IMPORTANT NOTICE

NOT FOR DISTRIBUTION INTO THE UNITED STATES

IMPORTANT: You must read the following disclaimer before continuing. The following disclaimer applies to the attached offering circular (the "**Offering Circular**"). You are therefore advised to read this disclaimer carefully before accessing, reading or making any other use of the attached Offering Circular. In accessing the attached Offering Circular, you agree to be bound by the following terms and conditions, including any modifications to them from time to time, each time you receive any information from CLCT MTN Pte. Ltd. (the "**Issuer**"), HSBC Institutional Trust Services (Singapore) Limited (in its capacity as trustee of CapitaLand China Trust) (the "**Guarantor**"), CapitaLand China Trust ("**CLCT**") or from CMB International Capital (Singapore) Pte. Limited, DBS Bank Ltd. and Oversea-Chinese Banking Corporation Limited (together, the "**Joint Global Coordinators, Lead Managers and Bookrunners**") and CMB International Capital Limited and CMB Wing Lung Bank Limited (together, the "**Joint Bookrunners**") (the Joint Bookrunners together with the Joint Global Coordinators, Lead Managers and Bookrunners, the "**Managers**", and each a "**Manager**") as a result of such access. In order to review the attached Offering Circular or make an investment decision with respect to the securities, you must be located outside the United States.

Confirmation of Your Representation: The attached Offering Circular is being sent to you at your request and by accepting the e-mail and accessing the attached Offering Circular, you shall be deemed to represent to the Issuer, the Guarantor and the Managers that (1) you are not in the United States and, to the extent you purchase the securities described in the attached Offering Circular, you will be doing so pursuant to Regulation S ("**Regulation S**") under the U.S. Securities Act of 1933, as amended (the "**Securities Act**"); (2) the e-mail address that you gave us and to which this e-mail has been delivered is not located in the United States, its territories or possessions; and (3) you consent to delivery of the attached Offering Circular and any amendments or supplements thereto by electronic transmission.

The attached Offering Circular has been made available to you in electronic form. You are reminded that documents transmitted via this medium may be altered or changed during the process of transmission and consequently none of the Issuer, the Guarantor, CLCT, the Managers, and the Agents (as defined in the attached Offering Circular) or any of their respective directors, officers, employees, representatives, agents, affiliates or advisers or any person who controls any of them accepts any liability or responsibility whatsoever in respect of any discrepancies between the document distributed to you in electronic format and the hard copy version. The Managers will provide a hard copy version to you upon request.

Restrictions: The attached Offering Circular is being furnished in connection with an offering exempt from registration under the Securities Act solely for the purpose of enabling a prospective investor to consider the purchase of the securities described herein.

THE SECURITIES AND THE GUARANTEE DESCRIBED IN THE ATTACHED OFFERING CIRCULAR HAVE NOT BEEN, AND WILL NOT BE, REGISTERED UNDER THE SECURITIES ACT, OR THE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES OR OTHER JURISDICTION. THE SECURITIES AND THE GUARANTEE MAY NOT BE OFFERED, SOLD OR DELIVERED WITHIN THE UNITED STATES EXCEPT PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND APPLICABLE STATE OR LOCAL SECURITIES LAWS. THIS OFFERING IS MADE SOLELY IN OFFSHORE TRANSACTIONS PURSUANT TO REGULATION S.

NOTHING IN THIS ELECTRONIC TRANSMISSION CONSTITUTES AN OFFER OF SECURITIES FOR SALE IN ANY JURISDICTION WHERE IT IS UNLAWFUL TO DO SO.

Except with respect to eligible investors in jurisdictions where such offer or invitation is permitted by law, nothing in this electronic transmission constitutes an offer or an invitation by or on behalf of the Issuer, the Guarantor, CLCT, the Managers or the Agents or any of their respective directors, officers, employees, representatives, agents, affiliates or advisers or any person who controls any of them to subscribe for or purchase any of the securities described therein, and access has been limited so that it shall not constitute in the United States or elsewhere a general solicitation or general advertising (as those terms are used in Regulation D under the Securities Act) or directed selling efforts (within the meaning of Regulation S under the Securities Act). If a jurisdiction requires that the offering be made by a licensed broker or dealer and any of the Managers or any of their affiliates is a licensed broker or dealer in that jurisdiction, the offering shall be deemed to be made by such Manager or such affiliate on behalf of the Issuer, the Guarantor and CLCT in such jurisdiction.

You are reminded that you have accessed the attached Offering Circular on the basis that you are a person into whose possession the attached Offering Circular may be lawfully delivered in accordance with the laws of the jurisdiction in which you are located and you may not nor are you authorised to deliver or forward this document, electronically or otherwise, to any other person. If you have gained access to this transmission contrary to the foregoing restrictions, you are not allowed to purchase any of the securities described in the attached Offering Circular.

Actions that You May Not Take: If you receive this document by e-mail, you should not reply by e-mail to this electronic transmission, and you may not purchase any securities by doing so. Any reply e-mail communications, including those you generate by using the "Reply" function on your e-mail software, will be ignored or rejected.

YOU ACKNOWLEDGE THAT THE ATTACHED OFFERING CIRCULAR AND THE INFORMATION CONTAINED THEREIN ARE STRICTLY CONFIDENTIAL AND INTENDED FOR YOU ONLY. YOU ARE NOT AUTHORISED TO AND YOU MAY NOT DELIVER OR FORWARD THE ATTACHED OFFERING CIRCULAR, ELECTRONICALLY OR OTHERWISE, TO ANY OTHER PERSON OR REPRODUCE SUCH OFFERING CIRCULAR IN ANY MANNER WHATSOEVER. ANY FORWARDING, DISTRIBUTION OR REPRODUCTION OF THE ATTACHED OFFERING CIRCULAR IN WHOLE OR IN PART IS UNAUTHORISED. FAILURE TO COMPLY WITH THIS DIRECTIVE MAY RESULT IN A VIOLATION OF THE SECURITIES ACT OR THE APPLICABLE LAWS OF OTHER JURISDICTIONS.

You are responsible for protecting against viruses and other destructive items. If you receive this document by e-mail, your use of this e-mail is at your own risk and it is your responsibility to take precautions to ensure that it is free from viruses and other items of a destructive nature.

CLCT MTN PTE. LTD.

(Incorporated in Singapore with limited liability)

CNY600,000,000 3.80 per cent guaranteed bonds due 2026

Unconditionally and Irrevocably Guaranteed by

HSBC INSTITUTIONAL TRUST SERVICES (SINGAPORE) LIMITED

(in its capacity as trustee of CapitaLand China Trust)

CAPITALAND CHINA TRUST

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

managed by

CAPITALAND CHINA TRUST MANAGEMENT LIMITED

(UEN/Company Registration No. 200611176D)

Issue Price: 100.00 per cent

The CNY600,000,000 3.80 per cent guaranteed bonds due 2026 (the "**Bonds**") will be issued by CLCT MTN Pte. Ltd. (the "**Issuer**") and will be unconditionally and irrevocably guaranteed (the "**Guarantee**") by HSBC Institutional Trust Services (Singapore) Limited (in its capacity as trustee of CapitaLand China Trust ("**CLCT**")) (the "**Guarantor**"). The Bonds will be constituted by, and have the benefit of, a deed of covenant dated 17 October 2023 (the "**Issue Date**") (the "**Deed of Covenant**"). The Bonds also have the benefit of a deed of guarantee (as amended, supplemented and/or replaced from time to time, the "**Deed of Guarantee**") dated the Issue Date executed by the Guarantor.

The Bonds will bear interest on their outstanding principal amount from and including the Issue Date at the rate of 3.80 per cent per annum, payable annually in arrear on 17 October in each year (each an "**Interest Payment Date**") commencing on 17 October 2024. All payments of principal, premium (if any) and interest by or on behalf of the Issuer or the Guarantor in respect of the Bonds or under the Guarantee shall be made free and clear of, and without deduction or withholding for or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or within (i) Singapore or (ii) the PRC (including the China (Shanghai) Pilot Free Trade Zone) or, in each case, any political subdivision or any authority therein or thereof having power to tax as further described under "*Terms and Conditions of the Bonds — Taxation*".

The Bonds will constitute direct, unconditional, unsubordinated and unsecured obligations of the Issuer and shall at all times rank *pari passu*, without any preference or priority among themselves, and *pari passu* with all other present and future unsecured obligations (other than subordinated obligations and priorities created by law) of the Issuer from time to time outstanding. The obligations of the Guarantor under the Guarantee shall, save for such exceptions as may be provided by applicable legislation and subject to Condition 4, at all times rank at least equally with all its other present and future unsecured and unsubordinated obligations.

Unless previously redeemed, or purchased and cancelled, the Bonds will be redeemed at their principal amount on 17 October 2026 (the "**Maturity Date**"). At any time, on giving not less than 30 nor more than 60 days' notice to the Bondholders (as defined below) (which notice shall be irrevocable), the Issuer may redeem the Bonds in whole, but not in part, at their principal amount, together with any interest accrued to but excluding the date fixed for redemption, if (i) the Issuer (or, if the Guarantee was called, the Guarantor) has or will become obliged to pay Additional Tax Amounts (as defined in the terms and conditions of the Bonds (the "**Terms and Conditions**")) as a result of any change in, or amendment to, the laws (or any regulations, rulings or other administrative pronouncements promulgated thereunder) of (A) Singapore, or (B) the PRC (including the China (Shanghai) Pilot Free Trade Zone) or, in each case, any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws, regulations, rulings or other administrative pronouncements, which change or amendment is made public on or after 12 October 2023, and (ii) such obligations cannot be avoided by the Issuer (or the Guarantor, as the case may be) taking reasonable measures available to it. In the event that CLCT is terminated in accordance with the provisions of the CLCT Trust Deed (as defined in the Deed of Covenant), the Issuer shall redeem all (and not some only) of the Bonds at their principal amount together with interest accrued to (but excluding) the date fixed for redemption on any date on which interest is due to be paid on such Bonds or, if earlier, the date of termination of CLCT. In the event that (i) the units of CLCT cease to be traded on the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") or (ii) trading in the units of CLCT on the SGX-ST is suspended for a continuous period of more than seven days (other than by reason of holiday, statutory or otherwise), the Issuer shall, at the option of the holder of any Bond, redeem such Bond at its principal amount together with interest accrued to (but excluding) the date fixed for redemption on any date on which interest is due to be paid on such Bonds or, if earlier, the date falling 45 days after (in the case of (i)) the date of cessation of trading or (in the case of (ii)) the business day immediately following the expiry of such continuous period of seven days. See "*Terms and Conditions of the Bonds — Redemption and Purchase*".

As there are currently no specific regulations or guidelines relating to the issuance of cross-border debt securities in the China (Shanghai) Pilot Free Trade Zone, there are some uncertainties regarding the interpretation and application of PRC taxation or foreign exchange related laws and regulations to these Bonds. See "*PRC Currency Regulation*", "*Taxation*" and "*Risk Factors — Risks relating to the Bonds — Gains on the transfer of the Bonds and interest payable by the Issuer to Bondholders outside the PRC may be subject to income tax and VAT under PRC tax laws*". Investors should consult their own legal and tax advisors as needed before making its investment decision.

For a more detailed description of the Bonds, see "*Terms and Conditions of the Bonds*" in this Offering Circular.

The Bonds will be issued in the specified denomination of CNY20,000,000 and integral multiples of CNY1,000,000 in excess thereof.

Investing in the Bonds involves risks. See "*Risk Factors*" in this Offering Circular for a discussion of certain factors to be considered in connection with an investment in the Bonds.

The Bonds and the Guarantee have not been and will not be registered under the United States Securities Act of 1933, as amended (the "Securities Act") and may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. The Bonds and the Guarantee are being offered in offshore transactions outside the United States in reliance on Regulation S. For a description of these and certain further restrictions on offers and sales of the Bonds, the Guarantee and the distribution of this Offering Circular, see "*Subscription and Sale*".

Approval in-principle has been received from the SGX-ST for the listing and quotation of the Bonds on the SGX-ST. The SGX-ST assumes no responsibility for the correctness of any of the statements made or opinions or reports contained in this Offering Circular. Admission of the Bonds to the Official List of the SGX-ST is not to be taken as an indication of the merits of the Issuer, the Guarantor or CLCT, their respective subsidiaries (if any), their respective associated companies (if any), their respective joint venture entities (if any), or such Bonds. For so long as any Bonds are listed on the SGX-ST and the rules of the SGX-ST so require, such Bonds if traded, will be traded on the SGX-ST in a minimum board lot size of S$200,000 (or its equivalent in other currencies).

The Bonds will initially be issued in registered uncertificated book-entry form entered in China Central Depository & Clearing Co., Ltd. (中央国债登记结算有限责任公司) ("**CCDC**"). Pursuant to the Companies Act 1967 of Singapore, the Issuer will thereafter also issue a certificate in respect of the Bonds. So long as the Bonds are recorded in CCDC, beneficial interests in the Bonds will be shown on, and transfers thereof will be effected only through, records maintained by CCDC as described herein. No other certificate or evidence of title, other than the Deed of Covenant, will be issued by, or on behalf of, the Issuer to evidence title to a Bond unless other certificates or evidence of title in the Bonds should, in the opinion of the Issuer, be made available, or is required by the Service Agreement (each as defined in the Terms and Conditions) or by any applicable law or regulation.

The Bonds will not be rated.

Joint Global Coordinators, Lead Managers and Bookrunners

CMB International **DBS Bank Ltd.** **OCBC Bank**

Joint Bookrunners

CMB International **CMB Wing Lung Bank Limited**

Co-Manager

CMBC Capital

Offering Circular dated 12 October 2023

NOTICE TO INVESTORS

Each of the Issuer and the Guarantor, having made all reasonable enquiries, confirms that (i) this Offering Circular contains all information which is material in the context of the issue and offering of the Bonds and the information in this Offering Circular is true and accurate in all material respects, and (ii) the opinions, expectations and intentions expressed in this Offering Circular have been carefully considered, are based on all relevant considerations and facts existing at the date of its issue and are fairly, reasonably and honestly held and there are no other facts the omission of which in the said context would make any such information or expressions of opinion, expectation or intention misleading in any material respect.

The Issuer and the Guarantor have prepared this Offering Circular solely for use in connection with the proposed offering of the Bonds as described in this Offering Circular. This Offering Circular does not constitute an offer of, or an invitation by or on behalf of CMB International Capital (Singapore) Pte. Limited, DBS Bank Ltd., Oversea-Chinese Banking Corporation Limited (together, the "**Joint Global Coordinators, Lead Managers and Bookrunners**") and CMB International Capital Limited and CMB Wing Lung Bank Limited (the "**Joint Bookrunners**") (the Joint Bookrunners together with the Joint Global Coordinators, Lead Managers and Bookrunners, the "**Managers**", and each a "**Manager**"), the Issuer, the Guarantor, CLCT, the Agents, or any of their respective affiliates, directors, officers, employees, agents, representatives, advisers or any person who controls any of them, to subscribe for or purchase any of the Bonds. The distribution of this Offering Circular and the offer, sale or delivery of the Bonds in certain jurisdictions may be restricted by law. Persons into whose possession this Offering Circular comes are required by the Issuer, the Guarantor and the Managers to inform themselves about and to observe any such restrictions. No action is being taken to permit a public offering of the Bonds or the distribution of this Offering Circular in any jurisdiction where action would be required for such purposes. There are restrictions on the offer and sale of the Bonds, and the circulation of documents relating thereto, in certain jurisdictions including the United States, the United Kingdom, Hong Kong, the PRC, Singapore, Japan and Macau and to persons connected therewith. For a description of certain further restrictions on offers and sales of the Bonds, and distribution of this Offering Circular, see "*Subscription and Sale*". By purchasing the Bonds, investors represent and agree to all of those provisions contained in that section of this Offering Circular. This Offering Circular is personal to each offeree and does not constitute an offer to any other person or to the public generally to subscribe for, or otherwise acquire, the Bonds. Distribution of this Offering Circular to any other person other than the prospective investor and any person retained to advise such prospective investor with respect to its purchase is unauthorised. Each prospective investor, by accepting delivery of this Offering Circular, agrees to the foregoing and to make no photocopies of this Offering Circular or any documents referred to in this Offering Circular.

No person has been or is authorised to give any information or to make any representation not contained in or not consistent with this Offering Circular and concerning the Issuer, the Guarantor, CLCT, its subsidiaries (if any), its associated companies (if any) or its joint venture entities (if any) or the Bonds, and, if given or made, such information or representation should not be relied upon as having been authorised by the Issuer, the Guarantor, the Managers or the Agents or any of their respective affiliates, directors, officers, employees, agents, representatives, advisers or any person who controls any of them. Neither the delivery of this Offering Circular nor any offering, sale or delivery made in connection with the issue of the Bonds shall, under any circumstances, constitute a representation that there has been no change or development reasonably likely to involve a change in the affairs of the Issuer, the Guarantor, CLCT, its subsidiaries (if any), its associated companies (if any) or its joint venture entities (if any) since the date hereof or create any implication that the information contained herein is correct as of any date subsequent to the date hereof.

None of the Managers, the Agents, or any of their respective affiliates, directors, officers, employees, agents, representatives, advisers or any person who controls any of them, has independently verified the information contained in this Offering Circular. None of the Managers, the Agents, or their respective affiliates, directors, officers, employees, agents, advisers, representatives or persons who control any of them, makes any representation, warranty or undertaking, express or implied, or accepts any responsibility or liability, with respect to the accuracy, completeness or sufficiency of any of the information contained in this Offering Circular or any information supplied in connection with the Bonds. Nothing contained in this Offering Circular is, or shall be relied upon as, a promise, representation or warranty by the Managers, the Agents or any of their respective affiliates, directors, employees, agents, representatives, officers or advisers or any person who controls any of them. This Offering Circular is not intended to provide the basis of any credit or other evaluation, nor should it be considered as a recommendation by any of the Issuer, the Guarantor, CLCT, its subsidiaries (if any), its associated companies (if any) or its joint venture entities (if any), the Managers, the Agents or any of their respective affiliates, directors, employees, agents, representatives, officers or advisers or any person who controls any of them that any recipient of this Offering Circular should purchase the Bonds. Each person receiving this Offering Circular acknowledges that such person has not relied on the Managers, the Agents, or any of their respective affiliates, directors, officers, employees, agents, representatives, advisers or any person who controls any of them, in connection with its investigation of the accuracy of such information or its investment decision, and each such person must rely on its own examination of the Issuer and the merits and risks involved in investing in the Bonds. See "*Risk Factors*" for a discussion of certain factors to be considered in connection with an investment in the Bonds.

To the fullest extent permitted by law, none of the Managers, the Agents, or their respective affiliates, directors, officers, employees, agents, representatives, advisers or persons who control any of them, accepts any responsibility for the contents of this Offering Circular or for any other statement, made or purported to be made by any Manager, the Agents, or any of their respective affiliates, directors, officers, employees, agents, representatives, advisers or any person who controls any of them, or on their behalf in connection with the Issuer, the Guarantor, the Group or the issue and offering of the Bonds. Each of the Managers, the Agents and their respective affiliates, directors, officers, employees, agents, representatives, advisers and persons who control any of them, accordingly disclaims all and any liability, whether arising in tort or contract or otherwise, which it might otherwise have in respect of this Offering Circular or any such statement. None of the Managers, the Agents, or their respective affiliates, directors, officers, employees, agents, representatives, advisers or persons who control any of them, undertakes to review the financial condition or affairs of the Issuer, the Guarantor, CLCT, its subsidiaries (if any), its associated companies (if any) or its joint venture entities (if any) during the life of the arrangements contemplated by this Offering Circular nor to advise any investor or potential investor in the Bonds of any information coming to the attention of the Managers, the Agents, or any of their respective affiliates, directors, officers, employees, agents, representatives, advisers or any person who controls any of them.

IN CONNECTION WITH THE ISSUE OF THE BONDS, EACH MANAGER APPOINTED AND ACTING IN SUCH CAPACITY AS STABILISATION MANAGER (THE "STABILISATION MANAGERS") (OR ANY PERSON ACTING ON BEHALF OF THE STABILISATION MANAGERS) MAY, SUBJECT TO ALL APPLICABLE LAWS, OVER-ALLOT BONDS OR EFFECT TRANSACTIONS WITH A VIEW TO SUPPORTING THE MARKET PRICE OF THE BONDS AT A LEVEL HIGHER THAN THAT WHICH MIGHT OTHERWISE PREVAIL. HOWEVER, THERE IS NO ASSURANCE THAT THE STABILISATION MANAGERS (OR ANY PERSON ACTING ON BEHALF OF THE STABILISATION MANAGERS) WILL UNDERTAKE ANY STABILISATION ACTION. ANY STABILISATION ACTION MAY BEGIN ON OR AFTER THE DATE ON WHICH ADEQUATE PUBLIC DISCLOSURE OF THE TERMS OF THE OFFER OF THE BONDS IS MADE AND, IF BEGUN, MAY BE ENDED AT ANY TIME, BUT IT MUST END NO LATER THAN THE EARLIER OF 30 DAYS AFTER THE ISSUE DATE OF THE BONDS AND 60 DAYS AFTER THE DATE OF THE ALLOTMENT OF THE BONDS. ANY STABILISATION ACTION OR OVER-ALLOTMENT MUST BE CONDUCTED BY THE RELEVANT STABILISATION MANAGERS (OR ANY PERSON ACTING ON BEHALF OF THE STABILISATION MANAGERS) IN ACCORDANCE WITH ALL APPLICABLE LAWS AND RULES.

In connection with the offering of the Bonds, the Managers and/or their respective affiliates, or affiliates of the Issuer, the Guarantor and CLCT may act as investors and place orders, receive allocations and trade the Bonds for their own account and such orders, allocations or trading of the Bonds may be material. These entities may hold or sell such Bonds or purchase further Bonds for their own account in the secondary market or deal in any other securities of the Issuer, the Guarantor and CLCT, and therefore, they may offer or sell the Bonds or other securities otherwise than in connection with the offering of the Bonds. Accordingly, references herein to the offering of the Bonds should be read as including any offering of the Bonds to the Managers and/or their respective affiliates, or affiliates of the Issuer, the Guarantor and CLCT, as investors for their own account. Such entities are not expected to disclose such transactions or the extent of any such investment, otherwise than in accordance with any applicable legal or regulatory requirements. If such transactions occur, the trading price and liquidity of the Bonds may be impacted.

Prospective investors should not construe anything in this Offering Circular as legal, business or tax advice. Each prospective investor should determine for itself the relevance of the information contained in this Offering Circular and consult its own legal, business and tax advisors as needed to make its investment decision and determine whether it is legally able to purchase the Bonds under applicable laws or regulations.

The contents of this Offering Circular have not been reviewed by any regulatory authority of any jurisdiction. You are advised to exercise caution in relation to the offering of the Bonds. If you are in any doubt about any of the contents of this Offering Circular, you should obtain independent professional advice.

Notice to capital market intermediaries and prospective investors pursuant to paragraph 21 of the Hong Kong SFC Code of Conduct – Important Notice to Prospective Investors: Prospective investors should be aware that certain intermediaries in the context of this offering of the Bonds, including certain Managers are "capital market intermediaries" (together, the "**CMIs**") subject to Paragraph 21 of the Code of Conduct for Persons Licensed by or Registered with the Securities and Futures Commission (the "**SFC Code**"). This notice to prospective investors is a summary of certain obligations the SFC Code imposes on such CMIs, which require the attention and cooperation of prospective investors.

Certain CMIs may also be acting as "overall coordinators" (together, the "**OCs**") for this offering and are subject to additional requirements under the SFC Code.

Prospective investors who are the directors, employees or major shareholders of the Issuer, the Guarantor, CLCT, the CLCT Manager, a CMI or its group companies would be considered under the SFC Code as having an association (an "**Association**") with the Issuer, the Guarantor, CLCT, the CLCT Manager, the CMI or the relevant group company. Prospective investors associated with the Issuer, the Guarantor, CLCT, the CLCT Manager, or any CMI (including its group companies) should specifically disclose this when placing an order for the Bonds and should disclose, at the same time, if such orders may negatively impact the price discovery process in relation to this offering. Prospective investors who do not disclose their Associations are hereby deemed not to be so associated. Where prospective investors disclose their Associations but do not disclose that such order may negatively impact the price discovery process in relation to this offering, such order is hereby deemed not to negatively impact the price discovery process in relation to this offering.

Prospective investors should ensure, and by placing an order prospective investors are deemed to confirm, that orders placed are bona fide, are not inflated and do not constitute duplicated orders (i.e. two or more corresponding or identical orders placed via two or more CMIs). If a prospective investor is an asset management arm affiliated with any Manager, such prospective investor should indicate when placing an order if it is for a fund or portfolio where the Manager or its group company has more than 50% interest, in which case it will be classified as a "proprietary order" and subject to appropriate handling by CMIs in accordance with the SFC Code and should disclose, at the same time, if such "proprietary order" may negatively impact the price discovery process in relation to this offering. Prospective investors who do not indicate this information when placing an order are hereby deemed to confirm that their order is not a "proprietary order". If a prospective investor is otherwise affiliated with any Manager, such that its order may be considered to be a "proprietary order" (pursuant to the SFC Code), such prospective investor should indicate to the relevant Manager when placing such order. Prospective investors who do not indicate this information when placing an order are hereby deemed to confirm that their order is not a "proprietary order". Where prospective investors disclose such information but do not disclose that such "proprietary order" may negatively impact the price discovery process in relation to this offering, such "proprietary order" is hereby deemed not to negatively impact the price discovery process in relation to this offering.

Prospective investors should be aware that certain information may be disclosed by CMIs (including private banks) which is personal and/or confidential in nature to the prospective investor. By placing an order, prospective investors are deemed to have understood and consented to the collection, disclosure, use and transfer of such information by the Manager and/or any other third parties as may be required by the SFC Code, including to the Issuer, the Guarantor, CLCT, the CLCT Manager, any OCs, relevant regulators and/or any other third parties as may be required by the SFC Code, it being understood and agreed that such information shall only be used for the purpose of complying with the SFC Code, during the bookbuilding process for this offering. Failure to provide such information may result in that order being rejected.

Industry and Market Data

Market data and certain industry forecasts used throughout this Offering Circular have been obtained based on internal surveys, market research, public information and industry publications. Industry publications generally state that the information that they contain has been obtained from sources believed by the Issuer, the Guarantor and CLCT to be reliable and accurate but that the accuracy and completeness of that information is not guaranteed. Similarly, internal surveys, industry forecasts and market research, while believed to be reliable, have not been independently verified, and none of the Issuer, the Guarantor, CLCT, the Managers or the Agents, or their respective affiliates, directors, officers, employees, agents, representatives, advisers or persons who control any of them, makes any representation as to the correctness, accuracy or completeness of that information. In addition, third-party information providers may have obtained information from market participants and such information may not have been independently verified. Accordingly, such information should not be unduly relied upon.

Presentation of Financial Information

This Offering Circular contains the audited consolidated financial information of CLCT as at and for the years ended 31 December 2020, 2021 and 2022. This Offering Circular also contains the unaudited but reviewed consolidated financial information of CLCT as at and for the six months ended 30 June 2023 and the comparative numbers for the six months ended 30 June 2022, which were neither audited nor reviewed.

The financial information of CLCT as at and for the year ended 31 December 2020 has been derived from the audited consolidated financial statements of CLCT as at and for the year ended 31 December 2021 (including the auditors' report and the notes thereto, the "**2021 Audited Financial Statements**"). The financial information of CLCT as at and for the years ended 31 December 2021 and 2022 has been derived from the audited consolidated financial statements of CLCT as at and for the year ended 31 December 2022 (including the auditors' report and the notes thereto, the "**2022 Audited Financial Statements**", together with the 2021 Audited Financial Statements, the "**Audited Financial Statements**"). The Audited Financial Statements have been audited by KPMG LLP ("**KPMG**"), the independent auditors of CLCT for the years ended 31 December 2021 and 2022. The Audited Financial Statements included elsewhere in this Offering Circular were prepared and presented in accordance with the recommendations of Statement of Recommended Accounting Practice 7 "Reporting Framework for Investment Funds" (the "**RAP 7**") issued by the Institute of Singapore Chartered Accountants.

The financial information of CLCT as at and for the six months ended 30 June 2023 and the comparative numbers for the six months ended 30 June 2022 have been derived from the reviewed consolidated financial statements of CLCT for the six months ended 30 June 2023 (including the auditors' report and the notes thereto, the "**Reviewed Financial Statements**"). The Reviewed Financial Statements have been reviewed by KPMG. The Reviewed

Financial Statements included elsewhere in this Offering Circular were prepared and presented in accordance with RAP 7.

Some numerical figures included in this Offering Circular have been subject to rounding adjustments. Accordingly, numerical figures shown as totals in certain tables may not be an arithmetic aggregation of the figures that preceded them.

CERTAIN DEFINITIONS, CONVENTIONS AND CURRENCY PRESENTATION

In this Offering Circular, unless the context otherwise requires, the following expressions shall have the following meanings.

"**AEI**"	an Asset Enhancement Initiative
"**Agents**"	the principal agent, the registrar, the transfer agent and any other agent or agents appointed from time to time with respect to the Bonds
"**aggregate leverage**"	with respect to a property fund, its total borrowings and deferred payments (including deferred payments for assets whether to be settled in cash or in units in such property fund)
"**Bondholder**"	any holder of a Bond
"**CNY**", "**Renminbi**" and "**RMB**"	the lawful currency of the PRC
"**CapitaLand**"	CapitaLand Group Pte. Ltd. (formerly known as CapitaLand Limited)
"**CapitaLand Group**"	CapitaLand and its subsidiaries
"**CIS Code**"	the Code on Collective Investment Schemes
"**CLI**"	CapitaLand Investment Limited
"CLI Group"	CLI and its subsidiaries
"**CLCT**"	CapitaLand China Trust, a real estate investment trust established in Singapore and constituted by the CLCT Trust Deed
"**CLCT Manager**" or "**CLCTML**"	CapitaLand China Trust Management Limited (in its capacity as manager of CLCT) or such successor or replacement manager of CLCT as may be replaced as the manager with any directly or indirectly wholly owned subsidiary of CLI or any other additional, replacement or substitute manager of CLCT who is appointed in accordance with the CLCT Trust Deed.
"**CLCT Trust Deed**"	the deed of trust constituting CLCT dated 23 October 2006 (as amended and supplemented by a First Supplemental Trust Deed dated 8 November 2006, a Second Supplemental Trust Deed dated 15 April 2010, a Third Supplemental Trust Deed dated 5 April 2012, a Fourth Supplemental Trust Deed dated 14 February 2014, a Fifth Supplemental Trust Deed dated 6 May 2015, a Sixth Supplemental Trust Deed dated 29 April 2016, a Seventh Supplemental Trust Deed dated 5 June 2018, an Eighth Supplemental Trust Deed dated 17 April 2019, a Ninth Supplemental Trust Deed dated 2 April 2020, a First Amending and Restating Trust Deed dated 20 October 2020, a Tenth Supplemental Trust Deed dated 26 January 2021 and an Eleventh Supplemental Trust Deed dated 31 August 2023) made between (1) the CLCT Manager, as manager, and (2) HSBCIT, as trustee (as amended, modified or supplemented from time to time).

"**CLCT Trustee**" or "**Guarantor**"	HSBC Institutional Trust Services (Singapore) Limited (in its capacity as trustee of CLCT) and shall include such other trustee as appointed under the Trust Deed from time to time.
"**Group**"	CLCT and its subsidiaries
"**Hong Kong**"	the Hong Kong Special Administrative Region of the People's Republic of China
"**HSBCIT**"	HSBC Institutional Trust Services (Singapore) Limited
"**IRAS**"	the Inland Revenue Authority of Singapore
"**HKIAC**"	the Hong Kong International Arbitration Centre
"**Issuer**"	CLCT MTN Pte. Ltd.
"**ITA**"	Income Tax Act 1947 of Singapore, as amended or modified from time to time
"**MAS**"	the Monetary Authority of Singapore
"**MOF**"	the Ministry of Finance of the People's Republic of China
"**NDRC**"	the National Development and Reform Commission of the People's Republic of China or its local counterparts
"**PBOC**"	the People's Bank of China, the central bank of the PRC
"**PRC**", "**China**", "**Mainland**" and "**mainland China**"	the People's Republic of China, for the purpose of this Offering Circular only, excluding Hong Kong, the Macau Special Administrative Region of the People's Republic of China and Taiwan
"**PRC government**"	the People's Government of the PRC
"**Property Funds Appendix**"	Code on Collective Investment Schemes, Appendix 6 – Investment: Property Funds, issued by MAS
"**REIT**"	real estate investment trust
"**SAFE**"	the State Administration of Foreign Exchange of the People's Republic of China or its local counterparts
"**SAT**"	the State Administration of Taxation of the People's Republic of China
"**SFA**"	the Securities and Futures Act 2001 of Singapore, as amended or modified from time to time
"**SGD**" or "**S$**"	Singapore dollars, the lawful currency of Singapore
"**Shanghai FTZ**"	the China (Shanghai) Pilot Free Trade Zone

"**sq.m.**"	square metres
"**State Council**"	the State Council of the People's Republic of China
"**Unit**"	an undivided interest in CLCT as provided for in the CLCT Trust Deed
"**Unitholder**"	the registered holder for the time being of a Unit including persons so registered as joint holders, except that where the registered holder is the Central Depository (Pte) Limited ("**CDP**"), the term "Unitholder" shall, in relation to Units registered in the name of CDP, mean, where the context requires, the depositor whose securities account with CDP is credited with such Units

This Offering Circular has been prepared using a number of conventions, which investors should consider when reading the information contained herein.

Unless the context otherwise requires, references to "2020", "2021" and "2022" in this Offering Circular are to the financial years ended 31 December 2020, 2021 and 2022 of CLCT.

Solely for convenience, this Offering Circular contains translations of certain Singapore dollar amounts into Renminbi at specified rates. Unless indicated otherwise, the translation of Singapore dollar into Renminbi has been made at the rate of RMB 5.3442 to S$1.00, the median rate published by the China Foreign Exchange Trade System on 30 June 2023. Investors should not construe these translations as representations that the Renminbi amounts have been, could have been or could actually be converted into any U.S. dollar.

Certain amounts included in this Offering Circular have been subject to rounding adjustments. Accordingly, figures shown as totals in certain tables may not be an arithmetic aggregation of the individual items and actual numbers may differ from those contained herein due to rounding.

The English names of the PRC nationals, entities, departments, facilities, laws, regulations, certificates, titles and the like are translations of their Chinese names and are included for identification purpose only. In the event of any inconsistency between the English and the Chinese version, the Chinese version prevails.

FORWARD-LOOKING STATEMENTS

The Issuer has made certain forward-looking statements in this Offering Circular. All statements other than statements of historical facts contained in this Offering Circular constitute "forward-looking statements". Some of these statements can be identified by forward-looking terms, such as "anticipate", "target", "believe", "can", "could", "estimate", "expect", "aim", "intend", "may", "plan", "will", "would" or similar words. However, these words are not the exclusive means of identifying forward-looking statements. All statements regarding expected financial condition and results of operations, business plans and prospects are forward-looking statements. These forward-looking statements include statements as to the future business strategy, operating revenue and profitability, planned projects and other matters as they relate to the Issuer, the Guarantor, CLCT and/or the Group discussed in this Offering Circular. These forward-looking statements contained in this Offering Circular (whether made by the Issuer or by any third party) involve known and unknown risks, including those disclosed under the section titled "Risk Factors", uncertainties and other factors that may cause the actual results, performance or achievements of the Issuer, the Guarantor, CLCT and/or the Group to be materially different from those expressed or implied by such forward-looking statements.

These forward-looking statements speak only as of the date of this Offering Circular. The Issuer, the Guarantor and CLCT expressly disclaims any obligation or undertaking to release publicly any updates or revisions to any of opinions or forward-looking statements expressed or implied in this Offering Circular to reflect any change in the Group's expectations with regard thereto or any new information, change of events, conditions or circumstances, on which any such opinion or statement was based.

The factors that could cause the actual results, performances and achievements of the Issuer, the Guarantor, CLCT, the Group and/or any member of the Group to be materially different include:

- the Group's ability to successfully implement its business plans and strategies;
- future development, trends and conditions in the industry and market in which the Group operates;
- the Group's business prospects;
- the Group's capital expenditure plans and its ability to carry out those plans;
- changes in the competition landscape in the industries where the Group operates;
- access and cost of capital and financing;
- any changes in the laws, rules and regulations of the central and local governments in Singapore and other relevant jurisdictions and the rules, regulations and policies of the relevant governmental authorities relating to all aspects of the Group's business;
- general political and economic conditions, including those related to Singapore and the PRC;
- various business opportunities that the Group may pursue;
- macroeconomic measures taken by Singaporean government or the PRC government to manage economic growth;
- changes in global economic conditions; and
- other factors, including those discussed in "Risk Factors".

The Issuer, the Guarantor and CLCT do not undertake any obligation to update or revise publicly any of the opinions or forward-looking statements expressed in this Offering Circular as a result of any new information, future events or otherwise. All forward-looking statements contained in this Offering Circular are subject to the disclaimer statements listed in this section.

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SUMMARY

The summary below is only intended to provide a limited overview of information described in more detail elsewhere in this Offering Circular. As it is a summary, it does not contain all of the information that may be important to investors and terms defined elsewhere in this Offering Circular shall have the same meanings when used in this summary. Potential investors should therefore read this Offering Circular in its entirety, including the section entitled "Risk Factors", before making an investment decision.

OVERVIEW

CLCT is the first China shopping mall REIT listed in Singapore and the largest China-focused REIT in Singapore. It was 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 purposes. CLCT was listed on the Mainboard of the SGX-ST on 8 December 2006.

CLCT is managed by the CLCT Manager, which is an indirect wholly owned subsidiary of CLI, a leading global real estate investment manager with a strong Asia foothold.

On 30 September 2020, the CLCT Manager announced the expansion of CLCT's investment strategy beyond the retail sector to include office and industrial sectors (including business parks, logistics facilities, data centres and integrated developments). The expanded investment strategy has made CLCT the dedicated Singapore-listed REIT for CLI Group's non-lodging China business, with acquisition pipeline access to CapitaLand China's assets. CLCT also has exposure to an expanded universe of third-party assets of various asset classes that CLCT would independently source and identify, allowing CLCT to seize new opportunities in the growing China real estate market.

As at 30 June 2023, CLCT's portfolio comprised 11 shopping malls, five business parks and four logistics parks, with total assets of approximately S$5.2 billion. The geographically diversified portfolio has a total GFA of approximately 2.0 million sq.m., located across 12 leading Chinese cities.

The 11 retail properties are strategically located in densely populated areas with good connectivity to transportation amenities, which provide stable recurring shopper footfall. The malls are positioned as one-stop family-oriented destinations that offer essential services and house a wide range of lifestyle offerings that cater to varied consumer preferences in shopping, dining and entertainment. The retail tenant portfolio in CLCT comprises a diverse mix of leading brands including ZARA, UNIQLO, Xiaomi, Li-Ning, Haidilao, Nanjing Impressions, TANYU, Nike, Sephora, Starbucks Coffee and Chow Tai Fook. The malls are CapitaMall Xizhimen, CapitaMall Wangjing, CapitaMall Grand Canyon and CapitaMall Shuangjing in Beijing; Rock Square in Guangzhou; CapitaMall Xinnan in Chengdu; CapitaMall Qibao[1] in Shanghai; CapitaMall Nuohemule in Hohhot; CapitaMall Xuefu and CapitaMall Aidemengdun in Harbin; and CapitaMall Yuhuating in Changsha.

CLCT has a portfolio of five business parks that is situated in high-growth economic zones, with high-quality and reputable domestic and multinational corporations operating in new economy sectors such as biomedical, electronics, engineering, e-commerce, information and communications technology and financial services. The business parks and industrial properties exhibit excellent connectivity to transportation hubs, and are easily accessible via various modes of transport. The properties are Ascendas Xinsu Portfolio in Suzhou; Ascendas Innovation Towers and Ascendas Innovation Hub in Xi'an; and Singapore-Hangzhou Science & Technology Park Phase I and Phase II in Hangzhou.

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[1] The CapitaMall Qibao had ceased operations at the end of March 2023.

The portfolio of four high-quality modern logistics parks is located in key logistics hubs near transportation nodes such as seaports, airports and railways to serve the growing domestic logistic needs of China's Eastern, Central and Southwest regions. Fitted with high-tech and modern features to meet a wide range of e-commerce and logistics requirements, the properties are anchored by strong domestic tenants, including China's leading technology-driven supply chain solutions and logistics services providers. The tenants cater to a variety of sectors from logistics and warehouse, pharmaceuticals, manufacturing to e-commerce. The properties are Shanghai Fengxian Logistics Park in Shanghai; Kunshan Bacheng Logistics Park in Kunshan; Wuhan Yangluo Logistics Park in Wuhan; and Chengdu Shuangliu Logistics Park in Chengdu.

COMPETITIVE STRENGTHS

CLCT believes that its competitive strengths outlined below are important to its success and future development:

- Competitive strengths of the properties:
    - strategic locations and good positions for further growth,
    - diversification in geography, trade sectors and tenant base,
    - alignment with governmental policies,
    - high quality business parks,
    - favourable retail lease structure with upside potential. and
    - potential for asset enhancement in the future;
- Scale and diversification;
- Experienced professional management;
- Efficient capital management; and
- Strong and committed sponsor.

STRATEGIES OF CLCT

The CLCT Manager implements the principal investment strategy in accordance with the Property Funds Appendix issued by MAS. Investments are generally made pursuant to a long-term investment horizon and the investment portfolio of CLCT comprises primarily income-producing real estate and real estate related assets. The properties within CLCT's portfolio are used for retail, office and industrial purposes (including business parks, logistics facilities, data centres and integrated developments) and investments are made depending on investment opportunities in China, Hong Kong and Macau.

CLCT's strategy comprises the following:

- Creating value through disciplined portfolio reconstitution;
- Unlocking value through disciplined portfolio reconstitution;
- Extracting value through proactive asset management;

- Extracting value through innovative asset enhancement strategies;
- Capitalising on yield-accretive acquisitions growth model;
- Capitalising on an integrated real estate platform; and
- Capital and risk management.

THE OFFERING

The following is a brief summary of the offering and is qualified in its entirety by the remainder of this Offering Circular. Some of the terms described below are subject to important limitations and exceptions. Words and expressions defined in "Terms and Conditions of the Bonds" and "Summary of Provisions Relating to the Bonds Recorded in CCDC" shall have the same meanings in this summary. For a more complete description of the Terms and Conditions, see "Terms and Conditions of the Bonds" in this Offering Circular.

Issuer	CLCT MTN Pte. Ltd.
Guarantor	HSBC Institutional Trust Services (Singapore) Limited (in its capacity as trustee of CapitaLand China Trust)
CCDC Code	G2380176
The Bonds	CNY600,000,000 3.80 per cent guaranteed bonds due 2026.
The Guarantee	The Guarantor will unconditionally and irrevocably guarantee the due payment of all sums expressed to be payable by the Issuer under the Deed of Covenant and the Bonds. The Guarantor's obligations in that respect will be contained in the Deed of Guarantee.
Issue Price	The Bonds will be issued at 100.00 per cent of their principal amount.
Form and Denomination	The Bonds will be issued in registered form in denominations of CNY20,000,000 and integral multiples of CNY1,000,000 in excess thereof. No other certificate or evidence of title, other than the Deed of Covenant, will be issued by, or on behalf of, the Issuer to evidence title to a Bond unless other certificates or evidence of title in the Bonds should, in the opinion of the Issuer, be made available, or is required by the Service Agreement or by any applicable law or regulation.
Issue Date	17 October 2023.
Interest	The Bonds bear interest on their outstanding principal amount from and including the Issue Date at the rate of 3.80 per cent per annum, payable annually in arrear on 17 October in each year commencing on 17 October 2024.
Maturity Date	17 October 2026.
Status of the Bonds and the Guarantee	The Bonds constitute direct, unconditional, unsubordinated and unsecured obligations of the Issuer and shall at all times rank *pari passu* and without any preference among themselves, and *pari passu* with all other present and future unsecured obligations (other than subordinated obligations and priorities created by law) of the Issuer from time to time outstanding. The obligations of the Guarantor under the Guarantee shall, save for such exceptions as may be provided by applicable legislation and subject to Condition 4 (*Negative Pledge*), at all times rank at least equally with all its other present and future unsecured and unsubordinated obligations.
Use of Proceeds	See "*Use of Proceeds*".
Events of Default	The Bonds will contain certain events of default, as further described in Condition 9 (*Events of Default*) of the Terms and Conditions.

Taxation	All payments of principal, premium (if any) and interest by or on behalf of the Issuer or the Guarantor in respect of the Bonds or under the Guarantee shall be made without set off or counterclaim and free and clear of, and without withholding or deduction for or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or within (i) Singapore or (ii) the PRC (including the China (Shanghai) Pilot Free Trade Zone) or, in each case, any political subdivision or any authority therein or thereof having power to tax, unless such withholding or deduction is required by law. If the Issuer (or the Guarantor, as the case may be) is required to make a deduction or withholding for or on account of any tax, duty, assessment or governmental charge of whatever nature imposed, levied, collected, withheld or assessed by or within (i) Singapore or (ii) the PRC (including the China (Shanghai) Pilot Free Trade Zone), the Issuer (or the Guarantor, as the case may be) shall pay Additional Tax Amounts (as defined in the Terms and Conditions) as will result in receipt by the Bondholders of such amounts as would have been received by them had no such withholding or deduction been required, except that no Additional Tax Amounts shall be payable in the circumstances set out in Condition 8 (*Taxation*) of the Terms and Conditions.
Final Redemption	Unless previously redeemed, or purchased and cancelled, the Bonds will be redeemed at their principal amount on the Maturity Date.
Purchase	The Issuer and/or any of the respective related corporations of the Issuer and CLCT may at any time purchase Bonds at any price in the open market or otherwise, provided that in any such case such purchase or purchases is in compliance with all relevant laws, regulations and directives.
Redemption upon Termination of CLCT	In the event that CLCT is terminated in accordance with the provisions of the CLCT Trust Deed (as defined in the Deed of Covenant), the Issuer shall redeem all (and not some only) of the Bonds at their principal amount together with interest accrued to (but excluding) the date fixed for redemption on any date on which interest is due to be paid on such Bonds or, if earlier, the date of termination of CLCT.
Redemption upon Cessation or Suspension of Trading of Units of CLCT	In the event that (i) the units of CLCT cease to be traded on the SGX-ST or (ii) trading in the units of CLCT on the SGX-ST is suspended for a continuous period of more than seven days (other than by reason of holiday, statutory or otherwise), the Issuer shall, at the option of the holder of any Bond, redeem such Bond at its principal amount together with interest accrued to (but excluding) the date fixed for redemption on any date on which interest is due to be paid on such Bonds or, if earlier, the date falling 45 days after (in the case of (i)) the date of cessation of trading or (in the case of (ii)) the business day immediately following the expiry of such continuous period of seven days.

Redemption for Taxation Reasons	The Bonds may be redeemed at the option of the Issuer in whole, but not in part, at any time on giving not less than 30 nor more than 60 days' notice to the Bondholders (which notice shall be irrevocable), at their principal amount (together with interest accrued to (but excluding) the date fixed for redemption) (i) the Issuer (or, if the Guarantee was called, the Guarantor) has or will become obliged to pay Additional Tax Amounts as provided or referred to in Condition 8, or increase the payment of such Additional Tax Amounts, as a result of any change in, or amendment to, the laws (or any regulations, rulings or other administrative pronouncements promulgated thereunder) of (a) Singapore, or (b) the PRC (including the China (Shanghai) Pilot Free Trade Zone) or, in each case, any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws, regulations, rulings or other administrative pronouncements, which change or amendment is made public on or after the Issue Date; and (ii) such obligation cannot be avoided by the Issuer or, as the case may be, the Guarantor taking reasonable measures available to it, provided that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer would be obliged to pay such Additional Tax Amounts were a payment in respect of the Bonds then due. See "*Terms and Conditions – Redemption and Purchase – Redemption for Taxation Reasons*".
Further Issues	The Issuer may from time to time without the consent of the Bondholders create and issue further bonds having the same terms and conditions as the Bonds in all respects (or in all respects except for the first payment of interest on them) and so that such further issue shall be consolidated and form a single series with the outstanding bonds of any series (including the Bonds) or upon such terms as the Issuer may determine at the time of their issue, as further described in Condition 13 (*Further Issues*) of the Terms and Conditions.
Principal Agent, Transfer Agent and Registrar	China Central Depository & Clearing Co., Ltd. (中央国债登记结算有限责任公司) *So long as the Bonds are entered in CCDC and CCDC is the appointed Registrar and/or Transfer Agent for the Bonds, the Issuer reserves the right to appoint a successor Registrar and/or Transfer Agent if for any reason CCDC as registrar or transfer agent ceases to function; provided, however, that the Issuer shall at all times maintain a registrar and a transfer agent.*
Clearance and Settlement	The Bonds will be initially issued in registered uncertificated book-entry form entered in CCDC. Pursuant to the Companies Act 1967 of Singapore, the Issuer will thereafter also issue a certificate in respect of the Bonds. Beneficial interests in the Bonds will be shown on, and

	transfers thereof will be effected only through, records maintained by CCDC. Except in the circumstances described in the Terms and Conditions, Bondholders will not be entitled to receive definitive Certificates. *Bondholders are entitled to appoint custodians recognised by CCDC to facilitate settlement, payments of principals or any premium of, or interest on, the Bonds in accordance with the rules and procedures of CCDC in effect from time to time.*
Governing Law	English law.
Arbitration	Any dispute, controversy, difference or claim arising out of or relating to any Bonds and the Deed of Covenant ("**Proceedings**"), including the existence, validity, interpretation, performance, breach or termination thereof or any dispute regarding non-contractual obligations arising out of or relating to them shall be referred to and finally resolved by arbitration administered by the Hong Kong International Arbitration Centre (HKIAC) under the HKIAC Administered Arbitration Rules in force when the notice of arbitration is submitted. The law of this arbitration clause shall be Hong Kong law. The seat of arbitration shall be Hong Kong.
Listing	Approval in-principle has been received from the SGX-ST for the listing and quotation of the Bonds on the SGX-ST. Such permission will be granted when the Bonds have been admitted to the Official List of the SGX-ST. Admission of the Bonds to the Official List of the SGX-ST is not to be taken as an indication of the merits of the Issuer, the Guarantor or CLCT, their respective subsidiaries (if any), their respective associated companies (if any), their respective joint venture entities (if any), or such Bonds. For so long as any Bonds are listed on the SGX-ST and the rules of the SGX-ST so require, such Bonds, if traded, will be traded on the SGX-ST in a board lot size of at least S$200,000 (or its equivalent in other currencies).
Selling Restrictions	The Bonds and the Guarantee will not be registered under the Securities Act or under any state securities laws of the United States and will be subject to customary restrictions on transfer and resale. See "*Subscription and Sale*".

SUMMARY CONSOLIDATED FINANCIAL INFORMATION

The financial information presented below sets out selected consolidated financial data as at and for the years ended 31 December 2020, 2021 and 2022 and selected consolidated financial data as at 30 June 2023 and for the six months ended 30 June 2022 and 2023.

The financial information of CLCT as at and for the year ended 31 December 2020 has been derived from the 2021 Audited Financial Statements. The financial information of CLCT as at and for the years ended 31 December 2021 and 2022 has been derived from the 2022 Audited Financial Statements. The financial information of CLCT as at 30 June 2023 and for the six months ended 30 June 2022 and 2023 has been derived from the Reviewed Financial Statements.

Selected Consolidated Statements of Financial Position Data

	As at 31 December				As at 30 June	
	2020	2021	2022		2023	
	(SGD)	(SGD)	(SGD)	(RMB)[1] (unaudited)	(SGD) (unaudited)	(RMB)[1] (unaudited)
			(in millions)			
Non-current assets						
Investment properties	3,726.4	5,249.6	4,909.4	26,236.7	4,858.2	25,963.4
Plant and equipment	2.4	3.7	3.0	15.9	2.6	13.8
Financial derivatives	–	5.7	41.6	222.1	38.6	206.1
Other receivables	1.3	1.4	1.2	6.4	1.2	6.2
Total non-current assets	**3,730.1**	**5,260.5**	**4,955.1**	**26,481.1**	**4,900.6**	**26,189.5**
Current assets						
Financial derivatives	–	–	2.8	15.0	2.7	14.6
Trade and other receivables	148.4	26.6	37.1	198.5	23.6	125.9
Cash and cash equivalents	208.4	288.9	231.0	1,234.8	252.7	1,350.4
Assets held for sale	223.4	–	–	–	–	–
Total current assets	**580.2**	**315.4**	**271.0**	**1,448.2**	**279.0**	**1,490.9**
Total assets	**4,310.3**	**5,575.9**	**5,226.1**	**27,929.4**	**5,179.5**	**27,680.4**
Current liabilities						
Trade and other payables	177.7	150.0	130.7	698.3	119.8	640.2
Security deposits	36.9	51.4	49.2	262.7	50.0	267.2
Financial derivatives	2.2	0.8	–	–	–	–
Interest-bearing borrowings	155.6	215.0	326.1	1,743.0	112.0	598.8
Lease liabilities	4.1	5.1	5.0	26.7	2.6	14.0
Provision for taxation	7.1	7.7	6.5	34.6	10.4	55.7
Liabilities held for sale	32.2	–	–	–	–	–
Total current liabilities	**415.7**	**430.0**	**517.4**	**2,765.3**	**294.9**	**1,575.9**
Non-current liabilities						
Financial derivatives	16.1	2.8	0.8	4.4	–	–
Other payables	0.1	24.1	7.0	37.2	6.9	36.9
Security deposits	37.8	66.0	57.0	304.7	52.0	278.1
Interest-bearing borrowings	1,200.4	1,774.5	1,619.8	8,656.5	1,852.8	9,901.9
Lease liabilities	10.6	5.5	0.1	0.7	–	–
Deferred tax liabilities	284.7	318.5	340.9	1,821.7	351.6	1,879.1
Total non-current liabilities	**1,549.7**	**2,191.5**	**2,025.6**	**10,825.3**	**2,263.4**	**12,096.2**
Total liabilities	**1,965.4**	**2,621.5**	**2,543.1**	**13,590.6**	**2,558.3**	**13,672.1**
Net assets	**2,344.9**	**2,954.4**	**2,683.0**	**14,338.7**	**2,621.2**	**14,008.4**
Represented by:						
Unitholders' funds	2,245.2	2,588.2	2,306.2	12,325.0	2,242.9	11,986.6
Perpetual securities holders	99.6	99.6	99.6	532.3	99.6	532.3
Non-controlling interests	–	266.6	277.2	1,481.4	278.7	1,489.5
Net assets	**2,344.9**	**2,954.4**	**2,683.0**	**14,338.7**	**2,621.2**	**14,008.4**

Note:

(1) For convenience only, all translations from Singapore dollars into Renminbi are made at the rate of RMB 5.3442 to S$1.00, based on the median rate published by the China Foreign Exchange Trade System on 30 June 2023.

Selected Consolidated Statements of Total Return Data

	For the year ended 31 December				For the six months ended 30 June		
	2020	2021	2022		2022	2023	
	(SGD)	(SGD)	(SGD)	(RMB)[1] (unaudited)	(SGD) (unaudited)	(SGD) (unaudited)	(RMB)[1] (unaudited)
				(in millions)			
Gross rental income	194.8	348.6	356.4	1,904.9	183.5	169.5	905.6
Other income	15.8	29.4	26.7	142.9	15.8	15.1	80.6
Gross revenue	**210.5**	**378.0**	**383.2**	**2,047.7**	**199.3**	**184.5**	**986.2**
Property related tax	(18.6)	(32.9)	(30.3)	(161.9)	(13.6)	(13.6)	(72.9)
Business tax	(1.0)	(2.1)	(2.1)	(11.4)	(1.1)	(1.0)	(5.1)
Property management fees and reimbursables	(14.6)	(24.1)	(25.6)	(136.7)	(13.2)	(12.1)	(64.7)
Other property operating expenses	(41.2)	(68.4)	(70.9)	(379.1)	(31.9)	(28.6)	(152.9)
Total property operating expenses	**(75.3)**	**(127.5)**	**(129.0)**	**(689.2)**	**(59.8)**	**(55.3)**	**(295.6)**
Net property income	**135.2**	**250.4**	**254.2**	**1,358.6**	**139.5**	**129.2**	**690.6**
Manager's management fees	(15.5)	(20.9)	(21.8)	(116.4)	(11.4)	(10.7)	(57.0)
Trustee's fees	(0.6)	(0.7)	(0.7)	(3.9)	(0.4)	(0.3)	(1.8)
Audit fees	(0.4)	(0.6)	(0.7)	(3.7)	(0.4)	(0.4)	(2.0)
Valuation fees	(0.1)	(0.1)	(0.1)	(0.5)	–	(0.1)	(0.3)
Other operating (expense)/income	(0.9)	0.8	0.2	1.0	(0.5)	0.3	1.4
Foreign exchange gain/(loss) – realised	1.7	1.3	1.1	5.8	(0.8)	3.5	18.7
Finance income	7.2	3.9	4.2	22.3	1.2	1.1	6.0
Finance costs	(37.6)	(48.1)	(60.4)	(322.8)	(27.7)	(34.5)	(184.3)
Net income before share of results of joint venture	**89.0**	**186.0**	**176.0**	**940.4**	**99.6**	**88.2**	**471.2**
Share of results (net of tax) of joint venture	3.7	–	–	–	–	–	–
Net income	**92.7**	**186.0**	**176.0**	**940.4**	**99.6**	**88.2**	**471.2**
Gain/(loss) on liquidation/disposal of subsidiaries[2]	34.7	13.2	(1.8)	(9.8)	–	–	–
Change in fair value of investment properties	(99.1)	(10.2)	67.8	362.6	–	(10.7)	(57.2)
Change in fair value of financial derivatives	(1.8)	1.2	1.9	9.9	0.7	(1.2)	(6.7)
Foreign exchange gain/(loss) – unrealised	1.8	(0.6)	(0.9)	(5.0)	–	(0.2)	(0.9)
Total return for the year/period before taxation	**28.3**	**189.6**	**242.9**	**1,298.2**	**100.3**	**76.1**	**406.5**
Taxation	(40.4)	(66.8)	(87.8)	(469.1)	(30.9)	(33.9)	(180.9)
Total (loss)/return for the year/ period after taxation	**(12.0)**	**122.8**	**155.1**	**829.0**	**69.4**	**42.2**	**225.6**

Notes:

(1) For convenience only, all translations from Singapore dollars into Renminbi are made at the rate of RMB 5.3442 to S$1.00, based on the median rate published by the China Foreign Exchange Trade System on 30 June 2023.

(2) For 2022, the liquidation relates to the deconsolidation of the Group's subsidiary, CapitaRetail China Investments (B) Gamma Pte. Ltd., following the company's voluntary deregistration with the Corporate Affairs and Intellectual Property Office of Barbados which was completed on 10 Nov 2022. For 2021, the disposal relates to the gain arising from the disposal of 100 per cent interest in the companies which held CapitaMall Saihan and CapitaMall Minzhongleyuan. For 2020, this relates to the gain arising from the disposal of 100 per cent interest in the company which held CapitaMall Erqi.

Selected Consolidated Statement of Cash Flows Data

	For the year ended 31 December				For the six months ended 30 June		
	2020	2021	2022		2022	2023	
	(SGD)	(SGD)	(SGD)	(RMB)[1] (unaudited)	(SGD) (unaudited)	(SGD) (unaudited)	(RMB)[1] (unaudited)
				(in millions)			
Net cash from operating activities..	78.6	217.5	182.1	973.1	77.6	117.0	625.4
Net cash used in investing activities................................	(192.2)	(533.4)	(44.0)	(234.9)	(22.9)	(20.7)	(110.8)
Net cash from/(used in) financing activities................................	179.7	362.8	(173.5)	(927.3)	(37.7)	(71.9)	(384.2)
Net increase/(decrease) in cash and cash equivalents	**66.0**	**46.8**	**(35.4)**	**(189.1)**	**17.0**	**24.4**	**130.4**
Cash and cash equivalents at the beginning of the year/period ..	139.9	208.4	288.9	1,543.7	288.9	231.0	1,234.8
Effect of foreign exchange rate changes on cash balances.......	8.1	8.8	(22.4)	(119.8)	(8.4)	(2.7)	(14.7)
Changes in cash and cash equivalents reclassified to assets held for sale	(5.5)	24.8	–	–	–	–	–
Cash and cash equivalents at the end of the year/period..........	**208.4**	**288.9**	**231.0**	**1,234.8**	**297.5**	**252.7**	**1,350.4**

Note:

(1) For convenience only, all translations from Singapore dollars into Renminbi are made at the rate of RMB 5.3442 to S$1.00, based on the median rate published by the China Foreign Exchange Trade System on 30 June 2023.

RISK FACTORS

An investment in the Bonds is subject to a number of risks. Potential investors should carefully consider all of the information in this Offering Circular and, in particular, the risks described below, before deciding to invest in the Bonds. The following describes some of the significant risks relating to the Issuer, the Guarantor, CLCT and/or the Group's business, assets, financial condition, results of operations or prospects, the markets in which the Issuer, the Guarantor, CLCT and/or the Group operates and the value of the Bonds. If any of the following risks actually occurred, the Issuer, the Guarantor, CLCT and/or the Group's business, assets, financial condition, results of operations and prospects and the value of the Bonds could be materially and adversely affected. Some risks may be unknown to the Issuer, the Guarantor, CLCT and/or the Group and other risks, currently believed to be immaterial, could in fact be material. Any of these could materially and adversely affect the business, assets, financial condition, results of operations, profitability or prospects of the Issuer, the Guarantor, CLCT and/or the Group or the value of the Bonds. The ability of the Issuer to pay interest, principal or other amounts on or in connection with any Bonds may be affected by some factors that may not be considered as significant risks by the Issuer on information currently available to it or which it is currently unable to anticipate. All of these factors are contingencies which may or may not occur and none of the Issuer, the Guarantor, CLCT and the Group is in a position to express a view on the likelihood of any such contingency occurring. This Offering Circular also contains forward-looking statements that involve risks and uncertainties. The actual results of the Issuer, the Guarantor, CLCT and/or the Group could differ materially from those anticipated in these forward-looking statements as a result of certain factors, including but not limited to the risks described below and elsewhere in this Offering Circular.

None of the Issuer, the Guarantor, CLCT and the Group represents that the statements below regarding the risk factors are exhaustive. Potential investors should also read the detailed information set out elsewhere in this Offering Circular and reach their own views prior to making any investment decisions.

RISKS RELATING TO CLCT'S GENERAL BUSINESS AND OPERATIONS

Uncertainties and instability in global economy and financial markets may adversely affect CLCT's business, financial condition, results of operations, future growth and prospects.

The global financial markets have experienced, and may continue to experience, volatility and liquidity disruptions, which have resulted in the consolidation, failure or near failure of a number of institutions in the banking and insurance industries. The novel coronavirus ("**COVID-19**") pandemic since December 2019 had caused significant adverse impacts on the global economy over the past few years and there are still uncertainties as to how COVID-19 will evolve and whether the global economy will return to pre COVID-19 levels. In addition, concerns, *inter alia*, about the outlook for the economy in China, Hong Kong and Macau, the escalating political tensions between the U.S. and China, the impact of the departure of the United Kingdom from the European Union (Brexit) and the Russia-Ukraine conflict have continued to have a significant impact on the global economy and financial markets as a whole. Further, other events, such as concerns over inflation, availability and cost of credit, volatility in oil prices and the ambiguity of the policies of the U.S. administration have contributed to increased volatility for the global economy and have had significant impact not only on the global capital markets associated with asset-backed securities but also on the global credit and financial markets as a whole.

These events could adversely affect CLCT, insofar as they result in:

- a negative impact on the ability of its tenants to pay their rents in a timely manner or to continue their leases, thereby reducing CLCT's cash flow;
- decreases in valuations of the properties in which CLCT has interests ("**CLCT's properties**"), resulting in deteriorating operating cash flow and/or widening capitalisation rates;
- decreases in rental or occupancy rates;
- a general increase in counterparty risk, resulting in defaults, non-payment and non- performance of essential services;

- the insolvency of contractors, resulting in construction delays; and

- an increased likelihood that one or more of CLCT's lenders or insurers may be unable to honour their commitments.

In such cases, CLCT's business, financial condition, results of operations, future growth and prospects could be materially and adversely affected.

An economic downturn in China could adversely affect CLCT's business, financial condition, results of operations, future growth and prospects.

All of CLCT's existing properties are situated in China, which exposes CLCT to the risk of a downturn in economic and property market conditions in China as a whole. The value of CLCT's properties may be adversely affected by a number of local property market conditions, such as oversupply, the performance of other competing commercial, industrial or logistics properties or reduced demand for such properties' space. As a result, CLCT's revenues and results of operations depend, to a large extent, on the performance of the economy of China, which may be subject to the overall health and performance of the global markets and economies. An economic downturn in China could adversely affect CLCT's business, financial condition, results of operations, future growth and prospects.

CLCT operates in a capital intensive industry that relies on the availability of sizeable amounts of capital.

CLCT may require additional financing to meet its working capital requirements, support the future growth of its business and/or refinance its existing debt obligations. There can be no assurance that financing, either on a short-term or long-term basis, will be available or, if available, that such financing will be obtained on commercially reasonable terms. Factors that could affect CLCT's ability to procure financing include the property market's cyclical nature, impairment of financial systems in the event of a downturn in financial markets, market disruption risks and lending curbs due to central bank tightening, which could adversely affect the liquidity, interest rates and availability of any third-party capital funding sources. If CLCT does not have sufficient internal cash or external financing on acceptable terms, it may be unable to develop or enhance its portfolio by acquiring assets when the opportunity arises, fund potential asset enhancements and any on-going capital expenditure requirements or to refinance its existing debt as it falls due. Furthermore, future credit facilities may contain covenants that limit CLCT's operating and financing activities and require the creation of security interests over assets. Accordingly, CLCT's ability to meet payment obligations, refinance maturing debt and fund planned capital expenditure may depend solely on the success of its business strategy and its ability to generate sufficient revenue to satisfy its obligations, which are subject to many uncertainties and contingencies beyond its control, including those highlighted herein. As a result, CLCT's business, financial condition, results of operations, future growth and prospects may be adversely affected.

There is no assurance that CLCT will be able to implement its investment strategies and manage its growth successfully.

There can be no assurance that CLCT will be able to grow and expand successfully. CLCT's ability to achieve future growth will depend, *inter alia*, on its ability to acquire, develop or enhance its existing or new real estate or real-estate related assets such as shopping malls, office, industrial and logistics (including business parks, logistics facilities, data centres and integrated developments) properties.

The successful implementation of CLCT's investment strategies will entail, *inter alia*, actively managing CLCT's portfolio of properties, identifying suitable acquisition opportunities and making such acquisitions to provide stable distribution to CLCT's unitholders, and enabling CLCT to make regular and stable interest payments to lenders and bondholders. There can be no assurance that CLCT will be able to implement its investment strategy successfully or that it will be able to expand its portfolio at all, or at any specified rate or to any specified size. CLCT may not be able to make investments or acquisitions on favourable terms or within a desired timeframe.

CLCT's ability to expand into China, Hong Kong and Macau is dependent on its ability to adapt its experience and expertise and to understand and navigate the new environment and regulatory requirements. CLCT faces intense competition for attractive investment opportunities from other real estate investors, including property development companies, private investment funds and other REITs whose investment policies are similar to CLCT's. There can be no assurance that CLCT will be able to compete effectively against such competitors.

CLCT relies on a combination of internal cash flows and resources and external sources of funding to expand its portfolio, and there is no assurance that such funding will be available on favourable terms or at all. Since the amount of debt CLCT can incur to finance acquisitions is limited by the Property Fund Appendix, such acquisitions may be dependent on CLCT's ability to raise equity capital. Potential vendors may negatively view the prolonged time frame and lack of certainty generally associated with the raising of equity capital to fund any such purchase and may prefer other potential purchasers. Even if CLCT were able to complete additional property investments successfully, there is no assurance that CLCT will achieve its intended return on such investments.

The anticipated future growth in CLCT's business and assets may also challenge its managerial, operational, financial and other resources. The risks associated with CLCT's anticipated future growth include, *inter alia*, the increasing operating complexity of its business and the increasing responsibility of its management. In turn, this will require the continued development of financial and management controls and systems and CLCT's implementation of these systems across its business. Furthermore, CLCT may face additional challenges in ensuring that adequate internal controls and supervisory procedures are in place. If CLCT is unable to successfully manage the impact of CLCT's growth on CLCT's operational and managerial resources and control systems, this could have a material adverse effect on its business, financial condition, results of operations, future growth and prospects.

CLCT may be unable to successfully integrate and operate acquired properties, which could have a material adverse effect on CLCT.

Even if CLCT is able to make acquisitions on favourable terms, its ability to successfully integrate and operate acquired properties is subject to various risks, some of which may be significant, including but not limited to the following:

- it may spend more than budgeted amounts to make necessary improvements or renovations to acquired properties, as well as require substantial management time and attention;
- it may be unable to integrate new acquisitions quickly and efficiently, particularly acquisitions of operating businesses or portfolios of properties, into its existing operations;
- acquired properties may be subject to reassessment, which may result in higher than expected property tax payments;
- its customer retention and lease and renewal risks may be increased; and
- market conditions may result in higher than expected vacancy rates and lower than expected rental rates.

Any inability to integrate and operate acquired properties to meet CLCT's financial, operational and strategic expectations could have a material adverse effect on the business, financial condition and results of operations of CLCT.

The success of CLCT depends on certain key personnel, and the loss of any key personnel may adversely affect its business, financial condition, results of operations, future growth and prospects.

CLCT's success depends, in part, upon the continued service and performance of members of the senior management team of the CLCT Manager. These key persons may leave the CLCT Manager in the future or join competitors of the CLCT Manager and/or CLCT. The loss of any of these individuals without a suitable and timely replacement could have a material adverse effect on CLCT's business, financial condition, results of operations, future growth and prospects.

CLCT is subject to interest rate fluctuations.

Some of CLCT's existing debt, and CLCT's future borrowings may carry floating interest rates. Consequently, the interest cost to CLCT for such loans will be subject to fluctuations in interest rates. There is no certainty that interest rates will not fluctuate to CLCT's detriment and the risk of increase in short-term interest rates may adversely affect the borrowings by CLCT which are pegged to floating rates.

As part of CLCT's active capital management strategies, it has entered into some hedging transactions to partially mitigate the risk of such interest rate fluctuations. However, such hedging, or CLCT's hedging policy, may not adequately cover its exposure to interest rate fluctuations or any increase in interest rates in new loans or refinancing of existing loans.

Consequently, interest rate fluctuations could have a material adverse effect on CLCT's business, financial condition, results of operations, future growth and prospects.

CLCT is subject to risks relating to foreign currency exchange rate fluctuations.

CLCT receives income and incurs expenses mainly in Renminbi, US dollars and/or Singapore dollars. CLCT's revenue, property expenses and property values are affected by fluctuations in the exchange rates of the Renminbi. The impact of future exchange rate fluctuations on CLCT's liabilities and property expenses cannot be accurately predicted and some of these currencies may not be readily convertible or exchangeable or may be subject to exchange regulation.

There is also the risk that movements in the US dollar/Renminbi exchange rate may adversely affect repayments or repatriation of funds from the PRC to Barbados.

In addition, CLCT's financial statements are presented in Singapore dollars. Exchange rate gains or losses will arise when the assets and liabilities in foreign currencies are translated or exchanged into Singapore dollars for financial reporting. If the foreign currencies depreciate against the Singapore dollar, this may materially and adversely affect CLCT's reported financial results.

Regulatory issues and changes in law and accounting standards may have an adverse impact on CLCT's business.

CLCT is subject to the usual business risk that there may be changes in law that reduce its income or increase its property expenses. For example, there could be changes in tenancy laws that limit CLCT's recovery of certain property operating expenses that cannot be recovered from CLCT's tenants, changes in laws that restrict foreign entities from acquiring real estate or real estate-related assets in China, Hong Kong and Macau or its ability to repatriate its profits offshore in the form of dividends or changes in environmental laws that require significant capital expenditure.

Additionally, new and revised accounting standards and pronouncements may be issued from time to time. The application of such standards and pronouncements to CLCT's financial statements may result in a change in the presentation and measurement of financial information, and thus may result in a change in the way CLCT records its revenues, expenses, assets, liabilities or reserves. CLCT cannot predict the impact of these changes in accounting standards and pronouncements. These changes could adversely affect CLCT's reported financial results and positions and adversely affect the comparability of CLCT's future financial statements with those relating to prior periods.

CLCT faces risks associated with the property market in China, Hong Kong and Macau.

CLCT is subject to property market conditions in China, Hong Kong and Macau generally and, in particular, the areas where CLCT's properties are located. Although there is a perception that economic growth in China, Hong Kong and Macau and the higher standard of living resulting from such growth will lead to a greater demand for properties, it is not possible to predict with certainty that such a correlation exists as many social, economic, political and other factors may affect the development of the property market.

The property market in China, Hong Kong and Macau may be volatile and cyclical. The central and local governments in China, Hong Kong and Macau may adjust monetary and other economic policies from time to time to regulate and manage the economic growth of China, Hong Kong and Macau economies. Such economic regulation and management may affect the property market in the regions where CLCT's properties are located, as well as other parts of China, Hong Kong and Macau. The central and local governments in China, Hong Kong and Macau may also make policy adjustments and adopt new regulatory measures from time to time in a direct effort to regulate the development of the property market in China, Hong Kong and Macau, such as purchase restrictions and credit tightening policies. Such policies may lead to changes in market conditions, including price instability and imbalance of supply and demand, which may materially and adversely affect CLCT's business, financial condition, results of operations, future growth and prospects. Although recently the PRC government has eased some restrictive policies in an attempt to boost the weakened PRC property market in 2022, there is no assurance that the PRC government will not make adjustments to these policies or introduce new policies to regulate the PRC property market in the future. Moreover, there is no assurance that there will not be over-development in the property sector in the areas where CLCT's properties are, or may be, located and other parts of China, Hong Kong and Macau in the future. Any future over-development in the property sector in these areas and other parts of China, Hong Kong and Macau may result in an oversupply of properties and a fall in property prices as well as rental rates, which could adversely affect CLCT's business, financial condition, results of operations, future growth and prospects.

CLCT faces risks associated with debt financing and the debt facilities.

CLCT may, from time to time, require additional debt financing to achieve the CLCT Manager's investment strategies.

CLCT's distribution policy is to distribute at least 90.0 per cent 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 CLCT Manager's discretion. As a result of this distribution policy, CLCT may not be able to meet all of its obligations to repay principal on its debt obligations through its cash flow from operations. As such, CLCT may be required to repay maturing debt with funds from additional debt or equity financing or both.

There can be no assurance that such financing will be available on acceptable terms, or at all.

If CLCT, the Guarantor or the relevant special purpose project company which is a wholly foreign-owned enterprise or equity joint venture in China, Hong Kong and Macau whose primary purpose is to hold or own properties located in China, Hong Kong and Macau (each, a "**Project Company**" and together, the "**Project Companies**") (depending on whether a loan facility is taken at the trust level or Project Company level), is unable to make payments due under such loan facilities, the relevant lenders may be able to declare an event of default and initiate enforcement proceedings in respect of any security provided in respect of such borrowings and/or call upon the guarantees provided. If CLCT's property is mortgaged to secure payment of indebtedness and the Guarantor or the relevant Project Company is unable to meet interest or principal payments, such mortgaged property could be foreclosed by such lenders or such lenders could require a forced sale of the mortgaged property with a consequent loss of income and asset value to CLCT.

In addition, CLCT may be subject to certain covenants in connection with any future borrowings that may limit or otherwise adversely affect the operations of the Project Companies or such other special purpose vehicles (the "**SPVs**"). Such covenants may restrict CLCT's ability to acquire properties or the ability of the Project Companies to undertake capital expenditures or may require them to set aside funds for maintenance or repayment of security deposits.

If principal amounts due for repayment at maturity cannot be refinanced, extended or paid with proceeds of other capital transactions, such as new equity capital, CLCT will not be able to pay distributions at expected levels or to repay all maturing debt. Further, if prevailing interest rates or other factors at the time of refinancing result in higher interest rates upon refinancing, the interest expense relating to such refinanced indebtedness would increase, thereby adversely affecting CLCT's cash flow.

The amount CLCT may borrow is limited, which may affect the operations of CLCT, and the borrowing limit may be exceeded if there is a downward revaluation of assets.

Among other limitations on borrowings, CLCT's borrowings are also limited by the Property Fund Appendix, which provides that the aggregate leverage of a property fund should not exceed 45 per cent of the fund's deposited property. The aggregate leverage of a property fund may exceed 45 per cent of the fund's deposited property (up to a maximum of 50 per cent) only if the property fund has a minimum adjusted interest coverage ratio of 2.5 times after taking into account the interest payment obligations arising from the new borrowings.

A downward revaluation of any of CLCT's properties or investments may result in a breach of the borrowing limit under the Property Funds Appendix. In the event of such a breach, CLCT would not be able to incur further indebtedness. In such circumstances, while CLCT may not be required to dispose of its assets to reduce its indebtedness, the inability to incur further indebtedness may constrain its operational flexibility.

CLCT may have a higher level of leverage than certain other types of unit trusts.

CLCT may have a higher level of borrowings as compared to certain other types of unit trusts, such as non-specialised collective investment schemes which invest in equities and/or fixed income instruments. Investment risk is known to increase with higher leverage. An increase in leverage will subject CLCT to the risk of changing economic climate. For example, in a climate of rising interest rates, the costs of financing of CLCT's investments (including indebtedness) will increase and this could in turn adversely affect the CLCT Manager's ability to effectively carry out its strategies.

The CLCT Manager's planned asset enhancement initiatives may not materialise.

The CLCT Manager may from time to time plan AEIs on some of CLCT's properties. Any plans for AEIs are subject to known and unknown risks, uncertainties and other factors which may lead to any of such AEIs and/or their outcomes being materially different from the original projections or plans. There is no assurance that such proposed plans for asset enhancement will materialise or that the carrying out of any AEIs will enhance the value of the relevant property, or in the event that they materialise, that the proposed plans will achieve their desired results or will not incur significant costs unnecessarily.

The business of CLCT is predominantly concentrated in China, Hong Kong and Macau.

As at the date of this Offering Circular, all of the properties held by CLCT are principally located in China. CLCT's principal strategy is to invest 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. Such concentration in China, Hong Kong and Macau exposes CLCT to the risk of downturn in economic and property market conditions within these markets, and may entail a higher level of risk as compared to some other REITs which have properties spread over different countries or have a more diverse range of investments. A substantial portion of earnings derived from CLCT depends on the continued strength of China, Hong Kong and Macau's retail, office, industrial and logistics property markets, which is in turn affected by general economic and business conditions. This exposes CLCT to the risk of a prolonged downturn in economic and real estate conditions in China, Hong Kong and Macau. The value of the properties held by CLCT and the rental revenue collected may also be adversely affected by local real estate conditions.

CLCT is exposed to various types of taxes in China, Hong Kong, Barbados and Singapore.

The income and gains derived by CLCT, directly or indirectly, from its investments in real estate in China, Hong Kong and Macau are exposed to various types of taxes in China, Hong Kong, Barbados and Singapore. These include property tax, income tax, withholding tax, capital gains tax and other taxes specifically imposed for the ownership of such assets. While the CLCT Manager intends to manage the taxation in each of these countries efficiently, there can be no assurance that the desired tax outcome will necessarily be achieved. In addition, the level of taxation in each of these countries is subject to changes in laws and regulations, and changes which lead to an increase in tax rates or the introduction of new taxes could adversely affect and erode the returns from CLCT's investments.

Potential investors should not place undue reliance on the financial information that is not audited or reviewed.

CLCT publishes annual, semi-annual and/or quarterly consolidated financial information relating to the Group to satisfy its continuing disclosure obligations relating to its units listed on the SGX-ST according to the applicable regulations and rules of such stock exchange. Such financial information may not be audited or reviewed by CLCT's independent auditors and should not be relied upon by investors to provide the same quality of information associated with information that has been subject to an audit or a review. Accordingly, there can be no assurance that, had an audit or review been conducted in respect of such financial statements, the information presented therein would not have been materially different. Such unaudited or unreviewed consolidated interim financial information is not necessarily indicative of the results that may be expected for the full financial year or any period thereafter. Consequently, potential investors should not take such financial information as an indication of the expected financial condition or results of operations of CLCT for the relevant full financial year. Potential investors should exercise caution when using such data to evaluate CLCT's financial condition and results of operation.

CLCT may incur losses arising from claims brought against the Project Companies in connection with the operations of CLCT's properties.

In addition to ownership of or, as the case may be, having a master lease over the relevant properties, each Project Company currently employs or is expected to employ personnel to provide certain operational services in relation to the relevant property, or outsources or is expected to outsource such services, including certain property management, retail management and financial services. There is no assurance that claims will not be brought against the Project Companies for damage, losses or injuries suffered by the employees of the Project Companies or by third parties in connection with the provision of such services. Any significant claims which are not covered by CLCT's insurance policies may materially and adversely affect its business, financial condition and results of operations.

The CLCT Manager may change CLCT's investment strategy.

CLCT's policies with respect to certain activities, including investments and acquisitions, will be determined by the CLCT Manager, subject to applicable laws and regulations. While the CLCT Manager has stated its intention to invest 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, industrial and logistics purposes (including business parks, logistics facilities, data centres and integrated developments), the CLCT Trust Deed gives the CLCT Manager wide powers to invest in other types of assets, including any real estate, real estate-related assets as well as listed and unlisted securities in China and other jurisdictions. There are risks and uncertainties with respect to the selection of investments and with respect to the investments themselves.

There may be potential conflicts of interests between CLCT, the CLCT Manager and CLI and its subsidiaries and associates.

Based on the information available to the CLCT Manager as at 30 June 2023, CLI, through its subsidiaries and associates, has an aggregate indirect interest in 511,451,605 Units, which is equivalent to approximately 30.28% of the existing Units in issue. As a result, the overall interests of CLI may influence the strategy and activities of CLCT. Further, CLI may also exercise influence over the activities of CLCT through the CLCT Manager, which is a wholly owned subsidiary of CLI.

CLI, through its subsidiaries and associates, is engaged in the development of real estate products and services. Its diversified global real estate portfolio includes, amongst others, integrated developments, business parks and shopping malls. Some of these properties in its real estate portfolio which are located in China, Hong Kong and Macau may compete directly with CLCT's properties for tenants. Further, CLI, its subsidiaries and/or its associates may in the future invest in or sponsor other REITs which may also compete directly with CLCT.

CLCT will rely on information technology in its operations, and any material failure, inadequacy, interruption or security failure of that technology could harm its business.

CLCT will rely on information technology networks and systems, including the Internet, to process, transmit and store electronic information and to manage or support a variety of its business processes, including financial transactions and maintenance of records, which may include personally identifiable information of customers and lease data. CLCT will rely on commercially available systems, software, tools and monitoring to provide security for processing, transmitting and storing confidential customer information. Although CLCT will take steps to protect the security of the data maintained in its information systems, it is possible that such security measures will not be able to prevent the systems' improper functioning, or the improper disclosure of personally identifiable information such as in the event of cyber-attacks. Security breaches, including physical or electronic break-ins, computer viruses, attacks by hackers and similar breaches, can create system disruptions, shutdowns or unauthorised disclosure of confidential information. Any failure to maintain proper function, security and availability of CLCT's information systems could interrupt its operations, damage its reputation, subject CLCT to liability claims or regulatory penalties and could materially and adversely affect it.

If the CLCT Manager's capital market services licence for REIT management ("CMS Licence") is cancelled or the authorisation of CLCT as a collective investment scheme under Section 286 of the SFA is suspended, revoked or withdrawn, the operations of CLCT will be adversely affected.

The CMS Licence issued to the CLCT Manager is subject to conditions and is valid unless otherwise cancelled or renewed. If the CMS Licence of the CLCT Manager is cancelled by MAS, the operations of CLCT will be adversely affected, as the CLCT Manager would no longer be able to act as the manager of CLCT. CLCT is authorised as a collective investment scheme and must comply with the requirements under the SFA and the Property Funds Appendix. In the event that the authorisation of CLCT is suspended, revoked or withdrawn, its operations may be adversely affected.

CLCT relies on third parties to provide various services.

CLCT engages or will engage third-party contractors to provide various services in connection with any commercial, industrial or logistics developments it may have and with the day-to-day operation of its properties and physical asset enhancement works, including construction, building and property fitting-out work, alterations and additions, interior decoration and installation of air-conditioning units and lifts. CLCT is exposed to the risk that a contractor may require additional capital in excess of the price originally tendered to complete a project and CLCT may have to bear such additional amounts in order to provide the contractor with sufficient incentives to complete the project. Furthermore, there is a risk that major contractors may experience financial or other difficulties which may affect their ability to carry out construction works, thus delaying the completion of development projects or resulting in additional costs to CLCT. There can also be no assurance that the services rendered by such third parties will always be satisfactory or match CLCT's targeted quality levels. All of these factors could adversely affect CLCT's business, financial condition and results of operations or cash flows.

RISKS RELATING TO CLCT'S PROPERTIES

The outbreak of an infectious disease or the occurrence of any other serious public health concerns in the countries and/or regions in which CLCT operates could adversely affect CLCT's business, financial condition, results of operations, future growth and prospects.

An outbreak of infectious diseases, such as the COVID-19 pandemic, the Severe Acute Respiratory Syndrome (SARS), Middle East Respiratory Syndrome (MERS), the H5N1 avian flu, the human swine flu (H1N1) or similar communicable diseases, or any future occurrence of serious public health concerns in the countries and/or regions in which CLCT operates could adversely affect CLCT's business, financial condition, results of operations, future growth and prospects. In particular, as most of CLCT's activities are concentrated in China, Hong Kong and Macau, the outbreak of an infectious disease in China, Hong Kong and Macau or in the regions in which CLCT operates, together with any resulting restrictions on travel and/or imposition of quarantines, could have a negative impact on the economies and business activities in China, Hong Kong and Macau. or the affected regions, and thereby adversely impact the business, financial condition, results of operations, future growth and prospects of CLCT.

Past occurrences of epidemics, depending on their scale, have caused different degrees of damage to national and regional economies. For example, the COVID-19 pandemic resulted in, among other things, travel and transportation restrictions, prolonged closures of workplaces, businesses and schools, lockdowns in certain countries and increased volatility in international capital markets. The COVID-19 pandemic resulted in, among others, a reduction in economic activity, domestic consumption and tourism, which diminished the demand and rental rates for CLCT's properties and adversely affect CLCT's tenants' ability or willingness to pay rent. Governments had imposed restrictions on CLCT in respect of the termination or enforcement of leases, as well as requirements of deferral and/or waiver of rent and the provision of rental concession during the COVID-19 pandemic.

Although the COVID-19 pandemic has been largely contained, a resurgence of COVID-19 or an outbreak of other epidemics could adversely affect CLCT's business, financial condition, results of operations, future growth and prospects. The ultimate extent of the impact of any epidemic, pandemic or other health crisis on the business, financial condition and results of operations of CLCT may be uncertain and unpredictable. An outbreak of health epidemic or contagious disease may further create negative economic impact and decreased viability in the global market. This may adversely affect CLCT's business, financial condition or results of operations. Such an outbreak may also adversely affect ability of CLCT to sustain normal operations.

The occurrence of any other outbreak of infectious disease or serious public health concerns, or the measures taken by the governments of affected countries, against such an outbreak, such as the imposition of quarantines and lockdown measures, could severely disrupt CLCT's business operations and undermine investor confidence, thereby materially and adversely affecting its financial condition or results of operations.

CLCT faces risks relating to the quality and extent of the title to or interests in the properties in its portfolio.

The quality, nature and extent of the title to the land and properties in CLCT's portfolio of property interests varies depending on a number of factors, including:

- the location of the property;
- the laws and regulations that apply to the property;
- the stage of development of the property;
- the extent to which the contract pursuant to which the property interest was acquired has been performed, the extent to which the terms and conditions thereunder have been complied with, and the amount of the purchase consideration which has been paid;
- the extent of compliance by CLCT or any other relevant party (including previous owners, the vendor of the property and the entity in which CLCT has invested that has acquired or is acquiring the property) with all relevant laws and regulations relating to the ownership, use, sale, development or construction of the property;
- the manner under which the interest in the property is held, whether through a joint venture or asset-backed securities, or pursuant to a development agreement, a master lease, an option to purchase or a sale and purchase agreement, or otherwise;
- in the case where the property interests are leasehold interests, the extent of compliance by CLCT or any other relevant party (including previous lessees or lessors, the vendor of the property and the entity in which CLCT has invested that has acquired or is acquiring the property) with the terms and conditions of the state or head lease or any other document under which the title of the property is derived; and
- the capacity, power, authority and general creditworthiness of the counterparties to the contractual and other arrangements through which CLCT has acquired its interest in the property.

As some of CLCT's current and future property interests may be derived through or subject to various contractual arrangements, these property interests may be subject to, and dependent on, (i) the legality, validity, binding effect and enforceability of the relevant contracts, (ii) the performance and observance of the terms and conditions set out in the contracts by the parties thereto, (iii) the capacity, power, authority and creditworthiness of such parties, (iv) the fulfilment of any conditions precedent to the parties' obligations under the contracts, and (v) compliance by the parties with all relevant laws and regulations relating to the sale, development and construction of the relevant properties.

There can be no assurance (a) that the legality, validity, binding effect and enforceability of the contractual arrangements from which CLCT derives its property interests will not be challenged, (b) that the conditions precedent stated in the contract will be fulfilled or (c) that the parties to the contract (including the entities in which it has invested that may be parties to the contract) will perform and comply with the terms thereof and will not have disagreements among each other in respect of the interpretation and implementation of the contract. If any of these events occur, CLCT's interest in the property and the value thereof may be adversely affected.

The execution of a sale and purchase agreement may be subject to regulatory approvals and agreement among the parties to the terms of the sale and purchase agreement, and other conditions. In the event a sale and purchase agreement is not executed, the deposit may be returned or may be forfeited, which may have an adverse effect on CLCT's business, financial condition, results of operations, future growth and prospects.

The limitations described above on the quality, nature and extent of the title to the land and properties in CLCT's portfolio of property interests impact CLCT's ability to deal with and have control over CLCT's property interests, and the conditions under which CLCT may own, develop, operate or manage the properties. There can be no assurance that the quality, nature and extent of the title to CLCT's property interests will not be challenged or adversely impacted or will not adversely affect its ability to deal with its property interests and in turn the value of its investment in these properties.

The properties in which CLCT has interests are currently located in China, and the extent and quality of title depends on the laws of that jurisdiction. As such, there is potential for dispute over the quality, existence and nature of the title purchased from previous land owners or property owners. In addition, CLCT may be engaged in protracted negotiations each time it acquires land or property, which may result in purchases of property (and thereby the obtaining of title) being delayed or not proceeding in the event that negotiations are unsuccessful. In addition, title insurance is not generally available in China, and CLCT's property interests are not covered by title insurance. In the event CLCT is not able to obtain, or there is a delay in obtaining, clear title to the land and properties it has an interest in, or CLCT's claim to title is the subject of a dispute, CLCT's business, financial condition, results of operations, future growth and prospects may be adversely affected.

The properties held by CLCT may be revalued downwards.

The uncertain global economy may cause CLCT's property values to fluctuate, and this in turn may have an adverse impact on its business, results of operations, financial condition, future growth and prospects. There can be no assurance that property prices in China, Hong Kong and Macau will not decrease such that a downward revaluation of CLCT's properties is required.

Real estate and real asset-related assets are inherently difficult to value. As a result, valuations are subject to substantial uncertainty and subjective judgments and are made on the basis of assumptions which may not be correct. Additionally, the inspections of CLCT's properties and other work undertaken in connection with a valuation exercise may not identify all material defects, breaches of contracts, laws and regulations, and other deficiencies and factors that could affect the valuation. There can be no assurance that CLCT's property interests will retain the price at which it may be valued or that CLCT's investment in such properties will be realised at the valuations or property values it has recorded or reflected in its financial statements.

Due diligence on CLCT's properties may not identify all material defects, breaches of laws and regulations and other deficiencies.

There is no assurance that CLCT's reviews, surveys or inspections (or the relevant review, survey or inspection reports on which it has relied) would have revealed all defects or deficiencies affecting the properties in which it has interests or manages, including defects in the title thereof. As such, these properties may have defects or deficiencies requiring repair or maintenance (including design, construction or other latent property or equipment defects in such properties which may require additional capital expenditure, special repair or maintenance expenses) or be affected by breaches of applicable laws and regulations. The costs or liabilities arising from such defects, deficiencies or breaches of laws and regulations may involve significant and potentially unpredictable patterns and levels of expenditure. These could in turn have a material adverse effect on CLCT's earnings and cash flow.

The representations, warranties and indemnities granted in favour of CLCT by the vendors of CLCT's properties may be subject to limitations as to their scope and as to the amount and timing of claims which can be made. Additionally, the time frame for such claims to be made may have expired. There is no assurance that CLCT will be entitled to be reimbursed under such representations, warranties and indemnities for any losses or liabilities suffered or incurred by it as a result of its acquisition of these properties.

Potential liability for environmental problems could result in substantial costs.

CLCT is subject to a variety of laws and regulations concerning the protection of health and the environment that may require a current or previous owner of real estate to investigate and clean up hazardous or toxic substances on a property. Owners and operators of real estate may be liable for the costs of removal or remediation of certain hazardous substances or other regulated materials on or in such property. Such laws often impose liability without regard to whether the owner or operator knew, or was responsible for, the presence of such substances or materials. The cost of investigation, remediation or removal of these substances may be substantial. CLCT has not provided for such potential obligations in its consolidated financial statements. Environmental laws and regulations may also impose compliance obligations on owners and operators of properties with respect to the management of hazardous substances and other regulated materials. Failure to comply with these laws can result in penalties or other sanctions.

Existing environmental reports and investigations with respect to any of CLCT's properties may not reveal all environmental liabilities, whether owners or operators of the properties had created any material environmental condition not known to CLCT or whether a material environmental condition exists in any one or more of CLCT's properties. There also exists the risk that material environmental conditions, liabilities or compliance concerns may have arisen after the review was completed or may arise in the future. Future laws, ordinances or regulations and future interpretations of existing laws, ordinances or regulations may impose additional material environmental liability.

There can be no assurance that more stringent requirements for environmental protection will not be imposed by the relevant governmental authorities in the future. If CLCT fails to comply with existing or future environmental laws and regulations in the jurisdictions in which it operates or fails to meet the expectations of society with regard to environmental issues, its reputation may be damaged or it may be required to pay penalties or fines or take remedial actions and this could have a material adverse effect on its business, financial condition, results of operations, future growth and prospects.

The occurrence of natural or other catastrophes, severe weather conditions or other acts of God, terrorist attacks, other acts of violence or war or adverse political developments may materially disrupt CLCT's operations.

Unforeseen or catastrophic events, including natural and other disasters, severe weather conditions, other acts of God, terrorist attacks or other acts of violence, which are beyond CLCT's control, could result in disruptions in the operation of, damages to, or even destruction of, CLCT's properties. It could also adversely affect the business and economic environment, and in turn adversely affect the performance of and returns on CLCT's properties. Some regions in the PRC are under the threat of natural disasters such as earthquake, flood, sandstorm, snowstorm, fire and drought. For instance, two serious earthquakes hit Sichuan Province, in May 2008 and April 2013, and resulted in significant loss of lives and destruction of assets in the region. In July 2021, days of torrential rain flooded Henan Province, causing landslides, disrupting transportation, bursting dikes, forcing the evacuation of local residents and resulting in significant economic losses. In August 2023, Heilongjiang Province was affected by severe flooding, which resulted in disruption of transportation and many of the utilities and economic losses.

There can be no assurance that natural or other catastrophes, severe weather conditions or other acts of God, terrorist attacks, other acts of violence or war or adverse political developments will not occur in the future, or that their occurrence will not materially disrupt CLCT's operations or adversely impact the performance of CLCT's properties. These factors, which are beyond CLCT's control, could potentially have significant effects on the properties and projects in which CLCT has interests, many of which are large, complex buildings or developments that are susceptible to structural damage and failure. The occurrence of such events may also lead to reductions in shopper traffic, loss of income for CLCT's tenants and ultimately, possible defaults on lease payments. Any of the above events could result in an adverse effect on CLCT's business, financial condition, results of operations, future growth and prospects.

CLCT is exposed to operating risks of the commercial real estate industry.

CLCT's financial performance is influenced by conditions in the retail, office, industrial and logistics real estate markets in the countries in which it operates. Such markets and/or individual properties have historically been, and could in the future be, adversely affected by any of the following:

- cyclical downturns arising from changes in general and local economic conditions;
- periodic oversupply of retail, office, industrial and logistics properties;
- the recurring need for renovation, refurbishment and improvement of the retail, office, industrial and logistics properties;
- increases in interest rates and inflation;
- weaknesses in the national, regional and local economies;
- the adverse financial condition of key tenants;
- changes in wages, prices, energy costs and construction and maintenance costs that may result from inflation, government regulations, changes in interest rates or currency fluctuations;
- availability of financing for operating or capital requirements;
- consolidation of operators in the retail, office, industrial and logistics real estate markets;
- strikes, work stoppages and labour-related disputes;
- changes in consumer spending patterns and commercial market sentiment;
- changes in consumer preference in relation to property design and interior decoration or location;
- unemployment levels;
- an increase in consumer purchases from mail-order or internet purchases and a consequent reduction in demand for retail, office, industrial and logistics spaces;
- competition from warehouse and outlet stores and competitors with new business models;
- transportation infrastructure developments in new areas;
- extreme weather conditions or acts of terrorism;

- any changes in taxation, environmental and zoning laws; and
- adverse government regulation.

The commercial, industrial and logistics real estate industries are highly competitive.

CLCT's properties compete for tenants with numerous developers, owners and managers of retail, office, industrial and logistics assets, many of which own properties similar to, or which compete with, CLCT's properties. This competition may affect the occupancy rates and rental rates of CLCT's properties. The competition may result in CLCT having to lower its rental rates or incur additional capital expenditure to improve the properties. The competitive environment among businesses in the markets in which CLCT operates may also have a detrimental effect on tenants' businesses and, consequently, their ability to pay rent. CLCT also competes with other real estate companies and insurance funds for property acquisitions and property-related investments. An inability to compete effectively could affect CLCT's ability to grow and thus adversely affect CLCT's business, financial condition, results of operations, future growth and prospects.

CLCT's properties may be subject to increases in operating and other costs.

CLCT's business, financial condition, results of operations, future growth and prospects could be adversely affected if the operating and other costs relating to its properties increase without a corresponding increase in revenue. Factors which could increase operating and other costs include:

- increases in property tax assessments and other statutory charges;
- changes in statutory laws, regulations or government policies which increase the cost of compliance with such laws, regulations or policies;
- increases in sub-contracted service costs;
- increases in labour costs;
- increases in repair and maintenance costs;
- increases in the rate of inflation;
- increases in insurance premiums; and
- increases in cost of utilities.

Any significant and unpredictable costs, expenses or expenditure will have an adverse impact on the cash flow generated from and the profitability of the relevant CLCT property, which could in turn have an adverse effect on the business, financial condition, results of operations, future growth and prospects of CLCT.

Renovation, asset enhancement works, physical damage or latent building or equipment defects to CLCT's properties may disrupt the operations of such properties and the collection of rental income or otherwise result in an adverse impact on CLCT's financial condition.

The quality and design of a shopping mall, office, industrial and logistics space has an influence on the demand for space in, and the rental rates of, the property, as well as its ability to attract strong shopper traffic and tenants. CLCT's properties may need to undergo renovation or asset enhancement works from time to time to retain their attractiveness to tenants as well as shoppers and may also require unforeseen *ad hoc* maintenance or repairs in respect of faults or problems that may develop or because of new planning laws or regulations. The costs of maintaining retail, office, industrial and logistics properties and the risk of unforeseen maintenance or repair requirements tend to increase over time as the building ages. The business and operations of the properties may suffer some disruption and it may not be possible to collect the full rate of (or any) rental income on space affected by such renovation works. Shopper traffic and occupancy level may also be adversely affected by such renovation and/or repair works.

In addition, physical damage to CLCT's properties resulting from fire or other causes and design, construction or other latent defects in such properties may lead to additional capital expenditure, special repair or maintenance expenditure, business interruption, or payment of damages or other obligations to third parties. These may in turn result in an adverse impact on CLCT's business, financial condition, results of operations, future growth and prospects.

CLCT is subject to third-party litigation risk by visitors, contractors and tenants of its properties which could result in significant liabilities and damage its reputation.

In general, as the owner (through multiple SPVs) of CLCT's properties, CLCT and the SPV holding such properties are exposed to the risk of litigation or claims by visitors, contractors and tenants of its properties. Such litigation or claims may arise for a variety of reasons, including (i) any accidents or injuries that may be suffered by visitors, contractors and tenants while at its properties, (ii) CLCT's tenants' inability to enjoy the use of the properties in accordance with the terms of their lease and (iii) CLCT's failure to perform any of its obligations under any lease, construction or other contracts or agreements entered into with contractors, tenants or other third parties. If CLCT is required to bear all or a portion of the costs arising out of litigation or investigations as a result of inadequate insurance proceeds, this may have a material adverse effect on its business, financial condition, results of operations, future growth and prospects.

CLCT is dependent on anchor tenants for a significant source of its income.

CLCT is dependent on anchor tenants for a significant source of its income. CLCT also relies largely on its high quality tenants in emerging high-growth sectors to position its business parks for growth.

Factors that affect the ability of any anchor tenant to meet its obligations include, but are not limited to:

- the financial position of the anchor tenant;
- local economic conditions;
- local competitors and competition in the China retail, office, industrial and logistics industry;
- unfavourable publicity;
- material losses in excess of insurance proceeds; and
- a possibility of union activities disrupting the operations of the properties in which the anchor tenants operate, severely impacting its reputation and ability to function normally.

There can be no assurance that anchor tenants will renew their leases upon the expiry of such leases, or that they will have sufficient assets, income and access to financing to enable it to satisfy its obligations towards CLCT under any master lease agreement and leases. Should any anchor tenant elect not to renew its leases with CLCT, there is no assurance that CLCT will be able to locate a suitable replacement lessee for the relevant properties in a timely manner and on satisfactory terms, if at all. The failure by anchor tenants to renew such leases, or the termination by any anchor tenant of any of such leases, may have a material adverse effect on CLCT's rental income, carpark income and other income.

The loss of key tenants of any of CLCT's properties or a downturn in the businesses of CLCT's key tenants could have an adverse effect on its financial conditions and results of operations.

Based on the month of December 2022 including letters of offer which are to be followed up with tenancy agreements to be signed by the parties as at 31 December 2022, the 10 largest tenants (in terms of their contributions to the total rental income) accounted for approximately 13.0 per cent of the total base rental income (including both gross rental income and the gross turnover rental income components to account for pure GTO leases).

Accordingly, CLCT's financial condition and results of operations may be adversely affected by the bankruptcy, insolvency or downturn in the businesses of one or more of these tenants, as well as the decision by one or more of these tenants not to renew its lease or to terminate its lease before it expires. The CLCT Manager expects that CLCT will continue to be dependent upon these tenants for a significant portion of its Gross Revenue. If a key tenant terminates its lease or does not renew its lease at expiry, it may be difficult to secure replacement tenants at short notice or on similar tenancy terms. In addition, the amount of rent and the terms on which lease renewals and new leases are agreed may be less favourable than current leases.

The loss of key tenants in any one of CLCT's properties could result in periods of vacancy, which could therefore adversely affect the revenue of the relevant property, consequently impacting the Project Companies' and the SPVs' ability to make distributions to CLCT.

CLCT is subject to the risk of non-renewal, non-replacement or early termination of leases.

The renewal of leases in CLCT's operating retail, office, industrial and logistics spaces will depend, in part, upon the success of the tenants. Any decline in the overall retail, office, industrial or logistics sector may cause higher levels of non-renewals of leases or vacancies as a result of failures or defaults by tenants or the market pressures exerted by an increase in available retail, office, industrial and logistics spaces. There can be no assurance that the tenants of CLCT's operating retail, office, industrial and logistics spaces will renew their leases or that the new lease terms will be as favourable as the existing leases. In the event that a tenant does not renew its lease, a replacement tenant or tenants would need to be identified.

If a large number of tenants in CLCT's properties do not renew their leases at the end of a lease cycle or a significant number of early terminations occur, and replacement tenants cannot be found, this could subject CLCT's operating retail, office, industrial and logistics spaces to periods of vacancy and/or costly re-fittings, during which periods CLCT could experience reductions in rental income. Such downturns may have an adverse impact on the results of operations and the financial condition of CLCT.

CLCT's properties may face increased competition from future commercial developments in China, Hong Kong and Macau.

The retail, office, industrial and logistics property markets are competitive and may become increasingly so. CLCT's retail, office, industrial and logistics properties may compete with other similar or comparable properties in China, Hong Kong and Macau that may be developed in the future. The income from, and market value of, CLCT's properties will be largely dependent on the ability of these properties to compete against other similar or comparable properties in China, Hong Kong and Macau in attracting and retaining tenants. An increase in the number of competitive retail, office, industrial and logistics spaces in China, Hong Kong and Macau, particularly in the areas where CLCT's properties are, and may be, located, could have a material adverse effect on the revenue of the properties, as such increased competition may adversely impact the ability of the lessees or master lessees of the properties to make rental payments.

Furthermore, the increase in popularity of e-commerce in China, Hong Kong and Macau may cause a decline in profits for brick-and-mortar businesses, which could lead to a decrease in demand for retail, office, industrial and logistics spaces. This may have an adverse effect on the demand and the rental rates for CLCT's properties and adversely affect CLCT's business, financial condition, results of operations, future growth and prospects.

Amenities and transportation infrastructure near CLCT's properties may be closed or relocated.

The proximity of amenities and transportation infrastructure such as train stations and bus interchanges to CLCT's properties provide convenient access to these properties and a constant flow of foot traffic. There is no assurance that the amenities and transportation infrastructure and shuttle services will not be closed, relocated or terminated in the future. Such closure, relocation or termination may adversely affect the accessibility of the properties which will reduce the flow of foot traffic to the properties. This may then have an adverse effect on the demand and the rental rates for the properties and adversely affect CLCT's business, financial condition, results of operations, future growth and prospects.

A substantial number of the leases of the properties (not under master leases) are for terms of two to three years.

A majority of the leases for CLCT's shopping malls are for terms of two to three years, which reflects the general practice in China's property market. Moreover, the usual lease term for business parks in China is around three years. As a result, CLCT experiences lease cycles in which a substantial number of such leases expire each year. This exposes CLCT to certain risks, including the risk that vacancies following the non-renewal of leases may lead to reduced occupancy rates, which will in turn reduce CLCT's revenue.

CLCT's properties or parts thereof may be compulsorily acquired by the respective governments in the markets in which such properties are located.

The relevant governments have the power to compulsorily acquire any land in China, Hong Kong and Macau for public interest pursuant to the provisions of applicable legislation. In the event of any compulsory acquisition of property in China, Hong Kong and Macau, the amount of compensation to be awarded is based on the open market value of a property and is assessed on the basis prescribed in the relevant laws and regulations. If any of CLCT's properties were compulsorily acquired by the relevant government, the level of compensation paid to CLCT through the relevant Project Companies pursuant to this basis of calculation may be less than the price which CLCT, through the relevant Project Companies, paid for such properties. The compulsory acquisition of any land which is part of CLCT's properties will also lead to such land being carved out from CLCT's title certificate which may affect the gross floor area and net lettable area of such properties, its current usage and future changes in valuation of such properties.

CLCT may be adversely affected by the illiquidity of real estate investments.

Real estate investments are relatively illiquid and such illiquidity may affect CLCT's ability to vary its investment portfolio or liquidate part of its assets in response to changes in economic, property market or other conditions. CLCT may be unable to sell its assets on short notice or may be forced to give a substantial reduction in the price that may otherwise be sought for such assets in order to ensure a quick sale. CLCT may face difficulties in securing timely and commercially favourable financing in asset-based lending transactions secured by real estate due to the illiquid nature of real estate assets. These factors could have an adverse effect on CLCT's financial condition and results of operations. In addition, if CLCT defaults on any secured payment obligations, mortgagees to any of the properties over such which obligations are secured could foreclose or require a forced sale of such properties with a consequent loss of income and asset value to CLCT. The amount to be received upon a foreclosure or forced sale of such properties would be dependent on numerous factors, including the actual fair market valuation of the relevant property at the time of such sale, the timing and manner of the sale and the availability of buyers. There can be no assurance that the proceeds from any foreclosure or forced sale will be sufficient for CLCT to meet its secured payment obligations.

CLCT may suffer material losses in excess of insurance proceeds or CLCT may not put in place or maintain adequate insurance in relation to the properties and its potential liabilities to third parties.

The properties face the risk of suffering physical damage caused by fire, terrorism, acts of God such as natural disasters or other causes, as well as potential public liability claims, including claims arising from the operations of the properties. In addition, certain types of risks (such as war risk, terrorism and losses caused by contamination or other environmental breaches) may be uninsurable or the cost of insurance may be prohibitive when compared to the risk. Any insurance coverage taken out by the Group may also be subject to limits and any damage or loss suffered by the Group may exceed such insured limits. Should an uninsured loss or a loss in excess of insured limits occur, including loss caused by vandalism or resulting from breaches of security at one of the properties, CLCT could be required to pay compensation and/or suffer loss of capital invested in the affected property as well as anticipated future revenue from that property as it may not be able to rent out or sell the affected property. CLCT may also be liable for any debt or other financial obligation related to that property. No assurance can be given that material losses in excess of insurance proceeds will not occur.

CLCT may be subject to unknown or contingent liabilities related to properties or businesses that it has acquired or may acquire, which may result in damages and investment losses.

Assets and entities that CLCT has acquired or may acquire in the future may be subject to unknown or contingent liabilities for which CLCT may have limited or no recourse against the sellers. Unknown or contingent liabilities might include liabilities for clean-up or remediation of environmental conditions, claims of customers, vendors or other persons dealing with the acquired entities, tax liabilities and other liabilities whether incurred in the ordinary course of business or otherwise. In the future CLCT may enter into transactions with limited representations and warranties or with representations and warranties that do not survive the closing of the transactions, in which event CLCT would have no or limited recourse against the sellers of such properties. While CLCT typically requires the sellers to indemnify it with respect to breaches of representations and warranties that survive the closing of the transactions, such indemnification is often limited in duration and subject to various materiality thresholds, a significant deductible or an aggregate cap on losses. As a result, there is no guarantee that CLCT will recover any amounts with respect to losses due to breaches by the sellers of their representations and warranties. In addition, the total amount of costs and expenses that CLCT may incur with respect to liabilities associated with properties and entities acquired may exceed CLCT's expectations. Any of these matters could have a material adverse effect on the business, financial condition and results of operations of CLCT.

If CLCT is unable to obtain required approvals and licences or renewals thereof in a timely manner, its business and operations may be adversely affected.

CLCT requires certain approvals, licences, registrations and permissions for its business and operations. There can be no assurance that the relevant authorities will issue such permits or approvals in the timeframe anticipated by CLCT, or at all. Further, CLCT cannot assure that the approvals, licences, registrations and permits issued to it would not be suspended or revoked in the event of non-compliance or alleged non-compliance with any terms or conditions thereof, or pursuant to any regulatory action. Failure by CLCT to renew, maintain or obtain, or any suspension or revocation of, the required permits or approvals at the requisite time may result in the interruption of its operations and may have an adverse effect on its business, financial condition, results of operations, future growth and prospects.

RISKS RELATING TO THE PRC

Changes in the PRC's economic, political and social conditions as well as governmental policies could affect CLCT.

The economy of the PRC differs from the economies of many other countries in a number of respects, including: (i) economic and political structure, (ii) level of development, (iii) growth rate, (iv) foreign exchange regulation, and (v) allocation of resources. While the PRC Government has implemented economic reform measures emphasising utilisation of market forces in the development of the PRC economy and the PRC economy has experienced significant growth in the past 40 years, growth has been uneven, both geographically and among different sectors of the economy. The PRC Government authorities from time to time implement various macroeconomic and other policies and measures, including policies and measures at times of, or in anticipation of, changes in the PRC's economic conditions. In addition, the PRC Government continues to regulate industry development by imposing top-down policies and influence the economic growth through various means such as the allocation of resources, monetary and industrial development policies, and regulation over foreign currency denominated payment obligations. Economic reform measures, however, may be adjusted, modified or applied inconsistently from industry to industry or across different regions of the country. Although the CLCT Manager believes the reforms will have a positive effect on CLCT's overall and long term development, it cannot predict whether changes in the economic policies and the relevant laws, regulations and rules of the PRC will have any material adverse effect on CLCT's current or future business, financial condition and results of operations.

CLCT Manager, the Issuer and the Guarantor may be deemed as PRC resident enterprise for tax purposes under the EIT Law (as defined below) and be subject to PRC taxation on its worldwide income.

Under the PRC Enterprise Income Tax ("**EIT**") Law (企業所得稅法), which was promulgated by the National People's Congress and became effective on 1 January 2008 and was subsequently amended on

24 February 2017 and on 29 December 2018 (collectively, the "**EIT Law**"), and its implementing regulations, enterprises established outside of China whose "*de facto* management bodies" are located in the PRC are considered "resident enterprises" for tax purposes and will generally be subject to the uniform 25 per cent enterprise income tax rate on their global taxable income. The implementing regulations of the EIT Law issued by the PRC State Council define "*de facto* management" as "substantial and overall management and control over the production and operations, personnel, accounting, properties, etc. of an enterprise".

The State Administration of Taxation of the PRC (the "**SAT**") promulgated the Circular on Identifying Chinese-Controlled Offshore Enterprises as Chinese Resident Enterprises in Accordance with Criteria for Determining Place of Effective Management (关于境外注册中资控股企业依据实际管理机构标准认定为居民企业有关问题的通知) on 22 April 2009, as amended on 29 December 2017, which specifies certain criteria for the determination of the "*de facto* management bodies" in respect of an enterprise that is incorporated under the laws of a foreign country or territory and that has a PRC company or PRC corporate group as its primary controlling shareholder. These criteria include: (i) the enterprise's day-to-day operational management is primarily exercised in the PRC; (ii) decisions relating to the enterprise's financial and human resource matters are made or subject to approval by organisations or personnel in the PRC; (iii) the enterprise's primary assets, accounting books and records, company seals, and board and shareholders' meeting minutes are located or maintained in the PRC; and (iv) 50 per cent or more of voting board members or senior executives of the enterprise habitually reside in the PRC. However, no further detailed definition of "*de facto* management bodies" is provided for enterprises established offshore by private individuals or foreign enterprises such as CLCT Manager, the Issuer and the Guarantor. As such, there is uncertainty as to whether CLCT Manager, the Issuer and the Guarantor will be deemed to be a "PRC resident enterprise" for the purposes of the EIT Law.

If relevant PRC tax authorities decide in accordance with applicable PRC laws on taxation that CLCT Manager, the Issuer and the Guarantor is a PRC resident enterprise for the purposes of the EIT Law, CLCT Manager, the Issuer and the Guarantor may be subject to enterprise income tax at the rate of 25 per cent on its worldwide income, which may adversely affect CLCT Manager, the Issuer and the Guarantor's profitability and payment ability. However, as at the date of this Offering Circular, CLCT Manager, the Issuer and the Guarantor has not been notified or informed by the PRC tax authorities that it is considered as a PRC resident enterprise for the purposes of the EIT Law.

The Issuer, the Guarantor and CLCT may be unable to obtain and remit foreign currency.

The ability of the Issuer and CLCT to satisfy obligations under the Bonds or the Guarantor under the Guarantee depends upon the ability of CLCT's subsidiaries to obtain and remit sufficient foreign currency to pay dividends to CLCT. The PRC Government regulates the conversion of Renminbi into foreign currencies and, in certain cases, the remittance of currency to jurisdictions outside the PRC. Under existing PRC foreign exchange regulations, payments of certain current account items, including profit distribution, can be made in foreign currencies without prior approval from the local branch of the State Administration of Foreign Exchange of the PRC ("**SAFE**"), by complying with certain procedural requirements. Therefore, CLCT's PRC subsidiaries are able to pay dividends in foreign currencies to CLCT without prior approval from SAFE. Prior to payment of interest and principal on any shareholder loan that CLCT makes to its subsidiaries, the relevant PRC subsidiary must present evidence showing that the registration or filing of the loan has been made with appropriate government authorities, together with the evidence of payment of the withholding tax on the interest payable in respect of such shareholder loan. However, approval from or registration with the appropriate government authorities is required where Renminbi is to be converted into foreign currency and remitted to a jurisdiction outside the PRC to pay certain capital account items. There is no assurance that the current foreign exchange regulation regime of the PRC will not change in the future. If the PRC foreign exchange regulation system prevents CLCT's subsidiaries from obtaining sufficient foreign currency, or if any of CLCT's subsidiaries for any reason fails to satisfy any of the PRC legal requirements for remitting foreign currency payments, such subsidiary will be unable to pay CLCT dividends or interest and principal on shareholder loans, which may affect the ability of the Issuer to satisfy obligations under the Bonds, or the Guarantor under the Guarantee.

CLCT relies principally on dividends paid by its subsidiaries to fund any cash and financing requirements CLCT may have; any limitation on the ability of its subsidiaries to pay dividends to

it could have a material adverse effect on its ability to conduct its business and such dividends may be subject to PRC taxation.

CLCT relies principally on dividends paid by certain subsidiaries for cash requirements, including the funds necessary to service any debt it may incur, including the Bonds. The ability of CLCT's subsidiaries in the PRC to pay dividends to their shareholders is subject to applicable laws and restrictions contained in the debt instruments and obligations of such subsidiaries. For example, debt instruments of CLCT's subsidiaries may contain covenants or terms that restrict their ability to pay dividends or make other distributions. Furthermore, under applicable PRC laws, rules and regulations, payment of dividends by CLCT's PRC subsidiaries is permitted only out of their retained earnings, if any, determined in accordance with PRC accounting standards. Under PRC laws, rules and regulations, all of its PRC subsidiaries are required to set aside at least 10 per cent of their after-tax profit based on PRC accounting standards each year to their respective statutory capital reserve funds until the accumulative amount of such reserves reaches 50 per cent of their respective registered capital. As a result, CLCT's subsidiaries may be restricted in their ability to transfer a portion of their net income to it in the form of dividends. Any limitation on the ability of CLCT's subsidiaries to pay dividends could materially and adversely limit CLCT's liquidity and the ability to service its debt.

In addition, under the EIT Law and its implementing regulations, a PRC income tax rate of 10 per cent is payable on dividends paid by PRC enterprises (such as CLCT's PRC subsidiaries) to non-resident enterprises, subject to the application of any lower tax rate provided in relevant income tax treaties that the PRC is a party to.

It may be difficult to enforce judgments obtained from non-PRC courts in the PRC.

All of CLCT's properties are located in the PRC. Investors may be required to enforce in the PRC courts judgments against CLCT obtained from courts of other jurisdictions. A judgment of a court of another jurisdiction may be reciprocally recognised or enforced in the PRC if that jurisdiction has a treaty with the PRC or if judgments of the PRC courts have been recognised before in that jurisdiction, subject to the satisfaction of prescribed requirements.

On 14 July 2006, Hong Kong and the PRC entered into the Arrangement on Reciprocal Recognition and Enforcement of Judgments in Civil and Commercial Matters by the Courts of the Mainland and of the Hong Kong Special Administrative Region Pursuant to Choice of Court Agreements Between Parties Concerned (the "**2006 Arrangement**"), pursuant to which a party with a final court judgment rendered by a Hong Kong court requiring payment of money in a civil and commercial case according to a choice of court agreement in writing may apply for recognition and enforcement of the judgment in the PRC. A choice of court agreement in writing is defined as any agreement in writing entered into between parties after the effective date of the 2006 Arrangement in which a Hong Kong court or a PRC court is expressly designated as the court having sole jurisdiction for the dispute. On 18 January 2019, Hong Kong and the PRC entered into the Arrangement on Reciprocal Recognition and Enforcement of Judgments in Civil and Commercial Matters by the Courts of the Mainland and of the Hong Kong Special Administrative Region (关于内地与香港特别行政区法院相互认可和执行民商事案件判决的安排) (the "**2019 Arrangement**"), which is intended to replace the 2006 Arrangement and will come into force after the Supreme People's Court issues the judicial interpretation and the Hong Kong Special Administrative Region completes the relevant procedures. With some exceptions, the 2019 Arrangement applies to the reciprocal recognition and enforcement of effective judgments in civil and commercial cases between courts of the PRC and Hong Kong. However, the 2019 Arrangement has yet to become effective, and the outcome and effectiveness of any action brought under the 2006 Arrangement are uncertain. It may be difficult for investors to seek recognition and enforcement for foreign judgments in China.

Furthermore, China does not have treaties or agreements providing for the reciprocal recognition and enforcement of judgments awarded by courts of the United States, the United Kingdom or most other European countries, or Singapore. Hence, the recognition and enforcement in China of judgments of a court in any of these jurisdictions may be difficult.

There is also no assurance that the PRC courts will recognise and enforce arbitration awards rendered by the HKIAC.

Parties to the Terms and Conditions, the Deed of Covenant and the Deed of Guarantee have agreed that any dispute, controversy, difference or claim arising out of or relating to any Bonds, the Deed of Covenant and the Deed of Guarantee, including the existence, validity, interpretation, performance, breach or termination thereof or any dispute regarding non-contractual obligations arising out of or relating to them shall be referred to and finally resolved by arbitration administered by the HKIAC under the HKIAC Administered Arbitration Rules in force when the notice of arbitration is submitted.

In accordance with the Arrangements of the Supreme People's Court on the Reciprocal Enforcement of Arbitration Awards by Mainland China and the Hong Kong Special Administrative Region (最高人民法院关于内地与香港特别行政区相互执行仲裁裁决的安排) (the "**Arbitration Enforcement Arrangement**"), the arbitration award rendered by the HKIAC in accordance with the Arbitration Ordinance (Cap. 609) of Hong Kong, which arises out of or in relation to the obligations of the Issuer and the Guarantor under the Terms and Conditions, the Deed of Covenant and the Deed of Guarantee will be recognised and enforceable by the PRC courts, unless the relevant court decides not to enforce the award, which it may do if the respondent submits evidence which proves that one of the following situations exists, and such evidence is examined and found to be reliable: (i) a party to the arbitration agreement was, under the law applicable to it, under some incapacity, or the arbitration agreement was not valid under the law to which the parties subjected it, or, failing any indication thereon, under the law of the place in which the arbitral award was made; (ii) the party against whom the application is filed was not given proper notice of the appointment of the arbitrator or was otherwise unable to present its case; (iii) the award deals with a difference not contemplated by or not falling within the terms of the submission to arbitration, or the award contains decisions on matters beyond the scope of the submission to arbitration (however, if the award contains decisions on matters submitted to arbitration that can be separated from those not so submitted, that part of the award which contains decisions on matters submitted to arbitration shall be enforced); (iv) the composition of the arbitral authority or the arbitral procedure was not in accordance with agreement of the parties or, failing such agreement, with the law of the place where the arbitration took place; or (v) the award has not yet become binding on the parties, or has been set aside or suspended by the court or in accordance with the law of the place where the arbitration took place. A court may further refuse to enforce the said award if it finds that under the law of the place of enforcement, the dispute is incapable of being settled by arbitration, or if a PRC court holds that the enforcement of the arbitral award in the PRC would be contrary to the public interests of the PRC.

All the requirements as set forth in the Arbitration Enforcement Arrangement and the Supplementary Arrangements of the Supreme People's Court on Reciprocal Enforcement of Arbitration Awards between the Mainland and the Hong Kong Special Administrative Region (最高人民法院关于内地与香港特别行政区相互执行仲裁裁决的补充安排), and other bilateral or multilateral treaties as to the mutual recognition and enforcement of judgment concluded or acceded to by the PRC and Hong Kong and the applicable provisions of the Civil Procedure Law of the PRC must also be complied with.

In addition, neither the Issuer or the Guarantor hold the retail properties, business parks or logistics parks of CLCT directly. All of CLCT's properties located in the PRC are held indirectly by the Guarantor, via onshore project companies which are in turn held by other offshore companies of the Guarantor. Some of these project companies are not wholly owned by the Guarantor. As advised by the PRC counsel to the Issuer and the Guarantor, arbitral awards against the Issuer or the Guarantor obtained in Hong Kong could not be enforced against these properties located in the PRC due to such indirect ownership. Bondholders do not have direct access to the onshore assets of CLCT but may only have recourse to other assets of the Issuer or the Guarantor offshore, which may be limited.

Accordingly, there can be no assurance that the PRC courts will recognize and enforce arbitration awards rendered by the HKIAC in connection with the Terms and Conditions, the Deed of Covenant or the Deed of Guarantee. Even if such arbitration awards are recognized in the PRC courts, Bondholders may have difficulty enforcing the awards against the onshore assets of CLCT.

Evolvement in the PRC legal and regulatory systems may affect CLCT and the Shanghai FTZ bond market.

As all of CLCT's properties are located in the PRC, its operation in the PRC is governed to a large extent by PRC laws and regulations. The PRC legal system is based on written statutes. Unlike the common law systems, past court judgments in the PRC have limited precedential value and may be cited only for reference. Furthermore, PRC written statutes often require detailed interpretations by courts, enforcement bodies and/or regulatory authorities for their interpretation, implementation and enforcement. As many of the PRC laws and regulations are relatively new and are still evolving, and because of the limited number and non-binding nature of published cases, the interpretation, implementation and enforcement of PRC laws and regulations may involve uncertainties and may be subject to changes. In addition, PRC laws and regulations governing the offering and trading of debt securities in the Shanghai FTZ, which are relatively new and still evolving, may also affect the demand, liquidity and value of bonds offered in the Shanghai FTZ, including the Bonds. As a result, CLCT's operations in China and the development of the Shanghai FTZ bond market may be affected by uncertainties and evolvement in legal and regulatory framework.

RISKS RELATING TO THE BONDS AND THE GUARANTEE

The Shanghai FTZ bond market is a recent development and such FTZ bonds cleared through CCDC will be subject to the operational procedures and requirements of CCDC.

Bond issuances in the Shanghai FTZ is a recent market development. FTZ bonds are cleared through CCDC and will be subject to the operational procedures and requirements of CCDC. CCDC is responsible for setting and has in place its own set of operational procedures and requirements for bond issuance, clearance and settlement, including rules concerning the transfer and registration of the bonds which are entered in CCDC. It also sets rules on who may invest and trade in the bonds issued in the Shanghai FTZ. See "*Risk Factors — Risks Relating to the Bonds – An investor needs to maintain an account with CCDC to invest in and trade the Bonds*". As the market continues to develop, CCDC's procedures and requirements may be amended from time to time. In addition, CCDC may, as it deems appropriate, amend the terms of the service agreements it has entered into with issuer and investor participants and such amendments would be binding. There are no assurances that CCDC's current operational procedures will remain unchanged during the term of these Bonds.

An investor needs to maintain an account with CCDC to invest in and trade the Bonds.

As the Bonds will initially be issued in registered uncertificated book-entry form entered in CCDC, an investor needs to maintain an account with CCDC in order to invest in the Bonds. While the Bonds are entered in CCDC, the Bonds can only be traded between investors who maintain accounts with CCDC. This requirement may make the Bonds difficult to trade and affect the liquidity of the Bonds.

The Bonds will be issued in registered uncertificated book-entry form entered in CCDC and accountholders of CCDC must rely on CCDC procedures.

The Bonds will be issued in registered uncertificated book-entry form entered in CCDC and will not be serially numbered. Pursuant to the Companies Act 1967 of Singapore, the Issuer will thereafter also issue a certificate in respect of the Bonds. CCDC will maintain records of the beneficial interests in the Bonds. While the Bonds are entered in CCDC, investors will be able to trade their beneficial interests only through CCDC to another person who maintains a securities account with CCDC. Except in the circumstances described in the Terms and Conditions, investors will not be entitled to receive definitive Certificates.

While the Bonds are recorded in CCDC, each payment in respect of the Bonds will be made to the person shown as the Bondholder in the books and records of CCDC at the close of business of CCDC on the CCDC Business Day before the due date for such payments in accordance with the rules of CCDC, where "**CCDC Business Day**" means a day (other than a public or statutory holiday) on which CCDC is open for business.

An accountholder of CCDC securities account who holds a beneficial interest in the Bonds must rely on the procedures of CCDC to receive payments under the Bonds. Each payment will be made to the

Renminbi free trade account maintained directly or indirectly by or on behalf of the accountholder of CCDC securities account with a bank that processes payments in Renminbi in the Shanghai FTZ ("**FTZ Account**") or outside the PRC as nominated from time to time by the Bondholder and the details of which appear in the books and records of CCDC for the purpose of the relevant payment. The Issuer and the Guarantor have no responsibility or liability for the records relating to, or payments made in respect of, beneficial interests in the Bonds.

Amounts received in a Bondholder's FTZ Account may be subject to certain restrictions.

As at the date of the Offering Circular, transactions in Renminbi and in foreign currencies can freely flow among FTZ Accounts and to overseas bank accounts (including bank accounts in Hong Kong, Macau and Taiwan) without being subject to prior approval or registration relating to foreign exchange regulation. In addition, Bondholders who are foreign-invested entities in the Shanghai FTZ would be able to convert their funds in their FTZ Accounts between Renminbi and foreign currencies according to the requirements of its actual business after settlement of foreign exchange conversion with a bank based in the Shanghai FTZ. However, there can be no assurance that the policies regarding foreign exchange regulation within the Shanghai FTZ will continue in the future. If the PRC Government (including the Shanghai FTZ government) were to restrict access to foreign currencies in the Shanghai FTZ in the future, payments of principal and interest under the Bonds into a Bondholder's FTZ Account may be subject to restrictions on foreign exchange conversion and/or offshore remittance. See the section titled "PRC Currency Regulation — Foreign Exchange Regulation in the Shanghai FTZ" for more information.

The Bonds and the Guarantee will be unsecured obligations.

As the Bonds and the Guarantee will be unsecured obligations of the Issuer and the Guarantor, respectively, the repayment of the Bonds and payment under the Guarantee may be compromised if:

- the Issuer or the Guarantor enters into bankruptcy, liquidation, reorganisation or other winding-up proceedings;
- there is a default in payment under the Issuer's or the Guarantor's secured indebtedness or other unsecured indebtedness; or
- there is an acceleration of any of the Issuer's or the Guarantor's indebtedness.

If any of these events were to occur, the Issuer's or the Guarantor's assets and any amounts received from the sale of such assets may not be sufficient to pay amounts due on the Bonds.

The Bonds may not be a suitable investment for all investors.

The Bonds may be purchased as a way to reduce risk or enhance yield with a measured and appropriate addition of risk to the investor's overall portfolios. A potential investor should not invest in the Bonds unless they have the expertise (either alone or with the help of a financial adviser) to evaluate how the Bonds will perform under changing conditions, the resulting effects on the value of such Bonds and the impact this investment will have on the potential investor's overall investment portfolio.

Additionally, the investment activities of certain investors are subject to legal investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal advisors to determine whether and to what extent (a) the Bonds are legal investments for it, (b) the Bonds can be used as collateral for various types of borrowing and (c) other restrictions apply to its purchase of any Bond. Financial institutions should consult their legal advisors or the appropriate regulators to determine the appropriate treatment of the Bonds under any applicable risk-based capital or similar rules.

Each potential investor in the Bonds must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor should:

- have sufficient knowledge and experience to make a meaningful evaluation of the Bonds, the merits and risks of investing in the Bonds and the information contained or incorporated by reference in this Offering Circular or any applicable supplement;

- have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Bonds and the impact such investment will have on its overall investment portfolio;

- have sufficient financial resources and liquidity to bear all of the risks of an investment in the Bonds;

- understand thoroughly the terms of the Bonds and be familiar with the behaviour of any relevant indices and financial markets; and

- be able to evaluate (either alone or with the help of a financial adviser) possible economic scenarios, such as interest rate and other factors which may affect its investment and the ability to bear the applicable risks.

An active trading market for the Bonds may not develop.

The Bonds will be a new issue of securities for which there is currently no trading market. Although approval in-principle has been received from the SGX-ST for the listing and quotation of the Bonds on the SGX-ST, no assurance can be given as to the ability of holders to sell their Bonds or the price at which holders will be able to sell their Bonds or that a liquid market will develop. The liquidity of the Bonds will be adversely affected if the Bonds are held or allocated to limited investors. None of the Managers is obligated to make a market in the Bonds, and if the Managers do so, they may discontinue such market making activity at any time at their sole discretion. In addition, the Bonds are being offered pursuant to exemptions from registration under the Securities Act and, as a result, holders will only be able to resell their Bonds in transactions that have been registered under the Securities Act or in transactions not subject to or exempt from registration under the Securities Act. No assurance can be given as to the liquidity of, or trading market for, the Bonds.

Investors in the Bonds may be subject to foreign exchange risks.

The Bonds will be denominated and payable in Renminbi. An investor who measures investment returns by reference to a currency other than Renminbi would be subject to foreign exchange risks by virtue of an investment in the Bonds, due to, among other things, economic, political and other factors over which the Issuer and the Guarantor have no control. Depreciation of the Renminbi against such currency could cause a decrease in the effective yield of the Bonds below their stated coupon rates and could result in a loss when the return on the Bonds is translated into such currency. In addition, there may be tax consequences for investors as a result of any foreign currency gains resulting from any investment in the Bonds.

The liquidity and price of the Bonds following the offering may be volatile.

The price and trading volume of the Bonds may be highly volatile. Factors such as variations in CLCT's turnover, earnings and cash flows, proposals for new investments, strategic alliances and/or acquisitions, changes in interest rates, fluctuations in price for comparable companies, changes in government regulations and changes in general economic conditions nationally or internationally could cause the price of the Bonds to change. Any such developments may result in large and sudden changes in the trading volume and price of the Bonds. There is no assurance that these developments will not occur in the future.

The market value of the Bonds may fluctuate.

Trading prices of the Bonds are influenced by numerous factors, including (i) the operating results and/or financial condition of CLCT and/or its subsidiaries (if any), associated companies (if any) and/or joint venture entities (if any), (ii) political, economic or financial conditions and (iii) the market for similar securities and any other factors that can affect the capital markets, the industry, CLCT and/or its subsidiaries (if any), associated companies (if any) and/or joint venture entities (if any) generally. Adverse economic developments, in Singapore as well as countries in which CLCT and/or its subsidiaries (if any), associated companies (if any) and/or joint venture entities (if any) operate or have business dealings, could have a material adverse effect on the Singapore economy and the economies in which CLCT and/or its subsidiaries (if any), associated companies (if any) and/or joint venture entities (if any) operate or have business dealings and the operating results and/or the financial condition of CLCT and/or its subsidiaries (if any), associated companies (if any) and/or joint venture entities (if any).

Developments in other markets may adversely affect the market price of the Bonds.

The market price of the Bonds may be adversely affected by declines in the international financial markets and world economic conditions. The market for the Bonds is, to varying degrees, influenced by economic and market conditions in other markets, especially those in Asia. Although economic conditions are different in each country, investors' reactions to developments in one country can affect the securities markets and the securities of issuers in other countries, including the PRC. Since the global financial crisis in 2008 and 2009, the international financial markets have experienced significant volatilities which may adversely affect the market price of the Bonds.

The Issuer may be unable to redeem the Bonds upon the due date for redemption thereof.

On the Maturity Date, the Bonds will be redeemed at their principal amount. Following (i) the termination of CLCT in accordance with the provisions of the CLCT Trust Deed, or (ii) the cessation or suspension of trading units of CLCT (together with (i), the "**Early Redemption Events**"), the Issuer (in the case of (i)) shall redeem all of the Bonds or (in the case of (ii)) may, at the option of any Bondholder, be required to redeem such Bondholder's Bonds. On the Maturity Date or if any of such Early Redemption Event were to occur, the Issuer and the Guarantor may not have sufficient cash in hand and may not be able to arrange financing to redeem the Bonds in time, or on acceptable terms, or at all. The ability to redeem the Bonds on the Maturity Date or in any of such events may also be limited by the terms of other debt instruments. The Issuer's failure to repay, repurchase or redeem tendered Bonds could constitute an event of default under the Bonds, which may also constitute a default under the terms of other indebtedness of the Issuer and/or the Guarantor.

If the Issuer, the Guarantor or CLCT is unable to comply with the restrictions and covenants in its debt agreements (if any), or the Bonds, there could be a default under the terms of these agreements, or the Bonds, which could cause repayment of other debt of the Issuer, the Guarantor or CLCT to be accelerated.

If the Issuer, the Guarantor or CLCT is unable to comply with the restrictions and covenants in the Bonds, or current or future debt obligations and other agreements (if any), there could be a default under the terms of these agreements. In the event of a default under these agreements, the holders of the debt could terminate their commitments to lend to the Issuer, the Guarantor or CLCT, accelerate repayment of the debt, declare all amounts borrowed due and payable or terminate the agreements, as the case may be. Furthermore, some of the debt agreements of the Guarantor or CLCT, contain cross-acceleration or cross-default provisions. As a result, the default by the Issuer, the Guarantor or CLCT under one debt agreement may cause the acceleration of repayment of debt, including the Bonds, or result in a default under its other debt agreements, including the Bonds. If any of these events occur, there can be no assurance that the assets of, or held on trust by HSBCIT for, CLCT and cash flows would be sufficient to repay all of the indebtedness of the Issuer, the Guarantor or CLCT in full, or that it would be able to find alternative financing. Even if the Issuer, the Guarantor or CLCT could obtain alternative financing, there can be no assurance that it would be on terms that are favourable or acceptable to the Issuer, the Guarantor or CLCT.

Enforcement against the Guarantor is subject to limitations.

Bondholders should note that the Bonds are neither issued nor guaranteed by CLCT, as it is not a legal entity. Bondholders should note that under the terms of the Bonds and the Guarantee, Bondholders shall only have recourse against the Issuer and the assets of, or held on trust for, CLCT over which HSBCIT, in its capacity as trustee of CLCT, has recourse and not to any personal or other assets of HSBCIT or any assets held by HSBCIT as trustee of any other trust. Furthermore, Bondholders do not have direct access to the assets of CLCT but may only have recourse to such assets through the Guarantor and if necessary seek to subrogate the Guarantor's right of indemnity out of the assets of CLCT, and accordingly, any claim of the Bondholders to such assets is derivative in nature. A Bondholder may need to go through lengthy court proceedings to exercise its right of subrogation, which could be limited by the Guarantor's right of indemnity under the CLCT Trust Deed. Bondholders should also note that such right of indemnity of the Guarantor may be limited or lost by virtue of fraud, gross negligence or wilful default of the Guarantor or breach of any provisions of the CLCT Trust Deed or breach of trust by the Guarantor.

Commencement of proceedings under applicable Singapore insolvency or related laws may result in a material adverse effect on Bondholders.

There can be no assurance that the Issuer, the Guarantor and/or CLCT will not become bankrupt, unable to pay its debts or insolvent or the subject of judicial management, schemes of arrangement, winding-up or liquidation orders or other insolvency-related proceedings or procedures. It is unclear whether Singapore insolvency and related laws applicable to companies can be applied to REITs. In the event that a REIT becomes insolvent, matters of procedures of winding-up, protection of creditors or bondholders, proprietary claims on the REIT's assets, priority of claims from creditors or bondholders, may be substantially different from those available to companies. Application of these laws may have a material adverse effect on Bondholders. Without being exhaustive, below are some matters that could have a material adverse effect on Bondholders:

1. Where any of the Issuer, the Guarantor or CLCT is insolvent or close to insolvent and the Issuer, the Guarantor or CLCT, as the case may be, undergoes certain insolvency procedures, there may be a moratorium against actions and proceedings which may apply in the case of judicial management, schemes of arrangement and/or winding-up in relation to the Issuer, the Guarantor or CLCT, as the case may be.

2. It may also be possible that if a company related to the Issuer, the Guarantor or CLCT, as the case may be, proposes a creditor scheme of arrangement and obtains an order for a moratorium, the Issuer, the Guarantor or CLCT, as the case may be, may also seek a moratorium even if the Issuer, the Guarantor or CLCT, as the case may be, is not itself proposing a scheme of arrangement.

3. These moratoriums can be lifted with court permission and in the case of judicial management, additionally with the permission of the judicial manager. Accordingly, if for instance there is any need for the Bondholders to bring an action against the Issuer, the Guarantor or CLCT, as the case may be, the need to obtain court permission or the judicial manager's consent may result in delays in being able to bring or continue legal proceedings that may be necessary in the process of recovery.

4. There are provisions in the CLCT Trust Deed allowing for the termination of CLCT. For example, the CLCT Manager may terminate CLCT if the net asset value of the deposited property of CLCT falls below a certain threshold or if at any time CLCT is delisted from the Official List of the SGX-ST. The CLCT Trustee may also terminate CLCT if the CLCT Manager goes into liquidation or if a receiver is appointed over any of the CLCT Manager's assets. The Bonds will be redeemed following some, but not all, of these events. See also "*The Issuer may be unable to redeem the Bonds upon the due date for redemption thereof*." However, cash flow insolvency of CLCT is not stipulated as a ground for termination. Further, even if any of these events were to occur, the CLCT Manager and the CLCT Trustee have the discretion to decide whether or not to terminate CLCT and may decline to do so, contrary to the view of creditors or Bondholders.

Further, Bondholders may be made subject to a binding scheme of arrangement where the majority in number representing 75 per cent in value of creditors and the court approve such scheme. In respect of company-initiated creditor schemes of arrangement, there are cram-down provisions that may apply to a dissenting class of creditors. The court may notwithstanding a single class of dissenting creditors approve a scheme provided an overall majority in number representing 75 per cent in value of the creditors meant to be bound by the scheme have agreed to it and provided that the scheme does not unfairly discriminate and is fair and equitable to each dissenting class and the court is of the view that it is appropriate to approve the scheme. In such scenarios, Bondholders may be bound by a scheme of arrangement to which they may have dissented.

The Insolvency, Restructuring and Dissolution Act 2018 of Singapore (the "**IRDA**") was passed in the Parliament of Singapore on 1 October 2018 and came into force on 30 July 2020. The IRDA includes a prohibition against terminating, amending or claiming an accelerated payment or forfeiture of the term under, any agreement (including a security agreement) with a company that commences certain insolvency or rescue proceedings (and before the conclusion of such proceedings), by reason only that the proceedings are commenced or that the company is insolvent. This prohibition is not expected to apply to any contract or agreement that is, or that is directly connected with, a debenture. However, it may apply to other related contracts that are not found to be directly connected to the Bonds.

A change in English law which governs the Bonds may adversely affect Bondholders.

The Terms and Conditions are governed by English law. No assurance can be given as to the impact of any possible judicial decision or change English law or administrative practice after the date of issue of the Bonds.

The Guarantor's ability to perform its obligations under the Guarantee is effectively dependent on cash flow of its subsidiaries and subordinated to the Guarantor's secured debt to the extent of the value of the collateral securing such indebtedness.

The Guarantor's ability to perform its obligations under the Guarantee is effectively dependent on cash flow of its subsidiaries. The Bonds will not be guaranteed by any of CLCT's subsidiaries or affiliates, and the Guarantor may not have direct access to the assets of such subsidiaries or affiliates unless these assets are transferred by dividend or otherwise to the Guarantor. The ability of such subsidiaries or affiliates to pay dividends or otherwise transfer assets to the Guarantor is subject to various restrictions under applicable laws. The Guarantor's subsidiaries and affiliates will be separate legal entities that have no obligation to pay any amounts due under the Bonds or the Guarantee or make any funds available therefore, whether by dividends, loans or other payments. The Guarantor's rights to receive assets of any of the Guarantor's subsidiaries or affiliates upon that subsidiary's or affiliate's liquidation or reorganisation will be effectively subordinated to the claim of that subsidiary's or affiliate's creditors (except to the extent that the Guarantor is creditor of that subsidiary). Consequently, the obligations of the Guarantor under the Bonds and the Guarantee will be effectively subordinated to all liabilities, including trade payables and lease obligations, of any subsidiaries or other affiliates in which the Guarantor owns equity interests that the Guarantor may in the future acquire or establish.

The Guarantee will be the Guarantor's unsecured obligations and will (i) rank at least equally in right of payment with all the Guarantor's other present and future unsecured and unsubordinated obligations; (ii) be effectively subordinated to all of the Guarantor's present and future secured indebtedness to the extent of the value of the collateral securing such obligations; and (iii) be senior to all of the Guarantor's present and future subordinated obligations, subject in all cases to exceptions as may be provided by applicable legislation. As a result, claims of secured lenders, whether senior or junior, with respect to assets securing their loans will be prior with respect to those assets. In the event of the Guarantor's bankruptcy, insolvency, liquidation, reorganisation, dissolution or other winding up, or upon any acceleration of the Bonds that triggers the Guarantee, these assets will be available to pay obligations on the Bonds only after all other debt secured by these assets has been repaid in full. Any remaining assets will be available to the Bondholders rateably with all of the Guarantor's other unsecured and unsubordinated creditors, including trade creditors. If there are insufficient assets remaining to pay all these creditors, then all or a portion of the Bonds then outstanding would remain unpaid.

Gains on the transfer of the Bonds and interest payable by the Issuer to Bondholders outside the PRC may be subject to income tax and VAT under PRC tax laws.

Under the EIT Law and its implementation rules, gains realised on the transfer of the Bonds by holders may be subject to PRC enterprise income tax if such holders are PRC resident enterprises under EIT Law, or if such holders are deemed as non-resident enterprises under the EIT Law and such gains are regarded as income derived from sources within the PRC. Under the EIT Law, a "resident enterprise" means an enterprise established within the PRC, or established outside the PRC but with its management organisation located within the PRC; a "non-resident enterprise" means an enterprise established under the laws of a jurisdiction other than the PRC and whose management organisation is not in the PRC, which either has established offices or premises in the PRC or has obtained income derived from sources within the PRC. Gains on the transfer of the Bonds by PRC resident enterprises will be subject to PRC enterprise income. For non-resident enterprises, there remains uncertainty as to whether the gains realised on the transfer of the Bonds by enterprise holders would be treated as incomes derived from sources within the PRC and be subject to PRC enterprise income tax. If such gains of non-resident enterprises are subject to PRC income tax, the 10 per cent enterprise income tax rate will apply unless there is an applicable tax treaty or arrangement that reduces or exempts such income tax for such non-resident enterprises. The taxable income will be the balance of the total income obtained from the transfer of the

Bonds minus all costs and expenses that are permitted under PRC tax laws to be deducted from the income. According to the Arrangement between the Mainland of the PRC and the Hong Kong Special Administrative Region for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with Respect to Taxes on Income (the "**Mainland-HK Arrangement**") which was promulgated on 21 August 2006, Bondholders who are Hong Kong residents will be exempted from PRC income tax on capital gains derived from a sale or exchange of the Bonds if such capital gains are not connected with an office or establishment that the Bondholders have in the PRC and all the other relevant conditions are satisfied.

VAT is unlikely to be applicable to any transfer of Bonds between entities located outside of the PRC and therefore unlikely to be applicable to gains realised upon such transfers of Bonds, but there is uncertainty as to the applicability of VAT if either the seller or buyer of Bonds is located in the PRC. Notice on Implementing the Pilot Program of Replacing Business Tax with Value-Added Tax in an All-round Manner (Cai Shui [2016] No. 36) (财政部、国家税务总局关于全面推开营业税改征增值税试点的通知(财税[2016]36 号)) ("**Circular 36**") together with other laws and regulations pertaining to VAT are relatively new, the interpretation and enforcement of such laws and regulations involve uncertainties.

If a non-resident Bondholder is required to pay any PRC income tax on interest or gains on the transfer of the Bonds, the value of the relevant Bondholder's investment in the Bonds may be materially and adversely affected.

In addition, as there are no specific regulations or guidelines relating to the issuance of cross-border debt securities in the Shanghai FTZ, there is uncertainty as to whether or not Shanghai FTZ resident investors will be treated as PRC tax resident. In the event that Shanghai FTZ resident investors holding the Bonds are treated as PRC resident enterprises, such holders will be subject to additional PRC taxes (or higher PRC tax rates) in relation to any interest income or gains realised on the transfer of the Bonds. Shanghai FTZ resident investors should further consult their own legal and tax advisors in relation to their EIT and IIT obligations.

The Bonds may be redeemed by the Issuer prior to maturity.

The Issuer may redeem the Bonds at its option, in whole but not in part, at a redemption price equal to their principal amount, together with interest accrued to the date fixed for redemption if, subject to certain conditions, as a result of a change in tax law, the Issuer has or will become obliged to pay Additional Tax Amounts, as further described in Condition 6(b) (*Redemption for Taxation Reasons*) of the Terms and Conditions.

If the Issuer redeems the Bonds prior to their Maturity Date, investors may not receive the same economic benefits they would have received had they held the Bonds to maturity, and they may not be able to reinvest the proceeds they receive in a redemption in similar securities. In addition, the Issuer's ability to redeem the Bonds may reduce the market price of the Bonds.

The Issuer may issue additional Bonds in the future.

The Issuer may, from time to time, and without the consent of the Bondholders, create and issue further bonds having the same terms and conditions as the Bonds in all respects (see "*Terms and Conditions of the Bonds — Further Issues*") or otherwise raise additional capital through such means and in such manner as it may consider necessary. There can be no assurance that such future issuance or capital raising activity will not adversely affect the market price of the Bonds.

Changes in market interest rates may adversely affect the value of the Bonds.

The Bonds will carry a fixed interest rate. The Bondholders may suffer unforeseen losses due to fluctuations in interest rates. Generally, a rise in interest rates may cause a fall in the prices of the Bonds, resulting in a capital loss for the Bondholders. However, the Bondholders may reinvest the interest payments at higher prevailing interest rates. Conversely, when interest rates fall, the prices of the Bonds may rise. The Bondholders may enjoy a capital gain but interest payments received may be reinvested at lower prevailing interest rates.

Changes in applicable Singapore tax legislations may adversely affect the investment return on the Bonds for certain Bondholders.

The Bonds are intended to be "qualifying debt securities" for the purposes of the Income Tax Act 1947 of Singapore pursuant to the MAS Circular FDD Cir 08/2023 entitled "Qualifying Debt Securities ("**QDS**") and Primary Dealer Schemes – Extension and Refinements" issued by the MAS on 31 May 2023, subject to the fulfilment of certain conditions more particularly described in the section "*Taxation – Singapore*".

However, there is no assurance that the Bonds will continue to enjoy the tax concessions in connection therewith should the relevant tax laws or MAS circulars be amended or revoked at any time.

Exchange rate risks and exchange regulation may result in investors receiving less interest or principal than expected.

The Issuer will pay principal, premium and interest on the Bonds in Renminbi. This presents certain risks relating to currency conversions if an investor's financial activities are denominated principally in a currency or currency unit (the "**Investor's Currency**") other than Renminbi. These include the risk that exchange rates may significantly change (including changes due to devaluation of Renminbi or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency may impose or modify exchange regulation. An appreciation in the value of the Investor's Currency relative to Renminbi would decrease (1) the Investor's Currency equivalent yield on the Bonds, (2) the Investor's Currency equivalent value of the principal payable on the Bonds and (3) the Investor's Currency equivalent market value of the Bonds. In addition, there may be tax consequences for investors as a result of any foreign currency gains resulting from any investment in the Bonds. Government and monetary authorities may impose (as some have done in the past) exchange regulation that could adversely affect an applicable exchange rate. As a result, investors may receive less interest or principal than expected, or no interest or principal.

Renminbi is not freely convertible; there are significant restrictions on remittance of Renminbi from other parts of the PRC into the Shanghai FTZ or otherwise outside the PRC.

Renminbi is not freely convertible at present. The PRC government continues to regulate conversion between Renminbi and foreign currencies, despite significant reduction in control by it in recent years over trade transactions involving import and export of goods and services as well as other frequent routine foreign exchange transactions. These transactions are known as current account items. Participating banks in Hong Kong, Macau, Singapore, Taiwan, Seoul, Frankfurt, London, Paris, Luxembourg, Doha and Toronto have been permitted to engage in the settlement of current account trade transactions in Renminbi under certain pilot schemes.

On the other hand, remittance of Renminbi by foreign investors into the PRC for the settlement of capital account items, such as capital contributions, is generally only permitted upon obtaining specific approvals from, or completing specific registrations or filings with, the relevant authorities on a case-by-case basis and is subject to a strict monitoring system. Regulations in the PRC on the remittance of Renminbi into the PRC for settlement of capital account items are still being developed.

Although starting from 1 October 2016, Renminbi has been added to the Special Drawing Rights basket created by the International Monetary Fund and policies further improving accessibility to Renminbi to settle cross-border transactions in foreign currencies were implemented by the PBOC in 2018, there can be no assurance that the PRC government will continue to liberalise control over cross-border remittance of Renminbi in the future, that any pilot schemes for Renminbi cross-border utilisation will not be discontinued or that new regulations in the PRC will not be promulgated in the future which will have the effect of restricting or eliminating the remittance of Renminbi into or outside the PRC. Despite Renminbi internationalisation pilot programme and efforts in recent years to internationalise the currency, there can be no assurance that the PRC government will not impose interim or long-term restrictions on the cross-border remittance of Renminbi. In the event that the Issuer, the Guarantor or CLCT cannot repatriate Renminbi funds from other parts of the PRC into the Shanghai FTZ or otherwise outside the PRC, it will need to source Renminbi in the Shanghai FTZ or outside the PRC to satisfy its obligations under the Bonds. As there is only limited availability of Renminbi outside the PRC, there is no assurance that the Issuer, the Guarantor and CLCT will be able to do so in a timely manner, or at all.

There is only limited availability of Renminbi outside the PRC, which may affect the ability of the Issuer, the Guarantor and CLCT to source Renminbi outside the PRC to service such Bonds.

As a result of the restrictions by the PRC government on cross-border Renminbi fund flows, the availability of Renminbi outside the PRC is limited. While the PBOC has entered into agreements on the clearing of Renminbi business with financial institutions in a number of financial centres and cities (the "**Renminbi Clearing Banks**") and is in the process of establishing Renminbi clearing and settlement mechanisms in several other jurisdictions (the "**Settlement Arrangements**"), the current size of Renminbi denominated financial assets outside the PRC is limited.

There are restrictions imposed by the PBOC on Renminbi business participating banks in respect of cross-border Renminbi settlement, such as those relating to direct transactions with PRC enterprises. Furthermore, Renminbi business participating banks do not have direct Renminbi liquidity support from the PBOC. The Renminbi Clearing Banks only have access to onshore liquidity support from the PBOC for the purpose of squaring open positions of participating banks for limited types of transactions and are not obliged to square for participating banks any open positions resulting from other foreign exchange transactions or conversion services. In such cases, the participating banks will need to source Renminbi from outside the PRC to square such open positions.

Although it is expected that the offshore Renminbi market will continue to grow in depth and size, its growth is subject to many constraints as a result of PRC laws and regulations on foreign exchange. There can be no assurance that new PRC regulations will not be promulgated or the Settlement Arrangements will not be terminated or amended in the future which will have the effect of restricting availability of Renminbi outside the PRC. To the extent the Issuer, the Guarantor or CLCT is required to source Renminbi outside the PRC to service the Bonds, there can be no assurance that they will be able to source such Renminbi on satisfactory terms, if at all.

TERMS AND CONDITIONS OF THE BONDS

The following, subject to modification and other than the text in italics, are the terms and conditions of the Bonds (as defined below). The language in italics sets out provisions which apply to the Bonds so long as the Bonds are recorded in CCDC (as defined below).

The CNY600,000,000 3.80 per cent guaranteed bonds due 2026 (the "**Bonds**", which expression, unless the context requires otherwise, includes any further bonds issued pursuant to Condition 13 and to be consolidated and forming a single series therewith) of CLCT MTN Pte. Ltd. (the "**Issuer**"), which are unconditionally and irrevocably guaranteed by HSBC Institutional Trust Services (Singapore) Limited (in its capacity as trustee of CapitaLand China Trust ("**CLCT**")) (the "**Guarantor**"), are constituted by, and have the benefit of, a deed of covenant (as amended, supplemented and/or replaced from time to time, the "**Deed of Covenant**") dated 17 October 2023 (the "**Issue Date**") executed by the Issuer and the Guarantor relating to the Bonds. The Bonds also have the benefit of a deed of guarantee (as amended, supplemented and/or replaced from time to time, the "**Deed of Guarantee**") dated the Issue Date executed by the Guarantor.

The issue of the Bonds was authorised by the resolutions of the board of directors of the Issuer dated 11 October 2023. The giving of the Guarantee was authorised by the resolutions of the board of directors of the Guarantor passed at the meeting of the board of directors of the Guarantor held on 24 November 2020 as supplemented by the change to the list of authorised signatories dated 27 September 2023 and the resolutions of the board of directors of CapitaLand China Trust Management Limited (the "**CLCT Manager**") dated 11 October 2023.

As the Bonds will be recorded in China Central Depository & Clearing Co., Ltd. (中央国债登记结算有限责任公司) ("**CCDC**") upon issue, an offshore bond issuer services agreement (离岸债券发行人服务协议) dated 13 September 2023 (as amended, supplemented and/or replaced from time to time, the "**Service Agreement**") has been entered into in relation to the Bonds between the Issuer and China Central Depository & Clearing Co., Ltd. Shanghai Branch (中央国债登记结算有限责任公司上海分公司) as principal agent and the other agents named in it. The Service Agreement is written in Chinese only and is governed by PRC laws. The principal agent, the registrar and any transfer agent for the time being are referred to below respectively as the "**Principal Agent**", the "**Registrar**" and the "**Transfer Agent**". "**Agents**" means the Principal Agent, the Registrar, the Transfer Agent and any other agent or agents appointed from time to time with respect to the Bonds. So long as CCDC acts as the Principal Agent and notwithstanding any provision to the contrary in these terms and conditions of the Bonds (the "**Conditions**") or the Deed of Covenant, CCDC has the right to amend the Service Agreement (including its rules and procedures which form part of the Service Agreement). In such case, the Issuer may accept CCDC's amendments to the Service Agreement without the consent of the Bondholders if to do so could not be reasonably expected to be materially prejudicial to the interests of the Bondholders.

Copies of the Service Agreement, the Deed of Covenant and the Deed of Guarantee are available for inspection at all reasonable times during normal business hours (being between 9:00 a.m. (Singapore time) and 3:00 p.m. (Singapore time), from Monday to Friday (other than public holidays)) by the Bondholders at the principal place of business of the Issuer (being as at the date of issue of the Bonds at 168 Robinson Road, #30-01 Capital Tower, Singapore 068912) following prior written request and proof of holding and identity satisfactory to the Issuer. The Bondholders are deemed to have notice of all the provisions of the Service Agreement (as may be amended by CCDC from time to time) and the Deed of Covenant applicable to them.

With respect to any Bond recorded in CCDC, these Conditions are modified by the rules and procedures of CCDC as in effect from time to time. Bondholders are deemed to be bound by and have notice of the provisions of the Service Agreement applicable to them and the rules and procedures of CCDC as in effect from time to time.

All capitalised terms that are not defined in these Conditions will have the meanings given to them in the Deed of Covenant.

1. FORM, SPECIFIED DENOMINATION AND TITLE

The Bonds are issued in the specified denomination of CNY20,000,000 and integral multiples of CNY1,000,000 in excess thereof (each a "**Specified Denomination**"). The Issuer shall procure a register of the Bondholders (the "**Register**") to be maintained in respect of the Bonds in accordance with the provisions of the Deed of Covenant and, where applicable, the Service Agreement. The Bonds are initially issued in registered form and recorded by entry in the Register and will not be serially numbered, unless otherwise agreed between the Issuer and the Principal Agent. No other certificate or evidence of title, other than the Deed of Covenant, will be issued by, or on behalf of, the Issuer to evidence title to a Bond unless the Issuer determines that other certificates or evidence of title in the Bonds (collectively, the "**Certificates**") should be made available, or is required by any applicable law or regulation.

The Bonds are debt obligations of the Issuer owing under the Deed of Covenant. Each entry in the Register constitutes a separate and individual acknowledgment to the relevant Bondholder of the indebtedness of the Issuer owed to the relevant Bondholder which the Bondholder to whom those separate and individual obligations are owed is entitled to enforce without having to join any other Bondholder or any predecessor to title of a Bondholder.

Title to the Bonds shall pass by transfer and registration in the Register as described in Condition 3. The Holder of any Bond shall (except as ordered by a court of competent jurisdiction or as otherwise required by law) be treated as its absolute owner for all purposes whether or not it is overdue and regardless of any notice of ownership, trust or an interest in it, any writing on the Certificate (other than the endorsed form of transfer) representing it or the theft or loss of such Certificate and no person shall be liable for so treating the Holder.

In these Conditions, "**holder**" (in relation to a Bond), "**Bondholder**" or "**Holder**" means the person in whose name a Bond is registered in the Register (or in the case of a joint holding, the first name thereof).

The Bonds will initially be issued in registered uncertificated book-entry form and recorded by book entry entered in CCDC. Pursuant to the Companies Act 1967 of Singapore, the Issuer will thereafter also issue a certificate in respect of the Bonds. No other certificate or evidence of title, other than the Deed of Covenant, will be issued by, or on behalf of, the Issuer to evidence title to a Bond unless the Issuer determines that other certificates or other evidence of title should be made available or it is required to do so pursuant to any applicable law or regulation. All requirements relating to Certificates (such as transfer, presentation or surrender of Certificates) in the Conditions shall only be applicable if definitive Certificates are issued.

*When the Bonds are recorded in CCDC, a "**holder**" (in relation to a Bond), "**Bondholder**" or "**Holder**" means the person in whose name an interest in the Bonds is entered on the books and records of CCDC and the principal amount of the Bonds shown in the books and records of CCDC as held by the Holder shall represent the entire holding of interest in the Bonds of that Holder.*

If the Bonds are recorded in CCDC, a Bondholder may, on or after the Exchange Date (as defined below), exchange its interest in the Bonds (as shown on the books and records of CCDC) in whole but not in part for definitive Certificates if CCDC is closed for business for a continuous period of

14 CCDC Business Days or announces an intention to permanently cease business or does in fact do so, or the Service Agreement is terminated.

*"**Exchange Date**" means a day falling not less than 60 days after the date on which the notice requiring exchange is given and on which banks are open for business in the China (Shanghai) Pilot Free Trade Zone.*

2. STATUS AND GUARANTEE

(a) **Status**

The Bonds constitute direct, unconditional, unsubordinated and unsecured obligations of the Issuer and shall at all times rank *pari passu*, without any preference or priority among themselves, and *pari passu* with all other present and future unsecured obligations (other than subordinated obligations and priorities created by law) of the Issuer from time to time outstanding.

(b) **Guarantee**

The Guarantor has unconditionally and irrevocably guaranteed the due payment of all sums expressed to be payable by the Issuer under the Bonds and the Deed of Covenant. The Guarantor's obligations in that respect (the "**Guarantee**") are set out in the Deed of Guarantee. The obligations of the Guarantor under the Guarantee shall, save for such exceptions as may be provided by applicable legislation and subject to Condition 4, at all times rank at least equally with all its other present and future unsecured and unsubordinated obligations.

3. TRANSFERS OF BONDS AND ISSUE OF CERTIFICATES

(a) **Register**

The Issuer will cause the register in respect of the Bonds (the "**Register**") to be kept by the Registrar in accordance with the terms of the agency agreement entered into between the Issuer and the Registrar, on which shall be entered the names and account numbers of the Holders and the particulars of the Bonds held by them and of all transfers of the Bonds.

*When the Bonds are recorded in CCDC, the "**Register**" means the books and records of CCDC recording the names of the Bondholders and the amount of interest in the Bonds held by each Bondholder and the agency agreement shall mean the Service Agreement.*

So long as the Bonds are entered in CCDC and CCDC is the appointed Registrar for the Bonds, the Issuer reserves the right to appoint a successor Registrar if for any reason CCDC as registrar ceases to function; provided, however, that the Issuer shall at all times maintain a registrar.

(b) **Transfer**

Subject to Conditions 3(e) and 3(f) herein and the provisions of the Service Agreement, a Bond may be transferred in whole or in part (in a Specified Denomination) by depositing the Certificate issued in respect of that Bond, with the form of transfer on the back of the Certificate duly completed and signed, at the specified office of either the Registrar or a Transfer Agent and with any other evidence as the Registrar or such Transfer Agent may require to prove the title of the transferor and the authority of the individuals who have executed such form of transfer.

In the case of a transfer of part only of a holding of Bonds represented by one Certificate (which shall be in a Specified Denomination), a new Certificate shall be issued to the transferee in respect of the part transferred and a further new Certificate in respect of the balance of the holding not transferred shall be issued to the transferor. In the case of a transfer of Bonds to a person who is already a Holder, a new Certificate representing the enlarged holding shall only be issued against surrender of the Certificate representing the existing holding. No transfer of title to a Bond will be valid unless and until entered on the Register. A Bond may not be transferred unless the principal amount of such Bonds to be transferred and (where not all of the Bonds held by a holder are being transferred) the principal amount of the balance of such Bonds not being transferred are equal to or more than a Specified Denomination.

Transfers and registration of interests in the Bonds recorded in CCDC must be in a Specified Denomination and will be effected in accordance with the rules and procedures of CCDC as in effect from time to time. Any transferee acquiring such interests in the Bonds recorded in CCDC will be required to have and maintain, directly or indirectly, an account with CCDC.

Where not all the Bonds in respect of a book-entry in CCDC are the subject of a transfer, a new book-entry in respect of the balance of the Bonds will be recorded in CCDC in accordance with the rules and procedures of CCDC as in effect from time to time.

So long as the Bonds are entered in CCDC and CCDC is the appointed Transfer Agent for the Bonds, the Issuer reserves the right to appoint a successor Transfer Agent if for any reason CCDC as transfer agent ceases to function; provided, however, that the Issuer shall at all times maintain a transfer agent.

(c) **Delivery of New Certificates**

Each new Certificate to be issued upon transfer of Bonds pursuant to Condition 3(b) shall be made available for delivery within seven business days of receipt by the Registrar or the relevant Transfer Agent of a duly completed form of transfer, surrender of the existing Certificate(s) and provision of any other evidence required by the relevant Transfer Agent or the Registrar pursuant to Condition 3(b). Delivery of the new Certificate(s) shall be made at the specified office of the relevant Transfer Agent or of the Registrar (as the case may be) to whom delivery or surrender of such form of transfer and Certificate shall have been made or, at the option of the Holder making such delivery or surrender as aforesaid and as specified in the relevant form of transfer or otherwise in writing, be mailed by uninsured post at the risk of the Holder entitled to the new Certificate to such address as may be so specified, unless such Holder requests otherwise and pays in advance to the relevant Transfer Agent or the Registrar (as the case may be) the costs of such other method of delivery and/or such insurance as it may specify.

In this Condition 3(c), "**business day**" means a day, other than a Saturday, Sunday or public holiday, on which commercial banks are generally open for business in the place of the specified office of the relevant Transfer Agent or the Registrar (as the case may be).

So long as the Bonds are recorded in CCDC, owners of interests in the Bonds will not be entitled to receive any Certificates.

(d) **Formalities Free of Charge**

Registration of a transfer of Bonds and issuance of new Certificates will be effected without charge by or on behalf of the Issuer or any Agent but upon (i) payment (or the giving of such indemnity and/or security and/or pre-funding as the Issuer or any Agent may require) in respect of any taxes, duties or other governmental charges which may be imposed in relation to such transfer; (ii) the Registrar or the relevant Transfer Agent being satisfied in its absolute discretion with the documents of title or identity of the person making the application; and (iii) the relevant Agent being satisfied that the regulations concerning transfer of Bonds have been complied with.

(e) **Closed Periods**

No Holder may require the transfer of a Bond to be registered (i) after any such Bond has been called for redemption, or (ii) during the period of seven days ending on (and including) any Record Date (as defined in Condition 7(a)(ii)).

So long as the Bonds are recorded in CCDC, the closed periods requirements shall follow the rules and procedures of CCDC as in effect from time to time.

(f) **Regulations**

All transfers of Bonds and entries on the Register will be made subject to the detailed regulations concerning transfer and registration of Bonds, the initial form of which is scheduled to the Deed of Covenant, including a requirement that the transferee represents and agrees in the form of transfer that it or the person who will have the beneficial interest in the relevant Bonds is a qualified investor under applicable laws and regulations. The regulations may be changed by the Issuer, with the prior written approval of the Registrar.

So long as the Bonds are recorded in CCDC, transfer of the Bonds will be effected in accordance with the rules and procedures of CCDC as in effect from time to time.

4. NEGATIVE PLEDGE

So long as any of the Bonds remains outstanding (as defined in the Deed of Covenant), neither the Issuer nor the Guarantor will , and each of the Issuer and the Guarantor will procure that none of the Principal Subsidiaries (as defined in Condition 9) will, create or have outstanding any security ("**Subsequent Security**") over any Existing Secured Assets (as defined below), which ranks in point of priority, completely after the security created over such Existing Secured Asset, except for any security created or outstanding with the prior consent of the Bondholder by way of an Extraordinary Resolution (as defined in the Deed of Covenant).

In these Conditions, "**Existing Secured Asset**" means any of the undertaking, assets, property or revenues or rights to receive dividends of the Issuer, the Guarantor and/or the Principal Subsidiaries over which a first ranking security by way of an assignment and/or a charge and/or mortgage exists at the time of creation of the Subsequent Security over such undertaking, assets, property or revenues.

For the avoidance of doubt, nothing in this Condition 4 shall prohibit:

(i) any new first ranking security to be created over any Existing Secured Asset (whether in connection with a refinancing or otherwise) provided that the security over such Existing Secured Asset is discharged contemporaneously with the creation of such new security; and

(ii) any first ranking security over any units or shares in any company, trust or other entity which are not secured notwithstanding that the undertaking, assets, property or revenues belonging to such company, trust or entity may be secured.

5. INTEREST

The Bonds bear interest on their outstanding principal amount from and including the Issue Date at the rate of 3.80 per cent. per annum, payable annually in arrear on 17 October in each year (each an "**Interest Payment Date**") commencing on 17 October 2024.

In these Conditions, the period beginning on and including the Issue Date and ending on but excluding the first Interest Payment Date and each successive period beginning on and including an Interest Payment Date and ending on but excluding the next succeeding Interest Payment Date is called an "**Interest Period**".

Interest in respect of any Bond shall be calculated per CNY1,000,000 in principal amount of the Bonds (the "**Calculation Amount**"). The amount of interest payable per Calculation Amount for any period shall be equal to the product of the rate of interest specified above, the Calculation Amount and the actual number of days in such period divided by 365, rounding the resulting figure to the nearest cent (half a cent being rounded downwards).

Each Bond will cease to bear interest from the due date for redemption unless, upon surrender of the Certificate representing such Bond, payment of principal or premium (if any) is improperly withheld or refused. In such event it shall continue to bear interest at such rate (both before and after judgment) until whichever is the earlier of (a) the day on which all sums due in respect of such Bond up to that day are received by or on behalf of the relevant Bondholder, and (b) the day falling seven days after the Principal Agent has notified Bondholders of receipt of all sums due in respect of all the Bonds up to that seventh day (except to the extent that there is failure in the subsequent payment to the relevant Bondholders under these Conditions).

So long as the Bonds are recorded in CCDC, the amount payable to each Bondholder upon redemption and the amount of interest in respect of their holdings of the Bonds will be calculated in accordance with their respective holdings as shown in CCDC's books and records at the time being, rounding the resulting figure to the nearest cent (half a cent being rounded downwards).

6. REDEMPTION AND PURCHASE

(a) Final Redemption

Unless previously redeemed, or purchased and cancelled as provided in this Condition 6, the Bonds will be redeemed at their principal amount on 17 October 2026 (the "**Maturity Date**"). The Bonds may not be redeemed at the option of the Issuer other than in accordance with this Condition 6.

(b) Redemption for Taxation Reasons

The Bonds may be redeemed at the option of the Issuer in whole, but not in part, at any time on giving not less than 30 nor more than 60 days' notice to the Bondholders (which notice shall be irrevocable), at their principal amount (together with interest accrued to (but excluding) the date fixed for redemption), if (i) the Issuer (or, if the Guarantee was called, the Guarantor) has or will become obliged to pay Additional Tax Amounts as provided or referred to in Condition 8, or increase the payment of such Additional Tax Amounts, as a result of any change in, or amendment to, the laws (or any regulations, rulings or other administrative pronouncements promulgated thereunder) of (A) Singapore, or (B) the PRC (including the China (Shanghai) Pilot Free Trade Zone) or, in each case, any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws, regulations, rulings or other administrative pronouncements, which change or amendment is made public on or after 12 October 2023, and (ii) such obligations cannot be avoided by the Issuer (or the Guarantor, as the case may be) taking reasonable measures available to it, *provided that* no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer (or the Guarantor, as the case may be) would be obliged to pay such Additional Tax Amounts were a payment in respect of the Bonds (or the Guarantee, as the case may be) then due. Prior to the publication of any notice of redemption pursuant to this paragraph, the Issuer shall deliver to the Principal Agent a certificate signed by two duly authorised signatories of the Issuer (or the Guarantor, as the case may be) stating that the Issuer is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of the Issuer to so redeem have occurred, and an opinion of independent legal advisers of recognised standing to the effect that the Issuer (or the Guarantor, as the case may be) has or is likely to become obliged to pay such Additional Tax Amounts as a result of such change or amendment.

(c) **Purchase**

The Issuer, the Guarantor and/or any of the respective related corporations of the Issuer, the Guarantor and CLCT may at any time purchase Bonds at any price in the open market or otherwise, provided that in any such case such purchase or purchases is in compliance with all relevant laws, regulations and directives. The Bonds so purchased, while held by or on behalf of the Issuer, the Guarantor and/or any of the respective related corporations of the Issuer, the Guarantor and CLCT shall not entitle the holder to vote at any meetings of the Bondholders and shall not be deemed to be outstanding for the purposes of calculating quorums at meetings of the Bondholders or for the purposes of Condition 9 and Condition 12.

Bonds purchased by the Issuer, the Guarantor and/or any of the respective related corporations of the Issuer, the Guarantor and/or CLCT may be surrendered by the purchaser to the Registrar for cancellation or may at the option of the Issuer, the Guarantor and/or relevant related corporation be held or resold.

For the purposes of these Conditions, "**directive**" includes any present or future directive, regulation, request, requirement, rule or credit restraint programme of any relevant agency, authority, central bank department, government, legislative, minister, ministry, official public or statutory corporation, self-regulating organisation, or stock exchange.

(d) **Redemption upon Termination of CLCT**

In the event that CLCT is terminated in accordance with the provisions of the CLCT Trust Deed (as defined in the Deed of Covenant), the Issuer shall redeem all (and not some only) of the Bonds at their principal amount together with interest accrued to (but excluding) the date fixed for redemption on any date on which interest is due to be paid on such Bonds or, if earlier, the date of termination of CLCT.

The Issuer shall forthwith notify the Principal Agent, the Registrar, the Transfer Agent and the Bondholders of the termination of CLCT.

(e) **Redemption upon Cessation or Suspension of Trading of Units of CLCT**

In the event that (i) the units of CLCT cease to be traded on the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") or (ii) trading in the units of CLCT on the SGX-ST is suspended for a continuous period of more than seven days (other than by reason of holiday, statutory or otherwise), the Issuer shall, at the option of the holder of any Bond, redeem such Bond at its principal amount together with interest accrued to (but excluding) the date fixed for redemption on any date on which interest is due to be paid on such Bonds or, if earlier, the date falling 45 days after (in the case of (i)) the date of cessation of trading or (in the case of (ii)) the business day immediately following the expiry of such continuous period of seven days.

To exercise such option, the holder must deposit the Certificate (if issued) representing such Bond(s) with the Registrar or the Transfer Agent at its specified office, together with a duly completed option exercise notice in the form as may be required from time to time by the Principal Agent, the Registrar or the Transfer Agent (as applicable), no later than 15 days prior to the date fixed for redemption. Any such option exercise notice so deposited may not be withdrawn without the prior consent of the Issuer.

(f) **Cancellation**

All Bonds purchased by or on behalf of the Issuer, the Guarantor and/or any of the respective related corporations of the Issuer, the Guarantor and CLCT may be cancelled at the option of the Issuer, the Guarantor and/or the respective related corporations of the Issuer, the Guarantor or CLCT holding such Bonds. Any Bonds or Certificates (if issued) so cancelled may not be reissued or resold.

(g) **No duty to monitor**

The Agents shall not be obliged to take any steps to ascertain whether a Potential Event of Default or Event of Default, or any event or circumstance which may lead to any of the foregoing, has occurred or may occur, or to monitor or to investigate the occurrence of any Potential Event of Default or Event of Default, or any event or circumstance which may lead to any of the foregoing. None of them shall be liable to the Bondholders, the Issuer or any other person for not doing so.

So long as the Bonds are recorded in CCDC, any redemption, purchase and cancellation of the Bonds will be effected in accordance with the rules and procedures of CCDC as in effect from time to time.

7. PAYMENTS

(a) **Method of Payment:**

(i) Payments of principal and premium (if any) and the interest shall be made in Renminbi by wire transfer to the registered account (as defined in Condition 7(a)(ii)) of the Bondholder.

(ii) Payment of any amount on each Bond shall be paid on the due date to the person shown on the Register at the close of business on the fifteenth day before the due date for payment thereof (the "**Record Date**"). For the purposes of this Condition 7, a Bondholder's "**registered account**" means the Renminbi free trade account maintained directly or indirectly by or on behalf of the Bondholder with a bank in the China (Shanghai) Pilot Free Trade Zone or outside the PRC, as nominated from time to time by the Bondholder and the details of which appear on the Register at the close of business on the Record Date.

(iii) If the amount of principal being paid is less than the amount then due, the Registrar will annotate the Register with the amount of principal so paid. If the amount of premium (if any) or interest being paid is less than the amount then due, the Registrar will annotate the Register with the amount of premium (if any) or interest so paid.

*Notwithstanding the foregoing, so long as the Bonds are recorded in CCDC, each payment in respect of the Bonds will be made into CCDC for distribution to the Bondholders. Each payment made by CCDC will be made to, or to the order of, the persons shown as the Bondholders on the books and records of CCDC at the close of business of CCDC on the CCDC Business Day immediately before the due date for such payment in accordance with the rules and procedures of CCDC, where "**CCDC Business Day**" means a day (other than a public or statutory holiday) on which CCDC is open for business.*

(b) **Payments subject to Fiscal Laws**: Payments will be subject in all cases to any fiscal or other laws and regulations applicable thereto in the place of payment, but without prejudice to the provisions of Condition 8 and any law implementing an intergovernmental approach thereto. No commission or expenses shall be charged to the Bondholders in respect of such payments.

(c) **Payment Initiation**: Payment instructions (for value on the due date or, if that is not a Payment Business Day, for value on the first following day which is a Payment Business Day) will be initiated on the due date for payment (or, if that date is not a Payment Business Day, on the first following day which is a Payment Business Day), or, in the case of payments of principal and premium (if any) where the relevant Certificate is required to be surrendered but has not been surrendered at the specified office of any Transfer Agent or of the Registrar, on the first Payment Business Day on which the Principal Agent is open for business and on or following which the relevant Certificate is surrendered.

So long as the Bonds are recorded in CCDC, payments of principal, premium (if any) and interest in respect of the Bonds will be made in accordance with the rules and procedures of CCDC as in effect from time to time.

(d) **Appointment of Agents**: The Agents act solely as agents of the Issuer and the Guarantor and do not assume any obligation or relationship of agency or trust for or with any Bondholder. The Issuer and the Guarantor reserve the right at any time to vary or terminate the appointment of the Principal Agent, the Registrar, any Transfer Agent or any of the other Agents and to appoint additional or other Agents, provided that the Issuer and the Guarantor shall at all times maintain (i) an agent in the China (Shanghai) Pilot Free Trade Zone to the extent required to administer their respective obligations under the Bonds or under applicable laws and regulations, (ii) a principal paying agent, (iii) a registrar and (iv) a transfer agent.

Notice of any such termination or appointment or any change of any specified office of an Agent shall promptly be given by the Issuer to the Bondholders in accordance with Condition 14.

(e) **Delay in Payment:** Bondholders will not be entitled to any interest or other payment for any delay after the due date in receiving the amount due on a Bond if the due date is not a Payment Business Day or if the Bondholder is late in surrendering or cannot surrender its Certificate (if required to do so).

(f) **Non-Payment Business Days:** If any date for payment in respect of any Bond is not a Payment Business Day, the Holder shall not be entitled to payment until the next following Payment Business Day nor to any interest or other sum in respect of such postponed payment.

In this Condition 7, "**Payment Business Day**" means a day (other than a Saturday, Sunday or public holiday) on which commercial banks and foreign exchange markets are generally open for business and settlement of Renminbi payments in Singapore, Beijing and the China (Shanghai) Pilot Free Trade Zone and (if surrender of the relevant Certificate is required) the relevant place of presentation.

*Notwithstanding the foregoing, so long as the Bonds are recorded in CCDC, "**Payment Business Day**" means "**CCDC Business Day**".*

8. TAXATION

All payments of principal, premium (if any) and interest by or on behalf of the Issuer or the Guarantor in respect of the Bonds or under the Guarantee shall be made free and clear of, and without deduction or withholding for or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or within (i) Singapore or (ii) the PRC (including the China (Shanghai) Pilot Free Trade Zone) or, in each case, any political subdivision or any authority therein or thereof having power to tax, unless such withholding or deduction is required by law.

Where such withholding or deduction is made by the Issuer (or the Guarantor, as the case may be) for or on account of any taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected withheld or assessed by or within the PRC (including the China (Shanghai) Pilot Free Trade Zone) up to and including the rate applicable on 12 October 2023 (the "**Applicable Rate**"), the Issuer (or the Guarantor, as the case may be) will increase the amounts paid by it to the extent required, so that the net amount received by Bondholders equals the amount which would otherwise have been receivable by them had no such withholding or deduction been required.

If the Issuer (or the Guarantor, as the case may be) is required to make a deduction or withholding for or on account of any tax, duty, assessment or governmental charge of whatever nature imposed, levied, collected, withheld or assessed by or within the PRC (including the China (Shanghai) Pilot Free Trade Zone) in excess of the Applicable Rate, then the Issuer (or the Guarantor, as the case may be) shall pay such additional amounts ("**Additional PRC Tax Amounts**") as will result in receipt by the Bondholders of such amounts as would have been received by them had no such withholding or deduction been required, except that no Additional PRC Tax Amounts shall be payable in respect of any Bond (or the Guarantee, as the case may be):

(i) by or on behalf of a holder who is subject to such taxes, duties, assessments or governmental charges by reason of his being connected with the PRC (including the China (Shanghai) Pilot Free Trade Zone) otherwise than by reason only of the holding of such Bond or the receipt of any sums due in respect of such Bond (including, without limitation, the holder being a resident of, or a permanent establishment in, the PRC (including the China (Shanghai) Pilot Free Trade Zone));

(ii) more than 30 days after the Relevant Date except to the extent that the holder thereof would have been entitled to such additional amounts on presenting the same for payment on the last day of such period of 30 days; or

(iii) by or on behalf of a holder who would be able to lawfully avoid (but has not so avoided) such deduction or withholding by making a declaration or any other statement including, but not limited to, a declaration of residence or non-residence but fails to do so.

If the Issuer (or the Guarantor, as the case may be) is required to make a deduction or withholding for or on account of any tax, duty, assessment or governmental charge of whatever nature imposed, levied, collected, withheld or assessed by or within Singapore, then the Issuer (or the Guarantor, as the case may be) shall pay such additional amounts ("**Additional Singapore Tax Amounts**") as will result in receipt by the Bondholders of such amounts as would have been received by them had no such withholding or deduction been required, except that no Additional Singapore Tax Amounts shall be payable in respect of any Bond (or the Guarantee, as the case may be):

(i) by or on behalf of a holder who is subject to such taxes, duties, assessments or governmental charges by reason of his being connected with Singapore otherwise than by reason only of the holding of such Bond or the receipt of any sums due in respect of such Bond (including, without limitation, the holder being a resident of, or a permanent establishment in, Singapore);

(ii) more than 30 days after the Relevant Date except to the extent that the holder thereof would have been entitled to such additional amounts on presenting the same for payment on the last day of such period of 30 days; or

(iii) by or on behalf of a holder who would be able to lawfully avoid (but has not so avoided) such deduction or withholding by making a declaration or any other statement including, but not limited to, a declaration of residence or non-residence but fails to do so.

If the Issuer (or the Guarantor, as the case may be) becomes subject at any time to any taxing jurisdiction other than (i) Singapore or (ii) the PRC (including the China (Shanghai) Pilot Free Trade Zone), references in these Conditions to (i) Singapore or (ii) the PRC (including the China (Shanghai) Pilot Free Trade Zone) shall be construed as references to (i) Singapore or (ii) the PRC (including the China (Shanghai) Pilot Free Trade Zone) and/or such other jurisdiction.

References in these Conditions to principal, premium (if any) and interest shall be deemed also to refer to any Additional PRC Tax Amounts and Additional Singapore Tax Amounts (together, the "**Additional Tax Amounts**") which may be payable under this Condition 8.

"**Relevant Date**" in respect of any Bond means the date on which payment in respect of it first becomes due or (if any amount of the money payable is improperly withheld or refused) the date on which payment in full of the amount outstanding is made or (if earlier) the date seven days after that on which notice is duly given to the Bondholders that, upon further surrender of the Certificate representing such Bond being made in accordance with these Conditions, such payment will be made, *provided that* payment is in fact made upon such surrender.

None of the Agents shall in any event be responsible for paying any tax, duty, charge, assessment, withholding, deduction or other payment referred to in this Condition 8 or otherwise in connection with the Bonds or for determining whether such amounts are payable or the amount thereof, and none of them shall be responsible or liable for any failure by the Issuer, the Guarantor, any Bondholder or any other person to pay such tax, duty, charge, assessment, withholding, deduction or other payment, or be responsible to provide any notice or information in relation to the Bonds or in connection with payment of such tax, duty, charge, assessment, withholding, deduction or other payment.

9. EVENTS OF DEFAULT

If any of the following events (each an "**Event of Default**") occurs, any Bond may, by written notice given to the Issuer (with a copy to the Principal Agent at its specified office) by holders of at least 25 per cent. in aggregate principal amount of the Bonds then outstanding or if so directed by an Extraordinary Resolution, be declared immediately due and payable whereupon it shall become immediately due and payable at their principal amount together (if applicable) with any accrued and unpaid interest:

(a) the Issuer and the Guarantor each does not pay any sum payable by it under the Bonds, the Deed of Covenant or the Deed of Guarantee within three business days of its due date;

(b) the Issuer or the Guarantor does not perform or comply with any one or more of their respective obligations (other than the payment obligation of the Issuer and the Guarantor (as the case may be) referred to in paragraph (a)) under the Deed of Covenant, the Deed of Guarantee or the Bonds which default (i) is incapable of remedy or, (ii) if is capable of remedy, is not remedied within 30 days after the written notice thereof has been given to the Issuer and the Guarantor (as the case may be) by any Bondholder with a copy to the Principal Agent at its specified office;

(c) any representation, warranty or statement by the Issuer or the Guarantor in the Deed of Covenant, the Deed of Guarantee or the Bonds or in any document delivered under the Deed of Covenant, the Deed of Guarantee or the Bonds is not complied with in any respect or is or proves to have been incorrect in any respect when made or deemed repeated and if the event resulting in such non-compliance is capable of remedy and not remedied within 30 days;

(d) (i) any other indebtedness of the Issuer, the Guarantor, CLCT or any of the Principal Subsidiaries in respect of borrowed money is or is declared to be due and payable prior to its stated maturity by reason of any event of default or the like (however described) or is not paid when due (or within any originally applicable grace period) or, as a result of any event of default or the like (however described), any facility relating to any such indebtedness is or is declared to be cancelled or terminated before its normal expiry date or any person otherwise entitled to use any such facility is not so entitled; or

(ii) the Issuer, the Guarantor, CLCT or any of the Principal Subsidiaries fails to pay when due, any amount payable by it under any present or future guarantee for, or indemnity in respect of, any moneys borrowed or raised,

provided however that no Event of Default will occur under this paragraph (d) unless and until the aggregate amount of the indebtedness in respect of which one or more of the events mentioned above in this paragraph (d) has/have occurred equals or exceeds S$50,000,000 or its equivalent in other currency or currencies;

(e) (i) the Issuer, the Guarantor, CLCT or any of the Principal Subsidiaries (1) is (or is deemed by law or a court to be) insolvent or unable to pay its debts, stops, suspends or threatens to stop or suspend payment of all or any material part of (or of a particular type of) its indebtedness (other than those contested in good faith and by appropriate proceedings), (2) begins negotiations or takes any other step with a view to the deferral, rescheduling or other readjustment of all or any material part of (or of a particular type of) its indebtedness (or of any material part which it will otherwise be unable to pay when due), (3) applies for a moratorium in respect of or affecting all or any material part of its indebtedness or (4) proposes or makes a general assignment or an arrangement or composition with or for the benefit of the relevant creditors or (ii) a moratorium is agreed, effected or declared or otherwise arises in respect of or affecting all or any material part of (or of a particular type of) the indebtedness or property of the Issuer, the Guarantor, CLCT or any of the Principal Subsidiaries;

(f) distress, attachment, execution or other legal process is levied, enforced or sued out on or against all or any material part of the assets of the Issuer, the Guarantor, CLCT or any of the Principal Subsidiaries and is not discharged or stayed within 30 days;

(g) any security on or over the whole or any material part of the assets of the Issuer, the Guarantor, CLCT or any of the Principal Subsidiaries becomes enforceable;

(h) a meeting is convened, a petition or originating summons is presented, an order is made or a resolution is passed for the winding-up or termination of the Issuer, the Guarantor, CLCT or any of the Principal Subsidiaries (except (i) for any petition or originating summons which is discontinued, withdrawn, dismissed or struck out within 30 days of the presentation of such petition or originating summons or (ii) (in the case of a Principal Subsidiary only) for the purpose of and followed by a reconstruction, amalgamation, reorganisation, merger or consolidation (1) which would not have a material adverse effect on the Issuer or (2) on terms approved by an Extraordinary Resolution of the Bondholders), or for the appointment of a liquidator (including a provisional liquidator), receiver, trustee, administrator, judicial manager, or similar officer over all or any material part of the assets of the Issuer, the Guarantor, CLCT or any of the Principal Subsidiaries;

(i) CLCT shall cease or threaten to cease to carry on its principal business of the ownership and operation of retail properties, business parks and logistics parks;

(j) an official order is made with a view to the seizure, compulsory acquisition, expropriation or nationalisation of all or any part of the assets of the Issuer, the Guarantor, CLCT or any of the Principal Subsidiaries or all or any part of the assets of the Issuer, the Guarantor, CLCT or any of the Principal Subsidiaries is seized, compulsorily acquired, expropriated or nationalised, and, in each case, such seizure, compulsory acquisition, expropriation or nationalisation will have a material adverse effect on the Issuer, the Guarantor or CLCT;

(k) any action, condition or thing (including the obtaining of any necessary consent) at any time required to be taken, fulfilled or done in order (i) to enable the Issuer or the Guarantor lawfully to enter into, exercise its rights and perform and comply with their respective obligations under the Deed of Covenant, the Deed of Guarantee and the Bonds, (ii) to ensure that those obligations are valid, legally binding and enforceable, (iii) to ensure that those obligations rank and will at all times rank in accordance with Condition 2 and (iv) to make the Deed of Covenant, the Deed of Guarantee and the Bonds admissible in evidence, in each case, is not taken, fulfilled or done, or any such consent ceases to be in full force and effect without modification or any condition in or relating to any such consent is not complied with (unless that consent or condition is no longer required or applicable);

(l) it is or will become unlawful for the Issuer or the Guarantor to perform or comply with any one or more of its obligations under the Deed of Covenant, the Deed of Guarantee or the Bonds;

(m) the Deed of Covenant, the Deed of Guarantee or the Bonds ceases for any reason (or is claimed by the Issuer or the Guarantor, not) to be the legal and valid obligations of the Issuer and the Guarantor (as the case may be), binding upon the Issuer and the Guarantor (as the case may be) in accordance with its terms;

(n) any litigation, arbitration or administrative proceeding (other than those which are of a frivolous or vexatious nature) is current or pending against the Issuer, the Guarantor, CLCT or any of the Principal Subsidiaries (i) to restrain the exercise of any of the rights and/or the performance or enforcement of or compliance with any of the obligations of the Issuer or the Guarantor under the Deed of Covenant, the Deed of Guarantee or the Bonds or (ii) which has or is reasonably likely to have a material adverse effect on the Issuer, the Guarantor or CLCT;

(o) if (i)(1) the CLCT Trustee (as defined in the Deed of Covenant) resigns or is removed; (2) an order is made for the winding-up of the CLCT Trustee or a receiver, judicial manager, administrator, agent or similar officer of the CLCT Trustee is appointed; and/or (3) there is a declaration, imposition or promulgation in Singapore or in any relevant jurisdiction of a moratorium, any form of exchange control or any law, directive or regulation of any agency or the amalgamation, reconstruction or reorganisation of the CLCT Trustee which prevents or restricts the ability of the Issuer or the Guarantor to perform its obligations under the Deed of Covenant, the Deed of Guarantee or the Bonds and (ii) the replacement or substitute trustee of CLCT is not appointed in accordance with the terms of the CLCT Trust Deed;

(p) the CLCT Manager (as defined in the Deed of Covenant) is removed pursuant to the terms of the CLCT Trust Deed, and the replacement or substitute manager is not appointed in accordance with the terms of the CLCT Trust Deed;

(q) any event occurs which, under the law of any relevant jurisdiction, has an analogous or equivalent effect to any of the events mentioned in paragraph (e), (f), (g), (h), (i) or (j);

(r) the Issuer, the Guarantor or any of the Principal Subsidiaries of CLCT is declared by the Minister of Finance of Singapore to be a declared company under the provisions of Part 9 of the Companies Act 1967 of Singapore; or

(s) the CLCT Trustee loses its right to be indemnified out of the assets of CLCT in respect of all liabilities, claims, demands and actions under or in connection with the Deed of Covenant or the Bonds.

In these Conditions:

"**business day**" as used in Condition 6 and Condition 9(a) means a day (other than a Saturday, Sunday or public holiday) on which (i) banks and foreign exchange markets are open for general business in the place of the specified office of the relevant Principal Agent and (ii) CCDC is operating.

"**Hong Kong**" means the Hong Kong Special Administrative Region of the People's Republic of China.

"**person**" means any individual, company, corporation, firm, partnership, limited liability company, joint venture, association, trust, unincorporated organisation or government or any agency or political subdivision thereof.

"**Potential Event of Default**" means an event or circumstance which could with the giving of notice, lapse of time, issue of a certificate and/or fulfilment of any other requirement provided for in Condition 9 become an Event of Default.

"**PRC**" means the People's Republic of China, which shall for the purpose of these Conditions only, exclude Hong Kong, the Macau Special Administrative Region of the People's Republic of China and Taiwan.

"**Principal Subsidiaries**" means any subsidiary of CLCT whose total assets, as shown by the accounts of such subsidiary (consolidated in the case of a company which itself has subsidiaries), based upon which the latest audited consolidated accounts of the Group have been prepared, are at least 20 per cent. of the total assets of the Group as shown by such audited consolidated accounts; provided that if any such subsidiary (the "**transferor**") shall at any time transfer the whole or a substantial part of its business, undertaking or assets to another subsidiary or CLCT (the "**transferee**") then:

(aa) if the whole of the business, undertaking and assets of the transferor shall be so transferred, the transferor shall thereupon cease to be a Principal Subsidiary and the transferee (unless it is the Issuer or the Guarantor) shall thereupon become a Principal Subsidiary; and

(bb) if a substantial part only of the business, undertaking and assets of the transferor shall be so transferred, the transferor shall remain a Principal Subsidiary and the transferee (unless it is the Issuer or the Guarantor) shall thereupon become a Principal Subsidiary.

Any subsidiary which becomes a Principal Subsidiary by virtue of (aa) above or which remains or becomes a Principal Subsidiary by virtue of (bb) above shall continue to be a Principal Subsidiary until the date of issue of the first audited consolidated accounts of the Group prepared as at a date later than the date of the relevant transfer which show the total assets of such subsidiary as shown by the accounts of such subsidiary (consolidated (if any) in the case of a company which itself has subsidiaries), based upon which such audited consolidated accounts have been prepared, to be less than 20 per cent. of the total assets of the Group, as shown by such audited consolidated accounts. A report by the auditors of CLCT, who shall also be responsible for producing any pro-forma accounts required for the above purposes, that in their opinion a subsidiary is or is not a Principal Subsidiary shall, in the absence of manifest error, be conclusive.

"**Subsidiary**" or "**subsidiary**" has the meaning ascribed to it in the Deed of Covenant.

10. PRESCRIPTION

Claims against the Issuer (or, if the Guarantee was called, the Guarantor) for payment in respect of the Bonds shall be prescribed and become void unless made within 10 years (in the case of principal or premium (if any)) or five years (in the case of interest) from the appropriate Relevant Date in respect of them.

11. REPLACEMENT OF CERTIFICATES

If any Certificate (if issued) is lost, stolen, mutilated, defaced or destroyed, it may be replaced, subject to applicable laws, regulations or other relevant regulatory authority regulations, at the specified office of the Registrar or such other Transfer Agent as may from time to time be designated by the Issuer for that purpose and notice of whose designation is given to Bondholders, in each case on payment by the claimant of the fees and costs incurred in connection therewith and on such terms as to evidence, security, indemnity and otherwise as the Issuer (*provided that* the requirement is reasonable in light of prevailing market practice), the Registrar or the relevant Transfer Agent (as the case may be) may require. Mutilated or defaced Certificates must be surrendered before replacements will be issued.

12. MEETINGS OF BONDHOLDERS, MODIFICATION, WAIVER AND AUTHORISATION

(a) Meetings of Bondholders

The Deed of Covenant contains provisions for convening meetings of the Bondholders to consider any matter affecting their interests, including without limitation the sanctioning by Extraordinary Resolution of a modification of any of these Conditions or any of the provisions of the Deed of Covenant or the Deed of Guarantee. Such a meeting may be convened by the Issuer, the Guarantor or Bondholders holding not less than 10 per cent. in aggregate principal amount of the Bonds for the time being outstanding. The quorum for any meeting convened to consider an Extraordinary Resolution will be two or more persons holding or representing more than 50 per cent. in aggregate principal amount of the Bonds for the time being outstanding, or at any adjourned meeting two or more persons being or representing whatever the principal amount of the Bonds held or represented unless the business of such meeting includes consideration of proposals, *inter alia*, (i) to modify the maturity date of the Bonds or the dates on which interest is payable in respect of the Bonds, (ii) to reduce or cancel the principal amount of, any premium payable on redemption of, or interest on, the Bonds, (iii) to change the currency of payment or denomination of the Bonds, (iv) to take any steps that may only be taken following approval by an Extraordinary Resolution to which the special quorum provisions apply, (v) to modify the provisions concerning the quorum required at any meeting of Bondholders or the majority required to pass an Extraordinary Resolution, (vi) to agree to CCDC's amendments to the Service Agreement that could be reasonably expected to be materially prejudicial to the interests of the Bondholders or (vii) to modify or cancel the Guarantee, in which case the necessary quorum for passing an Extraordinary Resolution will be two or more persons holding or representing not less than 75 per cent., or at any adjourned meeting not less than 25 per cent., in aggregate principal amount of the Bonds for the time being outstanding. Any Extraordinary Resolution duly passed shall be binding on Bondholders, whether or not they were present at the meeting at which such resolution was passed.

The Deed of Covenant provides that a resolution (i) in writing signed by or on behalf of the Bondholders of not less than 90 per cent. in aggregate principal amount of the Bonds for the time being outstanding or (ii) passed by Electronic Consent (as defined in the Deed of Covenant) shall for all purposes be as valid and effective as an Extraordinary Resolution passed at a meeting of Bondholders duly convened and held. Such a resolution in writing or via Electronic Consent may be contained in one document or several documents in the same form, each signed by or on behalf of one or more Bondholders. A resolution passed in writing or by Electronic Consent will be binding on all Bondholders whether or not they participated in such written resolution or Electronic Consent.

(b) **Modification of the Service Agreement and the Deed of Covenant**

The Issuer shall only permit any modification of, or any waiver or authorisation of any breach or proposed breach of or any failure to comply with, the Deed of Covenant, the Deed of Guarantee and Service Agreement, if (i) to do so could not reasonably be expected to be materially prejudicial to the interests of the Bondholders or (ii) such modification is of a formal, minor or technical nature or to correct a manifest error or to comply with any mandatory provision of law or regulation. Any such modification, authorisation or waiver shall be binding on the Bondholders and, shall be notified by the Issuer to the Bondholders as soon as practicable.

13. FURTHER ISSUES

The Issuer may from time to time without the consent of the Bondholders create and issue further bonds having the same terms and conditions as the Bonds in all respects (or in all respects except for the first payment of interest on them) and so that such further issue shall be consolidated and form a single series with the outstanding bonds of any series (including the Bonds) or upon such terms as the Issuer may determine at the time of their issue. References in these Conditions to the Bonds include (unless the context requires otherwise) any other bonds issued pursuant to this Condition 13 and forming a single series with the Bonds. Any further bonds forming a single series with the outstanding Bonds shall be constituted by a deed supplemental to the Deed of Covenant and shall be guaranteed by the Guarantor pursuant to a deed supplemental to the Deed of Guarantee.

14. NOTICES

Notices to the holders of the Bonds shall be valid if mailed to them at their respective addresses in the Register and deemed to have been given on the fourth weekday (being a day other than a Saturday, a Sunday or a public holiday) after the date of mailing.

So long as the Guarantor is listed on the SGX-ST or the Bonds are listed on the SGX-ST, notices given by the Issuer or the Guarantor to the holders of such Bonds shall also be valid if made by way of an announcement on the SGX-ST. Any such notice shall be deemed to have been given to the Bondholders on the date on which the said notice was uploaded as an announcement on the SGX-ST.

The Issuer and the Guarantor shall also ensure that any notice required by the rules and regulations of any stock exchange or other relevant authority on which the Bonds are for the time being listed is published in a manner that complies with such rules and regulations. Any notice shall be deemed to have been given, on the date of such publication or, if published more than once, on the first date on which publication is made.

Notwithstanding the foregoing, so long as the Bonds are recorded in CCDC, notices to the Bondholders shall be validly given by the delivery of the relevant notice to CCDC, for communication by it to the persons who have interests in the Bonds (as shown on the books and *records of CCDC) in substitution for notification as required by these Conditions and shall be deemed to have been given on the date of delivery to CCDC.*

15. CONTRACTS (RIGHTS OF THIRD PARTIES) ACT 1999

No person shall have any right to enforce any term or condition of the Bonds under the Contracts (Rights of Third Parties) Act 1999 but this shall not affect any right or remedy which exists or is available apart from such Act.

16. CURRENCY INDEMNITY

Renminbi is the sole currency of account and payment for all sums payable by the Issuer (or, if the Guarantee was called, the Guarantor) under or in connection with the Bonds, including damages. Any amount received or recovered in a currency other than Renminbi (whether as a result of, or of the enforcement of, a judgment or order of a court of any jurisdiction, in the insolvency, winding-up or dissolution of the Issuer or the Guarantor or otherwise) by any Bondholder in respect of any sum expressed to be due to it from the Issuer and the Guarantor (as the case may be) shall only constitute a discharge to the Issuer and the Guarantor (as the case may be) to the extent of the Renminbi amount which the recipient is able to purchase with the amount so received or recovered in that other currency on the date of that receipt or recovery (or, if it is not practicable to make that purchase on that date, on the first date on which it is practicable to do so). If that Renminbi amount is less than the Renminbi amount expressed to be due to the recipient under any Bond, the Issuer or the Guarantor shall indemnify it against any loss sustained by it as a result. In any event, the Issuer or the Guarantor shall indemnify the recipient against the cost of making any such purchase. For the purposes of this Condition, it will be sufficient for the Bondholder to demonstrate that it would have suffered a loss had an actual purchase been made. These indemnities constitute a separate and independent obligation from the Issuer's and the Guarantor's other obligations, shall give rise to a separate and independent cause of action, shall apply irrespective of any indulgence granted by any Bondholder and shall continue in full force and effect despite any other judgment, order, claim or proof for a liquidated amount in respect of any sum due under any Bond or any other judgment or order.

17. ACKNOWLEDGEMENT

(a) **Acknowledgement**

Notwithstanding any provision to the contrary in the Deed of Covenant, the Deed of Guarantee and the Bonds, the Bondholders acknowledge that HSBC Institutional Trust Services (Singapore) Limited ("**HSBCIT**") has entered into the Deed of Covenant and the Deed of Guarantee only in its capacity as trustee of CLCT and not in its personal capacity and all references to the Guarantor in the Deed of Covenant and the Deed of Guarantee and the Bonds shall be construed accordingly. Accordingly, notwithstanding any provision to the contrary in the Deed of Covenant, the Deed of Guarantee and the Bonds, HSBCIT has assumed all obligations under the Deed of Covenant, the Deed of Guarantee and the Bonds in its capacity as trustee of CLCT and not in its personal capacity and any liability of or indemnity, covenant, undertaking, representation and/or warranty given by the Guarantor under the Deed of Covenant, the Deed of Guarantee and the Bonds is given by HSBCIT only in its capacity as trustee of CLCT and not in its personal capacity and any power and right conferred on any receiver, attorney, agent and/or delegate under the Deed of Covenant, the Deed of Guarantee and the Bonds is limited to the assets of CLCT over which HSBCIT, in its capacity as trustee of CLCT, has recourse and shall not extend to any personal or other assets of HSBCIT or any assets held by HSBCIT as trustee of any other trust (other than CLCT). Any obligation, matter, act, action or thing required to be done, performed or undertaken by HSBCIT under the Deed of Covenant, the Deed of Guarantee the Bonds shall only be in connection with matters relating to CLCT (and shall not extend to the obligations of HSBCIT in respect of any other trust or real estate investment trust of which it is a trustee).

(b) **Corporate Obligations**

Notwithstanding any provision to the contrary in the Deed of Covenant, the Deed of Guarantee and the Bonds, the parties hereby acknowledge and agree that the Guarantor's obligations under the Deed of Covenant, the Deed of Guarantee and the Bonds will be solely the corporate obligations of HSBCIT and there shall be no recourse against the shareholders, directors, officers or employees of HSBCIT for any claims, losses, damages, liabilities or other obligations whatsoever in connection with any of the transactions contemplated by the provisions of the Deed of Covenant, the Deed of Guarantee and the Bonds.

(c) **Proceedings**

For the avoidance of doubt, any legal action or proceedings commenced against the Guarantor whether in Singapore, Hong Kong or elsewhere pursuant to the Deed of Covenant, the Deed of Guarantee and the Bonds shall be brought against HSBCIT in its capacity as trustee of CLCT and not in its personal capacity.

(d) **Applicability**

This Condition 17 shall survive the termination or rescission of the Deed of Covenant, the Deed of Guarantee and the Bonds. The provisions of this Condition 17 shall also apply, mutatis mutandis, to any notice, certificate or other document which the Guarantor may issue under or pursuant to the Deed of Covenant, the Deed of Guarantee and the Bonds, as if expressly set out therein.

18. GOVERNING LAW AND ARBITRATION

(a) **Governing Law**

The Deed of Covenant, the Deed of Guarantee and the Bonds and any non-contractual obligations arising out of or in connection with them are governed by, and shall be construed in accordance with, English law.

(b) **Arbitration**

(i) Any dispute, controversy, difference or claim arising out of or relating to any Bonds, the Deed of Covenant and the Deed of Guarantee ("**Proceedings**"), including the existence, validity, interpretation, performance, breach or termination thereof or any dispute regarding non-contractual obligations arising out of or relating to them shall be referred to and finally resolved by arbitration administered by the Hong Kong International Arbitration Centre (HKIAC) under the HKIAC Administered Arbitration Rules in force when the notice of arbitration is submitted.

(ii) The law of this arbitration clause shall be Hong Kong law.

(iii) The seat of arbitration shall be Hong Kong.

(iv) The arbitral tribunal shall consist of three (3) arbitrators. Each of (A) the Issuer and the Guarantor (acting together), as a party and (B) the Bondholders participating in the dispute as the other party, may appoint an arbitrator. Unless the parties agree otherwise, the third arbitrator, who shall act as chairman of the tribunal, shall be nominated by HKIAC.

(c) **Agent for Service of Process**

Each of the Issuer and the Guarantor has irrevocably appointed TMF Hong Kong Limited (as at Issue Date at 31st Floor, Tower Two, Times Square, 1 Matheson Street, Causeway Bay, Hong Kong) as its agent in Hong Kong to receive service of process in any Proceedings in Hong Kong based on any of the Bonds, the Deed of Covenant or the Deed of Guarantee. Such service shall be deemed completed on delivery to such process agent (whether or not it is forwarded to or received by the Issuer or the Guarantor, as the case may be). If for any reason the Issuer or the Guarantor ceases to have such an agent in Hong Kong, the Issuer or the Guarantor shall promptly appoint a new agent in Hong Kong to accept service of process and deliver to the Principal Agent a copy of the agent's acceptance of that appointment within 30 days of such cessation. Nothing herein shall affect the right to serve process in any other manner permitted by law.

(d) **Waiver of Immunity**

Each of the Issuer the Guarantor has waived any right to claim sovereign or other immunity from jurisdiction or execution and any similar defence, and has irrevocably consented to the giving of any relief or the issue of any process, including, without limitation, the making, enforcement or execution against any property whatsoever (irrespective of its use or intended use) of any order or judgment made or given in connection with any Proceedings.

SUMMARY OF PROVISIONS RELATING TO THE BONDS RECORDED IN CCDC

The Terms and Conditions contain provisions which apply to the Bonds while they are entered in CCDC. The following is a summary of certain of those provisions.

Terms defined in the Terms and Conditions set out in this Offering Circular have the meaning in the paragraphs below.

Form and Title

The Bonds will initially be issued in registered uncertificated book-entry form entered in CCDC. Pursuant to the Companies Act 1967 of Singapore, the Issuer will thereafter also issue a certificate in respect of the Bonds. No other certificate or evidence of title, other than the Deed of Covenant, will be issued by, or on behalf of, the Issuer to evidence title to a Bond unless other certificates or evidence of title in the Bonds (collectively, the "**Certificates**") should, in the opinion of the Issuer, be made available or is required by the Service Agreement or by any applicable law or regulation. A person in whose name an interest in the Bonds is entered on the books and records of CCDC is a holder and will be entitled to receive the Certificates if CCDC is closed for business for a continuous period of 14 business days (other than by reason of holidays, statutory or otherwise) or announces an intention permanently to cease business or does in fact do so.

Such exchange will be effected in accordance with the provisions of the Deed of Covenant and the regulations concerning the transfer and registration of the Bonds scheduled thereto and, in particular, shall be effected without charge to any holder of the Bonds, but against such indemnity and/or security and/or pre-funding as the Registrar or the relevant Agent may require in respect of any tax or other duty of whatsoever nature which may be levied or imposed in connection with such exchange.

Payment

So long as the Bonds are recorded in CCDC, payments of interest, principal and premium (if any) in respect of the Bonds will be made into CCDC for distribution to the Bondholders. Each payment in respect of the Bonds made by CCDC will be made to, or to the order of, the persons shown as holders of the Bonds in the books and records of CCDC at the close of business on the CCDC Business Day immediately before the due date for such payment in accordance with the rules and procedures of CCDC, where "**CCDC Business Day**" means a day (other than a public or statutory holiday) on which CCDC is open for business.

So long as the Bonds are recorded in CCDC, payments of principal, premium (if any) and interest in respect of the Bonds will be made in accordance with the rules and procedures of CCDC in effect from time to time.

Notices

So long as the Bonds are recorded in CCDC, notices to the Bondholders shall be validly given by the delivery of the relevant notice to CCDC, for communication by it to the persons who have interests in the Bonds (as shown on the books and records of CCDC) in substitution for notification as required by the Terms and Conditions and shall be deemed to have been given on the date of delivery to CCDC.

Bondholder's Redemption

The Bondholder's redemption option in Condition 6(e) (*Redemption upon Cessation or Suspension of Trading Units of CLCT*) of the Terms and Conditions may be exercised by or on behalf of the holders of the Bonds by giving notice to the Registrar or the Principal Agent at its specified office within the time limits specified in the Terms and Conditions.

Issuer's Redemption

The option of the Issuer provided for in Condition 6(b) (*Redemption for Taxation Reasons*) of the Terms and Conditions shall be exercised by the Issuer giving notice to the Principal Agent and the Bondholders within the time limits set out in and containing the information required by the Terms and Conditions.

The Issuer shall redeem all of the Bonds at their principal amount together with accrued interest in the event that CLCT is terminated as further described in Condition 6(d) (*Redemption upon Termination of CLCT*) of the Terms and Conditions.

Transfers

Transfers of interests in the Bonds entered in CCDC must be in a Specified Denomination and will be effected in accordance with the rules and procedures of CCDC in effect from time to time, and any transferee acquiring such interests in the Bonds will be required to, directly or indirectly, have and maintain an account with CCDC.

Cancellation

Cancellation of any Bond by the Issuer following its redemption or purchase by or on behalf of any of the Issuer or the Guarantor and/or any of the respective related corporations of the Issuer, the Guarantor and CLCT will be effected by a reduction in the principal amount of the Bonds in the Register.

So long as the Bonds are recorded in CCDC, any redemption, purchase and cancellation of the Bonds will be effected in accordance with the rules and procedures of CCDC as in effect from time to time.

SUMMARY OF KEY FEATURES OF CLCT

HISTORY AND BACKGROUND

CLCT is a REIT constituted by a trust deed and is principally regulated by the SFA and the CIS Code (including the Property Funds Appendix). The deed of trust constituting CLCT, the CLCT Trust Deed, was entered into on 23 October 2006 between the CLCT Manager and HSBCIT and was last amended and restated on 20 October 2020 and further supplemented on 26 January 2021 and 31 August 2023. Units in CLCT commenced trading on the SGX-ST on 8 December 2006.

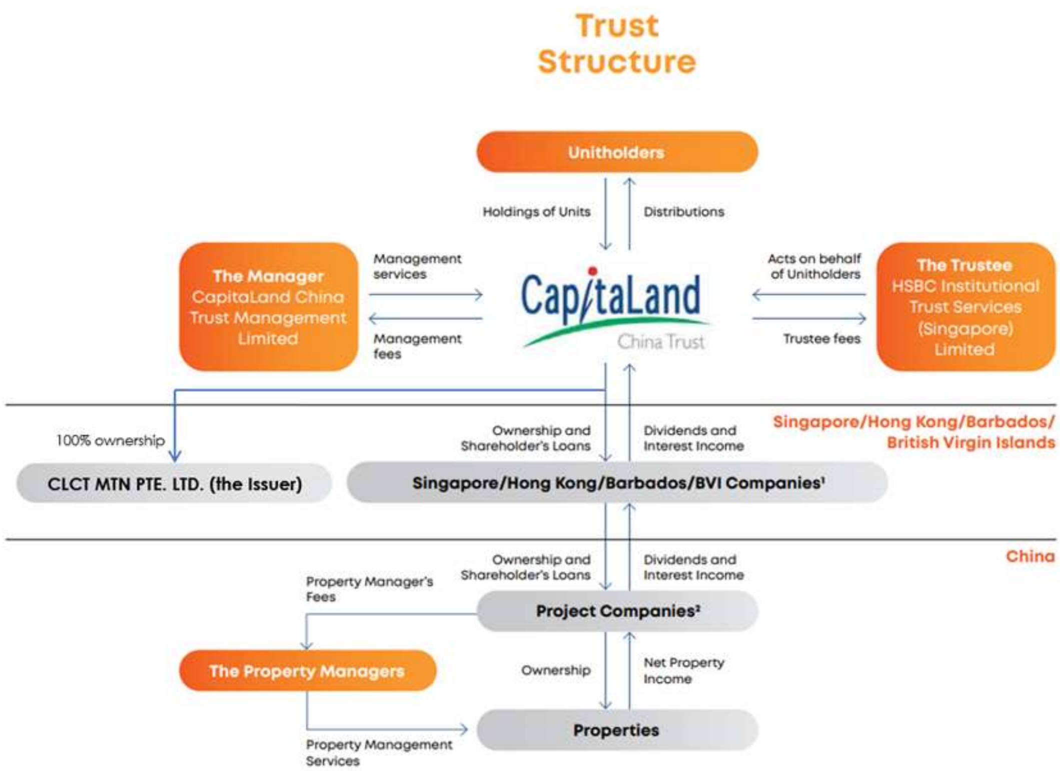
THE CLCT TRUST DEED

The terms and conditions of the CLCT Trust Deed shall be binding on each Unitholder (and persons claiming through such Unitholder) as if such Unitholder had been a party to the CLCT Trust Deed and as if the CLCT Trust Deed contains covenants by such Unitholder to observe and be bound by the provisions of the CLCT Trust Deed and an authorisation by each Unitholder to do all such acts and things as the CLCT Trust Deed may require the CLCT Manager and/or the CLCT Trustee to do.

The rights and interests of the Unitholders are contained in the CLCT Trust Deed. Under the CLCT Trust Deed, these rights and interests are safeguarded by the CLCT Trustee.

STRUCTURE OF CLCT

The following chart sets out the structure of CLCT and the roles and responsibilities carried out by each party:



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

THE TRUSTEE OF CLCT – HSBC INSTITUTIONAL TRUST SERVICES (SINGAPORE) LIMITED

The trustee of CLCT is HSBCIT. HSBCIT is a company incorporated in Singapore and registered as a trust company under the Trust Companies Act 2005 of Singapore. It is approved to act as a trustee for authorised collective investment schemes under the SFA. As at 31 December 2022, HSBCIT had a paid-up capital of S$5,150,000 and its registered address was 10 Marina Boulevard, Marina Bay Financial Centre, Tower 2 #48-01, Singapore 018983. The CLCT Trustee is independent of the CLCT Manager.

Powers, duties and obligations of the CLCT Trustee

The CLCT Trustee's powers, duties and obligations are set out in the CLCT Trust Deed. The principal powers and duties of the CLCT Trustee include:

- acting as the trustee of CLCT on behalf of the Unitholders and, in such capacity, safeguarding the rights and interests of the Unitholders;

- holding the assets of CLCT on trust for the benefit of the Unitholders in accordance with the CLCT Trust Deed; and

- exercising all the powers of a trustee and the powers that are incidental to the ownership of the assets of CLCT.

The CLCT Trustee has covenanted in the CLCT Trust Deed that it will exercise all due care, diligence and vigilance in carrying out its functions and duties, and in safeguarding the rights and interests of the Unitholders.

In the exercise of its powers under the CLCT Trust Deed, the CLCT Trustee may (on the recommendation of the CLCT Manager), and subject to the provisions of the CLCT Trust Deed, acquire or dispose of any property, borrow or encumber any asset.

The CLCT Trustee may, subject to the provisions of the CLCT Trust Deed, appoint and engage:

- any person or entity as may be necessary, usual or desirable for the purpose of exercising its powers or performing its obligations; and

- any real estate agents or managers or service providers or such other persons, including a related party of the CLCT Manager, in relation to the project management, development, leasing, lease management, marketing, property management, purchase or sale of any real estate assets and real estate-related assets.

The CLCT Trustee must at all times comply with any tax ruling issued or to be issued by the IRAS and/or Ministry of Finance of Singapore on the taxation of CLCT and the Unitholders (where applicable), the CIS Code, the Property Funds Appendix and the listing rules for the time being applicable to the listing of CLCT as an investment fund on the SGX-ST (and the listing rules of any other relevant recognised stock exchange). The CLCT Trustee must also duly perform and comply with all obligations imposed on it by any agreement it enters into as trustee of CLCT. It must retain CLCT's assets, or cause CLCT's assets to be retained in safe custody and cause CLCT's accounts to be audited. It can appoint valuers to value the assets of CLCT if it is of the opinion that it is in the best interests of Unitholders to do so.

The CLCT Manager may direct the CLCT Trustee to lend, borrow, raise money or obtain other financial accommodation for the purposes of CLCT, both on a secured and unsecured basis, subject to the CLCT Trust Deed and Property Funds Appendix. The CLCT Trustee may borrow or raise moneys through a treasury company.

The CLCT Trustee is not personally liable to a Unitholder in connection with the office of the CLCT Trustee except in respect of its own fraud, gross negligence, wilful default, breach of the CLCT Trust Deed or breach of trust by the CLCT Trustee. Any liability incurred and any indemnity to be given by the CLCT Trustee shall be limited to the assets of CLCT over which the CLCT Trustee has recourse, provided that the CLCT Trustee has acted without fraud, gross negligence, wilful default or breach of the CLCT Trust Deed. The CLCT Trust Deed contains certain indemnities in favour of the CLCT Trustee and its directors and officers under which they will not be liable to Unitholders or any other persons for certain acts or omissions provided that the CLCT Trustee had acted without fraud, gross negligence, wilful default, breach of the CLCT Trust Deed or breach of trust. These indemnities are subject to any applicable laws.

Retirement and replacement of the CLCT Trustee

The CLCT Trustee may retire or be replaced under the following circumstances:

(1) The CLCT Trustee shall not be entitled to retire voluntarily except upon the appointment of a new trustee (such appointment to be made in accordance with the provisions of the CLCT Trust Deed).

(2) The CLCT Trustee may be removed by notice in writing by the CLCT Manager in any of the following events:

  (a) if the CLCT Trustee goes into liquidation (except a voluntary liquidation for the purpose of reconstruction or amalgamation upon terms previously approved in writing by the CLCT Manager) or if a receiver is appointed over any of its assets or if a judicial manager is appointed in respect of the CLCT Trustee;

  (b) if the CLCT Trustee ceases to carry on business;

  (c) if the CLCT Trustee fails or neglects after reasonable notice from the CLCT Manager to carry out or satisfy any material obligation imposed on the CLCT Trustee by the CLCT Trust Deed;

  (d) if the Unitholders, by an Extraordinary Resolution (as defined in the CLCT Trust Deed) duly passed at a meeting of Unitholders held in accordance with the provisions contained in the CLCT Trust Deed decide that the CLCT Trustee be removed; and

  (e) if MAS directs that the CLCT Trustee be removed.

THE CLCT MANAGER – CAPITALAND CHINA TRUST MANAGEMENT LIMITED

The CLCT Manager, CapitaLand China Trust Management Limited, is an indirect wholly owned subsidiary of CapitaLand Investment Limited, one of Asia's largest real estate companies headquartered and listed in Singapore. The CLCT Manager is a company incorporated in Singapore.

The following chart sets out the organisational structure of the CLCT Manager:

On 1 August 2008, a new licensing regime for REIT managers was introduced by MAS. Under this licensing regime, a person conducting REIT management activities is required to hold a capital markets services licence pursuant to the SFA and to comply with the conditions of such licence. On 6 May 2015, the CLCT Manager obtained from the MAS a capital markets services licence to conduct REIT management.

The CLCT Manager has general powers of management over the assets of CLCT. The CLCT Manager's primary responsibility is to manage the assets and liabilities of CLCT for the benefit of Unitholders. The CLCT Manager's focus is on generating rental income and enhancing asset value over time so as to maximise returns from the investments of CLCT and ultimately the distributions and total returns to Unitholders.

The CLCT Manager sets the strategic direction of CLCT and makes recommendations to the CLCT Trustee on the acquisition, divestment or enhancement of the assets of CLCT in accordance with CLCT's stated investment strategy.

Other functions and responsibilities of the CLCT Manager include:

- Using its best endeavours to carry on and conduct CLCT's business in a proper and efficient manner.

- Acting in the best interests of CLCT and providing diligent and responsible management of the assets and liabilities of CLCT.

- Preparing annual business plans for review by the board of directors of the CLCT Manager (the "**CLCT Board**"). Such plans typically include forecasts on revenue, net income and capital expenditure, explanations of any 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.

- Ensuring compliance with the relevant laws and regulations, including the Listing Manual of the SGX-ST, the CIS Code, the 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 its Unitholders.

- Attending to all regular communications with Unitholders.

- Supervising the CLCT Property Manager, which performs the day-to-day property management functions (including leasing, marketing, promotion, co-ordination and property management) for the properties pursuant to the relevant Property Management Agreements (as defined herein).

The CLCT Manager may require the CLCT Trustee to borrow (upon such terms and conditions as the CLCT Manager thinks fit and, in particular, by charging or mortgaging all or any of the investments of CLCT) whenever the CLCT Manager considers, among other things, that such borrowings are necessary or desirable in order to enable CLCT to meet any liabilities or to finance the acquisition of any property. However, the CLCT Manager must not direct the CLCT Trustee to incur a borrowing if to do so would mean that CLCT's aggregate leverage would exceed the limits prescribed in the Property Funds Appendix, being:

(a) before 1 January 2022, 50 per cent of its deposited property; and

(b) on or after 1 January 2022, 45 per cent of its deposited property. CLCT's aggregate leverage may exceed 45 per cent of its deposited property (up to a maximum of 50 per cent) only if CLCT has a minimum adjusted interest coverage ratio[2] of 2.5 times after taking into account the interest payment obligations arising from the new borrowings.

In the absence of fraud, gross negligence, wilful default or breach of the CLCT Trust Deed by the CLCT Manager, the CLCT Manager shall not incur any liability by reason of any error of law or any matter or thing done or suffered or omitted to be done by it in good faith under the CLCT Trust Deed. In addition, the CLCT Manager shall be entitled for the purpose of indemnity against any actions, costs, claims, damages, expenses or demands to which it may be put as CLCT Manager to have recourse to the deposited property of any part thereof save where such action, cost, claim, damage, expense or demand is occasioned by the fraud, gross negligence, wilful default or breach of the CLCT Trust Deed by the CLCT Manager.

The CLCT Manager may, in managing CLCT and in carrying out and performing its duties and obligation under the CLCT Trust Deed, with the written consent of the CLCT Trustee, appoint such person(s) to exercise any or all of its powers and discretions and to perform all or any of its obligations under the CLCT Trust Deed, provided always that the CLCT Manager shall be liable for all acts and omissions of such persons as if such acts and omissions were its own.

The CLCT Manager appoints experienced and well-qualified personnel to run its day-to-day operations.

CapitaLand China Trust Management Limited was appointed as manager of CLCT in accordance with the terms of the CLCT Trust Deed.

Retirement and replacement of the CLCT Manager

The CLCT Trust Deed outlines certain circumstances under which the CLCT Manager can be removed. The CLCT Manager may be removed by notice in writing given by the CLCT Trustee in any of the following events:

- if the CLCT Manager goes into liquidation (except a voluntary liquidation for the purpose of reconstruction or amalgamation upon terms previously approved in writing by the CLCT Trustee) or if a receiver is appointed over any of its assets or a judicial manager is appointed in respect of the CLCT Manager;

- if the CLCT Manager ceases to carry on business;

[2] "Adjusted interest coverage ratio" means a ratio that is calculated by dividing the trailing 12 months earnings before interest, tax, depreciation and amortisation (excluding effects of any fair value changes of derivatives and investment properties, and foreign exchange translation), by the trailing 12 months interest expense, borrowing-related fees and distributions on hybrid securities.

- if the CLCT Manager fails or neglects after reasonable notice from the CLCT Trustee to carry out or satisfy any material obligation imposed on the CLCT Manager by the CLCT Trust Deed;

- if the Unitholders, by a resolution passed by a simple majority of Unitholders present and voting (with no Unitholders being disenfranchised) at a meeting of Unitholders duly convened and held in accordance with the provisions contained in Schedule 1 of the CLCT Trust Deed, decide that the CLCT Manager is to be removed;

- if for good and sufficient reason the CLCT Trustee is of the opinion, and so states in writing such reason and opinion, that a change of CLCT Manager is desirable in the interests of the Unitholders subject to the proviso set out in the CLCT Trust Deed; or

- if the MAS directs the CLCT Trustee to remove the CLCT Manager.

THE CLCT PROPERTY MANAGERS

In relation to each property, the relevant CLCT Property Manager has entered into property management agreements (each, a "**Property Management Agreement**") with the relevant Project Company. Each Project Company is a special purpose project company established either as a wholly foreign-owned enterprise in China or an equity joint venture whose primary purpose is to hold or own property located in China. Each Project Company also holds the relevant property under which the relevant CLCT Property Manager will provide, among other things:

- property management services for that property, subject to the overall management of the Project Company's property management services, including (i) establishing operating budgets and annual plans for the operation, management, marketing and maintenance of that property, (ii) operating and maintaining that property in accordance with such operating budgets and annual plans (and revisions thereof) and (iii) co-ordinating, reviewing and maintaining at all times certain insurance coverage with the assistance of insurance advisers; and

- lease management services, including (i) recommending leasing strategy and negotiating leases, licences and concessions, (ii) supervising and controlling all collections and receipts, payments and expenditure relating to that property, and (iii) lease administration.

Additionally, each CLCT Property Manager will have dedicated personnel for each property under management and also a centralised team of personnel that provides expertise on leasing, technical services, tenancy co-ordination, marketing and communications to CLCT's properties. This is to provide strategic support to CLCT's properties, for example, in establishing strategic relationships with key tenants and tenancy co-ordination work.

TERMINATION OF CLCT

Under the provisions of the CLCT Trust Deed, the duration of CLCT shall end on the earliest of:

- the date on which CLCT is terminated by the CLCT Manager in such circumstances as set out under the provisions of the CLCT Trust Deed, as described below; and

- the date on which CLCT is terminated by the CLCT Trustee in such circumstances as set out under the provisions of the CLCT Trust Deed, as described below.

The CLCT Manager may in its absolute discretion terminate CLCT by giving notice in writing to all Unitholders and the CLCT Trustee not less than three months in advance and to the MAS not less than seven days before the termination in any of the following circumstances:

- if any law shall be passed which renders it illegal or in the opinion of the CLCT Manager impracticable or inadvisable to continue CLCT;
- if the net asset value of the deposited property of CLCT shall be less than S$50.0 million after the end of the first anniversary of the date of the CLCT Trust Deed or any time thereafter; and
- if at any time CLCT becomes unlisted after it has been listed.

Subject to the SFA and any other applicable law or regulation, CLCT may be terminated by the CLCT Trustee by notice in writing in any of the following circumstances, namely:

- if the CLCT Manager shall go into liquidation (except a voluntary liquidation for the purpose of reconstruction or amalgamation upon terms previously approved in writing by the CLCT Trustee) or if a receiver is appointed over any of its assets or if a judicial manager is appointed in respect of the CLCT Manager or if any encumbrancer shall take possession of any of its assets or if it shall cease business and the CLCT Trustee fails to appoint a successor manager in accordance with the provisions of the CLCT Trust Deed;
- if any law shall be passed which renders it illegal or in the opinion of the CLCT Trustee impracticable or inadvisable to continue CLCT; or
- if within the period of three months from the date of the CLCT Trustee expressing in writing to the CLCT Manager the desire to retire, the CLCT Manager shall have failed to appoint a new trustee in accordance with the provisions of the CLCT Trust Deed.

The CLCT Trust Deed sets out the above circumstances under which CLCT may be terminated but does not stipulate procedures for creditors to enforce liquidation or winding up of CLCT. The Bonds will be redeemed upon termination of CLCT. See "*Risk Factors – Risks relating to the Bonds - Commencement of proceedings under applicable Singapore insolvency or related laws may result in a material adverse effect on Bondholders*".

The decision of the CLCT Trustee in any of the events specified above shall be final and binding upon all the parties concerned but the CLCT Trustee shall be under no liability on account of any failure to terminate CLCT pursuant to the paragraph above or otherwise. The CLCT Manager shall accept the decision of the CLCT Trustee and relieve the CLCT Trustee of any liability to it therefor and hold it harmless from any claims whatsoever on its part for damages or for any other relief.

Generally, upon the termination of CLCT, the CLCT Trustee shall, subject to any authorisations or directions given to it by the CLCT Manager or the Unitholders pursuant to the CLCT Trust Deed, sell the deposited property of CLCT and repay any borrowings incurred on behalf of CLCT (including the Bonds) in accordance with the CLCT Trust Deed (together with any interest accrued but remaining unpaid) as well as all other debts and liabilities in respect of CLCT before distributing the balance of the deposited property to the Unitholders in accordance with their proportionate interests in CLCT.

USE OF PROCEEDS

The gross proceeds from the offering of the Bonds will be CNY600,000,000. The net proceeds from the offering of the Bonds, being the gross proceeds less the commissions and other expenses payable in connection with the offering of the Bonds, will be on-lent to CLCT to refinance CLCT's existing indebtedness and/or to meet working capital requirements outside China.

CAPITALISATION AND INDEBTEDNESS

The following table sets forth the consolidated total indebtedness (both current and non-current portions), total equity and total capitalisation of CLCT as at 30 June 2023 (i) on an actual basis and (ii) on an adjusted basis to give effect to the Bonds to be issued. The summary consolidated financial information below should be read in conjunction with the CLCT's consolidated financial statements and the notes to those statements included elsewhere in this Offering Circular.

	As at 30 June 2023			
	Actual		As adjusted	
	(SGD)	(RMB)[1]	(SGD)	(RMB)[1]
	(in millions)			
Current indebtedness:				
Interest-bearing borrowings	112.0	598.8	12.1 [2]	64.7
Total current indebtedness	**112.0**	**598.8**	**12.1 [2]**	**64.7**
Non-current indebtedness:				
Interest-bearing borrowings	1,852.8	9,901.9	1,840.5[2]	9,835.7
Bonds to be issued[3]	—	—	112.3[1]	600.0
Total non-current indebtedness	**1,852.8**	**9,901.9**	**1,952.7**	**10,435.7**
Total indebtedness[4]	**1,964.8**	**10,500.7**	**1,964.8**	**10,500.4**
Net Assets:				
Unitholders' funds	2,242.9	11,986.6	2,242.9	11,986.6
Perpetual securities holders	99.6	532.3	99.6	532.3
Non-controlling interests	278.7	1,489.5	278.7	1,489.5
Net Assets	**2,621.2**	**14,008.4**	**2,621.2**	**14,008.4**
Total capitalisation[5]	**4,474.0**	**23,910.3**	**4,573.9**	**24,444.1**

Notes:

(1) For convenience only, all translations between Singapore dollars and Renminbi are made at the rate of RMB 5.3442 to S$1.00, based on the median rate published by the China Foreign Exchange Trade System on 30 June 2023.

(2) Reflecting the refinancing of certain borrowings with the proceeds of the Bonds.

(3) Represents the aggregate principal amount of the Bonds to be issued.

(4) Represents the sum of current indebtedness and non-current indebtedness.

(5) Total capitalisation represents the sum of total non-current indebtedness and net assets.

Except as otherwise disclosed in this Offering Circular, there has been no material change in the consolidated total capitalisation and total indebtedness of CLCT since 30 June 2023.

DESCRIPTION OF THE ISSUER

INCORPORATION

The Issuer is a wholly owned subsidiary of the CLCT Trustee and was incorporated on 18 August 2023 as a private company limited by shares under the Companies Act 1967 of Singapore (UEN: 202333406G). The registered office of the Issuer is located at 168 Robinson Road #30-01 Capital Tower Singapore (068912).

BUSINESS ACTIVITIES

The Issuer was established with full capacity to carry on or undertake any business or activity, do any act or enter into any transaction and has full rights, powers and privileges for the above purposes pursuant to its constitution. The Issuer provides financial and treasury services, on top of being an investment holding company, to CLCT and the CLCT Trustee. There are currently no material assets held by the Issuer and the Issuer has not, since its incorporation, engaged in any material activities other than those relating or incidental to its registration and the authorisation of documents and agreements as may be referred to in this Offering Circular.

DIRECTORS

As at the date of this Offering Circular, the directors of the Issuer are Mr. TAN Tze Wooi and Ms. TAN Siew Bee. Further information on the particulars and experience of the directors is set forth in the section titled *"Directors and Management of the CLCT Manager"*. As at the date of this Offering Circular, the Issuer does not have any employees.

SHARE CAPITAL

The issued and paid-up share capital of the Issuer is S$1.00. As at the date of this Offering Circular, no part of the equity securities of the Issuer is listed or dealt on any stock exchange and no listing or permission to deal in such securities is being or is proposed to be sought. As at the date of this Offering Circular, the Issuer has no subsidiaries.

LEGAL PROCEEDINGS

As at the date of this Offering Circular, the Issuer is not involved in any litigation or arbitration proceedings, and it is not aware of any pending or threatened actions against it.

DESCRIPTION OF CLCT

OVERVIEW

CLCT is the first China shopping mall REIT listed in Singapore and the largest China-focused REIT in Singapore. It was 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 purposes. CLCT was listed on the Mainboard of the SGX-ST on 8 December 2006.

On 30 September 2020, CLCT Manager announced the expansion of CLCT's investment strategy beyond the retail sector to include office and industrial sectors (including business parks, logistics facilities, data centres and integrated developments). The expanded investment strategy has made CLCT the dedicated Singapore-listed REIT for CapitaLand Group's non-lodging China business, with acquisition pipeline access to CapitaLand China's assets. CLCT also has exposure to an expanded universe of third-party assets of various asset classes that CLCT would independently source and identify, allowing CLCT to seize new opportunities in the growing China real estate market.

CLCT is managed by an external manager, CLCT Manager, which is an indirect wholly owned subsidiary of CLI, a leading global real estate investment manager with a strong Asia foothold.

As at 30 June 2023, CLCT's portfolio consisted of 11 shopping malls, five business parks and four logistics parks, with total assets of approximately S$5.2 billion. The geographically diversified portfolio has a total GFA of approximately 2.0 million sq.m., located across 12 leading Chinese cities. As at 30 June 2023, the occupancy rate of CLCT's portfolio was 93.1 per cent.

- The 11 retail properties are strategically located in densely populated areas with good connectivity to transportation amenities, which provide stable recurring shopper footfall. The malls are positioned as one-stop family-oriented destinations that offer essential services and house a wide range of lifestyle offerings that cater to varied consumer preferences in shopping, dining and entertainment. The retail tenant portfolio in CLCT comprises a diverse mix of leading brands including ZARA, UNIQLO, Xiaomi, Li-Ning, Haidilao, Nanjing Impressions, TANYU, Nike, Sephora, Starbucks Coffee and Chow Tai Fook. The malls are CapitaMall Xizhimen, CapitaMall Wangjing, CapitaMall Grand Canyon and CapitaMall Shuangjing in Beijing; Rock Square in Guangzhou; CapitaMall Xinnan in Chengdu; CapitaMall Qibao[3] in Shanghai; CapitaMall Nuohemule in Hohhot; CapitaMall Xuefu and CapitaMall Aidemengdun in Harbin; and CapitaMall Yuhuating in Changsha. As at 30 June 2023, the occupancy rate of CLCT's retail portfolio was 96.8 per cent.

- CLCT has a portfolio of five business parks that is situated in high-growth economic zones, with high-quality and reputable domestic and multinational corporations operating in new economy sectors such as biomedical, electronics, engineering, e-commerce, information and communications technology and financial services. The business parks and industrial properties exhibit excellent connectivity to transportation hubs, and are easily accessible via various modes of transport. The properties are Ascendas Xinsu Portfolio in Suzhou; Ascendas Innovation Towers and Ascendas Innovation Hub in Xi'an; and Singapore-Hangzhou Science & Technology Park Phase I and Phase II in Hangzhou. As at 30 June 2023, the occupancy rate of CLCT's business park portfolio was 91.5 per cent.

- The portfolio of four high-quality modern logistics parks is located in key logistics hubs near transportation nodes such as seaports, airports and railways to serve the growing domestic

[3] The CapitaMall Qibao had ceased operations at the end of March 2023.

logistic needs of China's Eastern, Central and Southwest regions. Fitted with high-tech and modern features to meet a wide range of e-commerce and logistics requirements, the properties are anchored by strong domestic tenants, including China's leading technology-driven supply chain solutions and logistics services providers. The tenants cater to a variety of sectors from logistics and warehouse, pharmaceuticals, manufacturing to e-commerce. The properties are Shanghai Fengxian Logistics Park in Shanghai; Kunshan Bacheng Logistics Park in Kunshan; Wuhan Yangluo Logistics Park in Wuhan; and Chengdu Shuangliu Logistics Park in Chengdu. As at 30 June 2023, the occupancy rate of CLCT’s logistics park portfolio was 91.2 per cent.

COMPETITIVE STRENGTHS

CLCT believes that its competitive strengths outlined below are important to its success and future development:

Competitive strengths of the properties

- *Strategically located and well positioned for future growth*

  The current portfolio of quality shopping malls is strategically located in large, well-established and growing population catchment areas with access to public transportation facilities such as metro lines, additional train stations and bus stations for both local and inter-provincial transport routes. Each of these properties offer a one-stop shopping mall experience encompassing a wide array of goods and services including family-oriented shopping, dining and entertainment options.

  The business parks and industrial properties are situated in Tier 2 and provincial cities in China in well-established zones with attractive micro-location characteristics, exhibiting excellent connectivity with close proximity to transportation hubs, and are easily accessible via various modes of transportation.

  The portfolio of logistic park properties is strategically located in key logistics hubs, located near seaports, airports and railways that serve the Eastern, Central and Western China regions. The portfolio comprises of high-quality grade A properties that meet a wide range of modern logistics requirements supported by rising urban population, household income and domestic consumption trend that would drive domestic production, distribution and consumption.

- *Diversification in geography, trade sectors and tenant base*

  The properties are located in various cities of China, providing exposure to the rapidly expanding retail, office and industrial markets of Beijing, Chengdu, Shanghai, Changsha, Hohhot, Guangzhou, Xi’an, Suzhou, Hangzhou, Harbin, Wuhan, and Kunshan. The geographical diversification of the properties reduces CLCT’s dependence on any single regional market and, accordingly, enhances the stability of future earnings.

  The shopping malls benefit from the well-established brand names of their anchor tenants and their market leadership in their respective trade sectors. A significant portion of the properties’ tenancies in the shopping malls consists of major international and domestic companies such as Bestseller Group of Companies, Beijing Hualian Group and Walmart Inc. These shopping malls have a diverse mix of leading brands including ZARA, UNIQLO, Xiaomi, Li-Ning, Haidilao, Nanjing Impressions, TANYU, Nike, Sephora, Starbucks Coffee and Chow Tai Fook. These tenants represent a wide variety of consumer trade sectors and provide trade and product diversification for the shopping malls.

The business parks also enjoy an established tenant base largely from emerging growth sectors. The business parks feature numerous high quality and reputable domestic companies and multinational corporations such as Ping An Life Insurance Company of China, Nexteer Automotive Systems, UniIC, and many other leading key tenants that operate in innovation-based industries such as financial and professional services, information and communications technology, electronics and engineering sectors. As a key beneficiary of emerging growth sectors, coupled with the Chinese government's commitment to invest in strategic industries such as information technology, industrial robotics and biomedical sectors, which tend to be key tenants of China's business parks, the business parks are positioned for growth.

The logistics portfolio further increases contribution from New Economy assets and reduces income concentration from retail portfolio. It also helps to enhance trade sector mix towards logistics and e-commerce, which are complimentary to shopping mall business.

- *Alignment with governmental policies*

Through China's 14th Five-Year Plan (2021 – 2025) plans to strength domestic market and consumption, achieving technological independence and enhancing strength to become a manufacturing powerhouse and promoting green initiatives, CLCT's portfolio of retail properties, business park properties and logistic park properties in China are well positioned to benefit from preferential policy supported by key economic policies and initiatives.

- *Driving Sustainability*

To continue its efforts in improving ESG performance to create long-term economic value for its stakeholders, in 2022, CLCT has focused on enhancing its environmental performance by attaining green building certificates and implementing green leases across its portfolio. It has obtained Leadership in Energy and Environmental Design (LEED) Gold certificate for CapitaMall Wangjing and Rock Square in 2022. In 2023, CLCT obtained LEED Gold certification for CapitaMall Xizhimen, Ascendas Innovation Towers, Ascendas Innovation Hub and Singapore-Hangzhou Science & Technology Park Phase I. On the financing front, CLCT has also enhanced its financial flexibility and resilience through sustainable financing, partnering with its network of financial institutions to bring its total sustainability-linked loans to 13 per cent of its total outstanding loans as at 31 December 2022 and 28 per cent as at 30 June 2023.

- *High quality business parks*

The business parks are high quality assets with features and facilities favoured by high-growth, innovation-based industries. 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 CLCT's business park properties. The business parks offer various size and space choices with desired building specifications at attractive rents, supporting tenants and park growth. In addition, industry clusters are built up across the value chain, reducing proximity of upstream and downstream tenants, thereby encouraging a collaborative environment. These qualities, coupled with a vast green communal landscape, provide a campus-style workplace that is attractive for typical tenants in high-growth and innovation-based industries.

- *Favourable retail lease structure with upside potential*

CLCT's favourable retail lease structure provides a stable and growing rental cash flow. Retail gross rental income ("**GRI**") comprises base rental income, service fee and advertising and promotion fee. As at 31 December 2022, approximately 83.4 per cent of the leases (by GRI) of CLCT's shopping malls contain turnover rent provisions, which enables CLCT to capture the upside and participate in the growth of high performing tenants while providing stable base rent. A majority of the leases for anchor and mini anchor tenants are also structured with annual escalations, providing further stable organic growth to income stream.

- *Potential for asset enhancement in the future*

  The CLCT Manager may identify potential asset enhancement opportunities for the properties to enhance and improve their operating returns, subject to it obtaining the requisite approvals from the relevant authorities.

Scale and Diversification

CLCT is Singapore's largest China-focused REIT with total assets of approximately S$5.2 billion and a well-diversified portfolio of quality properties, presenting CLCT with a balanced exposure across retail, business parks and industrial assets, as well as across geographies and trade sectors. Different real estate asset classes also have varying cycles of rental growth, occupancy rates, and other market specific risks. Such asset class diversification allows CLCT to diversify its revenue stream and gain exposure to a more extensive pool of tenants across the sectors, and with multi-asset classes in CLCT's portfolio, CLCT is equipped with flexibility in portfolio reconstitution across market cycles.

Experienced professional management

CLCT benefits from a management team with executive officers who have long and proven track records in managing, investing in, developing and enhancing retail, office and industrial properties (including business parks, logistics facilities, data centres and integrated developments), as well as in-depth understanding of and experience in running a public company.

CLCT's management team consists of highly experienced multi-disciplinary professionals who are able to deliver a steady cash-flow and maximise property returns to investors. The CLCT Manager has a strong track record in delivering stable distributions and sustainable total returns to the investors.

Efficient capital management

CLCT's optimal capital management strategy and relatively conservative debt structure are in line with its long-term REIT investors' preferences and provide earnings stability in a rising interest rate environment. It maintains a strong balance sheet with a well-staggered debt maturity profile and diversified sources of funding. As at 30 June 2023, CLCT's total borrowing was approximately S$2.0 billion, with gearing at 40.2 per cent and a healthy interest coverage ratio of 3.4 times and an average cost of debt of 3.54 per cent per annum. The average term to maturity of CLCT's borrowings was 3.8 years, with a significant increase in the proportion of its sustainability-linked loans from 13 per cent as at 31 December 2022 to 28 per cent as at 30 June 2023.

Strong and committed sponsor

Headquartered and listed in Singapore, CLI is a leading global real estate investment manager (REIM) with a strong Asia foothold. As at 30 June 2023, CLI had S$134 billion of real estate assets under management, and S$89 billion of real estate funds under management (FUM) held via six listed real estate investment trusts and business trusts, and more than 30 private vehicles across Asia Pacific, Europe and USA. Its diversified real estate asset classes cover retail, office, lodging, business parks, industrial, logistics and data centres.

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

As a responsible company, CLI places sustainability at the core of what it does and has committed to achieve Net Zero carbon emissions for scope 1 and 2 by 2050. CLI contributes to the environmental and social well-being of the communities where it operates, as it delivers long-term economic value to its stakeholders.

Based on the information available to the CLCT Manager as at 30 June 2023, CLI, through its subsidiaries and associates, has an aggregate indirect interest in 511,451,605 Units, which is equivalent to approximately 30.28% of the existing Units in issue. With the support of CapitaLand, CLCT is able to leverage on the strength and depth of CapitaLand's expertise to enter into new asset classes. Following the completion of the acquisition of the business parks and logistics parks, CLCT will be the dedicated Singapore-listed REIT for CapitaLand Group's non-lodging China business with an acquisition pipeline access to CapitaLand's China assets.

STRATEGIES OF CLCT

The CLCT Manager implements the principal investment strategy in accordance with the Property Funds Appendix issued by MAS. Investments are generally made pursuant to a long-term investment horizon and the investment portfolio of CLCT comprises primarily income-producing real estate and real estate related assets. The properties within CLCT's portfolio are used for retail, office and industrial purposes (including business parks, logistics facilities, data centres and integrated developments) and investments are made depending on investment opportunities in China, Hong Kong and Macau.

CLCT's strategy comprises of the following:

Creating value through disciplined portfolio reconstitution

CLCT will create value through disciplined portfolio reconstitution by (i) investing in a diversified portfolio of income-producing real estate assets in China across asset classes used primarily for retail, office and industrial purposes to bring attractive yields and/or increase capital appreciation potential, (ii) seizing opportunities by actively sourcing for opportunities from CapitaLand's pipeline and/or third-party vendors; and (iii) strengthening portfolio resilience and diversification by investing in assets with high growth potential and synergistic value to deliver stable and sustainable distributions. To optimise its portfolio, CLCT will divest non-core and matured assets at the optimal stages of their lifecycles to unlock value, recycle the proceeds towards new growth opportunities and enhance Unitholders' returns.

Unlocking value through disciplined portfolio reconstitution

The CLCT Manager will undertake pro-active capital recycling by planning, identifying and undertaking appropriate divestment of assets that have reached their optimal life cycle and redeploying proceeds into higher yielding properties or other growth opportunities. CLCT will continue to build on its established track record of unlocking value through proactive and disciplined portfolio reconstitution.

Extracting value through proactive asset management

The CLCT Manager will drive organic growth through customer-centric initiatives such as achieving optimal tenant mix, implementing proactive leasing strategies to achieve a healthy occupancy rate, enhancing operational efficiency and optimising operating costs and deepening the engagement with tenants by offering customised initiatives and programmes to build strong relationships. For shopping malls, this will include leveraging on CapitaLand's established omnichannel platforms, innovative marketing outreach and loyalty programmes such as CapitaStar to expand customer base and capture repeat spending. For business parks, this will include enhancing tenant's experience by providing quality property and prompt customer services that is supported by CapitaLand's best-in-class property management toolkit.

Extracting value through innovative asset enhancement strategies

With the objective of boosting competitiveness through high quality malls and business parks, the CLCT Manager actively explores innovative asset enhancement initiatives to improve the returns of CLCT's assets. These include optimising spatial usage and productivity to increase leasable area, offering improved amenities and facilities to increase stickiness of consumers and tenants to CLCT's properties and enhancing energy-efficient initiatives.

Capitalising on yield-accretive acquisitions growth model

The CLCT Manager regularly identifies and evaluates yield-accretive acquisition opportunities from its secured and proprietary pipeline and other third-party vendors.

CLCT derives long-term growth potential from its rights of first refusal to purchase assets held by CapitaLand Mall China Income Fund I, CapitaLand Mall China Income Fund II, CapitaLand Mall China Income Fund III, and CapitaLand Mall Development Fund III.

In evaluating acquisition opportunities, the CLCT Manager focuses on factors such as whether the properties in question can maintain or enhance CLCT's distribution yield, have potential asset enhancement opportunities and have the potential to demonstrate strong growth in occupancy rates, sustainable rental yields, quality tenant and lease profile.

Capitalising on an integrated real estate platform

CLCT enjoys access to CapitaLand's integrated real estate business model, with in-house capabilities in real estate investment, development, operations, asset management and fund management. The CLCT Manager takes a holistic approach to the management of CLCT, and strives to not only manage the properties well through specialised divisions handling property management, retail management and operational leasing, strategic marketing and design and development management but also to be in a good position to manage the funds raised by CLCT through its divisions handling asset management, strategic planning, investment and fund structuring and management.

In addition, the CLCT Manager has a professional and experienced team of fund and asset managers who work closely with each other to:

- formulate medium and long-term strategies and initiatives to deliver higher sustainable returns;
- in relation to the shopping malls, enhance the shopping experience to attract and increase shopper traffic;
- review space usage to optimise income;
- manage and monitor rental arrears to minimise bad debts;
- manage projects to ensure timely completion within budgets;

- manage and monitor property expenses to maximise net property income ("**NPI**");
- address all key operational issues to ensure alignment with the CLCT Manager's strategies; and
- manage lease renewals and new leases diligently to minimise rental voids.

Capital and risk management

The CLCT Manager reviews its debt and capital management and financing policies regularly so as to optimise CLCT's funding structure and strategy. The CLCT Manager also monitors its exposure to various risk elements by closely adhering to clearly 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.

PROPERTIES

Summary of selected information on the properties (as at 30 June 2023)

Retail Properties

Description of leasehold property	Location	Term of lease (years)	Remaining term of lease (years)	Valuation		Valuation		Percentage of Unitholders' Funds	
				30 Jun 2023(1) RMB	31 Dec 2022 RMB	30 Jun 2023(1) S$	31 Dec 2022 S$	30 Jun 2023	31 Dec 2022
				(in millions)				*(per cent)*	
CapitaMall Xizhimen	No. 1, Xizhimenwai Street, Xicheng District, Beijing	40 - 50	21 - 31	3,642.3	3,638.0	700.2	706.9	31.2	30.7
Rock Square	No. 106-108 Gongye Avenue North, Haizhu District, Guangzhou City, Guangdong Province	40	22	3,436.8	3,410.0	660.7	662.6	29.5	28.7
CapitaMall Wangjing	No. 33, Guangshunbei North Road, Chaoyang District, Beijing	38 - 48	20 - 30	2,885.8	2,884.0	554.8	560.4	24.7	24.3
CapitaMall Grand Canyon	No. 16, South Third Ring West Road, Fengtai District, Beijing	40 - 50	21 - 31	1,909.0	1,901.0	367.0	369.4	16.4	16.0
CapitaMall Xuefu	No. 1, Xuefu Road, Nangang District, Harbin, Heilongjiang Province	40	22	1,792.0	1,789.0	344.5	347.6	15.4	15.0
CapitaMall Xinnan	No. 99, Shenghe First Road, Gaoxin District, Chengdu, Sichuan Province	40	24	1,539.1	1,538.0	295.9	298.8	13.2	13.0
CapitaMall Nuohemule	Block A Jinyu Xintiandi, E'erduosi Street, Yuquan District, Hohhot, Inner Mongolia Autonomous Region	40	26	1,031.9	1,030.0	198.4	200.1	8.8	8.7
CapitaMall Yuhuating	No. 421, Shaoshan Middle Road, Yuhua District, Changsha, Hunan Province	39	21	817.1	800.0	157.1	155.4	7.0	6.7
CapitaMall Shuangjing	No. 31, Guangqu Road, Chaoyang District, Beijing	40	19	616.1	616.0	118.5	119.7	5.3	5.2

Description of leasehold property	Location	Term of lease (years)	Remaining term of lease (years)	Valuation		Valuation		Percentage of Unitholders' Funds	
				30 Jun 2023[(1)] RMB	31 Dec 2022 RMB	30 Jun 2023[(1)] S$	31 Dec 2022 S$	30 Jun 2023	31 Dec 2022
				(*in millions*)				(*per cent*)	
CapitaMall Aidemengdun	No. 38, Aidemengdun Road, Daoli District, Harbin, Heilongjiang Province	40	19	424.3	424.0	81.6	82.4	3.6	3.6
CapitaMall Qibao	No. 3655, Qixin Road, Minhang District, Shanghai	19	1[(2)]	-	29.0	-	5.6	-	0.2

Notes:

(1) Valuation of investment properties as at 30 June 2023.

(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 on 7 January 2024. CLCT did not exercise the option to renew the master lease which expired on 31 January 2021. The mall had ceased operations at the end of March 2023.

Business Parks

Description of leasehold property	Location	Term of lease (years)	Remaining term of lease (years)	Valuation		Valuation		Percentage of Unitholders' Funds	
				30 Jun 2023(1) RMB	31 Dec 2022 RMB	30 Jun 2023(1) S$	31 Dec 2022 S$	30 Jun 2023	31 Dec 2022
				(*in millions*)				(*per cent*)	
Ascendas Xinsu Portfolio	Suzhou Industrial Park, Suzhou City, Jiangsu Province	50	23 - 34	2,322.4	2,320.0	446.5	450.8	19.9	19.6
Ascendas Innovation Towers.........	No. 88 Tian Gu Seventh Road, Xi'an Hi-Tech Industries Development Zone, Xi'an, Shaanxi Province	50	41	901.2	902.0	173.3	175.3	7.7	7.6
Ascendas Innovation Hub.............	No. 38 Gao Xin Sixth Road, Xi'an Hi-Tech Industries Development Zone, Xi'an, Shaanxi Province	50	28	353.2	353.0	67.9	68.6	3.0	3.0
Singapore-Hangzhou Science & Technology Park (Phase I)	No. 2 Kejiyuan Road, Hangzhou Economic & Technological Development Area, Jianggan District, Hangzhou, Zhejiang Province	50	33	848.2	848.0	163.1	164.8	7.3	7.1
Singapore-Hangzhou Science & Technology Park (Phase II) ..	No. 20 & 57 Kejiyuan Road, Hangzhou Economic & Technological Development Area, Jianggan District, Hangzhou, Zhejiang Province	50	37	1,056.8	1,055.0	203.2	205.0	9.1	8.9

Note:

(1) Valuation of investment properties as at 30 June 2023.

Logistics Parks

Description of leasehold property	Location	Term of lease (years)	Remaining term of lease (years)	Valuation		Valuation		Percentage of Unitholders' funds	
				30 Jun 2023[(1)] RMB	31 Dec 2022 RMB	30 Jun 2023[(1)] S$	31 Dec 2022 S$	30 Jun 2023	31 Dec 2022
				(*in millions*)				(*per cent*)	
Shanghai Fengxian Logistics Park .	No. 435 Haishang Road, Fengxian District, Shanghai	50	36	624.4	629.0	120.0	122.2	5.3	5.3
Wuhan Yangluo Logistics Park......	10 Qiuli Road, Yangluo Development Zone, Xinzhou District, Wuhan	50	41	379.9	384.0	73.0	74.6	3.3	3.2
Chengdu Shuangliu Logistics Park	No. 86 Tongguan Road, Shuangliu District, Chengdu, Sichuan Province	50	39	356.1	357.0	68.5	69.4	3.0	3.0
Kunshan Bacheng Logistics Park ..	No. 998 Yuyang Road Yushan Town, Kunshan, Jiangsu Province	50	41	333.9	334.0	64.2	64.9	2.9	2.9

Note:

(1) Valuation of investment properties as at 30 June 2023.

Lease expiry profile of the portfolio properties

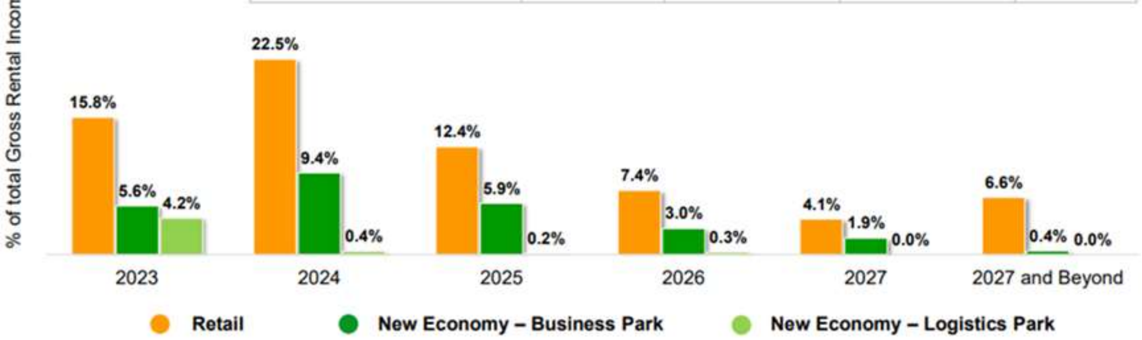
All of CLCT's malls, excluding CapitaMall Shuangjing, are considered multi-tenanted and actively managed to improve operating performance and tenancy mix to optimise rental reversions. The typical lease terms are 15 to 20 years for anchor tenants, five to seven years for mini-anchor tenants, and one to three years for specialty tenants, which are consistent with the market practice in China.

As at 30 June 2023, the weighted average lease expiry ("**WALE**") of CLCT's portfolio is 1.8 years by GRI and 1.9 years by net lettable area ("**NLA**"). The leases due for the remainder of FY2023 and for FY2024 account for 25.6 per cent and 32.3 per cent of CLCT portfolio's GRI respectively.

A majority of the NLA of CapitaMall Shuangjing is let out under master-leases to two anchor tenants. These leases are long-term with a typical tenure of 20 years and are supported by periodic rental escalation, which provide income stability while ensuring growth.

The graph and table below illustrate the committed lease expiry profile of the portfolio properties by monthly total rental income as at 30 June 2023:

WALE (years)[1]	Retail	Business Park	Logistics Park	Portfolio
By Gross Rental Income[2]	2.0	1.6	0.7	**1.8**
By Net Lettable Area	3.0	1.6	0.7	**1.9**



Notes:
1. Based on committed leases as at 30 June 2023.
2. Excludes gross turnover rent.

Top 10 tenants and trade sector analysis of the portfolio properties

As at 30 June 2023, no single tenant contributed more than 2.1 per cent of CLCT portfolio's total rental income. The portfolio's biggest tenant exposure was JD.com Group of Companies.

With the portfolio's diversification into new economy asset classes, five out of CLCT's top 10 tenants (5.9 per cent of total rental income) are from its business parks and logistics parks. CLCT is better positioned to take advantage of China's economic and thematic opportunities with reduced exposure to retail sector and increased exposure to new economy asset class. Collectively, the top 10 largest tenants accounted for 11.8 per cent of the total rental income for the month of June 2023.

The table below provides a breakdown of the top ten tenants as at 30 June 2023:

No.	Tenant[1]	Trade Sector	% of Total Rental Income[2][3]
1	JD.com Group of Companies	E-commerce Logistics and Warehouse	2.1
2	BHG Group of Companies	Supermarket	1.8
3	Carrefour Group of Companies	Supermarket	1.5
4	Ping An Insurance (中国平安人寿保险股份有限公司)	Financial Services	1.1
5	Bestseller Fashion Group（绫致时装（天津）有限公司）	Fashion & Accessories	1.0
6	Yun Feng International	Logistics & Warehouse	1.0
7	Tian Heng International Logistics Co., Ltd.	Logistics & Warehouse	0.9
8	B&Q (北京百安居装饰建材有限公司)	Houseware & Furnishings	0.8
9	UNIQLO Group of Companies	Fashion & Accessories	0.8
10	杭州乐龙科技有限公司	Real Estate	0.8

Notes:
(1) Tenants that are under the same group of companies are listed together.
(2) Includes both gross rental income and the GTO components to account for pure GTO leases in Retail Tenants.
(3) Based on CLCT's effective interest in each property.

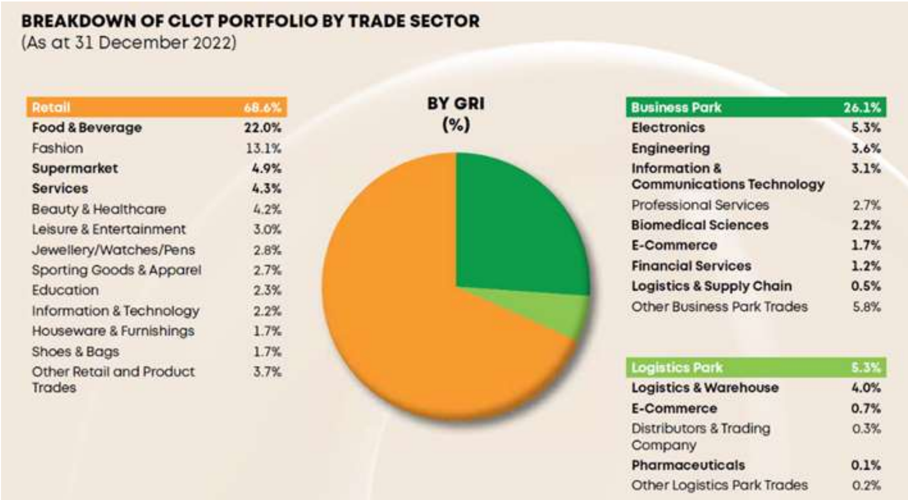
CLCT's portfolio[4] has a well-diversified tenant base of 2,804 leases spanning across more than 24 different trade sectors. The top three trade sectors are food & beverage, fashion, and electronics which account for 40.4 per cent of the portfolio's GRI. As at 31 December 2022, 45.5 per cent of CLCT's retail tenants[2] fall within the essential trade category[5] by GRI while 67.4 per cent of its business park tenants and 91.8 per cent of its logistics park tenants are from emerging and high-growth sectors[6] by GRI.

[4] Excluding CapitaMall Qibao as it had ceased operations at the end of March 2023.

[5] Essential sectors are defined as supermarket, food and beverage and services.

[6] High growth emerging sectors are defined as electronics, engineering, E-commerce, information and communications technology, financial services, biomedical sciences, and logistics and supply chain management.

The diagram below provides a breakdown by GRI of the different trade sectors represented in the portfolio properties as at 31 December 2022:



Summary of selected information on the properties

(I) CapitaMall Xizhimen

CapitaMall Xizhimen is strategically located next to the Second Ring Road in Xicheng district and is well-served by three metro lines and one railway line. 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.

The following is a summary of the key property information on CapitaMall Xizhimen:

Property Information

Description	Seven retail levels and one basement car park
GRA	83,075 sq.m.
Number of Leases[1]	261
Land Use Right Expiry	23 August 2044 23 August 2054
Market Valuation[1]	RMB3,638.0 million
Gross Revenue[2]	RMB280.1 million
NPI[2]	RMB193.4 million
Committed Occupancy[3]	98.4 per cent

Notes:
1. As at 31 December 2022.
2. For the year ended 31 December 2022.
3. As at 30 June 2023.

Lease expiry profile of CapitaMall Xizhimen

The following chart sets out the annual lease expiry profile of CapitaMall Xizhimen for the period of 2023 to 2027 and beyond 2027, expressed as a percentage of GRI and committed NLA as at and for the year ended 31 December 2022:

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

Trade sector analysis of CapitaMall Xizhimen

The tenant profile of CapitaMall Xizhimen comprises a diverse set of tenants from a wide variety of trade sectors. The mall features a large supermarket, a state-of-the-art cinema, and popular fast-fashion tenants such as UNIQLO and Bosideng, domestic brands including Huawei, as well as a wide selection of dining options such as Green Tea Restaurant and Haidilao.

The following table sets out the breakdown of GRI and committed NLA by sector at the CapitaMall Xizhimen as at 31 December 2022:

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

(II) Rock Square

Rock Square is one of the largest shopping malls located within the well-established Jiangnanxi retail cluster in Haizhu district, the second most populous urban district in Guangzhou. The mall is directly connected to Shayuan metro station, which serves Line 8 that links Guangzhou's eastern and western areas, and Guangfo Line that connects Guangzhou with Foshan. Catering to the needs of growing middle-and-high income families and professionals from the surrounding densely populated residential estates of about 800,000 residents, Rock Square presents a premier one-stop shopping and lifestyle experience.

The AEI at Rock Square, which will optimise about 4,000 sq.m. of retail space across basement two and level three was completed in the third quarter of 2023. Post AEI, this will generate an estimated return on investment of over 13% and 18% respectively for the rejuvenated areas on each level.

The following is a summary of the key property information on Rock Square:

Property Information

Description	Five retail levels with three levels above-ground and two levels at the basement
GRA	83,591 sq.m.
Number of Leases[1]	205
Land Use Right Expiry	17 October 2045
Market Valuation[1]	RMB3,410.0 million
Gross Revenue[2]	RMB213.8 million
NPI[2]	RMB147.9 million
Committed Occupancy[3]	97.5 per cent

Notes:

1. As at 31 December 2022.
2. For the year ended 31 December 2022.
3. As at 30 June 2023.

Lease expiry profile of Rock Square

The following chart sets out the annual lease expiry profile of Rock Square for the period 2023 to 2027 and beyond, expressed as a percentage of GRI and committed NLA as at and for the year ended 31 December 2022:

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

Trade sector analysis of Rock Square

The mall offers a wide range of fashion, fining and entertainment options for modern lifestyle needs, featuring well-known domestic and international brands such as AEON, Nio Space, ZARA, US KIMMY, SUSHIRO, Green Tea Restaurant, and Meland.

The following table sets out the breakdown of both GRI and committed NLA by sector at Rock Square as at 31 December 2022:

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

(III) CapitaMall Wangjing

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 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.

The following is a summary of the key property information on CapitaMall Wangjing:

Property Information

Description	Retail complex featuring a four-storey retail podium and an eleven-storey tower with two basement levels
GRA	68,010 sq.m.
Number of Leases[1]	255
Land Use Right Expiry	15 May 2043 15 May 2053
Market Valuation[1]	RMB2,884.0 million
Gross Revenue[2]	RMB183.9 million
NPI[2]	RMB123.9 million
Committed Occupancy[3]	94.0 per cent

Notes:

1. As at 31 December 2022.
2. For the year ended 31 December 2022.
3. As at 30 June 2023.

Lease expiry profile of CapitaMall Wangjing

The following chart sets out the annual lease expiry profile of CapitaMall Wangjing for the period 2023 to 2027 and beyond, expressed as a percentage of GRI and committed NLA as at and for the year ended 31 December 2022:

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

Trade sector analysis of CapitaMall Wangjing

The tenant profile of CapitaMall Wangjing comprises a diverse set of tenants from a wide variety of trade sectors. The mall is home to a diverse range of brands, including a co-working space operator UpOffice, MyGym, Kamal Yoga, 6IXTY8IGHT, Nanjing Impressions and Baker & Spice.

The following table sets out the breakdown of both GRI and committed NLA by sector at CapitaMall Wangjing as at 31 December 2022:

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

(IV) CapitaMall Grand Canyon

CapitaMall Grand Canyon faces the busy South Third Ring West Road in Beijing's Fengtai district. The mall is easily accessible via several public bus routes, Beijing South Railway Station, and metro line 4 from the nearby Majiapu station. Serving the needs of a population of more than 800,000 within a three-kilometre radius, CapitaMall Grand Canyon offers an exciting array of restaurants, education, retail and service offerings that makes it an attractive destination for families, students and office workers around the precinct.

CapitaMall Grand Canyon's AEI to reconfigure around 9,000 sq.m. of recovered supermarket space from basement one to level one will enable the mall to attract a diverse range of specialty stores, including 7Fresh, a 3,700 square metres omnichannel supermarket operated by leading online retailer JD.com. The rejuvenated area on level one has been fully leased and commenced operations in July 2023, with an anticipated more than 60% increase in rental income post AEI. The AEI at basement one is due to complete in the fourth quarter of 2023 with rental income expected to increase by about 40% post AEI. As at 30 June 2023, about 72% of basement one has been leased out.

The following is a summary of the key property information on CapitaMall Grand Canyon:

Property Information

Description	Six retail levels with two basement carpark levels
GRA	69,967 sq.m.
Number of Leases[1]	160
Land Use Right Expiry	29 August 2044 29 August 2054
Market Valuation[1]	RMB1,901.0 million
Gross Revenue[2]	RMB82.0 million
NPI[2]	RMB43.7 million
Committed Occupancy[3]	94.8 per cent[4]

Notes:

1. As at 31 December 2022.

2. For the year ended 31 December 2022.
3. As at 30 June 2023.
4. Excludes area undergoing asset enhancement initiatives ("**AEI**").

Lease expiry profile of CapitaMall Grand Canyon

The following chart sets out the annual lease expiry profile of CapitaMall Grand Canyon for the period 2023 to 2027 and beyond, expressed as a percentage of GRI and committed NLA as at and for the year ended 31 December 2022:

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

Trade sector analysis of CapitaMall Grand Canyon

The mall's comprehensive offerings and well-established tenants include Poly Cinema, UNIQLO, HOTWIND, Nanjing Impressions, Chow Tai Fook and K-SHOW KTV, making it a sought- after retail and lifestyle destination within the local community.

The following table sets out the breakdown of both GRI and committed NLA by sector at Capital Mall Grand Canyon as at 31 December 2022:

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

(V) 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.

The following is a summary of the key property information on CapitaMall Xuefu:

Property Information

Description	Five above ground levels and one basement level of retail space and one basement level for car park use
GRA	104,294 sq.m.
Number of Leases[1]	411
Land Use Right Expiry	15 December 2045
Market Valuation[1]	RMB1,789.0 million
Gross Revenue[2]	RMB141.3 million
NPI[2]	RMB87.7 million
Committed Occupancy[3]	97.4 per cent

Notes:

1. As at 31 December 2022.
2. For the year ended 31 December 2022.
3. As at 30 June 2023.

Lease expiry profile of CapitaMall Xuefu

The following chart sets out the annual lease expiry profile of CapitaMall Xuefu for the period 2023 to 2027 and beyond, expressed as a percentage of GRI and committed NLA as at and for the year ended 31 December 2022:

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

Trade sector analysis of CapitaMall Xuefu

CapitaMall Xuefu houses a diverse mix of international and domestic brands such as BHG Supermarket, CGV Cinema, Haidilao, H&M, Adidas, PurCotton, Sisyphe Books, Starbucks Reserve and Urban Revivo.

The following table sets out the breakdown of both GRI and committed NLA by sector at CapitaMall Xuefu as at 31 December 2022:

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

(VI) CapitaMall Xinnan

CapitaMall Xinnan is situated along one of the most established shopping belts in the affluent Gaoxin district, south of Chengdu. The mall is conveniently accessible via the nearby Chengdu South Railway Station, a major transportation hub linked to operational metro lines 1 and 7 plying the South Railway metro station, and to Chengdu Airport via airport express line (metro line 18) that is currently under construction. 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.

The following is a summary of the key property information on CapitaMall Xinnan:

Property Information

Description	Five retail levels with one basement car park level
GRA	53,619 sq.m.
Number of Leases[1]	207
Land Use Right Expiry	17 October 2047
Market Valuation[1]	RMB1,538.0 million
Gross Revenue[2]	RMB85.5 million
NPI[2]	RMB53.8 million
Committed Occupancy[3]	93.7 per cent

Notes:

1. As at 31 December 2022.
2. For the year ended 31 December 2022.
3. As at 30 June 2023.

Lease expiry profile of CapitaMall Xinnan

The following chart sets out the annual lease profile of CapitaMall Xinnan for the period 2023 to 2027 and beyond, expressed as a percentage of GRI and committed NLA as at and for the year ended 31 December 2022:

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

Trade sector analysis of CapitaMall Xinnan

Positioned as a modern and trendy retail destination offering a wide range of fashion, food and beverage and entertainment options, the mall houses well-known international brands such as H&M, UNIQLO, Sephora, NOME and Nayuki Tea & Bakery.

The following table sets out the breakdown of both GRI and committed NLA by sector at CapitaMall Xinnan as at 31 December 2022:

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

(VII) 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.

The following is a summary of the key property information on CapitaMall Nuohemule:

Property Information

Description	Six above ground levels and one basement level of retail space and two basement levels for car park use
GRA	76,309 sq.m.
Number of Leases[1]	234
Land Use Right Expiry	26 July 2049
Market Valuation[1]	RMB1,030.0 million
Gross Revenue[2]	RMB67.8 million
NPI[2]	RMB29.1 million
Committed Occupancy[3]	99.9 per cent

Notes:
1. As at 31 December 2022.
2. For the year ended 31 December 2022.
3. As at 30 June 2023.

Lease expiry profile of CapitaMall Nuohemule

The following chart sets out the annual lease expiry profile of Rock Square for the period 2023 to 2027 and beyond, expressed as a percentage of GRI and committed NLA as at and for the year ended 31 December 2022:

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

Trade sector analysis of CapitaMall Nuohemule

Positioned as a destination lifestyle mall with over 700,000 residents within a five-kilometre radius, CapitaMall Nuohemule offers a wide range of fashion, food & beverage, IT & electronics and leisure & entertainment-based tenants such as Wanda Cinema, Huawei, Haidilao, Nike Kicks Lounge, Li-Ning, Gymboree and The Colorist, as well as a wide variety of experiential and new retailing concepts to appeal to the modern shopper.

The following table sets out the breakdown of both GRI and committed NLA by sector at CapitaMall Nuohemule as at 31 December 2022:

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

(VIII) CapitaMall Yuhuating

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, where there is a high concentration of populated residential communities and office buildings, providing the mall with a dense catchment of approximately 700,000 within a three-kilometre radius. Having operated in the local market for over 15 years and with limited competitors within the vicinity, CapitaMall Yuhuating has firmly established itself within its main trade area and has built strong brand awareness among the locals. CapitaMall Yuhuating has undergone two phases of AEIs, transforming the mall into a lifestyle destination featuring both international and domestic brands in China.

The following is a summary of the key property information on CapitaMall Yuhuating:

Property Information

Description	Four above ground levels of retail space and one basement level for ancillary and car park use
GRA	62,080 sq.m.
Number of Leases[1]	200
Land Use Right Expiry	3 March 2044
Market Valuation[1]	RMB800.0 million
Gross Revenue[2]	RMB75.3 million
NPI[2]	RMB42.1 million
Committed Occupancy[3]	95.4 per cent

Notes:

1. As at 31 December 2022.
2. For the year ended 31 December 2022.
3. As at 30 June 2023.

Lease expiry profile of CapitaMall Yuhuating

The following chart sets out the annual lease expiry profile of CapitaMall Yuhuating for the period 2023 to 2027 and beyond, expressed as a percentage of GRI and committed NLA as at and for the year ended 31 December 2022:

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

Trade sector analysis of CapitaMall Yuhuating

As a one-stop shopping destination, CapitaMall Yuhuating offers a broad spectrum of international and local brands such as Dr Kong, Haidilao, Buffet restaurant Taste Real, Li-Ning, UNIQLO and Balabala.

The following table sets out the breakdown of both GRI and committed NLA by sector at CapitaMall Yuhuating as at 31 December 2022:

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

(IX) CapitaMall Aidemengdun

CapitaMall Aidemengdun is located in Downtown Harbin and is positioned as a community mall to mainly serve the needs of residents from the neighbouring high-density residential communities and students and staff from nearby tertiary education institutions. The mall is in close proximity to Second Ring Road, and enjoys direct frontage to Aidemengdun Road that connects the Harbin Taiping International Airport to Central Street in the city centre. 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 following is a summary of the key property information on CapitaMall Aidemengdun:

Property Information

Description	Four above ground levels of retail space and one basement level for retail and car park use
GRA	43,394 sq.m.
Number of Leases[1]	156
Land Use Right Expiry	7 September 2042
Market Valuation[1]	RMB424.0 million
Gross Revenue[2]	RMB33.8 million
NPI[2]	RMB12.5 million
Committed Occupancy[3]	93.4 per cent

Notes:
1. As at 31 December 2022.
2. For the year ended 31 December 2022.
3. As at 30 June 2023.

Lease expiry profile of CapitaMall Aidemengdun

The following chart sets out the annual lease expiry profile of CapitaMall Aidemengdun for the period 2023 to 2027 and beyond, expressed as a percentage of GRI and committed NLA as at and for the year ended 31 December 2022:

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

Trade sector analysis of CapitaMall Aidemengdun

The mall features a wide tenant base consisting of popular tenants such as Learning Power, Qi Cai International Cineplex, Starbucks Coffee, Adidas and Skechers.

The following table sets out the breakdown of both GRI and committed NLA by sector at CapitaMall Aidemengdun as at 31 December 2022:

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

(X) CapitaMall Shuangjing

CapitaMall Shuangjing is located in Beijing's Chaoyang district near the East Third Ring Road. The mall is well-served by public bus routes and lies within close proximity to the Jiulongshan metro station, which is served by lines 7 and 14. Its long-term lease anchor tenants, Carrefour and B&Q, are 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.

The following is a summary of the key property information on CapitaMall Shuangjing:

Property Information

Description	Four-level retail mall
GRA	49,463 sq.m.
Number of Leases[1]	8
Land Use Right Expiry	10 July 2042
Market Valuation[1]	RMB616.0 million
Gross Revenue[2,3]	RMB44.7 million
NPI[3]	RMB35.9 million
Committed Occupancy[4]	100.0 per cent

Notes:

1. As at 31 December 2022.
2. CapitaMall Shuangjing is a master-leased mall.
3. For the year ended 31 December 2022.
4. As at 30 June 2023.

Lease expiry profile of CapitaMall Shuangjing

Majority of the NLA of CapitaMall Shuangjing is let out under master-leases, which are not reflected in the lease expiry profile below. These leases are long-term with a typical tenure of 20 years and are supported by periodic rental escalation which provide income stability while ensuring growth.

The following chart sets out the annual lease expiry profile of CapitaMall Shuangjing for the period 2023 to 2024, expressed as a percentage of GRI and committed NLA as at and for the year ended 31 December 2022:

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

Trade sector analysis of CapitaMall Shuangjing

The tenant profile of CapitaMall Shuangjing consists of a few key tenants catering to the mass market, such as Carrefour and B&Q. The mall is anchored by Carrefour which occupies part of the ground floor, and the whole of the second and third floors. B&Q, another anchor tenant, is an internationally renowned hardware products retailer which occupies the whole of the basement floor and part of the ground floor.

The following table sets out the breakdown of both GRI and committed NLA by sector at CapitaMall Shuangjing as at 31 December 2022:

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

(XI) Ascendas Xinsu Portfolio

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

The following is a summary of the key property information on the Ascendas Xinsu Portfolio:

Property Information

Description	61 buildings including R&D and industrial portion
GFA	373,334 sq.m.
Number of Leases[1]	313
Land Use Right Expiry	31 December 2046 to 30 May 2057[2]
Market Valuation[3]	RMB2,320.0 million
Gross Revenue[4]	RMB224.5 million
NPI[4]	RMB163.6 million
Committed Occupancy[5]	96.7 per cent

Notes:

1. As at 31 December 2022.
2. The Ascendas Xinsu Portfolio consists of multiple plots of land with varying land use right expiry.
3. Based on valuation on a 100 per cent basis as at 31 December 2022.
4. For the year ended 31 December 2022.
5. As at 30 June 2023.

Lease expiry profile of Ascendas Xinsu Portfolio

The following chart sets out the annual lease expiry profile of Ascendas Xinsu Portfolio for the period 2023 to 2027, expressed as a percentage of GRI and committed NLA as at and for the year ended 31 December 2022:

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

Trade sector analysis of Ascendas Xinsu Portfolio

The following table sets out the breakdown of both GRI and committed NLA by sector at Ascendas Xinsu as at 31 December 2022:

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

(XII) Ascendas Innovation Towers

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

The following is a summary of the key property information on the Ascendas Innovation Towers:

Property Information

Description	Consist of two buildings. Building A is a three-storey office podium building erected on a two-storey basement for car park use. Building B comprises two 23-storey office towers erected on a two-storey basement for car park use
GFA	118,495 sq.m.
Number of Leases[1]	81
Land Use Right Expiry	19 February 2064
Market Valuation[1]	RMB902.0 million
Gross Revenue[2]	RMB79.0 million
NPI[2]	RMB50.7 million
Committed Occupancy[3]	92.0 per cent

Notes:

1. As at 31 December 2022.
2. For the year ended 31 December 2022.
3. As at 30 June 2023.

Lease expiry profile of Ascendas Innovation Towers

The following chart sets out the annual lease expiry profile of Ascendas Innovation Towers for the period 2023 to 2027 and beyond, expressed as a percentage of GRI and committed NLA as at and for the year ended 31 December 2022:

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

Trade sector analysis of Ascendas Innovation Towers

The following table sets out the breakdown of both GRI and committed NLA by sector at Ascendas Innovation Towers as at 31 December 2022:

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

(XIII) Ascendas Innovation Hub

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

The following is a summary of the key property information on the Ascendas Innovation Hub:

Property Information

Description	Two six-storey business park office towers, both erected on a one-storey basement
GFA	40,547 sq.m.
Number of Leases[1]	47
Land Use Right Expiry	23 May 2051
Market Valuation[2]	RMB353.0 million
Gross Revenue[3]	RMB33.7 million
NPI[3]	RMB24.1 million
Committed Occupancy[4]	89.9 per cent

Notes:

1. As at 31 December 2022.

2. Based on valuation on a 100 per cent basis as at 31 December 2022.
3. For the year ended 31 December 2022.
4. As at 30 June 2023.

Lease expiry profile of Ascendas Innovation Hub

The following chart sets out the annual lease expiry profile of Ascendas Innovation Hub for the period 2023 to 2027, expressed as a percentage of GRI and committed NLA as at and for the year ended 31 December 2022:

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

Trade sector analysis of Ascendas Innovation Hub

The following table sets out the breakdown of both GRI and committed NLA by sector at Ascendas Innovation Hub as at 31 December 2022:

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

(XIV) Singapore-Hangzhou Science & Technology Park Phase I

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

The following is a summary of the key property information on the Singapore-Hangzhou Science & Technology Park Phase I:

Property Information

Description	Five R&D buildings of 4 to 20 storeys and two ancillary buildings
GFA	101,811 sq.m.
Number of Leases[1]	150

Land Use Right Expiry	4 September 2056
Market Valuation[2]	RMB848.0 million
Gross Revenue[3]	RMB79.5 million
NPI[3]	RMB61.6 million
Committed Occupancy[4]	75.0 per cent

Notes:

1. As at 31 December 2022.
2. Based on valuation on a 100 per cent basis as at 31 December 2022.
3. For the year ended 31 December 2022.
4. As at 30 June 2023.

Lease expiry profile of Singapore-Hangzhou Science & Technology Park Phase I

The following chart sets out the annual lease expiry profile of Singapore-Hangzhou Science & Technology Park Phase I for the period 2023 to 2027 and beyond, expressed as a percentage of GRI and committed NLA as at and for the year ended 31 December 2022:

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

Trade sector analysis of Singapore-Hangzhou Science & Technology Park Phase I
The following table sets out the breakdown of both GRI and committed NLA by sector at Singapore-Hangzhou Science & Technology Park Phase I as at 31 December 2022:

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

(XV) Singapore-Hangzhou Science & Technology Park Phase II

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

The following is a summary of the key property information on the Singapore-Hangzhou Science & Technology Park Phase II as at and for the year ended 31 December 2022:

Property Information

Description	Five R&D buildings of 11 to 15 storeys and five semi-detached standalone R&D buildings of four storeys and ancillary facilities
GFA	130,261 sq.m.
Number of Leases[1]	73
Land Use Right Expiry	6 July 2060
Market Valuation[2]	RMB1,055.0 million
Gross Revenue[3]	RMB91.1 million
NPI[3]	RMB72.4 million
Committed Occupancy[4]	90.5 per cent

Notes:

1. As at 31 December 2022.
2. Based on valuation on a 100 per cent basis as at 31 December 2022.
3. For the year ended 31 December 2022.
4. As at 30 June 2023.

Lease expiry profile of Singapore-Hangzhou Science & Technology Park Phase II

The following chart sets out the annual lease expiry profile of Singapore-Hangzhou Science & Technology Park Phase II for the period 2023 to 2027 and beyond, expressed as a percentage of GRI and committed NLA as at and for the year ended 31 December 2022:

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

Trade sector analysis of Singapore-Hangzhou Science & Technology Park Phase II

The following table sets out the breakdown of both GRI and committed NLA by sector at Singapore-Hangzhou Science & Technology Park Phase II as at 31 December 2022:

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

(XVI) Shanghai Fengxian Logistics Park

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

The following is a summary of the key property information on the Shanghai Fengxian Logistics Park:

Property Information

Description	A block of double-story lift warehouse, with ancillary offices
GFA	62,785 sq.m.
Number of Leases[1]	3
Land Use Right Expiry	20 July 2059
Market Valuation[1]	RMB629.0 million
Gross Revenue[2]	RMB24.7 million
NPI[2]	RMB 18.8 million
Committed Occupancy[3]	98.6 per cent

Notes:

1. As at 31 December 2022.
2. For the year ended 31 December 2022.
3. As at 30 June 2023.

Trade sector analysis of Shanghai Fengxian Logistics Park

The following table sets out the breakdown of both GRI and committed NLA by sector at Shanghai Fengxian Logistics Park as at 31 December 2022:

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

(XVII) Kunshan Bacheng Logistics Park

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

The following is a summary of the key property information on the Kunshan Bacheng Logistics Park:

Property Information

Description	Three blocks of single-storey warehouses
GFA	43,945 sq.m.
Number of Leases[1]	2[2]
Land Use Right Expiry	16 June 2064
Market Valuation[1]	RMB334.0 million
Gross Revenue[3]	RMB19.0 million
NPI[3]	RMB15.0 million
Committed Occupancy[4]	99.2 per cent

Notes:

1. As at 31 December 2022.
2. Excludes leases for ancillary buildings.
3. For the year ended 31 December 2022.
4. As at 30 June 2023.

Trade sector analysis of Kunshan Bacheng Logistics Park

The following table sets out the breakdown of both GRI and committed NLA by sector at Kunshan Bacheng Logistics Park as at 31 December 2022:

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

(XVIII) Wuhan Yangluo Logistics Park

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

The following is a summary of the key property information on the Wuhan Yangluo Logistics Park:

Property Information

Description	Four blocks of single-storey warehouses and ancillary facilities
GFA	86,973 sq.m.
Number of Leases[1]	2[2]
Land Use Right Expiry	14 July 2064
Market Valuation[1]	RMB384.0 million
Gross Revenue[3]	RMB22.3 million
NPI[3]	RMB15.3 million
Committed Occupancy[4]	99.7 per cent

Notes:

1. As at 31 December 2022.
2. Excludes leases for ancillary buildings.
3. For the year ended 31 December 2022.
4. As at 30 June 2023.

Trade sector analysis of Wuhan Yangluo Logistics Park

The following table sets out the breakdown of both GRI and committed NLA by sector at Wuhan Yangluo Logistics Park as at 31 December 2022:

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

(XIX) Chengdu Shuangliu Logistics Park

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

The following is a summary of the key property information on the Chengdu Shuangliu Logistics Park:

Property Information

Description	One single-storey warehouse and two blocks of double-storey ramp up warehouses
GFA	71,556 sq.m.
Number of Leases[1]	28
Land Use Right Expiry	25 April 2062
Market Valuation[1]	RMB357.0 million
Gross Revenue[2]	RMB19.9 million
NPI[2]	RMB13.8 million
Committed Occupancy[3]	67.5 per cent[4]

Notes:

1. As at 31 December 2022.
2. For the year ended 31 December 2022.
3. As at 30 June 2023.
4. Occupancy of Chengdu Shuangliu Logistics Park was affected with the natural lease expiry of two tenants where news of a potential construction of a highway affected the leasing decisions of tenants.

Trade sector analysis of Chengdu Shuangliu Logistics Park

The following table sets out the breakdown of both GRI and committed NLA by sector at Shuangliu Logistics Park as at 31 December 2022:

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

LAND USE RIGHTS

Historically, there are two types of title registrations in the PRC, namely land registration and building registration. Land registration is effected by the issue of a land use right certificate by the relevant authority to the land user evidencing that the land user has obtained land use rights in respect of the land. The building registration is the issue of a building ownership certificate to the building owner evidencing that the building owner has obtained building ownership rights in respect of the building. According to the Land Registration Regulations (土地登记规则) promulgated by the State Land Administration Bureau on 18 November 1989 and amended on 28 December 1995 (which amendment became effective on 1 February 1996), all land use rights and building ownership rights which are duly registered are protected by law. The Interim Regulations on Real Estate Registration (不动产登记暂行条例) was promulgated by the State Council on 24 November 2014 and came into effect on 1 March 2015, as amended on 24 March 2019. The Ministry of Land and Resources promulgated the Notice of the Ministry of Land and Resources on Implementing the Interim Regulations on Real Estate Registration (国土资源部关于贯彻实施《不动产登记暂行条例》的通知) on 29 December 2014 and Implementation Regulations for the Provisional Regulations on Real Estate Registration (不动产登记暂行条例实施细则) on 1 January 2016, as amended by the Ministry of Land and Resources ("**MNR**") on 24 July 2019. The new rules require the establishment of a unified registration system for real estate and creation of an information platform to manage the data. In addition to buildings, the new rules also cover land, maritime property and forests. The MNR is responsible for monitoring property registration overall, while local governments will set up institutions to implement the process. In places where the institutional integration has not been completed, the original documents of title will be issued until the authorising institutions complete the integration. No PRC government agencies may compel a real estate owner which has obtained the original document of tile to apply for the new document of tile and the original document of tile will remain valid during its validity period.

Under the Provisional Regulations of the PRC concerning the Grant and Assignment of the Right to Use State-Owned Land Use Rights in Urban Areas (中华人民共和国城镇国有土地使用权出让和转让暂行条例) promulgated by the State Council of the PRC on 19 May 1990, as amended on 29 November 2020, the use of state land is dependent on the grant of a land use right by the PRC Government to a land user for a definite period subject to the payment of a land premium by the land user. The maximum term of such grants depends on the use of the land, as follows:

- up to 70 years for residential use;
- up to 50 years for industrial use or for public (e.g. educational, technology, cultural, hygiene or sports) use;
- up to 40 years for commercial (which includes wholesale and retail), tourism and entertainment uses; and
- up to 50 years for comprehensive uses and all other uses (which include office and warehouse).

According to the Law of the PRC on Administration of Urban Real Estate (中华人民共和国城市房地产管理法) (the "**Real Property Administration Law**"), if the land user intends to continue to use the land upon expiry of the use term, such user shall file an application for a land use right extension at least one year prior to expiry of the use term, provided that according to Book Two Property Rights of the Civil Code of the People's Republic of China (中华人民共和国民法典) (the "**PRC Civil Code**"), the use term in respect of land for residential use will be extended automatically and the payment of the extension fees and the exemption or reduction thereof shall be handled in accordance with the provisions of relevant laws and regulations. The approval shall ordinarily be granted except when the land needs to be expropriated for social public interest. If the land use right extension is approved, a new land use right grant contract shall be signed and the land premium shall be paid according to the relevant regulations.

DISTRIBUTION POLICY

CLCT's distribution policy is to distribute at least 90.0 per cent 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 CLCT Manager's discretion. Distributions are generally paid within 35 market days after the relevant record date.

INSURANCE

CLCT has in place insurance coverage for its portfolio properties that the CLCT Manager believes is consistent with industry practice in the cities where the portfolio properties are located. This includes comprehensive property insurance (including insurance against fire and flood) and public liability insurance. There are no significant or unusual excess or deductible amounts required under such policies. There are, however, certain types of risks that are not covered by such insurance policies, including losses resulting from wars, nuclear contamination, acts of terrorism (except for certain portfolio properties), epidemics and acts of God.

ENVIRONMENTAL AND SAFETY MATTERS

The CLCT Manager believes that it is in compliance in all material respects with applicable environmental regulations in the PRC which relate to CLCT's business and operations. As at the date of this Offering Circular, the CLCT Manager is not aware of any environmental proceedings or investigations to which the CLCT Manager or CLCT is or might become a party.

CLCT remains committed to making a positive environmental and social impact on the communities where it operates. In the first half of 2023, CLCT obtained LEED Gold certification for one retail mall and three business park properties – CapitaMall Xizhimen, Ascendas Innovation Towers, Ascendas Innovation Hub and Singapore-

Hangzhou Science & Technology Park Phase 1[7]. CLCT is on track to achieve 100 per cent green certification[8] for its portfolio by 2030.

GOVERNMENT REGULATIONS

CLCT's operations are subject to various laws and regulations of the PRC. For example, CLCT's properties are subject to routine inspections by government officials with regard to various safety and environmental issues. The CLCT Manager believes that CLCT is in compliance in all material respects with government safety regulations currently in effect. CLCT has not experienced significant problems with any regulation with regard to these issues, and is not aware of any pending legislation on these issues that might have a material adverse effect on its portfolio properties.

[7] Attained LEED Gold status for Block 1 to 3 of Singapore-Hangzhou Science & Technology Park Phase I – the remaining blocks are LEED Gold certified since 2014.

[8] Refers to CLCT properties managed by CLI (by sq m).

DIRECTORS AND MANAGEMENT OF THE CLCT MANAGER

THE CLCT BOARD

The board of Directors (the "**CLCT Board**" or "**Board**") of the CLCT Manager oversees the CLCT Manager's strategic direction, performance and affairs and foster the success of CLCT so as to deliver sustainable value over the long term to holders of the CLCT units.

As at the date of this Offering Circular, the CLCT Board consists of ten Directors, including seven Non-Executive Independent Directors, one Executive Non-Independent Director and two Non-Executive Non-Independent Directors:

Name	Position
Mr. Soh Kim Soon	Chairman, Non-Executive Independent Director
Mr. Tan Tze Wooi	Chief Executive Officer, Executive Non-Independent Director
Mr. Neo Poh Kiat....................................	Non-Executive Independent Director
Ms. Kuan Li Li	Non-Executive Independent Director
Professor Ong Seow Eng	Non-Executive Independent Director
Ms. Tay Hwee Pio...................................	Non-Executive Independent Director
Mr. Tan Tee How	Non-Executive Independent Director
Ms. Wan Mei Kit	Non-Executive Independent Director
Ms. Quah Ley Hoon	Non-Executive Non-Independent Director
Mr. Puah Tze Shyang..............................	Non-Executive Non-Independent Director

Selected information on the business and working experience of each of the members of the CLCT Board is set out below:

MR. SOH KIM SOON

Chairman and 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

Board Committee served on

- Nominating and Remuneration Committee (Chairman)

Present principal commitments

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

Background and working experience

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

MR. TAN TZE WOOI

Chief Executive Officer and 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

Board Committee served on

- Executive Committee (Member)

Present principal commitments

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

Background and working experience

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

MR. NEO POH KIAT

Non-Executive Independent Director

Bachelor of Commerce (Honours), Nanyang University, Singapore

Date of first appointment as a Director: 20 April 2017

Board Committees served on

- Audit Committee (Chairman)
- Nominating and Remuneration Committee (Member)

Present directorships in other listed companies

- China Yuchai International Limited
- ValueMax Group Limited

Background and working experience

- Managing Director of Octagon Advisors (Shanghai) Co Ltd (From March 2005 to November 2018)
- Managing Director (Advisory) of Octagon Advisors Pte Ltd (From January 2005 to 30 June 2021)
- Country Officer (China) and Head, Corporate Banking (Greater China) of United Overseas Bank Ltd (From July 2001 to January 2005)
- General Manager (Leasing and Corporate Services) of Sino Land Co Ltd (From January 1994 to August 1996)

- Managing Director of DBS Bank Ltd. (was with DBS Bank group of companies from January 1976 to December 1993 and from August 1996 to July 2001 where he held various senior management positions)

MS. KUAN LI LI

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

Board Committee served on
- Audit Committee (Member)

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

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

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

PROFESSOR ONG SEOW ENG

Non-Executive Independent Director

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

Date of first appointment as a Director: 1 January 2022

Board Committee served on

- Audit Committee (Member)

Present principal commitment

- National University of Singapore (Professor of Real Estate)

Background and working experience

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

MS. TAY HWEE PIO
Non-Executive Independent Director

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

Date of first appointment as a Director: 1 May 2022

Board Committee served on

- Audit Committee (Member)

Present directorship in other listed company

- Plato Capital Limited

Background and working experience

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

MR. TAN TEE HOW
Non-Executive Independent Director

Bachelor of Business Administration (Hons) Degree, National University of Singapore
Master of Public Administration Degree, Harvard University, Massachusetts, USA
Advanced Management Program, Wharton Business School, University of Pennsylvania, Philadelphia, USA

Date of first appointment as a Director: 1 August 2023

Present directorship in other listed company

- Hong Leong Finance Limited

Present Principal Commitments

- Chip Eng Seng Corporation Ltd (Executive Director)
- Gambling Regulatory Authority of Singapore (Chairman)
- National Healthcare Group (Chairman)

Other Appointments

- MOH Holdings Pte Ltd (Director)
- Nomura Singapore Ltd (Chairman)
- Nomura Asia-Pacific Holdings Ltd (Director)
- Temus Pte Ltd (Director)

Background and working experience

- Executive Director, Chip Eng Seng Corporation Ltd. (From February 2018 to current)
- Commissioner of Inland Revenue, Singapore and Chief Executive Officer, Inland Revenue Authority of Singapore (From December 2014 to January 2018)
- Permanent Secretary, Ministry of Home Affairs, Singapore (From November 2011 to November 2014)
- Permanent Secretary, Ministry of National Development, Singapore (From April 2004 to October 2011)

MS. WAN MEI KIT
Non-Executive Independent Director

Fellow, Association of Chartered Certified Accountants, United Kingdom
Fellow, Institute of Singapore Chartered Accountants

Date of first appointment as a Director: 1 October 2023

Present principal commitments

- Asia Philanthropic Ventures Pte Ltd (Director)
- National Kidney Foundation Singapore (Member of Audit and Risk Committee)
- Prudential Assurance Company Singapore (Pte) Limited (Director, Member of Audit Committee, Board Risk Committee, and Nomination and Remuneration Committee)
- Singapore Pools (Private) Limited (Director, Chair of Audit and Risk Committee, Member of Nomination Committee)
- Tote Board, Singapore (Member of Audit and Risk Committee)
- United Nations Entity for Gender Equality and the Empowerment of Women (UN-Women), New York (Chair of the Advisory Committee on Oversight)

Background and working experience

Worked with Standard Chartered Bank Singapore from 1989 to 2015 where she held various regional head and leadership roles in the global audit, compliance and operational risk functions.

- Regional Head of Audit, ASEAN of Standard Chartered Bank Plc (From March 2011 to November 2015)
- Regional Head of Compliance and Assurance, SEA of Standard Chartered Bank Plc (From November 2007 to February 2011)
- Regional Head of Governance Audit, SEA of Standard Chartered Bank Plc (From January 2005 to October 2007)
- Regional Head of Financial Markets Audit, SEA and Asia of Standard Chartered Bank Plc (From January 1995 to December 2005)

MS. QUAH LEY HOON
Non-Executive Non-Independent Director

Master of Economics, University of Pantheon Sorbonne, France
Bachelor of Science (Major Psychology), University of Southern Queensland, Australia

Master of Business Administration, IMD International, Switzerland

Date of first appointment as a Director: 16 June 2023

Board Committees served on

- Executive Committee (Chairman)
- Nominating and Remuneration Committee (Member)

Present principal commitments

- CapitaLand Investment Limited (Group Chief Corporate Officer)
- Defence Science & Technology Agency (Director)
- French Alumni (President)
- Real Tasty Pte Ltd (Director)
- SPH Media Holdings Pte Ltd (Director)

Background and working experience

- Chief People & Culture Officer, CapitaLand Investment Limited (From December 2022 to April 2023)
- Chief Executive of Maritime and Port Authority of Singapore (From January 2019 to September 2022)
- Chief Executive (Designate) of Maritime and Port Authority of Singapore (From November 2018 to December 2018)
- Chief Editor of Channel NewsAsia, Mediacorp Pte. Ltd. (From January 2013 to June 2018)

MR. PUAH TZE SHYANG

Non-Executive Non-Independent Director

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

Date of first appointment as a Director: 26 October 2021

Board Committee served on

- Executive Committee (Member)

Present principal commitment

- CapitaLand Investment Limited (Chief Executive Officer, China)

Background and working experience

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

Board Committees

The CLCT Board is supported by board committees which assist it in the discharge of its functions and appropriate delegation of authority and approval sub-limits are also provided at management level to facilitate operational efficiency. These board committees are the Audit Committee, the Executive Committee and the Nominating and Remuneration Committee (each, a "**Board Committee**").

All the Board Committees have clear written terms of reference setting out their respective compositions, authorities and duties, including reporting back to the CLCT Board. Each of the Board Committees operates under delegated authority from the CLCT Board with the CLCT Board retaining overall oversight. The decisions and significant matters discussed at the respective Board Committees are reported to the CLCT 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 CLCT Board members for their information.

Audit Committee

The Audit Committee assists the CLCT 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. As at the date of this Offering Circular, the Audit Committee consists of four Independent Directors:

Name	Position
Mr. Neo Poh Kiat......................................	Chairman
Ms. Kuan Li Li	Member
Professor Ong Seow Eng...........................	Member
Ms. Tay Hwee Pio.....................................	Member

Executive Committee

The Executive Committee assists the CLCT Board in its oversight of the day-to-day activities of the CLCT Manager and that of CLCT. As at the date of this Offering Circular, the Executive Committee consists of three Non-Independent Directors:

Name	Position
Ms. Quah Ley Hoon	Chairman
Mr. Tan Tze Wooi	Member
Mr. Puah Tze Shyang................................	Member

Nominating and Remuneration Committee

The Nominating and Remuneration Committee assists the CLCT Board on Board succession planning and appointments to the CLCT Board and Board Committees, and the review of the CLCT Board's performance, Director's independence and remuneration for the Directors and key management personnel of the CLCT Manager. As at the date of this Offering Circular, the Nominating and Remuneration Committee consists of two Independent Directors and one Non-Independent Director:

Name	Position
Mr. Soh Kim Soon	Chairman
Mr. Neo Poh Kiat......................................	Member
Ms. Quah Ley Hoon	Member

MANAGEMENT TEAM

As at the date of this Offering Circular, the management team of the CLCT Manager consists of the following:

Name	Position

Mr. Tan Tze Wooi	Chief Executive Officer, Executive Non-Independent Director (CEO)
Ms. Tan Siew Bee	Chief Financial Officer
Mr. You Hong	Head of Investment & Portfolio Management (IPM)
Ms. Nicole Chen	Head of Investor Relations (IR)

Selected information on the business and working experience of each of the members of CLCT's management team is set out below:

MR. TAN TZE WOOI

Chief Executive Officer and Executive Non-Independent Director (CEO)

Please refer to the description under the section on "– *The CLCT Board*".

MS. TAN SIEW BEE

Chief Financial Officer

Siew Bee 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 IPM team to review, evaluate and execute acquisitions and divestments and funding plans. Siew Bee works alongside with CEO in executing strategic and business plans for CLCT.

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

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

MR. YOU HONG

Head of 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 CLCT's total investment returns. The team works closely with the property managers to carry out planned asset strategies to enhance the operational and financial performance as well as manage the expenses of each property.

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

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

MS. NICOLE CHEN

Head of Investor Relations (IR)

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

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

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

PRC LAWS AND REGULATIONS

This section is a summary of the principal PRC laws and regulations relevant to operations of CLCT. As this is a summary, it does not contain a detailed analysis of the PRC laws and regulations nor does it intend to be an exhaustive list of all the principal laws and regulations affecting the Group's business and operations or the Bonds. It does not purport to be a complete analysis of all applicable currency regulation in the PRC relating to the Bonds. Prospective holders of Bonds who are in any doubt as to PRC currency regulation are advised to consult their own professional advisers.

Renminbi is not a freely convertible currency. The remittance of Renminbi into and outside the PRC is subject to regulation imposed under PRC law. However, as at the date of this Offering Circular, there are certain differences in the foreign exchange regulation that apply within the China (Shanghai) Free Trade Pilot Zone compared with those that apply to other parts of the PRC, as further set out in the section below titled "Foreign Exchange Regulation in the China (Shanghai) Free Trade Pilot Zone".

THE LAND SYSTEM OF THE PRC

All land in the PRC is either state-owned or collectively-owned, depending on the location of the land. All land in the urban areas of a city is state-owned, and all land in the rural and suburban areas is, unless otherwise specified by law, collectively-owned. The state has the right to resume its ownership of land or the right to use land in accordance with law if required for the public interest. Although all land in the PRC is owned by the state or by collectives, individuals and entities may obtain land use rights and hold such land use rights for which they are granted land use rights. Individuals and entities may acquire land use rights in different ways, the two most important being land grants from local land authorities and land transfers from land users who have already obtained land use rights.

PROPERTY LEASING

Both the Provisional Regulations of the PRC Concerning the Grant and Assignment of the Right to Use State-owned Land in Urban Area (中华人民共和国城镇国有土地使用权出让和转让暂行条例) and the Real Property Administration Law permit leasing of granted land use rights and the buildings or properties constructed on the land. The Measures for Administration of Leasing of Urban Buildings (城市房屋租赁管理办法) (the "**Urban Buildings Leasing Measures**") were promulgated by the Ministry of Construction in May 1995 in accordance with the Real Property Administration Law in order to strengthen the administration of the leasing of urban buildings, which was subsequently replaced by the Administrative Measures for Commodity House Leasing (商品房屋租赁管理办法) (the "**Leasing Measures**") promulgated by the Ministry of Housing and Urban-Rural Development ("**MOHURD**") on 1 December 2010. According to the Leasing Measures, the parties to a housing tenancy shall go through the housing tenancy registration formalities with the competent real estate authorities of the municipalities directly under the PRC central government, cities and counties where the housing is located within 30 days after the housing tenancy contract is signed. The relevant real estate authorities are authorised to impose a fine below RMB1,000 on individuals, and a fine from RMB1,000 to RMB10,000 on other violators who are not natural persons and fail to comply with the regulations within the specified time limit. The Leasing Measures came into effect as at 1 February 2011 in replacement of the Urban Buildings Leasing Measures.

According to the Real Property Administration Law, rental income derived from the lease of buildings and the underlying land use rights by a landlord who acquired only allocated land use rights without payment of consideration for such acquisition must be turned over to the State.

According to Book Three Contract of the PRC Civil Code which came into effect on 1 January 2021, the term of a contract for leasing of premises and the underlying land use rights must not exceed a maximum term of 20 years.

TENANCY LAWS

Book Three Contract of the PRC Civil Code which came into effect on 1 January 2021 provides that the lease agreement shall be in writing if its term is over six months, and the term of any lease agreement shall not exceed twenty years; during the lease term, that any change of ownership to the leased property does not affect the valid leasing contract; that the tenant may sub-let the leased property if it is agreed by the landlord and the lease agreement between the landlord and the tenant is still valid and binding; and that when the landlord is to sell the leased property, it will be required to give the tenant a reasonable advance notice before the sale, and the tenant has the right of priority to purchase the leased property at substantially similar terms (with limited exceptions).

The tenant must pay rent on time in accordance with the lease contract. In the event of default of rental payment without reasonable cause, the landlord may ask the tenant to pay within a reasonable period of time. If the tenant fails to pay rent within the prescribed time limit, the landlord may terminate the lease.

The landlord has the right to terminate the lease and take back the property pursuant to the lease: (i) if the tenant sub-lets the property without prior consent from the landlord, or damages the property by using the property in a manner that is not compliant with the agreed uses that are stipulated in the lease or which arise from the nature of the property, (ii) if the tenant defaults in rental payment without reasonable cause and fails to remedy such default within the reasonable period as requested by the landlord, or (iii) if other circumstances occur allowing the landlord to terminate the lease under the relevant PRC laws and regulations.

SALE AND TRANSFER OF PROPERTY

The PRC authorities have issued a series of laws, rules and regulations in relation to property transactions, for example, the Real Property Administration Law and the Provisions on Administration of Transfer of Urban Real Estate (城市房地产转让管理规定) promulgated by the Ministry of Construction in 1995 and further amended in August 2001. Pursuant to such rules and regulations, the property owner has the right in accordance with law to dispose of a property by way of sale, gift, or other forms of transfer.

The parties to a transfer must enter into a real estate transfer contract in writing and apply for registration of the transfer with the real estate administration authority having jurisdiction over the location of the real estate within 90 days of the execution of transfer.

PROPERTY MANAGEMENT

According to the Regulation on Property Management (物业管理条例) enacted by the State Council on 8 June 2003 and implemented on 1 September 2003, as most recently amended on 19 March 2018 and effective on the same date, the general meeting of owners in a property can appoint and dismiss the property management enterprise. Before the formal appointment of a property management enterprise by the general meeting of the owners, a written temporary service contract should be signed by the construction institutions (for example, a developer) and a property management enterprise.

According to the Rules on Property Management Service Fees (物业服务收费管理办法) jointly promulgated by the NDRC and the Ministry of Construction on 13 November 2003 and effective on 1 January 2004, the amount of property management fees payable to a property management enterprise as remuneration may be set between the owners and property management enterprises by reference to a fixed management fee or a percentage based management fee. The property management enterprise may collect a fixed management fee from the property owners to cover all operating costs incurred for property management and shall account for any shortfall and retain any surplus. Or, management fees may be charged by reference to a fixed percentage of the total management fees collected. The balance of the fees will be used for covering the operating cost incurred for property management, and the property owners shall account for any shortfall and retain any surplus.

PRC CURRENCY REGULATION

Current Account Items

Under PRC foreign exchange regulation regulations, current account items refer to any transaction for international receipts and payments involving goods, services, earnings and other frequent transfers.

Prior to July 2009, all current account items were required to be settled in foreign currencies with limited exceptions. Following progressive reforms, Renminbi settlement of imports and exports of goods and of services and other current account items became legally permissible nationwide as from July 2011.

Since July 2013, the procedures for cross-border Renminbi trade settlement under current account items have been simplified, further, since June 2015, trades through e-commerce can also be settled under in Renminbi under the current regulatory regime. A cash pooling arrangement for qualified multinational enterprise group companies was introduced in late 2014, under which a multinational enterprise group can process cross-border Renminbi payments and receipts for current account items on a collective basis for eligible member companies in the group. In addition, the eligibility requirements for multinational enterprise groups have been lowered and the cap for net cash inflow has been increased in September 2015.

The PBOC also permits enterprises in Shanghai FTZ to establish an additional cash pool in the local scheme in the Shanghai FTZ, but each onshore company within the group may only elect to participate in one cash pooling programme. In November 2016, PBOC Shanghai Headquarters further allowed banks in Shanghai to provide multinational enterprise groups with services of full-function onshore cash pooling, which will enable broader scope for utilising pooled cash.

In January 2018, the PBOC enhanced its support to enterprises to use Renminbi in cross-border settlement under the principle of facilitating cross-border trade and investment and optimising. In December 2020, the PBOC, together with the NDRC, the Ministry of Commerce, the State-owned Assets Supervision and Administration Commission of the State Council, the China Banking and Insurance Regulatory Commission and the SAFE, jointly promulgated regulations emphasising the promotion of Renminbi settlement of trade and investment, further simplification of cross-border Renminbi settlement process, optimisation of the management of cross-border Renminbi investment and financing, facilitation of cross-border Renminbi receipt and payment under personal current accounts, and facilitation of use of Renminbi settlement accounts by overseas institutions.

The regulations referred to above are subject to interpretation and application by the relevant PRC authorities. Local authorities may adopt different practices in applying these regulations and impose conditions for settlement of current account items.

Capital Account Items

Under PRC foreign exchange regulations, capital account items include cross-border transfers of capital, direct investments, securities investments, derivative products and loans. Capital account payments are generally subject to approval of, and/or registration or filing with, the relevant PRC authorities.

Until recently, settlement of capital account items, for example, the capital contribution of foreign investors to foreign invested enterprises in the PRC, was generally required to be made in foreign currencies. Under progressive reforms, foreign enterprises are now permitted to use Renminbi to settle all capital account items that can be settled in foreign currencies. Cross-border Renminbi payment infrastructure and trading facilities are being improved.

PRC entities are also permitted to borrow Renminbi-denominated loans from foreign lenders (which are referred to as "**foreign debt**") and lend Renminbi-denominated loans to foreign borrowers (which are referred to as "**outbound loans**"), as long as such PRC entities have the necessary quota, approval or registration. PRC entities may also denominate security or guarantee arrangements in Renminbi and make Renminbi payments thereunder to parties in the PRC as well as other jurisdictions (which is referred to as "**cross-border security**"). Under current rules promulgated by SAFE and PBOC, foreign debts borrowed, outbound loans extended, and the cross-border security provided by a PRC onshore entity (including a financial institution) in Renminbi shall, in principle, be regulated under the current PRC foreign debt, outbound loan and cross-border security regimes applicable to foreign currencies. After piloting in the free trade zones, the PBOC and SAFE launched a nation-wide system of macro-prudential management on cross-border financing in 2017, which provides for a unified regime for financings denominated in both foreign currencies and Renminbi.

Since September 2015, qualified multinational enterprise groups can extend Renminbi-denominated loans to, or borrow Renminbi-denominated loans from, eligible offshore member entities within the same group by leveraging the cash pooling arrangements. The Renminbi funds will be placed in a special deposit account and may not be used to invest in stocks, financial derivatives, or non-self-use real estate assets, or purchase wealth management products or extend loans to enterprises outside the group. Enterprises within the Shanghai FTZ may establish another cash pool under the Shanghai FTZ rules to extend inter-company loans, although Renminbi funds obtained from financing activities may not be pooled under this arrangement.

The securities markets, specifically the Renminbi Qualified Foreign Institutional Investor ("**RQFII**") regime and the China Interbank Bond Market ("**CIBM**"), have been further liberalised for foreign investors. The PBOC has relaxed the quota control for RQFII, and has also expanded the list of eligible foreign investors in CIBM, removed quota restriction, and granted more flexibility for the settlement agents to provide the relevant institutions with more trading facilities (for example, in relation to derivatives for hedging foreign exchange risk).

Interbank foreign exchange market is also opening-up. In January 2016, China Foreign Exchange Trade System (中国外汇交易中心) set forth qualifications, application materials and procedure for foreign participating banks (which needs to have a relatively large scale of Renminbi purchase and sale business and international influence) to access the inter-bank foreign exchange market.

In October 2019, SAFE promulgated measures to simplify foreign exchange accounts, for example, "Capital accounts – special account for domestic reinvestment" is included in "capital accounts – foreign exchange capital account" and to further promote the reform of "simplification of administrative procedures and decentralization of powers, combination of decentralisation and appropriate control, and optimisation of services".

In November 2022, PBOC, SAFE and six other PRC authorities jointly issued notice which further promotes the innovation on cross-border investment and financing activities in those cities and stresses the macro-prudential management on the monitoring of cross-border capital flows.

Recent reforms introduced were aimed at regulating the remittance of Renminbi for payment of transactions categorised as capital account items. There is no assurance that the PRC Government will continue to gradually liberalise the regulation on Renminbi payments of capital account item transactions in the future. The relevant regulations are relatively new and will be subject to interpretation and application by the relevant PRC authorities. Further, if any new PRC regulations are promulgated in the future which have the effect of permitting or restricting (as the case may be) the remittance of Renminbi for payment of transactions categorised as capital account items, then such remittances will need to be made subject to the specific requirements or restrictions set out in such rules.

Foreign Exchange Regulation in the China (Shanghai) Free Trade Pilot Zone

On 18 September 2013, the State Council of the PRC issued the Circular on the Framework Plan for the China (Shanghai) Pilot Free Trade Zone (Guo Fa [2013] No. 38) (国务院关于印发中国 (上海) 自由贸易试验区总体方案的通知 (国发[2013]38 号)) which approved the establishment of the Shanghai FTZ. On 2 December 2013, the PBOC issued its opinion on supporting the financial sector for the Shanghai FTZ (中国人民银行关于金融支持中国 (上海) 自由贸易试验区建设的意见), and subsequently on 28 February 2014 the Shanghai Branch of SAFE issued the Detailed Implementation Rules on Foreign Exchange Management to Support the China (Shanghai) Pilot

Free Trade Zone (支持中国(上海)自由贸易试验区建设外汇管理实施细则) relaxing certain foreign exchange regulation in respect of qualified entities in the Shanghai FTZ; furthermore, on July 10, 2019, the Shanghai Branch of SAFE issued the Circular of the Shanghai Administration of Foreign Exchange on Issuing the Implementing Rules for Reforming Foreign Exchange Administration in the China (Shanghai) Pilot Free Trade Zone (4.0 version) (国家外汇管理局上海市分局关于印发《进一步推进中国(上海)自由贸易试验区外汇管理改革试点实施细则(4.0版)》的通知).

Enterprises incorporated within the Shanghai FTZ and overseas enterprises (for the purpose hereunder including Hong Kong, Macau and Taiwan) may open FTZ Accounts with qualified banks in the Shanghai FTZ. An FTZ Account is a special account capable of receiving both Renminbi and foreign currencies on a separate accounting basis. Entities incorporated within the Shanghai FTZ may open an FTZ Account (an "**FTE**") with a bank based in the Shanghai FTZ. An overseas entity may also open FTZ Account (an "**FTN**") with a bank based in the Shanghai FTZ. The qualified financial institutions within the Shanghai FTZ or incorporated out of PRC may also open FTZ Account (an "**FTU**").

Transactions in Renminbi and in foreign currencies can freely flow among FTEs, FTNs and FTUs, and to overseas bank accounts without being subject to approval or registration relating to foreign exchange regulation. However, the flow of funds between FTZ Accounts and non-FTZ Accounts (except for certain special types of non-resident accounts) generally remain subject to cross-border foreign exchange regulation. Where payments of principal and interest under the Bonds are paid into FTZ Accounts, such amounts will be subject to restrictions on foreign exchange conversion and/or offshore remittance which apply to such FTZ Accounts.

Foreign-invested entities in the Shanghai FTZ are able to freely convert their funds in their FTZ Accounts between Renminbi and foreign currencies at their discretion after settlement of foreign exchange conversion with a bank based in the Shanghai FTZ.

TAXATION

The following summary of certain tax consequences of the purchase, ownership and disposition of the Bonds is based upon applicable laws, regulations, rulings and decisions in effect as at the date of this Offering Circular, all of which are subject to change (possibly with retroactive effect). This discussion does not purport to be a comprehensive description of all the tax considerations that may be relevant to a decision to purchase, own or dispose of the Bonds and does not purport to deal with consequences applicable to all categories of investors, some of which may be subject to special rules. Neither these statements nor any other statements in this Offering Circular are to be regarded as advice on the tax position of any Bondholder or any persons acquiring, selling or otherwise dealing in the Bonds or on any tax implications arising from the acquisition, sale or other dealings in respect of the Bonds. Persons considering the purchase of the Bonds should consult their own tax advisors concerning the possible tax consequences of buying, holding or selling any Bonds under the laws of their country of citizenship, residence or domicile.

PRC

The following summary accurately describes the principal PRC tax consequences of ownership of the Bonds by beneficial owners who, or which, are not residents of mainland China for PRC tax purposes. These beneficial owners are referred to as non-PRC Bondholders in this "Taxation — PRC" section. In considering whether to invest in the Bonds, investors should consult their individual tax advisors with regard to the application of PRC tax laws to their particular situations as well as any tax consequences arising under the laws of any other tax jurisdiction. Reference is made to PRC taxes from the taxable year beginning on or after 1 January 2008.

Enterprise Income Tax

Withholding on Interest

Pursuant to the EIT Law and its implementation rules, investors of the Bonds who are PRC resident enterprises shall be subject to EIT for the interest income received from the Bonds held by them. Such income shall be included in such investors' revenues recognized in the respective period, income tax on which is generally assessed at the rate of 25%.

Pursuant to the EIT Law and its implementation rules, a non-resident enterprise that has no business establishment or place in the PRC, or has business establishment or place in the PRC but the income derived is not effectively connected with such business establishment or place, is subject to EIT on the income sourced from the PRC. The source of income for interest is determined based on the location of the enterprise or entity that bears or pays such interest. If an investor of the Bonds is a non-resident enterprise that has no business establishment or place in the PRC or that has a business establishment or place in the PRC but the income derived is not effectively connected with such business establishment or place, and the interest arising from the Bonds is borne and paid by a foreign issuer, such interest income shall be regarded as income sourced from outside of the PRC and such investor shall not be subject to EIT on such interest income.

However, as there is no specific regulations or guidelines relating to the taxation of the issuance of cross-border debt securities in the Shanghai FTZ, there is uncertainty as to the income tax consequences for FTZ resident investors. Shanghai FTZ resident investors should further consult their own legal and tax advisers in relation to their EIT and IIT obligations.

Capital Gains

According to the EIT Law and its implementation rules, investors of the Bonds who are PRC resident enterprises shall be subject to EIT for gains received from the transfer or sale of the Bonds. Such income shall be included in such investors' revenues recognized in the respective period, income tax on which is generally assessed at the rate of 25%.

If an investor is a non-resident enterprise located outside the PRC, the gain derived by such investor from transferring or selling the Bonds shall be regarded as the income sourced from outside the PRC and thus shall not be subject to EIT.

However, as there is no specific regulations or guidelines relating to the taxation of the transfer of cross-border debt securities in the Shanghai FTZ, there is uncertainty as to the income tax consequences for FTZ resident investors. Shanghai FTZ resident investors should further consult their own legal and tax advisers in relation to their EIT and IIT obligations.

Value-add Tax

Pursuant to Circular 36, the entities and individuals providing the services within the PRC shall be subject to value-added tax ("**VAT**"). The services are treated as being provided within the PRC where either the service provider or the service recipient is located in the PRC. The services subject to VAT include the provision of financial services such as the provision of loans. It is further clarified under Circular 36 that the "loans" refers to the activity of lending capital for another's use and receiving the interest income thereon. Based on the definition of "loans" under Circular 36, the issuance of Bonds is likely to be treated as the holders of the Bonds providing loans to the Issuer.

For Bondholders who are PRC entities, interest income derived from the Bonds is subject to VAT, where the taxable turnover is the gross amount of the interest income and any income in the nature of interest; gains from transfer of the Bonds is also subject to VAT, where the taxable turnover is the balance of the selling price less the purchase price.

Pursuant to Circular 36, it is possible that the revenues of non-PRC entities generated from their provision of services to other foreign entities are not deemed as the provision of services within the PRC and therefore not subject to VAT. As a result, if the interest income on the Bonds received by foreign investors is regarded as providing lending services to a foreign issuer, such services are not categorised as provision of services in the PRC, thus interest income on the Bonds received by foreign investors is not subject to VAT. VAT is unlikely to be applicable to any transfer of Bonds between entities located outside of the PRC and therefore unlikely to be applicable to gains realised upon such transfers of Bonds, but there is uncertainty as to the applicability of VAT if either the seller or buyer of Bonds is located inside the PRC. However, as there are no specific regulations or guidelines relating to the taxation of the issuance and transfer of cross-border debt securities in the Shanghai FTZ, there is uncertainty as to whether or not the issuance and transfer of the Bonds are deemed to be outside the PRC by Chinese Tax authorities. In the event that the issuance and transfer of the Bonds are treated as within the PRC, such Bondholders may be subject to PRC VAT on the transfer of the Bonds, unless any specific exemptions apply. Investors should further consult their own legal and tax advisors in relation to their VAT obligations.

In the event that the Issuer is required to make any deduction or withholding (whether by way of EIT, IIT, VAT or otherwise), the Issuer has agreed to pay such additional amounts as will result in receipt by the Bondholders of such amounts after such withholding or deduction as would have been received by them had no such withholding or deduction been required, as further set out in "Terms and Conditions of the Bonds".

Stamp Duty

According to the Stamp Duty Law of the People's Republic of China (中华人民共和国印花税法), effective on 1 July 2022, enterprises or individuals which conclude or receive any of the instruments specified in the Interim Regulation of the PRC on Stamp Duty within the territory of PRC or to the extent that any such instruments have legally binding effect within the territory of PRC and are protected under PRC laws shall be obliged to pay relevant stamp duties in accordance with the provisions therein. A taxpayer shall calculate the amount of stamp duty payable according to the nature of the taxable instruments.

There is currently no clear and specific regulations or guidelines relating to the taxation of the issuance of cross-border debt securities in the China (Shanghai) Pilot Free Trade Zone. As of the date of issuance of this Offering Circular, due to the lack of specific law and regulations, there is no clear basis to deem the Bonds or other cross-border debt securities issued in the China (Shanghai) Pilot Free Trade Zone as taxable instruments of transfer of property rights for the purpose of stamp duties.

However, there can be no assurance that PRC laws will not be revised or there will not be further rules or regulations promulgated specifying that the Bonds or similar debt instrument shall be treated (for purposes of stamp duty obligations) in the same way as loan contracts entered between banks or other financial institutions and borrowers, or otherwise as taxable instruments of transfer of property rights in the PRC. In that event, both the borrower and lender (i.e. the Issuer and the investor purchasing the Bonds, respectively) at the time of the issuance of the Bonds would be subject to PRC stamp duty of 0.005 per cent of the amount borrowed, or any other rate applicable at the time of the issuance or transfer of the Bonds in question (or such higher rate if local governments impose additional requirements).

The Issuer undertakes in the Terms and Conditions that to the extent any PRC stamp duty is payable on initial issuance of the Bonds, it will bear such relevant PRC stamp duties for itself and the Bondholders.

Investors should further consult their own legal and tax advisors in relation to their PRC stamp duty obligations and liabilities in relation to any transfer of the Bonds.

SINGAPORE

The statements below are general in nature and are based on certain aspects of current tax laws in Singapore and administrative guidelines and circulars issued by IRAS and MAS in force as at the date of this Offering Circular and are subject to any changes in such laws, administrative guidelines or circulars, or the interpretation of those laws, guidelines or circulars, occurring after such date, which changes could be made on a retroactive basis. These laws, guidelines and circulars are also subject to various interpretations and no assurance can be given that the relevant tax authorities or the courts will agree with the explanations or conclusions set out below. Neither these statements nor any other statements in this Offering Circular are intended or are to be regarded as advice on the tax position of any holder of the Bonds or of any person acquiring, selling or otherwise dealing with the Bonds or on any tax implications arising from the acquisition, sale or other dealings in respect of the Bonds. The statements made herein do not purport to be a comprehensive or exhaustive description of all the tax considerations that may be relevant to a decision to subscribe for, purchase, own or dispose of the Bonds and do not purport to deal with the tax consequences applicable to all categories of investors, some of which (such as dealers in securities or financial institutions in Singapore which have been granted the relevant Financial Sector Incentive(s)) may be subject to special rules or tax rates. Prospective holders of the Bonds are advised to consult their own tax advisers as to the Singapore or other tax consequences of the acquisition, ownership of or disposal of the Bonds, including, in particular, the effect of any foreign, state or local tax laws to which they are subject. It is emphasized that none of the Issuer, the Guarantor, the Managers and any other person involved with the offer and issue of the Bonds accepts responsibility for any tax effects or liabilities resulting from the subscription for, purchase, holding or disposal of the Bonds.

Interest and Other Payments

Subject to the following paragraphs, under Section 12(6) of the ITA, the following payments are deemed to be derived from Singapore:

(i) any interest, commission, fee or any other payment in connection with any loan or indebtedness or with any arrangement, management, guarantee, or service relating to any loan or indebtedness which is (a) borne, directly or indirectly, by a person resident in Singapore or a permanent establishment in Singapore (except in respect of any business carried on outside Singapore through a permanent establishment outside Singapore or any immovable property situated outside Singapore) or (b) deductible against any income accruing in or derived from Singapore; or

(ii) any income derived from loans where the funds provided by such loans are brought into or used in Singapore.

Such payments, where made to a person not known to the paying party to be a resident in Singapore for tax purposes, are generally subject to withholding tax in Singapore. The rate at which tax is to be withheld for such payments (other than those subject to the 15.0% final withholding tax described below) to non-resident persons (other than non-resident individuals) is the prevailing corporate tax rate, currently 17.0%. The applicable rate for non-resident individuals is 22.0% prior to the year of assessment 2024, and 24.0% thereafter. However, if the payment is derived by a person not resident in Singapore otherwise than from any trade, business, profession or vocation carried on or exercised by such person in Singapore and is not effectively connected with any permanent establishment in Singapore of that person, the payment is subject to a final withholding tax of 15.0%. The rate of 15.0% may be reduced by applicable tax treaties.

However, certain Singapore-sourced investment income derived by individuals from financial instruments is exempt from tax, including:

(i) interest from debt securities derived on or after 1 January 2004;

(ii) discount income (not including discount income arising from secondary trading) from debt securities derived on or after 17 February 2006; and

(iii) prepayment fee, redemption premium and break cost from debt securities derived on or after 15 February 2007, except where such income is derived through a partnership in Singapore or is derived from the carrying on of a trade, business or profession.

It was announced in the Singapore Budget Statement 2023 and the MAS Circular FDD Cir 08/2023 entitled "Qualifying Debt Securities ("**QDS**") and Primary Dealer Schemes – Extension and Refinements" issued by the MAS on 31 May 2023 ("**MAS Circular**") that the QDS scheme is extended until 31 December 2028 and the requirement that QDS have to be substantially arranged in Singapore is rationalised, such that the requirement that QDS have to be substantially arranged by a Financial Sector Incentive (Bond Market) Company, a Financial Sector Incentive (Standard Tier) Company or a Financial Sector Incentive (Capital Market) Company (as defined in the ITA) is broadened to include the following entities holding the relevant licences ("**Specified Licensed Entities**") for all debt securities that are issued on or after 15 February 2023:

(i) any bank or merchant bank licensed under the Banking Act 1970 of Singapore;

(ii) any finance company licensed under the Finance Companies Act 1967 of Singapore; or

(iii) an entity that holds a Capital Markets Services Licence under the Securities and Futures Act 2001 of Singapore to carry out the regulated activities – Advising on Corporate Finance or Dealing in Capital Markets Products – Securities.

On the basis that the Issuer is a "Singapore-based issuer" (as defined in the Income Tax (Qualifying Debt Securities) Regulations) and more than half of the gross revenue from arranging the issue of the Bonds is attributable to Specified Licensed Entities and more than half of the staff of the Specified Licensed Entities arranging the issue of the Bonds are based in Singapore, and the Bonds are issued as debt securities before 31 December 2028, the Bonds would be QDS for the purposes of the ITA, to which the following treatment shall apply:

(a) subject to certain prescribed conditions having been fulfilled (including the furnishing by the Issuer, or such other person as the MAS may direct, to the MAS of a return on debt securities for the Bonds in the prescribed format within such period as the MAS may specify and such other particulars in connection with the Bonds as the MAS may require, and the inclusion by the Issuer in all offering documents relating to the Bonds of a statement to the effect that where interest, discount income, prepayment fee, redemption premium or break cost is derived from the Bonds by any person who is not resident in Singapore and who carries on any operation in Singapore through a permanent establishment in Singapore, the tax exemption available for qualifying debt securities shall not apply if the non-resident person acquires the Bonds using the funds and profits of such person's operations through the Singapore permanent establishment), interest, discount income (not including discount income arising from secondary trading), prepayment fee, redemption premium and break cost (collectively, the "**Qualifying Income**") from the Bonds paid by the Issuer and derived by a holder who is not resident in Singapore and who (aa) does not have any permanent establishment in Singapore or (bb) carries on any operation in Singapore through a permanent establishment in Singapore but the funds used by that person to acquire the Bonds are not obtained from such person's operation through a permanent establishment in Singapore, are exempt from Singapore tax;

(b) subject to certain conditions having been fulfilled (including the furnishing by the Issuer, or such other person as the MAS may direct, to the MAS of a return on debt securities for the Bonds in the prescribed format within such period as the MAS may specify and such other particulars in connection with the Bonds as the MAS may require), Qualifying Income from the Bonds paid by the Issuer and derived by any company or body of persons (as defined in the ITA) in Singapore is subject to income tax at a concessionary rate of 10% (except for holders of the relevant Financial Sector Incentive(s) who may be taxed at different rates); and

(c) subject to:

(i) the Issuer including in all offering documents relating to the Bonds a statement to the effect that any person whose interest, discount income, prepayment fee, redemption premium or break cost derived from the Bonds is not exempt from tax shall include such income in a return of income made under the ITA; and

(ii) the furnishing by the Issuer, or such other person as the MAS may direct, to the MAS of a return on debt securities for the Bonds in the prescribed format within such period as the MAS may specify and such other particulars in connection with the Bonds as the MAS may require,

payments of Qualifying Income derived from the Bonds are not subject to withholding of tax by the Issuer.

Notwithstanding the foregoing:

(A) if during the primary launch of the Bonds, the Bonds are issued to less than four persons and 50% or more of the issue of the Bonds is beneficially held or funded, directly or indirectly, by related parties of the Issuer or the CLCT Manager, the Bonds would not qualify as QDS; and

(B) even though the Bonds are QDS, if, at any time during the tenure of the Bonds, 50% or more of the Bonds which are outstanding at any time during the life of their issue is beneficially held or funded, directly or indirectly, by any related party(ies) of the Issuer or the CLCT Manager, Qualifying Income derived from the Bonds held by:

(I) any related party of the Issuer or the CLCT Manager; or

(II) any other person where the funds used by such person to acquire the Bonds are obtained, directly or indirectly, from any related party of the Issuer or the CLCT Manager,

shall not be eligible for the tax exemption or concessionary rate of tax as described above.

The term "**related party**", in relation to a person (*A*), means any person (a) who directly or indirectly controls *A*; (b) who is being controlled directly or indirectly by *A*; or (c) who, together with *A*, is directly or indirectly under the control of a common person.

The terms "break cost", "prepayment fee" and "redemption premium" are defined in the ITA as follows:

(i) "**break cost**", in relation to debt securities or qualifying debt securities, means any fee payable by the issuer of the securities on the early redemption of the securities, the amount of which is determined by any loss or liability incurred by the holder of the securities in connection with such redemption;

(ii) "**prepayment fee**", in relation to debt securities or qualifying debt securities, means any fee payable by the issuer of the securities on the early redemption of the securities, the amount of which is determined by the terms of the issuance of the securities; and

(iii) "**redemption premium**", in relation to debt securities or qualifying debt securities, means any premium payable by the issuer of the securities on the redemption of the securities upon their maturity.

Any references to "break cost", "prepayment fee" and "redemption premium" in this Singapore taxation disclosure shall have the same meaning as defined in the ITA.

Pursuant to the MAS Circular, the scope of qualifying income under the QDS scheme has been streamlined and clarified with effect from 15 February 2023 such that all payments made by the issuer of the QDS on the redemption of the QDS upon its maturity or on the early redemption of the QDS are qualifying income.

Where interest, discount income, prepayment fee, redemption premium or break cost (i.e. the Qualifying Income) is derived from any of the Bonds by any person who is not resident in Singapore and who carries on any operations in Singapore through a permanent establishment in Singapore, the tax exemption available for QDS under the ITA (as mentioned above) shall not apply if such person acquires such Bonds using the funds and profits of such person's operations through a permanent establishment in Singapore. Any person whose interest, discount income, prepayment fee, redemption premium or break cost (i.e. the Qualifying Income) derived from the Bonds is not exempt from tax is required to include such income in a return of income made under the ITA.

Gains on Disposal of the Bonds

Singapore does not impose tax on capital gains. Any gains considered to be in the nature of capital arising from the sale of the Bonds will not be taxable in Singapore. However, any gains derived by any person from the sale of the Bonds which are gains from any trade, business, profession or vocation carried on by that person, if accruing in or derived from Singapore, may be taxable as such gains are considered revenue in nature. There are no specific laws or regulations which deal with the characterisation of capital gains. The characterisation of the gains arising from the sale of the Bonds will depend on the facts and circumstances of each holder of the Bonds. Holders of the Bonds who apply or are required to apply Singapore Financial Reporting Standard ("**FRS**") 39, FRS 109 or Singapore Financial Reporting Standard (International) 9 (Financial Instruments) ("**SFRS(I) 9**") (as the case may be) may, for Singapore income tax purposes be required to recognise gains or losses (not being gains or losses in the nature of capital) on the Bonds, irrespective of disposal, in accordance with FRS 39, 109 or SFRS(I) 9 (as the case may be). Please see the section below on "Adoption of FRS 39, 109 or SFRS(I) 9 for Singapore Income Tax Purposes".

Adoption of FRS 39, FRS 109 or SFRS(I) 9 for Singapore Income Tax Purposes

Section 34A of the ITA provides for the tax treatment for financial instruments in accordance with FRS 39 (subject to certain exceptions and "opt-out" provisions) to taxpayers who are required to comply with FRS 39 for financial reporting purposes. The IRAS has also issued a circular entitled "Income Tax Implications Arising from the Adoption of FRS 39 - Financial Instruments: Recognition & Measurement".

FRS 109 or SFRS(I) 9 (as the case may be) is mandatorily effective for annual periods beginning on or after 1 January 2018, replacing FRS 39. Section 34AA of the ITA requires taxpayers who comply or who are required to comply with FRS 109 or SFRS(I) 9 (as the case may be) for financial reporting purposes to calculate their profit, loss or expense for Singapore income tax purposes in respect of financial instruments in accordance with FRS 109 or SFRS(I)

9 (as the case may be), subject to certain exceptions. The IRAS has also issued a circular entitled "Income Tax: Income Tax Treatment Arising from Adoption of FRS 109 – Financial Instruments".

Holders of the Bonds who may be subject to the tax treatment under Sections 34A or 34AA of the ITA should consult their own accounting and tax advisers regarding the Singapore income tax consequences of their acquisition, holding or disposal of the Bonds.

Estate Duty

Singapore estate duty has been abolished for all deaths occurring on or after 15 February 2008.

HONG KONG

Withholding Tax

No withholding tax is payable in Hong Kong in respect of payments of principal or interest on the Bonds or in respect of any capital gains arising from the sale of the Bonds.

Stamp Duty

No Hong Kong stamp duty will be chargeable upon the issue or transfer of a Bond.

Profits Tax

Hong Kong profits tax is chargeable on every person carrying on a trade, profession or business in Hong Kong in respect of profits arising in or derived from Hong Kong from such trade, profession or business (excluding profits arising from the sale of capital assets).

Interest on the Bonds may be deemed to be profits arising in or derived from Hong Kong from a

trade, profession or business carried on in Hong Kong in the following circumstances:

(i) interest on the Bonds is derived from Hong Kong and is received by or accrues to a corporation carrying on a trade, profession or business in Hong Kong;

(ii) interest on the Bonds is derived from Hong Kong and is received by or accrues to a person, other than a corporation, carrying on a trade, profession or business in Hong Kong and is in respect of the funds of that trade, profession or business;

(iii) interest on the Bonds is received by or accrues to a financial institution (as defined in the Inland Revenue Ordinance (Cap. 112) of Hong Kong (the "**IRO**")) and arises through or from the carrying on by the financial institution of its business in Hong Kong; or

(iv) interest on the Bonds is received by or accrues to a corporation, other than a financial institution, and arises through or from the carrying on in Hong Kong by the corporation of its intra-group financing business (within the meaning of section 16(3) of the IRO).

Sums received by or accrued to a financial institution by way of gains or profits arising through or from the carrying on by the financial institution of its business in Hong Kong from the sale, disposal and redemption of Bonds will be subject to Hong Kong profits tax. Sums received by or accrued to a corporation, other than a financial institution, by way of gains or profits arising through or from the carrying on in Hong Kong by the corporation of its intra-group financing business (within the meaning of section 16(3) of IRO) from the sale, disposal or other redemption of Bonds will be subject to Hong Kong profits tax.

Sums derived from the sale, disposal or redemption of the Bonds will be subject to Hong Kong profits tax where received by or accrued to a person, other than a financial institution, who carries on a trade, profession or business in Hong Kong and the sum has a Hong Kong source unless otherwise exempted. The source of such sums will generally be determined by having regard to the manner in which the Bonds are acquired and disposed of.

In addition, the Inland Revenue (Amendment) (Taxation on Specified Foreign-sourced Income) Ordinance 2022 of Hong Kong (the "**Amendment Ordinance**") came into effect on 1 January 2023. Under the Amendment Ordinance, certain foreign-sourced interest on the Bonds accrued to an MNE entity (as defined in the Amendment Ordinance) carrying on a trade, profession or business in Hong Kong is regarded as arising in or derived from Hong Kong and subject to Hong Kong profits tax when it is received in Hong Kong. The Amendment Ordinance also provides for relief against double taxation in respect of certain foreign-sourced income and transitional matters.

In certain circumstances, Hong Kong profits tax exemptions (such as concessionary tax rates) may be available. Investors are advised to consult their own tax advisors to ascertain the applicability of any exemptions to their individual position.

SUBSCRIPTION AND SALE

The Issuer and the Guarantor have entered into a subscription agreement with the Managers dated 12 October 2023 (the "**Subscription Agreement**"), pursuant to which and subject to certain conditions contained therein, the Issuer has agreed to sell to the Managers, and the Managers have agreed to, severally but not jointly, subscribe and pay for, or to procure subscribers to subscribe and pay for, the aggregate principal amount of the Bonds indicated in the following table:

	Principal amount of the Bonds to be subscribed
	(CNY)
1. CMB International Capital (Singapore) Pte. Limited	150,000,000
2. DBS Bank Ltd.	150,000,000
3. Oversea-Chinese Banking Corporation Limited	150,000,000
4. CMB International Capital Limited	75,000,000
5. CMB Wing Lung Bank Limited	75,000,000
Total	**600,000,000**

The Subscription Agreement provides that the Issuer and the Guarantor will indemnify the Managers and their affiliates against certain liabilities in connection with the offer and sale of the Bonds. The Subscription Agreement provides that the obligations of the Managers are subject to certain conditions precedent and entitles the Managers to terminate the Subscription Agreement in certain circumstances prior to payment being made to the Issuer.

In connection with the issue of the Bonds, each Manager appointed and acting in such capacity (the "**Stabilisation Manager**") or any person acting on behalf of the Stabilisation Manager may, to the extent permitted by applicable laws and directives, over-allot the Bonds or effect transactions with a view to supporting the price of the Bonds at a level higher than that which might otherwise prevail, but in doing so the Stabilisation Manager or any person acting on behalf of the Stabilisation Manager shall act as principal and not as agent of the Issuer or the Guarantor. However, there is no assurance that the Stabilisation Manager or any person acting on behalf of the Stabilisation Manager will undertake stabilisation action. Any loss or profit sustained as a consequence of any such over-allotment or stabilisation shall be for the account of the Managers.

The Managers and their respective affiliates are full service financial institutions engaged in various activities, which may include securities trading, commercial and investment banking, financial advisory, investment management, principal investment, hedging, financing and brokerage activities ("**Banking Services or Transactions**"). The Managers and their respective affiliates may have, from time to time, performed, and may in the future perform, various Banking Services or Transactions with the Issuer for which they have received, or will receive, fees and expenses.

In connection with the offering of the Bonds, the Managers and/or their respective affiliates, or affiliates of the Issuer or the Guarantor, may act as investors and place orders, receive allocations and trade the Bonds for their own account and such orders, allocations or trading of the Bonds may be material. Such entities may hold or sell such Bonds or purchase further Bonds for their own account in the secondary market or deal in any other securities of the Issuer or the Guarantor, and therefore, they may offer or sell the Bonds or other securities otherwise than in connection with the offering of the Bonds. Accordingly, references herein to the offering of the Bonds should be read as including any offering of the Bonds to the Managers and/or their respective affiliates, or affiliates of the Issuer or the Guarantor as investors for their own account.

Such entities are not expected to disclose such transactions or the extent of any such investment, otherwise than in accordance with any applicable legal or regulatory requirements. If such transactions occur, the trading price and liquidity of the Bonds may be impacted.

Furthermore, it is possible that a significant proportion of the Bonds may be initially allocated to, and subsequently held by, a limited number of investors. If this is the case, the trading price and liquidity of trading in the Bonds may be constrained. The Issuer, the Guarantor and the Managers are under no obligation to disclose the extent of the distribution of the Bonds amongst individual investors, otherwise than in accordance with any applicable legal or regulatory requirements.

In the ordinary course of their various business activities, the Managers and their respective affiliates make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers, and may at any time hold long and short positions in such securities and instruments. Such investment and securities activities may involve securities and instruments of the Issuer or the Guarantor, including the Bonds and could adversely affect the trading price and liquidity of the Bonds. The Managers and their affiliates may make investment recommendations and/or publish or express independent research views (positive or negative) in respect of the Bonds or other financial instruments of the Issuer or the Guarantor, and may recommend to their clients that they acquire long and/or short positions in the Bonds or other financial instruments of the Issuer or the Guarantor.

Notice to capital market intermediaries and prospective investors pursuant to paragraph 21 of the Hong Kong SFC Code of Conduct – Important Notice to CMIs (including private banks): This notice to CMIs (including private banks) is a summary of certain obligations the SFC Code imposes on CMIs, which require the attention and cooperation of other CMIs (including private banks). Certain CMIs may also be acting as OCs for this offering and are subject to additional requirements under the SFC Code.

Prospective investors who are the directors, employees or major shareholders of the Issuer, the Guarantor, CLCT, the CLCT Manager, a CMI or its group companies would be considered under the SFC Code as having an Association with the Issuer, the Guarantor, CLCT, the CLCT Manager, the CMI or the relevant group company. CMIs should specifically disclose whether their investor clients have any Association when submitting orders for the Bonds. In addition, private banks should take all reasonable steps to identify whether their investor clients may have any Associations with the Issuer, the Guarantor, CLCT, the CLCT Manager, or any CMI (including its group companies) and inform the Managers accordingly.

CMIs are informed that the marketing and investor targeting strategy for this offering includes institutional investors, sovereign wealth funds, pension funds, hedge funds, family offices and high net worth individuals, in each case, subject to the selling restrictions set out elsewhere in this Offering Circular.

CMIs should ensure that orders placed are bona fide, are not inflated and do not constitute duplicated orders (i.e. two or more corresponding or identical orders placed via two or more CMIs). CMIs should enquire with their investor clients regarding any orders which appear unusual or irregular. CMIs should disclose the identities of all investors when submitting orders for the Bonds (except for omnibus orders where underlying investor information may need to be provided to any OCs when submitting orders). Failure to provide underlying investor information for omnibus orders, where required to do so, may result in that order being rejected. CMIs should not place “X-orders” into the order book.

CMIs should segregate and clearly identify their own proprietary orders (and those of their group companies, including private banks as the case may be) in the order book and book messages.

CMIs (including private banks) should not offer any rebates to prospective investors or pass on any rebates provided by the Issuer, the Guarantor, CLCT or the CLCT Manager. In addition, CMIs (including private banks) should not enter into arrangements which may result in prospective investors paying different prices for the Bonds.

The SFC Code requires that a CMI disclose complete and accurate information in a timely manner on the status of the order book and other relevant information it receives to targeted investors for them to make an informed decision. In order to do this, those Managers in control of the order book should consider disclosing order book updates to all CMIs.

When placing an order for the Bonds, private banks should disclose, at the same time, if such order is placed other than on a "principal" basis (whereby it is deploying its own balance sheet for onward selling to investors). Private banks who do not provide such disclosure are hereby deemed to be placing their order on such a "principal" basis. Otherwise, such order may be considered to be an omnibus order pursuant to the SFC Code. Private banks should be aware that placing an order on a "principal" basis may require the relevant affiliated Manager (s) (if any) to categorise it as a proprietary order and apply the "proprietary orders" requirements of the SFC Code to such order

In relation to omnibus orders, when submitting such orders, CMIs (including private banks) that are subject to the SFC Code should disclose underlying investor information in respect of each order constituting the relevant omnibus order (failure to provide such information may result in that order being rejected). Underlying investor information in relation to omnibus orders should consist of:

- The name of each underlying investor;
- A unique identification number for each investor;
- Whether an underlying investor has any "Associations" (as used in the SFC Code);
- Whether any underlying investor order is a "Proprietary Order" (as used in the SFC Code);
- Whether any underlying investor order is a duplicate order.

Underlying investor information in relation to omnibus order should be sent to: projectbund2023@cmbi.com.hk and bondissuance@cmbwinglungbank.com.

To the extent information being disclosed by CMIs and investors is personal and/or confidential in nature, CMIs (including private banks) agree and warrant: (A) to take appropriate steps to safeguard the transmission of such information to any OCs; and (B) that they have obtained the necessary consents from the underlying investors to disclose such information to any OCs. By submitting an order and providing such information to any OCs, each CMI (including private banks) further warrants that they and the underlying investors have understood and consented to the collection, disclosure, use and transfer of such information by any OCs and/or any other third parties as may be required by the SFC Code, including to the Issuer, the Guarantor, CLCT, the CLCT Manager, relevant regulators and/or any other third parties as may be required by the SFC Code, for the purpose of complying with the SFC Code, during the bookbuilding process for this offering. CMIs that receive such underlying investor information are reminded that such information should be used only for submitting orders in this offering. The Managers may be asked to demonstrate compliance with their obligations under the SFC Code, and may request other CMIs (including private banks) to provide evidence showing compliance with the obligations above (in particular, that the necessary consents have been obtained). In such event, other CMIs (including private banks) are required to provide the relevant Manager with such evidence within the timeline requested.

General

The distribution of this Offering Circular or any offering material and the offering, sale or delivery of the Bonds is restricted by law in certain jurisdictions. Therefore, persons who may come into possession of this Offering Circular or any offering material are advised to consult with their own legal advisors as to what restrictions may be applicable to them and to observe such restrictions. This Offering Circular may not be used for the purpose of an offer or invitation in any circumstances in which such offer or invitation is not authorised.

No action has been taken or will be taken in any jurisdiction that would permit a public offering of the Bonds, or possession or distribution of this Offering Circular or any amendment or supplement thereto or any other offering or publicity material relating to the Bonds, in any country or jurisdiction where action for that purpose is required.

United States

The Bonds and the Guarantee have not been and will not be registered under the U.S. Securities Act of 1933 (the "**Securities Act**") and may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act.

The Bonds are being offered and sold outside of the United States in reliance on Regulation S under the Securities Act ("**Regulation S**").

Terms used in the paragraph above have the meanings given to them by Regulation S.

United Kingdom

Each Manager has represented and agreed that:

(a) it has only communicated or caused to be communicated, and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of Section 21 of the Financial Services and Markets Act 2000 (the "**FSMA**")) received by it in connection with the issue or sale of any Bonds in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer; and

(b) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the Bonds in, from or otherwise involving the United Kingdom.

Hong Kong

Each Manager has represented and agreed that:

(i) it has not offered or sold and will not offer or sell in Hong Kong, by means of any document, any Bonds other than (a) to "professional investors" as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong (the "**SFO**") and any rules made under the SFO; or (b) in other circumstances which do not result in the document being a "prospectus" as defined in the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong (the "**C(WUMP)O**") or which do not constitute an offer to the public within the meaning of the C(WUMP)O; and

(ii) it has not issued or had in its possession for the purposes of issue, and will not issue or have in its possession for the purposes of issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to the Bonds, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Bonds which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" as defined in the SFO and any rules made under the SFO.

The People's Republic of China

Each Manager has represented and agreed that the Bonds are not being offered or sold and may not be offered or sold, directly or indirectly, in the PRC (for such purposes, not including the Hong Kong and Macau Special Administrative Regions or Taiwan) other than the Shanghai FTZ, except as permitted by applicable laws and regulations of the PRC. The Bonds are allowed to be offered or sold, directly or indirectly, in the Shanghai FTZ to the extent that such offer or sale is permitted by applicable laws and regulations of the PRC, or approved by the relevant PRC regulatory authorities.

Singapore

Each Manager has acknowledged that this Offering Circular has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, each Manager has represented and agreed that it has not offered or sold any Bonds or caused the Bonds to be made the subject of an invitation for subscription or purchase, and will not offer or sell any Bonds or cause the Bonds to be made the subject of an invitation for subscription or purchase, and has not circulated or distributed, nor will it circulate or distribute this Offering Circular or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Bonds, whether directly or indirectly, to any person in Singapore other than (i) to an institutional investor (as defined in Section 4A of the SFA) pursuant to Section 274 of the SFA or (ii) to an accredited investor (as defined in Section 4A of the SFA) pursuant to and in accordance with the conditions specified in Section 275 of the SFA and (where applicable) Regulation 3 of the Securities and Futures (Classes of Investors) Regulations 2018.

At no time shall the Bonds be offered or sold, or caused to be made the subject of an invitation for subscription or purchase, nor shall this Offering Circular or any other document or material in connection with the offer or sale, or invitation for subscription or purchase of the Bonds be circulated or distributed to any person in Singapore in any subsequent offer except to (i) an institutional investor (as defined in Section 4A of the SFA) or (ii) an accredited investor (as defined in Section 4A of the SFA) pursuant to and in accordance with the conditions specified in Section 275 of the SFA and (where applicable) Regulation 3 of the Securities and Futures (Classes of Investors) Regulations 2018.

Where the Bonds are subscribed or purchased under Section 275 of the SFA by an accredited investor which is:

(a) a corporation the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or

(b) a trust whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor,

securities or securities-based derivatives contracts (each term as defined in Section 2(1) of the SFA) of that corporation or the beneficiaries' rights and interests (howsoever described) in that trust shall not be transferred except:

(i) to an institutional investor or an accredited investor;

(ii) where no consideration is or will be given for the transfer; or

(iii) where the transfer is by operation of law.

Any reference to the SFA is a reference to the Securities and Futures Act 2001 of Singapore and a reference to any term as defined in the SFA or any provision in the SFA is a reference to that term or provision as modified or amended from time to time including by such of its subsidiary legislation as may be applicable at the relevant time.

Japan

The Bonds have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948, as amended, the "**Financial Instruments and Exchange Act**"). Accordingly, each Manager has represented and agreed that it has not, directly or indirectly, offered or sold and will not, directly or indirectly, offer or sell any Bonds in Japan or to, or for the benefit of, any resident of Japan (which term as used herein means any person resident in Japan, including any corporation or other entity organised under the laws of Japan) or to others for re-offering or re-sale, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan except pursuant to an exemption from the registration requirements of, and otherwise in compliance with the Financial Instruments and Exchange Act and other relevant laws and regulations of Japan.

Macau

The Bonds have not been and will not be promoted, distributed, sold or delivered in Macau, and any document relating to the Bonds has not been and will not be distributed or circulated in Macau, except under the terms of and in compliance with the Financial System Act of Macau and any other laws and regulations in Macau that may apply to the offer and sale of the Bonds in Macau. The Bonds have not been and will not be registered or otherwise authorised for public offer under the Financial System Act of Macau and applicable regulations, thus may not be offered or sold in Macau, unless such offer is made by Macau licensed entities according to the Financial System Act of Macau and applicable regulations, and upon their communication to the Macau Monetary Authority, in observation of the guidelines and recommendations issued by the Macau local regulatory authority from time to time.

GENERAL INFORMATION

1. **Clearing System:** The Bonds will initially be issued in registered uncertificated book-entry form entered in CCDC (CCDC Code: G2380176).

2. **Authorisations:** The Issuer and the Guarantor have obtained all necessary consents, approvals and authorisations in connection with the issue and performance of its obligations under the Bonds. The issue of the Bonds was authorised by resolutions of the board of directors of the Issuer dated 11 October 2023 and the giving of the Guarantee was authorised by a resolution of the board of directors of the Guarantor dated 24 November 2020, as supplemented by the change to the list of authorised signatories dated 27 September 2023 and resolutions of the board of directors of the CLCT Manager dated 11 October 2023.

3. **No Material and Adverse Change:** Save as disclosed in this Offering Circular, there has been no change (nor any development or event involving a prospective change), in the condition (financial or other), prospects, results of operations or general affairs of the Issuer, the Guarantor, CLCT or the Group, which is material and adverse in the context of the issue and offering of the Bonds, since 30 June 2023.

4. **Litigation:** None of the Issuer, the Guarantor, CLCT or any other member of the Group is presently involved in any litigation or arbitration proceedings which could have a material adverse effect on the Group's business, results of operations and financial condition or is otherwise material in the context of the issue and offering of the Bonds.

5. **Available Documents:** Copies of the Service Agreement, the Deed of Covenant and the Deed of Guarantee relating to the Bonds will be available for inspection by the Bondholders from the Issue Date following prior written request and proof of holding and identity to the satisfaction of the Issuer and the Guarantor at the principal place of business of the Issuer, being as at the Issue Date at 168 Robinson Road #30-01 Capital Tower Singapore 068912 at all reasonable times during normal business hours (being between 9:00 a.m. (Singapore time) and 3:00 p.m. (Singapore time), Monday to Friday (other than public holidays))[9], so long as any Bond is outstanding.

6. **Financial Statements:** The 2021 Audited Financial Statements and the 2022 Audited Financial Statements, which are included elsewhere in this Offering Circular, have been audited by KPMG as stated in its reports dated 10 March 2022 and 10 March 2023, respectively. The Reviewed Financial Statements, which are included elsewhere in this Offering Circular, have been reviewed by KPMG as stated in its report dated 26 September 2023.

7. **Listing of Bonds:** Approval in-principle has been received from the SGX-ST for the listing and quotation of the Bonds on the SGX-ST. The SGX-ST assumes no responsibility for the correctness of any of the statements made or opinions or reports contained in this Offering Circular. Admission of the Bonds to the Official List of the SGX-ST is not to be taken as an indication of the merits of the Issuer, the Guarantor or CLCT, their respective subsidiaries (if any), their respective associated companies (if any), their respective joint venture entities (if any), or such Bonds. For so long as any Bonds are listed on the SGX-ST and the rules of the SGX-ST so require, such Bonds, if traded, will be traded on the SGX-ST in a minimum board lot size of S$200,000 (or its equivalent in other currencies).

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[9] Prior appointment with the CLCT Manager is required. Please contact Ms Nicole Chen, Investor Relations (telephone: +65 6713 2888).

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CapitaLand China Trust and its Subsidiaries

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

Condensed Interim Financial Statements
For the six-month period ended 30 June 2023

KPMG LLP
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Asia Square Tower 2
Singapore 018961

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Independent auditors' report on review of Condensed Interim Financial Statements

The Board of Directors
CapitaLand China Trust Management Limited (in its capacity as the Manager of CapitaLand China Trust)

Introduction

We have reviewed the accompanying condensed consolidated statement of financial position and consolidated portfolio statement of CapitaLand China Trust (the "Trust") and its subsidiaries (the "Group") and condensed statement of financial position of the Trust as at 30 June 2023, the condensed consolidated statement of total return, condensed consolidated distribution statement, condensed consolidated statement of movements in Unitholders' funds, condensed consolidated statement of cash flows of the Group and the condensed statement of movements in Unitholders' funds of the Trust for the six-month period then ended and certain explanatory notes (the "Condensed Interim Financial Statements").

The Manager of the Trust is responsible for the preparation and fair presentation of this Condensed Interim Financial Statements in accordance with the recommendations of Statement of Recommended Accounting Practice 7 *Reporting Framework for Investment Funds* ("RAP 7") issued by the Institute of Singapore Chartered Accountants. Our responsibility is to express a conclusion on these Condensed Interim Financial Statements based on our review.

Other matter

The Condensed Interim Financial Statements for the six-month period ended 30 June 2022 were not reviewed.

Scope of review

We conducted our review in accordance with Singapore Standard on Review Engagements 2410 *Review of Interim Financial Information Performed by the Independent Auditor of the Entity*. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Singapore Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying Condensed Interim Financial Statements is not prepared, in all material respects, in accordance with the provisions of RAP 7.

Restriction on use

Our report is provided in accordance with the terms of our engagement. Our work was undertaken so that we might report to you on the Condensed Interim Financial Information for the purpose of inclusion in the Offering Circular in connection with the offering of up to RMB800 million Free Trade Zone Offshore Bonds and for no other purpose. As a result, the Condensed Interim Financial Statements may not be suitable for another purpose. We do not assume responsibility to anyone other than the Trust for our work, for our report, or for the conclusions we have reached in our report.

KPMG LLP
Public Accountants and
Chartered Accountants

Singapore
26 September 2023

Condensed Interim Statements of Financial Position
As at 30 June 2023

	Note	Group		Trust	
		30 Jun 2023 $'000	**31 Dec 2022 $'000**	**30 Jun 2023 $'000**	**31 Dec 2022 $'000**
Non-current assets					
Investment properties	3	4,858,241	4,909,377	-	-
Plant and equipment		2,589	2,979	-	-
Subsidiaries		-	-	2,908,593	2,941,302
Financial derivatives		38,562	41,559	38,562	41,559
Other receivables		1,159	1,204	-	-
		4,900,551	4,955,119	2,947,155	2,982,861
Current assets					
Non-trade amounts due from subsidiaries		-	-	1,851	4,390
Financial derivatives		2,725	2,805	2,725	2,805
Trade and other receivables		23,562	37,134	346	173
Cash and cash equivalents		252,691	231,048	4,070	2,157
		278,978	270,987	8,992	9,525
Total assets		**5,179,529**	**5,226,106**	**2,956,147**	**2,992,386**
Current liabilities					
Trade and other payables		119,789	130,671	41,730	42,655
Security deposits		49,999	49,161	-	-
Interest-bearing borrowings	4	112,047	326,140	99,918	283,765
Lease liabilities		2,621	4,997	-	-
Provision for taxation		10,426	6,472	-	-
		294,882	517,441	141,648	326,420
Non-current liabilities					
Financial derivatives		19	825	19	825
Other payables		6,901	6,969	-	-
Security deposits		52,033	57,020	-	-
Interest-bearing borrowings	4	1,852,831	1,619,800	1,615,835	1,405,048
Lease liabilities		20	138	-	-
Deferred tax liabilities		351,617	340,871	-	-
		2,263,421	2,025,623	1,615,854	1,405,873
Total liabilities		**2,558,303**	**2,543,064**	**1,757,502**	**1,732,293**
Net assets		**2,621,226**	**2,683,042**	**1,198,645**	**1,260,093**
Represented by:					
Unitholders' funds		2,242,914	2,306,231	1,099,044	1,160,483
Perpetual securities holders		99,601	99,610	99,601	99,610
Non-controlling interests		278,711	277,201	-	-
		2,621,226	**2,683,042**	**1,198,645**	**1,260,093**
Units in issue ('000)	5	**1,688,862**	**1,673,893**	**1,688,862**	**1,673,893**
Net asset value per Unit attributable to Unitholders ($)	6	**1.33**	**1.38**	**0.65**	**0.69**

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

Condensed Interim Statements of Total Return
Six-month period ended 30 June 2023

	Note	Group Six-month period ended 30 Jun 2023 $'000	 30 Jun 2022 $'000
Gross rental income		169,464	183,526
Other income		15,078	15,769
Gross revenue		**184,542**	**199,295**
Property related tax		(13,638)	(13,559)
Business tax		(952)	(1,097)
Property management fees and reimbursables		(12,112)	(13,159)
Other property operating expenses		(28,609)	(31,948)
Total property operating expenses		**(55,311)**	**(59,763)**
Net property income		**129,231**	**139,532**
Manager's management fees	7	(10,659)	(11,438)
Trustee's fees		(345)	(368)
Audit fees		(381)	(388)
Valuation fees		(57)	(47)
Other operating income/(expenses)		258	(457)
Foreign exchange gain/(loss) - realised		3,499	(800)
Finance income		1,119	1,244
Finance costs		(34,486)	(27,685)
Net finance costs	8	(33,367)	(26,441)
Net income		**88,179**	**99,593**
Change in fair value of investment property	3	(10,696)	-
Change in fair value of financial derivatives		(1,247)	746
Foreign exchange loss - unrealised		(167)	(4)
Total return for the period before taxation		**76,069**	**100,335**
Taxation		(33,856)	(30,893)
Total return for the period after taxation		**42,213**	**69,442**
Attributable to:			
Unitholders		33,189	59,772
Perpetual securities holders		1,674	1,674
Non-controlling interests		7,350	7,996
Total return for the period after taxation		**42,213**	**69,442**
Earnings per Unit (cents)	9		
- Basic		2.08	3.68
- Diluted		2.07	3.67

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

Condensed Interim Distribution Statements
Six-month period ended 30 June 2023

	Note	Group Six-month period ended 30 Jun 2023 $'000	30 Jun 2022 $'000
Amount available for distribution to Unitholders at beginning of the period		**57,978**	**30,771**
Total return for the period attributable to Unitholders and perpetual securities holders		34,863	61,446
Less: Total return attributable to perpetual securities holders		(1,674)	(1,674)
Distribution adjustments	A	29,939	12,205
Income for the period available for distribution to Unitholders		63,128	71,977
Capital distribution (1)		-	340
Amount available for distribution to Unitholders		**121,106**	**103,088**
Distribution to Unitholders during the period:			
- Distribution of 3.40 cents per Unit for the period from 1 July 2022 to 31 December 2022		(56,912)	-
- Distribution of 1.80 cents per Unit for the period from 21 October 2021 to 31 December 2021		-	(29,871)
		(56,912)	(29,871)
Amount retained	B	-	(3,616)
Amount available for distribution to Unitholders at end of the period		**64,194**	**69,601**
Distribution per Unit ("DPU") (cents)		**3.74**	**4.10**

(1) This relates to the rental support (which was previously deducted from the amount paid to the vendor) for the vacancy loss and rent free period provided to existing tenants of Chengdu Shangliu Logistics Park which has been partially distributed as capital distribution in the six-month period ended 30 Jun 2022 ("1H 2022").

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

Condensed Interim Distribution Statements (cont'd)
Six-month period ended 30 June 2023

Note A – Distribution adjustments

	Group Six-month period ended	
	30 Jun 2023 $'000	30 Jun 2022 $'000
Distribution adjustment items:		
- Straight line rental and leasing commission adjustments [(1)]	2,612	2,702
- Manager's management fees payable in Units	7,681	8,172
- Change in fair value of investment property [(2)]	10,696	-
- Change in fair value of financial derivatives	1,247	(746)
- Deferred taxation [(1)]	13,448	8,626
- Transfer to general reserve [(1)]	(3,958)	(4,595)
- Unrealised foreign exchange loss/(gain) [(1)]	154	(18)
- Other adjustments [(1)]	(1,941)	(1,936)
Net effect of distribution adjustments	29,939	12,205

(1) Excludes non-controlling interest's share.
(2) This relates to CapitaMall Qibao as the mall had ceased operations at the end of March 2023.

Note B

In 1H 2022, CLCT retained $3.6 million of its amount available for distribution to Unitholders in view of the operating uncertainty associated with COVID-19 outbreaks and lockdown in China resulted in mandatory closures of affected assets. This represents 5.0% of the amount available for distribution to Unitholders. The amount retained was fully released in the six-month period ended 31 December 2022 ("2H 2022").

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

Condensed Interim Statements of Movements in Unitholders' Funds
Six-month period ended 30 June 2023

	Group		Trust	
	Six-month period ended			
	30 Jun 2023 $'000	30 Jun 2022 $'000	30 Jun 2023 $'000	30 Jun 2022 $'000
Operations				
Unitholders' funds as at beginning of the period	2,306,231	2,588,199	1,160,483	1,210,256
Change in Unitholders' funds resulting from operations	34,863	61,446	(11,304)	(11,022)
Total return attributable to perpetual securities holders	(1,674)	(1,674)	(1,674)	(1,674)
Transfer to general reserve	(3,958)	(4,595)	-	-
Net increase/(decrease) in net assets resulting from operations	**29,231**	**55,177**	**(12,978)**	**(12,696)**
Movements in hedging reserve				
Effective portion of changes in fair value of cash flow hedges	(1,024)	32,916	(1,024)	32,916
Movements in foreign currency translation reserve				
Translation differences from financial statements of foreign operations	(38,595)	(131,644)	-	-
Exchange differences on monetary items forming part of net investment in foreign operations	(9,450)	(1,850)	-	-
Net (loss)/gain recognised directly in Unitholders' funds	**(49,069)**	**(100,578)**	**(1,024)**	**32,916**
Movement in general reserve	**3,958**	**4,595**	-	-
Unitholders' transactions				
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	7,681	8,172	7,681	8,172
- Units issued in respect of the distribution reinvestment plan	1,794	-	1,794	-
	9,475	8,172	9,475	8,172
Distributions to Unitholders	(56,912)	(29,871)	(56,912)	(29,871)
Net decrease in net assets resulting from Unitholders' transactions	**(47,437)**	**(21,699)**	**(47,437)**	**(21,699)**
Unitholders' funds as at end of the period	**2,242,914**	**2,525,694**	**1,099,044**	**1,208,777**
Perpetual securities holders' funds				
Balance as at beginning of the period	99,610	99,610	99,610	99,610
Amount reserved for distribution to perpetual securities holders	1,674	1,674	1,674	1,674
Distribution to perpetual securities holders	(1,683)	(1,683)	(1,683)	(1,683)
Balance as at end of the period	**99,601**	**99,601**	**99,601**	**99,601**

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

Condensed Interim Statements of Movements in Unitholders' Funds (cont'd)
Six-month period ended 30 June 2023

	Group		Trust	
	Six-month period ended			
	30 Jun 2023 $'000	30 Jun 2022 $'000	30 Jun 2023 $'000	30 Jun 2022 $'000
Non-controlling interests				
Balance as at beginning of the period	277,201	266,554	-	-
Total return attributable to non-controlling interests	7,350	7,996	-	-
Dividend paid	(3,181)	-	-	-
Translation differences from financial statements of foreign operations	(2,659)	(7,530)	-	-
Balance as at end of the period	**278,711**	**267,020**	**-**	**-**
Total	**2,621,226**	**2,892,315**	**1,198,645**	**1,308,378**

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

Portfolio Statement
As at 30 June 2023

Description of leasehold property	Location	Term of leases (years)	Remaining term of lease (years)	Valuation 30 Jun 2023[1] RMB'000	Valuation 31 Dec 2022 RMB'000	Valuation 30 Jun 2023[1] RMB'000	Valuation 31 Dec 2022 RMB'000	Percentage of Unitholders' funds 30 Jun 2023 %	Percentage of Unitholders' funds 31 Dec 2022 %
Group									
Retail Malls									
CapitaMall Xizhimen	No. 1, Xizhimenwai Street, Xicheng District, Beijing	40 - 50	21 - 31	3,642,295	3,638,000	700,231	706,863	31.2	30.7
Rock Square	No. 106-108 Gongye Avenue North, Haizhu District, Guangzhou City, Guangdong Province	40	22	3,436,830	3,410,000	660,731	662,563	29.5	28.7
CapitaMall Wangjing	No. 33, Guangshunbei North Road, Chaoyang District, Beijing	38 - 48	20 - 30	2,885,804	2,884,000	554,796	560,361	24.7	24.3
CapitaMall Grand Canyon	No. 16, South Third Ring West Road, Fengtai District, Beijing	40 - 50	21 - 31	1,908,972	1,901,000	367,000	369,364	16.4	16.0
CapitaMall Xuefu	No. 1, Xuefu Road, Nangang District, Harbin, Heilongjiang Province	40	22	1,791,961	1,789,000	344,504	347,603	15.4	15.0
CapitaMall Xinnan	No. 99, Shenghe First Road, Gaoxin District, Chengdu, Sichuan Province	40	24	1,539,102	1,538,000	295,892	298,833	13.2	13.0
CapitaMall Nuohemule	Block A Jinyu Xintiandi, E'erduosi Street, Yuquan District, Hohhot, Inner Mongolia Autonomous Region	40	26	1,031,900	1,030,000	198,383	200,129	8.8	8.7
CapitaMall Yuhuating	No. 421, Shaoshan Middle Road, Yuhua District, Changsha, Hunan Province	39	21	817,073	800,000	157,082	155,440	7.0	6.7
CapitaMall Shuangjing	No. 31, Guangqu Road, Chaoyang District, Beijing	40	19	616,130	616,000	118,451	119,689	5.3	5.2
CapitaMall Aidemengdun	No. 38, Aidemengdun Road, Daoli District, Harbin, Heilongjiang Province	40	19	424,343	424,000	81,580	82,383	3.6	3.6
CapitaMall Qibao	No. 3655, Qixin Road, Minhang District, Shanghai	19	1[2]	-	29,000	-	5,635	-	0.2
Balance carried forward				18,094,410	18,059,000	3,478,650	3,508,863	155.1	152.1

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

Portfolio Statement (cont'd)
As at 30 June 2023

Description of leasehold property	Location	Term of leases (years)	Remaining term of lease (years)	Valuation 30 Jun 2023[(1)] RMB'000	Valuation 31 Dec 2022 RMB'000	Valuation 30 Jun 2023[(1)] RMB'000	Valuation 31 Dec 2022 RMB'000	Percentage of Unitholders' funds 30 Jun 2023 %	Percentage of Unitholders' funds 31 Dec 2022 %
Group									
Balance brought forward				18,094,410	18,059,000	3,478,650	3,508,863	155.1	152.1
Business Parks									
Ascendas Xinsu Portfolio	Suzhou Industrial Park, Suzhou City, Jiangsu Province	50	23 - 34	2,322,397	2,320,000	446,481	450,776	19.9	19.6
Ascendas Innovation Towers	No. 88 Tian Gu Seventh Road, Xi'an Hi-Tech Industries Development Zone, Xi'an, Shaanxi Province Tech Industries Development Zone, Xi'an, Shaanxi Province	50	41	901,191	902,000	173,254	175,259	7.7	7.6
Ascendas Innovation Hub	No. 38 Gao Xin Sixth Road, Xi'an Hi-Tech Industries Development Zone, Xi'an, Shaanxi Province	50	28	353,175	353,000	67,898	68,588	3.0	3.0
Singapore-Hangzhou Science & Technology Park (Phase I)	No. 2 Kejiyuan Road, Hangzhou Economic & Technological Development Area, Jianggan District, Hangzhou, Zhejiang Province	50	33	848,203	848,000	163,067	164,766	7.3	7.1
Singapore-Hangzhou Science & Technology Park (Phase II)	No. 20 & 57 Kejiyuan Road, Hangzhou Economic & Technological Development Area, Jianggan District, Hangzhou, Zhejiang Province	50	37	1,056,762	1,055,000	203,162	204,987	9.1	8.9
				23,576,138	23,537,000	4,532,512	4,573,239	202.1	198.3

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

Portfolio Statement (cont'd)
As at 30 June 2023

Description of leasehold property	Location	Term of leases (years)	Remaining term of lease (years)	Valuation 30 Jun 2023(1) RMB'000	Valuation 31 Dec 2022 RMB'000	Valuation 30 Jun 2023(1) RMB'000	Valuation 31 Dec 2022 RMB'000	Percentage of Unitholders' funds 30 Jun 2023 %	Percentage of Unitholders' funds 31 Dec 2022 %
Group									
Balance brought forward				23,576,138	23,537,000	4,532,512	4,573,239	202.1	198.3
Logistics Parks									
Shanghai Fengxian Logistics Park	No. 435 Haishang Road, Fengxian District, Shanghai	50	36	624,375	629,000	120,036	122,215	5.3	5.3
Wuhan Yangluo Logistics Park	10 Qiuli Road, Yangluo Development Zone, Xinzhou District, Wuhan	50	41	379,924	384,000	73,040	74,611	3.3	3.2
Chengdu Shuangliu Logistics Park	No.86 Tongguan Road, Shuangliu District, Chengdu, Sichuan Province	50	39	356,092	357,000	68,459	69,365	3.0	3.0
Kunshan Bacheng Logistics Park	No. 998 Yuyang Road Yushan Town, Kunshan, Jiangsu Province	50	41	333,908	334,000	64,194	64,896	2.9	2.9
Investment properties, at valuation (Note 3)				**25,270,437**	**25,241,000**	**4,858,241**	**4,904,326**	**216.6**	**212.7**
Other assets and liabilities (net)						(2,237,015)	(2,221,284)	(99.8)	(96.3)
						2,621,226	2,683,042	116.8	116.4
Net assets attributable to perpetual securities holders						(99,601)	(99,610)	(4.4)	(4.3)
Net assets attributable to non-controlling interests						(278,711)	(277,201)	(12.4)	(12.1)
Net assets attributable to Unitholders						**2,242,914**	**2,306,231**	**100.0**	**100.0**

(1) Valuation of investment properties as at 30 June 2023 (see Note 3).
(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 on 7 January 2024. CLCT did not exercise the option to renew the master lease which expired on 31 January 2021. The mall had ceased operations at the end of March 2023.

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

Condensed Interim Consolidated Statement of Cash Flows
Six-month period ended 30 June 2023

	Note	Group Six-month period ended 30 Jun 2023 $'000	30 Jun 2022 $'000
Operating activities			
Total return for the period after taxation		42,213	69,442
Adjustments for:			
Finance income		(1,119)	(1,244)
Finance costs		34,486	27,685
Depreciation and amortisation		539	625
Taxation		33,856	30,893
Manager's management fees payable in Units	A	7,681	8,172
Plant and equipment written off		8	-
Change in fair value of investment property		10,696	-
Change in fair value of financial derivatives		1,247	(746)
Impairment losses on trade receivables, net		29	5
Operating income before working capital changes		**129,636**	**134,832**
Changes in working capital:			
Trade and other receivables		13,587	(18,913)
Trade and other payables		(9,810)	(22,095)
Cash generated from operating activities		**133,413**	**93,824**
Income tax paid		(16,397)	(16,211)
Net cash from operating activities		**117,016**	**77,613**
Investing activities			
Interest received		1,119	1,244
Capital expenditure on investment properties		(21,589)	(20,167)
Net cash outflow on acquisition of subsidiaries	B	-	(3,822)
Purchase of plant and equipment		(269)	(158)
Net cash used in investing activities		**(20,739)**	**(22,903)**
Financing activities			
Distribution to Unitholders		(55,118)	(29,871)
Distribution to non-controlling interests		(3,181)	-
Distribution to perpetual securities holders		(1,683)	(1,683)
Payment of equity issue expenses		-	(166)
Payment of financing expenses		(200)	(775)
Payment of lease liabilities		(1,266)	(1,356)
Proceeds from draw down of interest-bearing borrowings		452,100	101,600
Repayment of interest-bearing borrowings		(431,230)	(79,196)
Settlement of derivative contracts		1,686	(661)
Interest paid		(32,994)	(25,605)
Net cash used in financing activities		**(71,886)**	**(37,713)**
Net increase in cash and cash equivalents		**24,391**	**16,997**
Cash and cash equivalents at 1 January		231,048	288,860
Effect of foreign exchange rate changes on cash balances		(2,748)	(8,366)
Cash and cash equivalents at 30 June		**252,691**	**297,491**

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

Condensed Interim Consolidated Statement of Cash Flows (cont'd)
Six-month period ended 30 June 2023

Notes:

(A) Significant non-cash and other transactions

$7.7 million of the Manager's management fees (performance and partial base fees) in 2023 will be paid through the issuance of new Units subsequent to the period end.

$8.2 million of the Manager's management fees (performance and partial base fees) in 2022 was paid through the issuance of 7,000,866 new Units in May 2023.

(B) Net cash outflow on the acquisition of subsidiaries

In 1H 2022, the group paid $3.8 million out of the $9.1 million consideration payable as at 31 December 2021 for the acquisition of the four logistic parks. The remaining consideration payable was fully paid in 2H 2022.

Notes to the Condensed Interim Financial Statements

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

These Condensed Interim Financial Statements as at and for the six-month period ended 30 June 2023 relate to CLCT and its subsidiaries (the "Group").

1. General

CapitaLand China Trust (the "Trust") is a Singapore-domiciled unit trust constituted pursuant to the trust deed dated 23 October 2006 (as amended by a first supplemental deed dated 8 November 2006, a second supplemental deed dated 15 April 2010, a third supplemental deed dated 5 April 2012, a fourth supplemental deed dated 14 February 2014, a fifth supplemental deed dated 6 May 2015, a sixth supplemental deed dated 29 April 2016, a seventh supplemental deed dated 5 June 2018, an eighth supplemental deed dated 17 April 2019, a ninth supplemental deed dated 2 April 2020, a first amending and restating deed dated 20 October 2020, and a tenth supplemental deed dated 26 January 2021) (collectively the "Trust Deed") between CapitaLand China Trust Management Limited, (the "Manager") and HSBC Institutional Trust Services (Singapore) Limited (the "Trustee"). The Trust Deed is governed by the laws of the Republic of Singapore. The Trustee is under a duty to take into custody and hold the assets of the Trust held by it or through its subsidiaries (the "Group") in trust for the holders ("Unitholders") of Units in the Trust (the "Units").

The Trust was formally admitted to the Official List of the Singapore Exchange Securities Trading Limited (the "SGX-ST") on 8 December 2006 (the "Listing Date") and was included under the Central Provident Fund ("CPF") Investment Scheme on 8 December 2006.

The principal activities of the Trust are those relating to investment in a diversified portfolio of income-producing properties located primarily in the mainland China, Hong Kong and Macau and used primarily for retail, office and industrial purposes (including business parks, logistics facilities, data centres and integrated developments).

The Group has entered into several service agreements in relation to the management of the Trust and its property operations. The fee structures for these services are as follows:

(a) Trustee's fees

Pursuant to Clause 14.3 of the Trust Deed, the Trustee's fee shall not exceed 0.03% per annum of the value of all the assets of the Group ("Deposited Property"), subject to a minimum of $15,000 per month, excluding out-of-pocket expenses and Goods and Service Tax.

(b) Manager's management fees

The Manager is entitled under Clauses 14.1.3, 14.1.4 and 14.1.6 of the Trust Deed to the following management fees:

- a base fee of 0.25% per annum of the value of the Deposited Property;
- a performance fee of 4.0% per annum of the net property income in the relevant financial year (calculated before accounting for the performance fee in that financial year); and
- an authorised investment management fee of 0.5% per annum of the value of authorised investments which are not real estate. Where such authorised investment is an interest in a property fund (either a real estate investment trust or private property fund) wholly managed by a wholly-owned subsidiary of CapitaLand 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.

Notes to the Condensed Interim Financial Statements (cont'd)

1. General (cont'd)

(c) Property management fees

Under the property management agreements in respect of each property, the Property Managers will provide lease management services, property tax services and marketing co-ordination services in relation to that property. The Property Managers are entitled to the following fees:

Retail:

- 2.0% per annum of the gross revenue; and
- 2.5% per annum of the net property income.

Business Parks[1] / Logistics Parks:

- 1.5% - 3.0% per annum of the gross revenue; and
- (a) a commission equivalent to one (1) time of the monthly gross rent (including service charges and advertisement and promotional fees if any), for each new lease of a term of three (3) years or less;

  (b) a commission equivalent to two (2) times of the monthly gross rent (including property management fee and marketing fee if any), for each new lease of a term of more than (3) years and equal to or less than five (5) years (together with (a) above, the "Marketing Commission Fee");

  (c) a commission equivalent to 50% of the relevant Marketing Commission Fee, for each renewal of lease; and

  (d) for leases of a term of less than one (1) year or longer than five (5) years, the respective Property Managers and the respective Target Companies may review and adjust the Marketing Commission Fee on a case by case basis.
- if any lease is referred by a third-party agent and if so requested by the respective Property Managers, the respective Target Companies shall pay to the third-party agent such amount of commission as notified by the respective Property Managers and concurrently pay to the respective Property Managers 20% of the amount payable to the third-party agent as marketing support and administrative charges.

(d) Acquisition fee

For any authorised investment acquired from time to time by the Trustee on behalf of the Trust, the acquisition fee payable to the Manager under Clause 14.2 of the Trust Deed shall be:

- up to 1.5% of the purchase price in the case of any authorised investment (as defined in the Trust Deed) acquired by the Trust for less than $200 million; and
- 1.0% of the purchase price in the case of any authorised investment acquired by the Trust for $200 million or more.

The acquisition fee payable in respect of any authorised investment acquired from time to time by the Trustee on behalf of the Trust from CapitaLand Mall China Income Fund I, CapitaLand Mall China Income Fund II, CapitaLand Mall China Income Fund III, CapitaLand Mall China Development Fund III, or CapitaLand Mall Asia Limited shall be 1.0% of the purchase price paid by the Trust.

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.

1 Except for the Business parks in Hangzhou, where the property management fees is computed as 8.4% per annum of the gross rental income, in lieu of leasing commission and any services to be provided by the property manager.

Notes to the Condensed Interim Financial Statements (cont'd)

1. General (cont'd)

(d) Acquisition fee (cont'd)

Any payment to third party agents or brokers in connection with the acquisition of any authorised investments for the Trust shall be paid by the Manager to such persons out of the Deposited Property of the Trust or the assets of the relevant special purpose vehicle, and not out of the acquisition fee received or to be received by the Manager.

(e) Divestment fee

Under Clause 14.2 of the Trust Deed, the Manager is entitled to receive a divestment fee of 0.5% of the sale price of any authorised investment disposed directly or indirectly by the Trust, prorated if applicable to the proportion of the Trust's interest.

The divestment fee is payable to the Manager in the form of cash and/or Units (as the Manager may elect) at the prevailing market price provided that in respect of any divestment of real estate assets to interested parties, such a fee should, if required by the applicable laws, rules and/or regulations, be in the form of Units issued by the Trust at prevailing market price(s) and subject to such transfer restrictions as may be imposed.

Any payment to third party agents or brokers in connection with the divestment of any authorised investments for the Trust shall be paid by the Manager to such persons out of the Deposited Property of the Trust or the assets of the relevant special purpose vehicle, and not out of the divestment fee received or to be received by the Manager.

2. Summary of significant accounting policies

(a) Basis of preparation

The Condensed Interim Financial Statements has been prepared in accordance with the *Statement of Recommended Accounting Practice 7 Reporting Framework for Investment Funds ("RAP 7")* issued by the Institute of Singapore Chartered Accountants, and the applicable requirements of the Code on Collective Investment Schemes issued by the Monetary Authority of Singapore and the provisions of the Trust Deed, and should be read in conjunction with the Group's last annual consolidated financial statements as at and for the year ended 31 December 2022. RAP 7 requires the accounting policies to generally comply with the recognition and measurement principles of Financial Reporting Standards in Singapore ("FRS").

The Condensed Interim Financial Statements does not include all of the information required for full annual financial statements and should be read in conjunction with the Group's last annual consolidated financial statements as at 31 December 2022.

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

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

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.

In particular, information about significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the Condensed Interim Financial Statements are described in Note 3 – Valuation of investment properties.

The accounting policies applied by the Group in this Condensed Interim Financial Statements are the same as those applied by the Group in the financial statements as at and for the year ended 31 December 2022.

Notes to the Condensed Interim Financial Statements (cont'd)

2. Summary of significant accounting policies (cont'd)

(b) New standards and amendments

The Group applied the recognition and measurement principles of a number of amendments to standards for the financial period beginning 1 January 2023.

The application of these amendments to standards does not have a material effect on the financial statements.

3. Investment properties

	Group	
	30 Jun 2023 $'000	**31 Dec 2022 $'000**
At 1 January	4,909,377	5,249,617
Expenditure capitalised	10,981	29,079
Reclassification from plant and equipment	-	53
Changes in fair value	(10,696)	67,845
Translation differences	(51,421)	(437,217)
Ending Balance	4,858,241	4,909,377

Security

At 30 June 2023, investment properties of the Group with carrying amounts of $1,508.7 million (31 December 2022: $1,519.4 million) are pledged as security on bank loans (see Note 4).

Measurement of fair value

As at 30 June 2023, the Manager conducted an internal assessment of the valuation of the investment properties, including considering any significant changes in operating performance of the properties, and in consultation with our panel of external property valuers, assessed whether movement in market data, such as discount rates, capitalisation rates, have any significant impact to the valuation of the investment properties. Based on the assessment, the Manager is of the view that the fair value of the portfolio of investment properties has not materially changed from 31 December 2022 valuation which was performed by the independent external valuers CBRE (Shanghai) Management Limited, Cushman & Wakefield International Property Advisers (Shanghai) Co., Ltd. and Jones Lang LaSalle Corporate Appraisal and Advisory Limited.

The valuation reports obtained from the independent valuers for certain of our properties as at 31 December 2022 draw attention to heightened market volatility over the short-to-medium term due to global inflationary pressures. There will be less certainty as to how long the valuation may sustain and property prices may fluctuate over a short period of time, therefore a higher degree of caution should be attached to the valuations when making investment decisions.

The above valuation methods involve certain estimates. The Manager reviewed the key valuation parameters and underlying data including market-corroborated capitalisation rates, discount rates and terminal yield rates adopted and is of the view that they are reflective of available market data as at 30 June 2023.

	30 Jun 2023 $'000	**31 Dec 2022 $'000**
Fair value of investment properties	4,858,241	4,904,326
Add: Carrying amount of lease liabilities	-	5,051
Carrying amount of investment properties	4,858,241	4,909,377

Notes to the Condensed Interim Financial Statements (cont'd)

4. Aggregate amount of borrowings and debt securities

	Group		Trust	
	30 Jun 2023 $'000	**31 Dec 2022 $'000**	**30 Jun 2023 $'000**	**31 Dec 2022 $'000**
Unsecured borrowings				
- Amount repayable within one year [1]	100,000	283,800	100,000	283,800
- Amount repayable after one year	1,620,000	1,410,000	1,620,000	1,410,000
Secured borrowings [2]				
- Amount repayable within one year	12,129	42,375	-	-
- Amount repayable after one year	236,996	214,752	-	-
	1,969,125	1,950,927	1,720,000	1,693,800
Less: Unamortised transaction costs	(4,247)	(4,987)	(4,247)	(4,987)
	1,964,878	1,945,940	1,715,753	1,688,813
Current	112,047	326,140	99,918	283,765
Non-current	1,852,831	1,619,800	1,615,835	1,405,048
	1,964,878	1,945,940	1,715,753	1,688,813

(1) The Group has successfully secured refinancing for the $100.0 million revolving credit facility due within one year.

(2) CapitaMall Xuefu, Rock Square, Singapore-Hangzhou Science & Technology Park Phase I and II, Kunshan Bacheng Logistics Park and Wuhan Yangluo Logistics Park were acquired with a legal mortgage and an assignment of the properties' insurance policies in favour of the lenders over the properties as at 30 June 2023 (see Note 3).

5. Units in issue

	Six-month period 30 Jun 2023 Number of Units	**Year ended 31 Dec 2022 Number of Units**
Balance as at beginning of period/year	1,673,892,897	1,659,527,650
New Units issued:		
- As payment of distribution through distribution reinvestment plan	1,473,597	2,258,266
- As payment of Manager's management fees	13,495,621	12,106,981
Total issued Units as at end of period/year	1,688,862,115	1,673,892,897
New Units to be issued:		
- As payment of Manager's management fees	7,234,148	13,495,621
Total issued and issuable Units as at end of period/year	1,696,096,263	1,687,388,518

Notes to the Condensed Interim Financial Statements (cont'd)

6. Net asset value ("NAV") and net tangible asset ("NTA") per Unit based on issued Units

	Group		Trust	
	30 Jun 2023	31 Dec 2022	30 Jun 2023	31 Dec 2022
NAV/NTA per Unit[(1)]	1.33	1.38	0.65	0.69
Adjusted NAV/NTA per Unit (excluding distributable income)	1.29	1.34	0.61	0.66

(1) NAV/NTA per Unit is computed based on net assets attributable to Unitholders over the issued Units at the end of the period/year.

7. Manager's management fees

Manager's management fees comprise base fee of \$6.1 million (30 June 2022: \$6.4 million) and performance fee of \$4.6 million (30 June 2022: \$5.0 million). The Manager has elected to receive partial Manager's management fees in the form of Units. The performance component of the Manager's management fee amounting to \$4.6 million (30 June 2022: \$5.0 million) and base fee amounting to \$3.1 million (30 June 2022: \$3.2 million) will be paid through the issue of 7,234,148 (30 June 2022: 7,000,866) new Units subsequent to the period end.

8. Finance income and finance costs

	Group Six-month period ended	
	30 Jun 2023 $'000	30 Jun 2022 $'000
Interest income:		
- financial institutions	1,119	1,244
Finance income	1,119	1,244
Interest expenses:		
- financial institutions	(45,534)	(24,829)
- related parties	-	(332)
	(45,534)	(25,161)
Cash flow hedges - gain/(losses) reclassified from hedging reserve	11,165	(2,266)
Finance lease expenses	(117)	(258)
Finance costs	(34,486)	(27,685)
Net finance costs recognised in statement of total return	(33,367)	(26,441)

Notes to the Condensed Interim Financial Statements (cont'd)

9. Earnings per Unit

Basic earnings per Unit

The calculation of basic earnings per Unit is based on weighted average number of Units during the period and total return for the period after taxation and non-controlling interest before distribution.

	Group Six-month period ended 30 Jun 2023 $'000	 30 Jun 2022 $'000
Total return for the period after taxation and non-controlling interest before distribution	34,863	61,446
Less: Total return attributable to perpetual securities holders	(1,674)	(1,674)
Total return attributable to Unitholders	33,189	59,772

	Trust Six-month period ended 30 Jun 2023 Number of Units '000	 30 Jun 2022 '000
Issued Units at beginning of period	1,673,893	1,659,528
Effect of creation of new Units		
- Distribution to Unitholders in respect of distribution reinvestment plan	757	-
- Manager's management fees paid/payable in Units	3,470	7,931
Weighted average number of issued and issuable Units at end of the period	1,678,120	1,667,459

Diluted earnings per Unit

Diluted earnings per Unit is calculated based on total return for the period 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 Six-month period ended 30 Jun 2023 Number of Units '000	 30 Jun 2022 '000
Issued Units at beginning of period	1,673,893	1,659,528
Effect of creation of new Units		
- Distribution to Unitholders in respect of distribution reinvestment plan	757	-
- Manager's management fees paid/payable in Units	10,664	14,893
Weighted average number of issued and issuable Units at end of the period	1,685,314	1,674,421

Notes to the Condensed Interim Financial Statements (cont'd)

10. Financial ratios

	Group	
	Six-month period ended	
	30 Jun 2023	30 Jun 2022
	%	%
Ratio of expenses to average net asset value[(1)]		
- including performance component of Manager's management fees	0.84	0.85
- excluding performance component of Manager's management fees	0.49	0.52

(1) The annualised ratios are computed in accordance with the guidelines of Investment Management Association of Singapore. The expenses used in the computation relate to expenses of the Group, excluding property expenses and finance costs.

<u>Aggregate leverage and interest coverage ratios</u>

	Group	
	Six-month period ended	
	30 Jun 2023	30 Jun 2022
Aggregate leverage (%)[(1)]	40.2	38.6
Interest coverage (times)[(2)]	3.4	4.7
Adjusted Interest coverage (times)[(2)]	3.2	4.4

(1) In accordance with the Property Funds Appendix, the aggregate leverage is calculated based on the proportionate share of total borrowings over deposited properties.

(2) Ratio of EBITDA over consolidated interest expenses (excludes finance lease interest expenses under FRS 116) in accordance with MAS guidelines. Ratio is calculated by dividing the trailing 12 months EBITDA by the trailing 12 months interest expense (excluding FRS 116 finance expense). The adjusted interest coverage ratio includes the distribution to perpetual securities holders.

11. Subsequent Events

On 27 July 2023, the Manager declared a distribution of 3.74 cents per Unit to Unitholders in respect of the period from 1 January 2023 to 30 June 2023.

Report of the Trustee

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

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

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

Authorised Signatory

Singapore
10 March 2023

Statement by the Manager

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

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

Tan Tze Wooi
Director

Singapore
10 March 2023

Independent Auditors' Report

UNITHOLDERS OF CAPITALAND CHINA TRUST

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

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

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

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

Basis for opinion

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

Key audit matters

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

Valuation of investment properties

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

Risk

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

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

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

Our response

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

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

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

Our findings

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

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

Other information

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

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

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

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

Responsibility of the Manager for the financial statements

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

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

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

Auditors' responsibility for the audit of the financial statements

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

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

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

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

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Manager.

- Conclude on the appropriateness of the Manager's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Manager regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal controls that we identify during our audit.

We also provide the Manager with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Manager, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless the law or regulations preclude public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditors' report is Yap Wee Kee.

KPMG LLP
Public Accountants and
Chartered Accountants

Singapore
10 March 2023

Statements of Financial Position

As at 31 December 2022

	Note	Group 2022 $'000	Group 2021 $'000	Trust 2022 $'000	Trust 2021 $'000
Non-current assets					
Investment properties	4	**4,909,377**	5,249,617	**–**	–
Plant and equipment	5	**2,979**	3,749	**–**	–
Subsidiaries	6	**–**	–	**2,941,302**	2,946,142
Financial derivatives	7	**41,559**	5,735	**41,559**	5,735
Other receivables	8	**1,204**	1,365	**–**	–
		4,955,119	5,260,466	**2,982,861**	2,951,877
Current assets					
Non-trade amounts due from subsidiaries	6	**–**	–	**4,390**	2,247
Financial derivatives	7	**2,805**	7	**2,805**	7
Trade and other receivables	8	**37,134**	26,567	**173**	329
Cash and cash equivalents	9	**231,048**	288,860	**2,157**	15,994
		270,987	315,434	**9,525**	18,577
Total assets		**5,226,106**	5,575,900	**2,992,386**	2,970,454
Current liabilities					
Trade and other payables	10	**130,671**	149,996	**42,655**	60,830
Security deposits		**49,161**	51,352	**–**	–
Financial derivatives	7	**–**	821	**–**	821
Interest-bearing borrowings	11	**326,140**	215,001	**283,765**	179,953
Lease liabilities	12	**4,997**	5,147	**–**	–
Provision for taxation		**6,472**	7,716	**–**	10
		517,441	430,033	**326,420**	241,614
Non-current liabilities					
Financial derivatives	7	**825**	2,820	**825**	2,820
Other payables	10	**6,969**	24,131	**–**	–
Security deposits		**57,020**	66,035	**–**	–
Interest-bearing borrowings	11	**1,619,800**	1,774,520	**1,405,048**	1,416,154
Lease liabilities	12	**138**	5,505	**–**	–
Deferred tax liabilities	13	**340,871**	318,493	**–**	–
		2,025,623	2,191,504	**1,405,873**	1,418,974
Total liabilities		**2,543,064**	2,621,537	**1,732,293**	1,660,588
Net assets		**2,683,042**	2,954,363	**1,260,093**	1,309,866
Represented by:					
Unitholders' funds	14	**2,306,231**	2,588,199	**1,160,483**	1,210,256
Perpetual securities holders	15	**99,610**	99,610	**99,610**	99,610
Non-controlling interests	16	**277,201**	266,554	**–**	–
		2,683,042	2,954,363	**1,260,093**	1,309,866
Units in issue ('000)	15	**1,673,893**	1,659,528	**1,673,893**	1,659,528
Net asset value per Unit attributable to Unitholders ($)		**1.38**	1.56	**0.69**	0.73

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

Statements of Total Return

Year ended 31 December 2022

	Note	Group 2022 $'000	Group 2021 $'000
Gross rental income		**356,441**	348,569
Other income		**26,730**	29,398
Gross revenue		**383,171**	377,967
Property related tax		**(30,300)**	(32,927)
Business tax		**(2,138)**	(2,143)
Property management fees and reimbursables		**(25,584)**	(24,067)
Other property operating expenses	18	**(70,933)**	(68,403)
Total property operating expenses		**(128,955)**	(127,540)
Net property income		**254,216**	250,427
Manager's management fees	19	**(21,782)**	(20,938)
Trustee's fees		**(729)**	(677)
Audit fees		**(693)**	(582)
Valuation fees		**(87)**	(136)
Other operating income	20	**185**	808
Foreign exchange gain – realised		**1,083**	1,307
Finance income		**4,169**	3,941
Finance costs		**(60,399)**	(48,118)
Net finance costs	21	**(56,230)**	(44,177)
Net income		**175,963**	186,032
(Loss)/gain on liquidation/disposal of subsidiaries [1]		**(1,831)**	13,164
Change in fair value of investment properties	4	**67,845**	(10,220)
Change in fair value of financial derivatives		**1,861**	1,230
Foreign exchange (loss) – unrealised		**(927)**	(612)
Total return for the year before taxation		**242,911**	189,594
Taxation	22	**(87,785)**	(66,792)
Total return for the year after taxation		**155,126**	122,802
Attributable to:			
Unitholders		**119,618**	103,303
Perpetual securities holders		**3,375**	3,375
Non-controlling interests	16	**32,133**	16,124
Total return for the year after taxation		**155,126**	122,802
Earnings per Unit (cents)	23		
– Basic		**7.36**	6.92
– Diluted		**7.30**	6.86

(1) For 2022, the liquidation relates to the deconsolidation of the Group's subsidiary, CapitaRetail China Investments (B) Gamma Pte. Ltd., following the company's voluntary deregistration with the Corporate Affairs and Intellectual Property Office of Barbados which was completed on 10 Nov 2022.

For 2021, the disposal relates to the gain arising from the disposal of 100% interest in the companies which held CapitaMall Saihan and CapitaMall Minzhongleyuan.

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

Distribution Statements

Year ended 31 December 2022

	Note	Group 2022 $'000	Group 2021 $'000
Amount available for distribution to Unitholders at beginning of the year		**30,771**	9,582
Total return for the year attributable to Unitholders and perpetual securities holders		**122,993**	106,678
Less: Total return attributable to perpetual securities holders		**(3,375)**	(3,375)
Distribution adjustments	A	**4,708**	32,213
Income for the year available for distribution to Unitholders		**124,326**	135,516
Capital distribution [(1)]		**1,289**	–
Amount available for distribution to Unitholders		**156,386**	145,098
Distribution to Unitholders during the year:			
Distribution of 4.10 cents per Unit for the period from 1 January 2022 to 30 June 2022		**(68,537)**	–
Distribution of 1.80 cents per Unit for the period from 21 October 2021 to 31 December 2021		**(29,871)**	–
Distribution of 0.58 cents per Unit for the period from 26 November 2020 to 31 December 2020		**–**	(8,737)
Distribution of 4.23 cents per Unit for the period from 1 January 2021 to 30 June 2021		**–**	(64,259)
Distribution of 2.70 cents per Unit for the period from 1 July 2021 to 20 October 2021		**–**	(41,331)
		(98,408)	(114,327)
Amount available for distribution to Unitholders at end of the year		**57,978**	30,771
Distribution per Unit ("DPU") [(2)] (cents)		**7.50**	8.73

(1) This relates to the rental support (which was previously deducted from the amount paid to the vendor) for the vacancy loss and rent free period provided to existing tenants for Chengdu Shuangliu Logistics Park and Wuhan Yangluo Logistics Park.

(2) The Distribution per Unit relates to the distributions in respect of the relevant financial year. The distribution relating to 1 July 2022 to 31 December 2022 will be paid within 90 days from the end of the distribution period, in accordance with the provisions of the Trust Deed.

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

Distribution Statements

Year ended 31 December 2022

Note A – Distribution adjustments

	Group 2022 $'000	Group 2021 $'000
Distribution adjustment items:		
– Loss/(gain) on liquidation/disposal of subsidiaries	**1,831**	(8,232)
– Straight line rental and leasing commission adjustments (1)	**3,180**	2,311
– Manager's management fees payable in Units	**15,355**	14,292
– Change in fair value of financial derivatives	**(1,861)**	(1,230)
– Change in fair value of investment properties (1)	**(51,744)**	8,799
– Deferred taxation (1)	**43,650**	21,130
– Transfer to general reserve (1)	**(7,756)**	(6,783)
– Unrealised foreign exchange loss (1)	**859**	608
– Other adjustments (1)	**1,194**	1,318
Net effect of distribution adjustments	**4,708**	32,213

(1) Excludes non-controlling interest's share

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

Statements of Movements in Unitholders' Funds

Year ended 31 December 2022

	Group		Trust	
	2022	2021	2022	2021
	$'000	$'000	$'000	$'000
Operations				
Unitholders' funds as at beginning of the year	**2,588,199**	2,245,244	**1,210,256**	972,682
Change in Unitholders' funds resulting from operations	**122,993**	106,678	**(5,537)**	149,621
Total return attributable to perpetual securities holders	**(3,375)**	(3,375)	**(3,375)**	(3,375)
Transfer to general reserve	**(7,756)**	(6,783)	**–**	–
Net increase/(decrease) in net assets resulting from operations	**111,862**	96,520	**(8,912)**	146,246
Movements in hedging reserve				
Effective portion of changes in fair value of cash flow hedges	**39,576**	19,197	**39,576**	19,197
Movements in foreign currency translation reserve				
Translation differences from financial statements of foreign operations	**(341,572)**	134,406	**–**	–
Exchange differences on monetary items forming part of net investment in foreign operations	**(19,153)**	13,918	**–**	–
Net (loss)/gain recognised directly in Unitholders' funds	**(321,149)**	167,521	**39,576**	19,197
Movement in general reserve	**7,756**	6,783	**–**	–
Unitholders' transactions				
New Units issued				
– Units issued in connection with private placement	**–**	150,001	**–**	150,001
Creation of Units payable/paid to manager				
– Units issued and to be issued as satisfaction of the portion of Manager's management fees payable in Units	**15,355**	14,292	**15,355**	14,292
– Units issued in respect of acquisition fees	**–**	10,055	**–**	10,055
Units issued in respect of the distribution reinvestment plan	**2,616**	15,910	**2,616**	15,910
	17,971	190,258	**17,971**	190,258
Distributions to Unitholders	**(98,408)**	(114,327)	**(98,408)**	(114,327)
Equity issue expenses	**–**	(3,800)	**–**	(3,800)
Net (decrease)/increase in net assets resulting from Unitholders' transactions	**(80,437)**	72,131	**(80,437)**	72,131
Unitholders' funds as at end of the year	**2,306,231**	2,588,199	**1,160,483**	1,210,256
Perpetual securities holders' funds				
Balance as at beginning of the year	**99,610**	99,610	**99,610**	99,610
Amount reserved for distribution to perpetual securities holders	**3,375**	3,375	**3,375**	3,375
Distributions to perpetual securities holders	**(3,375)**	(3,375)	**(3,375)**	(3,375)
Balance as at end of the year	**99,610**	99,610	**99,610**	99,610

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

Statements of Movements in Unitholders' Funds

Year ended 31 December 2022

	Group		Trust	
	2022	**2021**	**2022**	**2021**
	$'000	**$'000**	**$'000**	**$'000**
Non-controlling interests				
Balance at beginning of the financial year	**266,554**	–	**–**	–
Acquisition of subsidiaries	**–**	240,401	**–**	–
Total return attributable to non-controlling interests	**32,133**	16,124	**–**	–
Dividend declared	**–**	(620)	**–**	–
Translation differences from financial statements of foreign operations	**(21,486)**	10,649	**–**	–
Balance at end of the year	**277,201**	266,554	**–**	–
Total	**2,683,042**	2,954,363	**1,260,093**	1,309,866

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

Portfolio Statement

Year ended 31 December 2022

Description of leasehold property	Location	Term of lease (years)	Remaining term of lease (years)	Valuation		Valuation		Percentage of Unitholders' funds	
				2022	2021	2022	2021	2022	2021
				RMB'000	RMB'000	$'000	$'000	%	%
Group									
Retail Malls									
CapitaMall Xizhimen	No. 1, Xizhimenwai Street, Xicheng District, Beijing	40 – 50	22 – 32	**3,638,000**	3,620,000	**706,863**	766,608	**30.7**	29.6
Rock Square	No. 106-108 Gongye Avenue North, Haizhu District, Guangzhou City, Guangdong Province	40	23	**3,410,000**	3,422,000	**662,563**	724,677	**28.7**	28.0
CapitaMall Wangjing	No. 33, Guangshunbei North Road, Chaoyang District, Beijing	38 – 48	21 – 31	**2,884,000**	2,795,000	**560,361**	591,897	**24.3**	22.9
CapitaMall Grand Canyon	No. 16, South Third Ring West Road, Fengtai District, Beijing	40 – 50	22 – 32	**1,901,000**	2,022,000	**369,364**	428,199	**16.0**	16.6
CapitaMall Xuefu	No. 1, Xuefu Road, Nangang District, Harbin, Heilongjiang Province	40	23	**1,789,000**	1,789,000	**347,603**	378,857	**15.0**	14.6
CapitaMall Xinnan	No. 99, Shenghe First Road, Gaoxin District, Chengdu, Sichuan Province	40	25	**1,538,000**	1,611,000	**298,833**	341,162	**13.0**	13.2
CapitaMall Nuohemule	Block A Jinyu Xintiandi, E'erduosi Street, Yuquan District, Hohhot, Inner Mongolia Autonomous Region	40	27	**1,030,000**	1,020,000	**200,129**	216,005	**8.7**	8.3
CapitaMall Yuhuating	No. 421, Shaoshan Middle Road, Yuhua District, Changsha, Hunan Province	39	22	**800,000**	770,000	**155,440**	163,063	**6.7**	6.3
CapitaMall Shuangjing	No. 31, Guangqu Road, Chaoyang District, Beijing	40	20	**616,000**	616,000	**119,689**	130,450	**5.2**	5.0
CapitaMall Aidemengdun	No. 38, Aidemengdun Road, Daoli District, Harbin, Heilongjiang Province	40	20	**424,000**	446,000	**82,383**	94,449	**3.6**	3.6
Balance carried forward				**18,030,000**	18,111,000	**3,503,228**	3,835,367	**151.9**	148.1

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

Portfolio Statement

Year ended 31 December 2022

Description of leasehold property	Location	Term of lease (years)	Remaining term of lease (years)	Valuation		Valuation		Percentage of Unitholders' funds	
				2022	2021	2022	2021	2022	2021
				RMB'000	RMB'000	$'000	$'000	%	%
Group									
Balance brought forward				**18,030,000**	18,111,000	**3,503,228**	3,835,367	**151.9**	148.1
Retail Malls									
CapitaMall Qibao[1]	No. 3655, Qixin Road, Minhang District, Shanghai	19	2	**29,000**	55,000	**5,635**	11,647	**0.2**	0.5
Business Parks									
Ascendas Xinsu Portfolio	Suzhou Industrial Park, Suzhou City, Jiangsu Province	50	24 – 35	**2,320,000**	2,294,000	**450,776**	485,800	**19.6**	18.8
Ascendas Innovation Towers	No. 88 Tian Gu Seventh Road, Xi'an Hi-Tech Industries Development Zone, Xi'an, Shaanxi Province	50	42	**902,000**	794,000	**175,259**	168,145	**7.6**	6.5
Ascendas Innovation Hub	No. 38 Gao Xin Sixth Road, Xi'an Hi-Tech Industries Development Zone, Xi'an, Shaanxi Province	50	29	**353,000**	305,000	**68,588**	64,590	**3.0**	2.5
Singapore-Hangzhou Science & Technology Park (Phase I)	No. 2 Kejiyuan Road, Hangzhou Economic & Technological Development Area, Jianggan District, Hangzhou, Zhejiang Province	50	34	**848,000**	672,000	**164,766**	142,310	**7.1**	5.4
Singapore-Hangzhou Science & Technology Park (Phase II)	No. 20 & 57 Kejiyuan Road, Hangzhou Economic & Technological Development Area, Jianggan District, Hangzhou, Zhejiang Province	50	38	**1,055,000**	814,000	**204,987**	172,381	**8.9**	6.7
				23,537,000	23,045,000	**4,573,239**	4,880,240	**198.3**	188.5

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

Portfolio Statement

Year ended 31 December 2022

Description of leasehold property	Location	Term of lease (years)	Remaining term of lease (years)	Valuation		Valuation		Percentage of Unitholders' fund	
				2022	2021	2022	2021	2022	2021
				RMB'000	RMB'000	$'000	$'000	%	%
Group									
Balance brought forward				**23,537,000**	23,045,000	**4,573,239**	4,880,240	**198.3**	188.5
Logistics Parks									
Shanghai Fengxian Logistics Park	No. 435 Haishang Road, Fengxian District, Shanghai	50	37	**629,000**	624,000	**122,215**	132,144	**5.3**	5.1
Wuhan Yangluo Logistics Park	10 Qiuli Road, Yangluo Development Zone, Xinzhou District, Wuhan	50	42	**384,000**	383,000	**74,611**	81,108	**3.2**	3.1
Chengdu Shuangliu Logistics Park	No. 86 Tongguan Road, Shuangliu District, Chengdu, Sichuan Province	50	40	**357,000**	357,000	**69,365**	75,602	**3.0**	2.9
Kunshan Bacheng Logistics Park	No. 998 Yuyang Road Yushan Town, Kunshan, Jiangsu Province	50	42	**334,000**	330,000	**64,896**	69,884	**2.9**	2.7
Investment properties, at valuation (Note 4)				**25,241,000**	24,739,000	**4,904,326**	5,238,978	**212.7**	202.3
Other assets and liabilities (net)						**(2,221,284)**	(2,284,615)	**(96.3)**	(88.3)
						2,683,042	2,954,363	**116.4**	114.0
Net assets attributable to perpetual securities holders						**(99,610)**	(99,610)	**(4.3)**	(3.8)
Net assets attributable to non-controlling interests						**(277,201)**	(266,554)	**(12.1)**	(10.2)
Net assets attributable to Unitholders						**2,306,231**	2,588,199	**100.0**	100.0

(1) CapitaMall Qibao is held under a master lease by CapitaRetail Dragon Mall (Shanghai) Co., Ltd, a subsidiary of CapitaRetail China Investments (B) Alpha Pte. Ltd. The master lease was entered with Shanghai Jin Qiu (Group) Co., Ltd ("Jin Qiu"), the legal owner of CapitaMall Qibao and expires in January 2024, with the right to renew for a further term of 19 years and two months from January 2024 at the option of the Group. Accordingly, the land use rights are held by Jin Qiu. CLCT did not exercise the option to renew the master lease which expired on 31 January 2021.

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

Consolidated Statement of Cash Flows

Year ended 31 December 2022

	Note	Group 2022 $'000	Group 2021 $'000
Operating activities			
Total return for the year after taxation		**155,126**	122,802
Adjustments for:			
Finance income	21	**(4,169)**	(3,941)
Finance costs	21	**60,399**	48,118
Depreciation and amortisation		**1,228**	1,368
Taxation		**87,785**	66,792
Manager's management fees payable in Units	A	**15,355**	14,292
Plant and equipment written off		**33**	40
Change in fair value of investment properties	4	**(67,845)**	10,220
Change in fair value of financial derivatives		**(1,861)**	(1,230)
Loss/(gain) on liquidation/disposal of subsidiaries		**1,831**	(13,164)
Impairment losses on trade receivables, net		**595**	159
Operating income before working capital changes		**248,477**	245,456
Changes in working capital:			
Trade and other receivables		**(11,001)**	11,969
Trade and other payables		**(23,306)**	4,940
Cash generated from operating activities		**214,170**	262,365
Income tax paid		**(32,089)**	(44,899)
Net cash from operating activities		**182,081**	217,466
Investing activities			
Interest received		**4,169**	3,941
Capital expenditure on investment properties		**(37,996)**	(26,539)
Net cash outflow on acquisition of subsidiaries	B	**(9,355)**	(616,380)
Proceeds from disposal of subsidiaries	C	**–**	169,720
Deposit refund for divestment of subsidiaries		**–**	(46,982)
Acquisition of investment property		**–**	(15,996)
Purchase of plant and equipment		**(786)**	(1,189)
Proceeds from disposal of plant and equipment		**7**	3
Net cash used in investing activities		**(43,961)**	(533,422)
Financing activities			
Proceeds from issuance of new Units		**–**	150,001
Distribution to Unitholders		**(95,792)**	(98,417)
Distribution to perpetual securities holders		**(3,375)**	(3,375)
Payment of equity issue expenses		**(166)**	(2,887)
Payment of financing expenses		**(2,523)**	(1,485)
Payment of lease liabilities		**(3,769)**	(5,757)
Proceeds from draw down of interest-bearing borrowings		**492,470**	811,300
Repayment of interest-bearing borrowings		**(505,185)**	(440,601)
Settlement of derivative contracts		**1,284**	(1,098)
Interest paid		**(56,452)**	(44,922)
Net cash (used in)/from financing activities		**(173,508)**	362,759
Net (decrease)/increase in cash and cash equivalents		**(35,388)**	46,803
Cash and cash equivalents at 1 January		**288,860**	208,440
Effect of foreign exchange rate changes on cash balances		**(22,424)**	8,813
Changes in cash and cash equivalents reclassified to assets held for sale		**–**	24,804
Cash and cash equivalents at 31 December	9	**231,048**	288,860

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

Consolidated Statement of Cash Flows

Year ended 31 December 2022

Notes:

(A) Significant non-cash and other transactions

$15.4 million of the Manager's management fees (performance and partial base fees) in 2022 will be paid through the issuance of new Units subsequent to the year end. The issuance of the Management Fee Units is subject to and conditional upon the grant by Securities Industry Council of a whitewash waiver and the satisfaction of all the conditions of the whitewash waiver which would include, among others, approval of independent unitholders of CLCT. In the event that the whitewash waiver is not obtained or the conditions are not satisfied, the Manager will manage the issuance of the Management Fee Units in a manner such that the unitholding of the Manager and its concert parties would not exceed 30%.

$14.3 million of the Manager's management fees (performance and partial base fees) in 2021 was paid through the issuance of 12,106,981 new Units in March 2022.

(B) Net cash outflow on the acquisition of subsidiaries

The Group paid a total consideration of $801.4 million for acquisitions completed in 2021, relating to the acquisition of 51% of the shares in Singapore Suzhou Industrial Holdings Pte. Ltd., which holds Ascendas – Xinsu Development (Suzhou) Co., Ltd. for Ascendas Xinsu Portfolio, 100.0% of the shares in Ascendas Xi An Hi-Tech Development Co., Ltd., which holds Ascendas Innovation Towers, 80.0% of the shares in Xi An Ascendas-Science Technology Investment Co., Ltd. which holds Ascendas Innovation Hub, 80.0% of the shares in Ascendas Hangzhou Science & Technology Co., Ltd. and Ascendas Hangzhou Data Processing Co., Ltd. which hold Singapore Hangzhou Science & Technology Park Phase I and Phase II, 100% of the shares ABM KS Investment Pte. Ltd., Wuhan Logistics Pte. Ltd., Forum Court Limited and Hanson Logistics Limited, which holds Kunshan Bacheng Logistics Park, Wuhan Yangluo Logistics Park, Chengdu Shuangliu Logistics Park and Shanghai Fengxian Logistics Park respectively.

Net cash outflow on acquisition of subsidiaries is provided below:

	Group 2021 $'000
Investment properties	1,314,909
Plant and equipment	1,379
Trade and other receivables	6,845
Cash and cash equivalents	89,350
Trade and other payables	(24,605)
Security deposits	(30,964)
Interest-bearing borrowings	(249,628)
Shareholder loans	(54,047)
Provision for taxation	(2,286)
Net identifiable assets and liabilities acquired	1,050,953
Non-controlling interest	(240,401)
Net identifiable assets and liabilities based on percentage acquired	810,552
Cash of the subsidiaries acquired	(73,774)
Deposit paid in 2020	(115,604)
Consideration payable [1]	(9,148)
Cash paid to vendor in respect of acquisition of subsidiary in 2020	4,354
Net cash outflow	616,380

(1) The consideration payable was paid in 2022.

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

(C) *Net cash inflow on the divestment of subsidiaries*

Net cash inflow on divestment of subsidiaries are provided below:

	2021 **$'000**
Investment properties	201,274
Plant and equipment	53
Trade and other receivables	954
Cash and cash equivalents	607
Trade and other payables	(19,258)
Lease liabilities	(13,685)
Security deposits	(529)
Deferred tax liabilities	(13,175)
Provision for taxation	(9)
Net identifiable assets and liabilities divested	156,232
Gain on disposal of subsidiary	13,164
Realisation of translation reserves	5,864
Sale consideration	175,260
Tax paid	(4,933)
Cash of subsidiary divested	(607)
Cash received from vendor in respect of divestment of subsidiary in 2019	–
Net cash inflow	169,720

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

These notes form an integral part of the financial statements.

The financial statements were authorised for issue by the Manager and the Trustee on 10 March 2023.

1. GENERAL

CapitaLand China Trust (the "Trust") is a Singapore-domiciled unit trust constituted pursuant to the trust deed dated 23 October 2006 (as amended by a first supplemental deed dated 8 November 2006, a second supplemental deed dated 15 April 2010, a third supplemental deed dated 5 April 2012, a fourth supplemental deed dated 14 February 2014, a fifth supplemental deed dated 6 May 2015, a sixth supplemental deed dated 29 April 2016, a seventh supplemental deed dated 5 June 2018, an eighth supplemental deed dated 17 April 2019, a ninth supplemental deed dated 2 April 2020, a first amending and restating deed dated 20 October 2020, and a tenth supplemental deed dated 26 January 2021) (collectively the "Trust Deed") between CapitaLand China Trust Management Limited (the "Manager") and HSBC Institutional Trust Services (Singapore) Limited (the "Trustee"). The Trust Deed is governed by the laws of the Republic of Singapore. The Trustee is under a duty to take into custody and hold the assets of the Trust held by it or through its subsidiaries (the "Group") in trust for the holders ("Unitholders") of Units in the Trust (the "Units").

The Trust was formally admitted to the Official List of the Singapore Exchange Securities Trading Limited (the "SGX-ST") on 8 December 2006 (the "Listing Date") and was included under the Central Provident Fund ("CPF") Investment Scheme on 8 December 2006.

The principal activities of the Trust are those relating to investment in a diversified portfolio of income-producing properties located primarily in mainland China, Hong Kong and Macau and used primarily for retail, office and industrial purposes (including business parks, logistics facilities, data centres and integrated developments).

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

The Group has entered into several service agreements in relation to the management of the Trust and its property operations. The fee structures for these services are as follows:

(a) Trustee's fees

Pursuant to Clause 14.3 of the Trust Deed, the Trustee's fee shall not exceed 0.03% per annum of the value of all the assets of the Group ("Deposited Property"), subject to a minimum of $15,000 per month, excluding out-of-pocket expenses and Goods and Service Tax.

(b) Manager's management fees

The Manager is entitled under Clauses 14.1.3, 14.1.4 and 14.1.6 of the Trust Deed to the following management fees:

- a base fee of 0.25% per annum of the value of the Deposited Property;
- a performance fee of 4.0% per annum of the net property income in the relevant financial year (calculated before accounting for the performance fee in that financial year); and
- an authorised investment management fee of 0.5% per annum of the value of authorised investments which are not real estate. Where such authorised investment is an interest in a property fund (either a real estate investment trust or private property fund) wholly managed by a wholly-owned subsidiary of CapitaLand Group Pte Ltd ("CLG"), no authorised investment management fee shall be payable in relation to such authorised investment.

The Manager may, in accordance with Clause 14.1.8(i) of the Trust Deed elect to receive the management fees in cash or Units or a combination of cash and/or Units (as it may in its sole discretion determine). Pursuant to Clauses 14.1.3 and 14.1.4 of the Trust Deed, the base fee and performance fee are computed and payable on a quarterly and annual basis respectively.

1. GENERAL (CONTINUED)

(c) Property management fees

Under the property management agreements in respect of each property, the Property Managers will provide lease management services, property tax services and marketing co-ordination services in relation to that property. The Property Managers are entitled to the following fees:

Retail:

- 2.0% per annum of the gross revenue; and
- 2.5% per annum of the net property income.

Business Parks[1] / Logistics Parks:

- 1.5% – 3.0% per annum of the gross revenue; and
- (a) a commission equivalent to one (1) time of the monthly gross rent (including service charges and advertisement and promotional fees if any), for each new lease of a term of three (3) years or less;

  (b) a commission equivalent to two (2) times of the monthly gross rent (including property management fee and marketing fee if any), for each new lease of a term of more than three (3) years and equal to or less than five (5) years (together with (a) above, the "Marketing Commission Fee");

  (c) a commission equivalent to 50% of the relevant Marketing Commission Fee, for each renewal of lease; and

  (d) for leases of a term of less than one (1) year or longer than five (5) years, the respective Property Managers and the respective project companies may review and adjust the Marketing Commission Fee on a case by case basis.
- if any lease is referred by a third-party agent and if so requested by the respective Property Managers, the respective project companies shall pay to the third-party agent such amount of commission as notified by the respective Property Managers and concurrently pay to the respective Property Managers 20% of the amount payable to the third-party agent as marketing support and administrative charges.

(d) Acquisition fee

For any authorised investment acquired from time to time by the Trustee on behalf of the Trust, the acquisition fee payable to the Manager under Clause 14.2 of the Trust Deed shall be:

- up to 1.5% of the purchase price in the case of any authorised investment (as defined in the Trust Deed) acquired by the Trust for less than $200 million; and
- 1.0% of the purchase price in the case of any authorised investment acquired by the Trust for $200 million or more.

The acquisition fee payable in respect of any authorised investment acquired from time to time by the Trustee on behalf of the Trust from CapitaLand Mall China Income Fund I, CapitaLand Mall China Income Fund II, CapitaLand Mall China Income Fund III, CapitaLand Mall China Development Fund III, or CapitaLand Mall Asia Limited shall be 1.0% of the purchase price paid by the Trust.

1 Except for the Business parks in Hangzhou, where the property management fees are computed as 8.4% per annum of the gross rental income, in lieu of leasing commission and any services to be provided by the property manager.

1. GENERAL (CONTINUED)

(d) Acquisition fee (continued)

No acquisition fee was payable for the acquisition of the initial property portfolio of the Trust.

The acquisition fee is payable to the Manager in the form of cash and/or Units (as the Manager may elect) at the prevailing market price provided that in respect of any acquisition of real estate assets from interested parties, such a fee should, if required by the applicable laws, rules and/or regulations, be in the form of Units issued by the Trust at prevailing market price(s) and subject to such transfer restrictions as may be imposed.

Any payment to third party agents or brokers in connection with the acquisition of any authorised investments for the Trust shall be paid by the Manager to such persons out of the Deposited Property of the Trust or the assets of the relevant special purpose vehicle, and not out of the acquisition fee received or to be received by the Manager.

(e) Divestment fee

Under Clause 14.2 of the Trust Deed, the Manager is entitled to receive a divestment fee of 0.5% of the sale price of any authorised investment disposed directly or indirectly by the Trust, prorated if applicable to the proportion of the Trust's interest.

The divestment fee is payable to the Manager in the form of cash and/or Units (as the Manager may elect) at the prevailing market price provided that in respect of any divestment of real estate assets to interested parties, such a fee should, if required by the applicable laws, rules and/or regulations, be in the form of Units issued by the Trust at prevailing market price(s) and subject to such transfer restrictions as may be imposed.

Any payment to third party agents or brokers in connection with the divestment of any authorised investments for the Trust shall be paid by the Manager to such persons out of the Deposited Property of the Trust or the assets of the relevant special purpose vehicle, and not out of the divestment fee received or to be received by the Manager.

2. BASIS OF PREPARATION

(a) Statement of compliance

The financial statements have been prepared in accordance with the recommendations of the Statement of Recommended Accounting Practice ("RAP") 7 *"Reporting Framework for Investment Funds"* issued by the Institute of Singapore Chartered Accountants, the applicable requirements of the Code on Collective Investment Schemes (the "CIS Code") issued by the Monetary Authority of Singapore ("MAS") and the provisions of the Trust Deed. RAP 7 requires that accounting policies adopted should generally comply with the recognition and measurement principles of the Singapore Financial Reporting Standards ("FRS").

(b) Basis of measurement

The financial statements have been prepared on the historical cost basis except for the following material items on the statement of financial position:

- investment properties are measured at fair value; and
- derivative financial instruments are measured at fair value.

2. BASIS OF PREPARATION (CONTINUED)

(c) Functional and presentation currency

Items included in the financial statements of each entity in the Group are measured using the currency that best reflects the economic substance of the underlying events and circumstances relevant to that entity (the "functional currency"). The consolidated financial statements of the Group are presented in Singapore dollars, which is the functional currency of the Trust. All financial information presented in Singapore dollars has been rounded to the nearest thousand, unless otherwise stated.

(d) Use of estimates and judgements

The preparation of financial statements in conformity with RAP 7 requires the Manager to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying amounts of assets and liabilities that are not readily apparent from other sources.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Information about assumptions and estimation uncertainties at the reporting date that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial year are included in the following notes:

· Note 4 – Valuation of investment properties; and

· Note 28 – Valuation of financial instruments.

Measurement of fair values

A number of the Group's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

· Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

· Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

· Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement (with Level 3 being the lowest).

The Group recognises transfers between levels of the fair value hierarchy as of the end of the reporting period during which the change has occurred.

2. BASIS OF PREPARATION (CONTINUED)

(d) Use of estimates and judgements (continued)

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

- Note 4 – Investment properties; and
- Note 28 – Valuation of financial instruments.

(e) Changes in accounting policies

The Group has applied the following FRSs, amendments to and interpretations of FRS for the first time for the annual period beginning on 1 January 2022:

- Amendment to FRS 116: *COVID-19-Related Rent Concessions beyond 30 June 2021*
- Amendments to FRS 103: *Reference to the Conceptual Framework*
- Amendments to FRS 16: *Property, Plant and Equipment – Proceeds before Intended Use*
- Amendments to FRS 37: *Onerous Contracts – Cost of Fulfilling a Contract*
- Annual Improvements to FRSs 2018-2020

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

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to all periods presented in these financial statements, and have been applied consistently by Group entities.

(a) Basis of consolidation

(i) Business combinations and property acquisitions

The Group accounts for business combinations using the acquisition method when the acquired set of activities and assets meets the definition of a business and control is transferred to the Group (see Note 3(a)(ii)). In determining whether a particular set of activities and assets is a business, the Group assesses whether the set of assets and activities acquired includes, at a minimum, an input and substantive process and whether the acquired set has the ability to produce outputs.

The Group has an option to apply a 'concentration test' that permits a simplified assessment of whether an acquired set of activities and assets is not a business. The optional concentration test is met if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar identifiable assets.

The Group measures goodwill at the date of acquisition as:

- the fair value of the consideration transferred; plus
- the recognised amount of any non-controlling interest ("NCI") in the acquiree; plus
- if the business combination is achieved in stages, the fair value of the pre-existing equity interest in the acquiree,

over the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed. Any goodwill that arises is tested annually for impairment.

3. **SIGNIFICANT ACCOUNTING POLICIES** (CONTINUED)

(a) **Basis of consolidation** (continued)

(i) Business combinations and property acquisitions (continued)

When the excess is negative, a gain on bargain purchase is recognised immediately in the statement of total return.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognised in the statement of total return.

Costs related to the acquisition, other than those associated with the issue of debt or equity investments, that the Group incurs in connection with a business combination are expensed as incurred.

NCI that are present ownership interests and entitle their holders to a proportionate share of the acquiree's net assets in the event of liquidation are measured either at fair value or at the NCI's proportionate share of the recognised amounts of the acquiree's identifiable net assets, at the date of acquisition. The measurement basis taken is elected for each business combination. All other NCI are measured at acquisition-date fair value, unless another measurement basis is required under the principles of FRSs. If the business combination is achieved in stages, the Group's previously held equity interest in the acquiree is re-measured to fair value at each acquisition date and any changes are taken to the statement of total return.

When acquisition of an asset or a group of assets does not constitute a business combination, it is treated as property acquisition. In such cases, the individual identifiable assets acquired and liabilities assumed are recognised. The acquisition cost shall be allocated to the individual identifiable assets and liabilities on the basis of their relative fair values at the date of acquisition. Such a transaction does not give rise to goodwill.

(ii) Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

The accounting policies of subsidiaries have been changed when necessary to align them with the policies adopted by the Group. Losses applicable to the non-controlling interests in a subsidiary are allocated to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

(iii) Loss of control

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related non-controlling interest and other components of equity. Any resulting gain or loss is recognised in the statement of total return. Any interest retained in the former subsidiary is measured at fair value when control is lost.

(iv) Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income or expenses (except for foreign currency translation gains and losses) arising from intra-group transactions, are eliminated in preparing the consolidated financial statements. Unrealised gains arising from transactions with equity-accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(a) Basis of consolidation (continued)

(v) Accounting for subsidiaries by the Trust

Investments in subsidiaries are stated in the Trust's statement of financial position at cost less accumulated impairment losses.

(b) Foreign currency

(i) Foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currencies of Group entities at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to the functional currency at the exchange rates at that date. Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are translated at the exchange rates at the date that the fair value was determined. Non-monetary items in a foreign currency that are measured in terms of historical cost are translated using the exchange rate at the date of the transaction.

Foreign currency differences arising on translation are recognised in the statement of total return, except for foreign currency differences arising from the translation of financial liabilities designated as hedges of the net investment in a foreign operation to the extent that the hedge is effective, and qualifying cash flow hedges to the extent that the hedge is effective (see Note 3(c)(vi)).

(ii) Foreign operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated to Singapore dollars at exchange rates at the reporting date. The income and expenses of foreign operations are translated to Singapore dollars at exchange rates at the dates of the transactions.

Foreign currency differences are recognised in the foreign currency translation reserve in Unitholders' funds. However, if the foreign operation is a non-wholly-owned subsidiary, then the relevant proportionate share of the translation difference is allocated to the NCI. When a foreign operation is disposed of such that control or joint control is lost, the cumulative amount in the translation reserve related to that foreign operation is reclassified to the statement of total return as part of the gain or loss on disposal. When the Group disposes of only part of its interest in a subsidiary that includes a foreign operation while retaining control, the relevant proportion of the cumulative amount is reattributed to NCI. When the Group disposes of only part of its investment in a joint venture that includes a foreign operation while retaining joint control, the relevant proportion of the cumulative amount is reclassified to the statement of total return.

When the settlement of a monetary item receivable from or payable to a foreign operation is neither planned nor likely in the foreseeable future, foreign exchange gains and losses arising from such a monetary item that are considered to form part of a net investment in a foreign operation are recognised in Unitholders' funds and are presented in the foreign currency translation reserve.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(c) Financial instruments

(i) Initial recognition

Non-derivative financial assets and financial liabilities

Trade receivables are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Group becomes a party to the contractual provisions of the instrument.

(ii) Classification and measurement

Non-derivative financial assets

On initial recognition, the Group classifies its non-derivative financial assets as measured at amortised cost.

The classification depends on the Group's business model for managing the financial assets as well as the contractual terms of the cash flows of the financial asset.

Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

Financial assets at amortised cost

Financial assets at amortised cost comprise non-trade amounts due from subsidiaries, trade and other receivables (excluding prepayments), and cash and cash equivalents.

Initial measurement

A financial asset at amortised cost is initially measured at its fair value plus, or minus, transaction costs that are directly attributable to its acquisition. A trade receivable without a significant financing component is initially measured at the transaction price.

Subsequent measurement

Financial assets at amortised cost are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are subsequently measured at amortised cost. Interest income from these financial assets is included in interest income using the effective interest rate method. Any gain or loss on derecognition is recognised in the statement of total return.

Non-derivative financial liabilities

The Group classifies non-derivative financial liabilities under the other financial liabilities category. Such financial liabilities are initially measured at fair value less directly attributable transaction costs. These financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in the statement of total return. Other financial liabilities comprise trade and other payables, security deposits and interest-bearing borrowings.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(c) Financial instruments (continued)

(iii) Derecognition

Financial assets

The Group derecognises a financial asset when:

· the contractual rights to the cash flows from the financial asset expire; or

· it transfers the rights to receive the contractual cash flows in a transaction in which either:

– substantially all of the risks and rewards of ownership of the financial asset are transferred; or

– the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

Transferred assets are not derecognised when the Group enters into transactions whereby it transfers assets recognised in its statement of financial position, but retains either all or substantially all of the risks and rewards of the transferred assets.

Financial liabilities

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. The Group also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in the statement of total return.

Interest rate benchmark reform

When the basis for determining the contractual cash flows of a financial asset or financial liability measured at amortised cost changes as a result of interest rate benchmark reform, the Group updates the effective interest rate of the financial asset or financial liability to reflect the change that is required by the reform. No immediate gain or loss is recognised.

A change in the basis for determining the contractual cash flows is required by interest rate benchmark reform if the following conditions are met:

– the change is necessary as a direct consequence of the reform; and

– the new basis for determining the contractual cash flows is economically equivalent to the previous basis – i.e. the basis immediately before the change.

When changes were made to a financial asset or financial liability in addition to changes to the basis for determining the contractual cash flows required by interest rate benchmark reform, the Group first updates the effective interest rate of the financial asset or financial liability to reflect the change that is required by interest rate benchmark reform. After that, the Group applies the policies on accounting for modifications to the additional changes.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(c) Financial instruments (continued)

(iv) Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liabilities simultaneously.

(v) Cash and cash equivalents

Cash and cash equivalents comprise cash balances and bank deposits.

(vi) Derivative financial instruments and hedge accounting

Derivative financial instruments and hedge accounting

The Group holds derivative financial instruments to hedge its interest rate risk exposure. Embedded derivatives are separated from the host contract and accounted for separately if the host contract is not a financial asset and certain criteria are met.

Derivatives are initially measured at fair value and any directly attributable transaction costs are recognised in the statement of total return as incurred. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are generally recognised in the statement of total return.

The Group designates certain derivatives and non-derivative financial instruments as hedging instruments in qualifying hedging relationships. At inception of designated hedging relationships, the Group documents the risk management objective and strategy for undertaking the hedge. The Group also documents the economic relationship between the hedged item and the hedging instrument, including whether the changes in cash flows of the hedged item and hedging instrument are expected to offset each other.

Hedges directly affected by interest rate benchmark reform

Phase 1 amendments: Prior to interest rate benchmark reform – when there is uncertainty arising from interest rate benchmark reform

For the purpose of evaluating whether there is an economic relationship between the hedged item(s) and the hedging instrument(s), the Group assumes that the benchmark interest rate is not altered as a result of interest rate benchmark reform.

For a cash flow hedge of a forecast transaction, the Group assumes that the benchmark interest rate will not be altered as a result of interest rate benchmark reform for the purpose of assessing whether the forecast transaction is highly probable and presents an exposure to variations in cash flows that could ultimately affect the statement of total return. In determining whether a previously designated forecast transaction in a discontinued cash flow hedge is still expected to occur, the Group assumes that the interest rate benchmark cash flows designated as a hedge will not be altered as a result of the interest rate benchmark reform.

The Group will cease to apply the specific policy for assessing the economic relationship between the hedged item and the hedging instrument (i) to a hedged item or hedging instrument when the uncertainty arising from interest rate benchmark reform is no longer present with respect to the timing and the amount of the contractual cash flows of the respective item or instrument or (ii) when the hedging relationship is discontinued. For its highly probable assessment of the hedged item, the Group will no longer apply the specific policy when the uncertainty arising from interest rate benchmark reform about the timing and the amount of the interest rate benchmark-based future cash flows of the hedged item is no longer present, or when the hedging relationship is discontinued.

3. **SIGNIFICANT ACCOUNTING POLICIES** (CONTINUED)

(c) **Financial instruments** (continued)

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

Phase 2 amendments: Replacement of benchmark interest rates – when there is no longer uncertainty arising from interest rate benchmark reform

When the basis for determining the contractual cash flows of the hedged item or the hedging instrument changes as a result of interest rate benchmark reform and therefore there is no longer uncertainty arising about the cash flows of the hedged item or the hedging instrument, the Group amends the hedge documentation of that hedging relationship to reflect the change(s) required by interest rate benchmark reform. A change in the basis for determining the contractual cash flows is required by interest rate benchmark reform if the following conditions are met:

– the change is necessary as a direct consequence of the reform; and

– the new basis for determining the contractual cash flows is economically equivalent to the previous basis – i.e. the basis immediately before the change.

For this purpose, the hedge designation is amended only to make one or more of the following changes:

– designating an alternative benchmark rate as the hedged risk;

– updating the description of hedged item, including the description of the designated portion of the cash flows or fair value being hedged; or

– updating the description of the hedging instrument.

The Group amends the description of the hedging instrument only if the following conditions are met:

– it makes a change required by interest rate benchmark reform by changing the basis for determining the contractual cash flows of the hedging instrument or using another approach that is economically equivalent to changing the basis for determining the contractual cash flows of the original hedging instrument; and

– the original hedging instrument is not derecognised.

The Group also amends the formal hedge documentation by the end of the reporting period during which a change required by interest rate benchmark reform is made to the hedged risk, hedged item or hedging instrument. These amendments in the formal hedge documentation do not constitute the discontinuation of the hedging relationship or the designation of a new hedging relationship.

If changes are made in addition to those changes required by interest rate benchmark reform described above, then the Group first considers whether those additional changes result in the discontinuation of the hedge accounting relationship. If the additional changes do not result in discontinuation of the hedge accounting relationship, then the Group amends the formal hedge documentation for changes required by interest rate benchmark reform as mentioned above.

When the interest rate benchmark on which the hedged future cash flows had been based is changed as required by interest rate benchmark reform, for the purpose of determining whether the hedged future cash flows are expected to occur, the Group deems that the hedging reserve recognised in OCI for that hedging relationship is based on the alternative benchmark rate on which the hedged future cash flows will be based.

3. **SIGNIFICANT ACCOUNTING POLICIES** (CONTINUED)

(c) **Financial instruments** (continued)

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

Cash flow hedges

The Group designates certain derivatives as hedging instruments to hedge the variability in cash flows associated with highly probable forecast transactions arising from changes in interest rates.

When a derivative is designated as a cash flow hedging instrument, the effective portion of changes in the fair value of the derivative is recognised and presented in the hedging reserve in Unitholders' fund. The effective portion of changes in the fair value of the derivative that is recognised in the hedging reserve is limited to the cumulative change in fair value of the hedged item, determined on a present value basis, from inception of the hedge. Any ineffective portion of changes in the fair value of the derivative is recognised immediately in the statement of total return.

When the hedged forecast transaction subsequently results in the recognition of a non-financial item, the amount accumulated in the hedging reserve and the cost of hedging reserve is included directly in the initial cost of the non-financial item when it is recognised.

For all other hedged forecast transactions, the amount accumulated in the hedging reserve and the cost of hedging reserve is reclassified to the statement of total return in the same period or periods during which the hedged expected future cash flows affect the statement of total return.

If the hedge no longer meets the criteria for hedge accounting or the hedging instrument is sold, expires, is terminated or is exercised, then hedge accounting is discontinued prospectively. When hedge accounting for cash flow hedges is discontinued, the amount that has been accumulated in the hedging reserve and the cost of hedging reserve remains in equity until, for a hedge of a transaction resulting in recognition of a non-financial item, it is included in the non-financial item's cost on its initial recognition or, for other cash flow hedges, it is reclassified to the statement of total return in the same period or periods as the hedged expected future cash flows affect the statement of total return.

If the hedged future cash flows are no longer expected to occur, then the amounts that have been accumulated in the hedging reserve and the cost of hedging reserve are immediately reclassified to the statement of total return.

Net investment hedges

The Group designates certain derivatives and non-derivative financial liabilities as hedges of foreign exchange risk on net investments in foreign operations.

When a derivative instrument or a non-derivative financial liability is designated as the hedging instrument in a hedge of a net investment in a foreign operation, the effective portion of changes in the fair value of a derivative or foreign exchange gains and losses for a non-derivative is recognised and presented in the foreign currency translation reserve in Unitholders' funds. Any ineffective portion of the changes in the fair value of the derivative or foreign exchange gains or losses on the non-derivative is recognised immediately in the statement of total return. The amount recognised in translation reserve is fully or partially reclassified to the statement of total return as a reclassification adjustment on disposal or partial disposal of the foreign operation, respectively.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(c) Financial instruments (continued)

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

Embedded derivatives

Derivatives may be embedded in another contractual arrangement (a host contract). The Group accounts for an embedded derivative separately from the host contract when:

- the host contract is not an asset in the scope of FRS 109;
- the host contract is not itself carried at FVTPL;
- the terms of the embedded derivative would meet the definition of a derivative if they were contained in a separate contract; and
- the economic characteristics and risks of the embedded derivative are not closely related to the economic characteristic and risks of the host contract.

The Group has drawn down on loans with cash flows based on the Group meeting sustainability performance targets set by the lenders from its 2008 baseline. The Group has determined that the variability in cash flows linked to the Group's sustainability performance target is a non-financial variable specific to the party to the contract, and therefore, in accordance with the Group's accounting policy the feature fails the definition of a derivative. Accordingly, the feature is not separated. Instead, it is included in the calculation of the effective interest rate of the loans.

(d) Investment properties

Investment properties are properties held either to earn rental income or for capital appreciation or both. Investment properties are accounted for as non-current assets and are stated at initial cost on acquisition and at fair value thereafter. The cost of a purchased property comprises its purchase price and any directly attributable expenditure. Transaction costs are included in the initial measurement. Fair value is determined in accordance with the Trust Deed, which requires the investment properties to be valued by independent registered valuers at least once a year in accordance with the CIS Code issued by the MAS.

Any increase or decrease on revaluation is credited or charged to the statement of total return as a net change in fair value of the investment properties.

Subsequent expenditure relating to investment properties that have already been recognised is added to the carrying amount when it is probable that future economic benefits, in excess of the originally assessed standard of performance of the existing asset will flow to the Group.

All other subsequent expenditure is recognised as an expense in the period in which it is incurred.

When an investment property is disposed of, the resulting gain or loss recognised in the statement of total return is the difference between the net proceeds from disposal and the carrying amount of the property.

Investment properties are not depreciated. The properties are subject to continued maintenance and regularly revalued on the basis set out above.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(e) Plant and equipment

(i) Recognition and measurement

Items of plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the asset.

If significant parts of an item of plant and equipment have different useful lives, they are accounted for as separate items (major components) of plant and equipment.

Any gain or loss on disposal of and item of plant and equipment is recognised in the statement of total return.

(ii) Subsequent costs

The cost of replacing a component of an item of plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the component will flow to the Group, and its cost can be measured reliably. The carrying amount of the replaced component is derecognised. The costs of the day-to-day servicing of plant and equipment are recognised in the statement of total return as incurred.

(iii) Depreciation

Depreciation is based on the cost of an asset less its residual value. Significant components of individual assets are assessed and if a component has a useful life that is different from the remainder of that asset, that component is depreciated separately.

Depreciation is recognised as an expense in the statement of total return on a straight-line basis over the estimated useful lives of each component of an item of plant and equipment as follows:

Improvement to premises	–	5 years
Plant and machinery	–	3 to 5 years
Motor vehicles	–	5 years
Furniture, fittings and equipment	–	2 to 5 years

Depreciation methods, useful lives and residual values are reviewed at the end of each reporting period and adjusted if appropriate.

(f) Leases

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

i. As a lessee

The Group has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component for all leases.

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(f) Leases (continued)

i. As a lessee (continued)

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Group by the end of the lease term or the cost of the right-of-use asset reflects that the Group will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The right-of-use asset is subsequently stated at cost less accumulated depreciation and impairment losses, except for right-of-use assets that meet the definition of investment property are carried at fair value in accordance with Note 3(d).

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

The Group determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Group is reasonably certain to exercise, lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if the Group changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in the statement of total return if the carrying amount of the right-of-use asset has been reduced to zero.

The Group presents right-of-use assets that do not meet the definition of investment property and lease liabilities separately in the statement of financial position.

Short-term leases and leases of low-value assets

The Group has elected not to recognise right-of-use assets and lease liabilities for leases of low-value assets and lease term of one year or less with no renewal option, including IT equipment. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(f) Leases (continued)

i. As a lessee (continued)

COVID-19-related rent concessions

The Group has applied the principles under Amendments to FRS 116 – *Covid-19-Related Rent Concessions*. The Group applies the practical expedient allowing it not to assess whether eligible rent concessions that are a direct consequence of the Covid-19 pandemic are lease modifications. The Group applies the practical expedient consistently to contracts with similar characteristics and in similar circumstances. For rent concessions in leases to which the Group chooses not to apply the practical expedient, or do not qualify for the practical expedient, the Group assesses whether there is a lease modification.

ii. As a lessor

At inception or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices.

When the Group acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease.

To classify each lease, the Group makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As part of this assessment, the Group considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

When the Group is an intermediate lessor, it accounts for its interests in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short-term lease to which the Group applies the exemption described above, then it classifies the sub-lease as an operating lease.

If an arrangement contains lease and non-lease components, then the Group applies the principles under FRS 115 to allocate the consideration in the contract.

The Group recognises lease payments received under operating leases as income on a straight-line basis over the lease term as part of 'gross rental income'.

(g) Impairment

(i) Non-derivative financial assets

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

Loss allowances of the Group are measured on either of the following bases:

- 12-month ECLs: these are ECLs that result from default events that are possible within the 12 months after the reporting date (or for a shorter period if the expected life of the instrument is less than 12 months); or

- Lifetime ECLs: these are ECLs that result from all possible default events over the expected life of a financial instrument.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(g) Impairment (continued)

(i) Non-derivative financial assets (continued)

The Group applies the simplified approach to provide for ECLs for all trade receivables. The simplified approach requires the loss allowance to be measured at an amount equal to lifetime ECLs. The Group applies the general approach of 12-month ECL at initial recognition for all other financial assets.

The Group considers a financial asset to be in default when:

- the borrower is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held); or

- the financial asset is more than 90 days past due.

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

Measurement of ECLs

ECLs are probability-weighted estimates of credit losses. Credit losses are measured at the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Group expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

Credit-impaired financial assets

At each reporting date, the Group assesses whether financial assets carried at amortised cost are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower;

- a breach of contract such as a default or being more than 90 days past due;

- the restructuring of a loan or advance by the Group on terms that the Group would not consider otherwise; or

- it is probable that the borrower will enter bankruptcy or other financial reorganisation.

Presentation of allowance for ECLs in the statement of financial position

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of these assets.

Write-off

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

3. **SIGNIFICANT ACCOUNTING POLICIES** (CONTINUED)

(g) Impairment (continued)

(ii) Non-financial assets

The carrying amounts of the Group's non-financial assets, other than investment properties, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. An impairment loss is recognised if the carrying amount of an asset or its related cash-generating unit ("CGU") exceeds its estimated recoverable amount.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs.

Impairment losses are recognised in the statement of total return. Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the CGU (group of CGUs), and then to reduce the carrying amounts of the other assets in the CGU (group of CGUs) on a *pro rata* basis.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

(h) Unitholders' funds

Unitholders' funds represent the residual interests in the Group's net assets upon termination and are classified as equity.

Expenses incurred in connection with the issuance of Units in the Trust are deducted directly against the Unitholders' funds.

(i) Perpetual securities

The perpetual securities do not have a maturity date and the distribution payment is optional at the discretion of the Trust. As the Trust does not have a contractual obligation to repay the principal nor make any distributions, perpetual securities are classified as Unitholders' funds.

Any distributions made are directly debited from Unitholders' funds. Incremental costs directly attributable to the issue of the perpetual securities are deducted against the proceeds from the issue.

(j) Employee benefits

(i) Defined contribution plans

Obligations for contributions to defined contribution pension plans are recognised as an expense in the statement of total return in the period during which related services are rendered by employees.

3. **SIGNIFICANT ACCOUNTING POLICIES** (CONTINUED)

(j) Employee benefits (continued)

(ii) Short-term benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid under short-term cash bonus if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

(k) Provisions

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation.

(l) Distribution policy

The Trust's distribution policy is to distribute at least 90.0% of its distributable income in each financial year to Unitholders, other than from the sale of properties that are determined by Inland Revenue Authority of Singapore to be trading gains.

(m) Revenue recognition

(i) Rental income

Rental income receivable under operating leases is recognised on a straight-line basis over the term of the lease, except where an alternative basis is more representative of the time pattern of benefits to be derived from the leased assets. Lease incentives granted are recognised as an integral part of the total rental income. Contingent rentals, which include gross turnover rental, are recognised as income in the accounting period on an earned basis. No contingent rental is recognised if there are uncertainties due to the possible return of the amounts received.

(ii) Dividend income

Dividend income is recognised when the right to receive payment is established.

(n) Expenses

(i) Property expenses

Property expenses are recognised on an accrual basis.

(ii) Manager's management fees, property management fees and Trustee's fees

These are recognised on an accrual basis based on the applicable formula stipulated in Note 1.

(o) Finance income and finance costs

Finance income comprises interest income recognised in the statement of total return as it accrues, using the effective interest method.

Finance costs comprise interest expense on borrowings and lease liabilities, and expense incurred in connection with borrowings recognised in the statement of total return, using the effective interest method over the period of the borrowings.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(p) Taxation

Taxation on the returns for the year comprises current and deferred tax. Taxation is recognised in the statement of total return except to the extent that it relates to items recognised directly in Unitholders' funds.

The Group has determined that interest and penalties related to income taxes, including uncertain tax treatments, do not meet the definition of income taxes, and therefore accounted for them under the provisions of FRS 37 *Provisions, Contingent Liabilities and Contingent Assets*.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any.

Current tax assets and liabilities are offset only if certain criteria are met.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss; and

- temporary differences related to investments in subsidiaries and joint ventures to the extent that it is probable that they will not reverse in the foreseeable future.

Temporary differences in relation to a right-of-use asset and a lease liability for a specific lease are regarded as a net package (the lease) for the purpose of recognising deferred tax.

The measurement of deferred taxes reflects the tax consequences that would follow the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities. For investment property that is measured at fair value, the carrying amount of the investment property is presumed to be recovered through sale, and the Group has not rebutted this presumption. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date, and reflects uncertainty related to income taxes, if any.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the unused tax losses and credits can be used. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves.

Except for the tax exemption as described below, income earned by the Trust will be subject to Singapore income tax at the Trust level at the prevailing corporate tax rate.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(p) Taxation (continued)

The Trust is exempted from Singapore income tax under Section 13(12) of the Income Tax Act 1947 on the following income:

(i) dividends; and

(ii) interest on shareholders' loans,

payable by its subsidiaries in Barbados, Singapore, Hong Kong and British Virgin Islands out of underlying rental income derived from the investment properties in China.

This exemption is granted subject to certain conditions, including the condition that the Trustee is a tax resident of Singapore.

The tax exemption also applies to dividends payable by these subsidiaries out of gains, if any, derived from the disposal of their shares in the subsidiaries in China.

(q) Earnings per Unit

The Group presents basic and diluted earnings per Unit ("EPU") data for its Units. Basic EPU is calculated by dividing the total return attributable to Unitholders of the Group by the weighted average number of ordinary Units outstanding during the period. Diluted EPU is determined by adjusting the total return attributable to Unitholders and the weighted average number of Units outstanding for the effects of all dilutive potential Units.

(r) Segment reporting

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision-Makers ("CODMs").

Segment results that are reported to the CODMs include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly financial derivative assets and liabilities, other receivables, cash and cash equivalents, trade and other payables, and interest-bearing borrowings.

Segment capital expenditure is the total cost incurred during the year for acquisition of plant and equipment and capital expenditure on investment properties.

(s) New standards and interpretations not yet adopted

A number of new standards are effective for annual periods beginning after 1 January 2022 and earlier application is permitted; however, the Group has not early adopted the principles under the new or amended standards in preparing these consolidated financial statements.

The principles under the following new FRSs, amended standards and interpretations are not expected to have a significant impact on the Group's consolidated financial statements:

- FRS 117 *Insurance Contracts* and Amendments to FRS 117 *Insurance Contracts*
- Amendments to FRS 1 and FRS Practice Statement 2: *Disclosure of Accounting Policies*
- Amendments to FRS 1: *Classification of Liabilities as Current or Non-Current*
- Amendments to FRS 8: *Definition of Accounting Estimates*
- Amendments to FRS 12: *Deferred Tax related to Assets and Liabilities arising from a Single Transaction*

4. INVESTMENT PROPERTIES

	Note	Group 2022 $'000	Group 2021 $'000
At 1 January		**5,249,617**	3,726,433
Acquisition of investment properties[1]		**–**	1,330,787
Expenditure capitalised		**29,079**	18,688
Reclassification from plant and equipment	5	**53**	–
Changes in fair value		**67,845**	(10,220)
Translation differences		**(437,217)**	183,929
At 31 December		**4,909,377**	5,249,617

(1) Includes acquisition fees and acquisition related expenses of $15.9 million for 31 December 2021.

Security

At 31 December 2022, investment properties of the Group with carrying amounts of $1,519.4 million (2021: $1,813.0 million) are pledged as security to secure bank loans (see Note 11).

Measurement of fair value

Investment properties are stated at fair value based on valuation performed by independent professional valuers having appropriate recognised professional qualifications and recent experience in the location and category of property being valued. In determining the fair value, the valuers have used valuation methods which involve certain estimates. The Manager reviews the key valuation parameters and underlying data including discount, capitalisation and terminal yield rates adopted by the valuers and is of the view that the valuation methods and estimates are reflective of the current market conditions.

The fair values are based on open market values, being the estimated amount for which a property could be exchanged on the date of the valuation between a willing buyer and a willing seller in an arm's length transaction wherein the parties had each acted knowledgeably and without compulsion.

The fair value measurement for all of the investment properties of $4.9 million (2021: $5.2 billion) has been categorised as a Level 3 fair value based on the inputs to the valuation technique used (see Note 2(d)).

	2022 $'000	2021 $'000
Fair value of investment properties (based on valuation reports)	**4,904,326**	5,238,978
Add: Carrying amount of lease liabilities	**5,051**	10,639
Carrying amount of investment properties	**4,909,377**	5,249,617

The valuers have considered valuation techniques including the market comparable, capitalisation and discounted cash flows approaches in arriving at the open market value as at the reporting date.

The market comparable approach involves the analysis of comparable sales of similar properties and adjusting the sale prices to that reflective of the investment property.

The capitalisation approach is an investment approach whereby the estimated gross passing income (on both passing and market rent bases) is adjusted to reflect anticipated operating costs to produce a net income on a fully leased basis. The adopted fully leased net income is capitalised over the remaining term of the lease from the valuation date at an appropriate capitalisation rate. The discounted cash flow method involves the estimation and projection of an income stream over a period and discounting the income stream with risk adjusted discount rates to arrive at the market value.

4. INVESTMENT PROPERTIES (CONTINUED)

Fair value of the investment properties were based on independent professional full valuations carried out by the following valuers on the dates stated below:

Valuers	Valuation Date	Valuation Date
Beijing Colliers International Real Estate Valuation Co., Ltd.	–	31 December 2021
CBRE (Shanghai) Management Limited	31 December 2022	31 December 2021
Cushman & Wakefield International Property Advisers (Shanghai) Co., Ltd.	31 December 2022	31 December 2021
Jones Lang LaSalle Corporate Appraisal and Advisory Limited	31 December 2022	31 December 2021

The valuation reports obtained from the independent valuers for certain of our properties draw attention to heightened market volatility over the short-to-medium term due to global inflationary pressures and the ongoing market effects of the COVID-19 pandemic. There will be less certainty as to how long the valuation may sustain and property prices may fluctuate over a short period of time, therefore a higher degree of caution should be attached to the valuations when making investment decisions.

Investment properties comprise retail, business parks and logistics parks properties that are held mainly for use by tenants under operating leases. Most leases contain an initial non-cancellable period of within 1 to 3 years (2021: within 1 to 3 years). See Note 12 for further information.

Contingent rents, representing income based on certain sales achieved by tenants, recognised in the statement of total return during the year amounted to $4.5 million (2021: $8.1 million).

Level 3 fair values

The following table shows the significant unobservable inputs used in the valuation models:

Valuation methods	Significant unobservable inputs	Inter-relationship between key unobservable inputs and fair value measurement
Capitalisation approach	· Capitalisation rates (from 4.00% to 6.75%) (2021: from 4.00% to 7.00%)	The fair value increases (decreases) as capitalisation rates decrease (increase).
Discounted cash flows approach	· Discount rates (from 7.00% to 8.85%%) (2021: from 7.00% to 10.50%) · Terminal rates (from 4.80% to 6.25%) (2021: from 4.80% to 7.25%)	The fair value increases (decreases) as discount rates and terminal rates decrease (increase).

5. PLANT AND EQUIPMENT

Group	Improvement to premises $'000	Plant and machinery $'000	Motor vehicles $'000	Furniture, fittings and equipment $'000	Total $'000
Cost					
At 1 January 2021	11,450	525	–	8,086	20,061
Assets acquired	112	681	–	586	1,379
Additions	–	322	77	841	1,240
Disposal/written off	(320)	–	–	(616)	(936)
Translation difference on consolidation	436	25	–	311	772
At 31 December 2021	11,678	1,553	77	9,208	22,516
Additions	286	11	113	319	729
Disposal/written off	(7)	(142)	(66)	(2,282)	(2,497)
Reclassification to investment property-depreciation offset	(54)	–	–	–	(54)
Reclassification to investment property (Note 4)	(53)	–	–	–	(53)
Translation difference on consolidation	(961)	(122)	(6)	(641)	(1,730)
At 31 December 2022	**10,889**	**1,300**	**118**	**6,604**	**18,911**
Less: Accumulated depreciation					
At 1 January 2021	11,267	443	–	5,957	17,667
Charge for the year	66	150	60	1,036	1,312
Disposal/written off	(320)	–	–	(573)	(893)
Translation difference on consolidation	425	20	–	236	681
At 31 December 2021	11,438	613	60	6,656	18,767
Charge for the year	41	196	37	890	1,164
Disposal/written off	(7)	(132)	(61)	(2,257)	(2,457)
Reclassification to investment property-depreciation offset	(54)	–	–	–	(54)
Translation difference on consolidation	(949)	(55)	(1)	(483)	(1,488)
At 31 December 2022	**10,469**	**622**	**35**	**4,806**	**15,932**
Carrying amounts					
At 1 January 2021	183	82	–	2,129	2,394
At 31 December 2021	240	940	17	2,552	3,749
At 31 December 2022	**420**	**678**	**83**	**1,798**	**2,979**

6. SUBSIDIARIES

	Trust 2022 $'000	Trust 2021 $'000
Non-current assets		
(a) Unquoted equity, at cost	**696,535**	707,694
Less: Allowance for impairment loss	**(24,061)**	(27,284)
	672,474	680,410
(b) Loans to subsidiaries	**203,746**	268,557
Non-trade amounts due from subsidiaries	**2,065,082**	1,997,175
	2,268,828	2,265,732
	2,941,302	2,946,142
Current assets		
(b) Non-trade amounts due from subsidiaries	**4,390**	2,247

Movement in allowance for impairment loss was as follows:

	Trust 2022 $'000	Trust 2021 $'000
At 1 January	**(27,284)**	(32,824)
(Allowance)/write back for impairment loss	**(7,936)**	5,540
Write off for impairment loss	**11,159**	–
At 31 December	**(24,061)**	(27,284)

During the year, an impairment loss amounting to $7.9 million (2021: write back of $5.5 million) was recognised in respect of the Trust's investment in its subsidiaries taking into consideration the fair value of the underlying properties held by these subsidiaries and the liabilities to be settled. There was also a write off for impairment loss of $11.2 million in 2022 relating to the liquidation of Group's subsidiary, CapitaRetail China Investments (B) Gamma Pte. Ltd.. The recoverable amounts were assessed based on the fair value less costs to sell estimated using the revalued net assets of the subsidiaries and categorised as Level 3 on the fair value hierarchy.

(a) The details of the significant subsidiaries held by the Group are as follows:

Name of subsidiaries	Principal activities	Place of incorporation/ business	Effective equity held by the Group 2022 %	Effective equity held by the Group 2021 %
CapitaRetail Beijing Wangjing Real Estate Co., Ltd.(1)(2)	Property investment	China	**100**	100
CapitaRetail Dragon Mall (Shanghai) Co., Ltd.(1)(2)	Property investment	China	**100**	100
CapitaRetail Beijing Shuangjing Real Estate Co., Ltd.(1)(2)	Property investment	China	**100**	100
CapitaRetail Beijing Xizhimen Real Estate Co., Ltd.(1)(2)	Property investment	China	**100**	100
Beijing Huakun Real Estate Management Co., Ltd.(1)(2)	Property investment	China	**100**	100
Guangzhou Starshine Properties Co., Ltd.(1)(2)	Property investment	China	**100**	100

6. SUBSIDIARIES (CONTINUED)

(a) The details of the significant subsidiaries held by the Group are as follows (continued):

Name of subsidiaries	Principal activities	Place of incorporation/ business	Effective equity held by the Group 2022 %	2021 %
Spicy (Chengdu) Limited[1][2]	Property investment	China	**100**	100
Huhhot Xinkai Qingtou Real Estate Leasing Co., Ltd.[1][2]	Property investment	China	**100**	100
Huhhot Nuohe Mule Corporate Management Co., Ltd.[1][2]	Property management	China	**100**	100
CapitaMalls Hunan Commercial Property Co., Ltd.[1][2]	Property investment	China	**100**	100
CapitaRetail Harbin Shangdu Real Estate Co., Ltd.[1][2]	Property investment	China	**100**	100
Beijing Hualian Harbin Real Estate Development Co., Ltd.[1][2]	Property investment	China	**100**	100
Ascendas Hangzhou Science & Technology Co., Ltd.[1][2]	Property investment	China	**80**	80
Ascendas Hangzhou Data Processing Co., Ltd.[1][2]	Property investment	China	**80**	80
Xi An Ascendas-Science Technology Investment Co., Ltd.[1][2]	Property investment	China	**80**	80
Ascendas Xi An High-Tech Development Co., Ltd.[1][2]	Property investment	China	**100**	100
Ascendas – Xinsu Development (Suzhou) Co., Ltd.[1][2]	Property investment	China	**51**	51
Kunshan Jixinxiang Auto Development Co. Ltd.[1][2]	Property investment	China	**100**	100
Wuhan Lin Gang Zenith Logistics Limited[1][2]	Property investment	China	**100**	100
Agility Distribution Services Ltd.[1][2]	Property investment	China	**100**	100
Chengdu Xindi Chengyun Logistics Co., Ltd.[1][2]	Property investment	China	**100**	100

(1) Audited by other member firms of KPMG International.
(2) Indirectly held by CapitaLand China Trust.

(b) The loans to subsidiaries, amounting to $203.7 million (2021: $268.6 million) and the non-trade amounts due from subsidiaries amounting to $2,065.1 million (2021: $1,997.2 million) are unsecured, interest free and repayable with a notice period of 366 days. The remaining $4.4 million (2021: $2.2 million) of the non-trade amounts due from subsidiaries are unsecured, interest-free and repayable on demand. The loans to subsidiaries bear interest rates of 4.60% to 6.37% (2021: 6.37%) per annum. There is no allowance for doubtful debts arising from these outstanding balances as ECL is not material.

7. FINANCIAL DERIVATIVES

	Group and Trust 2022 $'000	Group and Trust 2021 $'000
Non-current assets		
Interest rate swaps	**41,559**	5,735
Current assets		
Forwards	**1,670**	7
Interest rate swaps	**1,135**	–
	2,805	7
Non-current liabilities		
Interest rate swaps	**(825)**	(2,820)
Current liabilities		
Forwards	**–**	(348)
Interest rate swaps	**–**	(473)
	–	(821)

The following are the contractual maturities of financial derivative assets and liabilities, including estimated interest payments:

	Carrying amount $'000	Contractual cash flow $'000	Within 1 year $'000	Within 2 to 5 years $'000
Group and Trust				
Financial derivative assets				
2022				
Forwards	1,670			
- Outflow		(29,315)	(29,315)	–
- Inflow		31,000	31,000	–
Interest rate swaps	42,694	48,083	21,991	26,092
	44,364	49,768	23,676	26,092
2021				
Forwards	7			
- Outflow		(2,342)	(2,342)	–
- Inflow		2,340	2,340	–
Interest rate swaps	5,735	5,904	(1,918)	7,822
	5,742	5,902	(1,920)	7,822
Group and Trust				
Financial derivative liabilities				
2022				
Interest rate swaps	(825)	(1,063)	200	(1,263)
2021				
Forwards	(348)			
- Outflow		(10,348)	(10,348)	–
- Inflow		10,000	10,000	–
Interest rate swaps	(3,293)	(3,989)	(3,154)	(835)
	(3,641)	(4,337)	(3,502)	(835)

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

The table also indicates the periods in which the cash flows associated with derivatives that are expected to occur and impact the statement of total return and Unitholders' funds.

8. TRADE AND OTHER RECEIVABLES

	Group		Trust	
	2022 $'000	2021 $'000	2022 $'000	2021 $'000
Trade receivables	**23,061**	11,435	**–**	–
Impairment losses	**(832)**	(410)	**–**	–
	22,229	11,025	**–**	–
Other receivables	**5,872**	5,696	**171**	329
Deposits	**3,739**	4,379	**–**	–
	31,840	21,100	**171**	329
Prepayments	**6,498**	6,832	**2**	–
	38,338	27,932	**173**	329
Current	**37,134**	26,567	**173**	329
Non-current	**1,204**	1,365	**–**	–
	38,338	27,932	**173**	329

Concentration of credit risk relating to trade and other receivables (excluding prepayments) is limited as the Group has many varied tenants located in several cities in China and a credit policy of obtaining security deposits from tenants for the lease of units in the Group's investment properties. These tenants comprise tenants from the retail, business parks and logistics assets.

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

	Group	
	2022 $'000	2021 $'000
Beijing	**12,817**	3,875
Inner Mongolia, Hohhot	**1,352**	4,388
Shanghai	**4,891**	2,481
Guangzhou	**3,634**	2,840
Hunan	**957**	411
Harbin	**1,722**	819
Chengdu	**5,122**	4,192
Suzhou	**667**	945
Hangzhou	**181**	376
Others	**326**	444
	31,669	20,771

Impairment losses

The ageing of trade and other receivables (excluding prepayments) at the reporting date is:

	Gross		Impairment	
	2022 $'000	2021 $'000	2022 $'000	2021 $'000
Group				
Not past due	**13,268**	16,212	**263**	–
Past due 1 – 30 days	**4,346**	1,945	**58**	162
Past due 31 – 60 days	**4,637**	861	**35**	–
Past due 61 – 90 days	**3,097**	399	**52**	–
More than 90 days past due	**7,324**	2,093	**424**	248
	32,672	21,510	**832**	410
Trust				
Not past due	**171**	329	**–**	–

8. TRADE AND OTHER RECEIVABLES (CONTINUED)

Expected credit loss assessment for individual tenants as at 1 January and 31 December 2022

The Group uses an allowance matrix to measure the ECLs of trade receivables from many different individual tenants, which comprise of small balances each.

Loss rates are calculated using a 'roll rate' method based on the probability of a receivable progressing through successive stages of delinquency to write-off and are based on actual credit loss experience over the past five years.

The Manager believes that no allowance for impairment beyond the amounts provided for is necessary in respect of trade receivables as these receivables relate mainly to tenants that have good records with the Group or have sufficient security deposits as collateral, and hence ECL is not material.

The movement in the allowance for impairment in respect of trade receivables during the year is as follows:

	Note	Group	
		2022 $'000	**2021 $'000**
At 1 January		**410**	353
Impairment losses on trade receivables, net	18	**595**	159
Assets acquired		**–**	83
Allowance utilised		**(110)**	(198)
Translation difference		**(63)**	13
At 31 December		**832**	410

9. CASH AND CASH EQUIVALENTS

	Group		Trust	
	2022 $'000	**2021 $'000**	**2022 $'000**	**2021 $'000**
Cash at banks and in hand	**58,790**	76,621	**2,157**	15,994
Fixed deposits with financial institutions	**172,258**	212,239	**–**	–
	231,048	288,860	**2,157**	15,994

10. TRADE AND OTHER PAYABLES

	Group		Trust	
	2022 $'000	**2021 $'000**	**2022 $'000**	**2021 $'000**
Trade payables	**4,454**	4,084	**313**	599
Accrued operating expenses	**33,099**	39,907	**3,819**	7,443
Accrued development expenditure	**17,468**	21,124	**–**	–
Amounts due to related parties (trade)	**29,140**	18,244	**1,534**	5,262
Amounts due to related parties (non-trade)	**–**	37	**29,139**	32,292
Amounts due to related parties – NCI (non-trade)	**6,874**	24,013	**–**	–
Other deposits and advances	**37,233**	55,314	**–**	–
Interest payable	**8,031**	6,796	**7,704**	6,086
Other payables	**1,341**	4,608	**146**	9,148
	137,640	174,127	**42,655**	60,830
Current	**130,671**	149,996	**42,655**	60,830
Non-current	**6,969**	24,131	**–**	–
	137,640	174,127	**42,655**	60,830

10. TRADE AND OTHER PAYABLES (CONTINUED)

Included in amounts due to related parties (trade) are amounts due to the Manager and Property Managers of $1.5 million (2021: $5.3 million) and $26.7 million (2021: $12.0 million) respectively.

The amounts due to related parties (non-trade) at the Trust level included the proceeds received on behalf of its subsidiary, Somerset (Wuhan) Investments Pte. Ltd., relating to the divestment of CapitaMall Minzhongleyuan.

Included in amounts due to related parties – NCI (non-trade) of $6.9 million (2021: $24.0 million) is unsecured, interest free and repayable on demand. In 2021, the amounts due to the non-controlling interest included entrustment loan amounting to $17.1 million which bears interest rate of 3.85% per annum, was unsecured and was repaid in 2022.

11. INTEREST-BEARING BORROWINGS

	Note	Group 2022 $'000	Group 2021 $'000	Trust 2022 $'000	Trust 2021 $'000
Unsecured term loans	(a)	**1,510,000**	1,320,000	**1,510,000**	1,320,000
Medium Term Notes ("MTN")	(b)	**150,000**	280,000	**150,000**	280,000
Secured loan	(c)	**257,127**	393,414	**–**	–
Money market loan facilities		**33,800**	–	**33,800**	–
Less: Unamortised transactions costs		**(4,987)**	(3,893)	**(4,987)**	(3,893)
		1,945,940	1,989,521	**1,688,813**	1,596,107
Current		**326,140**	215,001	**283,765**	179,953
Non-current		**1,619,800**	1,774,520	**1,405,048**	1,416,154
		1,945,940	1,989,521	**1,688,813**	1,596,107

(a) As at 31 December 2022, the Group has an aggregate of $1,543.8 million (2021: $1,320.0 million) unsecured floating rate term loans (collectively known as "Trust Term Loan Facilities"). These facilities have negative pledge covenants which require the Trust not to, amongst others, create or have outstanding any security on or over the Group's interest in any of the investment properties without the prior written consent of the lender.

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

11. INTEREST-BEARING BORROWINGS (CONTINUED)

(b) At the reporting date, $150.0 million (2021: $280.0 million) MTN were issued under the $1.0 billion Multicurrency Debt Issuance Programme. Under the Multicurrency Debt Issuance Programme, the Trust may:

(i) issue notes in any currency, in various amounts and tenors, and the notes may bear interest at fixed, floating, variable or hybrid rates or may not bear interest, in each case as agreed between the Trustee, the Manager and the relevant dealer(s) of the Notes and as specified in the relevant Pricing Supplement; and

(ii) issue perpetual securities in registered and/or bearer form in any currency, in various amounts and the perpetual securities may confer a right to receive distribution at fixed or floating rates, in each case as agreed between the Trustee, the Manager and the relevant dealer(s) of the Perpetual Securities and as specified in the relevant Pricing Supplement.

(c) At the reporting date, secured loan comprises outstanding term loans of $257.1 million (RMB1,323.4 million) (2021: $393.4 million (RMB1,857.7 million)). The term loans bear interest rates referenced against 5-year Loan Prime Rate ("LPR") with lending rates ranging from 3.90% to 4.90% (2021: 4.31% to 5.51%) per annum and repriced on a quarterly and half-yearly basis.

As security for the loans, the Group has granted in favour of the respective lenders the following:

(i) mortgage over retail assets CapitaMall Xuefu and Rock Square, with carrying amounts of $347.6 million (2021: $378.9 million) and $662.5 million (2021: $724.7 million) respectively (see Note 4);

(ii) mortgage over business park assets Singapore-Hangzhou Science & Technology Park (Phase I and Phase II), with carrying amounts of $164.8 million (2021: $142.3 million) and $205.0 million (2021: $172.4 million) respectively. The bank loan in Ascendas Innovation Towers was repaid during the year and the mortgage with carrying amount of $168.1 million in 2021 was discharged. (see Note 4);

(iii) mortgage over logistics park assets Kunshan Bacheng Logistics Park and Wuhan Yangluo Logistics Park, with carrying amounts of $64.9 million (2021: $69.9 million), and $74.6 million (2021: $81.1 million) respectively. The bank loan in Chengdu Shuangliu Logistics Park was repaid during the year and the mortgage with carrying amount of $75.6 million in 2021 was discharged. (see Note 4);

(iv) pledge of bank accounts of the respective assets; and

(v) assignment of the insurance policies of the respective assets.

The RMB term loans are amortised and payable on a quarterly or half-yearly basis with a final lump sum payment at the maturity of the respective loans.

11. INTEREST-BEARING BORROWINGS (CONTINUED)

Terms and debt repayment schedule

Terms and conditions of the outstanding interest-bearing borrowings are as follows:

	Nominal interest rate per annum %	Year of maturity	Face value $'000	Carrying amount $'000
2022				
Group				
S$ unsecured floating rate money market loan facilities	**SOR+Margin**	**2023**	**33,800**	**33,800**
S$ fixed rate MTN	**2.40**	**2028**	**150,000**	**149,835**
S$ unsecured floating rate loans	**SOR+Margin**	**2023-2028**	**920,000**	**917,378**
S$ unsecured floating rate loans	**SORA+Margin**	**2024-2028**	**590,000**	**587,800**
RMB secured floating rate term loan	**3.90-4.90**	**2023-2037**	**257,127**	**257,127**
Trust				
S$ unsecured floating rate money market loan facilities	**SOR+Margin**	**2023**	**33,800**	**33,800**
S$ fixed rate MTN	**2.40**	**2028**	**150,000**	**149,835**
S$ unsecured floating rate loans	**SOR+Margin**	**2023-2028**	**920,000**	**917,378**
S$ unsecured floating rate loans	**SORA+Margin**	**2024-2028**	**590,000**	**587,800**
2021				
Group				
S$ fixed rate MTN	2.40-3.25	2022-2028	280,000	279,789
S$ unsecured floating rate loans	SOR+Margin	2022-2028	1,170,000	1,167,046
S$ unsecured floating rate loans	SORA+Margin	2026	150,000	149,272
RMB secured floating rate term loan	4.31-5.51	2022-2036	393,414	393,414
Trust				
S$ fixed rate MTN	2.40-3.25	2022-2028	280,000	279,789
S$ unsecured floating rate loans	SOR+Margin	2022-2028	1,170,000	1,167,046
S$ unsecured floating rate loans	SORA+Margin	2026	150,000	149,272

11. INTEREST-BEARING BORROWINGS (CONTINUED)

The following are the contractual maturities of non-derivative financial liabilities, including estimated interest payments and excluding the impact of netting agreements:

	Carrying amount $'000	Contractual cash flow $'000	Within 1 year $'000	Within 2 to 5 years $'000	After 5 years $'000
2022					
Group					
S$ fixed rate MTN	**149,835**	**169,815**	**3,600**	**14,400**	**151,815**
S$ unsecured floating rate money market loan facilities	**33,800**	**33,824**	**33,824**	**–**	**–**
S$ unsecured floating rate loans	**1,505,178**	**1,709,192**	**316,916**	**1,196,345**	**195,931**
RMB secured floating rate term loan	**257,127**	**321,495**	**17,498**	**167,958**	**136,039**
Lease liabilities	**5,135**	**5,306**	**5,164**	**142**	**–**
Trade and other payables	**137,640**	**137,640**	**130,671**	**95**	**6,874**
Security deposits	**106,181**	**106,181**	**49,161**	**52,955**	**4,065**
	2,194,896	**2,483,453**	**556,834**	**1,431,895**	**494,724**
Trust					
S$ fixed rate MTN	**149,835**	**169,815**	**3,600**	**14,400**	**151,815**
S$ unsecured floating rate money market loan facilities	**33,800**	**33,824**	**33,824**	**–**	**–**
S$ unsecured floating rate loans	**1,505,178**	**1,709,192**	**316,916**	**1,196,345**	**195,931**
Trade and other payables	**42,655**	**42,655**	**42,655**	**–**	**–**
	1,731,468	**1,955,486**	**396,995**	**1,210,745**	**347,746**
2021					
Group					
S$ fixed rate MTN	279,789	307,640	137,825	14,410	155,405
S$ unsecured floating rate loans	1,316,318	1,427,465	20,065	1,250,588	156,812
RMB secured floating rate term loan	393,414	457,980	30,490	349,421	78,069
Lease liabilities	10,652	11,284	5,597	5,687	–
Trade and other payables	174,127	174,127	149,996	134	23,997
Security deposits	117,387	117,387	51,352	59,243	6,792
	2,291,687	2,495,883	395,325	1,679,483	421,075
Trust					
S$ fixed rate MTN	279,789	307,640	137,825	14,410	155,405
S$ unsecured floating rate loans	1,316,318	1,427,465	20,065	1,250,588	156,812
Trade and other payables	60,830	60,830	60,830	–	–
	1,656,937	1,795,935	218,720	1,264,998	312,217

The maturity analysis shows the contractual undiscounted cash flows of the Group's financial liabilities on the basis of their earliest possible contractual maturity. In addition to the above, the interest payments on the Group's sustainability-linked bond takes into consideration the Group's expectation of its ability to meet the sustainability-linked performance targets, and may change if the Group expects that it can no longer meet this target.

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

11. INTEREST-BEARING BORROWINGS (CONTINUED)

Reconciliation of movements of liabilities to cash flows arising from financing activities

			Non-cash changes					
	Adjusted balance at 1 January $'000	Financing cash flows $'000	Finance costs $'000	Fair value gain $'000	Foreign exchange movement $'000	Assets acquired $'000	Other changes $'000	At 31 December $'000
2022								
Interest-bearing borrowings[1]	**1,996,317**	**(71,690)**	**59,350**	**–**	**(30,006)**	**–**	**–**	**1,953,971**
Interest rate swaps used for hedging and forward exchange contracts – assets	**(5,742)**	**–**	**–**	**(38,622)**	**–**	**–**	**–**	**(44,364)**
Interest rate swaps used for hedging and forward exchange contracts– liabilities	**3,641**	**1,284**	**–**	**(4,100)**	**–**	**–**	**–**	**825**
Lease liabilities	**10,652**	**(3,769)**	**444**	**–**	**(906)**	**110**	**(1,396)**	**5,135**
	2,004,868	**(74,175)**	**59,794**	**(42,722)**	**(30,912)**	**110**	**(1,396)**	**1,915,567**
2021								
Interest-bearing borrowings[1]	1,361,537	324,292	46,523	–	13,492	250,473	–	1,996,317
Interest rate swaps used for hedging and forward exchange contracts – assets	(1)	–	–	(5,741)	–	–	–	(5,742)
Interest rate swaps used for hedging and forward exchange contracts– liabilities	18,327	(1,098)	–	(13,588)	–	–	–	3,641
Lease liabilities	14,722	(5,757)	685	–	574	12	416	10,652
	1,394,585	317,437	47,208	(19,329)	14,066	250,485	416	2,004,868

(1) Includes interest payable.

12. LEASES

Leases as lessee

The Group leases land and building which form part of its investment properties and motor vehicles which form part of its property, plant and equipment. The leases of land and building and motor vehicles typically run for a period of 20 years and 3 years respectively, with an option to renew the lease after that date.

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

i. Amounts recognised in the statement of total return

	2022 $'000	2021 $'000
Group		
Interest on lease liabilities	**444**	685

ii. Amounts recognised in statement of cash flows

	2022 $'000	2021 $'000
Total cash outflow for leases	**3,769**	5,757

12. LEASES (CONTINUED)

Leases as lessee (continued)

iii. Extension options

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

CLCT did not exercise its extension option which expired on 31 January 2021.

Leases as lessor

The Group leases out its investment properties consisting of its owned retail and commercial properties as well as leased properties (see Note 4). All leases are classified as operating leases from a lessor perspective.

The Group has classified these leases as operating leases, because they do not transfer substantially all of the risks and rewards incidental to the ownership of the assets. Note 4 sets out information about the operating leases of investment properties.

Rental income from investment properties and investment property subleases recognised by the Group during 2022 was $356.4 million (2021: $348.6 million).

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

	2022 $'000	**2021 $'000**
Group		
Less than one year	**339,901**	381,559
One to two years	**210,303**	280,634
Two to three years	**127,069**	160,501
Three to four years	**63,352**	80,937
Four to five years	**40,099**	53,251
More than five years	**55,820**	87,730
Total	**836,544**	1,044,612

13. DEFERRED TAX (ASSETS)/LIABILITIES

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

	At 1 January 2022 $'000	Statement of total return (Note 22) $'000	Acquired asset $'000	Reclassified to liabilities held for sale $'000	Translation difference $'000	At 31 December 2022 $'000
Group						
Deferred tax liabilities						
Investment properties	**301,101**	**50,851**	**–**	**–**	**(28,079)**	**323,873**
Tax on unrepatriated profits	**17,392**	**(394)**	**–**	**–**	**–**	**16,998**
	318,493	**50,457**	**–**	**–**	**(28,079)**	**340,871**

	At 1 January 2021 $'000	Statement of total return (Note 22) $'000	Reclassified from joint venture $'000	Reclassified to liabilities held for sale $'000	Translation difference $'000	At 31 December 2021 $'000
Group						
Deferred tax liabilities						
Investment properties	265,364	26,330	(955)	(300)	10,662	301,101
Tax on unrepatriated profits	19,341	(2,007)	–	58	–	17,392
	284,705	24,323	(955)	(242)	10,662	318,493

Deferred tax assets have not been recognised in respect of the following item because it is not probable that future taxable profit will be available against which the Group can utilise the benefits therefrom:

	Group 2022 $'000	Group 2021 $'000
Tax losses	**39,127**	50,998

The tax losses are subject to agreement by the tax authorities and compliance with tax regulations in the country in which the subsidiaries operate. These tax losses can be carried forward up to five consecutive years and will expire on the fifth year from which the tax losses arise.

14. UNITHOLDERS' FUNDS

	Note	Group 2022 $'000	Group 2021 $'000	Trust 2022 $'000	Trust 2021 $'000
Net assets resulting from operations		**1,588,039**	1,476,177	**293,490**	302,402
Hedging reserve	(a)	**41,897**	2,321	**41,897**	2,321
Foreign currency translation reserve	(b)	**(214,015)**	146,710	**–**	–
Unitholders' transactions		**825,096**	905,533	**825,096**	905,533
General reserve	(c)	**65,214**	57,458	**–**	–
		2,306,231	2,588,199	**1,160,483**	1,210,256

(a) The hedging reserve comprises the effective portion of the cumulative net change in the fair value of cash flow hedging instruments relating to forecast hedged transactions.

14. UNITHOLDERS' FUNDS (CONTINUED)

(b) The foreign currency translation reserve comprises:

(i) foreign exchange differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from the functional currency of the Trust;

(ii) the gains or losses on financial instruments used to hedge the Group's net investment in foreign operations that are determined to be effective hedges; and

(iii) the foreign exchange differences on monetary items which form part of the Group's net investment in foreign operations, provided certain conditions are met.

(c) General reserve

The subsidiaries incorporated in China are required to transfer 10% of their profits after taxation, as determined under the accounting principles and relevant financial regulations of China to the general reserve until the reserve balance reaches 50% of registered capital. The transfer to this reserve must be made before distribution of dividends to its shareholders.

General reserve can be used to make good previous years' losses, if any, and may be converted to registered capital in proportion to the existing interests of the shareholders, provided that the balance after such conversion is not less than 25% of the registered capital.

15. UNITS IN ISSUE AND PERPETUAL SECURITIES

(a) Units in issue

	2022 Number of Units	2021 Number of Units
Balance as at beginning of year	**1,659,527,650**	1,506,433,415
New Units issued:		
– Units in connection with private placement exercise	**–**	128,756,000
– As payment of distribution through distribution reinvestment plan	**2,258,266**	11,645,817
– As payment of Manager's management fees	**12,106,981**	5,359,744
– As payment of Manager's acquisition fee	**–**	7,332,674
Total issued Units as at end of the year	**1,673,892,897**	1,659,527,650
New Units to be issued:		
– as payment of Manager's management fees[(1)]	**13,495,621**	12,106,981
Total issued and issuable Units as at end of the year	**1,687,388,518**	1,671,634,631

(1) The issuance of the Management Fee Units is subject to and conditional upon the grant by Securities Industry Council of a whitewash waiver and the satisfaction of all the conditions of the whitewash waiver which would include, among others, approval of independent unitholders of CLCT. In the event that the whitewash waiver is not obtained or the conditions are not satisfied, the Manager will manage the issuance of the Management Fee Units in a manner such that the unitholding of the Manager and its concert parties would not exceed 30%.

Units issued during the year ended 31 December 2022 are as follows:

(a) On 4 March 2022, the Trust issued 4,513,937 and 7,593,044 new Units at an issue price of $1.1805 per Unit as partial payment of the management fee respectively for the period from 1 January 2021 to 31 December 2021;

(b) On 21 September 2022, the Trust issued 2,258,266 new Units at an issue price of $1.157 per Unit as payment of distribution under the distribution reinvestment plan for the period from 1 January 2022 to 30 June 2022; and

15. UNITS IN ISSUE AND PERPETUAL SECURITIES (CONTINUED)

(a) Units in issue (continued)

Units issued during the year ended 31 December 2021 are as follows:

(a) On 5 March 2021, the Trust issued 1,190,921 and 4,168,823 new Units at an issue price of $1.3664 per Unit as partial payment of the management fee respectively for the period from 1 January 2020 to 31 December 2020;

(b) On 30 July 2021, the Trust issued 7,332,674 new Units at a weighted average issue price of $1.3713 per Unit as payment of acquisition fee for the acquisition of the 5 business parks and remaining 49.0% of Rock Square;

(c) On 24 September 2021, the Trust issued 11,645,817 new Units at an issue price of $1.366 per Unit as payment of distribution under the distribution reinvestment plan for the period from 1 January 2021 to 30 June 2021; and

(d) On 21 October 2021, the Trust issued 128,756,000 new Units via private placement at an issue price of $1.165 per Unit to fund the acquisition of the 4 logistics parks.

The issue prices were determined based on the volume weighted average traded price for all trades done on the SGX-ST in the ordinary course of trading for the last 10 business days of the relevant periods in which the management fees accrue.

Each Unit in the Trust represents an undivided interest in the Trust. The rights and interests of Unitholders are contained in the Trust Deed and include the right to:

- one vote per Unit;
- receive income and other distributions attributable to the Units held;
- participate in the termination of the Trust by receiving a share of all net cash proceeds derived from the realisation of the assets of the Trust less any liabilities, in accordance with their proportionate interests in the Trust. However, a Unitholder has no equitable or proprietary interest in the underlying assets of the Trust and is not entitled to the transfer of any assets (or part thereof) or any estate or interest in any asset (or part thereof) of the Trust; and
- attend all Unitholders' meetings. The Trustee or the Manager may (and the Manager shall at the request in writing of not less than 50 Unitholders or one-tenth in number of Unitholders, whichever is lesser) at any time convene a meeting of Unitholders in accordance with the provisions of the Trust Deed.

The restrictions of a Unitholder include the following:

- a Unitholder's right is limited to the right to require due administration of the Trust in accordance with the provisions of the Trust Deed; and
- a Unitholder has no right to request the Manager to redeem his Units while the Units are listed on the SGX-ST.

A Unitholder's liability is limited to the amount paid or payable for any Unit in the Trust. The provisions of the Trust Deed provide that no Unitholder will be personally liable to indemnify the Trustee or any creditor of the Trustee in the event that the liabilities of the Trust exceed its assets.

15. UNITS IN ISSUE AND PERPETUAL SECURITIES (CONTINUED)

(b) Perpetual securities

On 27 October 2020, the Trust issued $100.0 million of fixed rate subordinated perpetual securities under the $1.0 billion multicurrency Debt Issuance Programme with an initial distribution rate of 3.375% per annum, with the first distribution rate reset falling on 27 October 2025 and subsequent resets occurring every five years thereafter.

The Perpetual Securities will have no fixed redemption date and redemption is at the option of the Trust in accordance with the terms of issue of the securities. The distribution will be payable semi-annually at the discretion of the Trust and will be non-cumulative.

In terms of distribution payments or in the event of winding-up of the Trust:

- These perpetual securities will constitute direct, unconditional, subordinated and unsecured obligations of the Trust and shall at all times rank pari passu, without any preference or priority among themselves and with any parity obligations of the Trust.

- The Trust shall not declare or pay any distributions to the Unitholders, or make redemptions, unless the Trust fully redeems all the outstanding perpetual securities; pays in full an Optional Distribution equal to the amount of the distribution payable that was unpaid in full or in part; pays the next schedule distribution to the holders of the perpetual securities in full; or obtains an extraordinary resolution of the holders of the perpetual securities permitting the Trust to do so.

These perpetual securities are classified as equity instruments and recorded within the Statements of movements in Unitholders' funds. The $99.6 million (2021: $99.6 million) presented on the Statements of financial position represents the $99.6 million (2021: $100.0 million) perpetual securities net of issue costs and include total return attributable to perpetual securities holders from issue date.

16. NON-CONTROLLING INTERESTS

The following subsidiaries have NCI that are material to the Group.

Name	Place of incorporation/ business	Operating segment	Ownership interests held by NCI 2022	Ownership interests held by NCI 2021
Xinsu subgroup[1]	Singapore/China	Business parks	**49**	49
Ascendas Hangzhou Science & Technology Co., Ltd.	China	Business parks	**20**	20
Ascendas Hangzhou Data Processing Co., Ltd.	China	Business parks	**20**	20
Xi An Ascendas-Science Technology Investment Co., Ltd.	China	Business parks	**20**	20

(1) Includes Singapore Suzhou Industrial Holdings Pte. Ltd. and Ascendas–Xinsu Development (Suzhou) Co., Ltd.

16. NON-CONTROLLING INTERESTS (CONTINUED)

The following summarises the financial information of the Group's significant subsidiaries with material NCI.

	Xinsu subgroup[1] $'000	Ascendas Hangzhou Science & Technology Co., Ltd. $'000	Ascendas Hangzhou Data Processing Co., Ltd. $'000	Xi An Ascendas-Science Technology Investment Co., Ltd. $'000	Total $'000
2022					
Statement of financial position					
Non-current assets	461,805	163,902	203,689	67,857	897,253
Current assets	18,562	18,571	21,781	6,491	65,405
Non-current liabilities	(24,252)	(44,493)	(39,519)	(1,817)	(110,081)
Current liabilities	(32,557)	(7,006)	(38,771)	(2,400)	(80,734)
Net assets	423,558	130,974	147,180	70,131	771,843
Add: Dividend declared to NCI	–	–	–	–	–
	423,558	130,974	147,180	70,131	771,843
Net assets based on percentage shareholdings	207,544	26,195	29,436	14,026	277,201
Net assets attributable to NCI	207,544	26,195	29,436	14,026	277,201
Statement of total return					
Revenue	46,467	16,507	18,860	6,969	88,803
Total return after taxation	27,265	34,861	46,137	12,868	121,131
Attributable to NCI:					
Total return after taxation	13,360	6,972	9,227	2,574	32,133
Total return allocated to NCI	13,360	6,972	9,227	2,574	32,133
Statement of cash flows					
Cash flows from operating activities	11,030	10,292	14,761	4,197	40,280
Cash flows used in investing activities	(2,141)	(203)	(553)	(302)	(3,199)
Cash flows from financing activities (dividends to NCI: SGD272,000)	(17,001)	(15,760)	(10,771)	(272)	(43,804)
Net decrease in cash and cash equivalents	(8,112)	(5,671)	3,437	3,623	(6,723)

16. NON-CONTROLLING INTERESTS (CONTINUED)

	Xinsu subgroup[1] $'000	Ascendas Hangzhou Science & Technology Co., Ltd. $'000	Ascendas Hangzhou Data Processing Co., Ltd. $'000	Xi An Ascendas-Science Technology Investment Co., Ltd. $'000	Total $'000
2021					
Statement of financial position					
Non-current assets	496,303	141,408	171,160	63,818	872,689
Current assets	29,221	26,736	20,553	5,810	82,320
Non-current liabilities	(25,771)	(54,767)	(68,781)	(1,509)	(150,828)
Current liabilities	(70,791)	(7,125)	(10,559)	(2,451)	(90,926)
Net assets	428,962	106,252	112,373	65,668	713,255
Add: Dividend declared to NCI	–	–	–	620	620
	428,962	106,252	112,373	66,288	713,875
Net assets based on percentage shareholdings	210,191	21,250	22,475	13,258	267,174
Less: Dividends declared to NCI	–	–	–	(620)	(620)
Net assets attributable to NCI	210,191	21,250	22,475	12,638	266,554
Statement of total return					
Revenue	43,910	16,498	16,715	5,797	82,920
Total return after taxation	22,714	9,145	12,269	3,554	47,682
Attributable to NCI:					
Total return after taxation	11,130	1,829	2,454	711	16,124
Total return allocated to NCI	11,130	1,829	2,454	711	16,124
Statement of cash flows					
Cash flows from operating activities	16,505	10,421	13,749	4,431	45,106
Cash flows used in investing activities	(1,369)	(846)	(575)	(451)	(3,241)
Cash flows from financing activities (dividends to NCI: SGD338,000)	–	(21,840)	(3,288)	(338)	(25,466)
Net decrease in cash and cash equivalents	15,136	(12,265)	9,886	3,642	16,399

Dividend of $620,000 was declared to non-controlling interest of Xi An Ascendas-Science Technology Investment Co., Ltd. during the year, of which $338,000 was paid in 2021, the remaining balance was paid in 2022.

17. TOTAL UNITHOLDERS' DISTRIBUTION

Unitholders' distribution for the year is accounted for as distribution from operations and distribution from Unitholders' contributions:

(a) Distribution from operations

This refers to distribution made by the Trust that is represented by income received or receivable during the financial year, as the case may be, net of expenses. Such income comprises mainly the following:

- dividend from subsidiaries in Barbados, Singapore, Hong Kong and British Virgin Islands paid out of dividend declared by the subsidiaries in China;
- dividend from subsidiaries in Barbados paid out of net interest income earned by subsidiaries in Barbados on shareholders' loans extended to subsidiaries in China; and
- interest income earned by the Trust on shareholders' loans extended to subsidiaries in Barbados.

The above income originates from income derived by the subsidiaries in China in respect of the current financial year.

(b) Distribution from Unitholders' contributions

This refers to the amount of distribution made by the Trust for the financial year where the underlying cash is not, or may not be, received or receivable as income by the Trust during that period. Such distribution comprises mainly the following:

- profits from operations arising from the investment properties which are declared as dividend income after the financial year, as the case may be, and accordingly also received as dividends by the Trust after that year;
- profits from operations arising from the investment properties which cannot be declared as dividends;
- adjustment for depreciation expenses of the investment properties; and
- adjustments for trust expenses that are paid in Units, foreign currency differences attributable to net investment hedges undertaken by the Trust and certain unrealised expenses.

Income available for distribution to Unitholders at end of the year

Distributions are made on a semi-annual basis, with the amount calculated as at 30 June and 31 December each year for the six-month period ending on each of the said dates. In accordance with the provisions of the Trust Deed, the Manager is required to pay distributions within 90 days from the end of each distribution period. Distributions, when paid, will be in Singapore dollars.

18. OTHER PROPERTY OPERATING EXPENSES

	Note	Group 2022 $'000	Group 2021 $'000
Utilities		**10,959**	9,996
Advertising and promotion		**14,325**	13,764
Maintenance		**25,019**	23,111
Staff costs		**16,359**	17,896
Depreciation of plant and equipment	5	**1,164**	1,312
Impairment losses on trade receivables, net	8	**595**	159
Amortisation of deferred expenditure included in other receivables		**64**	56
Plant and equipment written off		**33**	40
Others		**2,415**	2,069
		70,933	68,403

Included in staff costs is contribution to defined contribution plans of $2.7 million (2021: $2.7 million).

19. MANAGER'S MANAGEMENT FEES

Manager's management fees comprise base fee of $12.8 million (31 December 2021: $12.0 million) and performance fee of $9.0 million (31 December 2021: $8.9 million). The Manager has elected to receive partial manager's management fees in the form of Units. The performance component of the Manager's management fee amounting to $9.0 million (31 December 2021: $8.9 million) and base fee amounting to $6.4 million (31 December 2021: $5.4 million) will be paid through the issue of 13,495,621 (31 December 2021: 12,106,981) new Units subsequent to the year end (the "Management Fee Units"). The issuance of the Management Fee Units is subject to and conditional upon the grant by Securities Industry Council of a whitewash waiver and the satisfaction of all the conditions of the whitewash waiver which would include, among others, approval of independent unitholders of CLCT. In the event that the whitewash waiver is not obtained or the conditions are not satisfied, the Manager will manage the issuance of the Management Fee Units in a manner such that the unitholding of the Manager and its concert parties would not exceed 30%.

20. OTHER OPERATING (INCOME)/EXPENSES

	Group 2022 $'000	Group 2021 $'000
Professional fees	**1,185**	172
Others[1]	**(1,370)**	(980)
	(185)	(808)

(1) Includes reversal of over provision of prior year equity fund raising related expenses in 2022 and one-off compensation of $1.9 million received in 2021 from seller in relation to the asset swap of CapitaMall Nuohemule.

21. FINANCE INCOME AND FINANCE COSTS

	Group 2022 $'000	Group 2021 $'000
Interest income:		
– financial institutions	**4,169**	3,941
Finance income	**4,169**	3,941
Interest expenses		
– financial institutions	**(63,215)**	(37,665)
– related parties	**(605)**	(910)
	(63,820)	(38,575)
Cash flow hedges – gain/(losses) reclassified from hedging reserve	**3,865**	(8,858)
Finance lease expenses	**(444)**	(685)
Finance costs	**(60,399)**	(48,118)
Net finance costs recognised in statement of total return	**(56,230)**	(44,177)

22. TAXATION

	Note	Group 2022 $'000	Group 2021 $'000
Current taxation			
Current year		**36,801**	43,447
Under/(over) provision in prior years		**527**	(978)
		37,328	42,469
Deferred taxation			
Origination and reversal of temporary differences	13	**50,457**	24,323
Income tax expense		**87,785**	66,792
Reconciliation of effective tax rate			
Total return for the year before taxation		**242,911**	189,594
Tax calculated using Singapore tax rate of 17% (2021: 17%)		**41,295**	32,231
Adjustments:			
Effect of different tax rates in foreign jurisdictions		**27,283**	19,700
Income not subject to tax		**(2,476)**	(9,318)
Expenses not deductible for tax purposes		**–**	10
Deferred tax assets not recognised		**3,078**	398
Tax losses not allowed to be carried forward		**11,182**	10,642
Reversal of deferred tax assets		**–**	955
Utilisation of previously unrecognised tax losses		**–**	(893)
Foreign tax suffered		**6,896**	14,045
Under/(over) provision in prior years		**527**	(978)
		87,785	66,792

23. EARNINGS PER UNIT

Basic earnings per Unit

The calculation of basic earnings per Unit is based on weighted average number of Units during the year and total return for the year after taxation and non-controlling interest before distribution.

	Group	
	2022	**2021**
	$'000	**$'000**
Total return for the year after taxation and non-controlling interest before distribution	**122,993**	106,678
Less: Total return attributable to perpetual securities holders	**(3,375)**	(3,375)
Total return attributable to Unitholders	**119,618**	103,303

	Trust	
	Number of Units	**Number of Units**
	2022	**2021**
	'000	**'000**
Issued Units at beginning of year	**1,659,528**	1,506,433
Effect of creation of new Units:		
– Units in connection with private placement exercise	**–**	25,398
– Distribution to Unitholders in respect of distribution reinvestment plan	**625**	3,159
– Manager's management fees paid/payable in Units	**10,087**	4,468
– Units issued in respect of acquisition fees	**–**	3,114
Weighted average number of issued and issuable Units at end of the year	**1,670,240**	1,542,572

Diluted earnings per Unit

Diluted earnings per Unit is calculated based on total return for the year after taxation and non-controlling interest and weighted average number of Units outstanding during the period, adjusted for the effects of all dilutive potential Units.

	Trust	
	Number of Units	**Number of Units**
	2022	**2021**
	'000	**'000**
Issued Units at beginning of year	**1,659,528**	1,506,433
Effect of creation of new Units:		
– Units in connection with private placement exercise	**–**	25,398
– Distribution to Unitholders in respect of distribution reinvestment plan	**625**	3,159
– Manager's management fees paid/payable in Units	**23,546**	16,542
– Units issued in respect of acquisition fees	**–**	3,114
Weighted average number of issued and issuable Units at end of the year	**1,683,699**	1,554,646

24. RELATED PARTY TRANSACTIONS

For the purposes of these financial statements, parties are considered to be related to the Group if the Group has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group and the party are subject to common significant influence. Related parties are entities which are direct or indirect wholly owned subsidiaries of CLG.

In the normal course of the operations of the Trust, the Manager's management fees and the Trustee's fees have been paid or are payable to the Manager and Trustee respectively. The property management fees, reimbursables and project management fees have been paid or are payable to the Property and Project Managers respectively.

During the financial year, other than those disclosed elsewhere in the financial statements, the following were significant related party transactions carried out in the normal course of business on arm's length commercial terms:

	Group	
	2022	**2021**
	$'000	**$'000**
Project management fees paid/payable to a related party	**852**	979

25. FINANCIAL RATIOS

	Group	
	2022	**2021**
	%	**%**
Ratio of expenses to average net asset value [(1)]		
– including performance component of Manager's management fees	**0.79**	0.85
– excluding performance component of Manager's management fees	**0.48**	0.52
Portfolio turnover rate [(2)]	**–**	6.68

Notes:
(1) The annualised ratios are computed in accordance with the guidelines of Investment Management Association of Singapore. The expenses used in the computation relate to expenses of the Group, excluding property expenses and finance costs.
(2) The annualised ratio is computed based on the lesser of purchases or sales of underlying investment properties of the Group expressed as a percentage of weighted average net asset value.

26. OPERATING SEGMENTS

For the purpose of making resource allocation decisions and the assessment of segment performance, the Group's Chief Operating Decision Makers ("CODMs") review internal/management reports of its strategic divisions. This forms the basis of identifying the operating segments of the Group consistent with the principles of FRS 108 *Operating Segments*.

The Group is organised into the following main business segments:

– Retail Malls: management of retail properties in China;
– Business Parks: management of business parks in China; and
– Logistics Parks: management of logistics parks in China.

Segment revenue comprises mainly income generated from its tenants. Segment net property income represents the income earned by each segment after allocating property operating expenses. This is the measure reported to the CODMs for the purpose of assessment of segment performance. In addition, the CODMs monitor the non-financial assets as well as financial assets attributable to each segment when assessing segment performance.

26. OPERATING SEGMENTS (CONTINUED)

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly the Trust's financial assets and liabilities and its expenses. Segment capital expenditure is the total cost incurred during the year to acquire segment assets that are expected to be used for more than one year.

Information regarding the Group's reportable segments is presented in the tables in the following pages.

For the purpose of monitoring segment performance, the Group's CODMs monitor the non-financial assets as well as financial assets attributable to each segment.

Information about reportable segments

	Retail Malls		Business Parks		Logistics Parks		Group	
	2022	**2021**	**2022**	**2021**	**2022**	**2021**	**2022**	**2021**
	$'000	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**
External revenue:								
– Gross rental income	**239,338**	255,213	**99,696**	90,758	**17,407**	2,598	**356,441**	348,569
– Others	**20,967**	23,263	**5,399**	6,100	**364**	35	**26,730**	29,398
– Gross revenue	**260,305**	278,476	**105,095**	96,858	**17,771**	2,633	**383,171**	377,967
Segment net property income	**164,129**	179,727	**77,065**	68,844	**13,022**	1,856	**254,216**	250,427
Finance income	**2,429**	2,571	**1,449**	1,321	**270**	42	**4,148**	3,934
Finance costs	**(7,008)**	(8,024)	**(7,355)**	(8,033)	**(2,905)**	(556)	**(17,268)**	(16,613)
Reportable segment total return before taxation	**28,465**	148,408	**192,862**	80,405	**14,143**	(1,842)	**235,470**	226,971
Segment assets	**3,664,833**	4,040,250	**1,137,946**	1,130,935	**352,180**	382,169	**5,154,959**	5,553,354
Segment liabilities	**596,363**	648,148	**192,735**	257,055	**45,384**	80,725	**834,482**	985,928
Other segment items:								
Depreciation and amortisation	**(870)**	(977)	**(266)**	(374)	**(92)**	(17)	**(1,228)**	(1,368)
Write-back/ (Impairment losses) on trade receivables, net	**(569)**	(174)	**(26)**	15	**–**	–	**(595)**	(159)
Net change in fair value of investment properties and ROU assets	**(58,071)**	(25,575)	**122,064**	18,520	**3,852**	(3,165)	**67,845**	(10,220)
Capital expenditure	**(29,239)**	(16,929)	**(2,295)**	(3,028)	**1,673**	28	**(29,861)**	(19,929)

26. OPERATING SEGMENTS (CONTINUED)

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

	2022 $'000	2021 $'000
Revenue		
Total revenue for reporting segments	**383,171**	377,967
Total return		
Total return for reportable segments before taxation	**235,470**	226,971
Unallocated amounts:		
– Other corporate expenses	**7,441**	(37,377)
Total return before taxation	**242,911**	189,594
Assets		
Total assets for reportable segments	**5,154,959**	5,553,354
Other unallocated amounts	**71,147**	22,546
Consolidated assets	**5,226,106**	5,575,900
Liabilities		
Total liabilities for reportable segments	**834,482**	985,928
Other unallocated amounts	**1,708,582**	1,635,609
Consolidated liabilities	**2,543,064**	2,621,537

	Reportable segment totals $'000	Unallocated amounts $'000	Consolidated totals $'000
Other material items 2022			
Finance income	**4,148**	**21**	**4,169**
Finance costs	**(17,268)**	**(43,131)**	**(60,399)**
Other material items 2021			
Finance income	3,934	7	3,941
Finance costs	(16,613)	(31,505)	(48,118)

Geographical segments

All of the Group's investment properties are used for retail malls, business parks and logistics parks purposes. All properties are in China.

Major tenant

Revenue from one tenant of the Group represents approximately $8.2 million (2021: $9.4 million) of the Group's total revenue.

27. COMMITMENTS

(a) Capital commitments

	Group 2022 $'000	2021 $'000
Payable:		
– contracted but not provided for	**6,013**	7,542

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

	Group 2022 $'000	2021 $'000
Payable:		
– within 1 year	**73**	205
– after 1 year but within 5 years	**73**	43
	146	248

28. CAPITAL AND FINANCIAL RISK MANAGEMENT

Capital management

The Group's objectives when managing capital are to optimise Unitholders' value through the combination of available capital sources which include debt and equity instruments whilst complying with statutory and constitutional capital and distribution requirements, maintaining aggregate leverage and interest coverage ratio within approved limits. As a key part of the Group's overall strategy, the Board of the Manager reviews the Group and the Trust's debt and capital management cum financing policy regularly so as to optimise the Group and the Trust's funding structure. The Board also monitors the Group and the Trust's exposure to various risk elements by closely adhering to clearly established management policies and procedures.

The Group is subject to the aggregate leverage limit as defined in Appendix 6 of the CIS Code ("Property Fund Appendix"). The Property Fund Appendix stipulates that the total borrowings and deferred payments (together, the "Aggregate Leverage") of a property fund should not exceed 50.0% (2021: 50.0%) of its Deposited Property and has a minimum adjusted interest coverage ratio of 2.5 times after taking into account the interest payment obligations arising from the new borrowings. The Group has complied with the Aggregate Leverage limit of 50.0% (2021: 50.0%) and has a minimum adjusted interest coverage ratio of 2.5 times during the financial year, with an aggregate leverage of 39.6% (2021: 37.7%) and adjusted interest coverage of 3.6 times (2021: 4.5 times) as at 31 December 2022.

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

Financial risk management

Overview

The Group's returns are primarily from net operating income and capital appreciation of its assets. However, these returns are exposed to financial risks including credit, liquidity, interest rate and foreign currency risks.

Financial risk management is integral to the whole business of the Group. The Group adopts an integrated approach to manage the financial risks arising in the normal course of the Group's business. The Group has written risk management policies and guidelines, and established processes to monitor and manage significant exposures. Risk management policies and processes are reviewed regularly to reflect changes in market conditions and the Group's activities.

The Group adheres to standardised accounting and financial policies and exercises effective controls over the financial affairs of its subsidiaries. This is achieved by ensuring group-wide adherence to a comprehensive set of guidelines covering contracts, policies and procedures and other requirements. Adequate measures are in place to ensure that the reliability and integrity of financial information compiled from subsidiaries are kept intact.

28. CAPITAL AND FINANCIAL RISK MANAGEMENT (CONTINUED)

Financial risk management *(continued)*

Credit risk

While it is necessary to assume a certain level of tenant credit risks to remain competitive in China, the Group has established credit limits for tenants and monitors their balances on an ongoing basis. Risks associated with credit limits are reflected in the level of security deposits and bank guarantees placed as collateral in respect of the leases. Appropriate risk mitigating actions are in place to manage trade receivables.

In monitoring customer credit risk, customers are grouped according to their credit characteristics, including whether they are an individual or legal entity, trade history with the Group, aging profile, maturity and existence of previous financial difficulties.

Cash and fixed deposits are placed with banks and financial institutions which are regulated. Impairment on cash and cash equivalents has been measured on the 12-month expected loss basis and reflects the short maturities of the exposures. The Group considers that its cash and cash equivalents have low credit risk based on the external credit ratings of the counterparties. The amount of allowance on cash and cash equivalents was negligible.

Liquidity risk

The Group monitors its liquidity risk and maintains a level of cash and cash equivalents deemed adequate by management to finance the Group's operations and to mitigate the effects of fluctuations in cash flows. Typically the Group ensures that it has sufficient cash on demand to meet expected operational expenses for a reasonable period, including the servicing of financial obligations.

In addition, the Group maintains the following debt facilities and programme as at 31 December 2022.

S$ denominated facilities:
- $80.0 million Money Market Line (MML) facilities
- $100.0 million MML & Financial Guarantee (FG) facilities
- $100.0 million multicurrency MML facility
- $250.0 million four-year trust term loan facilities
- $850.0 million five-year trust term loan facilities
- $520.0 million six-year trust term loan facilities
- $150.0 million seven-year trust term loan facility

United States dollar ("US$") denominated facilities:
- US$50.0 million multicurrency MML facility

RMB denominated facilities:
- RMB394.0 million secured term loan facility
- RMB600.0 million secured term loan facility
- RMB400.0 million secured term loan facility
- RMB410.0 million secured term loan facility
- RMB133.9 million secured term loan facility
- RMB78.1 million secured term loan facility

Multicurrency Debt Issuance Programme:
- $1.0 billion multicurrency Debt Issuance Programme

28. CAPITAL AND FINANCIAL RISK MANAGEMENT (CONTINUED)

Financial risk management *(continued)*

Liquidity risk *(continued)*

As at 31 December 2022, the Group has outstanding debt of $1,543.8 million (2021: $1,320.0 million) trust term loan facilities, $150.0 million MTN (2021: $280.0 million) and RMB1,323.4 million (2021: RMB1,857.7 million) secured loan facilities.

The Group also monitors and observes the Property Fund Appendix issued by MAS concerning limits on total borrowings.

Interest rate risk

The Manager adopts a proactive interest rate management policy to manage the risk associated with changes in interest rates on the Group's loan facilities while also seeking to ensure that the ongoing cost of debt remains competitive.

The Group determines the existence of an economic relationship between the hedging instrument and hedged item based on the reference interest rates, tenors, repricing dates and maturities and the notional or par amounts. If a hedging relationship is directly affected by uncertainty arising from interest rate benchmark reform, then the Group assumes for this purpose that the benchmark interest rate is not altered as a result of interest rate benchmark reform.

Managing interest rate benchmark reform and associated risks

Overview

A fundamental reform of major interest rate benchmarks is being undertaken globally, including the replacement of some interbank offered rates ("IBORs) with alternative nearly risk-free rates (referred to as 'interest rate benchmark reform'). The Group has exposures to IBORs on its financial instruments that will be replaced or reformed as part of these market-wide initiatives.

In Singapore, the Steering Committee for SOR and SIBOR transition to SORA (SC-STS) together with the Association of Banks in Singapore (ABS) and Singapore Foreign Exchange Market Committee (SFEMC), has recommended the discontinuation of SOR and SIBOR and a shift towards the use of Singapore Overnight Rate Average (SORA) as the alternative interest rate benchmark in Singapore. The timeline for SORA to replace SOR and SIBOR is by the end of June 2023 and December 2024 respectively. In 2022, the Group has undertaken amendments to its financial instruments with contractual terms indexed to SOR such that they incorporate the new benchmark rate (i.e. SORA). As at 31 December 2022, the Group's remaining IBOR exposure is indexed to SOR.

The Group monitors and manages the Group's hedged items and hedging instruments which continue to be indexed to IBOR benchmark rates. The Group evaluates the extent to which contracts reference IBOR cash flows, whether such contracts will need to be amended as a result of interest rate benchmark reform and how to manage communication about interest rate benchmark reform with counterparties.

Non-derivative financial liabilities

The Group's IBOR exposures to non-derivative financial liabilities as at 31 December 2022 included unsecured bank loans indexed to SOR. As of to-date, the Group has transited all the bank loans that are affected by the interest rate benchmark reform.

Derivatives

The Group holds interest rate swaps for risk management purposes that are designated in cash flow hedging relationships. The interest rate swaps have floating legs that are indexed to SOR. The Group's derivative instruments are governed by contracts based on the International Swaps and Derivatives Association (ISDA)'s master agreements. As of to-date, the Group has transited most of the interest rate swaps that are affected by the interest rate benchmark reform.

28. CAPITAL AND FINANCIAL RISK MANAGEMENT (CONTINUED)

Financial risk management *(continued)*

Hedge accounting

The Group's hedged items and hedging instruments as at the reporting date are indexed to SORA and SOR. These benchmark rates are quoted each day and the IBOR cash flows are exchanged with its counterparties as usual.

As of to-date, the Group has transited most of the interest rate swaps that are affected by the interest rate benchmark reform. The Group will complete the transition of the remaining interest rate swaps prior end of June 2023 and continues to apply the principles under the amendments to FRS 109 issued in December 2020 (Phase 1) to those hedging relationships directly affected by interest rate benchmark reform.

Hedging relationships impacted by interest rate benchmark reform may experience ineffectiveness attributable to market participants' expectations of when and how the shift from the existing IBOR benchmark rate to an alternative benchmark interest rate will occur for the relevant hedged items and hedging instruments. This transition may also occur at different times for the hedged item and hedging instrument, which may lead to hedge ineffectiveness. The Group has measured its hedging instruments indexed to Singapore-dollar SOR using available quoted market rates for SOR-based instruments of the same tenor and similar maturity and has measured the cumulative change in the present value of hedged cash flows attributable to changes in and SOR on a similar basis.

Total amounts of unreformed contracts, including those with an appropriate fallback clause

The Group monitors the progress of transition from IBORs to new benchmark rates by reviewing the total amounts of contracts that have yet to transition to an alternative benchmark rate and the amounts of such contracts that include an appropriate fallback clause. The Group considers that a contract is not yet transitioned to an alternative benchmark rate when interest under the contract is indexed to a benchmark rate that is still subject to interest rate benchmark reform, even if it includes a fallback clause that deals with the cessation of the existing IBOR (referred to as an 'unreformed contract').

The following table shows the total amounts of unreformed contracts and those with appropriate fallback language at 31 December 2022. The amounts of financial assets and financial liabilities are shown at their carrying amounts and derivatives are shown at their nominal amounts.

	SOR	
	Total amount of unreformed contracts	**Amount with appropriate fallback clause**
	$'000	**$'000**
Group		
31 December 2022		
Financial liabilities		
Unsecured bank loans	**920,000**	**–**
Derivatives		
Interest rate swaps	**485,000**	**–**

28. CAPITAL AND FINANCIAL RISK MANAGEMENT (CONTINUED)

Financial risk management *(continued)*

	SOR	
	Total amount of unreformed contracts	**Amount with appropriate fallback clause**
	$'000	**$'000**
Trust		
31 December 2022		
Financial liabilities		
Unsecured bank loans	**920,000**	**–**
Derivatives		
Interest rate swaps	**485,000**	**–**

Exposure to interest rate risk

The Group's exposure to Singapore-dollar SOR designated in hedging relationships is $920.0 million (2021: $1,170.0 million) nominal amount at 31 December 2022, representing both the nominal amount of the hedging interest rate swap and the principal amount of the Group's hedged SGD-denominated unsecured bank loan liabilities maturing between 2023 to 2028.

As at 31 December 2022, the Group has interest rate swaps ("IRS") with notional contract amount of $1,035.0 million (2021: $955.0 million). The Group's exposure to SOR designated in a hedging relationship is limited to a nominal amount of $485.0 million at 31 December 2022 (2021: $805.0 million) attributable to the interest rate swaps hedging SOR cash flows on the Group's SGD term loans maturing between 2023 to 2028.

The term loans and the underlying IRS have the same terms and conditions.

The Manager proactively seeks to minimise the level of interest rate risk by locking the majority of the Group's borrowings at fixed rates. As at 31 December 2022, the Group has locked in approximately 70.4% (2021: 77%) of its borrowings at fixed rates (excluding money market line and RMB loan) or 71.4% including IRS contracted but yet to be effective.

Fair value sensitivity analysis for fixed rate instruments

The Group does not account for any fixed rate financial liabilities at fair value through profit or loss and the Group does not designate interest rate derivatives as hedging instruments under a fair value hedge accounting model. Therefore a change in interest rates at the reporting date would not affect the statement of total return.

Cash flow sensitivity analysis for variable rate instruments

The net change in fair value of the interest component of IRS as at 31 December 2022 of $39.6 million (2021: $19.2 million), representing the effective portion of the cash flow hedge, has been recognised directly in the hedging reserve.

Effects of a 100 basis point ("bp")* movement in interest rate at the reporting date would increase/(decrease) statement of total return and Unitholders' funds by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency rates, remain constant. The analysis is performed on the same basis for 2021.

* 100 basis point is equivalent to 1 percentage point

28. CAPITAL AND FINANCIAL RISK MANAGEMENT (CONTINUED)

Financial risk management *(continued)*

	Statement of total return		Unitholders' funds	
	100 bp increase $'million	100 bp decrease $'million	100 bp increase $'million	100 bp decrease $'million
Group and Trust				
2022				
Interest rate swaps	**–**	**–**	**8.8**	**(8.8)**
Variable rate instruments	**(7.0)**	**7.0**	**–**	**–**
Cash flow sensitivity (net)	**(7.0)**	**7.0**	**8.8**	**(8.8)**
2021				
Interest rate swaps	–	–	6.9	(6.9)
Variable rate instruments	(6.1)	6.1	–	–
Cash flow sensitivity (net)	(6.1)	6.1	6.9	(6.9)

Foreign currency risk

The Group is exposed to foreign currency risk on cash holdings and operating expenses that are denominated in a currency other than the respective functional currencies of the Group entities. The currencies giving rise to this risk are primarily the US$ and RMB.

The Manager's strategy is to achieve a natural hedge through local RMB financing. To mitigate the foreign currency cashflow, the Manager will enter into foreign currency forwards to limit on exposure for the RMB denominated cashflow.

The Group determines the existence of an economic relationship between the hedging instrument and hedged item based on the currency, amount and timing of their respective cash flows. The Group assess whether the derivative designated in each hedging relationship is expected to be and has been effective in offsetting changes in cash flows of the hedged item using the hypothetical derivative method.

The Group's and Trust's exposure to foreign currencies is as follows:

	US$ $'000	RMB $'000	Total $'000
Group			
2022			
Cash and cash equivalents	**2,615**	**108**	**2,723**
2021			
Cash and cash equivalents	5,086	8,807	13,893
Trust			
2022			
Loans to subsidiaries	**203,746**	**–**	**203,746**
Non-trade amounts due from subsidiaries	**186,606**	**–**	**186,606**
Cash and cash equivalents	**216**	**86**	**302**
	390,568	**86**	**390,654**
2021			
Loans to subsidiaries	268,557	–	268,557
Non-trade amounts due from subsidiaries	126,596	–	126,596
Cash and cash equivalents	3,808	8,783	12,591
	398,961	8,783	407,744

28. CAPITAL AND FINANCIAL RISK MANAGEMENT (CONTINUED)

Financial risk management *(continued)*

Sensitivity analysis

A 10% strengthening of Singapore dollar against the US$ and RMB at the reporting date would increase/(decrease) total return after tax by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant. The analysis is performed on the same basis for 2021.

	Statements of total return	
	Group	**Trust**
	$'000	**$'000**
2022		
US$	**(262)**	**(39,057)**
RMB	**(11)**	**(9)**
2021		
US$	(509)	(39,896)
RMB	(881)	(878)

A 10% weakening of Singapore dollar against the US$ and RMB would have had equal but opposite effect on the US$ and RMB to the amounts shown above, on the basis that all other variables remain constant.

Forwards

At 31 December 2022, the Group has foreign currency forward contracts with notional amount of $31.0 million (2021: $12.3 million) to economically hedge the undistributed income for financial year 2021. The fair value of the forwards as at 31 December 2022 of $1.7 million (2021: $341,000) has been recognised directly in the statement of total return.

A 10% strengthening/weakening of Singapore dollar against the RMB at the reporting date would increase and decrease the statement of total return by $2.7 million and $3.2 million (2021: $1.1 million and $1.4 million) respectively.

Hedge accounting

Cash flow hedges

The Group held the following instruments to hedge exposures to changes in foreign currency and interest rates.

		Maturity	
	1 – 6 months	**6 – 12 months**	**More than one year**
Interest rate risk			
Interest rate swaps			
2022			
Notional amount (in thousands of SGD)	**120,000**	**20,000**	**879,000**
Average fixed interest rate	**1.1%**	**2.8%**	**1.5%**
2021			
Notional amount (in thousands of SGD)	150,000	–	655,000
Average fixed interest rate	2.1%	–	1.0%

28. CAPITAL AND FINANCIAL RISK MANAGEMENT (CONTINUED)

Financial risk management *(continued)*

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

Group and Trust	2022 Notional amount $'000	2022 Carrying amount – assets $'000	2022 Carrying amount – liabilities $'000	During the period – 2022 Changes in the value of the hedging instrument recognised in Unitholders' funds $'000	During the period – 2022 Amount reclassified from hedging reserve to the statement of total return $'000	During the period – 2022 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	**1,019,000**	**42,694**	**(825)**	**35,711**	**3,865**	**–**	**Finance income/(costs)**

Group and Trust	2021 Notional amount $'000	2021 Carrying amount – assets $'000	2021 Carrying amount – liabilities $'000	During the period – 2021 Changes in the value of the hedging instrument recognised in Unitholders' funds $'000	During the period – 2021 Amount reclassified from hedging reserve to the statement of total return $'000	During the period – 2021 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	805,000	5,735	(3,293)	28,055	(8,858)	–	Finance income/(costs)

The following table provides a reconciliation by risk category of components of equity and analysis of items recognised in Unitholders' funds, net of tax, resulting from cash flow hedge accounting.

	Group and Trust Hedging reserve $'000	Group and Trust Cost of hedging reserve $'000
Balance at 1 January 2021	(16,876)	–
Cash flow hedges		
Change in fair value:		
Interest rate risk	28,055	–
Amount reclassified to statement of total return:		
Interest rate risk	(8,858)	–
Balance at 31 December 2021	2,321	–
Balance at 1 January 2022	**2,321**	**–**
Cash flow hedges		
Change in fair value:		
Interest rate risk	**35,711**	**–**
Amount reclassified to statement of total return:		
Interest rate risk	**3,865**	**–**
Balance at 31 December 2022	**41,897**	**–**

28. CAPITAL AND FINANCIAL RISK MANAGEMENT (CONTINUED)

Accounting classifications and fair values

The carrying amounts and fair values of financial assets and liabilities, including their levels in the fair value hierarchy are as follows. It does not include fair value information for financial assets and liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value. Further, for the current year, the fair value disclosure of lease liabilities is also not required.

		Carrying amount					Fair value			
	Note	Amortised cost $'000	Fair value to statement of total return $'000	Fair value to hedging reserve $'000	Other financial liabilities $'000	Total carrying amount $'000	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
Group										
2022										
Financial assets not measured at fair value										
Trade and other receivables[1]	8	31,840	–	–	–	31,840	–	–	–	–
Cash and cash equivalents	9	231,048	–	–	–	231,048	–	–	–	–
		262,888	–	–	–	262,888				
Financial assets measured at fair value										
Financial derivative assets	7	–	1,670	42,694	–	44,364	–	44,364	–	44,364
Financial liabilities not measured at fair value										
Trade and other payables	10	–	–	–	137,640	137,640	–	–	–	–
Security deposits		–	–	–	106,181	106,181	–	99,807	–	99,807
Interest-bearing borrowings	11	–	–	–	1,945,940	1,945,940	–	1,934,739	–	1,934,739
		–	–	–	2,189,761	2,189,761				
Financial liabilities measured at fair value										
Financial derivative liabilities	7	–	–	825	–	825	–	825	–	825

(1) Excluding prepayments

28. CAPITAL AND FINANCIAL RISK MANAGEMENT (CONTINUED)

Accounting classifications and fair values (continued)

	Note	Carrying amount					Fair value			
		Amortised cost $'000	Fair value to statement of total return $'000	Fair value to hedging reserve $'000	Other financial liabilities $'000	Total carrying amount $'000	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
Group										
2021										
Financial assets not measured at fair value										
Trade and other receivables[1]	8	21,100	–	–	–	21,100	–	–	–	–
Cash and cash equivalents	9	288,860	–	–	–	288,860	–	–	–	–
		309,960	–	–	–	309,960				
Financial assets measured at fair value										
Financial derivative assets	7	–	7	5,735	–	5,742	–	5,742	–	5,742
Financial liabilities not measured at fair value										
Trade and other payables	10	–	–	–	174,127	174,127	–	–	–	–
Security deposits		–	–	–	117,387	117,387	–	114,671	–	114,671
Interest-bearing borrowings	11	–	–	–	1,989,521	1,989,521	–	1,976,343	–	1,976,343
		–	–	–	2,281,035	2,281,035				
Financial liabilities measured at fair value										
Financial derivative liabilities	7	–	348	3,293	–	3,641	–	3,641	–	3,641

(1) Excluding prepayments

28. CAPITAL AND FINANCIAL RISK MANAGEMENT (CONTINUED)

Accounting classifications and fair values (continued)

		Carrying amount					Fair value			
	Note	Amortised cost $'000	Fair value to statement of total return $'000	Fair value to hedging reserve $'000	Other financial liabilities $'000	Total carrying amount $'000	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
Trust										
2022										
Financial assets not measured at fair value										
Loans to subsidiaries	6	**203,746**	**–**	**–**	**–**	**203,746**	**–**	**–**	**194,308**	**194,308**
Non-trade amounts due from subsidiaries	6	**2,069,472**	**–**	**–**	**–**	**2,069,472**	**–**	**–**	**1,973,608**	**1,973,608**
Trade and other receivables[1]	8	**171**	**–**	**–**	**–**	**171**	**–**	**–**	**–**	**–**
Cash and cash equivalents	9	**2,157**	**–**	**–**	**–**	**2,157**	**–**	**–**	**–**	**–**
		2,275,546	**–**	**–**	**–**	**2,275,546**				
Financial assets measured at fair value										
Financial derivative assets	7	**–**	**1,670**	**42,694**	**–**	**44,364**	**–**	**44,364**	**–**	**44,364**
Financial liabilities not measured at fair value										
Trade and other payables	10	**–**	**–**	**–**	**42,655**	**42,655**	**–**	**–**	**–**	**–**
Interest-bearing borrowings	11	**–**	**–**	**–**	**1,688,813**	**1,688,813**	**–**	**1,677,612**	**–**	**1,677,612**
		–	**–**	**–**	**1,731,468**	**1,731,468**				
Financial liabilities measured at fair value										
Financial derivative liabilities	7	**–**	**–**	**825**	**–**	**825**	**–**	**825**	**–**	**825**

(1) Excluding prepayments

28. CAPITAL AND FINANCIAL RISK MANAGEMENT (CONTINUED)

***Accounting classifications and fair values** (continued)*

		Carrying amount					Fair value			
	Note	Amortised cost $'000	Fair value to statement of total return $'000	Fair value to hedging reserve $'000	Other financial liabilities $'000	Total carrying amount $'000	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
Trust										
2021										
Financial assets not measured at fair value										
Loans to subsidiaries	6	268,557	–	–	–	268,557	–	–	265,366	265,366
Non-trade amounts due from subsidiaries	6	1,999,422	–	–	–	1,999,422	–	–	1,975,662	1,975,662
Trade and other receivables[1]	8	329	–	–	–	329	–	–	–	–
Cash and cash equivalents	9	15,994	–	–	–	15,994	–	–	–	–
		2,284,302	–	–	–	2,284,302				
Financial assets measured at fair value										
Financial derivative assets	7	–	7	5,735	–	5,742	–	5,742	–	5,742
Financial liabilities not measured at fair value										
Trade and other payables	10	–	–	–	60,830	60,830	–	–	–	–
Interest-bearing borrowings	11	–	–	–	1,596,107	1,596,107	–	1,582,929	–	1,582,929
		–	–	–	1,656,937	1,656,937				
Financial liabilities measured at fair value										
Financial derivative liabilities	7	–	348	3,293	–	3,641	–	3,641	–	3,641

(1) Excluding prepayments

28. CAPITAL AND FINANCIAL RISK MANAGEMENT (CONTINUED)

Estimation of fair value

The following summarises the significant methods and assumptions used in estimating the fair values of financial instruments of the Group and Trust.

Financial derivatives

The fair values of deliverable forwards and interest rates are based on banks' quotes. These quotes are tested for reasonableness by discounting estimated future cash flows based on the terms and maturity of each contract and using market interest rates for a similar instrument at the measurement date. Fair values reflect the credit risk of the Group entity and counterparties when appropriate.

Interest-bearing borrowings

Fair value, which is determined for disclosure purposes, is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the reporting date.

Other financial assets and liabilities

The carrying amounts of financial assets and liabilities (including trade and other receivables, cash and cash equivalents, trade and other payables and current security deposits) are assumed to approximate their fair values because they are either short term in nature, or effect of discounting is immaterial. All other financial assets and liabilities (non-current security deposits) are discounted to determine their fair values.

Interest rates used in determining fair values

The interest rates used to discount estimated cash flows, where applicable, are based on the forward yield curve as at 31 December 2022 plus an adequate constant credit spread, and are as follows:

	2022 % p.a.	**2021 % p.a.**
Group		
Interest-bearing borrowings	**3.40-5.41**	1.09-5.51
Security deposits	**3.40-4.39**	1.19-1.47
Trust		
Loans to subsidiaries	**4.84**	1.20
Non-trade amounts due from subsidiaries	**4.84**	1.20
Interest-bearing borrowings	**3.40-5.41**	1.09-3.25

Offsetting financial assets and financial liabilities

The disclosures set out in the tables below include financial assets and financial liabilities that:

- are offset in the Trust's statements of financial position; or
- are subject to an enforceable master netting arrangement, irrespective of whether they are offset in the statement of financial position.

Financial instruments such as loans and receivables and financial liabilities are not disclosed in the tables below unless they are offset in the statements of financial position.

28. CAPITAL AND FINANCIAL RISK MANAGEMENT (CONTINUED)

Offsetting financial assets and financial liabilities *(continued)*

The Trust's derivative transactions that are not transacted on an exchange are entered into under International Swaps and Derivatives Association ("ISDA") Master Agreements. In certain circumstances, for example when a termination event such as a default occurs, all outstanding transactions under the agreement are terminated, the termination value is assessed and only a single net amount is due or payable in settlement of all transactions.

Under the agreements signed, the Trust and its counterparties neither have a legal obligation nor intend to settle on a net basis or to realise the assets and settle the liabilities simultaneously. In addition, the right of set-off of recognised amounts is enforceable only following the occurrence of a termination event as set out in the agreements. Accordingly, the ISDA agreements do not meet the criteria for offsetting and the derivatives financial instruments presented below are not offset in the Statement of Financial Position.

Financial assets and liabilities subject to offsetting and enforceable master netting arrangement under termination events

	Gross amounts of recognised financial instruments $'000	Gross amount of recognised financial instruments offset in the statement of financial position $'000	Net amounts of financial instruments presented in the statement of financial position $'000	Related amounts not offset in the statement of financial position $'000	Net amounts $'000
31 December 2022					
Financial assets					
Interest rate swaps	**42,694**	**–**	**42,694**	**(792)**	**41,902**
Forwards	**1,670**	**–**	**1,670**	**–**	**1,670**
	44,364	**–**	**44,364**	**(792)**	**43,572**
Financial liabilities					
Interest rate swaps	**825**	**–**	**825**	**(792)**	**33**
Forwards	**–**	**–**	**–**	**–**	**–**
	825	**–**	**825**	**(792)**	**33**
31 December 2021					
Financial assets					
Interest rate swaps	5,735	–	5,735	(2,861)	2,874
Forwards	7	–	7	–	7
	5,742	–	5,742	(2,861)	2,881
Financial liabilities					
Interest rate swaps	3,293	–	3,293	(2,861)	432
Forwards	348	–	348	–	348
	3,641	–	3,641	(2,861)	780

29. SUBSEQUENT EVENTS

On 3 February 2023, the Manager declared a distribution of 3.40 cents per Unit to Unitholders in respect of the period from 1 July 2022 to 31 December 2022.

Report of the Trustee

HSBC Institutional Trust Services (Singapore) Limited (the "Trustee") is under a duty to take into custody and hold the assets of CapitaLand China Trust (the "Trust") in trust for the Unitholders. In accordance with the Securities and Futures Act (Cap. 289), its subsidiary legislation and the Code on Collective Investment Schemes, the Trustee shall monitor the activities of CapitaLand China Trust Management Limited (the "Manager") for compliance with the limitations imposed on the investment and borrowing powers as set out in the Trust Deed dated 23 October 2006 (as amended by a first supplemental deed dated 8 November 2006, a second supplemental deed dated 15 April 2010, a third supplemental deed dated 5 April 2012, a fourth supplemental deed dated 14 February 2014, a fifth supplemental deed dated 6 May 2015, a sixth supplemental deed dated 29 April 2016, a seventh supplemental deed dated 5 June 2018, an eighth supplemental deed dated 17 April 2019, a ninth supplemental deed dated 2 April 2020, a first amending and restating deed dated 20 October 2020, and a tenth supplemental deed dated 26 January 2021) (collectively the "Trust Deed") between the Manager and the Trustee in each annual accounting period and report thereon to Unitholders in an annual report.

To the best knowledge of the Trustee, the Manager has, in all material respects, managed the Trust during the year covered by these financial statements, set out on pages 133 to 219, in accordance with the limitations imposed on the investment and borrowing powers set out in the Trust Deed.

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

Authorised Signatory

Singapore
10 March 2022

Statement by the Manager

In the opinion of the directors of CapitaLand China Trust Management Limited (the "Manager"), the accompanying financial statements set out on pages 133 to 219 comprising the consolidated statement of financial position and consolidated portfolio statement of the CapitaLand China Trust (the "Trust") and its subsidiaries (the "Group") and the statement of financial position of the Trust as at 31 December 2021, the consolidated statement of total return, consolidated distribution statement, consolidated statement of movements in Unitholders' funds and consolidated statement of cash flows of the Group and the statement of movements in Unitholders' funds of the Trust for the year then ended, and a summary of significant accounting policies and other explanatory information, are drawn up so as to present fairly, in all material respects, the consolidated financial position and the portfolio holdings of the Group and the financial position of the Trust as at 31 December 2021 and the consolidated total return, consolidated distributable income, consolidated movements in Unitholders' funds and consolidated cash flows of the Group and the movements in Unitholders' funds of the Trust for the year ended on that date in accordance with the recommendations of Statement of Recommended Accounting Practice 7 "*Reporting Framework for Investment Funds*" issued by the Institute of Singapore Chartered Accountants and the provisions of the Trust Deed. At the date of this statement, there are reasonable grounds to believe that the Group will be able to meet its financial obligations as and when they materialise.

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

Tan Tze Wooi
Director

Singapore
10 March 2022

UNITHOLDERS OF CAPITALAND CHINA TRUST
(CONSTITUTED UNDER A TRUST DEED DATED 23 OCTOBER 2006 (AS AMENDED) IN THE REPUBLIC OF SINGAPORE)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of CapitaLand China Trust (the "Trust") and its subsidiaries (the "Group"), which comprise the consolidated statement of financial position and consolidated portfolio statement of the Group and the statement of financial position of the Trust as at 31 December 2021, the consolidated statement of total return, consolidated distribution statement, consolidated statement of movements in Unitholders' funds and consolidated statement of cash flows of the Group and the statement of movements in Unitholders' funds of the Trust for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 133 to 219.

In our opinion, the accompanying consolidated financial statements of the Group, and the statement of financial position and statement of movements in Unitholders' funds of the Trust present fairly, in all material respects, the consolidated financial position and the portfolio holdings of the Group and the financial position of the Trust as at 31 December 2021 and the consolidated total return, consolidated distributable income, consolidated movements in Unitholders' funds and consolidated cash flows of the Group and the movements in Unitholders' funds of the Trust for the year then ended in accordance with the recommendations of Statement of Recommended Accounting Practice 7 "*Reporting Framework for Investment Funds*" ("RAP 7") issued by the Institute of Singapore Chartered Accountants.

Basis for opinion

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

Key audit matters

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

Valuation of investment properties

(Refer to Portfolio Statement and Notes 4 and 10 to the financial statements)

Risk

The Group owns and invests in a portfolio of 11 retail assets, 5 business parks and 4 logistics parks located in 12 cities in China. Investment properties represent the largest asset item on the consolidated statement of financial position, at $5.2 billion as at 31 December 2021 (2020: $3.9 billion (including CapitaMall Saihan and CapitaMall Minzhongleyuan which were classified as held for sale, but excluding right-of-use assets)).

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.

The valuation reports obtained from the independent valuers for certain of the properties contain the "material valuation uncertainty" clause due to the ongoing market disruption caused by the COVID-19 pandemic. Given the unprecedented set of circumstances on which to base a judgement, less certainty, and a higher degree of caution, should be attached to their valuations than would normally be the case. This clause does not invalidate the valuations, but implies that there is substantially more uncertainty than under normal market conditions.

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

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

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

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

Responsibility of the Manager for the financial statements

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

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

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

Auditors' responsibility for the audit of the financial statements

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

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

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

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

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Manager.

- Conclude on the appropriateness of the Manager's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Manager regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal controls that we identify during our audit.

We also provide the Manager with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Manager, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless the law or regulations preclude public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditors' report is Lim Pang Yew, Victor.

KPMG LLP
Public Accountants and
Chartered Accountants

Singapore
10 March 2022

Statements of Financial Position

AS AT 31 DECEMBER 2021

	Note	Group 2021 $'000	Group 2020 $'000	Trust 2021 $'000	Trust 2020 $'000
Non-current assets					
Investment properties	4	**5,249,617**	3,726,433	**–**	–
Plant and equipment	5	**3,749**	2,394	**–**	–
Subsidiaries	6	**–**	–	**2,946,142**	2,208,738
Financial derivatives	7	**5,735**	–	**5,735**	–
Other receivables	8	**1,365**	1,266	**–**	–
		5,260,466	3,730,093	**2,951,877**	2,208,738
Current assets					
Non-trade amounts due from subsidiaries	6	**–**	–	**2,247**	2,216
Financial derivatives	7	**7**	1	**7**	1
Trade and other receivables	8	**26,567**	148,353	**329**	93,187
Cash and cash equivalents	9	**288,860**	208,440	**15,994**	858
		315,434	356,794	**18,577**	96,262
Assets held for sale	10	**–**	223,370	**–**	–
		315,434	580,164	**18,577**	96,262
Total assets		**5,575,900**	4,310,257	**2,970,454**	2,305,000
Current liabilities					
Trade and other payables	11	**149,996**	177,704	**60,830**	22,619
Security deposits		**51,352**	36,893	**–**	–
Financial derivatives	7	**821**	2,193	**821**	2,193
Interest-bearing borrowings	12	**215,001**	155,560	**179,953**	145,359
Lease liabilities	13	**5,147**	4,091	**–**	–
Provision for taxation		**7,716**	7,066	**10**	23
		430,033	383,507	**241,614**	170,194
Liabilities held for sale	10	**–**	32,161	**–**	–
		430,033	415,668	**241,614**	170,194
Non-current liabilities					
Financial derivatives	7	**2,820**	16,134	**2,820**	16,134
Other payables	11	**24,131**	85	**–**	–
Security deposits		**66,035**	37,806	**–**	–
Interest-bearing borrowings	12	**1,774,520**	1,200,374	**1,416,154**	1,046,380
Lease liabilities	13	**5,505**	10,631	**–**	–
Deferred tax liabilities	14	**318,493**	284,705	**–**	–
		2,191,504	1,549,735	**1,418,974**	1,062,514
Total liabilities		**2,621,537**	1,965,403	**1,660,588**	1,232,708
Net assets		**2,954,363**	2,344,854	**1,309,866**	1,072,292
Represented by:					
Unitholders' funds	15	**2,588,199**	2,245,244	**1,210,256**	972,682
Perpetual securities holders	16	**99,610**	99,610	**99,610**	99,610
Non-controlling interests	17	**266,554**	–	**–**	–
		2,954,363	2,344,854	**1,309,866**	1,072,292
Units in issue ('000)	16	**1,659,528**	1,506,433	**1,659,528**	1,506,433
Net asset value per Unit attributable to Unitholders ($)		**1.56**	1.49	**0.73**	0.65

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

Statements of Total Return

YEAR ENDED 31 DECEMBER 2021

	Note	Group 2021 $'000	Group 2020 $'000
Gross rental income		**348,569**	194,771
Other income		**29,398**	15,754
Gross revenue		**377,967**	210,525
Property related tax		**(32,927)**	(18,571)
Business tax		**(2,143)**	(1,025)
Property management fees and reimbursables		**(24,067)**	(14,561)
Other property operating expenses	19	**(68,403)**	(41,172)
Total property operating expenses		**(127,540)**	(75,329)
Net property income		**250,427**	135,196
Manager's management fees	20	**(20,938)**	(15,532)
Trustee's fees		**(677)**	(584)
Audit fees		**(582)**	(399)
Valuation fees		**(136)**	(65)
Other operating income/(expense)	21	**808**	(905)
Foreign exchange gain – realised		**1,307**	1,657
Finance income		**3,941**	7,194
Finance costs		**(48,118)**	(37,557)
Net finance costs	22	**(44,177)**	(30,363)
Net income before share of results of joint venture		**186,032**	89,005
Share of results (net of tax) of joint venture	23	**–**	3,698
Net income		**186,032**	92,703
Gain on disposal of subsidiaries [(1)]		**13,164**	34,708
Change in fair value of investment properties	4	**(10,220)**	(99,057)
Change in fair value of financial derivatives		**1,230**	(1,786)
Foreign exchange (loss)/gain – unrealised		**(612)**	1,769
Total return for the year before taxation		**189,594**	28,337
Taxation	24	**(66,792)**	(40,366)
Total return/(loss) for the year after taxation		**122,802**	(12,029)
Attributable to:			
Unitholders		**103,303**	(12,639)
Perpetual securities holders		**3,375**	610
Non-controlling interests	17	**16,124**	–
Total return/(loss) for the year after taxation		**122,802**	(12,029)
Earnings per Unit (cents)	25		
– Basic		**6.92**	(0.96)
– Diluted		**6.86**	(0.96)

(1) For 2021, this relates to the gain arising from the disposal of 100% interest in the companies which held CapitaMall Minzhongleyuan and CapitaMall Saihan. For 2020, this relates to the gain arising from the disposal of 100% interest in the company which held CapitaMall Erqi.

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

Distribution Statements

YEAR ENDED 31 DECEMBER 2021

	Note	Group 2021 $'000	Group 2020 $'000
Amount available for distribution to Unitholders at beginning of the year		**9,582**	44,315
Total return/(loss) for the year attributable to Unitholders and perpetual securities holders		**106,678**	(12,029)
Less: Total return attributable to perpetual securities holders		**(3,375)**	(610)
Distribution adjustments	A	**32,213**	87,117
Income for the year available for distribution to Unitholders		**135,516**	74,478
Amount available for distribution to Unitholders		**145,098**	118,793
Distribution to Unitholders during the year:			
Distribution of 0.58 cents per Unit for the period from 26 November 2020 to 31 December 2020		**(8,737)**	–
Distribution of 4.23 cents per Unit for the period from 1 January 2021 to 30 June 2021		**(64,259)**	–
Distribution of 2.70 cents per Unit for the period from 1 July 2021 to 20 October 2021		**(41,331)**	–
Distribution of 3.61 cents per Unit for the period from 14 August 2019 to 31 December 2019		–	(43,647)
Distribution of 3.02 cents per Unit for the period from 1 January 2020 to 30 June 2020		–	(36,931)
Distribution of 2.75 cents per Unit for the period from 1 July 2020 to 25 November 2020		–	(33,883)
		(114,327)	(114,461)
Amount released for general corporate and working capital purposes	B	–	5,250
Amount available for distribution to Unitholders at end of the year (1)		**30,771**	9,582
Distribution per Unit ("DPU") (cents) (1)		**8.73**	6.35
Adjusted DPU (cents) (2)		**8.73**	6.33

(1) The Distribution per Unit relates to the distributions in respect of the relevant financial year. The distribution relating to 21 October 2021 to 31 December 2021 will be paid within 90 days from the end of the distribution period, in accordance with the provisions of the Trust Deed.
(2) The figure for FY2020 has been adjusted and 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.

Note A – Distribution adjustments

	Group 2021 $'000	Group 2020 $'000
Distribution adjustment items:		
– Gain on disposal of subsidiaries	**(8,232)**	(23,814)
– Straight line rental and leasing commission adjustments [(1)]	**2,311**	–
– Manager's management fees payable in Units	**14,292**	7,322
– Change in fair value of financial derivatives	**(1,230)**	1,786
– Change in fair value of investment properties [(1)]	**8,799**	99,057
– Deferred taxation [(1)]	**21,130**	7,213
– Transfer to general reserve [(1)]	**(6,783)**	(5,324)
– Unrealised foreign exchange loss/(gain) [(1)]	**608**	(1,769)
– Other adjustments [(1)]	**1,318**	(3,357)
– Adjustments for share of results (net of tax) of joint venture	**–**	6,003
Net effect of distribution adjustments	**32,213**	87,117

(1) Excludes non-controlling interest's share

Note B – Distributable amount to Unitholders

For the year ended 31 December 2020, amount released of $5.3 million for general corporate and working capital relates to the one-off compensation received by CapitaMall Erqi.

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

Statements of Movements in Unitholders' Funds

YEAR ENDED 31 DECEMBER 2021

	Group		Trust	
	2021	2020	2021	2020
	$'000	$'000	$'000	$'000
Operations				
Unitholders' funds as at beginning of the year	**2,245,244**	1,873,671	**972,682**	711,698
Change in Unitholders' funds resulting from operations	**106,678**	(12,029)	**149,621**	36,250
Total return attributable to perpetual securities holders	**(3,375)**	(610)	**(3,375)**	(610)
Transfer to general reserve	**(6,783)**	(5,324)	**–**	–
Net increase/(decrease) in net assets resulting from operations	**96,520**	(17,963)	**146,246**	35,640
Movements in hedging reserve				
Effective portion of changes in fair value of cash flow hedges	**19,197**	(11,609)	**19,197**	(11,609)
Movements in foreign currency translation reserve				
Translation differences from financial statements of foreign operations	**134,406**	142,123	**–**	–
Exchange differences on monetary items forming part of net investment in foreign operations	**13,918**	16,745	**–**	–
Net gain/(loss) recognised directly in Unitholders' funds	**167,521**	147,259	**19,197**	(11,609)
Movement in general reserve	**6,783**	**5,324**	**–**	**–**
Unitholders' transactions				
New Units issued				
– Units issued in connection with private placement	**150,001**	245,371	**150,001**	245,371
– Units issued in connection with preferential offering	**–**	80,727	**–**	80,727
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	**14,292**	7,322	**14,292**	7,322
– Units issued in respect of acquisition fees	**10,055**	–	**10,055**	–
Units issued in respect of the distribution reinvestment plan	**15,910**	24,794	**15,910**	24,794
	190,258	358,214	**190,258**	358,214
Distributions to Unitholders	**(114,327)**	(114,461)	**(114,327)**	(114,461)
Equity issue expenses	**(3,800)**	(6,800)	**(3,800)**	(6,800)
Net increase in net assets resulting from Unitholders' transactions	**72,131**	236,953	**72,131**	236,953
Unitholders' funds as at end of the year	**2,588,199**	2,245,244	**1,210,256**	972,682
Perpetual securities holders' funds				
Balance as at beginning of the year	**99,610**	–	**99,610**	–
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	**3,375**	610	**3,375**	610
Distributions to perpetual securities holders	**(3,375)**	–	**(3,375)**	–
Balance as at end of the year	**99,610**	99,610	**99,610**	99,610

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

Statements of Movements in Unitholders' Funds

YEAR ENDED 31 DECEMBER 2021

	Group		Trust	
	2021	2020	2021	2020
	$'000	$'000	$'000	$'000
Non-controlling interests				
Balance at beginning of the financial year	–	–	–	–
Acquisition of subsidiaries	**240,401**	–	–	–
Total return attributable to non-controlling interests	**16,124**	–	–	–
Dividend paid	**(620)**	–	–	–
Translation differences from financial statements of foreign operations	**10,649**	–	–	–
Balance at end of the year	**266,554**	–	–	–
Total	**2,954,363**	2,344,854	**1,309,866**	1,072,292

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

Portfolio Statement

YEAR ENDED 31 DECEMBER 2021

Description of leasehold property	Location	Term of lease (years)	Remaining term of lease (years)	Valuation		Valuation		Percentage of Unitholders' funds	
				2021	2020	2021	2020	2021	2020
				RMB'000	RMB'000	$'000	$'000	%	%
Group									
Retail Malls									
CapitaMall Xizhimen	No. 1, Xizhimenwai Street, Xicheng District, Beijing	40 – 50	23 – 33	**3,620,000**	3,580,000	**766,608**	730,392	**29.6**	32.5
Rock Square	No. 106-108 Gongye Avenue North, Haizhu District, Guangzhou City, Guangdong Province	40	24	**3,422,000**	3,414,000	**724,677**	696,524	**28.0**	31.0
CapitaMall Wangjing	No. 33, Guangshunbei North Road, Chaoyang District, Beijing	38 – 48	22 – 32	**2,795,000**	2,772,000	**591,897**	565,543	**22.9**	25.2
CapitaMall Grand Canyon	No. 16, South Third Ring West Road, Fengtai District, Beijing	40 – 50	23 – 33	**2,022,000**	2,125,000	**428,199**	433,543	**16.6**	19.4
CapitaMall Xuefu	No. 1, Xuefu Road, Nangang District, Harbin, Heilongjiang Province	40	24	**1,789,000**	1,774,000	**378,857**	361,931	**14.6**	16.1
CapitaMall Xinnan	No. 99, Shenghe First Road, Gaoxin District, Chengdu, Sichuan Province	40	26	**1,611,000**	1,600,000	**341,162**	326,432	**13.2**	14.5
CapitaMall Nuohemule	Block A Jinyu Xintiandi, E'erduosi Street, Yuquan District, Hohhot, Inner Mongolia Autonomous Region	40	28	**1,020,000**	1,006,000	**216,005**	205,244	**8.3**	9.1
CapitaMall Yuhuating	No. 421, Shaoshan Middle Road, Yuhua District, Changsha, Hunan Province	39	23	**770,000**	760,000	**163,063**	155,055	**6.3**	6.9
CapitaMall Shuangjing	No. 31, Guangqu Road, Chaoyang District, Beijing	40	21	**616,000**	610,000	**130,450**	124,453	**5.0**	5.5
CapitaMall Aidemengdun	No. 38, Aidemengdun Road, Daoli District, Harbin, Heilongjiang Province	40	21	**446,000**	469,000	**94,449**	95,685	**3.6**	4.3
Balance carried forward				**18,111,000**	18,110,000	**3,835,367**	3,694,802	**148.1**	164.5

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

Portfolio Statement

YEAR ENDED 31 DECEMBER 2021

Description of leasehold property	Location	Term of lease (years)	Remaining term of lease (years)	Valuation		Valuation		Percentage of Unitholders' funds	
				2021	2020	2021	2020	2021	2020
				RMB'000	RMB'000	$'000	$'000	%	%
Group									
Balance brought forward				**18,111,000**	18,110,000	**3,835,367**	3,694,802	**148.1**	164.5
Retail Malls									
CapitaMall Qibao[(1)]	No. 3655, Qixin Road, Minhang District, Shanghai	19	3	**55,000**	83,000	**11,647**	16,934	**0.5**	0.8
Business Parks									
Ascendas Xinsu Portfolio[(2)]	Suzhou Industrial Park, Suzhou City, Jiangsu Province	50	25 – 36	**2,294,000**	–	**485,800**	–	**18.8**	–
Ascendas Innovation Towers[(3)]	No. 88 Tiangu Seventh Road, Xi'an Hi-Tech Industries Development Zone, Xi'an, Shaanxi Province	50	43	**794,000**	–	**168,145**	–	**6.5**	–
Ascendas Innovation Hub[(4)]	No. 38 Gaoxin Sixth Road, Xi'an Hi-Tech Industries Development Zone, Xi'an, Shaanxi Province	50	30	**305,000**	–	**64,590**	–	**2.5**	–
Singapore-Hangzhou Science & Technology Park (Phase I)[(5)]	No. 2 Kejiyuan Road, Hangzhou Economic & Technological Development Area, Jianggan District, Hangzhou, Zhejiang Province	50	35	**672,000**	–	**142,310**	–	**5.4**	–
Singapore-Hangzhou Science & Technology Park (Phase II)[(5)]	No. 20 & 57 Kejiyuan Road, Hangzhou Economic & Technological Development Area, Jianggan District, Hangzhou, Zhejiang Province	50	39	**814,000**	–	**172,381**	–	**6.7**	–
				23,045,000	18,193,000	**4,880,240**	3,711,736	**188.5**	165.3

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

Description of leasehold property	Location	Term of lease (years)	Remaining term of lease (years)	Valuation		Valuation		Percentage of Unitholders' fund	
				2021	2020	2021	2020	2021	2020
				RMB'000	RMB'000	$'000	$'000	%	%
Group									
Balance brought forward				**23,045,000**	18,193,000	**4,880,240**	3,711,736	**188.5**	165.3
Logistics Parks									
Kunshan Bacheng Logistics Park[(6)]	No. 998 Yuyang Road Yushan Town, Kunshan, Jiangsu Province	50	43	**330,000**	–	**69,884**	–	**2.7**	–
Wuhan Yangluo Logistics Park[(6)]	10 Qiuli Road, Yangluo Development Zone, Xinzhou District, Wuhan	50	43	**383,000**	–	**81,108**	–	**3.1**	–
Chengdu Shuangliu Logistics Park[(6)]	No. 86 Tongguan Road, Shuangliu District, Chengdu, Sichuan Province	50	41	**357,000**	–	**75,602**	–	**2.9**	–
Shanghai Fengxian Logistics Park[(6)]	No. 435 Haishang Road, Fengxian District, Shanghai	50	38	**624,000**	–	**132,144**	–	**5.1**	–
Investment properties, at valuation (Note 4)				**24,739,000**	18,193,000	**5,238,978**	3,711,736	**202.3**	165.3
Divested Assets									
Retail Malls									
CapitaMall Saihan[(7)]	No. 32, Ordos Street, Saihan District, Hohhot, Inner Mongolia Autonomous Region	35	20	–	460,000	–	93,849	–	4.2
CapitaMall Minzhongleyuan[(8)]	No. 704, Zhongshan Avenue, Jianghan District, Wuhan, Hubei Province	40	23 – 25	–	440,911	–	89,955	–	4.0
				24,739,000	19,093,911	**5,238,978**	3,895,540	**202.3**	173.5
Other assets and liabilities (net)						**(2,284,615)**	(1,550,686)	**(88.3)**	(69.1)
						2,954,363	2,344,854	**114.0**	104.4
Net assets attributable to perpetual securities holders						**(99,610)**	(99,610)	**(3.8)**	(4.4)
Net assets attributable to non-controlling interests						**(266,554)**	–	**(10.2)**	–
Net assets attributable to Unitholders						**2,588,199**	2,245,244	**100.0**	100.0

(1) CapitaMall Qibao is held under a master lease by CapitaRetail Dragon Mall (Shanghai) Co., Ltd, a subsidiary of CapitaRetail China Investments (B) Alpha Pte. Ltd. The master lease was entered with Shanghai Jin Qiu (Group) Co., Ltd ("Jin Qiu"), the legal owner of CapitaMall Qibao and expires in January 2024, with the right to renew for a further term of 19 years and two months from January 2024 at the option of the Group. Accordingly, the land use rights is held by Jin Qiu. The valuation is on the basis that CLCT did not exercise its option which expired on 31 January 2021.
(2) New acquisition which was completed on 4 January 2021.
(3) New acquisition which was completed on 10 February 2021.
(4) New acquisition which was completed on 26 February 2021.
(5) New acquisition which was completed on 18 June 2021.
(6) New acquisition which was completed on 10 November 2021.
(7) No carrying amount disclosed as at 31 December 2021 because CapitaMall Saihan was divested in June 2021.
(8) No carrying amount disclosed as at 31 December 2021 because CapitaMall Minzhongleyuan was divested in February 2021. The carrying amount as at 31 December 2020 includes the valuation of the retail mall and carrying amount of three residential units.

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

Consolidated Statement of Cash Flows

YEAR ENDED 31 DECEMBER 2021

	Note	Group 2021 $'000	Group 2020 $'000
Operating activities			
Total return/(loss) for the year after taxation		**122,802**	(12,029)
Adjustments for:			
Finance income		**(3,941)**	(7,194)
Finance costs		**48,118**	37,557
Depreciation and amortisation		**1,368**	897
Taxation		**66,792**	40,366
Manager's management fees payable in Units	A	**14,292**	7,322
Plant and equipment written off		**40**	85
Change in fair value of investment properties		**10,220**	99,057
Change in fair value of financial derivatives		**(1,230)**	1,786
Share of joint venture's results (net of tax)		**–**	(3,698)
Gain on disposal of subsidiaries		**(13,164)**	(34,708)
Impairment losses on trade receivables, net		**159**	357
Operating income before working capital changes		**245,456**	129,798
Changes in working capital:			
Trade and other receivables		**11,969**	(10,525)
Trade and other payables		**1,565**	(13,476)
Cash generated from operating activities		**258,990**	105,797
Income tax paid		**(44,899)**	(27,226)
Net cash from operating activities		**214,091**	78,571
Investing activities			
Interest received		**3,941**	4,588
Capital expenditure on investment properties		**(26,539)**	(26,725)
Net cash outflow on acquisition of subsidiaries	B	**(616,380)**	(200,640)
Proceeds from disposal of subsidiaries	C	**169,720**	150,412
Deposit refund for divestment of subsidiaries		**(46,982)**	(3,865)
Acquisition of investment property		**(15,996)**	–
Partial purchase consideration payment for acquisition of subsidiaries	D	**–**	(115,604)
Purchase of plant and equipment		**(1,189)**	(407)
Proceeds from disposal of plant and equipment		**3**	7
Net cash used in investing activities		**(533,422)**	(192,234)
Financing activities			
Proceeds from issuance of new Units		**150,001**	326,098
Distribution to Unitholders		**(98,417)**	(89,667)
Payment of equity issue expenses		**(2,887)**	(2,813)
Payment of financing expenses		**(1,485)**	(1,820)
Proceeds from issuance of perpetual securities		**–**	100,000
Payment of transaction costs on issuance of perpetual securities		**–**	(545)
Payment of lease liabilities		**(5,757)**	(4,019)
Proceeds from draw down of interest-bearing borrowings		**811,300**	539,200
Repayment of interest-bearing borrowings		**(440,601)**	(650,510)
Settlement of derivative contracts		**(1,098)**	(703)
Interest paid		**(44,922)**	(35,556)
Net cash from financing activities		**366,134**	179,665
Net increase in cash and cash equivalents		**46,803**	66,002
Cash and cash equivalents at 1 January		**208,440**	139,920
Effect of foreign exchange rate changes on cash balances		**8,813**	8,060
Changes in cash and cash equivalents reclassified to assets held for sale		**24,804**	(5,542)
Cash and cash equivalents at 31 December	9	**288,860**	208,440

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

Notes:

(A) Significant non-cash and other transactions

Manager's management fees (performance and partial base fees) of $14.3 million in 2021 will be paid through the issue of new Units subsequent to the year end.

Manager's management fees (performance and partial base fees) of $7.3 million in 2020 was paid through the issuance of 5,359,744 new Units in March 2021.

(B) Net cash outflow on the acquisition of subsidiaries

In 2021, the Group acquired 51% of the shares in Singapore Suzhou Industrial Holdings Pte. Ltd., which holds Ascendas – Xinsu Development (Suzhou) Co., Ltd. for Ascendas Xinsu Portfolio, 100.0% of the shares in Ascendas Xi An Hi-Tech Development Co., Ltd., which holds Ascendas Innovation Towers, 80.0% of the shares in Xi An Ascendas-Science Technology Investment Co., Ltd. which holds Ascendas Innovation Hub, 80.0% of the shares in Ascendas Hangzhou Science & Technology Co., Ltd. and Ascendas Hangzhou Data Processing Co., Ltd. which hold Singapore Hangzhou Science & Technology Park Phase I and Phase II, respectively.

On 10 November 2021, the Group has also acquired 100% of the shares ABM KS Investment Pte. Ltd., Wuhan Logistics Pte. Ltd., Forum Court Limited and Hanson Logistics Limited, which holds Kunshan Bacheng Logistics Park, Wuhan Yangluo Logistics Park, Chengdu Shuangliu Logistics Park and Shanghai Fengxian Logistics Park respectively.

The Group accounted for these acquisitions as acquisitions of assets.

The total consideration paid for the above acquisitions was $801.4 million.

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.

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

(B) *Net cash outflow on the acquisition of subsidiaries* *(continued)*

Net cash outflow on acquisition of subsidiaries is provided below:

	Group	
	2021 $'000	2020 $'000
Investment properties	**1,314,909**	691,352
Plant and equipment	**1,379**	193
Trade and other receivables	**6,845**	3,967
Cash and cash equivalents	**89,350**	71,620
Trade and other payables	**(24,605)**	(109,803)
Security deposits	**(30,964)**	(9,279)
Interest-bearing borrowings	**(249,628)**	(83,532)
Shareholder loans	**(54,047)**	–
Provision for taxation	**(2,286)**	–
Net identifiable assets and liabilities acquired	**1,050,953**	564,518
Non-controlling interest	**(240,401)**	–
Net identifiable assets and liabilities based on percentage acquired	**810,552**	276,614
Cash of the subsidiaries acquired	**(73,774)**	(71,620)
Deposit paid in 2020	**(115,604)**	–
Consideration payable	**(9,148)**	(4,354)
Cash paid to vendor in respect of acquisition of subsidiary in 2020	**4,354**	–
Net cash outflow	**616,380**	200,640

(C) *Net cash inflow on the divestment of subsidiaries*

Net cash inflow on divestment of subsidiaries are provided below:

	Group	
	2021 $'000	2020 $'000
Investment properties	**201,274**	129,858
Plant and equipment	**53**	2
Trade and other receivables	**954**	6,785
Cash and cash equivalents	**607**	6,983
Trade and other payables	**(19,258)**	(274)
Lease liabilities	**(13,685)**	–
Security deposits	**(529)**	–
Deferred tax liabilities	**(13,175)**	(24,648)
Provision for taxation	**(9)**	–
Net identifiable assets and liabilities divested	**156,232**	118,706
Gain on disposal of subsidiary	**13,164**	34,735
Realisation of translation reserves	**5,864**	13,855
Sale consideration	**175,260**	167,296
Tax paid	**(4,933)**	(10,895)
Cash of subsidiary divested	**(607)**	(6,983)
Cash received from vendor in respect of divestment of subsidiary in 2019	**–**	994
Net cash inflow	**169,720**	150,412

(D) *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 Portfolio, 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. The Group made partial payments amounting to $115.6 million in 2020.

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

These notes form an integral part of the financial statements.

The financial statements were authorised for issue by the Manager and the Trustee on 10 March 2022.

1. GENERAL

CapitaLand China Trust (the "Trust") is a Singapore-domiciled unit trust constituted pursuant to the trust deed dated 23 October 2006 (as amended by a first supplemental deed dated 8 November 2006, a second supplemental deed dated 15 April 2010, a third supplemental deed dated 5 April 2012, a fourth supplemental deed dated 14 February 2014, a fifth supplemental deed dated 6 May 2015, a sixth supplemental deed dated 29 April 2016, a seventh supplemental deed dated 5 June 2018, an eighth supplemental deed dated 17 April 2019, a ninth supplemental deed dated 2 April 2020, a first amending and restating deed dated 20 October 2020, and a tenth supplemental deed dated 26 January 2021) (collectively the "Trust Deed") between CapitaLand China Trust Management Limited (the "Manager") and HSBC Institutional Trust Services (Singapore) Limited (the "Trustee"). The Trust Deed is governed by the laws of the Republic of Singapore. The Trustee is under a duty to take into custody and hold the assets of the Trust held by it or through its subsidiaries (the "Group") in trust for the holders ("Unitholders") of Units in the Trust (the "Units").

The Trust was formally admitted to the Official List of the Singapore Exchange Securities Trading Limited (the "SGX-ST") on 8 December 2006 (the "Listing Date") and was included under the Central Provident Fund ("CPF") Investment Scheme on 8 December 2006.

For financial reporting purposes, the intermediate and ultimate holding companies of the Group are CapitaLand Group Pte. Ltd. ("CLG") (formerly known as CapitaLand Limited or "CL") and Temasek Holdings (Private) Limited respectively for FY 2020. With effect from September 2021, following the internal restructuring of CL, CL ceased to be the intermediate holding company of the Group.

The principal activities of the Trust are those relating to investment in a diversified portfolio of income-producing properties located primarily in the mainland China, Hong Kong and Macau and used primarily for retail, office and industrial purposes (including business parks, logistics facilities, data centres and integrated developments).

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

The Group has entered into several service agreements in relation to the management of the Trust and its property operations. The fee structures for these services are as follows:

(a) Trustee's fees

Pursuant to Clause 14.3 of the Trust Deed, the Trustee's fee shall not exceed 0.03% per annum of the value of all the assets of the Group ("Deposited Property"), subject to a minimum of $15,000 per month, excluding out-of-pocket expenses and Goods and Service Tax.

(b) Manager's management fees

The Manager is entitled under Clauses 14.1.3, 14.1.4 and 14.1.6 of the Trust Deed to the following management fees:

- a base fee of 0.25% per annum of the value of the Deposited Property;
- a performance fee of 4.0% per annum of the net property income in the relevant financial year (calculated before accounting for the performance fee in that financial year); and

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 CLG, no authorised investment management fee shall be payable in relation to such authorised investment.

The Manager may, in accordance with Clause 14.1.8(i) of the Trust Deed elect to receive the management fees in cash or Units or a combination of cash and/or Units (as it may in its sole discretion determine). Pursuant to Clauses 14.1.3 and 14.1.4 of the Trust Deed, the base fee and performance fee are computed and payable on a quarterly and annual basis respectively.

(c) Property management fees

Under the property management agreements in respect of each property, the Property Managers will provide lease management services, property tax services and marketing co-ordination services in relation to that property. The Property Managers are entitled to the following fees:

Retail:

- 2.0% per annum of the gross revenue; and
- 2.5% per annum of the net property income.

Business Parks / Logistics Parks:

- 1.5% – 3.0% per annum of the gross revenue; and
- (a) a commission equivalent to one (1) time of the monthly gross rent (including service charges and advertisement and promotional fees if any), for each new lease of a term of three (3) years or less;

  (b) a commission equivalent to two (2) times of the monthly gross rent (including property management fee and marketing fee if any), for each new lease of a term of more than three (3) years and equal to or less than five (5) years (together with (a) above, the "Marketing Commission Fee");

  (c) a commission equivalent to 50% of the relevant Marketing Commission Fee, for each renewal of lease; and

  (d) for leases of a term of less than one (1) year or longer than five (5) years, the respective Property Managers and the respective Target Companies may review and adjust the Marketing Commission Fee on a case by case basis.
- if any lease is referred by a third-party agent and if so requested by the respective Property Managers, the respective Target Companies shall pay to the third-party agent such amount of commission as notified by the respective Property Managers and concurrently pay to the respective Property Managers 20% of the amount payable to the third-party agent as marketing support and administrative charges.

1. GENERAL (continued)

(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.

(e) Divestment fee

Under Clause 14.2 of the Trust Deed, the Manager is entitled to receive a divestment fee of 0.5% of the sale price of any authorised investment disposed directly or indirectly by the Trust, prorated if applicable to the proportion of the Trust's interest.

The divestment fee is payable to the Manager in the form of cash and/or Units (as the Manager may elect) at the prevailing market price provided that in respect of any divestment of real estate assets to interested parties, such a fee should, if required by the applicable laws, rules and/or regulations, be in the form of Units issued by the Trust at prevailing market price(s) and subject to such transfer restrictions as may be imposed.

Any payment to third party agents or brokers in connection with the divestment of any authorised investments for the Trust shall be paid by the Manager to such persons out of the Deposited Property of the Trust or the assets of the relevant special purpose vehicle, and not out of the divestment fee received or to be received by the Manager.

2. BASIS OF PREPARATION

(a) Statement of compliance

The financial statements have been prepared in accordance with the recommendations of the Statement of Recommended Accounting Practice ("RAP") 7 *"Reporting Framework for Investment Funds"* issued by the Institute of Singapore Chartered Accountants, the applicable requirements of the Code on Collective Investment Schemes (the "CIS Code") issued by the Monetary Authority of Singapore ("MAS") and the provisions of the Trust Deed. RAP 7 requires that accounting policies adopted should generally comply with the recognition and measurement principles of the Singapore Financial Reporting Standards ("FRS").

(b) Basis of measurement

The financial statements have been prepared on the historical cost basis except for the following material items on the statement of financial position:

- investment properties are measured at fair value; and
- derivative financial instruments are measured at fair value.

(c) Functional and presentation currency

Items included in the financial statements of each entity in the Group are measured using the currency that best reflects the economic substance of the underlying events and circumstances relevant to that entity (the "functional currency"). The consolidated financial statements of the Group are presented in Singapore dollars, which is the functional currency of the Trust. All financial information presented in Singapore dollars has been rounded to the nearest thousand, unless otherwise stated.

(d) Use of estimates and judgements

The preparation of financial statements in conformity with RAP 7 requires the Manager to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying amounts of assets and liabilities that are not readily apparent from other sources.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Information about assumptions and estimation uncertainties 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 13 – Lease term: whether the Group is reasonably certain to exercise extension options; and
- Note 31 – Valuation of financial instruments.

2. BASIS OF PREPARATION (continued)

(d) Use of estimates and judgements (continued)

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 10 – Assets/Liabilities held for sale; and
- Note 31 – Valuation of financial instruments.

(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 2021:

- *COVID-19-Related Rent Concessions* (Amendments to FRS 116)
- *Interest Rate Benchmark Reform – Phase 2* (Amendments to FRS 109, FRS 39 and FRS 107, FRS 104 and FRS 116)

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

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to all periods presented in these financial statements, and have been applied consistently by Group entities.

(a) Basis of consolidation

(i) Business combinations and property acquisitions

The Group accounts for business combinations using the acquisition method when the acquired set of activities and assets meets the definition of a business and control is transferred to the Group (see Note 3(a)(ii)). In determining whether a particular set of activities and assets is a business, the Group assesses whether the set of assets and activities acquired includes, at a minimum, an input and substantive process and whether the acquired set has the ability to produce outputs.

The Group has an option to apply a 'concentration test' that permits a simplified assessment of whether an acquired set of activities and assets is not a business. The optional concentration test is met if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar identifiable assets.

The Group measures goodwill at the date of acquisition as:

- the fair value of the consideration transferred; plus
- the recognised amount of any non-controlling interest ("NCI") in the acquiree; plus
- if the business combination is achieved in stages, the fair value of the pre-existing equity interest in the acquiree,

over the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed. Any goodwill that arises is tested annually for impairment.

When the excess in negative, a gain on bargain purchase is recognised immediately in the statement of total return.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognised in the statement of total return.

Costs related to the acquisition, other than those associated with the issue of debt or equity investments, that the Group incurs in connection with a business combination are expensed as incurred.

NCI that are present ownership interests and entitle their holders to a proportionate share of the acquiree's net assets in the event of liquidation are measured either at fair value or at the NCI's proportionate share of the recognised amounts of the acquiree's identifiable net assets, at the date of acquisition. The measurement basis taken is elected 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. If the business combination is achieved in stages, the Group's previously held equity interest in the acquiree is re-measured to fair value at each acquisition date and any changes are taken to the statement of total return.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

(a) Basis of consolidation (continued)

(i) Business combinations and property acquisitions (continued)

When acquisition of an asset or a group of assets does not constitute a business combination, it is treated as property acquisition. In such cases, the individual identifiable assets acquired and liabilities assumed are recognised. The acquisition cost shall be allocated to the individual identifiable assets and liabilities on the basis of their relative fair values at the date of acquisition. Such a transaction does not give rise to goodwill.

(ii) Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases. The accounting policies of subsidiaries have been changed when necessary to align them with the policies adopted by the Group. Losses applicable to the non-controlling interests in a subsidiary are allocated to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

(iii) Loss of control

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related non-controlling interest and other components of equity. Any resulting gain or loss is recognised in the statement of total return. Any interest retained in the former subsidiary is measured at fair value when control is lost.

(iv) 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.

3. **SIGNIFICANT ACCOUNTING POLICIES** (continued)

(a) **Basis of consolidation** (continued)

(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)).

(ii) Foreign operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated to Singapore dollars at exchange rates at the reporting date. The income and expenses of foreign operations are translated to Singapore dollars at exchange rates at the dates of the transactions.

Foreign currency differences are recognised in the foreign currency translation reserve in Unitholders' funds. However, if the foreign operation is a non-wholly-owned subsidiary, then the relevant proportionate share of the translation difference is allocated to the NCI. When a foreign operation is disposed of such that control or joint control is lost, the cumulative amount in the translation reserve related to that foreign operation is reclassified to the statement of total return as part of the gain or loss on disposal. When the Group disposes of only part of its interest in a subsidiary that includes a foreign operation while retaining control, the relevant proportion of the cumulative amount is reattributed to NCI. When the Group disposes of only part of its investment in a joint venture that includes a foreign operation while retaining joint control, the relevant proportion of the cumulative amount is reclassified to the statement of total return.

When the settlement of a monetary item receivable from or payable to a foreign operation is neither planned nor likely in the foreseeable future, foreign exchange gains and losses arising from such a monetary item that are considered to form part of a net investment in a foreign operation are recognised in Unitholders' funds and are presented in the foreign currency translation reserve.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

(c) Financial instruments

(i) Initial recognition

Non-derivative financial assets and financial liabilities

Trade receivables are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Group becomes a party to the contractual provisions of the instrument.

(ii) Classification and measurement

Non-derivative financial assets

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.

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.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

(c) Financial instruments (continued)

(iii) Derecognition

Financial assets

The Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which 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.

(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.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

(c) Financial instruments (continued)

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

The Group designates certain derivatives and non-derivative financial instruments as hedging instruments in qualifying hedging relationships. At inception of designated hedging relationships, the Group documents the risk management objective and strategy for undertaking the hedge. The Group also documents the economic relationship between the hedged item and the hedging instrument, including whether the changes in cash flows of the hedged item and hedging instrument are expected to offset each other.

Hedges directly affected by interest rate benchmark reform

Phase 1 amendments: Prior to interest rate benchmark reform – when there is uncertainty arising from interest rate benchmark reform

For the purpose of evaluating whether there is an economic relationship between the hedged item(s) and the hedging instrument(s), the Group assumes that the benchmark interest rate is not altered as a result of interest rate benchmark reform.

For a cash flow hedge of a forecast transaction, the Group assumes that the benchmark interest rate will not be altered as a result of interest rate benchmark reform for the purpose of assessing whether the forecast transaction is highly probable and presents an exposure to variations in cash flows that could ultimately affect the statement of total return. In determining whether a previously designated forecast transaction in a discontinued cash flow hedge is still expected to occur, the Group assumes that the interest rate benchmark cash flows designated as a hedge will not be altered as a result of the interest rate benchmark reform.

The Group will cease to apply the 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.

Phase 2 amendments: Replacement of benchmark interest rates – when there is no longer uncertainty arising from interest rate benchmark reform

When the basis for determining the contractual cash flows of the hedged item or the hedging instrument changes as a result of interest rate benchmark reform and therefore there is no longer uncertainty arising about the cash flows of the hedged item or the hedging instrument, the Group amends the hedge documentation of that hedging relationship to reflect the change(s) required by interest rate benchmark reform. A change in the basis for determining the contractual cash flows is required by interest rate benchmark reform if the following conditions are met:

- the change is necessary as a direct consequence of the reform; and
- the new basis for determining the contractual cash flows is economically equivalent to the previous basis – i.e. the basis immediately before the change.

3. **SIGNIFICANT ACCOUNTING POLICIES** (continued)

(c) **Financial instruments** (continued)

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

For this purpose, the hedge designation is amended only to make one or more of the following changes:

– designating an alternative benchmark rate as the hedged risk;

– updating the description of hedged item, including the description of the designated portion of the cash flows or fair value being hedged; or

– updating the description of the hedging instrument.

The Group amends the description of the hedging instrument only if the following conditions are met:

– it makes a change required by interest rate benchmark reform by changing the basis for determining the contractual cash flows of the hedging instrument or using another approach that is economically equivalent to changing the basis for determining the contractual cash flows of the original hedging instrument; and

– the original hedging instrument is not derecognised.

The Group amends the formal hedge documentation by the end of the reporting period during which a change required by interest rate benchmark reform is made to the hedged risk, hedged item or hedging instrument. These amendments in the formal hedge documentation do not constitute the discontinuation of the hedging relationship or the designation of a new hedging relationship.

If changes are made in addition to those changes required by interest rate benchmark reform described above, then the Group first considers whether those additional changes result in the discontinuation of the hedge accounting relationship. If the additional changes do not result in discontinuation of the hedge accounting relationship, then the Group amends the formal hedge documentation for changes required by interest rate benchmark reform as mentioned above.

When the interest rate benchmark on which the hedged future cash flows had been based is changed as required by interest rate benchmark reform, for the purpose of determining whether the hedged future cash flows are expected to occur, the Group deems that the hedging reserve recognised in OCI for that hedging relationship is based on the alternative benchmark rate on which the hedged future cash flows will be based.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

(c) Financial instruments (continued)

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

Cash flow hedges

The Group designates certain derivatives as hedging instruments to hedge the variability in cash flows associated with highly probable forecast transactions arising from changes in interest rates.

When a derivative is designated as a cash flow hedging instrument, the effective portion of changes in the fair value of the derivative is recognised and presented in the hedging reserve in Unitholders' fund. The effective portion of changes in the fair value of the derivative that is recognised in the hedging reserve is limited to the cumulative change in fair value of the hedged item, determined on a present value basis, from inception of the hedge. Any ineffective portion of changes in the fair value of the derivative is recognised immediately in the statement of total return.

When the hedged forecast transaction subsequently results in the recognition of a non-financial item 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.

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.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

(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.

(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.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

(e) Plant and equipment (continued)

(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.

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.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

(f) Leases (continued)

(i) As a lessee (continued)

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Group is reasonably certain to exercise, lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if the Group changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in the statement of total return if the carrying amount of the right-of-use asset has been reduced to zero.

The Group presents right-of-use assets that do not meet the definition of investment property and lease liabilities separately in the statement of financial position.

Short-term leases and leases of low-value assets

The Group has elected not to recognise right-of-use assets and lease liabilities for leases of low-value assets and lease term of one year or less with no renewal option, including IT equipment. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

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.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

(f) Leases (continued)

(ii) As a lessor

At inception or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices.

When the Group acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease.

To classify each lease, the Group makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As part of this assessment, the Group considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

When the Group is an intermediate lessor, it accounts for its interests in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short-term lease to which the Group applies the exemption described above, then it classifies the sub-lease as an operating lease.

If an arrangement contains lease and non-lease components, then the Group applies the principles under FRS 115 to allocate the consideration in the contract.

The Group recognises lease payments received under operating leases as income on a straight-line basis over the lease term as part of 'gross rental income'.

(g) Impairment

(i) Non-derivative financial assets

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

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

(g) Impairment (continued)

(i) Non-derivative financial assets (continued)

The Group considers a financial asset to be in default when:

- the borrower is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held); or

- the financial asset is more than 90 days past due.

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

Measurement of ECLs

ECLs are probability-weighted estimates of credit losses. Credit losses are measured at the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Group expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

Credit-impaired financial assets

At each reporting date, the Group assesses whether financial assets carried at amortised cost are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower;

- a breach of contract such as a default or being more than 90 days past due;

- the restructuring of a loan or advance by the Group on terms that the Group would not consider otherwise; or

- it is probable that the borrower will enter bankruptcy or other financial reorganisation.

Presentation of allowance for ECLs in the statement of financial position

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of these assets.

Write-off

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

(g) Impairment (continued)

(ii) 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.

(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.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

(h) Non-current assets held for sale (continued)

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.

(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.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

(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.

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, Hong Kong and British Virgin Islands out of underlying rental income derived from the investment properties in China.

This exemption is granted subject to certain conditions, including the condition that the Trustee is a tax resident of Singapore.

The tax exemption also applies to dividends payable by these subsidiaries out of gains, if any, derived from the disposal of their shares in the subsidiaries in China.

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 2021 and earlier application is permitted; however, the Group has not early adopted the principles under the new or amended standards in preparing these consolidated financial statements.

The principles under the following new FRSs, amended standards and interpretations are not expected to have a significant impact on the Group's consolidated financial statements:

- *FRS 117 Insurance Contracts and Amendments to FRS 117 Insurance Contracts*
- *Classification of Liabilities as Current or Non-current (Amendments to FRS 1)*
- *Covid-19-Related Rent Concessions beyond 30 June 2021 (Amendment to FRS 116)*
- *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*
- *Disclosure of Accounting Policies (Amendments to FRS 1 and FRS Practice Statement 2)*
- *Definition of Accounting Estimates (Amendments to FRS 8)*
- *Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to FRS 12)*

4. INVESTMENT PROPERTIES

	Note	Group 2021 $'000	2020 $'000
At 1 January		**3,726,433**	3,166,006
Reclassified to assets held for sale	10	**–**	(103,651)
Disposal of investment properties		**–**	(129,858)
Reclassified from joint venture		**–**	352,589
Acquisition of investment properties(1)		**1,330,787**	343,395
Expenditure capitalised		**18,688**	37,643
Changes in fair value		**(10,220)**	(99,057)
Translation differences		**183,929**	159,366
At 31 December		**5,249,617**	3,726,433

(1) Includes acquisition fees and acquisition related expenses of $15.9 million (2020: $4.6 million).

Security

At 31 December 2021, investment properties of the Group with carrying amounts of $1,813.0 million (2020: $1,058.4 million) are pledged as security to secure bank loans (see Note 12).

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 $5.2 billion (2020: $3.7 billion) has been categorised as a Level 3 fair value based on the inputs to the valuation technique used (see Note 2(d)).

	2021 $'000	2020 $'000
Fair value of investment properties (based on valuation reports)	**5,238,978**	3,711,736
Add: Carrying amount of lease liabilities	**10,639**	14,697
Carrying amount of investment properties	**5,249,617**	3,726,433

4. INVESTMENT PROPERTIES (continued)

The valuers have considered valuation techniques including the market comparable, capitalisation and discounted cash flows approaches in arriving at the open market value as at the reporting date.

The market comparable approach involves the analysis of comparable sales of similar properties and adjusting the sale prices to that reflective of the investment property.

The capitalisation approach is an investment approach whereby the estimated gross passing income (on both passing and market rent 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 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
Beijing Colliers International Real Estate Valuation Co., Ltd.	31 December 2021	–
CBRE (Shanghai) Management Limited	31 December 2021	–
Cushman & Wakefield International Property Advisers (Shanghai) Co., Ltd.	31 December 2021	31 December 2020
Jones Lang LaSalle Corporate Appraisal and Advisory Limited	31 December 2021	31 December 2020
Savills Valuation and Professional Services (S) Pte. Ltd.	–	31 December 2020

The valuation reports obtained from the independent valuers for certain of our properties contain the "material valuation uncertainty" clause due to the ongoing market disruption caused by the COVID-19 pandemic. Given the unprecedented set of circumstances on which to base a judgement, less certainty, and a higher degree of caution, should be attached to their valuations than would normally be the case. This clause does not invalidate the valuations, but implies that there is substantially more uncertainty than under normal market conditions.

Investment properties comprise retail, business parks and logistics parks properties that are held mainly for use by tenants under operating leases. Most leases contain an initial non-cancellable period of within 1 to 3 years (2020: within 1 to 3 years). See Note 13 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 $8.1 million (2020: $10.4 million).

4. INVESTMENT PROPERTIES (continued)

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%) (2020: from 4.00% to 7.00%)	The fair value increases (decreases) as capitalisation rates decrease (increase).
Discounted cash flows approach	Discount rates (from 7.00% to 10.50%) (2020: from 6.75% to 9.50%) Terminal rates (from 4.80% to 7.25%) (2020: from 4.75% to 6.75%)	The fair value increases (decreases) as discount rates and terminal rates decrease (increase).

5. PLANT AND EQUIPMENT

Group	Improvement to premises $'000	Plant and machinery $'000	Motor vehicles $'000	Furniture, fittings and equipment $'000	Total $'000
Cost					
At 1 January 2020	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
Assets acquired	112	681	–	586	1,379
Additions	–	322	77	841	1,240
Disposal/written off	(320)	–	–	(616)	(936)
Translation difference on consolidation	436	25	–	311	772
At 31 December 2021	**11,678**	**1,553**	**77**	**9,208**	**22,516**

5. PLANT AND EQUIPMENT (continued)

Group	Improvement to premises $'000	Plant and machinery $'000	Motor vehicles $'000	Furniture, fittings and equipment $'000	Total $'000
Less: Accumulated depreciation					
At 1 January 2020	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
Charge for the year	66	150	60	1,036	1,312
Disposal/written off	(320)	–	–	(573)	(893)
Translation difference on consolidation	425	20	–	236	681
At 31 December 2021	**11,438**	**613**	**60**	**6,656**	**18,767**
Carrying amounts					
At 1 January 2020	4	144	2	2,246	2,396
At 31 December 2020	183	82	–	2,129	2,394
At 31 December 2021	**240**	**940**	**17**	**2,552**	**3,749**

6. SUBSIDIARIES

		Trust 2021 $'000	Trust 2020 $'000
Non-current assets			
(a)	Unquoted equity, at cost	**707,694**	535,175
	Less: Allowance for impairment loss	**(27,284)**	(32,824)
		680,410	502,351
(b)	Loans to subsidiaries	**268,557**	267,477
	Non-trade amounts due from subsidiaries	**1,997,175**	1,438,910
		2,265,732	1,706,387
		2,946,142	2,208,738
Current assets			
(b)	Non-trade amounts due from subsidiaries	**2,247**	2,216

6. SUBSIDIARIES (continued)

Movement in allowance for impairment loss was as follows:

	Trust	
	2021 $'000	2020 $'000
At 1 January	**(32,824)**	(11,561)
Write back/(allowance) for impairment loss	**5,540**	(21,263)
At 31 December	**(27,284)**	(32,824)

During the year, a write back of impairment loss amounting to $5.5 million (2020: impairment loss of $21.3 million) was recognised in respect of the Trust's subsidiary subsequent to the disposal of its investment property in 2021. 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 2021 %	2020 %
(i) Direct subsidiaries				
* CapitaRetail China Investments (B) Pte. Ltd.	Investment holding	Barbados	**100**	100
*** CapitaRetail China Investments (B) Alpha Pte. Ltd.	Investment holding	Singapore	**100**	100
* 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

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 2021 %	2020 %
(i) Direct subsidiaries (continued)				
*** Gold Rock Investment Pte. Ltd.	Investment holding	Singapore	**100**	100
*** 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**	100
*** CRCT Investment (Hangzhou II) Pte. Ltd.	Investment holding	Singapore	**100**	100
*** CRCT Investment (Suzhou) Pte. Ltd.	Investment holding	Singapore	**100**	100
*** CRCT Investment (Xi'an I) Pte. Ltd.	Investment holding	Singapore	**100**	100
*** CRCT Investment (Xi'an II) Pte. Ltd.	Investment holding	Singapore	**100**	100
*** ABM KS Investment Pte. Ltd.	Investment holding	Singapore	**100**	–
*** Wuhan Logistics Pte. Ltd.	Investment holding	Singapore	**100**	–
* Hanson Logistics Limited	Investment holding	Hong Kong	**100**	–
** Forum Court Limited	Investment holding	British Virgin Islands	**100**	–

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 2021 %	Effective equity held by the Group 2020 %
(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
* # ^ Huaxin Saihan Huhhot Real Estate Co., Ltd.	Property investment	China	**–**	100
Subsidiary of CapitaRetail China Investments (B) Beta Pte. Ltd.				
* CapitaRetail Beijing Xizhimen Real Estate Co., Ltd.	Property investment	China	**100**	100
Subsidiary of Gold Rock Investment Pte. Ltd.				
*** Gold Yield Pte. Ltd.	Investment holding	Singapore	**100**	100

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 2021 %	2020 %
(ii) Indirect subsidiaries (continued)				
Subsidiary of Somerset (Wuhan) Investments Pte. Ltd.				
* # ^ Wuhan New Minzhong Leyuan Co., Ltd.	Property investment	China	–	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**	100
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 management	China	**100**	100

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 2021 %	2020 %
(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
Subsidiary of CRCT Investment (Hangzhou I) Pte. Ltd.				
* Ascendas Hangzhou Science & Technology Co., Ltd.	Property investment	China	**80**	–
Subsidiary of CRCT Investment (Hangzhou II) Pte. Ltd.				
* Ascendas Hangzhou Data Processing Co., Ltd.	Property investment	China	**80**	–

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 2021 %	2020 %
(ii) Indirect subsidiaries (continued)				
Subsidiary of CRCT Investment (Suzhou) Pte. Ltd.				
*** Singapore Suzhou Industrial Holdings Pte. Ltd.	Investment holding	Singapore	**51**	–
Subsidiary of CRCT Investment (Xi'an I) Pte. Ltd.				
* Xi An Ascendas-Science Technology Investment Co., Ltd.	Property investment	China	**80**	–
Subsidiary of CRCT Investment (Xi'an II) Pte. Ltd.				
* Ascendas Xi An High-Tech Development Co., Ltd.	Property investment	China	**100**	–
Subsidiary of Singapore Suzhou Industrial Holdings Pte. Ltd.				
* Ascendas – Xinsu Development (Suzhou) Co., Ltd.	Property investment	China	**51**	–
Subsidiary of ABM KS Investment Pte. Ltd.				
* Kunshan Jixinxiang Auto Development Co. Ltd.	Property investment	China	**100**	–
Subsidiary of Wuhan Logistics Pte. Ltd.				
* Wuhan Lin Gang Zenith Logistics Limited	Property investment	China	**100**	–

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 2021 %	2020 %
(ii) Indirect subsidiaries (continued)				
Subsidiary of Hanson Logistics Limited				
* Agility Distribution Services Ltd.	Property investment	China	**100**	–
Subsidiary of Forum Court Limited				
* Gloryrise Logistics Investment Limited	Investment holding	Hong Kong	**100**	–
Subsidiary of Gloryrise Logistics Investment Limited				
* Chengdu Xindi Chengyun Logistics Co., Ltd.	Property investment	China	**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.
****This subsidiary is not audited as it is undergoing liquidation.
^ Reclassified as held for sale in 2020.
# The subsidiary was divested in 2021 (see Note C in Consolidated Statement of Cash Flows).

(b) The loans to subsidiaries, amounting to $268.6 million (2020: $267.5 million) and the non-trade amounts due from subsidiaries amounting to $1,997.2 million (2020: $1,438.9 million) are unsecured, interest free and repayable with a notice period of 366 days. The remaining $2.2 million (2020: $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% (2020: 6.37%) per annum. There is no allowance for doubtful debts arising from these outstanding balances as ECL is not material.

7. FINANCIAL DERIVATIVES

	Group and Trust 2021 $'000	Group and Trust 2020 $'000
Non-current assets		
Interest rate swaps	**5,735**	–
Current assets		
Forwards	**7**	1
Non-current liabilities		
Interest rate swaps	**(2,820)**	(16,134)
Current liabilities		
Forwards	**(348)**	(562)
Interest rate swaps	**(473)**	(1,631)
	(821)	(2,193)

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				
2021				
Forwards	**7**	**7**	**7**	**–**
Interest rate swaps	**5,735**	**6,288**	**(1,534)**	**7,822**
	5,742	**6,295**	**(1,527)**	**7,822**
2020				
Forwards	1	1	1	–
Group and Trust				
Financial derivative liabilities				
2021				
Forwards	**(348)**	**(348)**	**(348)**	**–**
Interest rate swaps	**(3,293)**	**(3,207)**	**(2,372)**	**(835)**
	(3,641)	**(3,555)**	**(2,720)**	**(835)**
2020				
Forwards	(562)	(562)	(562)	–
Interest rate swaps	(17,765)	(17,560)	(7,731)	(9,829)
	(18,327)	(18,122)	(8,293)	(9,829)

7. FINANCIAL DERIVATIVES (continued)

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

The table also indicates the periods in which the cash flows associated with derivatives that are expected to occur and impact the statement of total return and Unitholders' funds.

8. TRADE AND OTHER RECEIVABLES

	Group		Trust	
	2021 $'000	2020 $'000	2021 $'000	2020 $'000
Trade receivables	**11,435**	20,913	**–**	–
Impairment losses	**(410)**	(353)	**–**	–
	11,025	20,560	**–**	–
Other receivables	**5,696**	2,941	**329**	607
Deposits	**4,379**	119,383	**–**	92,580
	21,100	142,884	**329**	93,187
Prepayments	**6,832**	6,735	**–**	–
	27,932	149,619	**329**	93,187
Current	**26,567**	148,353	**329**	93,187
Non-current	**1,365**	1,266	**–**	–
	27,932	149,619	**329**	93,187

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 comprises tenants from the retail, business parks and logistics assets.

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

	Group	
	2021 $'000	2020 $'000
Beijing	**3,875**	30,337
Inner Mongolia, Hohhot	**4,388**	9,994
Shanghai	**2,481**	2,996
Guangzhou	**2,840**	2,917
Hunan	**411**	1,453
Harbin	**819**	1,398
Chengdu	**4,192**	602
Suzhou	**945**	–
Hangzhou	**376**	–
Others	**444**	–
	20,771	49,697

8. TRADE AND OTHER RECEIVABLES (continued)

Impairment losses

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

	Gross		Impairment	
	2021 $'000	2020 $'000	2021 $'000	2020 $'000
Group				
Not past due	**16,212**	134,362	**–**	97
Past due 1 – 30 days	**1,945**	2,193	**162**	–
Past due 31 – 60 days	**861**	1,418	**–**	–
Past due 61 – 90 days	**399**	896	**–**	19
More than 90 days past due	**2,093**	4,368	**248**	237
	21,510	143,237	**410**	353
Trust				
Not past due	**329**	93,187	**–**	–

Expected credit loss assessment for individual customers as at 1 January and 31 December 2021

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:

	Note	Group	
		2021 $'000	2020 $'000
At 1 January		**353**	–
Impairment losses on trade receivables, net	19	**159**	357
Assets acquired		**83**	–
Allowance utilised		**(198)**	(12)
Translation difference		**13**	8
At 31 December		**410**	353

9. CASH AND CASH EQUIVALENTS

	Group		Trust	
	2021 $'000	2020 $'000	2021 $'000	2020 $'000
Cash at banks and in hand	**76,621**	7,363	**15,994**	858
Fixed deposits with financial institutions	**212,239**	201,077	**–**	–
	288,860	208,440	**15,994**	858

10. 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 for RMB460.0 million (approximately $90.8 million). The divestment was completed on 7 June 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:

	Note	CapitaMall Saihan $'000	CapitaMall Minzhongleyuan $'000	Total $'000
Group				
2020				
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	14	10,319	2,584	12,903
Liabilities held for sale		14,479	17,682	32,161

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 (FY 2020: from 4.75% to 7.25%)
Discounted cash flows approach	• Discount rate (FY 2020: from 8.25% to 10.50%)

11. TRADE AND OTHER PAYABLES

	Group		Trust	
	2021 $'000	2020 $'000	2021 $'000	2020 $'000
Trade payables	**4,084**	19,455	**599**	381
Accrued operating expenses	**39,907**	33,120	**7,443**	7,055
Accrued development expenditure	**21,124**	21,155	**–**	–
Amounts due to related parties (trade)	**18,244**	11,130	**5,262**	5,431
Amounts due to related parties (non-trade)	**37**	4	**32,292**	4,364
Amounts due to related parties – NCI (non-trade)	**24,013**	–	**–**	–
Other deposits and advances	**55,314**	81,156	**–**	–
Interest payable	**6,796**	5,603	**6,086**	5,388
Other payables	**4,608**	6,166	**9,148**	–
	174,127	177,789	**60,830**	22,619
Current	**149,996**	177,704	**60,830**	22,619
Non-current	**24,131**	85	**–**	–
	174,127	177,789	**60,830**	22,619

Included in amounts due to related parties (trade) are amounts due to the Manager, Property and Project Managers of $5.3 million (2020: $5.4 million), $12.0 million (2020: $4.9 million) and $nil (2020: $0.3 million) respectively.

The amounts due to related parties (non-trade) at the Trust level included the proceeds received on behalf of its subsidiary, Somerset (Wuhan) Investments Pte. Ltd., relating to the divestment of CapitaMall Minzhongleyuan.

Included in amounts due to related parties – NCI (non-trade) of $24.0 million are amounts due to the non-controlling interest of which entrustment loan amounting $17.1 million bears interest rate of 3.85% per annum, is unsecured and is repayable on 23 December 2022. The Group has the option to extend the entrustment loan for another year from 23 December 2022. The remaining balance of $6.9 million is unsecured, interest free and not expected to be repaid within the next twelve months.

12. INTEREST-BEARING BORROWINGS

	Note	Group		Trust	
		2021 $'000	2020 $'000	2021 $'000	2020 $'000
Unsecured term loans	(a)	**1,320,000**	1,065,500	**1,320,000**	1,065,500
Medium Term Notes ("MTN")	(b)	**280,000**	130,000	**280,000**	130,000
Secured loan	(c)	**393,414**	164,195	**–**	–
Less: Unamortised transactions costs		**(3,893)**	(3,761)	**(3,893)**	(3,761)
		1,989,521	1,355,934	**1,596,107**	1,191,739
Current		**215,001**	155,560	**179,953**	145,359
Non-current		**1,774,520**	1,200,374	**1,416,154**	1,046,380
		1,989,521	1,355,934	**1,596,107**	1,191,739

12. INTEREST-BEARING BORROWINGS (continued)

(a) As at 31 December 2021, the Group has an aggregate of $1,320.0 million (2020: $1,065.5 million) unsecured floating rate term loans (collectively known as "Trust Term Loan Facilities"). These facilities have negative pledge covenants which require the Trust not to, amongst others, create or have outstanding any security on or over the Group's interest in any of the investment properties without the prior written consent of the lender.

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

(b) At the reporting date, $280.0 million (2020: $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 $393.4 million (RMB1,857.7 million). The term loans bear interest rates referenced against 5-year Loan Prime Rate ("LPR") with lending rates ranging from 4.31% to 5.51% per annum and repriced on a monthly and quarterly basis.

As security for the loans, the Group has granted in favour of the respective lenders the following:

(i) mortgage over retail assets CapitaMall Xuefu and Rock Square, with carrying amounts of $378.9 million (2020: $361.9 million) and $724.7 million (2020: $696.5 million) respectively (see Note 4);

(ii) mortgage over business park assets Ascendas Innovation Towers, Singapore-Hangzhou Science & Technology Park (Phase I and Phase II), with carrying amounts of $168.1 million, $142.3 million and $172.4 million respectively (see Note 4);

(iii) mortgage over logistics park assets Kunshan Bacheng Logistics Park, Wuhan Yangluo Logistics Park and Chengdu Shuangliu Logistics Park, with carrying amounts of $69.9 million, $81.1 million and $75.6 million respectively (see Note 4);

(iv) pledge of bank accounts of the respective assets; and

(v) assignment of the insurance policies of the respective assets.

The RMB term loans are amortised and payable on a quarterly or half-yearly basis with final lump sum payment at the maturity of the respective loans.

12. 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 $'000
2021				
Group				
S$ fixed rate MTN	**2.40-3.25**	**2022-2028**	**280,000**	**279,789**
S$ unsecured floating rate loans	**1.09-1.49**	**2022-2028**	**1,320,000**	**1,316,318**
RMB secured floating rate term loan	**4.31-5.51**	**2022-2036**	**393,414**	**393,414**
Trust				
S$ fixed rate MTN	**2.40-3.25**	**2022-2028**	**280,000**	**279,789**
S$ unsecured floating rate loans	**1.09-1.49**	**2022-2028**	**1,320,000**	**1,316,318**
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

12. INTEREST-BEARING BORROWINGS (continued)

The following are the contractual maturities of non-derivative financial liabilities, including estimated interest payments and excluding the impact of netting agreements:

	Carrying amount $'000	Contractual cash flow $'000	Within 1 year $'000	Within 2 to 5 years $'000	After 5 years $'000
2021					
Group					
S$ fixed rate MTN	**279,789**	**307,640**	**137,825**	**14,410**	**155,405**
S$ unsecured floating rate loans	**1,316,318**	**1,427,465**	**20,065**	**1,250,588**	**156,812**
RMB secured floating rate term loan	**393,414**	**457,980**	**30,490**	**349,421**	**78,069**
Lease liabilities	**10,652**	**11,284**	**5,597**	**5,687**	**–**
Trade and other payables	**174,127**	**174,127**	**149,996**	**134**	**23,997**
Security deposits	**117,387**	**117,387**	**51,352**	**59,243**	**6,792**
	2,291,687	**2,495,883**	**395,325**	**1,679,483**	**421,075**
Trust					
S$ fixed rate MTN	**279,789**	**307,640**	**137,825**	**14,410**	**155,405**
S$ unsecured floating rate loans	**1,316,318**	**1,427,465**	**20,065**	**1,250,588**	**156,812**
Trade and other payables	**60,830**	**60,830**	**60,830**	**–**	**–**
	1,656,937	**1,795,935**	**218,720**	**1,264,998**	**312,217**
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	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	22,619	22,619	22,619	–	–
	1,214,358	1,273,792	184,193	938,127	151,472

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

12. 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
2021									
Interest-bearing borrowings[1]	**1,361,537**	**324,292**	**46,523**	**–**	**13,492**	**250,473**	**–**	**–**	**1,996,317**
Interest rate swaps used for hedging and forward exchange contracts – assets	**(1)**	**–**	**–**	**(5,741)**	**–**	**–**	**–**	**–**	**(5,742)**
Interest rate swaps used for hedging and forward exchange contracts– liabilities	**18,327**	**(1,098)**	**–**	**(13,588)**	**–**	**–**	**–**	**–**	**3,641**
Lease liabilities	**14,722**	**(5,757)**	**685**	**–**	**574**	**12**	**–**	**416**	**10,652**
	1,394,585	**317,437**	**47,208**	**(19,329)**	**14,066**	**250,485**	**–**	**416**	**2,004,868**
2020									
Interest-bearing borrowings[1]	1,386,330	(148,686)	35,982	–	4,322	83,651	–	(62)	1,361,537
Interest rate swaps used for hedging and forward exchange contracts – assets	(346)	270	–	75	–	–	–	–	(1)
Interest rate swaps used for hedging and forward exchange contracts – 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

(1) Includes interest payable.

13. LEASES

Leases as lessee (FRS 116)

The Group leases land and building which form part of its investment properties and motor vehicles which form part of its property, plant and equipment. The leases of land and building and motor vehicles typically run for a period of 20 years and 3 years respectively, with an option to renew the lease after that date.

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

i. Amounts recognised in the statement of total return

	2021 $'000	2020 $'000
Group		
Interest on lease liabilities	**685**	1,575

13. LEASES (continued)

Leases as lessee (FRS 116) (continued)

ii. Amounts recognised in statement of cash flows

	2021 $'000	2020 $'000
Total cash outflow for leases	**5,757**	4,019

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.

CLCT did not exercise its option which expired on 31 January 2021.

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 2021 was $348.6 million (2020: $194.8 million).

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

	2021 $'000	2020 $'000
Group		
Less than one year	**381,559**	219,150
One to two years	**280,634**	156,412
Two to three years	**160,501**	118,791
Three to four years	**80,937**	67,786
Four to five years	**53,251**	49,113
More than five years	**87,730**	86,780
Total	**1,044,612**	698,032

14. DEFERRED TAX (ASSETS)/LIABILITIES

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

	At 1 January 2021 $'000	Statement of total return (Note 24) $'000	Disposal of subsidiary $'000	Acquired asset $'000	Reclassified to liabilities held for sale $'000	Translation difference $'000	At 31 December 2021 $'000
Group							
Deferred tax liabilities							
Investment properties	265,364	26,330	–	(955)	(300)	10,662	301,101
Tax on unrepatriated profits	19,341	(2,007)	–	–	58	–	17,392
	284,705	24,323	–	(955)	(242)	10,662	318,493

	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	265,364
Tax on unrepatriated profits	15,492	4,165	(296)	–	(20)	–	19,341
	274,747	8,413	(18,506)	9,963	(3,775)	13,863	284,705

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	
	2021 $'000	2020 $'000
Tax losses	**50,998**	41,796

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.

15. UNITHOLDERS' FUNDS

	Note	Group 2021 $'000	Group 2020 $'000	Trust 2021 $'000	Trust 2020 $'000
Net assets resulting from operations		**1,476,177**	1,379,657	**302,402**	156,156
Hedging reserve	(a)	**2,321**	(16,876)	**2,321**	(16,876)
Foreign currency translation reserve	(b)	**146,710**	(1,614)	**–**	–
Unitholders' transactions		**905,533**	833,402	**905,533**	833,402
General reserve	(c)	**57,458**	50,675	**–**	–
		2,588,199	2,245,244	**1,210,256**	972,682

(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.

16. UNITS IN ISSUE AND PERPETUAL SECURITIES

(a) Units in issue

	2021 Number of Units	2020 Number of Units
Balance as at beginning of year	**1,506,433,415**	1,209,067,206
New Units issued:		
– Units in connection with private placement exercise	**128,756,000**	205,331,000
– Units in connection with preferential offering exercise	**–**	68,997,855
– As payment of distribution through distribution reinvestment plan	**11,645,817**	18,325,770
– As payment of Manager's management fees	**5,359,744**	4,711,584
– As payment of Manager's acquisition fee	**7,332,674**	–
Total issued Units as at end of the year	**1,659,527,650**	1,506,433,415
New Units to be issued:		
– as payment of Manager's management fees	**12,106,981**	5,359,744
Total issued and issuable Units as at end of the year	**1,671,634,631**	1,511,793,159

Units issued during the year ended 31 December 2021 are as follows:

(a) On 5 March 2021, the Trust issued 1,190,921 and 4,168,823 new Units at an issue price of $1.3664 per Unit as partial payment of the base component and performance component of the management fee respectively for the period from 1 January 2020 to 31 December 2020;

(b) On 30 July 2021, the Trust issued 7,332,674 new Units at a weighted average issue price of $1.3713 per Unit as payment of acquisition fee for the acquisition of the 5 business parks and remaining 49.0% of Rock Square;

(c) On 24 September 2021, the Trust issued 11,645,817 new Units at an issue price of $1.366 per Unit as payment of distribution under the distribution reinvestment plan for the period from 1 January 2021 to 30 June 2021; and

(d) On 21 October 2021, the Trust issued 128,756,000 new Units via private placement at an issue price of $1.165 per Unit to fund the acquisition of the 4 logistics parks.

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;

16. UNITS IN ISSUE AND PERPETUAL SECURITIES (continued)

(a) Units in issue (continued)

(d) 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

(e) 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.

The issue prices were determined based on the volume weighted average traded price for all trades done on the SGX-ST in the ordinary course of trading for the last 10 business days of the relevant periods in which the management fees accrue.

Each Unit in the Trust represents an undivided interest in the Trust. The rights and interests of Unitholders are contained in the Trust Deed and include the right to:

- one vote per Unit;
- receive income and other distributions attributable to the Units held;
- participate in the termination of the Trust by receiving a share of all net cash proceeds derived from the realisation of the assets of the Trust less any liabilities, in accordance with their proportionate interests in the Trust. However, a Unitholder has no equitable or proprietary interest in the underlying assets of the Trust and is not entitled to the transfer of any assets (or part thereof) or any estate or interest in any asset (or part thereof) of the Trust; and
- attend all Unitholders' meetings. The Trustee or the Manager may (and the Manager shall at the request in writing of not less than 50 Unitholders or one-tenth in number of Unitholders, whichever is lesser) at any time convene a meeting of Unitholders in accordance with the provisions of the Trust Deed.

The restrictions of a Unitholder include the following:

- a Unitholder's right is limited to the right to require due administration of the Trust in accordance with the provisions of the Trust Deed; and
- a Unitholder has no right to request the Manager to redeem his Units while the Units are listed on the SGX-ST.

A Unitholder's liability is limited to the amount paid or payable for any Unit in the Trust. The provisions of the Trust Deed provide that no Unitholder will be personally liable to indemnify the Trustee or any creditor of the Trustee in the event that the liabilities of the Trust exceed its assets.

16. UNITS IN ISSUE AND PERPETUAL SECURITIES (continued)

(b) Perpetual securities

On 27 October 2020, the Trust issued $100.0 million of fixed rate subordinated perpetual securities under the $1.0 billion multicurrency Debt Issuance Programme with an initial distribution rate of 3.375% per annum, with the first distribution rate reset falling on 27 October 2025 and subsequent resets occurring every five years thereafter.

The Perpetual Securities will have no fixed redemption date and redemption is at the option of the Trust in accordance with the terms of issue of the securities. The distribution will be payable semi-annually at the discretion of the Trust and will be non-cumulative.

In terms of distribution payments or in the event of winding-up of the Trust:

- These perpetual securities will constitute direct, unconditional, subordinated and unsecured obligations of the Trust and shall at all times rank pari passu, without any preference or priority among themselves and with any parity obligations of the Trust.

- The Trust shall not declare or pay any distributions to the Unitholders, or make redemptions, unless the Trust fully redeems all the outstanding perpetual securities; pays in full an Optional Distribution equal to the amount of the distribution payable that was unpaid in full or in part; pays the next schedule distribution to the holders of the perpetual securities in full; or obtains an extraordinary resolution of the holders of the perpetual securities permitting the Trust to do so.

These perpetual securities are classified as equity instruments and recorded within the Statements of movements in Unitholders' funds. The $99.6 million (2020: $99.6 million) presented on the Statements of financial position represents the $100.0 million (2020: $100.0 million) perpetual securities net of issue costs and include total return attributable to perpetual securities holders from issue date.

17. NON-CONTROLLING INTERESTS

The following subsidiaries have NCI that are material to the Group.

Name	Place of incorporation/ business	Operating segment	Ownership interests held by NCI 2021	2020
Xinsu subgroup[(1)]	Singapore/China	Business parks	**49**	–
Ascendas Hangzhou Science & Technology Co., Ltd.	China	Business parks	**20**	–
Ascendas Hangzhou Data Processing Co., Ltd.	China	Business parks	**20**	–
Xi An Ascendas-Science Technology Investment Co., Ltd.	China	Business parks	**20**	–

(1) Includes Singapore Suzhou Industrial Holdings Pte. Ltd. and Ascendas–Xinsu Development (Suzhou) Co., Ltd.

17. NON-CONTROLLING INTERESTS (continued)

The following summarises the financial information of the Group's significant subsidiaries with material NCI.

	Xinsu subgroup[1] $'000	Ascendas Hangzhou Science & Technology Co., Ltd. $'000	Ascendas Hangzhou Data Processing Co., Ltd. $'000	Xi An Ascendas-Science Technology Investment Co., Ltd. $'000	Total $'000
2021					
Statement of financial position					
Non-current assets	496,303	141,408	171,160	63,818	872,689
Current assets	29,221	26,736	20,553	5,810	82,320
Non-current liabilities	(25,771)	(54,767)	(68,781)	(1,509)	(150,828)
Current liabilities	(70,791)	(7,125)	(10,559)	(2,451)	(90,926)
Net assets	428,962	106,252	112,373	65,668	713,255
Add: Dividend declared to NCI	–	–	–	620	620
	428,962	106,252	112,373	66,288	713,875
Net assets based on percentage shareholdings	210,191	21,250	22,475	13,258	267,174
Less: Dividends declared to NCI	–	–	–	(620)	(620)
Net assets attributable to NCI	210,191	21,250	22,475	12,638	266,554
2021					
Statement of total return					
Revenue	43,910	16,498	16,715	5,797	82,920
Total return after taxation	22,714	9,145	12,269	3,554	47,682
Attributable to NCI:					
Total return after taxation	11,130	1,829	2,454	711	16,124
Total return allocated to NCI	11,130	1,829	2,454	711	16,124
Statement of cash flows					
Cash flows from operating activities	16,505	10,421	13,749	4,431	45,106
Cash flows used in investing activities	(1,369)	(846)	(575)	(451)	(3,241)
Cash flows from financing activities (dividends to NCI: SGD338,000)	–	(21,840)	(3,288)	(338)	(25,466)
Net decrease in cash and cash equivalents	15,136	(12,265)	9,886	3,642	16,399

Dividends of $620,000 was declared to non-controlling interest of Xi An Ascendas-Science Technology Investment Co., Ltd. during the year, of which $338,000 was paid in 2021, the remaining balance will be paid in 2022.

18. TOTAL UNITHOLDERS' DISTRIBUTION

Unitholders' distribution for the year is accounted for as distribution from operations and distribution from Unitholders' contributions:

(a) Distribution from operations

This refers to distribution made by the Trust that is represented by income received or receivable during the financial year, as the case may be, net of expenses. Such income comprises mainly the following:

- dividend from subsidiaries in Barbados, Singapore, Hong Kong and British Virgin Islands paid out of dividend declared by the subsidiaries in China;
- dividend from subsidiaries in Barbados paid out of net interest income earned by subsidiaries in Barbados on shareholders' loans extended to subsidiaries in China; and
- interest income earned by the Trust on shareholders' loans extended to subsidiaries in Barbados.

The above income originates from income derived by the subsidiaries in China in respect of the current financial year.

(b) Distribution from Unitholders' contributions

This refers to the amount of distribution made by the Trust for the financial year where the underlying cash is not, or may not be, received or receivable as income by the Trust during that period. Such distribution comprises mainly the following:

- profits from operations arising from the investment properties which are declared as dividend income after the financial year, as the case may be, and accordingly also received as dividends by the Trust after that year;
- profits from operations arising from the investment properties which cannot be declared as dividends;
- adjustment for depreciation expenses of the investment properties; and
- adjustments for trust expenses that are paid in Units, foreign currency differences attributable to net investment hedges undertaken by the Trust and certain unrealised expenses.

Income available for distribution to Unitholders at end of the year

Distributions are made on a semi-annual basis, with the amount calculated as at 30 June and 31 December each year for the six-month period ending on each of the said dates. In accordance with the provisions of the Trust Deed, the Manager is required to pay distributions within 90 days from the end of each distribution period. Distributions, when paid, will be in Singapore dollars.

19. OTHER PROPERTY OPERATING EXPENSES

	Note	Group 2021 $'000	2020 $'000
Utilities		**9,996**	6,234
Advertising and promotion		**13,764**	7,435
Maintenance		**23,111**	12,873
Staff costs		**17,896**	11,248
Depreciation of plant and equipment	5	**1,312**	850
Impairment losses on trade receivables, net	8	**159**	357
Amortisation of deferred expenditure included in other receivables		**56**	47
Plant and equipment written off		**40**	85
Others		**2,069**	2,043
		68,403	41,172

Included in staff costs is contribution to defined contribution plans of $2.7 million (2020: $0.8 million).

20. MANAGER'S MANAGEMENT FEES

Manager's management fees comprise base fee of $12.0 million (2020: $9.8 million) and performance fee of $8.9 million (2020: $5.7 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 $8.9 million (2020: $5.7 million) and base fee amounting to $5.4 million (2020: $1.6 million) will be paid through the issue of 12,106,981 (2020: 5,359,744) new Units subsequent to the year end.

21. OTHER OPERATING (INCOME)/EXPENSES

	Group 2021 $'000	2020 $'000
Professional fees	**172**	206
Others[(1)]	**(980)**	699
	(808)	905

(1) Includes a one-off compensation of $1.9 million received from seller in relation to the asset swap of CapitaMall Nuohemule.

22. FINANCE INCOME AND FINANCE COSTS

	Group	
	2021 $'000	2020 $'000
Interest income:		
– financial institutions	**3,941**	3,263
– joint venture	**–**	3,931
Finance income	**3,941**	7,194
Interest expenses		
– financial institutions	**(37,665)**	(28,082)
– related parties	**(910)**	–
	(38,575)	(28,082)
Cash flow hedges – losses reclassified from hedging reserve	**(8,858)**	(7,900)
Finance lease expenses	**(685)**	(1,575)
Finance costs	**(48,118)**	(37,557)
Net finance costs recognised in statement of total return	**(44,177)**	(30,363)

23. INTEREST IN JOINT VENTURE

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.

	2021 $'000	2020 $'000
Statement of income and expenditure		
Revenue	–	35,639
Expenses	–	(22,295)
Net change in fair value of investment property	–	(6,093)
Total return after tax [a]	–	7,251
Group's share of total return	–	3,698
[a] Includes:		
– Depreciation and amortisation	–	(121)
– Interest income	–	1,420
– Interest expense	–	(7,936)
– Taxation	–	(3,512)

24. TAXATION

	Note	Group 2021 $'000	Group 2020 $'000
Current taxation			
Current year		**43,447**	31,908
(Over)/Under provision in prior years		**(978)**	45
		42,469	31,953
Deferred taxation			
Origination and reversal of temporary differences	14	**24,323**	8,413
Income tax expense		**66,792**	40,366
Reconciliation of effective tax rate			
Total return for the year before taxation		**189,594**	28,337
Tax calculated using Singapore tax rate of 17% (2020: 17%)		**32,231**	4,817
Adjustments:			
Effect of different tax rates in foreign jurisdictions		**19,700**	11,900
Income not subject to tax		**(9,318)**	(160)
Expenses not deductible for tax purposes		**10**	318
Deferred tax assets not recognised		**398**	1,199
Tax losses not allowed to be carried forward		**10,642**	8,675
Reversal of deferred tax assets		**955**	–
Utilisation of previously unrecognised tax losses		**(893)**	–
Foreign tax suffered		**14,045**	13,572
Over provision in prior years		**(978)**	45
		66,792	40,366

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 2021 $'000	Group 2020 $'000
Total return/(loss) for the year after taxation and non-controlling interest before distribution	**106,678**	(12,029)
Less: Total return attributable to perpetual securities holders	**(3,375)**	(610)
Total return attributable to Unitholders	**103,303**	(12,639)

25. EARNINGS PER UNIT (continued)

Basic earnings per Unit (continued)

	Trust	
	Number of Units 2021 '000	Number of Units 2020 '000
Issued Units at beginning of year	**1,506,433**	1,209,067
Effect of creation of new Units:		
– Units in connection with private placement exercise	**25,398**	20,197
– Units in connection with preferential offering exercise	**–**	3,016
– Distribution to Unitholders in respect of distribution reinvestment plan	**3,159**	9,429
– Manager's management fees paid/payable in Units	**4,468**	3,889
– Units issued in respect of acquisition fees	**3,114**	–
– Adjustments for effect of preferential offering	**–**	4,486
Weighted average number of issued and issuable Units at end of the year	**1,542,572**	1,250,084

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 2021 '000	Number of Units 2020 '000
Issued Units at beginning of year	**1,506,433**	1,209,067
Effect of creation of new Units:		
– Units in connection with private placement exercise	**25,398**	20,197
– Units in connection with preferential offering exercise	**–**	3,016
– Distribution to Unitholders in respect of distribution reinvestment plan	**3,159**	9,429
– Manager's management fees paid/payable in Units	**16,542**	3,889
– Units issued in respect of acquisition fees	**3,114**	–
– Adjustments for effect of preferential offering	**–**	4,486
Weighted average number of issued and issuable Units at end of the year	**1,554,646**	1,250,084

26. ISSUE EXPENSES – PERPETUAL SECURITIES

	Group	
	2021 $'000	2020 $'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 are entities which are direct or indirect wholly owned subsidiaries of CLG.

In the normal course of the operations of the Trust, the Manager's management fees and the Trustee's fees have been paid or are payable to the Manager and Trustee respectively. The property management fees, reimbursables and project management fees have been paid or are payable to the Property and Project Managers respectively.

During the financial year, other than those disclosed elsewhere in the financial statements, the following were significant related party transactions carried out in the normal course of business on arm's length commercial terms:

	Group	
	2021 $'000	2020 $'000
Project management fees paid/payable to a related party	**979**	899

28. FINANCIAL RATIOS

	Group	
	2021 %	2020 %
Ratio of expenses to average net asset value (1)		
– including performance component of Manager's management fees	**0.85**	0.84
– excluding performance component of Manager's management fees	**0.52**	0.56
Portfolio turnover rate (2)	**6.70**	7.70

Notes:

(1) The annualised ratios are computed in accordance with the guidelines of Investment Management Association of Singapore. The expenses used in the computation relate to expenses of the Group, excluding property expenses and finance costs.

(2) The annualised ratio is computed based on the lesser of purchases or sales of underlying investment properties of the Group expressed as a percentage of weighted average net asset value.

29. OPERATING SEGMENTS

With effect from 1 January 2021, the Group has re-organised its reporting structure into strategic divisions to more accurately reflect the way the Group manage its business. For the purpose of making resource allocation decisions and the assessment of segment performance, the Group's Chief Operating Decision Makers ("CODMs") review internal/management reports of its strategic divisions. This forms the basis of identifying the operating segments of the Group consistent with the principles of FRS 108 *Operating Segments*.

The Group is organised into the following main business segments:

– Retail Malls: management of retail properties in China;

– Business Parks: management of business parks in China; and

– Logistics Parks: management of logistics parks in China.

Segment revenue comprises mainly income generated from its tenants. Segment net property income represents the income earned by each segment after allocating property operating expenses. This is the measure reported to the CODMs for the purpose of assessment of segment performance. In addition, the CODMs monitor the non-financial assets as well as financial assets attributable to each segment when assessing segment performance.

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.

29. OPERATING SEGMENTS (continued)

Information about reportable segments

	Retail Malls		Business Parks		Logistics Parks		Group	
	2021	2020	2021	2020	2021	2020	2021	2020
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
External revenue:								
– Gross rental income	**255,213**	194,771	**90,758**	–	**2,598**	–	**348,569**	194,771
– Others	**23,263**	15,754	**6,100**	–	**35**	–	**29,398**	15,754
– Gross revenue	**278,476**	210,525	**96,858**	–	**2,633**	–	**377,967**	210,525
Segment net property income	**179,727**	135,196	**68,844**	–	**1,856**	–	**250,427**	135,196
Finance income	**2,571**	7,177	**1,321**	–	**42**	–	**3,934**	7,177
Finance costs	**(8,024)**	(5,122)	**(8,033)**	–	**(556)**	–	**(16,613)**	(5,122)
Share of results (net of tax) of joint venture	**–**	3,698	**–**	–	**–**	–	**–**	3,698
Reportable segment total return before taxation	**148,408**	43,453	**80,405**	–	**(1,842)**	–	**226,971**	43,453
Segment assets	**4,040,250**	3,992,501	**1,130,935**	–	**382,169**	–	**5,553,354**	3,992,501
Segment liabilities	**648,148**	690,695	**257,055**	–	**80,725**	–	**985,928**	690,695
Other segment items:								
Depreciation and amortisation	**(977)**	(897)	**(374)**	–	**(17)**	–	**(1,368)**	(897)
Write-back/(Impairment losses) on trade receivables, net	**(174)**	(357)	**15**	–	**–**	–	**(159)**	(357)
Net change in fair value of investment properties and ROU assets	**(25,575)**	(99,057)	**18,520**	–	**(3,165)**	–	**(10,220)**	(99,057)
Capital expenditure	**(16,929)**	(38,098)	**(3,028)**	–	**28**	–	**(19,929)**	(38,098)

29. OPERATING SEGMENTS (continued)

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

	2021 $'000	2020 $'000
Revenue		
Total revenue for reporting segments	**377,967**	210,525
Total return		
Total return for reportable segments before taxation	**226,971**	43,453
Unallocated amounts:		
– Other corporate expenses	**(37,377)**	(15,116)
Total return before taxation	**189,594**	28,337
Assets		
Total assets for reportable segments	**5,553,354**	3,992,501
Assets held for sale	**–**	223,370
Other unallocated amounts	**22,546**	94,386
Consolidated assets	**5,575,900**	4,310,257
Liabilities		
Total liabilities for reportable segments	**985,928**	690,695
Liabilities held for sale	**–**	32,161
Other unallocated amounts	**1,635,609**	1,242,547
Consolidated liabilities	**2,621,537**	1,965,403

	Reportable segment totals $'000	Unallocated amounts $'000	Consolidated totals $'000
Other material items 2021			
Finance income	**3,934**	**7**	**3,941**
Finance costs	**(16,613)**	**(31,505)**	**(48,118)**
Other material items 2020			
Finance income	7,177	17	7,194
Finance costs	(5,122)	(32,435)	(37,557)

Geographical segments

All of the Group's investment properties are used for retail malls, business parks and logistics parks purposes. All properties are in China.

Major tenant

Revenue from one tenant of the Group represents approximately $9.4 million (2020: $8.9 million) of the Group's total revenue.

30. COMMITMENTS

(a) Capital commitments

	Group	
	2021 $'000	2020 $'000
Payable:		
– contracted but not provided for	**7,542**	2,374

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

	Group	
	2021 $'000	2020 $'000
Payable:		
– within 1 year	**205**	28
– after 1 year but within 5 years	**43**	58
	248	86

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% (2020: 50.0%) of its Deposited Property. The Group has complied with the Aggregate Leverage limit of 50.0% (2020: 50.0%) during the financial year, with an aggregate leverage of 37.7% as at 31 December 2021 (2020: 31.8%).

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

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.

31. CAPITAL AND FINANCIAL RISK MANAGEMENT (continued)

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

***Liquidity risk** (continued)*

In addition, the Group maintains the following debt facilities and programme as at 31 December 2021.

S$ denominated facilities:

- $92.5 million money market line (MML) facilities
- $100.0 million MML & Financial Guarantee (FG) facilities
- $100.0 million multicurrency MML facility
- $250.0 million four-year trust term loan facilities
- $650.0 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
- RMB300.0 million secured term loan facility
- RMB400.0 million secured term loan facility
- RMB410.0 million secured term loan facility
- RMB139.0 million secured term loan facility
- RMB142.0 million secured term loan facility
- RMB95.0 million secured term loan facility

Multicurrency Debt Issuance Programme:

- $1.0 billion multicurrency Debt Issuance Programme

As at 31 December 2021, the Group has outstanding debt of $1,320.0 million (2020: $1,065.5 million) trust term loan facilities, $280.0 million MTN (2020: $130.0 million) and RMB1,857.7 million (2020: RMB804.8 million) secured loan facilities.

The Group also monitors and observes the Property Fund Appendix issued by MAS concerning limits on total borrowings.

31. CAPITAL AND FINANCIAL RISK MANAGEMENT (continued)

Financial risk management *(continued)*

Interest rate risk

The Manager adopts a proactive interest rate management policy to manage the risk associated with changes in interest rates on the Group's loan facilities while also seeking to ensure that the ongoing cost of debt remains competitive.

The Group determines the existence of an economic relationship between the hedging instrument and hedged item based on the reference interest rates, tenors, repricing dates and maturities and the notional or par amounts. If a hedging relationship is directly affected by uncertainty arising from interest rate benchmark reform, then the Group assumes for this purpose that the benchmark interest rate is not altered as a result of interest rate benchmark reform.

Managing interest rate benchmark reform and associated risks

Overview

A fundamental reform of major interest rate benchmarks is being undertaken globally, including the replacement of some interbank offered rates (IBORs) with alternative nearly risk-free rates (referred to as 'interest rate benchmark reform'). The Group has exposures to IBORs on its financial instruments that will be replaced or reformed as part of these market-wide initiatives.

The Group's main IBOR exposure at 31 December 2021 was indexed to SOR. In Singapore, the Steering Committee for SOR and SIBOR transition to SORA (SC-STS) together with the Association of Banks in Singapore (ABS) and Singapore Foreign Exchange Market Committee (SFEMC), has recommended the discontinuation of SOR and SIBOR and a shift towards the use of Singapore Overnight Rate Average (SORA) as the alternative interest rate benchmark in Singapore. The timeline for SORA to replace SOR and SIBOR is by the end of June 2023 and December 2024 respectively.

The Group monitors and manages the Group's hedged items and hedging instruments which continue to be indexed to IBOR benchmark rates. The Group evaluates the extent to which contracts reference IBOR cash flows, whether such contracts will need to be amended as a result of interest rate benchmark reform and how to manage communication about interest rate benchmark reform with counterparties.

Non-derivative financial liabilities

The Group's IBOR exposures to non-derivative financial liabilities as at 31 December 2021 included unsecured bank loans indexed to SOR. The Group is still in the process of communication with the counterparties for SOR indexed exposures which are affected by the interest rate benchmark reform and specific changes have yet to be agreed.

Derivatives

The Group holds interest rate swaps for risk management purposes that are designated in cash flow hedging relationships. The interest rate swaps have floating legs that are indexed to SOR. The Group's derivative instruments are governed by contracts based on the International Swaps and Derivatives Association (ISDA)'s master agreements. The Group is still in the process of communication with the counterparties for SOR indexed exposures which are affected by the interest rate benchmark reform and specific changes have yet to be agreed.

31. CAPITAL AND FINANCIAL RISK MANAGEMENT (continued)

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

Hedge accounting

The Group has evaluated the extent to which its cash flow hedging relationships are subject to uncertainty driven by interest rate benchmark reform as at 31 December 2021. The Group's hedged items and hedging instruments continue to be indexed to IBOR benchmark rates which are SOR. These benchmark rates are quoted each day and the IBOR cash flows are exchanged with its counterparties as usual.

For SOR cash flow hedging relationships which extend beyond the anticipated cessation date of SOR, the Group is still in the process of communication with the counterparties for SOR indexed exposures affected by the interest rate benchmark reform and the relevant hedging instruments and hedged items have not been amended to transition from SOR. The Group has evaluated that there is uncertainty about when and how replacement may occur with respect to the relevant hedged items and hedging instruments and such uncertainty may impact the hedging relationship. The Group continues to apply the principles under the amendments to FRS 109 issued in December 2020 (Phase 1) to those hedging relationships directly affected by interest rate benchmark reform.

Hedging relationships impacted by interest rate benchmark reform may experience ineffectiveness attributable to market participants' expectations of when and how the shift from the existing IBOR benchmark rate to an alternative benchmark interest rate will occur for the relevant hedged items and hedging instruments. This transition may also occur at different times for the hedged item and hedging instrument, which may lead to hedge ineffectiveness. The Group has measured its hedging instruments indexed to Singapore-dollar SOR using available quoted market rates for SOR-based instruments of the same tenor and similar maturity and has measured the cumulative change in the present value of hedged cash flows attributable to changes in and SOR on a similar basis.

Total amounts of unreformed contracts, including those with an appropriate fallback clause

The Group monitors the progress of transition from IBORs to new benchmark rates by reviewing the total amounts of contracts that have yet to transition to an alternative benchmark rate and the amounts of such contracts that include an appropriate fallback clause. The Group considers that a contract is not yet transitioned to an alternative benchmark rate when interest under the contract is indexed to a benchmark rate that is still subject to interest rate benchmark reform, even if it includes a fallback clause that deals with the cessation of the existing IBOR (referred to as an 'unreformed contract').

The following table shows the total amounts of unreformed contracts and those with appropriate fallback language at 31 December 2021. The amounts of financial assets and financial liabilities are shown at their carrying amounts and derivatives are shown at their nominal amounts.

	SOR	
	Total amount of unreformed contracts $'000	Amount with appropriate fallback clause $'000
Group		
31 December 2021		
Financial liabilities		
Unsecured bank loans	**1,170,000**	–
Derivatives		
Interest rate swaps	**805,000**	–

31. CAPITAL AND FINANCIAL RISK MANAGEMENT (continued)

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

	SOR Total amount of unreformed contracts $'000	Amount with appropriate fallback clause $'000
Trust		
31 December 2021		
Financial liabilities		
Unsecured bank loans	**1,170,000**	–
Derivatives		
Interest rate swaps	**805,000**	–

Exposure to interest rate risk

The Group's exposure to Singapore-dollar SOR designated in hedging relationships is $1,170.0 million nominal amount at 31 December 2021, representing both the nominal amount of the hedging interest rate swap and the principal amount of the Group's hedged SGD-denominated unsecured bank loan liabilities maturing in 2022 to 2028.

As at 31 December 2021, the Group has interest rate swaps ("IRS") with notional contract amount of $955.0 million (2020: $810.0 million). The Group's exposure to SOR designated in a hedging relationship is limited to a nominal amount of $805.0 million at 31 December 2021 (2020: $810.0 million) attributable to the interest rate swaps hedging SOR cash flows on the Group's SGD term loans maturing between 2022 to 2028.

The term loans and the underlying IRS have the same terms and conditions.

The Manager proactively seeks to minimise the level of interest rate risk by locking the majority of the Group's borrowings at fixed rates. As at 31 December 2021, the Group has locked in approximately 77% (2020: 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 2021 of $19.2 million (2020: $11.6 million), representing the effective portion of the cash flow hedge, has been recognised directly in the hedging reserve.

31. CAPITAL AND FINANCIAL RISK MANAGEMENT (continued)

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

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 2020.

* 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				
2021				
Interest rate swaps	**–**	**–**	**6.9**	**(6.9)**
Variable rate instruments	**(6.1)**	**6.1**	**–**	**–**
Cash flow sensitivity (net)	**(6.1)**	**6.1**	**6.9**	**(6.9)**
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)

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			
2021			
Cash and cash equivalents	**5,086**	**8,807**	**13,893**
2020			
Cash and cash equivalents	1,481	78	1,559

31. CAPITAL AND FINANCIAL RISK MANAGEMENT (continued)

Financial risk management (continued)

Foreign currency risk *(continued)*

	US$ $'000	RMB $'000	Total $'000
Trust			
2021			
Loans to subsidiaries	**268,557**	**–**	**268,557**
Non-trade amounts due from subsidiaries	**126,596**	**–**	**126,596**
Cash and cash equivalents	**3,808**	**8,783**	**12,591**
	398,961	**8,783**	**407,744**
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

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 2020.

	Statements of total return	
	Group $'000	Trust $'000
2021		
US$	**(509)**	**(39,896)**
RMB	**(881)**	**(878)**
2020		
US$	(148)	(39,372)
RMB	(8)	(6)

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 2021, the group has foreign currency forward contracts with notional amount of $12.3 million (2020: $20.7 million) to economically hedge the undistributed income for financial year 2021. The fair value of the forwards as at 31 December 2021 of $341,000 (2020: $561,000) 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 $1.1 million and $1.4 million (2020: $1.4 million and $2.9 million) respectively.

31. CAPITAL AND FINANCIAL RISK MANAGEMENT (continued)

Financial risk management (continued)

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			
2021			
Notional amount (in thousands of SGD)	**150,000**	**–**	**655,000**
Average fixed interest rate	**2.1%**	**–**	**1.0%**
2020			
Notional amount (in thousands of SGD)	175,000	45,000	490,000
Average fixed interest rate	1.9%	2.1%	1.5%

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

Group and Trust	2021 Notional amount $'000	Carrying amount – assets $'000	Carrying amount – liabilities $'000	During the period – 2021 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	**805,000**	**5,735**	**(3,293)**	**28,055**	**(8,858)**	**–**	**Finance income/(costs)**

Group and Trust	2020 Notional amount $'000	Carrying amount – assets $'000	Carrying amount – liabilities $'000	During the period – 2020 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)

31. CAPITAL AND FINANCIAL RISK MANAGEMENT (continued)

Financial risk management (continued)

Hedge accounting (continued)

Cash flow hedges *(continued)*

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 2020	(5,267)	–
Cash flow hedges		
Change in fair value:		
Interest rate risk	(3,709)	–
Amount reclassified to statement of total return:		
Interest rate risk	(7,900)	–
Balance at 31 December 2020	(16,876)	–

	Group and Trust	
	Hedging reserve $'000	Cost of hedging reserve $'000
Balance at 1 January 2021	**(16,876)**	**–**
Cash flow hedges		
Change in fair value:		
Interest rate risk	**28,055**	**–**
Amount reclassified to statement of total return:		
Interest rate risk	**(8,858)**	**–**
Balance at 31 December 2021	**2,321**	**–**

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 10). 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										
2021										
Financial assets not measured at fair value										
Trade and other receivables	8	21,100	–	–	–	21,100	–	–	–	–
Cash and cash equivalents	9	288,860	–	–	–	288,860	–	–	–	–
		309,960	–	–	–	309,960				
Financial assets measured at fair value										
Financial derivative assets	7	–	7	–	–	7	–	7	–	7
Financial liabilities not measured at fair value										
Trade and other payables	11	–	–	–	174,127	174,127	–	–	–	–
Security deposits		–	–	–	117,387	117,387	–	114,671	–	114,671
Interest-bearing borrowings	12	–	–	–	1,989,521	1,989,521	–	1,993,414	–	1,993,414
		–	–	–	2,281,035	2,281,035				
Financial liabilities measured at fair value										
Financial derivative liabilities	7	–	348	3,293	–	3,641	–	3,641	–	3,641

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										
2020										
Financial assets not measured at fair value										
Trade and other receivables	8	142,884	–	–	–	142,884	–	–	–	–
Cash and cash equivalents	9	208,440	–	–	–	208,440	–	–	–	–
		351,324	–	–	–	351,324				
Financial assets measured at fair value										
Financial derivative assets	7	–	1	–	–	1	–	1	–	1
Financial liabilities not measured at fair value										
Trade and other payables	11	–	–	–	177,789	177,789	–	–	–	–
Security deposits		–	–	–	74,699	74,699	–	73,234	–	73,234
Interest-bearing borrowings	12	–	–	–	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	7	–	562	17,765	–	18,327	–	18,327	–	18,327

31. CAPITAL AND FINANCIAL RISK MANAGEMENT (continued)

Accounting classifications and fair values (continued)

	Note	Carrying amount 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	Fair value Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
Trust										
2021										
Financial assets not measured at fair value										
Loans to subsidiaries	6	268,557	–	–	–	268,557	–	–	265,366	265,366
Non-trade amounts due from subsidiaries	6	1,999,422	–	–	–	1,999,422	–	–	1,975,662	1,975,662
Trade and other receivables	8	329	–	–	–	329	–	–	–	–
Cash and cash equivalents	9	15,994	–	–	–	15,994	–	–	–	–
		2,284,302	–	–	–	2,284,302				
Financial assets measured at fair value										
Financial derivative assets	7	–	7	–	–	7	–	7	–	7
Financial liabilities not measured at fair value										
Trade and other payables	11	–	–	–	60,830	60,830	–	–	–	–
Interest-bearing borrowings	12	–	–	–	1,596,107	1,596,107	–	1,600,000	–	1,600,000
		–	–	–	1,656,937	1,656,937				
Financial liabilities measured at fair value										
Financial derivative liabilities	7	–	348	3,293	–	3,641	–	3,641	–	3,641

31. CAPITAL AND FINANCIAL RISK MANAGEMENT (continued)

Accounting classifications and fair values (continued)

		Carrying amount					Fair value			
	Note	Amortised costs	Fair value to statement of total return	Fair value to hedging reserve	Other financial liabilities	Total carrying amount	Level 1	Level 2	Level 3	Total
		$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'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	8	93,187	–	–	–	93,187	–	–	–	–
Cash and cash equivalents	9	858	–	–	–	858	–	–	–	–
		1,802,648	–	–	–	1,802,648				
Financial assets measured at fair value										
Financial derivative assets	7	–	1	–	–	1	–	1	–	1
Financial liabilities not measured at fair value										
Trade and other payables	11	–	–	–	22,619	22,619	–	–	–	–
Interest-bearing borrowings	12	–	–	–	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	7	–	562	17,765	–	18,327	–	18,327	–	18,327

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 2021 plus an adequate constant credit spread, and are as follows:

	2021 % p.a.	2020 % p.a.
Group		
Interest-bearing borrowings	**1.09-5.51**	0.89-4.65
Security deposits	**1.19-1.47**	0.98-1.18
Trust		
Loans to subsidiaries	**1.20**	0.70
Non-trade amounts due from subsidiaries	**1.20**	0.70
Interest-bearing borrowings	**1.09-3.25**	0.89-3.25

Offsetting financial assets and financial liabilities

The disclosures set out in the tables below include financial assets and financial liabilities that:

- are offset in the Trust's statements of financial position; or
- are subject to an enforceable master netting arrangement, irrespective of whether they are offset in the statement of financial position.

Financial instruments such as loans and receivables and financial liabilities are not disclosed in the tables below unless they are offset in the statements of financial position.

31. CAPITAL AND FINANCIAL RISK MANAGEMENT (continued)

***Offsetting financial assets and financial liabilities** (continued)*

The Trust's derivative transactions that are not transacted on an exchange are entered into under International Swaps and Derivatives Association ("ISDA") Master Agreements. In certain circumstances, for example when a termination event such as a default occurs, all outstanding transactions under the agreement are terminated, the termination value is assessed and only a single net amount is due or payable in settlement of all transactions.

Under the agreements signed, the Trust and its counterparties neither have a legal obligation nor intend to settle on a net basis or to realise the assets and settle the liabilities simultaneously. In addition, the right of set-off of recognised amounts is enforceable only following the occurrence of a termination event as set out in the agreements. Accordingly, the ISDA agreements do not meet the criteria for offsetting and the derivatives financial instruments presented below are not offset in the Statement of Financial Position.

Financial assets and liabilities subject to offsetting and enforceable master netting arrangement under termination events

	Gross amounts of recognised financial instruments $'000	Gross amount of recognised financial instruments offset in the statement of financial position $'000	Net amounts of financial instruments presented in the statement of financial position $'000	Related amounts not offset in the statement of financial position $'000	Net amounts $'000
31 December 2021					
Financial assets					
Interest rate swaps	**5,735**	**–**	**5,735**	**(2,861)**	**2,874**
Forwards	**7**	**–**	**7**	**–**	**7**
	5,742	**–**	**5,742**	**(2,861)**	**2,881**
Financial liabilities					
Interest rate swaps	**3,293**	**–**	**3,293**	**(2,861)**	**432**
Forwards	**348**	**–**	**348**	**–**	**348**
	3,641	**–**	**3,641**	**(2,861)**	**780**
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

32. SUBSEQUENT EVENTS

On 31 January 2022, the Manager declared a distribution of 1.80 cents per Unit to Unitholders in respect of the period from 21 October 2021 to 31 December 2021.

On 4 March 2022, 12,106,981 Units was issued to the Manager for the payment of Manager's management fees (see Note 20).

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