
Gain/(loss) on disposal of subsidiary [1]		**34,708**	(4,750)	**–**	–
Change in fair value of investment properties	4	**(99,057)**	100,079	**–**	–
Impairment of subsidiary	6	**–**	–	**(21,263)**	1,089
Change in fair value of financial derivatives		**(1,786)**	2,018	**(1,786)**	2,018
Foreign exchange gain/(loss) – unrealised		**1,769**	(1,419)	**6,277**	(1,891)
Total return/(loss) for the year before taxation		**28,337**	241,224	**36,272**	(41,621)
Taxation	24	**(40,366)**	(74,598)	**(22)**	(8)
Total (loss)/return for the year after taxation		**(12,029)**	166,626	**36,250**	(41,629)
Attributable to:					
Unitholders and perpetual securities holders		**(12,029)**	165,424	**36,250**	(41,629)
Non-controlling interest	17	**–**	1,202	**–**	–
Total (loss)/return for the year after taxation		**(12,029)**	166,626	**36,250**	(41,629)
Earnings per Unit (cents)	25				
– Basic		**(0.96)**	15.40[2]		
– Diluted		**(0.96)**	15.33[2]		

(1) For 2020, this relates to the gain arising from the disposal of 100% interest in the company which held CapitaMall Erqi. For 2019, this relates to the loss arising from the disposal of 51% interest in the company which held CapitaMall Wuhu.

(2) The figures have been restated for the effect of the bonus element of the preferential offering of 68,997,855 Units which were issued on 16 December 2020.

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

DISTRIBUTION STATEMENTS

Year ended 31 December 2020

	Note	Group 2020 $'000	Group 2019 $'000	Trust 2020 $'000	Trust 2019 $'000
Amount available for distribution to Unitholders at beginning of the year		**44,315**	47,932	**44,315**	47,932
Total (loss)/return for the year attributable to Unitholders and perpetual securities holders		**(12,029)**	165,424	**36,250**	(41,629)
Less: Total return attributable to perpetual securities holders		**(610)**	–	**(610)**	–
Distribution adjustments	A	**87,117**	(54,624)	**38,838**	152,429
Income for the year available for distribution to Unitholders		**74,478**	110,800	**74,478**	110,800
Capital distribution [1]		**–**	1,000	**–**	1,000
Distributable amount to Unitholders		**74,478**	111,800	**74,478**	111,800
Amount available for distribution to Unitholders		**118,793**	159,732	**118,793**	159,732
Distribution to Unitholders during the year:					
– Distribution of 3.61 cents per Unit for the period from 14 August 2019 to 31 December 2019		**(43,647)**	–	**(43,647)**	–
– Distribution of 3.02 cents per Unit for the period from 1 January 2020 to 20 June 2020		**(36,931)**	–	**(36,931)**	–
– Distribution of 2.75 cents per Unit for the period from 1 July 2020 to 25 November 2020		**(33,883)**	–	**(33,883)**	–
– Distribution of 4.83 cents per Unit for the period from 1 July 2018 to 31 December 2018		**–**	(47,361)	**–**	(47,361)
– Distribution of 6.29 cents per Unit for the period from 1 January 2019 to 13 August 2019		**–**	(62,806)	**–**	(62,806)
		(114,461)	(110,167)	**(114,461)**	(110,167)
Amount released/(retained) for general corporate and working capital purposes	B	**5,250**	(5,250)	**5,250**	(5,250)
Amount available for distribution to Unitholders at end of the year [2]		**9,582**	44,315	**9,582**	44,315
Distribution per Unit ("DPU") (cents) [2]		**6.35**	9.90		
Adjusted DPU (cents) [3]		**6.33**	9.83		

(1) Arising from the gain from the divestment of the equity interest in the company which held CapitaMall Anzhen.

(2) The Distribution per Unit relates to the distributions in respect of the relevant financial year. The distribution relating to 26 November 2020 to 31 December 2020 will be paid within 90 days from the end of the distribution period, in accordance with the provisions of the Trust Deed.

(3) The figures for FY2020 and FY2019 have been adjusted and restated respectively for the effect of the bonus element of the preferential offering of 68,997,855 Units which were issued on 16 December 2020.

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

DISTRIBUTION STATEMENTS

Year ended 31 December 2020

Note A – Distribution adjustments

	Group		Trust	
	2020 $'000	2019 $'000	2020 $'000	2019 $'000
Distribution adjustment items:				
– (Gain)/loss on disposal of subsidiary	**(23,814)**	4,750	**–**	–
– Foreign exchange capital loss realised	**–**	1,570	**–**	–
– Manager's management fees payable in Units	**7,322**	7,497	**7,322**	7,497
– Change in fair value of financial derivatives	**1,786**	(2,018)	**1,786**	(2,018)
– Change in fair value of investment properties (1)	**99,057**	(98,409)	**–**	–
– Deferred taxation (1)	**7,213**	40,184	**–**	–
– Transfer to general reserve	**(5,324)**	(7,805)	**–**	–
– Unrealised foreign exchange (gain)/loss (1)	**(1,769)**	450	**(6,277)**	1,891
– Other adjustments (1)	**(3,357)**	(2,969)	**–**	–
– Adjustments for share of results (net of tax) of joint venture	**6,003**	2,126	**–**	–
– Net overseas income not distributed to the Trust	**–**	–	**36,007**	145,059
Net effect of distribution adjustments	**87,117**	(54,624)	**38,838**	152,429

(1) Excludes non-controlling interest's share

Note B – Distributable amount to Unitholders

Amount released/(retained) of $5.3 million for general corporate and working capital relates to the one-off compensation receivable by CapitaMall Erqi.

STATEMENTS OF MOVEMENTS IN UNITHOLDERS' FUNDS

Year ended 31 December 2020

	Group		Trust	
	2020 $'000	2019 $'000	2020 $'000	2019 $'000
Operations				
Unitholders' funds as at beginning of the year	**1,873,671**	1,553,220	**711,698**	540,470
Change in Unitholders' funds resulting from operations	**(12,029)**	165,424	**36,250**	(41,629)
Total return attributable to perpetual securities holders	**(610)**	–	**(610)**	–
Transfer to general reserve	**(5,324)**	(7,805)	**–**	–
Net (decrease)/ increase in net assets resulting from operations	**(17,963)**	157,619	**35,640**	(41,629)
Movements in hedging reserve				
Effective portion of changes in fair value of cash flow hedges	**(11,609)**	(5,099)	**(11,609)**	(5,099)
Movements in foreign currency translation reserve				
Translation differences from financial statements of foreign operations	**142,123**	(48,087)	**–**	–
Exchange differences on monetary items forming part of net investment in foreign operations	**16,745**	(9,743)	**–**	–
Net gain/(loss) recognised directly in Unitholders' funds	**147,259**	(62,929)	**(11,609)**	(5,099)
Movement in general reserve	**5,324**	7,805	**–**	–
Unitholders' transactions				
New Units issued				
– Units issued in connection with private placement	**245,371**	154,308	**245,371**	154,308
– Units issued in connection with preferential offering	**80,727**	125,094	**80,727**	125,094
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	**7,322**	7,497	**7,322**	7,497
– Units issued in respect of acquisition fees	**–**	5,892	**–**	5,892
Units issued in respect of the distribution reinvestment plan	**24,794**	41,832	**24,794**	41,832
	358,214	334,623	**358,214**	334,623
Distributions to Unitholders	**(114,461)**	(110,167)	**(114,461)**	(110,167)
Equity issue expenses	**(6,800)**	(6,500)	**(6,800)**	(6,500)
Net increase in net assets resulting from Unitholders' transactions	**236,953**	217,956	**236,953**	217,956
Unitholders' funds as at end of the year	**2,245,244**	1,873,671	**972,682**	711,698
Perpetual securities holders' funds				
Balance at beginning of the financial period	**–**	–	**–**	–
New issuance of perpetual securities	**100,000**	–	**100,000**	–
Issue expenses relating to perpetual securities	**(1,000)**	–	**(1,000)**	–
Amount reserved for distribution to perpetual securities holders	**610**	–	**610**	–
Balance at end of the financial period	**99,610**	–	**99,610**	–
Total	**2,344,854**	1,873,671	**1,072,292**	711,698

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

PORTFOLIO STATEMENT

Year ended 31 December 2020

Description of leasehold property	Location	Term of lease (years)	Remaining term of lease (years)	Valuation		Valuation		Percentage of Unitholders' funds	
				2020 RMB'000	2019 RMB'000	2020 $'000	2019 $'000	2020 %	2019 %
Group									
CapitaMall Xizhimen	No. 1, Xizhimenwai Road, Xicheng District, Beijing	40 – 50	24 – 34	**3,580,000**	3,580,000	**730,392**	695,021	**32.5**	37.1
Rock Square	106-108 Gongye Avenue North, Haizhu District, Guangzhou City, Guangdong Province	40	25	**3,414,000**	–	**696,524**	–	**31.0**	–
CapitaMall Wangjing	No. 33, Guangshun North Road, Chaoyang District, Beijing	38 – 48	22 – 32	**2,772,000**	2,772,000	**565,543**	538,156	**25.2**	28.7
CapitaMall Grand Canyon	No. 16, South Third Ring West Road, Fengtai District, Beijing	40 – 50	24 – 34	**2,125,000**	2,125,000	**433,543**	412,548	**19.4**	21.9
CapitaMall Xuefu	No. 1, Xuefu Road, Nangang District, Harbin, Heilongjiang Province	40	25	**1,774,000**	1,792,000	**361,931**	347,899	**16.1**	18.6
CapitaMall Xinnan	No. 99, Shenghe Yi Road, Gaoxin District, Chengdu, Sichuan Province	40	27	**1,600,000**	1,600,000	**326,432**	310,624	**14.5**	16.6
CapitaMall Nuohemule	No. 201, Block A Jinyu Xintiandi, E'erduosi Street, Yuquan District, Hohhot, Inner Mongolia Autonomous Region	40	29	**1,006,000**	857,000	**205,244**	166,378	**9.1**	8.9
CapitaMall Yuhuating	No. 421, Middle Shaoshan Road, Yuhua District, Changsha, Hunan Province	39	24	**760,000**	760,000	**155,055**	147,546	**6.9**	7.9
CapitaMall Shuangjing	No. 31, Guangqu Road, Chaoyang District, Beijing	40	22	**610,000**	610,000	**124,453**	118,426	**5.5**	6.3
CapitaMall Aidemengdun	No. 38, Aidemengdun Road, Daoli District, Harbin, Heilongjiang Province	40	22	**469,000**	480,000	**95,685**	93,187	**4.3**	5.0
CapitaMall Minzhongleyuan(1)	No. 704, Zhongshan Avenue, Jianghan District, Wuhan, Hubei Province	40	23 – 25	–	490,911	–	95,305	–	5.1
Balance carried forward				**18,110,000**	15,066,911	**3,694,802**	2,925,090	**164.5**	156.1

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

PORTFOLIO STATEMENT

Year ended 31 December 2020

Description of leasehold property	Location	Term of lease (years)	Remaining term of lease (years)	Valuation 2020 RMB'000	Valuation 2019 RMB'000	Valuation 2020 $'000	Valuation 2019 $'000	Percentage of Unitholders' funds 2020 %	Percentage of Unitholders' funds 2019 %
Group									
Balance brought forward				**18,110,000**	15,066,911	**3,694,802**	2,925,090	**164.5**	156.1
CapitaMall Qibao[(2)]	No. 3655, Qixin Road, Minhang District, Shanghai	19	3	**83,000**	435,000	**16,934**	84,451	**0.8**	4.5
CapitaMall Erqi	No. 3, Minzhu Road, Erqi District, Zhengzhou, Henan Province	38	21	**–**	645,000	**–**	125,220	**–**	6.7
Investment properties, at valuation (Note 4)				**18,193,000**	16,146,911	**3,711,736**	3,134,761	**165.3**	167.3
Reclassified to assets held for sale									
CapitaMall Saihan	No. 32, Ordos Street, Saihan District, Hohhot, Inner Mongolia Autonomous Region	35	20	**460,000**	460,000	**93,849**	89,304	**4.2**	4.8
CapitaMall Minzhongleyuan[(1)]	No. 704, Zhongshan Avenue, Jianghan District, Wuhan, Hubei Province	40	23 – 25	**440,911**	–	**89,955**	–	**4.0**	–
				19,093,911	16,606,911	**3,895,540**	3,224,065	**173.5**	172.1
Investment in joint venture (Note 7)						**–**	262,457	**–**	14.0
Other assets and liabilities (net)						**(1,550,686)**	(1,612,851)	**(69.1)**	(86.1)
						2,344,854	1,873,671	**104.4**	100.0
Net assets attributable to perpetual securities holders						**(99,610)**	–	**(4.4)**	–
Net assets attributable to Unitholders						**2,245,244**	1,873,671	**100.0**	100.0

(1) The carrying amount of CapitaMall Minzhongleyuan includes the valuation of the retail mall and carrying amount of three residential units.
(2) 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 is held by Jin Qiu. The valuation as at 31 December 2020 is on the basis that CLCT does not exercise its option which expired on 31 January 2021.

CONSOLIDATED STATEMENT OF CASH FLOWS

Year ended 31 December 2020

	Note	Group 2020 $'000	Group 2019 $'000
Operating activities			
Total (loss)/return for the year after taxation		**(12,029)**	166,626
Adjustments for:			
Finance income		**(7,194)**	(7,093)
Finance costs		**37,557**	36,514
Depreciation and amortisation		**897**	1,080
Taxation		**40,366**	74,598
Manager's management fees payable in Units	A(i)	**7,322**	7,497
Plant and equipment written off		**85**	34
Change in fair value of investment properties		**99,057**	(100,079)
Change in fair value of financial derivatives		**1,786**	(2,018)
Share of joint venture's results (net of tax)		**(3,698)**	(8,570)
Gain on disposal of subsidiary		**(34,708)**	4,750
(Write back)/Impairment losses on trade receivables, net		**357**	1
Operating income before working capital changes		**129,798**	173,340
Changes in working capital:			
Trade and other receivables		**(10,525)**	(10,957)
Trade and other payables		**(13,476)**	(7,438)
Cash generated from operating activities		**105,797**	154,945
Income tax paid		**(27,226)**	(27,542)
Net cash from operating activities		**78,571**	127,403
Investing activities			
Interest received		**4,588**	3,026
Capital expenditure on investment properties	A(ii)	**(26,725)**	(20,774)
Net cash outflow on acquisition of subsidiaries	B	**(200,640)**	(459,749)
Proceeds from disposal of subsidiaries	C	**150,412**	15,653
Deposit (refund)/received for divestment of subsidiaries		**(3,865)**	50,865
Net cash outflow on acquisition of investment property	D	**–**	(134,507)
Partial purchase consideration payment for acquisition of subsidiaries	E	**(115,604)**	–
Purchase of plant and equipment		**(407)**	(476)
Proceeds from disposal of plant and equipment		**7**	–
Net cash used in investing activities		**(192,234)**	(545,962)
Financing activities			
Proceeds from issuance of new Units		**326,098**	279,402
Distribution to Unitholders		**(89,667)**	(68,335)
Payment of equity issue expenses		**(2,813)**	(3,820)
Payment of financing expenses		**(1,820)**	(1,085)
Proceeds from issuance of perpetual securities		**100,000**	–
Payment of transaction costs on issuance of perpetual securities		**(545)**	–
Payment of lease liabilities		**(4,019)**	(5,295)
Proceeds from draw down of interest-bearing borrowings		**539,200**	620,700
Repayment of interest-bearing borrowings		**(650,510)**	(381,057)
Settlement of derivative contracts		**(703)**	(316)
Interest paid		**(35,556)**	(33,488)
Net cash from financing activities		**179,665**	406,706
Net increase/(decrease) in cash and cash equivalents		**66,002**	(11,853)
Cash and cash equivalents at 1 January		**139,920**	173,904
Effect of foreign exchange rate changes on cash balances		**8,060**	(2,869)
Reclassification of cash balances to assets held for sale		**(5,542)**	(19,262)
Cash and cash equivalents at 31 December	10	**208,440**	139,920

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

CONSOLIDATED STATEMENT OF CASH FLOWS

Year ended 31 December 2020

Notes:

(A) Significant non-cash and other transactions

(i) $7.3 million of the Manager's management fees (performance and partial base fees) in 2020 will be paid through the issue of new Units subsequent to the year end.

$7.5 million of the Manager's management fees (performance and partial base fees) in 2019 was paid through the issuance of 4,711,584 new Units in March 2020.

(ii) The Group enhanced its investment properties during the year, of which $18.2 million (2019: $15.2 million) was paid. During the year, the Group paid $8.5 million (2019: $5.6 million) of the prior years unpaid balance.

(B) Net cash outflow on the acquisition of subsidiaries

On 30 December 2020, the Group acquired the remaining 49% of the shares in Gold Yield Pte. Ltd., which holds Guangzhou Starshine Properties Co., Ltd.. The assets of Guangzhou Starshine Properties Co., Ltd. largely consists of investment property without substantial operational or management processes. Substantially all of the fair value of the gross assets acquired is concentrated in the investment property.

The Group applied the concentration test and the acquisition of the remaining 49% of the shares in Gold Yield Pte. Ltd. has been assessed and accounted for as an acquisition of assets in the financial statements.

The consideration, fully paid in cash, at the acquisition date for the acquisition of the remaining 49% of the shares in Gold Yield Pte. Ltd. was $272.3 million.

In 2019, the Group acquired 100% of the shares of CapitaRetail Harbin Shangdu Real Estate Co., Ltd., Beijing Hualian Harbin Real Estate Development Co., Ltd., and CapitaMalls Hunan Commercial Property Co., Ltd. which hold CapitaMall Xuefu, CapitaMall Aidemengdun and CapitaMall Yuhuating respectively for a total consideration of $506.9 million.

Net cash outflow on acquisition of subsidiaries is provided below:

	2020 Group $'000	2019 Group $'000
Investment properties	**691,352**	589,224
Plant and equipment	**193**	786
Trade and other receivables	**3,967**	4,671
Cash and cash equivalents	**71,620**	47,137
Trade and other payables	**(109,837)**	(26,692)
Security deposits	**(9,279)**	(7,361)
Interest-bearing borrowings	**(83,532)**	(104,717)
Provision for taxation	**–**	(1,187)
Net identifiable assets and liabilities acquired	**564,484**	501,861
Percentage acquired	**49%**	100%
Net identifiable assets and liabilities based on percentage acquired	**276,597**	501,861
Add: Shareholder's loan and interest payable novated	**17**	5,025
Total consideration payable	**276,614**	506,886
Cash of the subsidiaries acquired	**(71,620)**	(47,137)
Consideration payable	**(4,354)**	–
Net cash outflow	**200,640**	459,749

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

CONSOLIDATED STATEMENT OF CASH FLOWS

Year ended 31 December 2020

(C) Net cash inflow on the divestment of subsidiaries

Net cash inflow on divestment of subsidiaries are provided below:

	2020 Group $'000	2019 Group $'000
Investment properties	**129,858**	41,799
Plant and equipment	**2**	24
Trade and other receivables	**6,785**	3,788
Cash and cash equivalents	**6,983**	1,136
Trade and other payables	**(274)**	(215)
Security deposits	**–**	(49)
Deferred tax liabilities	**(24,648)**	(2,255)
Net identifiable assets and liabilities divested	**118,706**	44,228
Percentage shareholdings	**100%**	51%
Net assets based on percentage shareholdings	**118,706**	22,556
Gain/(Loss) on disposal of subsidiary	**34,735**	(4,750)
Realisation of translation reserves	**13,855**	–
Sale consideration	**167,296**	17,806
Receivable from vendor	**–**	(1,017)
Tax paid	**(10,895)**	–
Cash of subsidiary divested	**(6,983)**	(1,136)
Cash received from vendor in respect of divestment of subsidiary in previous financial year	**994**	–
Net cash inflow	**150,412**	15,653

(D) Net cash outflow on the acquisition of investment property

On 2 September 2019, the Group entered into a sale and purchase agreement with an unrelated party to acquire Yuquan Mall for a purchase consideration of RMB769.8 million (approximately $149.5 million) (excluding Value Added Tax). The Group paid $134.5 million in progress payments in 2019.

(E) Partial purchase consideration payment for acquisition of subsidiaries

On 6 November 2020, the Group entered into conditional agreements with related parties to acquire Ascendas Xinsu, Ascendas Innovation Towers, Ascendas Innovation Hub and SHSTP Phase I and Phase II for a purchase consideration of RMB2.4 billion (approximately $495.0 million), subject to post-completion. During the year, the Group paid $115.6 million in partial payments.

NOTES TO THE FINANCIAL STATEMENTS

Year ended at 31 December 2020

These notes form an integral part of the financial statements.

The financial statements were authorised for issue by the Manager and the Trustee on 12 March 2021.

1. GENERAL

CapitaLand China Trust (formerly known as CapitaLand Retail 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 (formerly known as CapitaLand Retail 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.

For financial reporting purposes, with effect from 28 June 2019, 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 the Republic of Singapore. Prior to 28 June 2019, the ultimate holding company of the Group was CapitaLand Limited.

The principal activities of the Trust are those relating to investment in a diversified portfolio of income-producing properties located primarily in the People's Republic of China ("China"), Hong Kong and Macau and used primarily for retail, office and industrial purposes (2019: retail purposes).

The principal activities of the subsidiaries are those of investment holding of properties located in China and used for retail, office and industrial purposes (2019: retail 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

NOTES TO THE FINANCIAL STATEMENTS

Year ended at 31 December 2020

1. GENERAL (continued)

(b) Manager's management fees (continued)

- 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 Limited, 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.

(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:

- 2.0% per annum of the gross revenue; and

- 2.5% per annum of the net property income.

(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.

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.

NOTES TO THE FINANCIAL STATEMENTS

Year ended at 31 December 2020

1. GENERAL (continued)

(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 Unit Trusts"* 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 principles relating to recognition and measurement 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.

(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.

NOTES TO THE FINANCIAL STATEMENTS
Year ended at 31 December 2020

2. BASIS OF PREPARATION (continued)

(d) Use of estimates and judgements (continued)

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 that have a significant risk of resulting in a material adjustment within the next financial year are included in the following notes:

- Note 4 – Valuation of investment properties;
- Note 14 – Lease term: whether the Group is reasonably certain to exercise extension options; and
- Note 31 – 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.

Further information about the assumptions made in measuring fair values is included in the following notes:

- Note 4 – Investment properties;
- Note 11 – Assets/Liabilities held for sale; and
- Note 31 – Valuation of financial instruments.

NOTES TO THE FINANCIAL STATEMENTS
Year ended at 31 December 2020

2. BASIS OF PREPARATION (continued)

(e) Changes in accounting policies

The Group has applied the principles under the following amendments to and interpretations of FRSs for the first time for the annual period beginning on 1 January 2020:

- *Amendments to References to Conceptual Framework in FRS Standards*
- *Definition of a Business* (Amendments to FRS 103)
- *Definition of Material* (Amendments to FRS 1 and FRS 8)

The application of these amendments to standards and interpretations does not have a material impact on the Group's consolidated financial statements.

The Group applied the amendments relating to definition of a business to business combinations whose acquisition dates are on or after 1 January 2020 in assessing whether it had acquired a business or a group of assets. The details of accounting policies are set out in Note 3(a)(i).

The Group has early adopted the principles under Amendments to FRS 116 – *Covid-19-Related Rent Concessions* issued on 28 May 2020. The amendment introduces an optional practical expedient for leases in which the Group is a lessee – i.e. for leases to which the Group applies the practical expedient, the Group is not required to assess whether eligible rent concessions that are a direct consequence of the COVID-19 coronavirus pandemic are lease modifications. The amendment has no impact on Unitholders' funds at 1 January 2020. The details of accounting policies are set out in Note 3(f).

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

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.

NOTES TO THE FINANCIAL STATEMENTS

Year ended at 31 December 2020

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

(a) Basis of consolidation (continued)

(i) Business combinations (continued)

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.

When the excess in negative, a bargain purchase gain 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.

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 on a transaction-by-transaction basis. All other NCI are measured at acquisition-date fair value, unless another measurement basis is required under the principles of FRSs.

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.

(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.

Where the Group acquires an asset or a group of assets that does not constitute a business, the cost of the investment is allocated to the individual identifiable assets acquired and liabilities assumed at the date of acquisition.

(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.

NOTES TO THE FINANCIAL STATEMENTS

Year ended at 31 December 2020

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

(a) Basis of consolidation (continued)

(iv) Joint ventures

A joint venture is an arrangement in which the Group has joint control, whereby the Group has rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities.

Investments in joint ventures are accounted for using the equity method. They are recognised initially at cost, which includes transaction costs. Subsequent to initial recognition, the consolidated financial statements include the Group's share of profit or loss and other comprehensive income ("OCI") of equity-accounted investees, after adjustments to align the accounting policies with those of the Group, from the date that joint control commences until the date that joint control ceases.

(v) Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income or expenses 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.

(vi) 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 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)).

NOTES TO THE FINANCIAL STATEMENTS

Year ended at 31 December 2020

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

(b) Foreign currency (continued)

(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 non-controlling interest ("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.

(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

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.

The Group reclassifies financial assets when and only when its business model for managing those assets changes.

NOTES TO THE FINANCIAL STATEMENTS
Year ended at 31 December 2020

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

(c) Financial instruments (continued)

(ii) Classification and measurement (continued)

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 transaction costs that are directly attributable to the acquisition of the financial asset.

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. Subsequent to initial recognition, these financial liabilities are measured at amortised cost using the effective interest method. Other financial liabilities comprise trade and other payables, security deposits and interest-bearing borrowings.

(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 substantially all of the risks and rewards of ownership of the financial asset are transferred or in which 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.

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. In these cases, the transferred assets are not derecognised.

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.

NOTES TO THE FINANCIAL STATEMENTS

Year ended at 31 December 2020

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

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 amendments to its retrospective and prospective effectiveness assessment of the hedging relationship when the uncertainty arising from interest rate benchmark reform is no longer present with respect to the timing and the amount of the interest rate benchmark-based cash flows of the hedged item or hedging instrument, or when the hedging relationship is discontinued.

NOTES TO THE FINANCIAL STATEMENTS

Year ended at 31 December 2020

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 such as inventory, 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.

For a cash flow hedge of a forecast transaction, the Group assumes that the benchmark interest rate will not be not altered as a result of IBOR reform for the purpose of asserting that the forecast transaction is highly probable and presents an exposure to variations in cash flows that could ultimately affect profit or loss. The Group will no longer apply the amendments to its highly probable assessment of the hedged item when the uncertainty arising from interest rate benchmark reform with respect to the timing and 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.

To determine whether the designated forecast transaction is no longer 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 interest rate benchmark reform.

NOTES TO THE FINANCIAL STATEMENTS

Year ended at 31 December 2020

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

(c) Financial instruments (continued)

(vi) Derivative financial instruments and hedge accounting (continued)

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, for a derivative, changes in the fair value of the hedging instrument or, for a non-derivative, foreign exchange gains and losses 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 reclassified to the statement of total return as a reclassification adjustment on disposal of the foreign operation.

(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.

NOTES TO THE FINANCIAL STATEMENTS

Year ended at 31 December 2020

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

(e) Plant and equipment

(i) Recognition and measurement

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.

When 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.

Gains or losses arising from the retirement or disposal of plant and equipment are determined as the difference between the estimated net disposal proceeds and the carrying amount of the asset and are recognised in the statement of total return on the date of retirement or disposal.

(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 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 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, and adjusted as appropriate, at each reporting date.

(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.

NOTES TO THE FINANCIAL STATEMENTS

Year ended at 31 December 2020

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 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.

NOTES TO THE FINANCIAL STATEMENTS

Year ended at 31 December 2020

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

(f) Leases (continued)

(i) As a lessee (continued)

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 short-term leases, 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.

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’.

NOTES TO THE FINANCIAL STATEMENTS

Year ended at 31 December 2020

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

(g) Impairment

(i) Non-derivative financial assets

The Group recognises loss allowances for expected credit losses ("ECLs") on financial assets measured at amortised costs.

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.

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.

NOTES TO THE FINANCIAL STATEMENTS

Year ended at 31 December 2020

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

(g) Impairment (continued)

(i) Non-derivative financial assets (continued)

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.

(ii) Joint venture

An impairment loss in respect of a joint venture is measured by comparing the recoverable amount of the investment with its carrying amount in accordance with the requirements for non-financial assets. An impairment loss is recognised in the statement of total return. An impairment loss is reversed if there has been a favourable change in the estimates used to determine the recoverable amount and only to the extent that the recoverable amount increases.

(iii) 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.

NOTES TO THE FINANCIAL STATEMENTS

Year ended at 31 December 2020

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

(h) Non-current assets held for sale

Non-current assets, or disposal groups comprising assets and liabilities, that are highly probable to be recovered primarily through sale rather than through continuing use, are classified as held for sale. Immediately before classification as held for sale, the assets, or components of a disposal group, are remeasured in accordance with the Group's accounting policies. Thereafter, the assets, or disposal group classified as held for sale are generally measured at the lower of their carrying amount and fair value less costs to sell.

Any impairment loss on a disposal group is first allocated to goodwill, then to remaining assets and liabilities on *pro rata* basis, except that no loss is allocated to financial assets, deferred tax assets and investment property, which continue to be measured in accordance with the Group's accounting policies. Impairment losses on initial classification as held for sale or distribution and subsequent gain or losses on remeasurement are recognised in the statement of total return. Gains are not recognised in excess of any cumulative impairment loss.

Plant and equipment once classified as held for sale are not depreciated. In addition, equity accounting of joint venture ceases once classified as held for sale.

(i) 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.

(j) 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.

(k) 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 as incurred.

(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.

NOTES TO THE FINANCIAL STATEMENTS

Year ended at 31 December 2020

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

(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.

(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.

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.

NOTES TO THE FINANCIAL STATEMENTS

Year ended at 31 December 2020

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

(p) Taxation (continued)

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.

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.

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 utilised. 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.

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.

The Trust is exempted from Singapore income tax under Section 13(12) of the Singapore Income Tax Act on the following income:

(i) dividends; and

(ii) interest on shareholders' loans,

payable by its subsidiaries in Barbados, Singapore and Hong Kong 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.

NOTES TO THE FINANCIAL STATEMENTS

Year ended at 31 December 2020

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

(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 2020 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*
- *Classification of Liabilities as Current or Non-current (Amendments to FRS 1)*
- *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to FRS 110 and FRS 28)*
- *Reference to the Conceptual Framework (Amendments to FRS 103)*
- *Property, Plant and Equipment – Proceeds before Intended Use (Amendments to FRS 16)*
- *Onerous Contracts – Costs of Fulfilling a Contract (Amendments to FRS 37)*
- *Annual Improvements to FRSs 2018 – 2020*

NOTES TO THE FINANCIAL STATEMENTS

Year ended at 31 December 2020

4. INVESTMENT PROPERTIES

	Note	Group 2020 $'000	2019 $'000
At 1 January		**3,166,006**	2,439,106
Recognition of right-of-use asset on initial application of the principles under FRS 116		**–**	35,243
Adjusted balance at 1 January		**3,166,006**	2,474,349
Reclassified to assets held for sale	11	**(103,651)**	(89,304)
Disposal of investment properties		**(129,858)**	(41,799)
Reclassified from joint venture	7	**352,589**	–
Acquisition of investment properties[1]		**343,395**	756,817
Expenditure capitalised		**37,643**	21,949
Changes in fair value		**(99,057)**	100,079
Translation differences		**159,366**	(56,085)
At 31 December		**3,726,433**	3,166,006

1 Includes acquisition fees and acquisition related expenses of $4.6 million (2019: $18.1 million).

Security

At 31 December 2020, investment properties of the Group with carrying amounts of $1,058.4 million (2019: $347.9 million) are pledged as security to secure bank loans (see Note 13).

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 $3.7 billion (2019: $3.1 billion) has been categorised as a Level 3 fair value based on the inputs to the valuation technique used (see Note 2(d)).

	2020 $'000	2019 $'000
Fair value of investment properties (based on valuation reports)	**3,711,736**	3,134,761
Add: Carrying amount of lease liabilities	**14,697**	31,245
Carrying amount of investment properties	**3,726,433**	3,166,006

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.

NOTES TO THE FINANCIAL STATEMENTS

Year ended at 31 December 2020

4. INVESTMENT PROPERTIES (continued)

The capitalisation approach is an investment approach whereby the estimated gross passing income (on both passing and market rent basis) 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 a risk adjusted discount rates to arrive at the market value.

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
Jones Lang LaSalle Corporate Appraisal and Advisory Limited	31 December 2020	–
Cushman & Wakefield International Property Advisers (Shanghai) Co., Ltd.	31 December 2020	31 December 2019
Savills Valuation and Professional Services (S) Pte. Ltd.	31 December 2020	31 December 2019
Beijing Colliers International Real Estate Valuation Co., Ltd.	–	31 December 2019

Investment properties comprise retail 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 (2019: within 1 to 3 years). See Note 14 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 $10.4 million (2019: $9.4 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 7.00%) (2019: from 4.00% to 7.00%)	The fair value increases as capitalisation rates decrease.
Discounted cash flows approach	Discount rates (from 6.75% to 9.50%) (2019: from 7.00% to 9.50%) Terminal rates (from 4.75% to 6.75%) (2019: from 5.50% to 6.75%)	The fair value increases as discount rates and terminal rates decrease.
Direct comparison	Comparable price per square metre • 2020: Nil • 2019: from RMB7,000 per square metre ("psm") to RMB44,000 psm	The fair value increases as prices per square metre increase.

NOTES TO THE FINANCIAL STATEMENTS

Year ended at 31 December 2020

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 2019	9,666	161	22	6,582	16,431
Assets acquired	4,322	328	–	2,006	6,656
Assets disposed	(889)	–	–	(160)	(1,049)
Reclassified to assets held for sale	(1,315)	–	–	(305)	(1,620)
Additions	(22)	20	–	472	470
Disposal/written off	(60)	(30)	–	(541)	(631)
Translation difference on consolidation	(243)	(10)	–	(146)	(399)
At 31 December 2019	11,459	469	22	7,908	19,858
Reclassified from joint venture	60	19	–	157	236
Assets acquired	58	19	–	151	228
Assets disposed	(377)	–	–	(19)	(396)
Reclassified to assets held for sale	(349)	(17)	–	(440)	(806)
Additions	9	12	–	434	455
Disposal/written off	(1)	–	(23)	(494)	(518)
Translation difference on consolidation	591	23	1	389	1,004
At 31 December 2020	**11,450**	**525**	**–**	**8,086**	**20,061**
Less: Accumulated depreciation					
At 1 January 2019	9,382	110	20	4,584	14,096
Assets acquired	4,297	174	–	1,399	5,870
Assets disposed	(886)	–	–	(139)	(1,025)
Reclassified to assets held for sale	(1,315)	–	–	(230)	(1,545)
Charge for the year	297	76	–	668	1,041
Disposal/written off	(60)	(28)	–	(509)	(597)
Translation difference on consolidation	(260)	(7)	–	(111)	(378)
At 31 December 2019	11,455	325	20	5,662	17,462
Reclassified from joint venture	48	8	–	70	126
Assets acquired	46	7	–	68	121
Assets disposed	(377)	–	–	(17)	(394)
Reclassified to assets held for sale	(349)	(22)	–	(382)	(753)
Charge for the year	–	106	–	744	850
Disposal/written off	(1)	–	(21)	(479)	(501)
Translation difference on consolidation	445	19	1	291	756
At 31 December 2020	**11,267**	**443**	**–**	**5,957**	**17,667**
Carrying amounts					
At 1 January 2019	284	51	2	1,998	2,335
At 31 December 2019	4	144	2	2,246	2,396
At 31 December 2020	**183**	**82**	**–**	**2,129**	**2,394**

NOTES TO THE FINANCIAL STATEMENTS

Year ended at 31 December 2020

6. SUBSIDIARIES

	Trust 2020 $'000	Trust 2019 $'000
Non-current assets		
(a) Unquoted equity, at cost	**535,175**	569,201
Less: Allowance for impairment loss	**(32,824)**	(11,561)
	502,351	557,640
(b) Loans to subsidiaries	**267,477**	284,635
Non-trade amounts due from subsidiaries	**1,438,910**	1,187,703
	1,706,387	1,472,338
	2,208,738	2,029,978
Current assets		
(b) Non-trade amounts due from subsidiaries	**2,216**	2,237

Movement in allowance for impairment loss was as follows:

	Trust 2020 $'000	Trust 2019 $'000
At 1 January	**(11,561)**	(12,650)
(Allowance)/Write back for impairment loss	**(21,263)**	1,089
At 31 December	**(32,824)**	(11,561)

During the year, an impairment loss amounting to $21,263,000 (2019: reversal of $1,089,000) 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. 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) Details of the subsidiaries are as follows:

Name of subsidiaries	Principal activities	Place of incorporation/ business	Effective equity held by the Group 2020 %	Effective equity held by the Group 2019 %
(i) Direct subsidiaries				
* CapitaRetail China Investments (B) Pte. Ltd.	Investment holding	Barbados	**100**	100
*** CapitaRetail China Investments (B) Alpha Pte. Ltd.	Investment holding	Barbados/ Singapore	**100**	100

NOTES TO THE FINANCIAL STATEMENTS

Year ended at 31 December 2020

6. SUBSIDIARIES (continued)

(a) Details of the subsidiaries are as follows: (continued)

	Name of subsidiaries	Principal activities	Place of incorporation/ business	Effective equity held by the Group 2020 %	2019 %
(i)	**Direct subsidiaries** (continued)				
*	CapitaRetail China Investments (B) Beta Pte. Ltd.	Investment holding	Barbados	**100**	100
*	CapitaRetail China Investments (B) Gamma Pte. Ltd.	Investment holding	Barbados	**100**	100
**	CapitaRetail China Investments (BVI) Alpha Limited	Investment holding	British Virgin Islands	**100**	100
***	Somerset (Wuhan) Investments Pte. Ltd.	Investment holding	Singapore	**100**	100
***	CapitaLand Retail Investments (SY) Pte. Ltd.	Investment holding	Singapore	**100**	100
*	BR Spicy (HK) Limited	Investment holding	Hong Kong	**100**	100
***	Gold Rock Investment Pte. Ltd.	Investment holding	Singapore	**100**	100
***	Gold Yield Pte. Ltd.	Investment holding	Singapore	**100**	51
***	CRCT Yuquan Investment Pte. Ltd.	Investment holding	Singapore	**100**	100
***	Springjade Pte. Ltd.	Investment holding	Singapore	**100**	100
***	CRCT China Investment (Changsha) Pte. Ltd.	Investment holding	Singapore	**100**	100
***	CRCT China Investment (Harbin I) Pte. Ltd.	Investment holding	Singapore	**100**	100
***	CRCT China Investment (Harbin II) Pte. Ltd.	Investment holding	Singapore	**100**	100
****	CRCT Investment (Hangzhou I) Pte. Ltd.	Investment holding	Singapore	**100**	–

NOTES TO THE FINANCIAL STATEMENTS

Year ended at 31 December 2020

6. SUBSIDIARIES (continued)

(a) Details of the subsidiaries are as follows: (continued)

	Name of subsidiaries	Principal activities	Place of incorporation/ business	Effective equity held by the Group 2020 %	2019 %
(i)	**Direct subsidiaries** (continued)				
****	CRCT Investment (Hangzhou II) Pte. Ltd.	Investment holding	Singapore	**100**	–
****	CRCT Investment (Suzhou) Pte. Ltd.	Investment holding	Singapore	**100**	–
****	CRCT Investment (Xi'an I) Pte. Ltd.	Investment holding	Singapore	**100**	–
****	CRCT Investment (Xi'an II) Pte. Ltd.	Investment holding	Singapore	**100**	–
(ii)	**Indirect subsidiaries**				
	Subsidiary of CapitaRetail China Investments (B) Pte. Ltd.				
*	CapitaRetail Beijing Wangjing Real Estate Co., Ltd.	Property investment	China	**100**	100
	Subsidiaries of CapitaRetail China Investments (B) Alpha Pte. Ltd.				
*	CapitaRetail Dragon Mall (Shanghai) Co., Ltd.	Property investment	China	**100**	100
*	CapitaRetail Beijing Shuangjing Real Estate Co., Ltd.	Property investment	China	**100**	100
*#	CapitaRetail Henan Zhongzhou Real Estate Co., Ltd.	Property investment	China	**–**	100
*^	Huaxin Saihan Huhhot Real Estate Co., Ltd.	Property investment	China	**100**	100
	Subsidiary of CapitaRetail China Investments (B) Beta Pte. Ltd.				
*	CapitaRetail Beijing Xizhimen Real Estate Co., Ltd.	Property investment	China	**100**	100

NOTES TO THE FINANCIAL STATEMENTS

Year ended at 31 December 2020

6. SUBSIDIARIES (continued)

(a) Details of the subsidiaries are as follows: (continued)

Name of subsidiaries		Principal activities	Place of incorporation/ business	Effective equity held by the Group 2020 %	2019 %
(ii) Indirect subsidiaries (continued)					
Subsidiary of Somerset (Wuhan) Investments Pte. Ltd.					
*^	Wuhan New Minzhong Leyuan Co., Ltd.	Property investment	China	**100**	100
Subsidiary of CapitaLand Retail Investments (SY) Pte. Ltd.					
*	Beijing Huakun Real Estate Management Co., Ltd.	Property investment	China	**100**	100
Subsidiary of Gold Yield Pte. Ltd.					
*	Guangzhou Starshine Properties Co., Ltd.	Property investment	China	**100**	51
Subsidiary of BR Spicy (HK) Limited					
*	Spicy (Chengdu) Limited	Property investment	China	**100**	100
Subsidiary of CRCT Yuquan Investment Pte. Ltd.					
*	Huhhot Xinkai Qingtou Real Estate Leasing Co., Ltd.	Property investment	China	**100**	100
Subsidiary of Springjade Pte. Ltd.					
*	Huhhot Nuohe Mule Corporate Management Co., Ltd.	Property investment	China	**100**	100

NOTES TO THE FINANCIAL STATEMENTS

Year ended at 31 December 2020

6. SUBSIDIARIES (continued)

(a) Details of the subsidiaries are as follows: (continued)

Name of subsidiaries	Principal activities	Place of incorporation/ business	Effective equity held by the Group 2020 %	2019 %
(ii) Indirect subsidiaries (continued)				
Subsidiary of CRCT China Investment (Changsha) Pte. Ltd.				
* CapitaMalls Hunan Commercial Property Co., Ltd.	Property investment	China	**100**	100
Subsidiary of CRCT China Investment (Harbin I) Pte. Ltd.				
* CapitaRetail Harbin Shangdu Real Estate Co., Ltd.	Property investment	China	**100**	100
Subsidiary of CRCT China Investment (Harbin II) Pte. Ltd.				
* Beijing Hualian Harbin Real Estate Development Co., Ltd.	Property investment	China	**100**	100

* Audited by other member firms of KPMG International.
** This subsidiary is not required to be audited by the laws of the country of incorporation.
*** Audited by KPMG LLP Singapore.
**** These subsidiaries were incorporated on 3 November 2020 and their first financial period ends on 31 December 2021.
^ Reclassified as held for sale in 2020.
# The subsidiary was divested in 2020 (see Note C in Consolidated Statement of Cash Flows).

(b) The loans to subsidiaries, amounting to $267.5 million (2019: $284.6 million) and the non-trade amounts due from subsidiaries amounting to $1,438.9 million (2019: $1,187.7 million) are unsecured and repayable with a notice period of 366 days. The remaining $2.2 million (2019: $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 6.37% (2019: 5.39% to 6.37%) per annum. There is no allowance for doubtful debts arising from these outstanding balances as ECL is not material.

7. INTEREST IN JOINT VENTURE

	Group 2020 $'000	2019 $'000
Interest in joint venture	–	262,457

NOTES TO THE FINANCIAL STATEMENTS

Year ended at 31 December 2020

7. INTEREST IN JOINT VENTURE (continued)

Name of joint venture	Principal activities	Place of incorporation/ business	Effective equity interest held by the Group 2020 %	2019 %
* Gold Yield Pte. Ltd.	Investment holding	Singapore	–	51
Held by joint venture				
** Guangzhou Starshine Properties Co., Ltd.	Property investment	China	–	51

* Audited by KPMG LLP Singapore.
** Audited by other member firms of KPMG International.

The Group had joint control over the joint venture via the Joint Venture Agreement and had a residual interest in its net assets. Accordingly, the Group classified its interest in Gold Yield Pte. Ltd. as a joint venture, which was equity-accounted for the year 2019.

On 30 December 2020, the Group has completed the acquisition of the remaining 49% of the shares in Gold Yield Pte. Ltd., which indirectly holds Rock Square, for RMB1.4 billion (approximately $276.6 million), subject to post-completion adjustment. As a result, the Group has derecognised the joint venture and consolidated the entities from 30 December 2020.

The following table summarises the financial information of the Group's joint venture, based on its consolidated financial statements prepared in accordance with the principles under FRS, modified for fair value adjustments on acquisition and differences in the Group's accounting policies.

	2020 $'000	2019 $'000
Statement of income and expenditure		
Revenue	**35,639**	41,117
Expenses	**(22,295)**	(19,040)
Net change in fair value of investment property	**(6,093)**	603
Total return after tax [a]	**7,251**	16,805
Group's share of total return	**3,698**	8,570
[a] Includes:		
– Depreciation and amortisation	**(121)**	(110)
– Interest income	**1,420**	770
– Interest expense	**(7,936)**	(8,454)
– Taxation	**(3,512)**	(5,987)

NOTES TO THE FINANCIAL STATEMENTS

Year ended at 31 December 2020

7. INTEREST IN JOINT VENTURE (continued)

	2020 $'000	2019 $'000
Statement of financial position		
Non-current assets	–	665,183
Current assets [b]	–	63,497
Non-current liabilities [c]	–	(97,864)
Current liabilities [d]	–	(116,194)
Net assets	–	514,622
Carrying amount of interest in joint venture based on percentage shareholdings	–	262,457
[b] Includes cash and cash equivalents	–	15,631
[c] Includes non-current financial liabilities (excluding deferred tax liabilities, security deposits, other payables and lease liabilities)	–	(79,753)
[d] Includes current financial liabilities (excluding trade and other payables, provisions and lease liabilities)	–	(90,932)

8. FINANCIAL DERIVATIVES

	Group and Trust	
	2020 $'000	2019 $'000
Current assets		
Forwards	1	341
Interest rate swaps	–	5
	1	346
Non-current liabilities		
Interest rate swaps	(16,134)	(5,094)
Current liabilities		
Forwards	(562)	(9)
Interest rate swaps	(1,631)	(174)
	(2,193)	(183)

NOTES TO THE FINANCIAL STATEMENTS

Year ended at 31 December 2020

8. FINANCIAL DERIVATIVES (continued)

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				
2020				
Forwards	**1**	**1**	**1**	**–**
2019				
Forwards	341	341	341	–
Interest rate swaps	5	8	8	–
	346	349	349	–
Financial derivative liabilities				
2020				
Forwards	**(562)**	**(562)**	**(562)**	**–**
Interest rate swaps	**(17,765)**	**(17,560)**	**(7,731)**	**(9,829)**
	(18,327)	**(18,122)**	**(8,293)**	**(9,829)**
2019				
Forwards	(9)	(9)	(9)	–
Interest rate swaps	(5,268)	(4,932)	(2,433)	(2,499)
	(5,277)	(4,941)	(2,442)	(2,499)

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.

NOTES TO THE FINANCIAL STATEMENTS

Year ended at 31 December 2020

9. TRADE AND OTHER RECEIVABLES

	Group		Trust	
	2020 $'000	2019 $'000	2020 $'000	2019 $'000
Trade receivables	**20,913**	17,689	**–**	–
Impairment losses	**(353)**	–	**–**	–
	20,560	17,689	**–**	–
Other receivables	**2,941**	4,015	**607**	1,096
Amount due from joint venture (non-trade)	**–**	95,476	**–**	–
Deposits	**119,383**	1,474	**92,580**	–
	142,884	118,654	**93,187**	1,096
Prepayments	**6,735**	6,976	**–**	1
	149,619	125,630	**93,187**	1,097
Current	**148,353**	124,368	**93,187**	1,097
Non-current	**1,266**	1,262	**–**	–
	149,619	125,630	**93,187**	1,097

The non-trade amount due from joint venture was unsecured and repayable on demand. As at 31 December 2019, $87.0 million of this amount bore an effective interest rate 4.750% per annum and the remaining amounts are interest-free. At the reporting date, the amount is eliminated on consolidation upon completion of the acquisition of the remaining 49% of the shares in Gold Yield Pte. Ltd.. There is no allowance for doubtful debts arising from these outstanding balances as ECL is not material.

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 retailers engaged in a wide variety of consumer trades.

The maximum exposure to credit risk for trade and other receivables at the reporting date (by geographical area in China) is:

	Group	
	2020 $'000	2019 $'000
Beijing	**30,337**	73,269
Inner Mongolia, Hohhot	**9,994**	7,790
Shanghai	**2,996**	2,217
Guangzhou	**2,917**	–
Hunan	**1,453**	155
Harbin	**1,398**	10,410
Chengdu	**602**	452
Zhengzhou	**–**	22,004
Wuhan	**–**	244
	49,697	116,541

NOTES TO THE FINANCIAL STATEMENTS

Year ended at 31 December 2020

9. TRADE AND OTHER RECEIVABLES (continued)

Impairment losses

The ageing of trade and other receivables at the reporting date is:

	Gross		Impairment	
	2020 $'000	2019 $'000	2020 $'000	2019 $'000
Group				
Not past due	**134,362**	117,628	**97**	–
Past due 1 – 30 days	**2,193**	551	**–**	–
Past due 31 – 60 days	**1,418**	291	**–**	–
Past due 61 – 90 days	**896**	100	**19**	–
More than 90 days past due	**4,368**	84	**237**	–
	143,237	118,654	**353**	–
Trust				
Not past due	**93,187**	1,096	**–**	–

Expected credit loss assessment for individual customers as at 1 January and 31 December 2020

The Group uses an allowance matrix to measure the ECLs of trade receivables from individual customers, which comprise a very large number of balances.

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:

		Group	
	Note	2020 $'000	2019 $'000
At 1 January		**–**	41
Impairment losses on trade receivables, net	20	**357**	1
Assets disposal		**–**	(30)
Allowance utilised		**(12)**	(12)
Translation difference		**8**	–
At 31 December		**353**	–

NOTES TO THE FINANCIAL STATEMENTS

Year ended at 31 December 2020

10. CASH AND CASH EQUIVALENTS

	Group		Trust	
	2020 $'000	2019 $'000	2020 $'000	2019 $'000
Cash at banks and in hand	7,363	12,356	858	437
Fixed deposits with financial institutions	201,077	127,564	–	–
	208,440	139,920	858	437

11. ASSETS/LIABILITIES HELD FOR SALE

On 1 February 2019, the Group announced that it has, through its subsidiary, entered into a co-operative framework agreement with unrelated party to divest the issued shares of Huaxin Saihan Huhhot Real Estate Co., Ltd., which holds CapitaMall Saihan. Efforts to sell the disposal group has started, and the sale is expected to be completed by 2021.

On 11 January 2021, the Group announced that it has, through its subsidiary, entered into equity transfer agreement with unrelated party to divest the issued shares of Wuhan New Minzhong Leyuan Co., Ltd., which holds CapitaMall Minzhongleyuan, for RMB458.0 million (approximately $93.4 million). The divestment was completed on 10 February 2021.

At 31 December 2020, the disposal groups were stated at fair value less costs to sell and comprised the following assets and liabilities:

Group 2020	Note	CapitaMall Saihan $'000	CapitaMall Minzhongleyuan $'000	Total $'000
Investment property	4	93,849	103,651	197,500
Plant and equipment	5	–	53	53
Trade and other receivables		266	747	1,013
Cash and cash equivalents		24,721	83	24,804
Assets held for sale		118,836	104,534	223,370
Trade and other payables		2,000	873	2,873
Security deposits		2,079	529	2,608
Provision for taxation		81	–	81
Lease liabilities		–	13,696	13,696
Deferred tax liabilities	15	10,319	2,584	12,903
Liabilities held for sale		14,479	17,682	32,161

NOTES TO THE FINANCIAL STATEMENTS

Year ended at 31 December 2020

11. ASSETS/LIABILITIES HELD FOR SALE (continued)

Group 2019	Note	CapitaMall Saihan $'000	CapitaMall Minzhongleyuan $'000	Total $'000
Investment property	4	89,304	–	89,304
Plant and equipment	5	75	–	75
Trade and other receivables		257	–	257
Cash and cash equivalents		19,262	–	19,262
Assets held for sale		108,898	–	108,898
Trade and other payables		2,745	–	2,745
Security deposits		2,572	–	2,572
Provision for taxation		3	–	3
Deferred tax liabilities	15	9,128	–	9,128
Liabilities held for sale		14,448	–	14,448

The following table shows the Group's valuation technique used in measuring the fair value of the disposal group, as well as the significant unobservable inputs used.

Valuation methods	Significant unobservable inputs
Capitalisation approach	• Capitalisation rates (from 4.75% to 7.25%)
Discounted cash flows approach	• Discount rate (from 8.25% to 10.50%)

12. TRADE AND OTHER PAYABLES

	Group		Trust	
	2020 $'000	2019 $'000	2020 $'000	2019 $'000
Trade payables	**19,455**	1,901	**381**	–
Accrued operating expenses	**33,120**	26,356	**7,055**	3,728
Accrued development expenditure	**21,155**	8,285	**–**	–
Amounts due to related parties (trade)	**11,130**	6,126	**5,431**	4,297
Amounts due to related parties (non-trade)	**4**	24	**4,364**	3,542
Other deposits and advances	**81,156**	83,758	**–**	–
Interest payable	**5,603**	6,418	**5,388**	5,992
Other payables	**6,166**	18,430	**–**	–
	177,789	151,298	**22,619**	17,559
Current	**177,704**	150,972	**22,619**	17,559
Non-current	**85**	326	**–**	–
	177,789	151,298	**22,619**	17,559

Included in amounts due to related parties (trade) are amounts due to the Manager, Property and Project Managers of $5.4 million (2019: $4.3 million), $4.9 million (2019: $1.2 million) and $0.3 million (2019: $0.3 million) respectively.

NOTES TO THE FINANCIAL STATEMENTS

Year ended at 31 December 2020

13. INTEREST-BEARING BORROWINGS

		Group		Trust	
	Note	2020 $'000	2019 $'000	2020 $'000	2019 $'000
Unsecured term loans	(a)	**1,065,500**	1,120,000	**1,065,500**	1,120,000
Medium Term Notes ("MTN")	(b)	**130,000**	130,000	**130,000**	130,000
Secured loan	(c)	**164,195**	80,374	**–**	–
Money market facilities		**–**	52,800	**–**	52,800
Less: Unamortised transactions costs		**(3,761)**	(3,262)	**(3,761)**	(3,262)
		1,355,934	1,379,912	**1,191,739**	1,299,538
Current		**155,560**	206,621	**145,359**	202,738
Non-current		**1,200,374**	1,173,291	**1,046,380**	1,096,800
		1,355,934	1,379,912	**1,191,739**	1,299,538

(a) As at 31 December 2020, the Group has an aggregate of $1,065.5 million (2019: $1,120.0 million) unsecured floating rate term loans (collectively known as "Trust Term Loan Facilities"). These facilities have negative pledge covenants which require the Trust, amongst others not to, without the prior written consent of the lender, create or have outstanding any security on or over the Group's interest in any of the investment properties.

The Trust Term Loan Facilities are repayable in full at maturity, although the Trust has the option to make early repayments.

(b) At the reporting date, $130.0 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 loans comprises outstanding term loans of $164.2 million (RMB804.8 million). The term loans bear interest rates referenced against 5-year Loan Prime Rate ("LPR") and base lending rate ranging from 4.31% to 4.65% per annum and repriced on a quarterly basis.

As security for the loan, the Trust has granted in favour of the lender the following:

(i) a mortgage over CapitaMall Xuefu and Rock Square, with carrying amounts of $361.9 million (2019: $347.9 million) and $696.5 million respectively (see Note 4); and

(ii) an assignment of the insurance policies of CapitaMall Xuefu and Rock Square.

The RMB term loans are payable on a quarterly and half-yearly basis respectively and are payable in full upon maturity on 26 September 2023 and 20 March 2026 respectively.

NOTES TO THE FINANCIAL STATEMENTS

Year ended at 31 December 2020

13. 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 $'000
2020				
Group				
S$ fixed rate MTN	**3.25**	**2022**	**130,000**	**129,951**
S$ unsecured floating rate loans	**0.86-2.67**	**2021-2026**	**1,065,500**	**1,061,788**
RMB secured floating rate term loan	**4.31–4.65**	**2023-2026**	**164,195**	**164,195**
Trust				
S$ fixed rate MTN	**3.25**	**2022**	**130,000**	**129,951**
S$ unsecured floating rate loans	**0.86-2.67**	**2021-2026**	**1,065,500**	**1,061,788**
2019				
Group				
S$ unsecured floating rate money market facilities	2.02-2.87	2020	52,800	52,800
S$ fixed rate MTN	3.25	2022	130,000	129,919
S$ unsecured floating rate loans	2.08-3.20	2020-2025	1,120,000	1,116,819
RMB secured floating rate term loan	4.41	2026	80,374	80,374
Trust				
S$ unsecured floating rate money market facilities	2.02-2.87	2020	52,800	52,800
S$ fixed rate MTN	3.25	2022	130,000	129,919
S$ unsecured floating rate loans	2.08-3.20	2020-2025	1,120,000	1,116,819

NOTES TO THE FINANCIAL STATEMENTS

Year ended at 31 December 2020

13. INTEREST-BEARING BORROWINGS (continued)

***Terms and debt repayment schedule** (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 $'000
2020					
Group					
S$ fixed rate MTN	**129,951**	**138,450**	**4,225**	**134,225**	**–**
S$ unsecured floating rate loans	**1,061,788**	**1,112,723**	**157,349**	**803,902**	**151,472**
RMB secured floating rate term loan	**164,195**	**186,097**	**12,839**	**169,337**	**3,921**
Lease liabilities	**14,722**	**15,978**	**5,120**	**10,858**	**–**
Trade and other payables (Note 12)	**177,789**	**177,789**	**177,704**	**85**	**–**
Security deposits	**74,699**	**74,699**	**36,893**	**32,440**	**5,366**
	1,623,144	**1,705,736**	**394,130**	**1,150,847**	**160,759**
Trust					
S$ fixed rate MTN	**129,951**	**138,450**	**4,225**	**134,225**	**–**
S$ unsecured floating rate loans	**1,061,788**	**1,112,723**	**157,349**	**803,902**	**151,472**
Trade and other payables (Note 12)	**22,619**	**22,619**	**22,619**	**–**	**–**
	1,214,358	**1,273,792**	**184,193**	**938,127**	**151,472**
2019					
Group					
S$ unsecured floating rate money market facilities	52,800	52,838	52,838	–	–
S$ fixed rate MTN	129,919	142,606	4,237	138,369	–
S$ unsecured floating rate loans	1,116,819	1,198,939	174,466	874,251	150,222
RMB secured floating rate term loan	80,374	95,962	5,919	47,941	42,102
Lease liabilities	31,245	24,540	5,760	18,780	–
Trade and other payables (Note 12)	151,298	151,298	150,972	326	–
Security deposits	66,316	66,316	32,028	30,810	3,478
	1,628,771	1,732,499	426,220	1,110,477	195,802
Trust					
S$ unsecured floating rate money market facilities	52,800	52,838	52,838	–	–
S$ fixed rate MTN	129,919	142,606	4,237	138,369	–
S$ unsecured floating rate loans	1,116,819	1,198,939	174,466	874,251	150,222
Trade and other payables (Note 12)	17,559	17,559	17,559	–	–
	1,317,097	1,411,942	249,100	1,012,620	150,222

It is not expected that the cash flows included in the maturity analysis could occur significantly earlier, or at significantly different amounts.

NOTES TO THE FINANCIAL STATEMENTS

Year ended at 31 December 2020

13. 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 loss $'000	Foreign exchange movement $'000	Assets acquired $'000	Reclassified to liabilities held for sale $'000	Other changes $'000	At 31 December $'000
2020									
Interest-bearing borrowings[1]	**1,386,330**	**(148,686)**	**35,982**	**–**	**4,322**	**83,651**	**–**	**(62)**	**1,361,537**
Interest rate swaps and forward exchange contracts used for hedging – assets	**(346)**	**270**	**–**	**75**	**–**	**–**	**–**	**–**	**(1)**
Interest rate swaps and forward exchange contracts used for hedging – liabilities	**5,277**	**(973)**	**–**	**14,023**	**–**	**–**	**–**	**–**	**18,327**
Lease liabilities	**31,245**	**(4,019)**	**1,575**	**–**	**1,487**	**25**	**(13,696)**	**(1,895)**	**14,722**
	1,422,506	**(153,408)**	**37,557**	**14,098**	**5,809**	**83,676**	**(13,696)**	**(1,957)**	**1,394,585**
2019									
Interest-bearing borrowings[1]	1,043,641	205,070	34,735	–	(2,504)	105,615	–	(227)	1,386,330
Interest rate swaps and forward exchange contracts used for hedging – assets	(1,172)	223	–	603	–	–	–	–	(346)
Interest rate swaps and forward exchange contracts used for hedging – liabilities	3,022	(539)	–	2,794	–	–	–	–	5,277
Lease liabilities	35,243	(5,295)	1,779	–	81	–	–	(563)	31,245
	1,080,734	199,459	36,514	3,397	(2,423)	105,615	–	(790)	1,422,506

1 Includes interest payable.

14. LEASES

Leases as lessee (FRS 116)

The Group leases land and building which form part of its investment properties. The leases typically run for a period of 20 years with an option to renew the lease after that date.

The investment property leases were entered into many years ago as leases of land and building.

Information about leases for which the Group is a lessee is presented below.

(i) Amounts recognised in the statement of total return

	2020 $'000	2019 $'000
Group		
Interest on lease liabilities	**1,575**	1,779

(ii) Amounts recognised in statement of cash flows

	2020 $'000	2019 $'000
Total cash outflow for leases	**4,019**	5,295

NOTES TO THE FINANCIAL STATEMENTS

Year ended at 31 December 2020

14. LEASES (continued)

Leases as lessee (FRS 116) (continued)

(iii) Extension options

The investment property leases contain extension options exercisable by the Group. The Group assesses at lease commencement date whether it is reasonably certain to exercise the extension options. The Group reassesses whether it is reasonably certain to exercise the options if there is a significant event or significant changes in circumstances within its control.

The Group has no intention to exercise the extension option as at 31 December 2020.

Leases as lessor

The Group leases out its investment properties consisting of its owned 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 2020 was $194.8 million (2019: $221.0 million).

The following table sets out a maturity analysis of lease payments, showing the undiscounted lease payments to be received after the reporting date.

	2020 $'000	2019 $'000
Group		
Less than one year	**219,150**	238,284
One to two years	**156,412**	157,736
Two to three years	**118,791**	100,608
Three to four years	**67,786**	69,027
Four to five years	**49,113**	40,755
More than five years	**86,780**	100,343
Total	**698,032**	706,753

NOTES TO THE FINANCIAL STATEMENTS

Year ended at 31 December 2020

15. DEFERRED TAX LIABILITIES

The movement in deferred tax liabilities during the financial year is as follows:

	At 1 January 2020 $'000	Statement of total return (Note 24) $'000	Disposal of subsidiary $'000	Reclassified from joint venture $'000	Reclassified to liabilities held for sale $'000	Translation difference $'000	At 31 December 2020 $'000
Group							
Deferred tax liabilities							
Investment properties	259,255	4,248	(18,210)	9,963	(3,755)	13,863	266,564
Tax on unrepatriated profits	15,492	4,165	(296)	–	(20)	–	18,141
	274,747	8,413	(18,506)	9,963	(3,775)	13,863	284,705

	At 1 January 2019 $'000	Statement of total return (Note 24) $'000	Disposal of subsidiary $'000	Reclassified from joint venture $'000	Reclassified to liabilities held for sale $'000	Translation difference $'000	At 31 December 2019 $'000
Group							
Deferred tax liabilities							
Investment properties	237,942	37,221	(2,255)	–	(9,002)	(4,651)	259,255
Tax on unrepatriated profits	12,710	2,908	–	–	(126)	–	15,492
	250,652	40,129	(2,255)	–	(9,128)	(4,651)	274,747

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	
	2020 $'000	2019 $'000
Tax losses	**41,796**	16,677

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.

NOTES TO THE FINANCIAL STATEMENTS

Year ended at 31 December 2020

16. UNITHOLDERS' FUNDS

	Note	Group 2020 $'000	Group 2019 $'000	Trust 2020 $'000	Trust 2019 $'000
Net assets resulting from operations		**1,379,657**	1,397,620	**156,156**	120,516
Hedging reserve	(a)	**(16,876)**	(5,267)	**(16,876)**	(5,267)
Foreign currency translation reserve	(b)	**(1,614)**	(160,482)	**–**	–
Unitholders' transactions		**833,402**	596,449	**833,402**	596,449
General reserve	(c)	**50,675**	45,351	**–**	–
		2,245,244	1,873,671	**972,682**	711,698

(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.

(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.

NOTES TO THE FINANCIAL STATEMENTS

Year ended at 31 December 2020

17. NON-CONTROLLING INTEREST

The following summarises the financial information of the Group's significant subsidiary with material NCI of 49% in 2018. The Group, together with its NCI, disposed 100% holding of CapitaMalls Wuhu Commercial Property Co., Ltd. in July 2019.

	Group	
	2020 $'000	2019 $'000
Statement of financial position		
Non-current assets	–	–
Current assets	–	–
Non-current liabilities	–	–
Current liabilities	–	–
Net assets	–	–
Net assets based on percentage shareholdings	–	–
Add: loans from NCI to the subsidiary in China	–	–
Net assets attributable to NCI	–	–
Statement of income and expenditure		
Revenue	–	14
Total return after taxation	–	2,007
Attributable to NCI:		
Total return after taxation	–	984
Add: interest on loans from NCI to the subsidiary in China	–	218
Total return allocated to NCI	–	1,202
Statement of cash flows		
Cash flows used in operating activities	–	(227)
Cash flows used in investing activities	–	(4)
Cash flows from financing activities	–	197
Net decrease in cash and cash equivalents	–	(34)

There are no dividends paid to NCI in 2019.

NOTES TO THE FINANCIAL STATEMENTS

Year ended at 31 December 2020

18. UNITS IN ISSUE AND PERPETUAL SECURITIES

(a) Units in issue

	2020 Number of Units	2019 Number of Units
Balance as at beginning of year	**1,209,067,206**	980,549,136
New Units issued:		
– Units in connection with private placement exercise	**205,331,000**	105,043,000
– Units in connection with preferential offering exercise	**68,997,855**	86,871,006
– As payment of distribution through distribution reinvestment plan	**18,325,770**	28,089,899
– As payment of Manager's management fees	**4,711,584**	4,671,069
– As payment of Manager's acquisition fee	**–**	3,843,096
Total issued Units as at end of the year	**1,506,433,415**	1,209,067,206
New Units to be issued:		
– as payment of Manager's management fees	**5,359,744**	4,711,584
Total issued and issuable Units as at end of the year	**1,511,793,159**	1,213,778,790

Units issued during the year ended 31 December 2020 are as follows:

(a) On 6 March 2020, the Trust issued 4,711,584 new Units at an issue price of $1.5911 per Unit as payment of the performance component of the management fee for the period from 1 January 2019 to 31 December 2019;

(b) On 27 March 2020, the Trust issued 9,092,875 new Units at an issue price of $1.5080 per Unit as payment of distribution under the distribution reinvestment plan for the period from 14 August 2019 to 31 December 2019;

(c) On 25 September 2020, the Trust issued 9,232,895 new Units at an issue price of $1.2000 per Unit as payment of distribution under the distribution reinvestment plan for the period from 1 January 2020 to 30 June 2020;

(c) On 26 November 2020, the Trust issued 205,331,000 new Units via private placement at an issue price of $1.1950 per Unit to fund the acquisition of the 5 business parks and remaining 49.0% of Rock Square; and

(d) On 16 December 2020, the Trust issued 68,997,855 new Units via preferential offering at an issue price of $1.1700 per Unit to fund the acquisition of the 5 business parks and remaining 49.0% of Rock Square.

NOTES TO THE FINANCIAL STATEMENTS

Year ended at 31 December 2020

18. UNITS IN ISSUE AND PERPETUAL SECURITIES (continued)

(a) Units in issue (continued)

Units issued during the year ended 31 December 2019 are as follows:

(a) On 4 March 2019, the Trust issued 4,671,069 new Units at an issue price of $1.3665 per Unit as payment of the performance component of the management fee for the period from 1 January 2018 to 31 December 2018;

(b) On 28 March 2019, the Trust issued 13,297,112 new Units at an issue price of $1.451 per Unit as payment of distribution under the distribution reinvestment plan for the period from 1 July 2018 to 31 December 2018;

(c) On 14 August 2019, the Trust issued 105,043,000 new Units via private placement at an issue price of $1.469 per Unit to fund the acquisition of CapitaMall Xuefu, CapitaMall Yuhuating and CapitaMall Aidemengdun;

(d) On 3 September 2019, the Trust issued 86,871,006 new Units via preferential offering at an issue price of $1.44 per Unit to fund the acquisition of CapitaMall Xuefu, CapitaMall Yuhuating and CapitaMall Aidemengdun;

(e) On 27 September 2019, the Trust issued 14,792,787 new Units at an issue price of $1.5232 per Unit as payment of distribution under the distribution reinvestment plan for the period from 1 January 2019 to 13 August 2019; and

(f) On 14 November 2019, the Trust issued 3,843,096 new Units at an issue price of $1.5332 per Unit as payment of acquisition fee for the acquisition of CapitaMall Xuefu, CapitaMall Yuhuating and CapitaMall Aidemengdun.

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.

NOTES TO THE FINANCIAL STATEMENTS

Year ended at 31 December 2020

18. UNITS IN ISSUE AND PERPETUAL SECURITIES (continued)

(a) Units in issue (continued)

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.

(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 (2019: Nil) presented on the Statements of financial position represents the $100.0 million (2019: Nil) perpetual securities net of issue costs and include total return attributable to perpetual securities holders from issue date.

NOTES TO THE FINANCIAL STATEMENTS

Year ended at 31 December 2020

19. 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 and Hong Kong 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.

Distribution for the period from 1 January 2019 to 13 August 2019 was paid on 27 September 2019. Distribution for the period from 14 August 2019 to 31 December 2019 will be paid within 90 days of the end of the distribution period, in accordance with the provisions of the Trust Deed.

NOTES TO THE FINANCIAL STATEMENTS

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20. OTHER PROPERTY OPERATING EXPENSES

		Group	
	Note	2020 $'000	2019 $'000
Utilities		**6,234**	4,632
Advertising and promotion		**7,435**	6,318
Maintenance		**12,873**	10,431
Staff costs		**11,248**	11,197
Depreciation of plant and equipment	5	**850**	1,041
Impairment losses on trade receivables, net	9	**357**	1
Amortisation of deferred expenditure included in other receivables		**47**	39
Plant and equipment written off		**85**	34
Others		**2,043**	1,636
		41,172	35,329

Included in staff costs is contribution to defined contribution plans of $0.8 million (2019: $2.1 million).

21. MANAGER'S MANAGEMENT FEES

Manager's management fees comprise base fee of $9.8 million (2019: $8.5 million) and performance fee of $5.7 million (2019: $7.0 million). The Manager has elected to receive all performance fees and a partial of the base fee in the form of Units. The performance component of the Manager's management fee amounting to $5.7 million (2019: $7.0 million) and base fee amounting to $1.6 million (2019: $0.5 million) will be paid through the issue of 5,359,744 (2019: 4,711,584) new Units subsequent to the year end.

22. OTHER TRUST OPERATING EXPENSES/(INCOME)

	Group		Trust	
	2020 $'000	2019 $'000	2020 $'000	2019 $'000
Professional fees	**206**	94	**172**	81
Compensation on termination of lease	**–**	(10,061)	**–**	–
Reversal of acquisition related expenses	**–**	(2,615)	**–**	–
Non-deal roadshow expenses	**–**	5	**–**	5
Others	**699**	1,850	**130**	637
	905	(10,727)	**302**	723

NOTES TO THE FINANCIAL STATEMENTS

Year ended at 31 December 2020

23. FINANCE INCOME AND FINANCE COSTS

	Group		Trust	
	2020 $'000	2019 $'000	2020 $'000	2019 $'000
Interest income:				
– financial institutions	**3,263**	2,877	**16**	54
– subsidiaries	**–**	–	**11,203**	15,416
– joint venture	**3,931**	4,216	**–**	–
Finance income	**7,194**	7,093	**11,219**	15,470
Interest expenses	**(28,082)**	(34,899)	**(24,535)**	(33,492)
Cash flow hedges – gain/(losses) reclassified from hedging reserve	**(7,900)**	164	**(7,900)**	164
Finance lease expenses	**(1,575)**	(1,779)	**–**	–
Finance costs	**(37,557)**	(36,514)	**(32,435)**	(33,328)
Net finance costs recognised in statement of total return	**(30,363)**	(29,421)	**(21,216)**	(17,858)

24. TAXATION

	Note	Group		Trust	
		2020 $'000	2019 $'000	2020 $'000	2019 $'000
Current taxation					
Current year		**31,908**	35,074	**–**	8
Under/(Over) provision in prior years		**45**	(605)	**22**	–
		31,953	34,469	**22**	8
Deferred taxation					
Origination of temporary differences	15	**8,413**	40,129	**–**	–
Income tax expense		**40,366**	74,598	**22**	8

NOTES TO THE FINANCIAL STATEMENTS

Year ended at 31 December 2020

24. TAXATION (continued)

	Group 2020 $'000	Group 2019 $'000	Trust 2020 $'000	Trust 2019 $'000
Reconciliation of effective tax rate				
Total return for the year before taxation	**28,337**	241,224	**36,272**	(41,621)
Tax calculated using Singapore tax rate of 17% (2019: 17%)	**4,817**	41,008	**6,166**	(7,076)
Adjustments:				
Effect of different tax rates in foreign jurisdictions	**11,900**	20,173	**–**	–
Income not subject to tax	**(160)**	(384)	**(21,718)**	(3,563)
Expenses not deductible for tax purposes	**318**	283	**6,999**	1,990
Deferred tax assets not recognised	**1,199**	812	**–**	–
Utilisation of previously unrecognised tax losses	**–**	(31)	**–**	–
Tax losses not allowed to be carried forward	**8,675**	8,923	**8,553**	8,657
Foreign tax suffered	**13,572**	4,419	**–**	–
Over provision in prior years	**45**	(605)	**22**	–
	40,366	74,598	**22**	8

25. 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 2020 $'000	Group 2019 $'000
Total (loss)/return for the year after taxation and non-controlling interest before distribution	**(12,029)**	165,424
Less: Total return attributable to perpetual securities holders	**(610)**	–
Total return attributable to Unitholders	**(12,639)**	165,424

NOTES TO THE FINANCIAL STATEMENTS

Year ended at 31 December 2020

25. EARNINGS PER UNIT (continued)

Basic earnings per Unit (continued)

	Trust Number of Units 2020 '000	Number of Units 2019 '000
Issued Units at beginning of year	**1,209,067**	980,549
Effect of creation of new Units:		
– Units in connection with private placement exercise	**20,197**	40,291
– Units in connection with preferential offering exercise	**3,016**	28,560
– Distribution to Unitholders in respect of distribution reinvestment plan	**9,429**	14,091
– Manager's management fees paid/payable in Units	**3,889**	3,891
– Units issued in respect of acquisition fees	**–**	505
– Adjustments for effect of preferential offering	**4,486**	6,573[1]
Weighted average number of issued and issuable Units at end of the year	**1,250,084**	1,074,460

1 Adjusted for the effect of the bonus element of the preferential offering of 68,997,855 Units which were issued on 16 December 2020

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 2020 '000	Number of Units 2019 '000
Issued Units at beginning of year	**1,209,067**	980,549
Effect of creation of new Units:		
– Units in connection with private placement exercise	**20,197**	40,291
– Units in connection with preferential offering exercise	**3,016**	28,560
– Distribution to Unitholders in respect of distribution reinvestment plan	**9,429**	14,091
– Manager's management fees paid/payable in Units	**3,889**	8,590
– Units issued in respect of acquisition fees	**–**	505
– Adjustments for effect of preferential offering	**4,486**	6,573[1]
Weighted average number of issued and issuable Units at end of the year	**1,250,084**	1,079,159

1 Adjusted for the effect of the bonus element of the preferential offering of 68,997,855 Units which were issued on 16 December 2020

NOTES TO THE FINANCIAL STATEMENTS
Year ended at 31 December 2020

26. ISSUE EXPENSES – PERPETUAL SECURITIES

	Group 2020 $'000	Group 2019 $'000
Underwriting fees and selling commission	**544**	–
Professional fees	**255**	–
Others	**201**	–
	1,000	–

27. 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 may be individuals or other entities. The Manager, being CapitaLand China Trust Management Limited, and the Property and Project Managers, being CapitaLand Retail (Shanghai) Management & Consulting Co., Ltd. and its branches and CapitaLand Retail (Beijing) Facilities & Projects Consulting Co., Ltd., are indirect wholly owned subsidiaries of CapitaLand Limited.

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 2020 $'000	Group 2019 $'000
Project management fees paid/payable to a related party	**899**	250

28. FINANCIAL RATIOS

	Group 2020 %	Group 2019 %
Ratio of expenses to average net asset value [1]		
– including performance component of Manager's management fees	**0.84**	1.08
– excluding performance component of Manager's management fees	**0.56**	0.67
Portfolio turnover rate [2]	**3.90**	1.20

Notes:
(1) The annualised ratio is computed in accordance with the guidelines of the Investment Management Association of Singapore. The expenses used in the computation relate to expenses at the Group level, excluding property related expenses and borrowing 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.

NOTES TO THE FINANCIAL STATEMENTS

Year ended at 31 December 2020

29. OPERATING SEGMENTS

The Group has 13 reportable segments, as described below, which are the Group's investment properties. The investment properties are managed separately because they require different operating and marketing strategies. For each of the investment properties, the CODMs review internal management reports on a monthly basis.

All of the Group's reportable segments are investment properties located in China used primarily for retail purposes. The reporting segments are as follows:

- CapitaMall Xizhimen
- Rock Square
- CapitaMall Wangjing
- CapitaMall Grand Canyon
- CapitaMall Xuefu
- CapitaMall Xinnan
- CapitaMall Nuohemule
- CapitaMall Yuhuating
- CapitaMall Shuangjing
- CapitaMall Minzhongleyuan
- CapitaMall Aidemengdun
- CapitaMall Qibao
- CapitaMall Saihan

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.

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.

NOTES TO THE FINANCIAL STATEMENTS

Year ended at 31 December 2020

29. OPERATING SEGMENTS (continued)

Information about reportable segments

	CapitaMall Xizhimen		CapitaMall Wangjing		CapitaMall Grand Canyon		CapitaMall Xuefu		CapitaMall Xinnan		Yuquan Mall/ CapitaMall Saihan^		CapitaMall Yuhuating		Sub Total	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
External revenues:																
– Gross rental income	**46,265**	57,752	**37,244**	45,759	**14,880**	23,550	**24,234**	10,475	**20,898**	25,250	**10,234**	12,851	**13,010**	4,787	**166,765**	180,424
– Others	**2,532**	3,419	**2,115**	2,525	**2,065**	2,878	**2,179**	969	**1,627**	2,167	**747**	969	**1,411**	583	**12,676**	13,510
– Gross revenue	**48,797**	61,171	**39,359**	48,284	**16,945**	26,428	**26,413**	11,444	**22,525**	27,417	**10,981**	13,820	**14,421**	5,370	**179,441**	193,934
Segment net property income	**33,398**	43,648	**28,322**	35,079	**10,127**	17,891	**16,211**	7,195	**16,323**	19,755	**3,319**	8,127	**8,373**	3,021	**116,073**	134,716
Finance income	**3,560**	4,314	**1,018**	538	**105**	79	**664**	156	**512**	305	**717**	279	**109**	117	**6,685**	5,788
Finance costs	**–**	–	**–**	–	**–**	–	**(3,547)**	(1,213)	**–**	–	**–**	–	**–**	(194)	**(3,547)**	(1,407)
Share of results (net of tax) of joint venture	**–**	–	**–**	–	**–**	–	**–**	–	**–**	–	**–**	–	**–**	–	**–**	–
Reportable segment total return before taxation	**34,558**	101,951	**29,149**	78,871	**8,194**	23,632	**8,381**	6,202	**15,943**	30,116	**3,879**	12,775	**8,276**	1,415	**108,380**	254,962
Segment assets	**790,086**	804,961	**580,198**	559,828	**444,641**	425,034	**389,892**	374,099	**344,631**	336,643	**218,568**	176,781	**167,539**	148,969	**2,935,555**	2,826,315
Segment liabilities	**189,420**	180,428	**126,217**	125,299	**37,457**	37,756	**102,582**	100,030	**24,900**	24,369	**36,971**	20,886	**8,320**	7,662	**525,867**	496,430
Other segment items:																
Depreciation and amortisation	**(128)**	(181)	**(123)**	(183)	**(203)**	(299)	**(168)**	(69)	**(45)**	(65)	**(39)**	(92)	**(42)**	(20)	**(748)**	(909)
Write-back/ (Impairment losses) on trade receivables, net	**–**	(1)	**(77)**	–	**–**	–	**–**	–	**(18)**	–	**–**	–	**(75)**	–	**(170)**	(1)
Net change in fair value of investment properties	**(2,396)**	54,093	**(241)**	43,353	**(1,474)**	4,679	**(4,722)**	311	**(858)**	8,879	**148**	(118)	**(181)**	(1,529)	**(9,724)**	109,668
Net change in fair value of ROU assets	**–**	–	**–**	–	**–**	–	**–**	–	**–**	–	**–**	–	**–**	–	**–**	–
Capital expenditure	**(2,529)**	(2,807)	**(272)**	(2,003)	**(1,565)**	(1,253)	**(1,214)**	(460)	**(901)**	(1,044)	**(30,398)**	(13,311)	**(193)**	(566)	**(37,072)**	(21,444)

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Year ended at 31 December 2020

29. OPERATING SEGMENTS (continued)

Information about reportable segments (continued)

	CapitaMall Erqi#		CapitaMall Shuangjing		CapitaMall Minzhongleyuan^		CapitaMall Aidemengdun		CapitaMall Qibao		CapitaMall Wuhu#		Rock Square		Sub Total		Grand total	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
External revenues:																		
– Gross rental income	–	8,301	8,358	9,202	1,172	3,212	6,198	2,951	12,278	16,930	–	13	–	–	28,006	40,609	194,771	221,033
– Others	–	245	282	225	306	449	576	317	1,914	2,405	–	1	–	–	3,078	3,642	15,754	17,152
– Gross revenue	–	8,546	8,640	9,427	1,478	3,661	6,774	3,268	14,192	19,335	–	14	–	–	31,084	44,251	210,525	238,185
Segment net property income	(249)	6,829	7,093	7,547	(34)	697	2,783	1,698	9,530	14,131	–	(247)	–	–	19,123	30,655	135,196	165,371
Finance income	62	747	158	168	105	7	68	17	99	310	–	2	–	–	492	1,251	7,177	7,039
Finance costs	–	–	–	–	(702)	(707)	–	–	(873)	(1,072)	–	–	–	–	(1,575)	(1,779)	(5,122)	(3,186)
Share of results (net of tax) of joint venture	–	–	–	–	–	–	–	–	–	–	–	–	3,698	8,570	3,698	8,570	3,698	8,570
Reportable segment total return before taxation	1,858	15,404	7,239	11,599	(10,170)	(5,316)	191	1,368	(66,008)	1,825	–	4,491	1,963	8,570	(64,927)	37,941	43,453	292,903
Segment assets	–	155,621	137,626	123,324	–	110,072	103,301	98,720	43,343	111,918	–	–	772,676	262,457	1,056,946	862,112	3,992,501	3,688,427
Segment liabilities	–	22,340	21,579	19,669	–	17,940	5,285	4,885	23,663	32,471	–	–	114,301	–	164,828	97,305	690,695	593,735
Other segment items:																		
Depreciation and amortisation	–	(2)	(1)	(1)	(25)	(72)	(57)	(26)	(66)	(61)	–	(9)	–	–	(149)	(171)	(897)	(1,080)
Write-back/ (Impairment losses) on trade receivables, net	–	–	(12)	–	–	–	–	–	(175)	–	–	–	–	–	(187)	–	(357)	(1)
Net change in fair value of investment properties	–	(67)	(20)	3,954	(9,966)	(5,050)	(2,646)	(285)	(70,627)	(7,470)	–	3,408	(1,735)	–	(84,994)	(5,510)	(94,718)	104,158
Net change in fair value of ROU assets	–	–	–	–	(210)	(178)	–	–	(4,129)	(3,901)	–	–	–	–	(4,339)	(4,079)	(4,339)	(4,079)
Capital expenditure	–	(66)	(21)	(7)	–	(102)	(469)	(220)	(536)	(580)	–	–	–	–	(1,026)	(975)	(38,098)	(22,419)

^ Assets and liabilities of CapitaMall Saihan and CapitaMall Minzhongleyuan have been reclassified as held for sale as at 31 December 2020.

CapitaMall Erqi and CapitaMall Wuhu were divested in 2020 and 2019 respectively.

NOTES TO THE FINANCIAL STATEMENTS

Year ended at 31 December 2020

29. OPERATING SEGMENTS (continued)

Reconciliations of reportable segment revenue, total return, assets and liabilities and other material items

	2020 $'000	2019 $'000
Revenue		
Total revenue for reporting segments	**210,525**	238,185
Total return		
Total return for reportable segments before taxation	**43,453**	292,903
Unallocated amounts:		
– Other corporate expenses	**(15,116)**	(51,679)
Total return before taxation	**28,337**	241,224
Assets		
Total assets for reportable segments	**3,992,501**	3,688,427
Assets held for sale	**223,370**	108,898
Other unallocated amounts	**94,386**	8,328
Consolidated assets	**4,310,257**	3,805,653
Liabilities		
Total liabilities for reportable segments	**690,695**	593,735
Liabilities held for sale	**32,161**	14,448
Other unallocated amounts	**1,242,547**	1,323,799
Consolidated liabilities	**1,965,403**	1,931,982

	Reportable segment totals $'000	Unallocated amounts $'000	Consolidated totals $'000
Other material items 2020			
Finance income	**7,177**	**17**	**7,194**
Finance costs	**(5,122)**	**(32,435)**	**(37,557)**
Other material items 2019			
Finance income	7,039	54	7,093
Finance costs	(3,186)	(33,328)	(36,514)

Geographical segments

All of the Group's investment properties are used for retail purposes and are located in China.

Major tenant

Revenue from one tenant of the Group represents approximately $8.9 million (2019: $18.7 million) of the Group's total revenue.

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Year ended at 31 December 2020

30. COMMITMENTS

(a) Capital commitments

	Group	
	2020 $'000	2019 $'000
Payable:		
– contracted but not provided for	**2,374**	14,033

(b) The Group has non-cancellable operating leases with rentals payable as follows:

	Group	
	2020 $'000	2019 $'000
Payable:		
– within 1 year	**28**	108
– after 1 year but within 5 years	**58**	–
– after 5 years	**–**	–
	86	108

31. 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% (2019: 45.0%) of its Deposited Property. The Group has complied with the Aggregate Leverage limit of 50.0% (2019: 45.0%) during the financial year, with an aggregate leverage of 31.8% as at 31 December 2020 (2019: 36.7%).

There were no changes in the Group's approach to capital management during the financial year.

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31. CAPITAL AND FINANCIAL RISK MANAGEMENT (continued)

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.

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 2020.

NOTES TO THE FINANCIAL STATEMENTS

Year ended at 31 December 2020

31. CAPITAL AND FINANCIAL RISK MANAGEMENT (continued)

***Financial risk management** (continued)*

***Liquidity risk** (continued)*

S$ denominated facilities:

- $90.0 million money market line (MML) facilities
- $61.0 million MML & Financial Guarantee (FG) facilities
- $100.0 million multicurrency MML facility
- $150.0 million one-year trust bridge loan facility
- $250.0 million four-year trust term loan facilities
- $500.0 million five-year trust term loan facilities
- $370.0 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
- RMB410.8 million secured term loan facility

Multicurrency Debt Issuance Programme:

- $1.0 billion multicurrency Debt Issuance Programme

As at 31 December 2020, the Group has outstanding debt of $1,065.5 million (2019: $1,120.0 million) trust term loan facilities, $130.0 million MTN (2019: $130.0 million), $nil (2019: $52.8 million) money market line facilities and RMB804.8 million (2019: RMB414.0 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.

NOTES TO THE FINANCIAL STATEMENTS

Year ended at 31 December 2020

31. CAPITAL AND FINANCIAL RISK MANAGEMENT (continued)

Financial risk management *(continued)*

Interest rate benchmark reform

A fundamental review and reform of major interest rate benchmarks is being undertaken globally. There is uncertainty as to the timing and the methods of transition for replacing existing benchmark interbank offered rates ("IBORs") with alternative rates. In Singapore, the fundamental review and reform of the two key Singapore Dollar interest rate benchmarks that are widely referenced in financial contracts, namely Singapore interbank offered rates ("SIBORs") and Singapore swap offer rates ("SORs"), and the transition from SOR to the Singapore Overnight Rate Average ("SORA"), is also ongoing.

As a result of these uncertainties, significant accounting judgement is involved in determining whether certain hedge accounting relationships that hedge the variability of interest rate risk due to expected changes in IBORs continue to qualify for hedge accounting as at 31 December 2020. IBOR continues to be used as a reference rate in financial markets and is used in the valuation of instruments with maturities that exceed the expected end date for IBOR. In Singapore, SIBOR and SOR continue to be used as reference rates in financial markets and are used in the valuation of instruments with maturities that exceed the expected end date for SIBOR and SOR. Therefore, the Group believes the current market structure supports the continuation of hedge accounting as at 31 December 2020.

The Group's policy is for the critical terms of the interest rate swaps to align with the hedged borrowings.

The Group evaluated the extent to which its cash flow hedging relationships are subject to uncertainty driven by IBOR reform as at the reporting date. The Group's hedged items and hedging instruments continue to be indexed to IBOR benchmark rates. IBOR benchmark rates are quoted each day and IBOR cash flows are exchanged with its counterparties as usual. However, the Group's cash flow hedging relationships extend beyond the anticipated cessation dates for SOR. The Trust expects that SOR will be replaced by other benchmark rates, but there is uncertainty over the timing and amount of the replacement rate cash flows. Such uncertainty may impact the hedging relationship, for example its effectiveness assessment and highly probable assessment. The Group applies the principles of the amendments to FRS 109 issued in December 2019 to these hedging relationships directly affected by IBOR reform.

The Group determines whether an economic relationship exists between the cash flows of the hedged item and hedging instrument based on an evaluation of the qualitative characteristics of these items and the hedged risk. The Group considers whether the critical terms of the hedged item and hedging instrument closely align when assessing the presence of an economic relationship. The Group evaluates whether the cash flows of the hedged item and the hedging instrument respond similarly to the hedged risk, such as the benchmark interest rate. For cash flow hedging relationships directly impacted by IBOR reform (i.e. hedges of SOR), the Group assumes that the cash flows of the hedged item and hedging instrument will not be altered as a result of IBOR reform.

If a hedging relationship impacted by IBOR reform has not been highly effective throughout the financial reporting period, then the Group evaluates whether the hedge is expected to be highly effective prospectively and whether the effectiveness of the hedging relationship can be reliably measured. The hedging relationship will not be discontinued as long as it meets all criteria for hedge accounting, with the exception of the requirement that the hedge was actually highly effective.

Hedging relationships impacted by IBOR reform may experience ineffectiveness attributable to market participants' expectations for when the shift from the existing IBOR benchmark rate to an alternative benchmark interest rate will occur. This transition may occur at different times for the hedged item and hedging instrument, which may lead to hedge ineffectiveness. The Group has applied its best judgement to analyse market expectations when determining the fair value of the hedging instrument and present value of estimated cash flows of the hedged item.

There were no other sources of ineffectiveness in these hedging relationships.

NOTES TO THE FINANCIAL STATEMENTS

Year ended at 31 December 2020

31. CAPITAL AND FINANCIAL RISK MANAGEMENT (continued)

***Financial risk management** (continued)*

***Interest rate benchmark reform** (continued)*

As at 31 December 2020, the Group has interest rate swaps ("IRS") with notional contract amount of $810.0 million (2019: $790.0 million). The Group's exposure to SOR designated in a hedging relationship is limited to a nominal amount of $810.0 million at 31 December 2020 (2019: $790.0 million) attributable to the interest rate swaps hedging SOR cash flows on the Group's SGD term loans maturing between 2021 to 2026.

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 2020, the Group has locked in approximately 80% (2019: 80%) of its borrowings at fixed rates (excluding money market line, bridge loan and RMB loan).

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 2020 of $11.6 million (2019: $5.1 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 2019.

* 100 basis point is equivalent to 1 percentage point

	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				
2020				
Interest rate swaps	**–**	**–**	**6.6**	**(6.6)**
Variable rate instruments	**(2.7)**	**2.7**	**–**	**–**
Cash flow sensitivity (net)	**(2.7)**	**2.7**	**6.6**	**(6.6)**
2019				
Interest rate swaps	–	–	6.1	(6.1)
Variable rate instruments	(3.1)	3.1	–	–
Cash flow sensitivity (net)	(3.1)	3.1	6.1	(6.1)

NOTES TO THE FINANCIAL STATEMENTS

Year ended at 31 December 2020

31. CAPITAL AND FINANCIAL RISK MANAGEMENT (continued)

Financial risk management *(continued)*

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			
2020			
Cash and cash equivalents	**1,481**	**78**	**1,559**
2019			
Cash and cash equivalents	315	73	388
Trust			
2020			
Loans to subsidiaries	**267,477**	**–**	**267,477**
Non-trade amounts due from subsidiaries	**126,068**	**–**	**126,068**
Cash and cash equivalents	**179**	**55**	**234**
	393,724	**55**	**393,779**
2019			
Loans to subsidiaries	284,635	–	284,635
Non-trade amounts due from subsidiaries	146,415	–	146,415
Cash and cash equivalents	31	52	83
	431,081	52	431,133

NOTES TO THE FINANCIAL STATEMENTS

Year ended at 31 December 2020

31. 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 2019.

	Statements of total return	
	Group	Trust
	$'000	$'000
2020		
US$	**(148)**	**(39,372)**
RMB	**(8)**	**(6)**
2019		
US$	(31)	(43,108)
RMB	(7)	(5)

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 2020, the group has foreign currency forward contracts with notional amount of $20.7 million (2019: $27.0 million) to economically hedge the undistributed income for financial year 2019. The fair value of the forwards as at 31 December 2020 of $561,000 (2019: $332,000) 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 $1.4 million and $2.9 million (2019: $2.8 million and $2.6 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			
2020			
Notional amount (in thousands of SGD)	**175,000**	**45,000**	**490,000**
Average fixed interest rate	**1.9%**	**2.1%**	**1.5%**
2019			
Notional amount (in thousands of SGD)	100,000	100,000	590,000
Average fixed interest rate	1.4%	1.6%	1.9%

NOTES TO THE FINANCIAL STATEMENTS

Year ended at 31 December 2020

31. CAPITAL AND FINANCIAL RISK MANAGEMENT (continued)

The amounts relating to items designated as hedging instruments and hedge ineffectiveness were as follows.

	2020			During the period – 2020			
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
Interest rate risk							
Interest rate swaps	**710,000**	**–**	**(17,765)**	**(3,709)**	**(7,900)**	**–**	**Finance income/(costs)**

	2019			During the period – 2019			
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
Interest rate risk							
Interest rate swaps	790,000	5	(5,268)	(5,263)	164	–	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 2019	(168)	–
Cash flow hedges		
Change in fair value:		
Interest rate risk	(5,263)	–
Amount reclassified to profit or loss:		
Interest rate risk	164	–
Balance at 31 December 2019	(5,267)	–
Balance at 1 January 2020	**(5,267)**	**–**
Cash flow hedges		
Change in fair value:		
Interest rate risk	**(3,709)**	**–**
Amount reclassified to profit or loss:		
Interest rate risk	**(7,900)**	**–**
Balance at 31 December 2020	**(16,876)**	**–**

NOTES TO THE FINANCIAL STATEMENTS

Year ended at 31 December 2020

31. 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. Trade and other receivables and trade and other payables classified as held for sale are not included in the table below (see Note 11). Further, for the current year, the fair value disclosure of lease liabilities is also not required.

		Carrying amount					Fair value			
	Note	Amortised costs $'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										
2020										
Financial assets not measured at fair value										
Trade and other receivables	9	142,884	–	–	–	142,884	–	–	–	–
Cash and cash equivalents	10	208,440	–	–	–	208,440	–	–	–	–
		351,324	–	–	–	351,324				
Financial assets measured at fair value										
Financial derivative assets	8	–	1	–	–	1	–	1	–	1
Financial liabilities not measured at fair value										
Trade and other payables	12	–	–	–	177,789	177,789	–	–	–	–
Security deposits		–	–	–	74,699	74,699	–	73,234	–	73,234
Interest-bearing borrowings	13	–	–	–	1,355,934	1,355,934	–	1,359,695	–	1,359,695
		–	–	–	1,608,422	1,608,422				
Financial liabilities measured at fair value										
Financial derivative liabilities	8	–	562	17,765	–	18,327	–	18,327	–	18,327

NOTES TO THE FINANCIAL STATEMENTS

Year ended at 31 December 2020

31. CAPITAL AND FINANCIAL RISK MANAGEMENT (continued)

Accounting classifications and fair values (continued)

		Carrying amount					Fair value			
	Note	Amortised costs $'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										
2019										
Financial assets not measured at fair value										
Trade and other receivables	9	118,654	–	–	–	118,654	–	–	–	–
Cash and cash equivalents	10	139,920	–	–	–	139,920	–	–	–	–
		258,574	–	–	–	258,574				
Financial assets measured at fair value										
Financial derivative assets	8	–	341	5	–	346	–	346	–	346
Financial liabilities not measured at fair value										
Trade and other payables	12	–	–	–	151,298	151,298	–	–	–	–
Security deposits		–	–	–	66,316	66,316	–	63,572	–	63,572
Interest-bearing borrowings	13	–	–	–	1,379,912	1,379,912	–	1,383,174	–	1,383,174
		–	–	–	1,597,526	1,597,526				
Financial liabilities measured at fair value										
Financial derivative liabilities	8	–	9	5,268	–	5,277	–	5,277	–	5,277

NOTES TO THE FINANCIAL STATEMENTS

Year ended at 31 December 2020

31. CAPITAL AND FINANCIAL RISK MANAGEMENT (continued)

Accounting classifications and fair values (continued)

		Carrying amount					Fair value			
	Note	Amortised costs $'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										
2020										
Financial assets not measured at fair value										
Loans to subsidiaries	6	267,477	–	–	–	267,477	–	–	265,607	265,607
Non-trade amounts due from subsidiaries	6	1,441,126	–	–	–	1,441,126	–	–	1,431,053	1,431,053
Trade and other receivables	9	93,187	–	–	–	93,187	–	–	–	–
Cash and cash equivalents	10	858	–	–	–	858	–	–	–	–
		1,802,648	–	–	–	1,802,648				
Financial assets measured at fair value										
Financial derivative assets	8	–	1	–	–	1	–	1	–	1
Financial liabilities not measured at fair value										
Trade and other payables	12	–	–	–	22,619	22,619	–	–	–	–
Interest-bearing borrowings	13	–	–	–	1,191,739	1,191,739	–	1,195,500	–	1,195,500
		–	–	–	1,214,358	1,214,358				
Financial liabilities measured at fair value										
Financial derivative liabilities	8	–	562	17,765	–	18,327	–	18,327	–	18,327

NOTES TO THE FINANCIAL STATEMENTS

Year ended at 31 December 2020

31. CAPITAL AND FINANCIAL RISK MANAGEMENT (continued)

Accounting classifications and fair values (continued)

		Carrying amount					Fair value			
	Note	Amortised costs $'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										
2019										
Financial assets not measured at fair value										
Loans to subsidiaries	6	284,635	–	–	–	284,635	–	–	278,562	278,562
Non-trade amounts due from subsidiaries	6	1,189,940	–	–	–	1,189,940	–	–	1,164,551	1,164,551
Trade and other receivables	9	1,096	–	–	–	1,096	–	–	–	–
Cash and cash equivalents	10	437	–	–	–	437	–	–	–	–
		1,476,108	–	–	–	1,476,108				
Financial assets measured at fair value										
Financial derivative assets	8	–	341	5	–	346	–	346	–	346
Financial liabilities not measured at fair value										
Trade and other payables	12	–	–	–	17,559	17,559	–	–	–	–
Interest-bearing borrowings	13	–	–	–	1,299,538	1,299,538	–	1,302,800	–	1,302,800
		–	–	–	1,317,097	1,317,097				
Financial liabilities measured at fair value										
Financial derivative liabilities	8	–	9	5,268	–	5,277	–	5,277	–	5,277

NOTES TO THE FINANCIAL STATEMENTS

Year ended at 31 December 2020

31. 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 2020 plus an adequate constant credit spread, and are as follows:

	2020 % p.a.	2019 % p.a.
Group		
Interest-bearing borrowings	**0.89-4.65**	2.02-4.41
Security deposits	**0.98-1.18**	2.48-2.49
Trust		
Loans to subsidiaries	**0.70**	2.17
Non-trade amounts due from subsidiaries	**0.70**	2.17
Interest-bearing borrowings	**0.89-3.25**	2.02-3.25

NOTES TO THE FINANCIAL STATEMENTS

Year ended at 31 December 2020

31. CAPITAL AND FINANCIAL RISK MANAGEMENT (continued)

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.

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 2020					
Financial assets					
Forwards	**1**	**–**	**1**	**(1)**	**–**
Financial liabilities					
Interest rate swaps	**17,765**	**–**	**17,765**	**–**	**17,765**
Forwards	**562**	**–**	**562**	**(1)**	**561**
	18,327	**–**	**18,327**	**(1)**	**18,326**
31 December 2019					
Financial assets					
Interest rate swaps	5	–	5	(5)	–
Forwards	341	–	341	–	341
	346	–	346	(5)	341
Financial liabilities					
Interest rate swaps	5,268	–	5,268	(5)	5,263
Forwards	9	–	9	–	9
	5,277	–	5,277	(5)	5,272

NOTES TO THE FINANCIAL STATEMENTS

Year ended at 31 December 2020

32. SUBSEQUENT EVENTS

On 4 January 2021, the Group completed the acquisition of 51.0% of the shares in Singapore Suzhou Industrial Holdings Pte. Ltd., which indirectly holds the Ascendas Xinsu Portfolio comprising six properties located in different locations in Suzhou Industrial Park, China.

On 26 January 2021, the Manager announced that the name of the Manager has changed from "CapitaLand Retail China Trust Management Limited" to "CapitaLand China Trust Management Limited" and the name of the Trust has changed from "CapitaLand Retail China Trust" to "CapitaLand China Trust".

On 29 January 2021, the Manager declared a distribution of 0.58 cents per Unit to Unitholders in respect of the period from 26 November 2020 to 31 December 2020.

On 10 February 2021, the Group completed the acquisition of 100.0% of the shares in Ascendas Xi An High-Tech Development Co., Ltd., which holds Ascendas Innovation Towers located in the Hi-tech Industries Development Zone in Xi'an, China.

On 26 February 2021, the Group completed the acquisition of 80.0% of the shares in Xi An Ascendas-Science Technology Investment Co., Ltd., which holds Ascendas Innovation Hub located in the Hi-tech Industries Development Zone in Xi'an, China.

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	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 Limited and its subsidiaries or associates		
– Acquisition fee	3,388	–
– Divestment fee	782	–
– Manager's Management fees	15,532	–
– Acquisition of subsidiaries[1]	838,113	–
– Project Management fees	199	–
HSBC Institutional Trust Services (Singapore) Limited		
Trustee's fees	584	–

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 2020 or if not then subsisting, entered into since the end of FY 2020.

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 a 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 27 in the financial statements.

SUBSCRIPTION OF CLCT UNITS

An aggregate of 4,711,584 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 2019. As at 31 December 2020, 1,511,793,159 Units were in issue and outstanding. In the first quarter of 2021, 5,359,744[2] Units will be issued to the Manager as part payment of the base and performance component of its management fee for the financial year 2020.

1 Includes the net asset value consideration, loans extended and the estimated value of the property management agreements which is subject to post-completion adjustment.
2 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 2020.

ADDITIONAL INFORMATION

ADDITIONAL DISCLOSURE FOR OPERATING EXPENSES

The total operating expenses incurred by CLCT Group and its proportionate share of operating expenses incurred by the joint venture amounted to $103.4 million in 2020, which was equivalent to 4.4% of CRCT Group's net asset value as at 31 December 2020. The amount included all fees and charges paid to the Manager and interested parties.

STATISTICS OF UNITHOLDINGS

As at 3 March 2021

ISSUED AND FULLY PAID UNITS

1,506,433,415 Units (voting rights: 1 vote per Unit)
Market Capitalisation: S$2,048,749,444 (based on closing Unit price of S$1.36 on 3 March 2021)

DISTRIBUTION OF UNITHOLDINGS

SIZE OF UNITHOLDINGS	NO. OF UNITHOLDERS	%	NO. OF UNITS	%
1 – 99	218	1.39	8,819	0.00
100 – 1,000	1,848	11.82	1,484,306	0.10
1,001 – 10,000	8,955	57.28	42,409,175	2.82
10,001 – 1,000,000	4,583	29.31	180,663,473	11.99
1,000,001 and above	31	0.20	1,281,867,642	85.09
Total	**15,635**	**100.00**	**1,506,433,415**	**100.00**

LOCATION OF UNITHOLDERS

	NO. OF UNITHOLDERS	%	NO. OF UNITS	%
Singapore	15,269	97.66	1,499,625,570	99.54
Malaysia	235	1.50	3,852,155	0.26
Others	131	0.84	2,955,690	0.20
Total	**15,635**	**100.00**	**1,506,433,415**	**100.00**

TWENTY LARGEST UNITHOLDERS

	NAME	NO. OF UNITS	%
1	DBS NOMINEES (PRIVATE) LIMITED	249,355,910	16.55
2	RETAIL CROWN PTE. LTD.	248,406,200	16.49
3	HSBC (SINGAPORE) NOMINEES PTE LTD	246,687,570	16.38
4	CITIBANK NOMINEES SINGAPORE PTE LTD	176,593,506	11.72
5	DBSN SERVICES PTE. LTD.	82,652,475	5.49
6	CAPITALAND CHINA TRUST MANAGEMENT LIMITED	82,118,932	5.45
7	RAFFLES NOMINEES (PTE.) LIMITED	59,780,030	3.97
8	UOB KAY HIAN PRIVATE LIMITED	26,169,396	1.74
9	BPSS NOMINEES SINGAPORE (PTE.) LTD.	13,129,404	0.87
10	PHILLIP SECURITIES PTE LTD	10,361,672	0.69
11	UNITED OVERSEAS BANK NOMINEES (PRIVATE) LIMITED	9,639,760	0.64
12	DB NOMINEES (SINGAPORE) PTE LTD	9,170,423	0.61
13	OCBC NOMINEES SINGAPORE PRIVATE LIMITED	7,198,407	0.48
14	ABN AMRO CLEARING BANK N.V.	7,144,944	0.47
15	OCBC SECURITIES PRIVATE LIMITED	7,028,805	0.47
16	MAYBANK KIM ENG SECURITIES PTE. LTD.	6,681,872	0.44
17	MORGAN STANLEY ASIA (SINGAPORE) SECURITIES PTE LTD	6,642,071	0.44
18	CGS-CIMB SECURITIES (SINGAPORE) PTE. LTD.	5,140,372	0.34
19	IFAST FINANCIAL PTE. LTD.	4,612,520	0.31
20	DBS VICKERS SECURITIES (SINGAPORE) PTE LTD	3,555,382	0.24
	Total	**1,262,069,651**	**83.79**

STATISTICS OF UNITHOLDINGS

As at 3 March 2021

DIRECTORS' INTERESTS IN UNITS AND CONVERTIBLE SECURITIES AS AT 21 JANUARY 2021

Based on the Register of Directors' Unitholdings, the interests of the Directors in Units and convertible securities issued by CLCT are as follow:

	No. of Units		Contingent Awards of Units[1] under the Manager's	
Name of Director	Direct Interest	Deemed Interest	Performance Unit Plan	Restricted Unit Plan
Soh Kim Soon	54,100	–	–	–
Tan Tze Wooi	353,400	5,800	0 to 587,428[2]	90,858[3,4] 0 to 169,992[2,4]
Fong Heng Boo	97,104	–	–	–
Christopher Gee Kok Aun	80,488	–	–	–
Professor Tan Kong Yam	55,565	–	–	–
Neo Poh Kiat	83,081	–	–	–
Kuan Li Li	51,997	–	–	–
Lucas Ignatius Loh Jen Yuh	82,372	–	–	–
Lim Cho Pin Andrew Geoffrey	21,411	–	–	–

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 2021

SUBSTANTIAL UNITHOLDERS' UNITHOLDINGS AS AT 3 MARCH 2021

Based on the information available to the Manager as at 3 March 2021, the unitholdings of Substantial Unitholders of CLCT are as follows:

Name of Substantial Unitholder	Direct Interest No. of Units	%[1]	Deemed Interest No. of Units	%[1]
Temasek Holdings (Private) Limited (THPL)	–	–	482,973,305[2]	32.06
Tembusu Capital Pte. Ltd. (Tembusu)	–	–	470,135,139[3]	31.20
Bartley Investments Pte. Ltd. (Bartley)	–	–	463,905,467[4]	30.79
Mawson Peak Holdings Pte. Ltd. (Mawson)	–	–	463,905,467[4]	30.79
Glenville Investments Pte. Ltd. (Glenville)	–	–	463,905,467[4]	30.79
TJ Holdings (III) Pte. Ltd. (TJ Holdings (III))	–	–	463,905,467[4]	30.79
CLA Real Estate Holdings Pte. Ltd. (CLA)	–	–	463,905,467[4]	30.79
CapitaLand Limited (CL)	–	–	463,905,467[5]	30.79
CapitaLand Mall Asia Limited (CMA)	–	–	248,406,200[6]	16.48
CapitaLand Retail China Pte Ltd. (CLRC)	–	–	248,406,200[7]	16.48
Retail Crown Pte. Ltd.	248,406,200	16.48	–	–
CapitaLand Singapore Limited (CLS)	–	–	133,380,335[8]	8.85
HSBC Institutional Trust Services (Singapore) Limited, as trustee of CapitaLand Integrated Commercial Trust	133,380,335	8.85	–	–
CapitaLand Financial Limited (CFL)	–	–	82,118,932[9]	5.45
CapitaLand China Trust Management Limited (CLCTML)	82,118,932	5.45	–	–

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, Chapter 289 of Singapore (SFA).
3. Tembusu is deemed to have an interest in the unitholdings in which its subsidiaries (including but not limited to CLA) have or are deemed to have an interest pursuant to Section 4 of the SFA.
4. Tembusu 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 equity interest in CLA. CLA holds approximately 51.76% of the issued shares in CL. Each of Bartley, Mawson, Glenville and TJ Holdings (III) is deemed to have an interest in the unitholdings in which CLA is deemed to have an interest pursuant to Section 4 of the SFA.
5. CL is deemed to have an interest in the unitholdings held by HSBC Institutional Trust Services (Singapore) Limited, as trustee of CapitaLand Integrated Commercial Trust, and its indirect wholly owned subsidiaries namely, Retail Crown Pte. Ltd. and CLCTML.
6. CMA is deemed to have an interest in the unitholdings held by its indirect wholly owned subsidiary namely, Retail Crown Pte. Ltd..
7. CLRC is deemed to have an interest in the unitholdings held by its direct wholly owned subsidiary namely, Retail Crown Pte. Ltd.
8. CLS is deemed to have an interest in the unitholdings held by HSBC Institutional Trust Services (Singapore) Limited, as trustee of CapitaLand Integrated Commercial Trust.
9. CFL is deemed to have an interest in the unitholdings held by its direct wholly owned subsidiary namely, CLCTML.

PUBLIC FLOAT

Based on the information available to the Manager, approximately 67.8% of the Units in CLCT were held in the hands of the public as at 3 March 2021. Accordingly, Rule 723 of the Listing Manual of the SGX-ST has been compiled with.

PORTFOLIO DIRECTORY

RETAIL

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Fax : +86 10 5830 1599

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Changsha
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Hohhot
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Inner Mongolia Autonomous Region
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赛罕区鄂尔多斯大街32号
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Fax : +86 47 1597 1671

CapitaMall Nuohemule
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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
Tel : +86 47 1596 1222
Fax : +86 47 1597 1671

BUSINESS PARK / INDUSTRIAL

Suzhou
Ascendas Xinsu Portfolio
腾飞新苏
Suzhou Industrial Park, Suzhou
苏州工业园区, 苏州
Tel : +86 21 6151 6647

Hangzhou
Singapore-Hangzhou Science & Technology Park Phase I
新加坡杭州科技园一期
No. 2, Kejiyuan Road, Hangzhou
Economic and Technological
Development Zone, Hangzhou
杭州经济技术开发区科技园路2号,
杭州
Tel : +86 21 6151 6647

Singapore-Hangzhou Science & Technology Park Phase II
新加坡杭州科技园二期
No. 20 & 57, Kejiyuan Road,
Hangzhou Economic and
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Xi'an
Ascendas Innovation Towers
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Ascendas Innovation Hub
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Development Zone, Xi'an
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Tel : +86 21 6151 6647

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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
10 Marina Boulevard
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Tel : +65 6658 6667

AUDITOR

KPMG LLP
Public Accountants and Chartered Accountants
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Tel : +65 6213 3388
Fax : +65 6225 0984

Partner-In-Charge:
Lim Pang Yew, Victor
Appointed: With effect from financial year ended 31 December 2017

UNIT REGISTRAR

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THE MANAGER

Registered Address of the Manager

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BOARD OF DIRECTORS

Soh Kim Soon
Chairman & Non-Executive Independent Director

Tan Tze Wooi
Chief Executive Officer & Executive Non-Independent Director

Fong Heng Boo
Non-Executive Independent Director

Christopher Gee Kok Aun
Non-Executive Independent Director

Professor Tan Kong Yam
Non-Executive Independent Director

Neo Poh Kiat
Non-Executive Independent Director

Kuan Li Li
Non-Executive Independent Director

Lucas Ignatius Loh Jen Yuh
Non-Executive Non-Independent Director

Lim Cho Pin Andrew Geoffrey
Non-Executive Non-Independent Director

Audit Committee

Fong Heng Boo
Chairman

Christopher Gee Kok Aun
Professor Tan Kong Yam
Neo Poh Kiat
Lim Cho Pin Andrew Geoffrey

Executive Committee

Lucas Ignatius Loh Jen Yuh
Chairman

Tan Tze Wooi
Lim Cho Pin Andrew Geoffrey

Company Secretary

Chuo Cher Shing

This Annual Report to Unitholders 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, competition from other developments or companies, shifts in customer demands, shifts in expected levels of occupancy rate, property rental income, charge out collections, changes in operating expenses (including property operating expenses, employee wages, benefits and training costs), governmental and public policy changes and the continued availability of financing in the amounts and on the terms necessary to support future business. Investors are cautioned not to place undue reliance on these forward-looking statements, which are based on the current view of management regarding future events.

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CAPITALAND CHINA TRUST MANAGEMENT LIMITED

As a Manager of CapitaLand China Trust
Company Registration No. 200611176D

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