
**CAPITALAND INTEGRATED COMMERCIAL TRUST
2022 FULL YEAR 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 31 December 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.

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 31 December 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 and Full Year ended 31 December 2022

Condensed Interim Statements of Financial Position
As at 31 December 2022

	Note	Group		Trust	
		31/12/2022 S\$'000	31/12/2021 S\$'000	31/12/2022 S\$'000	31/12/2021 S\$'000
Non-current assets					
Plant and equipment		5,311	6,121	1,335	2,092
Investment properties	3	23,744,817	21,431,071	7,902,400	7,814,943
Subsidiaries		-	-	11,628,523	9,877,779
Joint ventures		361,198	320,347	211,633	212,284
Equity investments at fair value		180,989	193,168	149,385	158,723
Financial derivatives		40,286	20,639	21,547	1,014
Deferred tax asset		4,216	6,855	-	-
Other non-current assets		947	1,608	628	911
		24,337,764	21,979,809	19,915,451	18,067,746
Current assets					
Asset held for sale		-	278,000	-	278,000
Trade and other receivables		61,837	108,668	233,035	179,010
Cash and cash equivalents		248,396	365,133	72,486	165,962
Financial derivatives		18,626	10,240	5,214	45
		328,859	762,041	310,735	623,017
Total assets		24,666,623	22,741,850	20,226,186	18,690,763
Current liabilities					
Financial derivatives		25,199	-	-	-
Trade and other payables		323,881	557,481	426,744	418,622
Current portion of security deposits		86,594	94,318	40,473	45,855
Loans and borrowings	4	1,155,045	594,641	469,933	189,218
Lease liabilities		1,932	2,261	1,138	1,522
Provision for taxation		12,506	10,108	873	412
		1,605,157	1,258,809	939,161	655,629
Non-current liabilities					
Financial derivatives		87,541	32,428	-	2,034
Trade and other payables		34,896	1,072	285,000	495,000
Loans and borrowings	4	8,430,216	7,582,636	5,701,373	4,710,064
Lease liabilities		24,069	5,963	4,033	4,963
Non-current portion of security deposits		198,208	153,578	85,603	70,805
Deferred tax liability		7,143	11,664	-	-
		8,782,073	7,787,341	6,076,009	5,282,866
Total liabilities		10,387,230	9,046,150	7,015,170	5,938,495
Net assets		14,279,393	13,695,700	13,211,016	12,752,268
Represented by:					
Unitholders' funds		14,073,447	13,667,754	13,211,016	12,752,268
Non-controlling interests		205,946	27,946	-	-
		14,279,393	13,695,700	13,211,016	12,752,268
Units in issue ('000)	5	6,635,122	6,608,618	6,635,122	6,608,618
Net asset value / net tangible asset per unit attributable to Unitholders (S\$)	6	2.12	2.06	1.99	1.93

Condensed Interim Statement of Total Return
Six-month period and full year ended 31 December 2022

	Note	Group			
		Six-month period ended 31/12/2022 S\$'000	Six-month period ended 31/12/2021 S\$'000	Year ended 31/12/2022 S\$'000	Year ended 31/12/2021 S\$'000
Gross revenue	7	754,148	659,394	1,441,747	1,305,051
Property operating expenses	8	(212,485)	(180,475)	(398,464)	(353,969)
Net property income		541,663	478,919	1,043,283	951,082
Interest and other income		2,862	2,326	5,336	6,364
Investment Income		6,690	10,536	10,594	12,703
Management fees:					
- Base component		(23,532)	(21,198)	(45,280)	(42,193)
- Performance component		(21,642)	(20,191)	(42,654)	(39,981)
Professional fees		(1,749)	(814)	(2,663)	(1,255)
Valuation fees		(313)	(168)	(585)	(414)
Trustee's fees		(1,687)	(1,574)	(3,274)	(2,997)
Audit fees		(526)	(365)	(914)	(800)
Finance costs	9	(138,009)	(84,705)	(242,437)	(189,757)
Other expenses		(1,396)	146	(1,100)	(1,172)
Net income before share of results of joint ventures		362,361	362,912	720,306	691,580
Share of results (net of tax) of:					
- Joint ventures		36,097	133,471	42,467	140,202
Net income		398,458	496,383	762,773	831,782
Net change in fair value of investment properties		(90,438)	270,507	(90,438)	270,507
Net change in fair value of financial derivatives		(680)	-	402	-
Gain on divestment of investment property	10	-	-	57,257	-
Total return before tax		307,340	766,890	729,994	1,102,289
Taxation		2,380	(11,813)	(4,105)	(19,224)
Total return		309,720	755,077	725,889	1,083,065
Total return attributable to:					
Unitholders		309,715	755,655	723,369	1,083,086
Non-controlling interests		5	(578)	2,520	(21)
Total return		309,720	755,077	725,889	1,083,065
Earnings per unit (cents)					
Basic	11	4.67	11.64	10.92	16.71
Diluted	11	4.66	11.62	10.89	16.68

Condensed Interim Distribution Statement
Six-month period and full year ended 31 December 2022

		Group			
	Note	Six-month period ended 31/12/2022 S\$'000	Six-month period ended 31/12/2021 S\$'000	Year ended 31/12/2022 S\$'000	Year ended 31/12/2021 S\$'000
Amount available for distribution to Unitholders at beginning of period/year		355,093	343,218	346,581	119,914
Total return attributable to Unitholders		309,715	755,655	723,369	1,083,086
Net tax and other adjustments	A	40,405	(436,692)	(71,130)	(438,374)
Tax-exempt income from subsidiaries	B	4,700	23,642	51,376	28,442
Capital distributions from subsidiaries		6,919	-	9,289	-
Distribution income (taxable) from:					
- Joint ventures		29	6,750	64	14,262
		<u>361,768</u>	<u>349,355</u>	<u>712,968</u>	<u>687,416</u>
Amount available for distribution to Unitholders		716,861	692,573	1,059,549	807,330
Distributions to Unitholders during the period/year:					
Distribution of 1.74 cents per unit for period from 21/10/2020 to 31/12/2020		-	-	-	(112,590)
Distribution of 5.18 cents per unit for period from 01/01/2021 to 30/06/2021		-	(335,456)	-	(335,456)
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)	-
Distribution of 5.22 cents per unit for period from 01/01/2022 to 30/06/2022		(346,063)	-	(346,063)	-
		<u>(346,063)</u>	<u>(335,456)</u>	<u>(684,847)</u>	<u>(448,046)</u>
Amount retained for general corporate and working capital purposes	C	(6,690)	(10,536)	(10,594)	(12,703)
Amount available for distribution to Unitholders at end of the period/year		<u>364,108</u>	<u>346,581</u>	<u>364,108</u>	<u>346,581</u>
Distribution per unit (cents) ¹		<u>5.36</u>	<u>5.22</u>	<u>10.58</u>	<u>10.40</u>

Footnote:

1. Distribution per unit relates to the distributions in respect of the relevant financial period. The distribution relating to 1 July to 31 December 2022 will be paid after 31 December 2022.

Condensed Interim Distribution Statement (cont'd)
Six-month period and full year ended 31 December 2022

Note A

	Group			
	Six-month period ended 31/12/2022 S\$'000	Six-month period ended 31/12/2021 S\$'000	Year ended 31/12/2022 S\$'000	Year ended 31/12/2021 S\$'000
Net tax and other adjustments comprise:				
- Management fees paid and payable in Units ¹	22,232	20,332	43,243	40,378
- Trustee's fees	1,589	1,574	3,096	2,997
- Amortisation of transaction costs	2,390	3,885	7,873	7,300
- Net change in fair value of investment properties ²	84,699	(271,893)	84,699	(271,893)
- Profit from subsidiaries	(27,747)	(34,897)	(64,360)	(60,888)
- Share of result (net of tax) of joint ventures	(36,097)	(133,471)	(42,467)	(140,202)
- Taxation ²	(2,095)	11,567	4,255	18,712
- Gain on divestment of investment property	-	-	(57,257)	-
- Temporary differences and other adjustments ³	(4,999)	(33,776)	(13,619)	(34,660)
- Rollover adjustments ⁴	433	(13)	(36,593)	(118)
Net tax and other adjustments	40,405	(436,692)	(71,130)	(438,374)

Footnotes:

1. For the six-month period ended 31 December 2022 ("2H 2022") and 2021 ("2H 2021"), these relate to 50.0% of base and performance components of the management fees for period from 1 July to 31 December 2022 and 1 July to 31 December 2021 respectively.

For the year ended 31 December 2022 ("FY 2022") and 2021 ("FY 2021"), these relate to 50.0% of base and performance components of the management fees for period from 1 January to 31 December 2022 and 1 January to 31 December 2021 respectively.

2. These exclude the non-controlling interests' share of Gallileo Property S.a.r.l. ("Gallileo Co."), MAC Property Company B.V., MAC Car Park Company B.V. ("MAC entities") and 79RR LLP.

3. For 2H 2022 and FY2022, this includes mainly accounting effect of the purchase price allocation adjustment of certain fixed rate borrowings. For 2H 2021 and FY 2021, this includes mainly the amortisation of lease incentives.

4. These relates to the differences between taxable income previously distributed and the quantum finally agreed with Inland Revenue Authority of Singapore ("IRAS").
 For 2H 2022 and FY 2022: CCT (YA 2016, YA 2017, YA 2018 and YA 2020), VO1T (YA 2020) and VO2T (YA2020).
 For 2H 2021: BMT (YA 2020) and IMT (YA 2017 and YA 2018). For FY 2021: BMT and RCS Trust (YA 2020) and IMT (YA 2017 and YA 2018).

Further, for FY 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 FY 2022 with no resultant impact to the distributable income for FY 2022.

Note B

For FY 2022, 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 2H 2022, this relates to distribution income received from CLCT of S\$5.5 million (2H 2021: S\$9.2 million) and Sentral REIT of S\$1.2 million (2H 2021: S\$1.3million).

For FY 2022, this relates to distribution income received from CLCT of S\$7.9 million (2021: S\$10.0 million) and Sentral REIT of S\$2.7 million (2021: S\$2.7 million)

Condensed Interim Statements of Movements in Unitholders' Funds
Year ended 31 December 2022

	Group		Trust	
	Year ended 31/12/2022 S\$'000	Year ended 31/12/2021 S\$'000	Year ended 31/12/2022 S\$'000	Year ended 31/12/2021 S\$'000
Net assets attributable to Unitholders at beginning of the year	13,667,754	13,037,638	12,752,268	12,504,219
Operations				
Total return attributable to Unitholders	723,369	1,083,086	753,957	740,020
Hedging reserves				
Effective portion of changes in fair value of cashflow hedges	(23,324)	37,882	32,845	5,520
Net change in fair value of cash flow hedges reclassified to Statement of Total Return	28,969	5,636	(5,109)	3,485
Share of movements in hedging reserves of joint ventures	-	4,845	-	-
Movement in foreign currency translation reserves	2,465	(1,515)	-	-
Movement in fair value reserves	(12,179)	(25,518)	(9,338)	(26,676)
Unitholders' transactions				
Creation of units				
- Management fees paid	16,761	15,721	16,761	15,721
- Management fees payable	27,219	25,366	27,219	25,366
- Acquisition fee	11,228	-	11,228	-
- Divestment fee	1,700	-	1,700	-
- Private placement	-	250,000	-	250,000
Issue expenses	-	(3,009)	-	(3,009)
Distributions to Unitholders	(370,515)	(762,378)	(370,515)	(762,378)
Net decrease in net assets resulting from Unitholders' transactions	(313,607)	(474,300)	(313,607)	(474,300)
Net assets attributable to Unitholders at end of the year	14,073,447	13,667,754	13,211,016	12,752,268

Non-controlling interests ("NCI")¹

	Group	
	Year ended 31/12/2022 S\$'000	Year ended 31/12/2021 S\$'000
At beginning of the year	27,946	30,300
Total return attributable to NCI	2,520	(21)
Distributions to NCI	(6,460)	(1,315)
Hedging reserves attributable to NCI	2,144	-
Acquisition of subsidiary (Note 10)	181,806	-
Translation differences from financial statements of foreign operations	(2,010)	(1,018)
At end of the year	205,946	27,946

Footnote:

¹ This relates to 30.0% ownership interest held by NCI in 79RR LLP and 5.1% ownership interest held by NCI in Gallileo Co. and MAC entities respectively.

Condensed Interim Portfolio Statement
 As at 31 December 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	
						31/12/2022 S\$'000	31/12/2021 S\$'000	31/12/2022 %	31/12/2021 %
Investment properties in Singapore									
Retail									
Bugis Junction	Leasehold	99 years	67 years	200 Victoria Street	Commercial	1,109,000	1,088,000	7.9	8.0
Westgate	Leasehold	99 years	88 years	3 Gateway Drive	Commercial	1,095,000	1,091,000	7.8	8.0
Tampines Mall	Leasehold	99 years	69 years	4 Tampines Central 5	Commercial	1,081,000	1,078,000	7.7	7.9
Junction 8	Leasehold	99 years	68 years	9 Bishan Place	Commercial	801,000	796,000	5.7	5.8
Bedok Mall	Leasehold	99 years	88 years	311 New Upper Changi Road	Commercial	787,000	784,739	5.6	5.8
IMM Building	Leasehold	60 years	26 years	2 Jurong East Street 21	Commercial Warehouse	715,002	709,002	5.1	5.2
Lot One Shoppers' Mall	Leasehold	99 years	70 years	21 Choa Chu Kang Avenue 4	Commercial	551,000	543,500	3.9	4.0
Clarke Quay	Leasehold	99 years	66 years	3A/B/C/D/E River Valley Road	Commercial	359,760	342,624	2.5	2.5
Bugis+	Leasehold	60 years	43 years	201 Victoria Street	Commercial	354,529	354,162	2.5	2.6
Bukit Panjang Plaza	Leasehold	99 years	71 years	1 Jelebu Road	Commercial	348,850	344,455	2.5	2.5
Balance carried forward						7,202,141	7,131,482	51.2	52.3

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

Condensed Interim Portfolio Statement (cont'd)
As at 31 December 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	
							31/12/2022 S\$'000	31/12/2021 S\$'000	31/12/2022 %	31/12/2021 %
	Balance brought forward						7,202,141	7,131,482	51.2	52.3
Office										
	Asia Square Tower 2	Leasehold	99 years	84 years	12 Marina View	Commercial	2,235,500	2,225,000	15.9	16.3
	CapitaGreen	Leasehold	99 years	50 years	138 Market Street	Commercial	1,663,000	1,657,000	11.8	12.1
	Six Battery Road	Leasehold	999 years	802 years	6 Battery Road	Commercial	1,509,000	1,445,000	10.7	10.6
	Capital Tower	Leasehold	99 years	72 years	168 Robinson Road	Commercial	1,450,000	1,449,000	10.3	10.6
	CapitaSky ¹	Leasehold	99 years	44 years	79 Robinson Road	Commercial	1,260,000	-	9.0	-
	21 Collyer Quay	Leasehold	999 years	827 years	21 Collyer Quay	Commercial	634,000	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	3,120,000	3,072,000	22.2	22.5
	Plaza Singapura	Freehold	NA	NA	68 Orchard Road	Commercial	1,349,259	1,339,000	9.6	9.8
	Funan	Leasehold	99 years	56 years	107 & 109 North Bridge Road	Commercial	794,000	785,000	5.6	5.7
	The Atrium@Orchard	Leasehold	99 years	85 years	60A & 60B Orchard Road	Commercial	763,000	756,200	5.4	5.5
	Balance carried forward						21,979,900	20,489,582	156.2	150.0

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

Condensed Interim Portfolio Statement (cont'd)
As at 31 December 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	
							31/12/2022 S\$'000	31/12/2021 S\$'000	31/12/2022 %	31/12/2021 %
	Balance brought forward						21,979,900	20,489,582	156.2	150.0
	Investment properties in Germany									
	Office									
	Gallileo	Freehold	NA	NA	Gallusanlage 7	Commercial	390,060	499,974	2.8	3.7
	Main Airport Center	Freehold	NA	NA	Unterschweinstiege 2-14	Commercial	377,294	441,515	2.7	3.2
	Investment properties in Australia									
	Office									
	100 Arthur Street ²	Freehold	NA	NA	100 Arthur Street	Commercial	340,356	-	2.4	-
	66 Goulburn Street ²	Leasehold	111 – 125 years	94 years	Civic Tower, 66 Goulburn Street	Commercial	297,893	-	2.1	-
	Integrated Development									
	101 – 103 Miller Street and Greenwood Plaza ³	Freehold	NA	NA	101 – 103 Miller Street & 36 Blue Street	Commercial	359,314	-	2.6	-
							23,744,817	21,431,071	168.8	156.9
	Asset held for sale in Singapore									
	JCube ⁴	Leasehold	99 years	67 years	2 Jurong East Central 1	Commercial	-	278,000	-	2.0
	Other assets and liabilities (net)						(9,465,424)	(8,013,371)	(67.3)	(58.7)
	Net assets of the Group						14,279,393	13,695,700	101.5	100.2
	Non-controlling interests						(205,946)	(27,946)	(1.5)	(0.2)
	Net assets attributable to Unitholders						14,073,447	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.

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

Condensed Interim Portfolio Statement (cont'd)
As at 31 December 2022

On 31 December 2022, independent valuations of Tampines Mall, Bedok Mall, Plaza Singapura and The Atrium@Orchard were undertaken by Knight Frank Pte Ltd ("Knight Frank"), independent valuations of Junction 8, Bugis Junction, Bugis+, Funan and Raffles City Singapore were undertaken by Savills Valuation and Professional Services (S) Pte Ltd ("Savills"), independent valuations of IMM Building, Capital Tower and CapitaSky were undertaken by Jones Lang LaSalle Property Consultants Pte Ltd ("JLL"), independent valuations of Bukit Panjang Plaza, Lot One Shoppers' Mall and Six Battery Road were undertaken by Colliers International Consultancy & Valuation (Singapore) Pte Ltd ("Colliers"), independent valuations of Clarke Quay, Westgate and Asia Square Tower 2 were undertaken by Cushman & Wakefield VHS Pte. Ltd. ("C&W"), independent valuations of CapitaGreen and 21 Collyer Quay were undertaken by CBRE Pte. Ltd. ("CBRE"), independent valuations of Gallileo and Main Airport Center were undertaken by Knight Frank Valuation & Advisory GmbH & Co. KG, while the independent valuations of 101-103 Miller Street and Greenwood Plaza, 66 Goulburn Street and 100 Arthur Street were undertaken by Jones Lang LaSalle Advisory Services Pty Ltd.

On 31 December 2021, independent valuations of IMM Building and Capital Tower were undertaken by JLL, independent valuations of Bedok Mall, Tampines Mall and Junction 8 were undertaken by Knight Frank, independent valuations of The Atrium@Orchard, Plaza Singapura, Raffles City Singapore, JCube, Westgate and 21 Collyer Quay were undertaken by Savills, independent valuations of Bugis Junction, Bugis+, Funan, Clarke Quay and CapitaGreen were undertaken by Colliers, independent valuations of Bukit Panjang Plaza, Lot One Shoppers' Mall, Asia Square Tower 2 and Six Battery Road were undertaken by C&W, while the independent valuations of Gallileo and Main Airport Center were undertaken by Knight Frank Valuation & Advisory GmbH & Co. KG.

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

Investment properties comprise commercial properties that are leased to external customers. Generally, the leases contain an initial non-cancellable period of three years. Subsequent renewals are negotiated with the lessees. Contingent rents recognised in the Statement of Total Return of the Group for 2022 is S\$71,731,000 (2021: S\$52,595,000).

Condensed Interim Statement of Cash Flows
Year ended 31 December 2022

	Group	
	Year ended 31/12/2022 S\$'000	Year ended 31/12/2021 S\$'000
Cash flows from operating activities		
Total return for the year	725,889	1,083,065
Adjustments for:		
Amortisation of lease incentives	(16,443)	(23,035)
Assets written off	399	18
Depreciation and amortisation	4,169	4,863
Doubtful debts written off	270	359
Finance costs	242,437	189,757
Gain on disposal of investment property	(57,257)	-
Gain on disposal of plant and equipment	(1)	(1)
Interest and other income	(5,336)	(6,364)
Investment income	(10,594)	(12,703)
Management fees paid/payable in units	43,980	41,087
Net change in fair value of financial derivatives	(402)	-
Net change in fair value of investment properties	90,438	(270,507)
Share of results of joint ventures	(42,467)	(140,202)
Taxation	4,105	19,224
Write back of doubtful debts	(28)	(1,948)
Operating income before working capital changes	979,159	883,613
Changes in working capital:		
Trade and other receivables	(19,175)	(23,632)
Trade and other payables	43,528	(34,513)
Security deposits	29,317	7,528
Cash generated from operations	1,032,829	832,996
Income tax paid	(9,290)	(5,464)
Net cash from operating activities	1,023,539	827,532
 Cash flows from investing activities		
Capital expenditure on investment properties	(126,904)	(93,561)
Distributions received from joint ventures	6,785	43,709
Distributions received from equity investments at fair value	10,594	12,703
Interest received	5,188	1,088
Net cash inflow on divestment of investment property (Note 10)	331,128	-
Net cash outflow on acquisition of subsidiaries and joint operation (Note 10)	(1,153,885)	-
Purchase of plant and equipment	(484)	(283)
Proceeds from disposal of plant and equipment	1	1
Return of capital from joint ventures	1,553	292,746
Net cash (used in)/from investing activities	(926,024)	256,403

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

Condensed Interim Statement of Cash Flows (cont'd)
Year ended 31 December 2022

	Group	
	Year ended	Year ended
	31/12/2022	31/12/2021
	S\$'000	S\$'000
Cash flows from financing activities		
Distributions paid to Unitholders	(684,847)	(448,046)
Distributions paid to non-controlling interests	(3,989)	(1,315)
Interest paid	(237,409)	(207,871)
Payment of issue and financing expenses	(10,930)	(12,347)
Payment of lease liabilities	(2,635)	(2,634)
Proceeds from loans and borrowings	4,376,135	1,661,935
Proceeds from loans and borrowings from non-controlling interests	34,200	-
Proceeds from issue of new Units	-	250,000
Repayment from loans and borrowings	(3,684,777)	(2,142,141)
Net cash used in financing activities	(214,252)	(902,419)
Net (decrease)/increase in cash and cash equivalents	(116,737)	181,516
Cash and cash equivalents at beginning of the year	365,133	183,617
Cash and cash equivalents at end of the year	248,396	365,133

Significant non-cash transactions

- a) In 2022, 20,642,852 (2021: 10,363,224) Units were issued to the Manager as payment for the management fees payable in units, amounting to S\$42,125,000 (2021: S\$21,915,000).
- b) In 2022, 804,962 (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 (2021: Nil); and
- c) In 2022, 5,056,101 (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 (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 and full year ended 31 December 2022 relate to the Trust and its subsidiaries (the "Group") and the Group's interests in its joint ventures.

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. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

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	
		31/12/2022 S\$'000	31/12/2021 S\$'000	31/12/2022 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	2,419,446	-	-	-
Capital expenditure		138,012	86,050	29,299	25,211
Net change in fair value of investment properties		(90,438)	270,507	58,158	39,432
Reclassification to asset held for sale ²		-	(278,000)	-	(278,000)
Straight-lining of rental adjustments		21,430	20,911	-	-
Translation difference		(174,704)	(34,472)	-	-
At 31 December		<u>23,744,817</u>	<u>21,431,071</u>	<u>7,902,400</u>	<u>7,814,943</u>

¹ Includes acquisition fees and acquisition related expenses of S\$84.4 million.

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

Security

As at 31 December 2022, the Group's investment properties with a total carrying amount of S\$2,027.4 million (31 December 2021: S\$941.5 million) were pledged as security to banks to secure bank facilities (refer to Note 4).

As at 31 December 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	
	31/12/2022 S\$'000	31/12/2021 S\$'000	31/12/2022 S\$'000	31/12/2021 S\$'000
Fair value of investment properties	23,718,287	21,422,689	7,896,700	7,808,300
Add: Right-of-use asset classified within investment properties	529	158	529	158
Add: Carrying amount of lease liabilities	26,001	8,224	5,171	6,485
Carrying amount of investment properties	<u>23,744,817</u>	<u>21,431,071</u>	<u>7,902,400</u>	<u>7,814,943</u>

External valuation of the investment properties is conducted at least once a year. As at 31 December 2022 and 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.

3 Investment properties (cont'd)

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.

Significant unobservable inputs

The following table shows the valuation techniques and significant unobservable inputs used in measuring level 3 fair values of investment properties:

Valuation technique	Significant unobservable inputs	Inter-relationship between key unobservable inputs and fair value measurement
Capitalisation method	<p>Capitalisation rate</p> <p>Group</p> <p><i>Singapore</i></p> <p>Retail</p> <p>2022: 4.50% to 7.00% (2021: 4.50% to 7.00%)</p> <p>Integrated Developments</p> <p>2022: 3.55% to 4.85% (2021: 3.63% to 4.85%)</p> <p>Office</p> <p>2022: 3.40% to 3.75% (2021: 3.40% to 3.75%)</p> <p><i>Australia</i></p> <p>Integrated Development</p> <p>2022: 5.13% to 5.75% (2021: NIL)</p> <p>Office</p> <p>2022: 5.38% to 5.50% (2021: NIL)</p>	The estimated fair value would increase/(decrease) if the capitalisation rates were lower/(higher).

3 Investment properties (cont'd)

Valuation technique	Significant unobservable inputs	Inter-relationship between key unobservable inputs and fair value measurement	
Discounted cash flow method	<p>Discount rate</p> <p>Group <i>Singapore</i> Retail 2022: 7.00% to 8.00% (2021: 7.00% to 8.00%)</p> <p>Integrated Developments 2022: 6.75% to 7.25% (2021: 7.00% to 7.25%)</p> <p>Office 2022: 6.50% to 6.75% (2021: 6.50% to 6.75%)</p> <p><i>Germany</i> Office 2022: 6.25% to 6.50% (2021: 5.15% to 6.00%)</p> <p><i>Australia</i> Integrated Development 2022: 6.00% to 6.50% (2021: NIL)</p> <p>Office 2022: 6.13% to 6.25% (2021: NIL)</p>	The estimated fair value would increase/(decrease) if the discount rates were lower/(higher).	
	<p>Terminal yield rate</p> <p>Group <i>Singapore</i> Retail 2022: 4.60% to 7.25% (2021: 4.75% to 7.25%)</p> <p>Integrated Developments 2022: 3.80% to 5.10% (2021: 3.88% to 5.10%)</p> <p>Office 2022: 3.45% to 4.00% (2021: 3.40% to 4.00%)</p> <p><i>Germany</i> Office 2022: 3.15% to 3.85% (2021: 2.95% to 3.60%)</p> <p><i>Australia</i> Integrated Development 2022: 5.38% to 6.00% (2021: NIL)</p> <p>Office 2022: 5.63% to 5.75% (2021: NIL)</p>		The estimated fair value would increase/(decrease) if the terminal yield rates were lower/(higher).

4 Loans and borrowings

	Group		Trust	
	31/12/2022	31/12/2021	31/12/2022	31/12/2021
	S\$'000	S\$'000	S\$'000	S\$'000
<u>Secured borrowings¹</u>				
Amount repayable after one year	872,590	409,832	-	-
Less: Unamortised portion of transaction costs	(682)	(965)	-	-
Net secured borrowings repayable after one year	871,908	408,867	-	-
<u>Unsecured borrowings</u>				
Amount repayable after one year ²	7,573,796	7,187,508	5,711,545	4,721,413
Less: Unamortised portion of transaction costs	(15,488)	(13,739)	(10,172)	(11,349)
Net unsecured borrowings repayable after one year	7,558,308	7,173,769	5,701,373	4,710,064
Amount repayable within one year ³	1,155,261	595,541	470,000	190,100
Less: Unamortised portion of transaction costs	(216)	(900)	(67)	(882)
Net unsecured borrowings repayable within one year	1,155,045	594,641	469,933	189,218
Total unsecured borrowings	8,713,353	7,768,410	6,171,306	4,899,282
Grand total	9,585,261	8,177,277	6,171,306	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 31 December 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 31 December 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 31 December 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 31 December 2022, loans and borrowings under non-current liabilities relate mainly to the fixed 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 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 bank borrowings of the Group.

³ As of 31 December 2022, loans and borrowings under current liabilities relate to Medium Term Notes of JPY8.6 billion, S\$100.0 million and S\$130.0 million and Euro-Medium Term Notes of HKD885.0 million issued by CMT MTN Pte. Ltd., Medium Term Notes of 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			
	Six-month period ended	Six-month period ended	Year ended	Year ended
	31/12/2022 '000	31/12/2021 '000	31/12/2022 '000	31/12/2021 '000
Units in issue:				
At 1 July/January	6,629,556	6,475,996	6,608,618	6,470,704
Units created:				
- acquisition fees paid ^(a)	-	-	5,056	-
- divestment fees paid ^(b)	-	-	805	-
- management fees paid ^(c)	5,566	5,071	20,643	10,363
- private placement ^(d)	-	127,551	-	127,551
Total issued units at 31 December	6,635,122	6,608,618	6,635,122	6,608,618
Units to be issued:				
- payment of management fees	13,718	12,718	13,718	12,718
Total issued and issuable units at 31 December	6,648,840	6,621,336	6,648,840	6,621,336

Units issued during the period/year were as follows:

- (a) 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.
- (b) 804,962 Units were issued at issue price of S\$2.1119 on 22 March 2022 as payment of the divestment fee of S\$1.7 million in connection with the divestment of JCube.
- (c) For 2H 2022, 5,565,815 (2H 2021: 5,071,294) Units were issued at issue price of S\$1.9771 to S\$2.1717 (2H 2021: S\$2.0549 to S\$2.0964) per Unit, amounting to S\$11,508,165 (2H 2021: S\$10,525,979) issued as payment of the 50.0% base component of the management fee for the period from 1 April 2022 to 30 September 2022 (2H 2021: 1 April 2021 to 30 September 2021). The remaining 50.0% base component of the management fee will be paid in cash.

For FY 2022, 20,642,852 (2021: 10,363,224) Units were issued at issue price of S\$1.9771 to S\$2.2257 (2021: S\$2.0549 to S\$2.1613) per Unit, amounting to S\$42,124,707 (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 30 September 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.

- (d) 127,551,000 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 year

	Group		Trust	
	31/12/2022	31/12/2021	31/12/2022	31/12/2021
Number of Units issued at end of the year	6,635,122,255	6,608,618,340	6,635,122,255	6,608,618,340
NAV ¹ (S\$'000)	14,046,228	13,642,388	13,183,797	12,726,902
NTA ¹ (S\$'000)	14,046,219	13,642,370	13,183,797	12,726,902
NAV / NTA per Unit² (S\$)	2.12	2.06	1.99	1.93
Adjusted NAV / NTA per Unit (excluding the distributable income) (S\$)	2.06	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 year.

7 Gross revenue

	Group			
	Six-month period ended 31/12/2022	Six-month period ended 31/12/2021	Year ended 31/12/2022	Year ended 31/12/2021
	S\$'000	S\$'000	S\$'000	S\$'000
Gross rental income	702,982	620,489	1,352,275	1,233,338
Car park income	19,477	13,600	35,407	27,647
Other income	31,689	25,305	54,065	44,066
	754,148	659,394	1,441,747	1,305,051

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.

CapitaLand Integrated Commercial Trust and its Subsidiaries
 Condensed Interim Financial Statements
 For the Six-month period and Full Year ended 31 December 2022

8 Property operating expenses

	Group			
	Six-month period ended 31/12/2022 S\$'000	Six-month period ended 31/12/2021 S\$'000	Year ended 31/12/2022 S\$'000	Year ended 31/12/2021 S\$'000
Property tax	62,358	58,299	123,993	118,749
Utilities	28,132	16,866	51,690	32,604
Property management fees	25,169	22,611	48,243	44,631
Property management reimbursements ¹	31,921	30,947	63,171	61,702
Marketing	13,057	9,676	19,080	14,755
Maintenance	42,758	35,792	75,903	70,118
Depreciation and amortisation	1,934	2,356	4,169	4,863
Allowance/(Write back) of doubtful debts	8	(382)	(28)	(1,948)
Doubtful debts written off	262	293	270	359
Others	6,886	4,017	11,973	8,136
	212,485	180,475	398,464	353,969

1. Relates to reimbursement of staff costs paid/payable under the respective property management agreements to CapitaLand Retail Management Pte Ltd, CapitaLand Commercial Management Pte. Ltd. and CapitaLand (RCS) Property Management Pte. Ltd.

9 Finance costs

	Group			
	Six-month period ended 31/12/2022 S\$'000	Six-month period ended 31/12/2021 S\$'000	Year ended 31/12/2022 S\$'000	Year ended 31/12/2021 S\$'000
Interest expense	134,371	80,524	231,609	181,766
Transaction costs	3,210	4,045	10,109	7,714
Interest from lease liabilities	428	136	719	277
	138,009	84,705	242,437	189,757

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.

During the year, these 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 S\$'000	79RR LLP S\$'000	Group 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	12,390	27,861
Trade and other payables	(3,854)	(26,347)	(30,201)
Loans and borrowings	(332,647)	(618,000)	(950,647)
Lease liabilities	(21,192)	-	(21,192)
Financial derivatives	720	-	720
Provision for taxation	-	(6,623)	(6,623)
Security deposits	-	(13,418)	(13,418)
Total identifiable net assets acquired	738,056	606,020	1,344,076
Less: NCI, based on their proportionate interest in the recognised amounts of the assets and liabilities of the acquiree	-	(181,806)	(181,806)
Identifiable net assets acquired	738,056	424,214	1,162,270
Add: Acquisition fee and other related expenses	73,812	10,539	84,351
Total purchase consideration, including acquisitions costs	811,868	434,753	1,246,621
Less: Acquisition fee paid in units	(6,818)	(4,410)	(11,228)
Less: Cash and cash equivalents in subsidiary acquired	(15,471)	(12,390)	(27,861)
Less: Deposits paid in 2021	(53,647)	-	(53,647)
Net cash outflow on acquisition	735,932	417,953	1,153,885

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

10 Significant Acquisitions and Disposal (cont'd)

Divestment of investment property

On 24 January 2022, the Manager announced the divestment of JCube to Tanglin R.E. Holdings Pte. Ltd. and the sale was completed on 10 March 2022.

Net cash inflow on divestment of investment property

	Group	
	Year ended	Year ended
	31/12/2022	31/12/2021
	S\$'000	S\$'000
Consideration received in cash	340,000	-
Less: Divestment-related costs	(8,872)	-
Net proceeds from divestment of investment properties	331,128	-

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/year and weighted average number of units during the period/year.

	Group			
	Six-month period ended	Six-month period ended	Year ended	Year ended
	31/12/2022	31/12/2021	31/12/2022	31/12/2021
	S\$'000	S\$'000	S\$'000	S\$'000
Total return attributable to Unitholders	309,715	755,655	723,369	1,083,086
Number of Units	'000	'000	'000	'000
Weighted average number of units in issue during the period/year	6,632,144	6,489,937	6,626,119	6,481,772
Basic earnings per unit (cents)	4.67	11.64	10.92	16.71

11 Earnings per unit (cont'd)

Diluted earnings per unit

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

	Group			
	Six-month period ended 31/12/2022 '000	Six-month period ended 31/12/2021 '000	Year ended 31/12/2022 '000	Year ended 31/12/2021 '000
Weighted average number of units				
Weighted average number of units in issue during the period/year	6,632,144	6,489,937	6,626,119	6,481,772
- effect of payment of management fees	13,644	12,649	13,681	12,683
Weighted average number of units used in the calculation of diluted earnings per unit	<u>6,645,788</u>	<u>6,502,586</u>	<u>6,639,800</u>	<u>6,494,455</u>
Diluted earnings per unit (cents)	<u>4.66</u>	<u>11.62</u>	<u>10.89</u>	<u>16.68</u>

12 Operating Segments

With effect from 1 January 2020, 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 Maker ("CODM") reviews 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's reportable operating segments are as follows:

- Retail: management of retail properties in Singapore
- Office: management of office properties in Singapore, Germany and Australia
- Integrated Developments: management of retail and office properties in Singapore and Australia

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 income-earning assets and revenue, loans and borrowings and expenses, related assets and 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.

Geographical segments

The investment properties are located primarily in Singapore, Germany and Australia. The basis of presenting geographical information is based on the geographical location of the assets.

CapitaLand Integrated Commercial Trust and its Subsidiaries
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12 Operating Segments (cont'd)

	Retail S\$'000	Office S\$'000	Integrated Developments S\$'000	Group S\$'000
2022				
Gross revenue	556,511	463,610	421,626	1,441,747
Segment net property income	394,086	346,452	302,745	1,043,283
Interest and other income				5,336
Investment income				10,594
Finance costs				(242,437)
Management fees				(87,934)
Other unallocated expenses				(8,536)
Share of results (net of tax) of:				
- Joint ventures				42,467
Net income				762,773
Net change in fair value of investment properties	43,687	(113,211)	(20,914)	(90,438)
Gain on disposal of investment property	57,257	-	-	57,257
Net change in fair value of financial derivatives	-	(680)	1,082	402
Total return for the year before tax				729,994
Taxation				(4,105)
Total return for the year				725,889
Assets and liabilities				
Segment assets	7,212,585	10,380,690	6,174,825	23,768,100
Joint ventures				361,198
Equity investments at fair value				180,989
Unallocated assets:				
- Financial derivatives				58,912
- Others				297,424
				356,336
Total assets				24,666,623
Segment liabilities	200,059	271,141	154,274	625,474
Unallocated liabilities:				
- Loans and borrowings				9,585,261
- Financial derivatives				112,740
- Others				63,755
				9,761,756
Total liabilities				10,387,230

12 Operating Segments (cont'd)

	Retail S\$'000	Office S\$'000	Integrated Developments S\$'000	Group S\$'000
2022 (cont'd)				
<i>Other segmental information</i>				
Depreciation and amortisation	229	2,486	1,454	4,169
Plant and equipment:				
- Capital expenditure	283	111	84	478
Investment properties				
- Capital expenditure	26,973	62,733	48,306	138,012
(Write back)/allowance of doubtful debts	(77)	60	(11)	(28)
Doubtful debts written off	(11)	130	151	270
2021				
Gross revenue	537,700	387,387	379,964	1,305,051
Segment net property income	377,829	295,267	277,986	951,082
Interest and other income				6,364
Investment income				12,703
Finance costs				(189,757)
Management fees				(82,174)
Other unallocated expenses				(6,638)
Share of results (net of tax) of:				
- Joint ventures				140,202
Net income				831,782
Net change in fair value of investment properties	3,675	306,160	(39,328)	270,507
Total return for the year before tax				1,102,289
Taxation				(19,224)
Total return for the year				1,083,065
Assets and liabilities				
Segment assets	7,440,110	8,440,690	5,977,868	21,858,668
Joint ventures				320,347
Equity investments at fair value				193,168
Unallocated assets:				
- Financial derivatives				30,879
- Others				338,788
				369,667
Total assets				22,741,850

12 Operating Segments (cont'd)

	Retail S\$'000	Office S\$'000	Integrated Developments S\$'000	Group S\$'000
2021 (cont'd)				
Assets and liabilities (cont'd)				
Segment liabilities	175,703	181,929	118,239	475,871
Unallocated liabilities:				
- Loans and borrowings				8,177,277
- Financial derivatives				32,428
- Others				360,574
				<u>8,570,279</u>
Total liabilities				<u><u>9,046,150</u></u>
<i>Other segmental information</i>				
Depreciation and amortisation	351	2,479	2,033	4,863
Plant and equipment:				
- Capital expenditure	121	19	149	289
Investment properties				
- Capital expenditure	17,341	52,502	16,207	86,050
(Write back)/allowance of doubtful debts	(543)	156	(1,561)	(1,948)
Doubtful debts written off	246	36	77	359

Geographical information

	Group	
	Year ended 31/12/2022	Year ended 31/12/2021
	S\$'000	S\$'000
<i>Gross Revenue</i>		
Singapore	1,350,420	1,248,822
Germany	54,159	56,229
Australia	37,168	-
	<u>1,441,747</u>	<u>1,305,051</u>
<i>Non-current assets¹</i>		
Singapore	22,346,559	20,816,654
Germany	768,151	942,493
Australia	997,563	-
	<u>24,112,273</u>	<u>21,759,147</u>

¹ Non-current assets exclude financial instruments (other than equity-accounted investees) and deferred tax asset.

Major customer based on geographical information

Revenue of S\$27,371,000 (2021:S\$29,125,000) was attributable to a major tenant in Gallileo, Germany.

13 Financial ratios

	Group	
	Year ended	Year ended
	31/12/2022	31/12/2021
	%	%
Expenses to weighted average net assets ¹		
- including performance component of Manager's management fees	0.70	0.68
- excluding performance component of Manager's management fees	0.39	0.38
Portfolio turnover ratio ²	2.41	-

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	
	31/12/2022	31/12/2021
Aggregate leverage (%)	40.4	37.2
Interest coverage (times)	3.7	4.1

Other Information Required by Listing Rule Appendix 7.2

CAPITALAND INTEGRATED COMMERCIAL TRUST
2022 FULL YEAR UNAUDITED FINANCIAL STATEMENTS AND DISTRIBUTION ANNOUNCEMENT

1 Summary of CICT Results

	1 July to 31 December 2022 ("2H 2022")	1 July to 31 December 2021 ("2H 2021")	FY 2022	FY 2021
	Actual	Actual	Actual	Actual
Gross Revenue (S\$'000)	754,148	659,394	1,441,747	1,305,051
Net Property Income (S\$'000)	541,663	478,919	1,043,283	951,082
Amount Available for Distribution (S\$'000)	361,768	349,355	712,968	687,416
Distributable Income (S\$'000) ^{1, 2, 3, 4}	355,078	338,819	702,374	674,713
Distribution Per Unit ("DPU") (cents)				
For the period/year	5.36¢	5.22¢	10.58¢	10.40¢

Footnotes:

- ^{1.} For 2H 2022, S\$6.7 million comprising S\$5.5 million and S\$1.2 million received from CLCT and Sentral REIT respectively had been retained for general corporate and working capital purposes.
- ^{2.} For 2H 2021, S\$10.5 million comprising S\$9.2 million and S\$1.3 million received from CLCT and Sentral REIT respectively had been retained for general corporate and working capital purposes.
- ^{3.} For FY 2022, S\$10.6 million comprising S\$7.9 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 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.

DISTRIBUTION & RECORD DATE

Distribution	1 July to 31 December 2022			
Distribution type	Taxable	Tax-exempt	Capital ⁵	Total
Distribution rate (cents per Unit)	5.18¢	0.07¢	0.11¢	5.36¢
Record date	9 February 2023			
Payment date	17 March 2023			

Footnotes:

- ^{5.} This relates to the distribution of income from 79RR Office Trust and income repatriated from Australia.

2 Other information

The Condensed Interim Financial Statements of CapitaLand Integrated Commercial Trust and its subsidiaries (the "Group") as at, for the six-month period and full year ended 31 December 2022 including certain explanatory notes have not been audited or reviewed.

**CAPITALAND INTEGRATED COMMERCIAL TRUST
2022 FULL YEAR UNAUDITED FINANCIAL STATEMENTS AND DISTRIBUTION ANNOUNCEMENT**

3 Review of the Performance

Statement of Total Return and Distribution Statements

Statements of Total Return	Group					
	2H 2022	2H 2021	%	FY 2022	FY 2021	%
	S\$'000	S\$'000	Change	S\$'000	S\$'000	Change
Gross revenue	754,148	659,394	14.4	1,441,747	1,305,051	10.5
Property operating expenses	(212,485)	(180,475)	17.7	(398,464)	(353,969)	12.6
Net property income	541,663	478,919	13.1	1,043,283	951,082	9.7
Interest and other income	2,862	2,326	23.0	5,336	6,364	(16.2)
Investment income ¹	6,690	10,536	(36.5)	10,594	12,703	(16.6)
Management fees	(45,174)	(41,389)	9.1	(87,934)	(82,174)	7.0
Trust expenses	(5,671)	(2,775)	NM	(8,536)	(6,638)	28.6
Finance costs	(138,009)	(84,705)	62.9	(242,437)	(189,757)	27.8
Net income before share of results of joint ventures	362,361	362,912	(0.2)	720,306	691,580	4.2
Share of results (net of tax) of:						
- Joint Ventures ²	36,097	133,471	(73.0)	42,467	140,202	(69.7)
Net income	398,458	496,383	(19.7)	762,773	831,782	(8.3)
Net change in fair value of investment properties	(90,438)	270,507	NM	(90,438)	270,507	NM
Net change in fair value of financial derivatives	(680)	-	NM	402	-	NM
Gain on divestment of investment property	-	-		57,257	-	NM
Total return before tax	307,340	766,890	(59.9)	729,994	1,102,289	(33.8)
Taxation ³	2,380	(11,813)	NM	(4,105)	(19,224)	(78.6)
Total return	309,720	755,077	(59.0)	725,889	1,083,065	(33.0)
Attributable to						
Unitholders	309,715	755,655	(59.0)	723,369	1,083,086	(33.2)
Non-controlling interests	5	(578)	NM	2,520	(21)	NM
Total return	309,720	755,077	(59.0)	725,889	1,083,065	(33.0)
Distribution Statements						
Total return attributable to Unitholders	309,715	755,655	(59.0)	723,369	1,083,086	(33.2)
Net tax and other adjustments	40,405	(436,692)	NM	(71,130)	(438,374)	(83.8)
Tax-exempt income from subsidiaries	4,700	23,642	(80.1)	51,376	28,442	80.6
Capital distribution from subsidiaries	6,919	-	NM	9,289	-	NM
Distribution income (taxable) from joint ventures	29	6,750	NM	64	14,262	NM
Amount available for distribution to Unitholders	361,768	349,355	3.6	712,968	687,416	3.7
Distributable income to Unitholders	355,078	338,819	4.8	702,374	674,713	4.1
DPU (in Cents)						
For the period/year	5.36	5.22	2.7	10.58	10.40	1.7

Footnotes:

- This relates to distribution income from equity investments in CLCT and Sentral REIT.
- For 2H 2022 and FY2022 this relates to CICT's share of results of GOT & GSRT (45.0%). For 2H 2021 and FY2021, 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
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2H 2022 vs 2H 2021

2H 2022 gross revenue for CICT properties at S\$754.1 million was higher than 2H 2021 by S\$94.8 million or 14.4%. 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"), higher occupancy and rental rates achieved as well as higher rental on gross turnover.

2H 2022 property operating expenses for CICT properties at S\$212.5 million were higher than 2H 2021 by S\$32.0 million or 17.7%. The increase was mainly due to the Acquisitions as well as higher utilities and marketing expenses.

As a result, net property income for 2H 2022 increased by 13.1% year-on-year ("y-o-y").

Management fees at S\$45.2 million were S\$3.8 million or 9.1% higher than 2H 2021. This was mainly due to the increase in net property income of the enlarged portfolio.

Finance costs for 2H 2022 were S\$53.3 million or 62.9% higher than 2H 2021. The increase was mainly due to incremental borrowings in relation to the Acquisitions and higher interest rates on existing borrowings.

Share of results of joint ventures of S\$36.1 million was S\$97.4 million lower than 2H 2021. This was mainly due to the recognition of one-off divestment gain from the divestment of One George Street ("OGS") on 9 December 2021 and lower fair value gain on investment properties of CapitaSpring in FY 2022.

Net change in fair value of investment properties for 2H 2022 reflected a loss of S\$90.4 million. This was mainly due to lower valuation of the German properties and capitalised acquisition related costs for the Australian acquisitions, partially offset by net fair value gain arising from properties located in Singapore.

Tax credit of S\$2.4 million was mainly due to the decrease in deferred tax liability as a result of fair value loss on investment properties located in Germany.

FY 2022 vs FY 2021

FY 2022 gross revenue for CICT properties at S\$1,441.7 million was higher than FY 2021 by S\$136.7 million or 10.5%. The increase was mainly due to the contributions from the enlarged portfolio following the Acquisitions, higher occupancy and rental rates achieved as well as higher rental on gross turnover.

FY 2022 property operating expenses for CICT properties at S\$398.5 million were higher than 2H 2021 by S\$44.5 million or 12.6%. The increase was mainly due to the Acquisitions as well as higher utilities, and marketing expenses.

As a result, net property income for FY 2022 increased by 9.7% y-o-y.

Management fees at S\$87.9 million were S\$5.7 million or 7.0% higher than FY 2021. This was mainly due to the increase in net property income of the enlarged portfolio.

Finance costs for FY 2022 were S\$52.7 million or 27.8% higher than FY 2021. The increase was mainly due to incremental borrowings in relation to the Acquisitions and higher interest rates on existing borrowings.

Share of results of joint venture of S\$42.5 million was S\$97.7 million lower than FY 2021. This was mainly due to the recognition of one-off divestment gain from the divestment of OGS on 9 December 2021 and lower fair value gain on investment properties of CapitaSpring in FY 2022.

Net change in fair value of investment properties for FY 2022 reflected a loss of S\$90.4 million. This was mainly due to lower valuation of the German properties and capitalised acquisition related costs for the Australian acquisitions, partially offset by net fair value gain arising from properties located in Singapore.

Tax expense of S\$4.1 million was S\$15.1 million lower than FY 2021. This was mainly due to the decrease in deferred tax liability as a result of fair value loss on investment properties located in Germany.

**CAPITALAND INTEGRATED COMMERCIAL TRUST
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Group Balance Sheet as at 31 December 2022

	Group	
	31/12/2022	31/12/2021
	S\$'000	S\$'000
Non-current assets		
Plant and equipment	5,311	6,121
Investment properties	23,744,817	21,431,071
Joint ventures	361,198	320,347
Equity investments at fair value	180,989	193,168
Financial derivatives	40,286	20,639
Deferred tax asset	4,216	6,855
Other non-current assets	947	1,608
	24,337,764	21,979,809
Current assets		
Asset held for sale	-	278,000
Trade and other receivables	61,837	108,668
Cash and cash equivalents	248,396	365,133
Financial derivatives	18,626	10,240
	328,859	762,041
Total assets	24,666,623	22,741,850
Current liabilities		
Financial derivatives	25,199	-
Trade and other payables	323,881	557,481
Current portion of security deposits	86,594	94,318
Loans and borrowings	1,155,045	594,641
Lease liabilities	1,932	2,261
Provision for taxation	12,506	10,108
	1,605,157	1,258,809
Non-current liabilities		
Financial derivatives	87,541	32,428
Trade and other payables	34,896	1,072
Loans and borrowings	8,430,216	7,582,636
Lease liabilities	24,069	5,963
Non-current portion of security deposits	198,208	153,578
Deferred tax liability	7,143	11,664
	8,782,073	7,787,341
Total liabilities	10,387,230	9,046,150
Net assets	14,279,393	13,695,700
Represented by:		
Unitholders' funds	14,073,447	13,667,754
Non-controlling interests	205,946	27,946
	14,279,393	13,695,700

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Investment properties are based on valuations performed by independent professional valuers as at 31 December 2022. The increase in investment properties compared to 31 December 2021 was mainly due to the Acquisitions and net fair value gain for properties located in Singapore, partially offset by fair value loss on investment properties located in Germany.

As at 31 December 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 31 December 2022 relates to CICT's 8.0% interest in CLCT at fair value of S\$149.4 million and CICT's 10.9% interest in Sentral REIT at fair value of S\$31.6 million.

Financial derivative assets and liabilities relate to fair value of the cross currency swaps, interest rate swaps and forward exchange contracts. The increase in financial derivatives assets was mainly due to Mark-to-Market ("MTM") of the interest rate swaps arising from higher interest rate environment whereas the increase in financial derivatives liabilities was mainly due to MTM of the JPYSGD and HKDSGD cross currency swaps arising from the weakening of Japanese Yen and Hong Kong Dollar against Singapore Dollar and higher interest rate.

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 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 due to paring down debts.

The y-o-y decrease in trade and other payables was mainly due to advanced distribution declared on 15 December 2021 for the period from 1 July 2021 to 15 December 2021 was paid on 28 January 2022.

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 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 recognised by the Group relate to the existing operating lease arrangements in accordance with the principles of FRS 116 Leases. The increase in lease liabilities was mainly due to the Acquisitions.

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

Activities in Singapore continued to recover progressively with the lifting of border restrictions since April 2022 and high vaccination levels. Tourist arrivals rebounded from May 2022, aggregating 5.37 million for the 11 months of 2022, significantly higher than 0.33 million for the whole of 2021. Higher tourist arrivals are expected in 2023 with the relaxation of travel from China, with effect from 8 January 2023.

Like most global developed economies, Singapore reported high core inflation rate in 2022. The Monetary Authority of Singapore (MAS) core inflation averaged 4.1% for the whole year of 2022, compared to 0.9% reported for 2021. MAS core inflation was 5.1% year-on-year in December 2022, unchanged from November 2022. The change was due to smaller price increases for retail & other goods and electricity & gas, offset by higher inflation for food and services. With high unit labour costs and energy tariffs passing through the global value chains and happening in Singapore, MAS core inflation is projected to stay elevated in 1H 2023 before slowing down in 2H 2023 as the tight domestic labour market eases and global inflation moderates. For the whole year 2023, MAS core inflation is expected to come in between 2.5% and 3.5%.

According to EIU's business environment rankings for the fourth quarter of 2022, Singapore remains the best place in the world to do business in the next five years, (2023 – 2027). Additionally, Singapore was named third most competitive market in the world and first in the Asia-Pacific by the IMD World Competitiveness Center, based on economic performance, government efficiency, business efficiency, and infrastructure. This bodes well for Singapore as it retains its attractiveness and positioning as a business hub for Asia.

The Ministry of Trade and Industry Singapore's advance estimates reported that Singapore economy grew by 2.2% on a year-on-year (y-o-y) basis in 4Q 2022, moderating from the 4.2% growth in 3Q 2022. On a quarter-on-quarter (q-o-q) seasonally adjusted basis, the GDP increased by 0.2% after an expansion of 1.1% in the third quarter. The economy grew by 3.8% in 2022, slower than the 7.6% growth in 2021. Singapore's forecast economic growth is expected to slow to 0.5% to 2.5% amid concerns with global economic uncertainties, down from the projected 3.5% in early 2022.

A1. Retail operating environment

Based on figures released by Singapore Department of Statistics, the retail sales index (excluding motor vehicle sales) on a y-o-y basis increased by 8.7% in November 2022 respectively. This increase was led by industries such as Food & Alcohol, Wearing Apparel & Footwear, Department Stores, Cosmetics, Toiletries & Medical Goods and Recreational Goods, and offset by declines by Motor Vehicles, Supermarkets & Hypermarkets and Computer & Telecommunications Equipment industries. On a month-on-month basis, the seasonally adjusted retail sales declined by 4.3% in November 2022.

Online retail sales contributed 16.5% of an estimated total retail sales value of S\$3.6 billion (excluding motor vehicle sales) in November 2022. The higher online retail sales proportion was mainly attributed to the year-end online shopping events such as Singles' Day (11.11) and Black Friday. The monthly average retail sales value recorded \$3.4 billion over the 11 months of 2022, which is above the monthly average retail sales value recorded in the respective years of 2019, 2020 and 2021.

Singapore island wide retail occupancy rate was 92.9% as at 31 December 2022, an increase from last quarter, based on Urban Redevelopment Authority (URA)'s retail space vacancy rate.

The average prime retail rent island wide and for Orchard Road reported y-o-y increases in 4Q 2022, reversing the declining trend in 1H 2022. Prime retail rent island wide increased by 1.6% y-o-y to S\$25.15 per square foot per month, albeit still 9.2% below pre-pandemic (4Q 2019) level, while prime retail rent in Orchard Road inched up by 1.0% to S\$34.55 per square foot per month. Prime retail rent in the suburban malls continued its positive trajectory to grow by 1.0% q-o-q and 2.3% y-o-y to S\$30.80 per square foot per month.

CBRE Singapore expects overall retail rents to continue the growth trend in 2023. This trend is attributed to positive developments such as improved mobility and border relaxation, expected further boost in tourist arrivals from China border's reopening and the below-historical average new retail supply in the next few years.

A2. Office operating environment

CBRE Singapore reported a positive net absorption of 0.59 million square feet in 4Q 2022, due to the high commitment rate of a new development, Guoco Midtown. As such, 2022's net absorption was 1.15 million square feet, which was 3.6 times of 2021's net demand and above 10-year average of 0.97 million square feet. Separately, Core CBD Grade A office vacancy rate as at 30 December 2022 increased to 4.2% q-o-q (3Q 2022: 3.1%), while Core CBD and island wide vacancy rates inched up to 5.3% (3Q 2022: 5.2%) and 5.0% (3Q 2022: 4.9%) respectively.

Core CBD Grade A monthly office market rent continued its growth for the seventh consecutive quarter and was S\$11.70 per square foot as at 30 December 2022, up 0.7% quarter-on-quarter and 8.3% year-on-year. This was due to firm return-to-office demand and healthy building occupancies. Compared to earlier quarters of 2022, the pace of rental growth in 4Q 2022 has slowed.

CBRE Singapore expects a lower growth rate by about 1.0% y-o-y for Core CBD Grade A office rent in 2023, due to perceived weaker demand conditions and lower economic growth going forward.

B. Germany

Germany's gross domestic product (GDP) growth rate moderated to 1.9% in 2022 (Federal Statistical Office Germany, January 2023), a decrease by 0.7 percentage points compared to 2021. The inflation rate for December 2022 is up by 8.6% y-o-y, culminating to an annual average of 7.9% for 2022 compared with 2021 (Federal Statistical Office Germany, January 2023). Like other countries, Germany's economy is impacted by the Russia-Ukraine war which has led to raw material and supply bottlenecks, increased inflation rates, higher financing costs and global recessionary trends. And these factors will continue to weigh on Germany's economy in 2023.

CBRE Germany reported that Frankfurt's office market saw a take-up of 370,000 square metres (sqm) or a y-o-y decline of 15.6% in 2022. The best-performing subsector was the CBD cluster (Banking District, City, Westend), with a total take-up of 131,100 sq m (35% of total take-up).

Vacancy rate for the overall Frankfurt market dipped by 0.3 percentage points y-o-y to 7.9%. The Banking District sub-market and the Frankfurt Airport sub-market recorded increases in vacancy to 3.9% and to 7.9% y-o-y respectively.

C. Australia

Australia's economy grew by 5.9% y-o-y in September 2022. With the easing and removal of COVID-19 restrictions since 1H 2022, there was return of migrants, students and tourists. This trend contributed to strong consumer spending, supported by rising wages and low unemployment rate, which was 3.5% as at November 2022.

Like other global economies, Australia reported high inflation and interest rate in 2022. The Consumer Price Index rose to 7.8% y-o-y over the 12 months to the December 2022 quarter, and The Reserve Bank of Australia (RBA) has been increasing its interest rates for eight consecutive months, to 3.1% as at December 2022. These factors have impacted the Australian economy. RBA anticipated Australia's GDP to grow by 3.0% over 2022 and slow down to 1.5% over 2023 and 2024. Unemployment is forecast to be at low rate of 3.5% till mid-2023, before rising with the expected slower growth in activity.

For 1H 2022, Sydney CBD vacancy rate rose to 10.1% from 9.3% in 4Q 2021. The increase was largely due to completion of new office supply offset by some withdrawals of secondary stock for refurbishment. Hybrid working is the new normal and despite the slow recovery in the return of Australian workers to their CBD offices, the demand for office space in Sydney CBD saw positive net absorption rate over a six-month period in 1H 2022. Going forward, the office demand is expected to further improve as the working community are encouraged to return to their offices.

Conclusion

The prolonged Russia-Ukraine war, continued rising interest rate trend, increasing inflation rate and expected global economic uncertainties will continue to be present in 1H 2023. Nevertheless, the local market conditions, government responses and real estate trends in the respective markets differ and have impacted the economies accordingly. Based on portfolio property value, CICT's geographical exposure is 93% in Singapore, 4% in Australia and 3% in Germany.

In Singapore, CICT's commercial portfolio will benefit from the continued consumption recovery, mainly due to an expected increase in tourist arrivals and repositioned retail tenant trade mix. This could be offset by the increase in Goods and Services Tax (GST) by one percentage point to 8% and increasing outbound travelers. While businesses continue to operate in Singapore amid global uncertainties, the Manager will closely monitor and manage the space requirements of its customers.

In Germany, Commerzbank has given notice to end its lease at Gallileo in January 2024. While the Manager actively leases the space and evaluates possible asset enhancement works, this will take time and the building is expected to be non-income generating for at least 18 months. Commerzbank's contribution to CICT's monthly gross rental income in December 2022 was 1.8%.

In Australia, CICT's focus will be to lease the existing vacant space and leverage the improving market conditions.

Amidst evolving environment, the Manager continues to be disciplined in its portfolio strategy to leverage opportunities and mitigate the challenges. The focus remains on strengthening the portfolio through active engagement of stakeholders and driving asset value, while seeking opportunities for the future. Underpinning these strategies are prudent capital management and continued efforts 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 July to 31 December 2022

Distribution Type	Distribution Rate Per Unit (cents)
Taxable Income	5.18
Tax-exempt income	0.07
Capital	0.11
Total	5.36

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 July to 31 December 2021

Distribution Type	Distribution Rate Per Unit (cents)
Taxable Income	4.86
Tax-exempt Income	0.36
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.

Remarks : NA

- 6 (c) Date payable : 17 March 2023

- 6 (d) Record date : 9 February 2023

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 Segmental Results

Please refer to page 28 to 31 for the review of the actual performance.

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10 A breakdown of revenue and net income as follows:-

	Group		
	FY 2022 S\$'000	FY 2021 S\$'000	% Change
Gross revenue reported for first half year	687,599	645,657	6.5
Net income after tax for first half year	357,830	327,988	9.1
Gross revenue reported for second half year	754,148	659,394	14.4
Net income after tax for second half year	400,838	484,570	(17.3)

11 A breakdown of total annual distribution for the current full year and previous full year is as follows:-

	1 Jan 22 to 30 Jun 22 S\$'000	1 Jul 22 to 31 Dec 22 S\$'000	FY 2022 S\$'000	1 Jan 21 to 30 Jun 21 S\$'000	1 Jul 21 to 31 Dec 21 S\$'000	FY 2021 S\$'000
Annual distribution to Unitholders	346,063	- ¹	346,063	335,456	338,784	674,240

Footnote:

1. Please refer to para 6 (a).

12 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.

13 Confirmation pursuant to Rule 704(13) of the Listing Manual

Pursuant to Rule 704(13) of the Listing Manual of the Singapore Exchange Securities Trading Limited, Capitaland Integrated Commercial Trust Management Limited (the "Company"), being the manager of Capitaland Integrated Commercial Trust ("CICT"), confirms that there is no person occupying a managerial position in the Company or in any of CICT's principal subsidiaries who is a relative of a director, chief executive officer, substantial shareholder of the Company or substantial unitholder of CICT.

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
1 February 2023