
**CAPITALAND INTEGRATED COMMERCIAL TRUST
2022 FIRST HALF UNAUDITED FINANCIAL STATEMENTS AND DISTRIBUTION
ANNOUNCEMENT**

INTRODUCTION

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

CICT is the first Real Estate Investment Trust (“REIT”) listed on Singapore Exchange Securities Trading Limited (the “SGX-ST”) in July 2002. The principal activity of CICT is to invest, directly or indirectly, in real estate which is income producing and is used or primarily used for commercial purposes (including retail and/or office purposes), located predominantly in Singapore.

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

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

On 24 January 2022, the Manager announced that the Trustee has entered into a sale and purchase agreement with Tanglin R.E. Holdings Pte. Ltd. (the “Purchaser”), in relation to the sale of JCube (the “Divestment”). The Divestment was completed on 10 March 2022.

On 18 February 2022, CMT MTN Pte. Ltd. (“CMT MTN”) issued HKD900.0 million 2.95% fixed rate notes due 2031 (the “Notes”) through its EMTN programme. CMT MTN has entered into cross currency swap transactions to swap the HKD proceeds of the Notes into Singapore dollar proceeds. The proceeds from the issuance of the Notes will be used by CMT MTN and CICT and its subsidiaries (the “Group”) to finance or refinance, in whole or in part, the Eligible Green Projects (as defined in the pricing supplement of the Notes) undertaken by the Group in accordance with the CICT Green Finance Framework (as defined in the pricing supplement of the Notes).

On 24 March 2022, the Manager announced the completion of the acquisition of the two properties in Sydney, Australia namely 66 Goulburn Street and 100 Arthur Street. The Manager also refers to the announcement on 21 June 2022 where it was stated in relation to the issuance of 127,551,000 new units which raised approximately S\$250.0 million from the private placement (“Private Placement”) on 16 December 2021, S\$150.0 million of the gross proceeds of the Private Placement has been utilised to fund the acquisition of 66 Goulburn Street and 100 Arthur Street. In addition, approximately S\$3.5m million of the gross proceeds of the Private Placement has been used to pay the transaction-related expenses, including professional fees and expenses, incurred by CICT in connection with the Private Placement.

On 25 March 2022, the Manager announced that the Trustee has entered into a conditional sale and purchase agreement with Southernwood Investment Pte. Ltd. and MTC Japan Investment Pte. Ltd. to acquire 70.0% of the issued share capital of Southernwood Investment Pte. Ltd. which holds the property located at 79 Robinson Road, Singapore. This acquisition was completed on 27 April 2022 with the property renamed as CapitaSky.

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On 21 June 2022, the Manager announced the completion of the acquisition of 50.0% interest in 101-103 Miller Street and Greenwood Plaza, North Sydney, Australia and approximately S\$96.5 million of the gross proceeds of the Private Placement has been utilised to fund this acquisition.

As at 30 June 2022, CICT's property portfolio comprises:

Retail	Office	Integrated Developments
1) Bedok Mall, held through Brilliance Mall Trust ("BMT")	1) Asia Square Tower 2 ("AST2") ¹	1) Funan, retail component held through CICT, Office components held through Victory Office 1 Trust ("VO1T") and Victory Office 2 Trust ("VO2T")
2) Bugis+	2) Capital Tower	2) Plaza Singapura
3) Bugis Junction	3) CapitaGreen, held through MSO Trust	3) The Atrium@Orchard
4) Bukit Panjang Plaza (90 out of 91 strata lots)	4) Six Battery Road	4) Raffles City Singapore ("RCS"), held through RCS Trust
5) Clarke Quay	5) 21 Collyer Quay	5) CapitaSpring (45.0% interest), held through Glory Office Trust ("GOT") and Glory SR Trust ("GSRT")
6) IMM Building	6) Galileo, Germany (94.9% interest) ²	6) 101-103 Miller Street and Greenwood Plaza, Australia (50.0% interest) ⁷
7) Junction 8	7) Main Airport Center, Germany (94.9% interest) ³	
8) Lot One Shoppers' Mall	8) 66 Goulburn Street, Australia ⁴	
9) Tampines Mall	9) 100 Arthur Street, Australia ⁵	
10) Westgate, held through Infinity Mall Trust ("IMT")	10) CapitaSky (70.0% interest) ⁶	

Footnotes:

1. Held through indirect wholly owned subsidiary Asia Square Tower 2 Pte. Ltd.
2. 94.9% interest held through indirect wholly owned subsidiary, CCT Galaxy One Pte. Ltd.
3. 94.9% interest held through indirect wholly owned subsidiary, CCT Mercury One Pte. Ltd.
4. Held through indirect wholly owned subsidiary, Gateway Goulburn Trust.
5. Held through indirect wholly owned subsidiary, Gateway Arthur Trust.
6. Held through wholly owned subsidiary, 79RR Office Trust's 70.0% interest in 79RR LLP.
7. 50.0% interest held through indirect wholly owned subsidiary, Monopoly Trust.

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In addition, CICT owns an interest in CapitaLand China Trust (“CLCT”), the first China shopping mall REIT listed on the SGX-ST in December 2006, and Sentral REIT, held through CCT, a commercial real estate investment trust listed in Malaysia. As at 30 June 2022, CICT owns approximately 8.0% interest in CLCT and 10.9% interest in Sentral REIT.

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**CapitaLand Integrated Commercial Trust
and its Subsidiaries (Group)**

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

Condensed Interim Financial Statements
For the Six-month period ended 30 June 2022

Condensed Interim Statements of Financial Position
As at 30 June 2022

	Note	Group		Trust	
		30/6/2022 S\$'000	31/12/2021 S\$'000	30/6/2022 S\$'000	31/12/2021 S\$'000
Non-current assets					
Plant and equipment		5,851	6,121	1,871	2,092
Investment properties	3	23,811,343	21,431,071	7,822,177	7,814,943
Subsidiaries		-	-	11,643,327	9,877,779
Joint ventures		328,621	320,347	213,323	212,284
Equity investments at fair value		188,960	193,168	153,387	158,723
Financial derivatives		39,924	20,639	15,166	1,014
Deferred tax asset		5,502	6,855	-	-
Other non-current asset		1,258	1,608	755	911
		<u>24,381,459</u>	<u>21,979,809</u>	<u>19,850,006</u>	<u>18,067,746</u>
Current assets					
Asset held for sale		-	278,000	-	278,000
Trade and other receivables		52,798	108,668	177,568	179,010
Cash and cash equivalents		227,100	365,133	57,804	165,962
Financial derivatives		24,928	10,240	7,784	45
		<u>304,826</u>	<u>762,041</u>	<u>243,156</u>	<u>623,017</u>
Total assets		<u>24,686,285</u>	<u>22,741,850</u>	<u>20,093,162</u>	<u>18,690,763</u>
Current liabilities					
Financial derivatives		24,164	-	-	-
Trade and other payables		257,024	557,481	403,115	418,622
Current portion of security deposits		114,853	94,318	44,513	45,855
Loans and borrowings	4	1,113,134	594,641	339,809	189,218
Lease liabilities		1,815	2,261	1,049	1,522
Provision for taxation		11,522	10,108	412	412
		<u>1,522,512</u>	<u>1,258,809</u>	<u>788,898</u>	<u>655,629</u>
Non-current liabilities					
Financial derivatives		31,005	32,428	-	2,034
Trade and other payables		35,147	1,072	285,000	495,000
Loans and borrowings	4	8,597,897	7,582,636	5,759,816	4,710,064
Lease liabilities		25,175	5,963	4,384	4,963
Non-current portion of security deposits		153,359	153,578	75,547	70,805
Deferred tax liability		12,216	11,664	-	-
		<u>8,854,799</u>	<u>7,787,341</u>	<u>6,124,747</u>	<u>5,282,866</u>
Total liabilities		<u>10,377,311</u>	<u>9,046,150</u>	<u>6,913,645</u>	<u>5,938,495</u>
Net assets		<u>14,308,974</u>	<u>13,695,700</u>	<u>13,179,517</u>	<u>12,752,268</u>
Represented by:					
Unitholders' funds		14,099,269	13,667,754	13,179,517	12,752,268
Non-controlling interests		209,705	27,946	-	-
		<u>14,308,974</u>	<u>13,695,700</u>	<u>13,179,517</u>	<u>12,752,268</u>
Units in issue ('000)	5	<u>6,629,556</u>	<u>6,608,618</u>	<u>6,629,556</u>	<u>6,608,618</u>
Net asset value / net tangible asset per unit attributable to Unitholders (S\$)	6	<u>2.12</u>	<u>2.06</u>	<u>1.99</u>	<u>1.93</u>

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

Condensed Interim Statement of Total Return
Six-month period ended 30 June 2022

	Note	Group	
		Six-month period ended 30/6/2022	Six-month period ended 30/6/2021
		S\$'000	S\$'000
Gross revenue	7	687,599	645,657
Property operating expenses	8	(185,979)	(173,494)
Net property income		501,620	472,163
Interest and other income		2,474	4,038
Investment Income		3,904	2,167
Management fees:			
- Base component		(21,748)	(20,995)
- Performance component		(21,012)	(19,790)
Professional fees		(914)	(441)
Valuation fees		(272)	(246)
Trustee's fees		(1,587)	(1,423)
Audit fees		(388)	(435)
Finance costs	9	(104,428)	(105,052)
Other expenses		296	(1,318)
Net income before share of results of joint ventures		357,945	328,668
Share of results (net of tax) of:			
- Joint ventures		6,370	6,731
Net income		364,315	335,399
Net change in fair value of financial derivatives		1,082	-
Gain on divestment of investment property	10	57,257	-
Total return for the period before tax		422,654	335,399
Taxation		(6,485)	(7,411)
Total return for the period		416,169	327,988
Total return attributable to:			
Unitholders		413,654	327,431
Non-controlling interests		2,515	557
Total return for the period		416,169	327,988
Earnings per unit (cents)			
Basic	11	6.25	5.06
Diluted	11	6.24	5.05

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

Condensed Interim Distribution Statement
Six-month period ended 30 June 2022

		Group	
Note	Six-month period ended 30/6/2022 S\$'000	Six-month period ended 30/6/2021 S\$'000	
Amount available for distribution to Unitholders at beginning of period	346,581	119,914	
Total return attributable to unitholders	413,654	327,431	
Net tax and other adjustments	A (111,535)	(1,682)	
Tax-exempt income from subsidiaries	B 46,676	4,800	
Capital distribution from subsidiaries	2,370	-	
Distribution income (taxable) from:			
- Joint ventures	35	7,512	
	351,200	338,061	
Amount available for distribution to Unitholders	697,781	457,975	
Distributions to Unitholders during the period:			
Distribution of 1.74 cents per unit for period from 21/10/2020 to 31/12/2020	-	(112,590)	
Distribution of 4.85 cents per unit for period from 01/07/2021 to 15/12/2021	(314,332)	-	
Distribution of 0.37 cents per unit for period from 16/12/2021 to 31/12/2021	(24,452)	-	
	(338,784)	(112,590)	
Amount retained for general corporate and working capital purposes	C (3,904)	(2,167)	
Amount available for distribution to Unitholders at end of the period	355,093	343,218	
 Distribution per unit (cents)¹	5.22	5.18	

Footnote:

- Distribution per unit relates to the distributions in respect of the relevant financial period. The distribution relating to 1 January to 30 June 2022 will be paid after 30 June 2022.*

Condensed Interim Distribution Statement (cont'd)
Six-month period ended 30 June 2022

	Group	
	Six-month period ended 30/6/2022 S\$'000	Six-month period ended 30/6/2021 S\$'000
Note A		
Net tax and other adjustments comprise:		
- Management fees paid and payable in Units ¹	21,011	20,046
- Trustee's fees	1,507	1,423
- Amortisation of transaction costs	5,483	3,415
- Profit from subsidiaries	(36,613)	(25,991)
- Share of result (net of tax) of joint ventures	(6,370)	(6,731)
- Taxation ²	6,350	7,145
- Gain on divestment of investment property	(57,257)	-
- Temporary differences and other adjustments ³	(8,620)	(884)
- Rollover adjustments ⁴	(37,026)	(105)
Net tax and other adjustments	(111,535)	(1,682)

1. For the six-month period ended 30 June 2022 ("1H 2022") and 2021 ("1H 2021"), these relate to 50.0% of base and performance components of the management fees for period from 1 January to 30 June 2022 and 1 January to 30 June 2021 respectively.
2. These exclude the non-controlling interests' share of Gallileo Property S.a.r.l. ("Gallileo Co.") and MAC Property Company B.V. and MAC Car Park Company B.V. ("MAC entities").
3. For 1H 2022, this includes mainly accounting effect of the purchase price allocation adjustment of certain fixed rate borrowings. For 1H 2021, this includes mainly tax-exempt distribution in relation to excess cash grant.
4. For 1H 2022, taxable income distribution includes a rollover adjustment of S\$37.0 million arising from the COVID-19 cash grants received by the Group in FY 2020, which was previously included as part of the taxable income distribution in FY 2020. The COVID-19 cash grants received from the Government are exempted from tax. A corresponding adjustment of S\$37.0 million has been included in the tax-exempt income for 1H 2022 with no resultant impact to the distributable income for 1H 2022.

For 1H 2021, this relates to the differences between taxable income previously distributed and the quantum finally agreed with Inland Revenue Authority of Singapore in relation to RCS Trust (YA 2020).

Note B

Tax-exempt income includes the COVID-19 cash grants of S\$37.0 million received by the Group in FY 2020 (see footnote 4 in Note A above).

Note C

For 1H 2022, this relates to distribution income received from CLCT of S\$2.4 million (1H 2021: S\$0.8 million) and Sentral REIT of S\$1.5 million (1H 2021: S\$1.4 million).

Condensed Interim Statements of Movements in Unitholders' Funds
Six-month period ended 30 June 2022

	Group		Trust	
	Six-month period ended 30/6/2022 S\$'000	Six-month period ended 30/6/2021 S\$'000	Six-month period ended 30/6/2022 S\$'000	Six-month period ended 30/6/2021 S\$'000
Net assets attributable to Unitholders at beginning of the period	13,667,754	13,037,638	12,752,268	12,504,219
Operations				
Total return attributable to Unitholders	413,654	327,431	398,803	340,963
Hedging reserves				
Effective portion of changes in fair value of cashflow hedges	23,456	45,310	21,605	3,068
Net change in fair value of cash flow hedges reclassified to Statement of Total Return	(8,435)	(2,572)	2,320	1,484
Share of movements in hedging reserves of joint ventures	-	2,320	-	-
Movement in foreign currency translation reserves	(2,808)	397	-	-
Movement in fair value reserves	(4,208)	(1,863)	(5,335)	(2,668)
Unitholders' transactions				
Creation of units				
- Management fees paid	5,250	5,195	5,250	5,195
- Management fees payable	16,130	15,198	16,130	15,198
- Acquisitions	11,228	-	11,228	-
- Divestment	1,700	-	1,700	-
Distributions to Unitholders	(24,452)	(112,590)	(24,452)	(112,590)
Net increase/(decrease) in net assets resulting from Unitholders' transactions	9,856	(92,197)	9,856	(92,197)
Net assets attributable to Unitholders at end of the period	14,099,269	13,316,464	13,179,517	12,754,869

Non-controlling interests ("NCI")¹

	Group	
	Six-month period ended 30/6/2022 S\$'000	Six-month period ended 30/6/2021 S\$'000
At beginning of the period	27,946	30,300
Total return attributable to NCI	2,515	557
Distributions to NCI	(1,764)	-
Hedging reserves attributable to NCI	776	-
Acquisition of subsidiary (Note 10)	181,809	-
Translation differences from financial statements of foreign operations	(1,577)	(461)
At end of the period	209,705	30,396

Footnote:

¹ This relates to 5.1% ownership interest held by NCI in Gallileo Co. and MAC entities respectively and 30.0% ownership interest held by NCI in CapitaSky.

**Condensed Interim Portfolio Statement
 As at 30 June 2022**

Group

Description of Property	Tenure of Land	Term of Lease	Remaining Term of Lease	Location	Existing Use	Carrying Value		Percentage of Total Net Assets	
						30/6/2022 S\$'000	31/12/2021 S\$'000	30/6/2022 %	31/12/2021 %
Investment properties in Singapore									
Retail									
Westgate	Leasehold	99 years	88 years	3 Gateway Drive	Commercial	1,090,971	1,091,000	7.7	8.0
Bugis Junction	Leasehold	99 years	67 years	200 Victoria Street	Commercial	1,088,933	1,088,000	7.7	8.0
Tampines Mall	Leasehold	99 years	69 years	4 Tampines Central 5	Commercial	1,078,293	1,078,000	7.6	7.9
Junction 8	Leasehold	99 years	68 years	9 Bishan Place	Commercial	796,440	796,000	5.7	5.8
Bedok Mall	Leasehold	99 years	88 years	311 New Upper Changi Road	Commercial	784,968	784,739	5.6	5.8
IMM Building	Leasehold	60 years	27 years	2 Jurong East Street 21	Commercial Warehouse	709,072	709,002	5.0	5.2
Lot One Shoppers' Mall	Leasehold	99 years	70 years	21 Choa Chu Kang Avenue 4	Commercial	544,099	543,500	3.9	4.0
Bugis+	Leasehold	60 years	43 years	201 Victoria Street	Commercial	355,153	354,162	2.5	2.6
Bukit Panjang Plaza	Leasehold	99 years	71 years	1 Jelebu Road	Commercial	344,509	344,455	2.4	2.5
Clarke Quay	Leasehold	99 years	67 years	3A/B/C/D/E River Valley Road	Commercial	344,064	342,624	2.4	2.5
Balance carried forward						7,136,502	7,131,482	50.5	52.3

Condensed Interim Portfolio Statement (cont'd)
As at 30 June 2022

Group	Description of Property	Tenure of Land	Term of Lease	Remaining Term of Lease	Location	Existing Use	Carrying Value		Percentage of Total Net Assets	
							30/6/2022 S\$'000	31/12/2021 S\$'000	30/6/2022 %	31/12/2021 %
	Balance brought forward						7,136,502	7,131,482	50.5	52.3
Office										
	Asia Square Tower 2	Leasehold	99 years	85 years	12 Marina View	Commercial	2,225,000	2,225,000	15.8	16.3
	CapitaGreen	Leasehold	99 years	51 years	138 Market Street	Commercial	1,657,035	1,657,000	11.8	12.1
	Capital Tower	Leasehold	99 years	73 years	168 Robinson Road	Commercial	1,451,871	1,449,000	10.3	10.6
	Six Battery Road	Leasehold	999 years	802 years	6 Battery Road	Commercial	1,449,215	1,445,000	10.3	10.6
	CapitaSky ¹	Leasehold	99 years	45 years	79 Robinson Road	Commercial	1,268,737	-	9.0	-
	21 Collyer Quay	Leasehold	999 years	827 years	21 Collyer Quay	Commercial	634,433	629,900	4.5	4.6
Integrated Developments										
	Raffles City Singapore	Leasehold	99 years	56 years	250 and 252 North Bridge Road, 2 Stamford Road and 80 Bras Basah Road	Commercial	3,098,554	3,072,000	22.0	22.5
	Plaza Singapura	Freehold	NA	NA	68 Orchard Road	Commercial	1,339,063	1,339,000	9.5	9.8
	Funan	Leasehold	99 years	56 years	107 & 109 North Bridge Road	Commercial	787,269	785,000	5.6	5.7
	The Atrium@Orchard	Leasehold	99 years	85 years	60A & 60B Orchard Road	Commercial	756,282	756,200	5.4	5.5
	Balance carried forward						21,803,961	20,489,582	154.7	150.0

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

Condensed Interim Portfolio Statement (cont'd)
As at 30 June 2022

Group	Description of Property	Tenure of Land	Term of Lease	Remaining Term of Lease	Location	Existing Use	Carrying Value		Percentage of Total Net Assets	
							30/6/2022	31/12/2021	30/6/2022	31/12/2021
							S\$'000	S\$'000	%	%
	Balance brought forward						21,803,961	20,489,582	154.7	150.0
	Investment properties in Germany									
	Office									
	Gallileo	Freehold	NA	NA	Gallusanlage 7	Commercial	471,503	499,974	3.3	3.7
	Main Airport Center	Freehold	NA	NA	Unterschweinstiege 2-14	Commercial	416,235	441,515	3.0	3.2
	Investment properties in Australia									
	Office									
	100 Arthur Street ²	Freehold	NA	NA	100 Arthur Street	Commercial	368,793	-	2.6	-
	66 Goulburn Street ²	Leasehold	111 – 125 years	94 years	Civic Tower, 66 Goulburn Street	Commercial	324,334	-	2.3	-
	Integrated Developments									
	101 – 103 Miller Street and Greenwood Plaza ³	Freehold	NA	NA	101 – 103 Miller Street & 36 Blue Street	Commercial	426,517	-	3.0	-
							23,811,343	21,431,071	168.9	156.9
	Asset held for sale in Singapore									
	JCube ⁴	Leasehold	99 years	68 years	2 Jurong East Central 1	Commercial	-	278,000	-	2.0
	Other assets and liabilities (net)									
							(9,502,369)	(8,013,371)	(67.4)	(58.7)
	Net assets of the Group						14,308,974	13,695,700	101.5	100.2
	Non-controlling interests						(209,705)	(27,946)	(1.5)	(0.2)
	Net assets attributable to Unitholders						14,099,269	13,667,754	100.0	100.0

NA Not Applicable

Footnotes:

¹ New acquisition was completed on 27 April 2022.

² New acquisition was completed on 24 March 2022.

³ New acquisition was completed on 21 June 2022.

⁴ The divestment was completed on 10 March 2022.

Condensed Interim Statement of Cash Flows
Six-month period ended 30 June 2022

	Group	
	Six-month period ended 30/6/2022 S\$'000	Six-month period ended 30/6/2021 S\$'000
Cash flows from operating activities		
Total return for the period	416,169	327,988
Adjustments for:		
Amortisation of lease incentives	(4,007)	(3,689)
Depreciation and amortisation	2,235	2,507
Doubtful debt written off	8	66
Finance costs	104,428	105,052
Gain on disposal of investment property	(57,257)	-
Gain on disposal of plant and equipment	-	(1)
Interest and other income	(2,474)	(4,038)
Investment income	(3,904)	(2,167)
Management fees paid/payable in units	21,380	20,393
Net change in fair value of financial derivatives	(1,082)	-
Share of results of joint ventures	(6,370)	(6,731)
Taxation	6,485	7,411
Write back of doubtful debts	(36)	(1,566)
Operating income before working capital changes	475,575	445,225
Changes in working capital:		
Trade and other receivables	(5,265)	23,505
Trade and other payables	(20,509)	(59,766)
Security deposits	12,727	12,400
Cash generated from operations	462,528	421,364
Income tax paid	(8,963)	(4,227)
Net cash from operating activities	453,565	417,137
Cash flows from investing activities		
Capital expenditure on investment properties	(39,734)	(47,852)
Distribution received from joint ventures	6,751	2,855
Distribution received from equity investments at fair value	3,904	2,167
Interest received	359	881
Net cash inflow on divestment of investment property	331,128	-
Net cash outflow on acquisition of subsidiaries (Note 10)	(1,152,698)	-
Purchase of plant and equipment	(199)	(197)
Proceeds from disposal of plant and equipment	-	1
Return of capital from joint venture	53	-
Net cash used in investing activities	(850,436)	(42,145)
Cash flows from financing activities		
Distribution paid to Unitholders	(338,784)	(112,590)
Distribution paid to non-controlling interests	(835)	(888)
Interest paid	(104,112)	(104,917)
Payment of issue and financing expenses	(7,810)	(7,290)
Payment of lease liabilities	(1,427)	(1,411)
Proceeds from loans and borrowings	3,670,235	1,413,935
Repayment of loans and borrowings	(2,958,429)	(1,395,206)
Net cash from/(used in) financing activities	258,838	(208,367)

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

Condensed Interim Statement of Cash Flows (cont'd)
Six-month period ended 30 June 2022

	Group	
	Six-month period ended 30/6/2022 S\$'000	Six-month period ended 30/6/2021 S\$'000
Net increase in cash and cash equivalents	(138,033)	166,625
Cash and cash equivalents at beginning of the period	365,133	183,617
Cash and cash equivalents at end of the period	227,100	350,242

Significant non-cash transactions

In the six-month period ended 30 June 2022,

- a) 15,077,037 (1H 2021: 5,291,930) units were issued to the Manager as payment for the management fees payable in units, amounting to S\$30,617,000 (1H 2021: S\$11,389,000);
- b) 804,962 (1H 2021: Nil) units were issued to the Manager as payment for the divestment fees payable in units in respect of the divestment of JCube, amounting to S\$1,700,000 (1H 2021: Nil); and
- c) 5,056,101 (1H 2021: Nil) units were issued to the Manager as payment for the acquisition fees payable in units in respect of the acquisitions of 66 Goulburn Street and 100 Arthur Street as well as CapitaSky, amounting to S\$11,228,000 (1H 2021: Nil).

Notes to the Condensed Interim Financial Statements

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

1 General

CapitaLand Integrated Commercial Trust (the “Trust”), formerly known as CapitaLand Mall Trust (“CMT”) is a Singapore-domiciled unit trust constituted pursuant to the trust deed dated 29 October 2001 (as amended) (the “Trust Deed”) between CapitaLand Integrated Commercial Trust Management Limited (the “Manager”), formerly known as CapitaLand Mall Trust Management Limited and HSBC Institutional Trust Services (Singapore) Limited (the “Trustee”). The Trust Deed is governed by the laws of the Republic of Singapore. The Trustee is under a duty to take into custody and hold the assets of the Trust and its subsidiaries (the “Group”) in trust for the holders (“Unitholders”) of units in the Trust (the “Units”).

The Trust was formally admitted to the Official List of the Singapore Exchange Securities Trading Limited (“SGX-ST”) on 17 July 2002 (“Listing Date”) and was included under the Central Provident Fund (“CPF”) Investment Scheme on 13 September 2002.

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

These Condensed Interim Financial Statements as at and for the six-month period ended 30 June 2022 relate to the Trust and its subsidiaries (the “Group”).

2 Basis of preparation

The Condensed Interim Financial Statements of the Group 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 (“ISCA”), the applicable requirements of the Code on Collective Investment Scheme (“CIS Code”) issued by the Monetary Authority of Singapore (“MAS”) and the provisions of the Trust Deed. RAP 7 requires that the accounting policies to generally comply with the principles relating to recognition and measurement of the Singapore Financial Reporting Standards (“FRS”).

The Condensed Interim Financial Statements does not include all of the information required for full annual financial statements and should be read in conjunction with the last issued audited financial statements of the Group as at 31 December 2021.

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

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

In preparing these Condensed Interim Financial Statements, significant judgements made by the Manager in applying the Group’s accounting policies and the key sources of estimation uncertainty were the same as those that applied to the last issued audited financial statements as at and for the year ended 31 December 2021.

The accounting policies applied are consistent with those applied by the Group in its last issued audited financial statements as at and for the year ended 31 December 2021, except as disclosed in Note 2.1.

2.1 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 2022.

The application of these amendments to standards does not have a material effect on the financial statements.

3 Investment properties

	Note	Group		Trust	
		30/6/2022 S\$'000	31/12/2021 S\$'000	30/6/2022 S\$'000	31/12/2021 S\$'000
At 1 January		21,431,071	21,366,075	7,814,943	8,028,300
Acquisition of investment properties ¹	10	2,419,425	-	-	-
Capital expenditure		42,343	86,050	7,234	25,211
Net change in fair value of investment properties		-	270,507	-	39,432
Reclassification to asset held for sale ²		-	(278,000)	-	(278,000)
Straight-lining of rental adjustments		5,941	20,911	-	-
Translation difference		(87,437)	(34,472)	-	-
At 30 June / 31 December		<u>23,811,343</u>	<u>21,431,071</u>	<u>7,822,177</u>	<u>7,814,943</u>

¹ Includes acquisition fees and acquisition related expenses of S\$84.3 million.

² Relates to JCube which has been divested on 10 March 2022.

Security

As at 30 June 2022, the Group's investment properties with a total carrying amount of S\$2,156.5 million (31 December 2021: S\$941.5 million) was pledged as security to banks to secure bank facilities (refer to Note 4).

As at 30 June 2022 and 31 December 2021, all investment properties held by the Trust are unencumbered.

Measurement of fair value

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

	Group		Trust	
	30/6/2022 S\$'000	31/12/2021 S\$'000	30/6/2022 S\$'000	31/12/2021 S\$'000
Fair value of investment properties	23,782,769	21,422,689	7,815,535	7,808,300
Add: Right-of-use asset classified within investment properties	1,584	158	1,209	158
Add: Carrying amount of lease liabilities	26,990	8,224	5,433	6,485
Carrying amount of investment properties	<u>23,811,343</u>	<u>21,431,071</u>	<u>7,822,177</u>	<u>7,814,943</u>

3 Investment properties (cont'd)

External valuation of the investment properties is conducted at least once a year. As at 31 December 2021, the carrying amounts of the investment properties were based on valuations performed by the independent external valuers, having appropriate recognised professional qualifications and recent experience in the location and category of the properties being valued.

The capitalisation method is an investment approach whereby the estimated gross passing income (on both a passing and market rent basis) is adjusted to reflect anticipated operating costs and a natural vacancy to produce the net income on a fully leased basis. The adopted fully leased net income is capitalised over the remaining term of the lease from the valuation date at an appropriate investment yield.

The discounted cash flow method involves the estimation and projection of a net income stream over a period and discounting the net income stream with an internal rate of return to arrive at the market value. The discounted cash flow method requires the valuer to assume a rental growth rate indicative of market and the selection of a target internal rate of return consistent with current market requirements.

The carrying amounts of the investment properties as at 30 June 2022 were based on internal assessment of the valuation of the investment properties in consultation with external valuers considering any significant changes in operating performance of the properties, movement in market data such as discount rates and capitalisation rates, against that of 31 December 2021, and adjusted for capital expenditure capitalised from 1 January to 30 June 2022 ("1H 2022"). The independent valuations as at 31 December 2021 were undertaken by Jones Lang LaSalle Property Consultants Pte Ltd, Knight Frank Pte Ltd, Savills Valuation and Professional Services (S) Pte Ltd, Colliers International Consultancy & Valuation (Singapore) Pte Ltd, Cushman & Wakefield VHS Pte. Ltd. and Knight Frank Valuation & Advisory GmbH & Co. KG. For the newly acquired properties completed in 1H 2022, CBRE Valuations Pty Limited, Jones Lang LaSalle Advisory Services Pty Ltd, Cushman & Wakefield VHS Pte. Ltd, Colliers International Consultancy & Valuation (Singapore) Pte Ltd. and Savills Valuations Pty Ltd conducted the valuations. Management has assessed that the carrying amounts of the investment properties as at 30 June 2022 approximate their fair values.

The ongoing novel coronavirus ("COVID-19") pandemic continued to affect market activity in many property sectors. As the impact of COVID-19 is fluid and evolving, significant market uncertainty exists. Certain valuers have retained the material uncertainty clauses in the valuation reports, highlighting that as a result of the ongoing COVID-19 pandemic, less certainty should be attached to the valuations than would normally be the case. Due to the uncertain future impact that the pandemic might have on the real estate market, the values might change more rapidly and significantly than during standard market conditions. The carrying amounts of the investment properties were current as at 30 June 2022 only.

4 Loans and borrowings

	Group		Trust	
	30/6/2022	31/12/2021	30/6/2022	31/12/2021
	S\$'000	S\$'000	S\$'000	S\$'000
<u>Secured borrowings¹</u>				
Amount repayable after one year	889,900	409,832	-	-
Less: Unamortised portion of transaction costs	(803)	(965)	-	-
Net secured borrowings repayable after one year	889,097	408,867	-	-
<u>Unsecured borrowings</u>				
Amount repayable after one year ²	7,725,018	7,187,508	5,769,891	4,721,413
Less: Unamortised portion of transaction costs	(16,218)	(13,739)	(10,075)	(11,349)
Net unsecured borrowings repayable after one year	7,708,800	7,173,769	5,759,816	4,710,064
Amount repayable within one year ³	1,113,653	595,541	340,000	190,100
Less: Unamortised portion of transaction costs	(519)	(900)	(191)	(882)
Net unsecured borrowings repayable within one year	1,113,134	594,641	339,809	189,218
Total unsecured borrowings	8,821,934	7,768,410	6,099,625	4,899,282
Grand total	9,711,031	8,177,277	6,099,625	4,899,282

¹ Details of secured borrowings are as follows:-

a) Loan facilities for Gallileo Co.

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

As at 30 June 2022, Gallileo Co. has drawn down EUR140.0 million (31 December 2021: EUR140.0 million).

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

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

4 Loans and borrowings (cont'd)

b) Loan facilities for MAC entities

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

As at 30 June 2022, MAC entities has drawn down EUR121.9 million (31 December 2021: EUR121.9 million).

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

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

c) Loan facilities for 79RR LLP

Under the loan agreement between the bank and 79RR LLP, the bank has granted 79RR LLP secured loan facilities of S\$539.0 million.

As at 30 June 2022, 79RR LLP has drawn down S\$504.0 million (31 December 2021: Nil).

As security for the facilities granted to 79RR LLP, 79RR LLP has granted in favour of the banks the following:

- (i) A first mortgage over the investment property;
- (ii) Assignment and charge of the rental proceeds, tenancy agreements and sales agreements relating to CapitaSky;
- (iii) Assignment of the insurance policies relating to CapitaSky; and
- (iv) A fixed and floating charge over the present and future assets of 79RR LLP relating to CapitaSky.

² As of 30 June 2022, loans and borrowings under non-current liabilities relate mainly to the fixed and floating rate notes issued by CMT MTN Pte. Ltd. through its US\$3.0 billion Euro-Medium Term Note Programme and S\$7.0 billion Multicurrency Medium Term Note Programme, fixed and floating rate notes issued by CCT MTN Pte. Ltd. through its S\$2.0 billion Medium Term Note Programme, as well as fixed rate notes issued by RCS Trust through its US\$2.0 billion Euro-Medium Term Note Programme and unsecured bank borrowings of the Group.

³ As of 30 June 2022, loans and borrowings under current liabilities relate to Medium Term Notes of JPY8.6 billion and S\$100.0 million and Euro-Medium Term Notes of HKD885.0 million issued by CMT MTN Pte. Ltd., Medium Term Notes of S\$75.0 billion and JPY8.6 billion issued by CCT MTN Pte. Ltd. and Euro-Medium Term Notes of S\$300.0 million issued by RCS Trust as well as bank borrowings due in the next 12 months.

5 Units in issue

	Group and Trust	
	30/6/2022	31/12/2021
	'000	'000
Units in issue:		
At 1 January	6,608,618	6,470,704
Units created:		
- management fees paid ^(a)	15,077	10,363
- divestment fees paid ^(b)	805	-
- acquisition fees paid ^(c)	5,056	-
- private placement ^(d)	-	127,551
Total issued units at 30 June / 31 December	6,629,556	6,608,618
Units to be issued:		
- payment of management fees	7,427	12,718
Total issued and issuable units at 30 June / 31 December	6,636,983	6,621,336

Units issued during the period/year were as follows:

- (a) 15,077,037 (2021: 10,363,224) Units were issued at issue price of S\$1.9945 to S\$2.2257 (2021: S\$2.0549 to S\$2.1613) per Unit, amounting to S\$30,616,542 (2021: S\$21,914,901) issued as payment of the 50.0% base component of the management fee for the period from 1 October 2021 to 31 March 2022 (2021: 3 November 2020 to 30 September 2021) and 50.0% of the performance component of the management fee for the period from 1 January 2021 to 31 December 2021 (2021: 3 November 2020 to 31 December 2020). The remaining 50.0% base component, and 50.0% performance component, of the management fee will be paid in cash.
- (b) 804,962 (2021: Nil) Units were issued at issue price of S\$2.1119 (2021: Nil) on 22 March 2022 as payment of the divestment fee of S\$1.7 million in connection with the divestment of JCube.
- (c) 3,133,611 Units were issued at issue price of S\$2.1758 on 8 April 2022 and 1,922,490 Units were issued at issue price of S\$2.2939 on 18 May 2022 as payments of the acquisition fee of S\$6.8 million and S\$4.4 million in respect of the acquisitions of 66 Goulburn Street and 100 Arthur Street as well as CapitaSky respectively.
- (d) 127,551,000 new units were issued pursuant to the private placement at an issue price of S\$1.960 per unit on 16 December 2021.

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

	Group		Trust	
	30/6/2022	31/12/2021	30/6/2022	31/12/2021
Number of Units issued at end of the period / year	6,629,556,440	6,608,618,340	6,629,556,440	6,608,618,340
NAV ¹ (S\$'000)	14,083,139	13,642,388	13,163,387	12,726,902
NTA ¹ (S\$'000)	14,083,131	13,642,370	13,163,387	12,726,902
NAV / NTA per Unit ² (S\$)	2.12	2.06	1.99	1.93
Adjusted NAV / NTA per Unit (excluding the distributable income) (S\$)	2.07	2.06	1.93	1.92

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

7 Gross revenue

	Group	
	Six-month period ended 30/6/2022	Six-month period ended 30/6/2021
	S\$'000	S\$'000
Gross rental income	649,293	612,849
Car park income	15,930	14,047
Other income	22,376	18,761
	687,599	645,657
	687,599	645,657

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

8 Property operating expenses

	Group	
	Six-month period ended 30/6/2022	Six-month period ended 30/6/2021
	S\$'000	S\$'000
Property tax	61,635	60,450
Utilities	23,558	15,738
Property management fees	23,074	22,020
Property management reimbursements	31,250	30,755
Marketing	6,023	5,079
Maintenance	33,145	34,326
Depreciation and amortisation	2,235	2,507
Write back of doubtful debts	(36)	(1,566)
Doubtful debts written off	8	66
Others	5,087	4,119
	185,979	173,494
	185,979	173,494

9 Finance costs

	Group	
	Six-month period ended 30/6/2022	Six-month period ended 30/6/2021
	S\$'000	S\$'000
Interest expense	97,238	101,242
Transaction costs	6,899	3,669
Interest from lease liabilities	291	141
	104,428	105,052
	104,428	105,052

10 Significant Acquisitions and Disposal

The Group acquires subsidiaries that own real estate. At the time of acquisition, the Group considers whether each acquisition represents the acquisition of a business or the acquisition of an asset. The Group accounts for an acquisition as a business combination where an integrated set of activities is acquired in addition to the property. Typically, the Group assesses the acquisition as a purchase of business when the strategic management function and the associated processes were purchased along with the underlying property.

During the period, there were the following acquisitions:-

- 1) On 24 March 2022, the Group completed the acquisition of
 - i. 66 Goulburn Street, Sydney, Australia, held through indirect wholly owned subsidiary, Gateway Goulburn Trust.
 - ii. 100 Arthur Street, Sydney, Australia, held through indirect wholly owned subsidiary, Gateway Arthur Trust.
- 2) On 27 April 2022, the Group completed the acquisition of CapitaSky, held through wholly owned subsidiary, 79RR Office Trust's 70.0% interest in 79RR LLP.
- 3) On 21 June 2022, the Group completed the acquisition of 101-103 Miller Street and Greenwood Plaza, North Sydney, Australia, 50.0% interest held through indirect wholly owned subsidiary, Monopoly Trust.

The acquisitions have been accounted for as acquisitions of assets as no integrated activities are acquired.

Effects of acquisition

The identifiable assets acquired, liabilities assumed and effect of cash flows are presented as follows:

	Australian Acquisitions¹	79RR LLP	Group
	S\$'000	S\$'000	S\$'000
Investment properties	1,077,454	1,257,641	2,335,095
Plant and equipment	-	75	75
Trade and other receivables	2,104	302	2,406
Cash and cash equivalents	15,471	11,795	27,266
Trade and other payables	(3,854)	(25,734)	(29,588)
Loans and borrowings	(332,647)	(618,000)	(950,647)
Lease liabilities	(21,192)	-	(21,192)
Financial derivatives	720	-	720
Provision for taxation	-	(6,631)	(6,631)
Security deposits	-	(13,418)	(13,418)
Total identifiable net assets acquired	738,056	606,030	1,344,086
Less: Non-controlling interest	-	(181,809)	(181,809)
Identifiable net assets acquired	738,056	424,221	1,162,277
Add: Acquisition costs incurred	73,987	10,343	84,330
Less: Acquisition fee paid in units	(6,818)	(4,410)	(11,228)
Less: Cash and cash equivalents in subsidiary acquired	(15,471)	(11,795)	(27,266)
Less: Deposits paid in 2021	(53,647)	-	(53,647)
Less: Remaining purchase consideration payable	-	(1,768)	(1,768)
Net cash outflow on acquisition	736,107	416,591	1,152,698

¹ Refers to Gateway Goulburn Trust, Gateway Arthur Trust and Monopoly Trust.

Gain on divestment of investment property

Gain on divestment of investment property relates to the sale of JCube which was completed on 10 March 2022.

11 Earnings per unit

Basic earnings per unit

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

	Group	
	Six-month period ended 30/6/2022 S\$'000	Six-month period ended 30/6/2021 S\$'000
Total return attributable to Unitholders	413,654	327,431
Number of Units	'000	'000
Weighted average number of units at the end of the period	6,620,035	6,473,511
Basic earnings per unit (cents)	6.25	5.06

Diluted earnings per unit

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

	Group	
	Six-month period ended 30/6/2022 '000	Six-month period ended 30/6/2021 '000
Weighted average number of units		
Weighted average number of units used in calculation of basic earnings per unit	6,620,035	6,473,511
- effect of payment of management fees	7,386	7,136
Weighted average number of units at the end of the period	6,627,421	6,480,647
Diluted earnings per unit (cents)	6.24	5.05

12 Financial ratios

	Group	
	Six-month period ended 30/6/2022	Six-month period ended 30/6/2021
	%	%
Expenses to weighted average net assets ¹		
- including performance component of Manager's management fees	0.68	0.68
- excluding performance component of Manager's management fees	0.38	0.38
Portfolio turnover ratio ²	2.43	-

¹ The annualised ratios are computed in accordance with the guidelines of Investment Management Association of Singapore. The expenses used in the computation relate to expenses of the Group, excluding property expenses and finance costs.

² The annualised ratio is computed based on the lesser of purchases or sales of underlying investment properties of the Group expressed as a percentage of weighted average net asset value.

	Group	
	30/6/2022	31/12/2021
Aggregate leverage (%)	40.6	37.2
Interest coverage (times)	4.1x	4.1x

Other Information Required by Listing Rule Appendix 7.2

CAPITALAND INTEGRATED COMMERCIAL TRUST
2022 FIRST HALF UNAUDITED FINANCIAL STATEMENTS AND DISTRIBUTION ANNOUNCEMENT

1 Summary of CICT Results

	1 January to 30 June 2022 ("1H 2022")	1 January to 30 June 2021 ("1H 2021")	FY 2021	FY 2020
	Actual	Actual	Actual	Actual
Gross Revenue (S\$'000)	687,599	645,657	1,305,051	745,209
Net Property Income (S\$'000)	501,620	472,163	951,082	512,740
Amount Available for Distribution (S\$'000)	351,200	338,061	687,416	375,645
Distributable Income (S\$'000) ^{1, 2, 3, 4}	347,296	335,894	674,713	369,384
Distribution Per Unit ("DPU") (cents)				
For the period / year	5.22¢	5.18¢	10.40¢	8.69¢

Footnotes:

- ¹ For 1H 2022, S\$3.9 million comprising S\$2.4 million and S\$1.5 million received from CLCT and Sentral REIT respectively had been retained for general corporate and working capital purposes.
- ² For 1H 2021, S\$2.2 million comprising S\$0.8 million and S\$1.4 million received from CLCT and Sentral REIT respectively had been retained for general corporate and working capital purposes.
- ³ For FY 2021, S\$12.7 million comprising S\$10.0 million and S\$2.7 million received from CLCT and Sentral REIT respectively had been retained for general corporate and working capital purposes.
- ⁴ For FY 2020, CICT had released S\$6.25 million taxable income from RCS Trust. S\$12.5 million received from CLCT had been retained for general corporate and working capital purposes.

DISTRIBUTION & RECORD DATE

Distribution	1 January to 30 June 2022			
Distribution type	Taxable ⁵	Tax-exempt ⁶	Capital ⁷	Total
Distribution rate (cents per Unit)	4.49¢	0.70¢	0.03¢	5.22¢
Record date	5 August 2022			
Payment date	9 September 2022			

Footnotes:

- ⁵ Taxable income distribution includes a rollover adjustment of S\$37.0 million arising from the COVID-19 cash grants received by the Group in FY 2020, which was previously included as part of the taxable income distribution in FY 2020. The COVID-19 cash grants received from the Government are exempted from tax. A corresponding adjustment of S\$37.0 million has been included in the tax-exempt income for 1H 2022 with no resultant impact to the distributable income for 1H 2022.
- ⁶ Tax-exempt income includes the COVID-19 cash grants of S\$37.0 million received by the Group in FY 2020 (see footnote 5).
- ⁷ This relates to the distribution of income repatriated from Australia by way of tax deferred distributions.

2 Other information

The Condensed Interim Financial Statements of CapitaLand Integrated Commercial Trust and its subsidiaries (the "Group") as at and for the six-month period ended 30 June 2022 including certain explanatory notes have not been audited or reviewed.

CAPITALAND INTEGRATED COMMERCIAL TRUST
2022 FIRST HALF UNAUDITED FINANCIAL STATEMENTS AND DISTRIBUTION ANNOUNCEMENT

3 Review of the Performance

Statement of Total Return and Distribution Statements

<u>Statements of Total Return</u>	Group		
	1H 2022 S\$'000	1H 2021 S\$'000	% Change
Gross revenue	687,599	645,657	6.5
Property operating expenses	(185,979)	(173,494)	7.2
Net property income	501,620	472,163	6.2
Interest and other income	2,474	4,038	(38.7)
Investment income ¹	3,904	2,167	80.2
Management fees	(42,760)	(40,785)	4.8
Trust expenses	(2,865)	(3,863)	(25.9)
Finance costs	(104,428)	(105,052)	(0.6)
Net income before share of results of joint ventures	357,945	328,668	8.9
Share of results (net of tax) of:			
- Joint Ventures ²	6,370	6,731	(5.4)
Net income	364,315	335,399	8.6
Net change in fair value of financial derivatives	1,082	-	NM
Gain on divestment of investment property	57,257	-	NM
Total return before tax	422,654	335,399	26.0
Taxation ³	(6,485)	(7,411)	(12.5)
Total return	416,169	327,988	26.9
<u>Attributable to</u>			
Unitholders	413,654	327,431	26.3
Non-controlling interests	2,515	557	NM
Total return	416,169	327,988	26.9
 <u>Distribution Statements</u>			
Total return attributable to Unitholders	413,654	327,431	26.3
Net tax and other adjustments	(111,535)	(1,682)	NM
Tax-exempt income from subsidiaries	46,676	4,800	NM
Capital distribution from subsidiaries	2,370	-	NM
Distribution income (taxable) from joint ventures	35	7,512	(99.5)
 Amount available for distribution to Unitholders	351,200	338,061	3.9
Distributable income to Unitholders	347,296	335,894	3.4
 DPU (in cents)			
For the period	5.22	5.18	0.8

Footnotes:

- This relates to distribution income from equity investments in CLCT and Sentral REIT.
- For 1H 2022, this relates to CICT's share of results of GOT & GSRT (45.0%). For 1H 2021, this relates to CICT's share of results of Infinity Office Trust ("IOT") (30.0%), One George Street LLP ("OGS LLP") (50.0%) and GOT & GSRT (45.0%).
- Taxation includes income tax expenses and deferred tax expenses in relation to the temporary differences arising from the fair value changes of overseas investment properties held by the Group.

NM – Not meaningful.

CAPITALAND INTEGRATED COMMERCIAL TRUST
2022 FIRST HALF UNAUDITED FINANCIAL STATEMENTS AND DISTRIBUTION ANNOUNCEMENT

1H 2022 vs 1H 2021

1H 2022 gross revenue for CICT properties at S\$687.6 million was higher than 1H 2021 by S\$41.9 million or 6.5%. The increase was mainly due to contribution from the enlarged portfolio following the acquisitions of 66 Goulburn Street, 100 Arthur Street, 50.0% interest in 101-103 Miller Street and Greenwood Plaza in Sydney, Australia and CapitaSky (the "Acquisitions") as well as lower rental waiver granted to tenants in 1H 2022.

Property operating expenses for 1H 2022 were S\$186.0 million, an increase of S\$12.5 million or 7.2% compared to 1H 2021. Excluding the effect of the Acquisitions, the increase was mainly due to higher utilities, consultancy and general and administrative expenses, partially offset by lower expenses arising from the divestment of JCube which was completed on 10 March 2022 and lower maintenance expenses.

As a result, net property income ("NPI") for 1H 2022 increased by 6.2% year-on-year ("y-o-y").

Management fees at S\$42.8 million were S\$2.0 million or 4.8% higher than 1H 2021. This was mainly due to the increase in NPI and total assets of the enlarged portfolio.

Finance costs for 1H 2022 were S\$0.6 million or 0.6% lower than 1H 2021. Excluding the accounting effect of the purchase price allocation adjustment of certain fixed rate borrowings in 1H 2022, finance costs was higher due to the incremental borrowings in relation to the Acquisitions which was partially offset by repayment of borrowings with the temporary deployment of proceeds from the divestments of One George Street ("OGS") and JCube and Private Placement prior to the completion of the Acquisitions.

Share of results of joint ventures of S\$6.4 million was S\$0.4 million lower than 1H 2021. This was mainly due to the divestment of OGS which was completed on 9 December 2021 and higher finance costs from GOT and GSRT, partially offset by higher NPI from GOT and GSRT as a result of CapitaSpring commencing operations progressively from 4Q 2021.

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Group Balance Sheet as at 30 June 2022

	Group	
	30/6/2022	31/12/2021
	S\$'000	S\$'000
Non-current assets		
Plant and equipment	5,851	6,121
Investment properties	23,811,343	21,431,071
Joint ventures	328,621	320,347
Equity investments at fair value	188,960	193,168
Financial derivatives	39,924	20,639
Deferred tax asset	5,502	6,855
Other non-current asset	1,258	1,608
	24,381,459	21,979,809
Current assets		
Asset held for sale	-	278,000
Trade and other receivables	52,798	108,668
Cash and cash equivalents	227,100	365,133
Financial derivatives	24,928	10,240
	304,826	762,041
Total assets	24,686,285	22,741,850
Current liabilities		
Financial derivatives	24,164	-
Trade and other payables	257,024	557,481
Current portion of security deposits	114,853	94,318
Loans and borrowings	1,113,134	594,641
Lease liabilities	1,815	2,261
Provision for taxation	11,522	10,108
	1,522,512	1,258,809
Non-current liabilities		
Financial derivatives	31,005	32,428
Trade and other payables	35,147	1,072
Loans and borrowings	8,597,897	7,582,636
Lease liabilities	25,175	5,963
Non-current portion of security deposits	153,359	153,578
Deferred tax liability	12,216	11,664
	8,854,799	7,787,341
Total liabilities	10,377,311	9,046,150
Net assets	14,308,974	13,695,700
Represented by:		
Unitholders' funds	14,099,269	13,667,754
Non-controlling interests	209,705	27,946
	14,308,974	13,695,700

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The increase in investment properties compared to 31 December 2021 was mainly due to the Acquisitions.

As at 30 June 2022, joint ventures refer to 45.0% interest in GOT and 45.0% interest in GSRT (including unitholder's loans). As at 31 December 2021, joint ventures refer to 30.0% interest in IOT, 50.0% interest in OGS LLP, 45.0% interest in GOT and 45.0% interest in GSRT (including unitholder's loans).

Equity investments at fair value as at 30 June 2022 relates to CICT's 8.0% interest in CLCT at fair value of S\$153.4 million and CICT's 10.9% interest in Sentral REIT at fair value of S\$35.6 million.

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

Deferred tax asset relates to the temporary differences arising from the fair value adjustment recognised on the fixed rate borrowings of CCT Group and RCS Trust in relation to the Merger.

Asset held for sale as at 31 December 2021 relates to the reclassification of JCube from investment properties as a result of the divestment.

In FY 2021, trade and other receivables include deposits paid for the acquisitions.

Cash and cash equivalents decreased as this was used to pare down debts.

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

The decrease in trade and other payables was mainly due to advanced distribution that was paid on 28 January 2022.

The increase in loans and borrowings for the Group was mainly due to drawdown of loans to partially fund the Acquisitions and consolidation of loans and borrowings of the newly acquired subsidiaries.

Lease liabilities relate to the lease liabilities recognised by the Group on its existing operating lease arrangements in accordance with the principles of FRS 116 *Leases*.

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

4 Variance from Previous Forecast / Prospect Statement

CICT has not disclosed any forecast to the market.

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

A. Singapore

Singapore's preparedness for the reopening and resumption of activities since end of 2021 has boosted consumer and business confidence. Gradual resumption of commercial, social and travel activities took place in 1H 2022. However, there has been growing concerns such as the ongoing Ukraine war, rising interest rate environment and inflationary cost pressure, which are expected to continue in 2H 2022.

Since 26 April 2022, Singapore has lifted most safe management measures. However, mask-wearing continue to be required in indoor settings when people leave their homes, including on public transport. There was relaxation of border measures as fully vaccinated and well travellers will not require any tests to enter Singapore. About 96% of eligible population in Singapore has completed the full regimen of vaccination and 78% of the total population has received booster shots as at 7 July 2022.

On the economic front, year-on-year, Singapore's core inflation rose to 4.4% in June 2022, and up from 3.6% in May 2022. The items leading the increase included food, services, retail & other goods as well as electricity and gas. The consumer price index (CPI)-All items inflation increased to 6.7% year-on-year in June 2022, up from 5.6% in May 2022. This rise was due to the core inflation hike as well as higher accommodation and private transport inflation.

The Ministry of Trade and Industry Singapore's advance estimates reported that Singapore economy grew by 4.8% on a year-on-year basis in 2Q 2022, extending the 4.0% growth in 1Q 2022. On a quarter-on-quarter (q-o-q) seasonally adjusted basis, the GDP was unchanged after an expansion of 0.9% in the first quarter.

A1. Retail operating environment

Based on figures released by Singapore Department of Statistics, the retail sales index (excluding motor vehicle sales) on a year-on-year basis increased by 17.4% and 22.6% in April 2022 and May 2022 respectively. The year-on-year increase in retail sales in May 2022 was mainly attributed to the low base in May 2021 when measures such as international travel restrictions were in place. On a month-on-month basis, the seasonally adjusted retail sales increased by 1.7% in April 2022 and 2.7% in May 2022.

Online retail sales contributed 13.6% of estimated total retail sales value of S\$3.5 billion (excluding motor vehicle sales) in May 2022, compared to the 14.2% of S\$3.3 billion recorded in April 2022.

Singapore island wide retail occupancy rate was 91.8% as at 30 June 2022, an increase from last quarter, based on Urban Redevelopment Authority (URA)'s retail space vacancy rate.

Average prime retail rent island wide and for Orchard Road was stable q-o-q in 2Q 2022. Prime retail rent island wide dipped marginally by 0.6% year-on-year to S\$24.75 per square foot per month while prime retail rent in Orchard Road decreased by 1.0% to S\$34.20 per square foot per month. Yet, prime retail rent in the suburban malls saw a rise by 0.2% q-o-q and 1.3% y-o-y to S\$30.20 per square foot per month.

CBRE Singapore expects a more meaningful retail rent recovery after 2H 2022, given the below-historical average new retail supply in the next few years.

A2. Office operating environment

According to CBRE Singapore, although renewals formed the main transactions, there were demand for new set-ups in the legal sector and non-bank financial institutions in 2Q 2022. Core CBD Grade A office vacancy rate as at 30 June 2022 tightened to 4.4% (1Q 2022: 4.5%), while Core CBD and island wide vacancy rates expanded to 6.4% (1Q 2022: 6.2%) and 6.0% (1Q 2022: 5.8%) respectively.

Core CBD Grade A monthly office market rent was S\$11.30 per square foot as at 30 June 2022, up 3.2% quarter-on-quarter and 7.6% year-on-year. This was the fastest rate of increase since market rent recovery in 2Q 2021. Core CBD Grade A office rent is expected to grow 8.3% for the full year 2022, compared to 3.8% in 2021.

CBRE Singapore expects well established and financially sound tech companies to continue to grow their footprint in Singapore as their long-term prospects remain intact.

B. Germany

Germany's gross domestic product (GDP) rose by 0.2% quarter-on-quarter in 1Q 2022 after adjustment for price, seasonal and calendar variations. Due to the continuing Covid-19 crisis, supply bottlenecks and the war in Ukraine, this rate is subject to larger uncertainties than usual. All in all, GDP is expected to grow by 2.5% this year and by 3.7% next year.

The inflation rate in Germany, or the year-on-year change in the consumer price index, stood at +7.6% in June 2022. This was a drop from May 2022, when the inflation rate was +7.9%. Price increases for energy products is the main reason for the high inflation.

CBRE Germany reported that Frankfurt's office market saw a take-up of 81,800 square metres (sqm) or a y-o-y decline of 4% in 2Q 2022. There were more leasing activity for space between 1,000 and 3,000 sqm compared to space above 5,000 sqm. Occupier demand continues to move towards new and modern spaces that support hybrid working, as well as ESG and sustainability requirements.

Vacancy rate for the overall Frankfurt market rose by 1.2% y-o-y to 7.9% and up by 0.1% on a quarterly basis. The Banking District sub-market and the Frankfurt Airport sub-market recorded increases in vacancy to 3.9% and 6.0% respectively.

C. Australia

Australia's GDP grew 0.8% quarter-on-quarter in 1Q 2022, after the strong surge to 3.4% in 4Q 2021 due to the reopening. The Reserve Bank of Australia expects GDP to grow by 4.25% over 2022, and by 2% over 2023.

On the other hand, the annual inflation rate in Australia jumped to 5.1% in 1Q 2022 from 3.5% in 4Q 2021, reflecting soaring fuel prices and surging building cost. Transport prices rose the most while additional upward pressures largely came from cost of food and non-alcoholic beverages, alcohol & tobacco, housing and furnishings.

According to Cushman & Wakefield, more than 210,000 sqm of new and refurbished space is projected to come online in the Sydney CBD over 2022, and 65% of which has pre-commitments. Vacancy rate hovered around 9.3% as at January 2022 (Based on average vacancy rate across premium, Grade A and Grade B office buildings in Sydney CBD. *Source: Property Council of Australia and Cushman & Wakefield*), while leasing activities remained strong and rent incentives were stable.

There is a flight to quality which resulted in increases in face rents in high quality buildings in core locations.

D. Conclusion

Based on portfolio property value, CICT's geographical exposure is 92% in Singapore, 4% in Germany and 4% in Australia. The reopening and recovery rate of the respective markets where CICT has presence, varies accordingly. The recovery trend is complicated by the ongoing Ukraine war, rising interest rate environment and inflationary cost pressure.

In Singapore, CICT's portfolio benefited from the recovery and are seeing positive trends. For Germany, the portfolio remains stable. The new portfolio will allow CICT to ride the recovery in Sydney, Australia.

To leverage opportunities and mitigate the challenges, the Manager continues to be disciplined in its portfolio reconstitution including acquisition and divestments and remain proactive and agile in the portfolio and asset management. Underpinning these strategies are prudent capital management and active focus on the Environment, Social and Governance (ESG) areas.

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6 Distributions

6 (a) Current financial period

Any distributions declared for the current financial period? Yes.

Name of distribution : Distribution for 1 January 2022 to 30 June 2022

Distribution Type	Distribution Rate Per Unit (cents)
Taxable Income	4.49
Tax-exempt income	0.70
Capital	0.03
Total	5.22

Par value of Units : NA

Tax rate : Taxable Income Distribution

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

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

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

Tax-exempt income distribution

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

Capital distribution

The capital distribution component represents a return of capital to unitholders for Singapore income tax purposes. No tax will be deducted at source from this component. The amount of the capital distribution component will be applied to reduce the cost base of unitholders' Units for Singapore income tax purposes. For unitholders who are liable to Singapore income tax on profits from the sale of their Units, the reduced cost base of their Units will be used to calculate any taxable trading gains arising from the disposal of their Units.

Remarks : NA

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6 (b) Corresponding period of the preceding financial period

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

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

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

Par value of Units : NA

Tax rate : Taxable Income Distribution

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

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

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

Tax-exempt income distribution

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

Remarks : NA

6 (c) Date payable : 9 September 2022

6 (d) Record date : 5 August 2022

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

NA

8 Interested Person Transactions

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

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

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

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

To the best of our knowledge, nothing has come to the attention of the Board of Directors of the Manager which may render the unaudited interim financial statements of the Group and the Trust (comprising the statements of financial position and portfolio statement as at 30 June 2022, statement of total return, distribution statement, statement of cash flows and statements of movements in unitholders' funds for the six months ended on that date), together with their accompanying notes, to be false or misleading, in any material respect.

This release may contain forward-looking statements that involve assumptions, risks and uncertainties. Actual future performance, outcomes and results may differ materially from those expressed in forward-looking statements as a result of a number of risks, uncertainties and assumptions. Representative examples of these factors include (without limitation) general industry and economic conditions, interest rate trends, cost of capital and capital availability, competition from other developments or companies, shifts in expected levels of occupancy rate, property rental income, charge out collections, changes in operating expenses (including employee wages, benefits and training cost), governmental and public policy changes and the continued availability of financing in the amounts and the terms necessary to support future business. You are cautioned not to place undue reliance on these forward-looking statements, which are based on the current view of management on future events.

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

Lee Ju Lin, Audrey
Company Secretary
28 July 2022