



# CAPITALAND RETAIL CHINA TRUST

3Q 2020 Business Updates

30 October 2020

# Disclaimer

This presentation may contain forward-looking statements. Actual future performance, outcomes and results may differ materially from those expressed in forward-looking statements as a result of a number of risks, uncertainties and assumptions. Representative examples of these factors include (without limitation) general industry and economic conditions, interest rate trends, cost of capital and capital availability, availability of real estate properties, competition from other developments or companies, shifts in customer demands, shifts in expected levels of occupancy rate, property rental income, charge out collections, changes in operating expenses (including employee wages, benefits and training, property operating expenses), 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 regarding future events. No representation or warranty expressed or implied is made as to, and no reliance should be placed on, the fairness, accuracy, completeness or correctness of the information or opinions contained in this presentation. Neither CapitaLand Retail China Trust Management Limited (“Manager”) nor any of its affiliates, advisers or representatives shall have any liability whatsoever (in negligence or otherwise) for any loss howsoever arising, whether directly or indirectly, from any use, reliance or distribution of this presentation or its contents or otherwise arising in connection with this presentation.

The past performance of CapitaLand Retail China Trust (“CRCT”) is not indicative of future performance. The listing of the units in the CRCT (“Units”) on the Singapore Exchange Securities Trading Limited (the “SGX-ST”) does not guarantee a liquid market for the Units. The value of the Units and the income derived from them may fall as well as rise. Units are not obligations of, deposits in, or guaranteed by, the Manager. An investment in the Units is subject to investment risks, including the possible loss of the principal amount invested. Investors have no right to request that the Manager redeem or purchase their Units while the Units are listed on the SGX-ST. It is intended that holders of Units may only deal in their Units through trading on the SGX-ST.

This presentation is for information only and does not constitute an invitation or offer to acquire, purchase or subscribe for the Units.



# Contents



**1** 3Q 2020 Developments

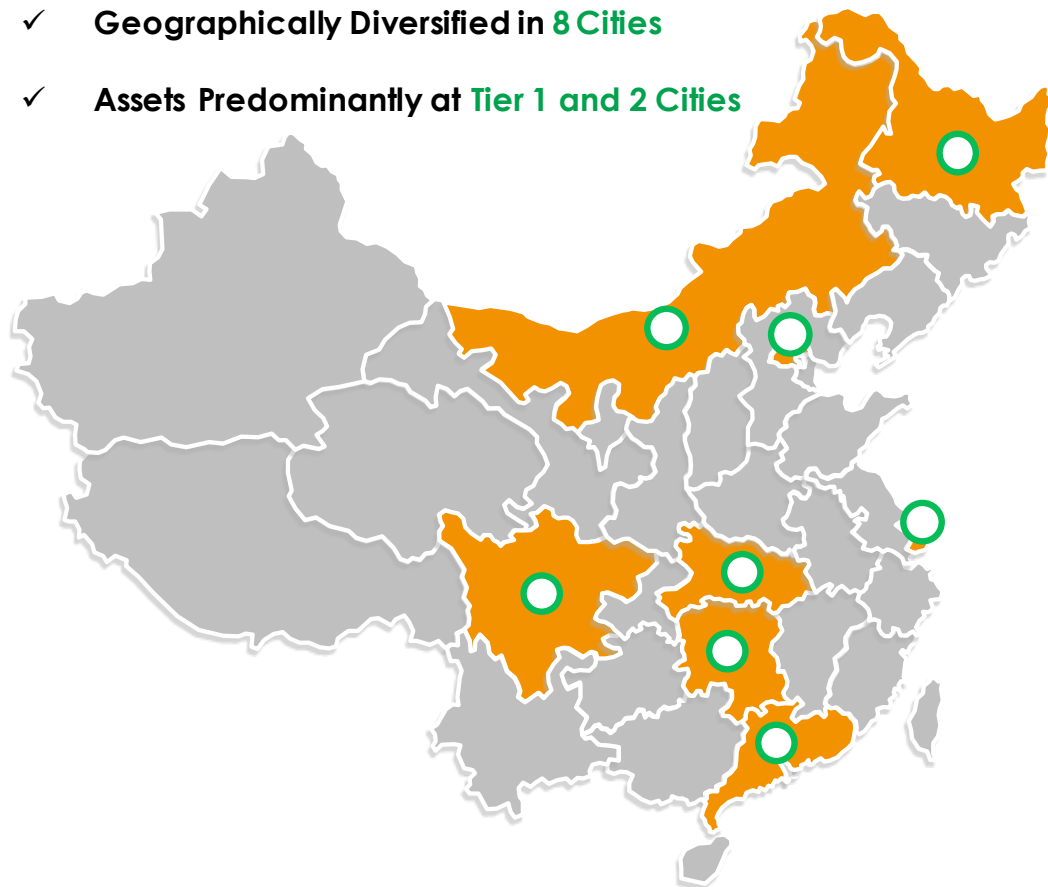
**2** Capital Management

**3** Looking Forward

# First and Largest China Focused S-REIT

With Expanded Mandate to Capture Opportunities in China's Multi Asset Sectors

- ✓ Listed in Dec 2006
- ✓ Geographically Diversified in 8 Cities
- ✓ Assets Predominantly at Tier 1 and 2 Cities



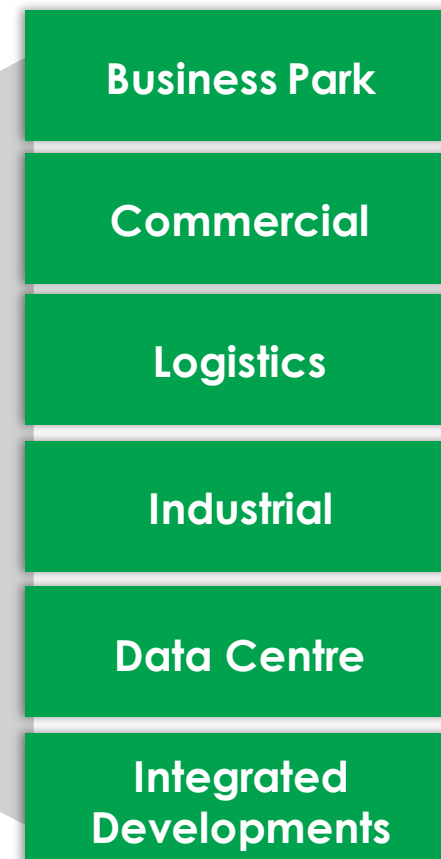
13 Properties

8 Cities

Retail

>1 million  
Gross Floor Area

New  
Expanded  
Mandate





# 3Q 2020 Developments





# Overview of 3Q 2020 and 9M 2020

## Operational



All malls and trade sectors are **operational**



Shopper traffic and tenant sales have showed **sustained improvements**



Occupancies and leasing activities upheld balanced trends



Leverage evolving trends to rejuvenate and rebalance tenant mix

## Financials



Healthy financial capacity with all refinancings completed



Gearing of **34.7%**



Competitive cost of debt of **2.77%**



Ample debt headroom before reaching regulatory limit

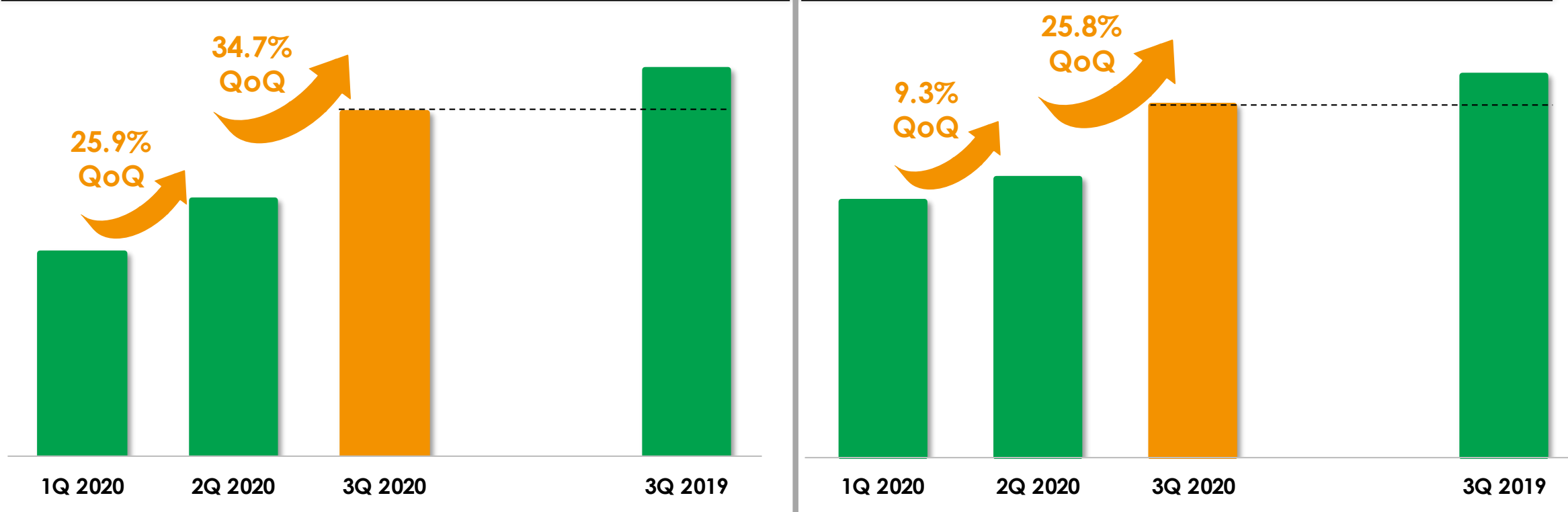
# Continuous Improvement

## In Total Mall Shopper Traffic and Sales

As We Continue to Focus on Mall Operations

**Shopper Traffic**  
3Q 2020 YoY Recovery  
**89.0%<sup>1</sup>**

**Tenant Sales**  
3Q 2020 YoY Recovery  
**91.9%<sup>1,2</sup>**



Notes:

- On an enlarged portfolio basis and excludes master-leased malls. On same mall basis (excluding CapitaMall Yuhuating, CapitaMall Xuefu and CapitaMall Aidemengdun):
  - 3Q 2020 Shopper Traffic Recovery: 72.9%
  - 3Q 2020 Tenant Sales Recovery: 75.8%

# Portfolio Occupancy Rate of 93.7%<sup>1</sup>

Investment Property	30-Sep-19	31-Dec-19	31-Mar-20	30-Jun-20	30-Sep-20
<b>Beijing Malls</b>					
CapitaMall Xizhimen	99.8%	99.0%	98.4%	92.6%	<b>95.2%</b>
CapitaMall Wangjing	99.4%	98.9%	97.9%	93.4%	<b>93.3%</b>
CapitaMall Grand Canyon	99.0%	97.7%	97.0%	90.1%	<b>91.4%</b>
CapitaMall Shuangjing	100.0%	99.7%	99.7%	98.5%	<b>98.5%</b>
<b>Sub-total for Beijing Malls</b>	<b>99.6%</b>	<b>98.9%</b>	<b>98.3%</b>	<b>93.7%</b>	<b>94.7%</b>
<b>Non-Beijing Malls</b>					
Rock Square	99.0%	99.0%	98.0%	93.8%	<b>91.9%<sup>2</sup></b>
CapitaMall Xinnan	98.1%	99.4%	98.2%	93.1%	<b>94.0%</b>
CapitaMall Xuefu	99.5%	99.9%	99.3%	97.3%	<b>97.4%</b>
CapitaMall Aidemengdun	97.6%	97.4%	96.7%	90.0%	<b>89.0%</b>
CapitaMall Yuhuating	95.6%	98.8%	98.2%	96.5%	<b>96.7%</b>
CapitaMall Saihan	99.8%	99.8%	99.8%	99.0%	<b>99.2%</b>
CapitaMall Qibao	92.8%	93.5%	87.1%	82.3%	<b>83.8%</b>
CapitaMall Minzhongleyuan	58.4%	55.5%	52.8%	49.1%	<b>44.6%</b>
<b>Sub-total for Non-Beijing Malls</b>	<b>94.8%</b>	<b>95.4%</b>	<b>93.7%</b>	<b>90.2%</b>	<b>89.9%</b>
<b>Total CRCT Portfolio<sup>3</sup></b>	<b>98.3%</b>	<b>98.5%</b>	<b>97.3%</b>	<b>93.4%</b>	<b>93.7%</b>

Notes:

1. Based on all committed leases as at 30 September 2020
2. Excluding the AEI efforts, the committed occupancy would be 93.8%
3. Excluding CapitaMall Minzhongleyuan as its operations has been put under review.



# Portfolio Lease Expiry Profile

## Lease Expiry Profile for 2020<sup>1</sup>

Investment Property	No. of Leases	% of total Gross Rental Income <sup>2,3</sup>	% of total Net Lettable Area <sup>4</sup>
CapitaMall Xizhimen	48	12.0%	6.6%
CapitaMall Wangjing	36	13.8%	5.3%
CapitaMall Grand Canyon	18	6.8%	2.6%
CapitaMall Xuefu	53	11.2%	7.2%
Rock Square	21	6.0%	4.0%
CapitaMall Xinnan	44	7.3%	8.6%
CapitaMall Yuhuating	58	22.2%	49.9% <sup>5</sup>
CapitaMall Aidemengdun	32	13.1%	9.5%
CapitaMall Qibao	18	8.0%	2.6%
CapitaMall Minzhongleyuan	3	2.1%	1.4%

Notes:

1. Based on committed leases as at 30 September 2020. Excludes CapitaMall Saihan as the mall will be divested.
2. Excludes gross turnover rent.
3. As a percentage of each respective mall's monthly gross rental income as at 30 September 2020.
4. As a percentage of each respective mall's committed net lettable area as at 30 September 2020.
5. Largely contributed by upcoming lease expiry of anchor tenant at CapitaMall Yuhuating.

# Portfolio Lease Expiry Profile

## Lease Expiry Profile By Year<sup>1</sup>

Year	No. of Leases	% of total Gross Rental Income <sup>2,3,4</sup>
2020	331	10.4%
2021	900	31.8%
2022	318	18.5%
2023	168	13.3%
2024	96	11.2%
Beyond 2024	115	14.8%

Weighted Average Lease Expiry (years)

**2.4**

By Gross Rental Income<sup>2</sup>

**3.5**

By Net Lettable Area

Notes:

1. Based on committed leases as at 30 September 2020. Excludes CapitaMall Saihan as the mall will be divested.
2. Excludes gross turnover rent.
3. As a percentage of monthly gross rental income as at 30 September 2020.
4. Any discrepancies between the listed figures and total thereof are due to rounding.

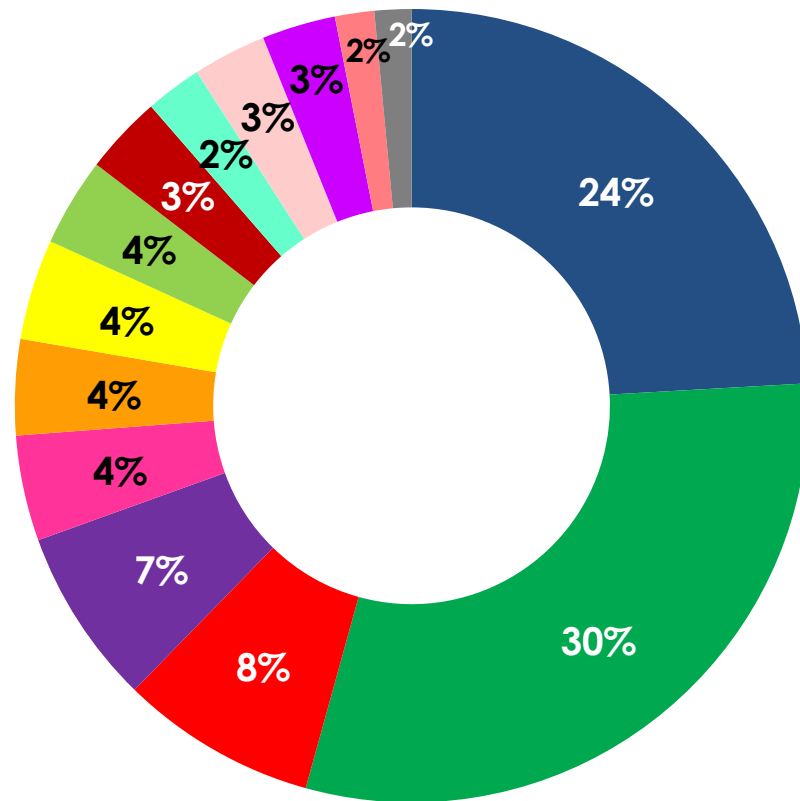


# Strength in Portfolio Diversification and Quality

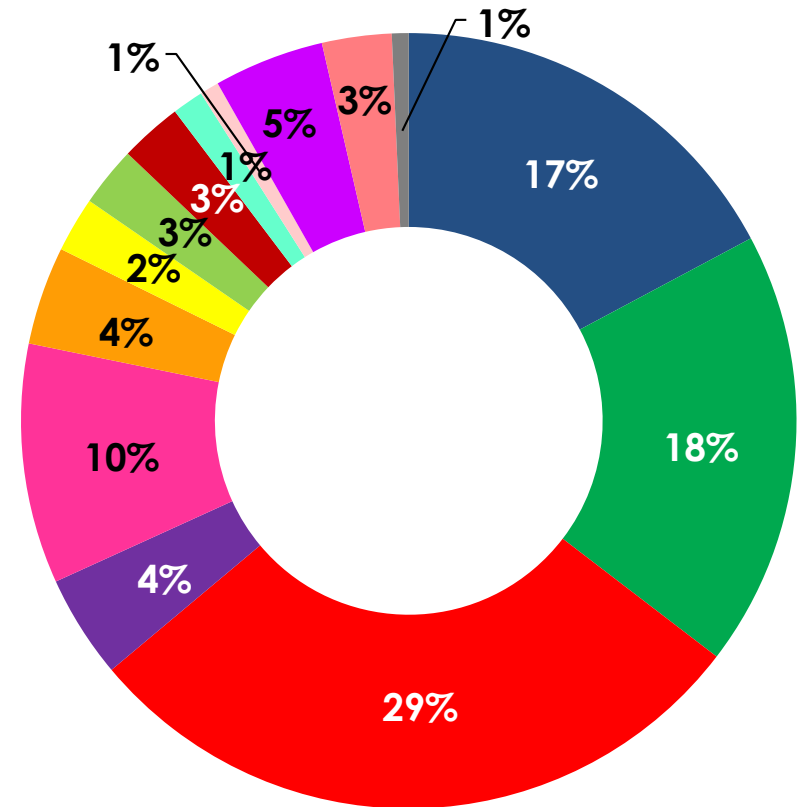
Well-diversified in >14 Trade Categories

- Fashion & Accessories
- Food & Beverage
- Supermarket
- Beauty & Healthcare
- Leisure & Entertainment
- Education
- Sundry & Services
- Others
- Sporting Goods & Apparel
- Shoes & Bags
- Jewellery/Watches/Pens
- Houseware & Furnishings
- Department Stores
- Information & Technology

By Gross Rental Income<sup>1</sup>



By Net Lettable Area<sup>2</sup>



High Orientation Towards Lifestyle Essentials and Necessities

Notes:

1. Percentage of committed gross rental income as at 30 September 2020, excluding gross turnover rent.

2. Percentage of committed NLA as at 30 September 2020.

# Rejuvenating Offerings to Capture New Shopper Demands

## Staying Ahead by Collaborating with Evolving Concepts

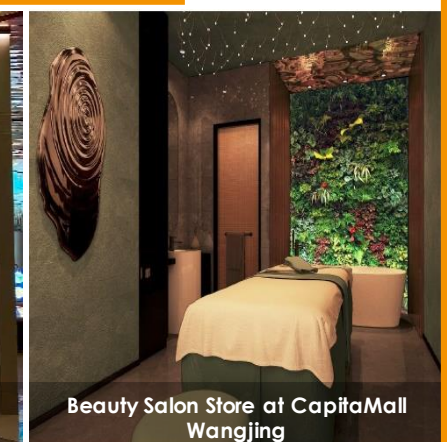
### Improving Quality of Social Dining



### Shift towards Sustainability and Green Products



### Embracing Healthy Living and Beauty Products



Notes:

1. Percentage of committed gross rental income as at 30 September 2020, excluding gross turnover rent.
2. Percentage of committed NLA as at 30 September 2020.



# Future-Proofing with Omnichannel Offerings

## Leverage on Online Platform to Complement Offerings

Our Focus on Online-Offline Integration Ecosystem Provides a Strong Competitive Advantage



Accelerated Digitalisation Efforts to Capture Sales and Mindshare



CAPITASTAR



Supporting Retailers to Boost Sales Via Alternative Platform

- ✓ Sizeable member base crossing **11 million people**<sup>1</sup>
- ✓ Tap on data analytics to understand consumer behavior and preferences to cater to their evolving needs

- ✓ Fast onboarding process and ecosystem support serves to provide additional sales touchpoints with customers
- ✓ Expanding new customer base beyond 3-5km catchment with transactions taking place 24/7

Tap into the Growing Online Sales Pie

Dual Capture of China's Offline and Online Retail Sales Growth

Offline Sales accounts for around 76%<sup>2</sup> retail sales in China

Notes:

1. As at September 2020.
2. China Bureau of Statistics, September 2020.

# Engaging Shoppers Through Multiple Touchpoints



Flying Sneakers E-Auction Livestreaming Carnival Event at Rock Square



F&B Chef Recommendation Livestream at CapitaMall Wangjing



Internet Celebrity at CapitaMall Wangjing





# Connecting with Communities and Enhancing Shopping Experience

## Family Focused Fun



Kids Experiential Activity at CapitaMall Yuhuating



Children's Performances at CapitaMall Qibao



Children's Talent Show at CapitaMall Wangjing

## Sports/ eSports and Wellness Destination



Mobile Gaming Competition at CapitaMall Xuefu



Cycling Event at CapitaMall Aidemengdun



Gaming Competition at CapitaMall Xuefu

## Night Life Economy



Concert at CapitaMall Saihan



Night Carnival at CapitaMall Yuhuating



Night Musical Festival at CapitaMall Aidemengdun



# Capital Management



# Prudent Capital Management<sup>1</sup>

## Strong Balance Sheet with Financial Flexibility

**34.7%**

Gearing<sup>2</sup>

30 Jun 2020: 33.6%

**2.77%**

Average Cost of Debt<sup>3</sup>

30 Jun 2020: 2.79%

**3.19 years**

Average Term to Maturity

30 Jun 2020: 2.75 years

**3.7x**

Interest Coverage<sup>4</sup>

30 Jun 2020: 4.0x

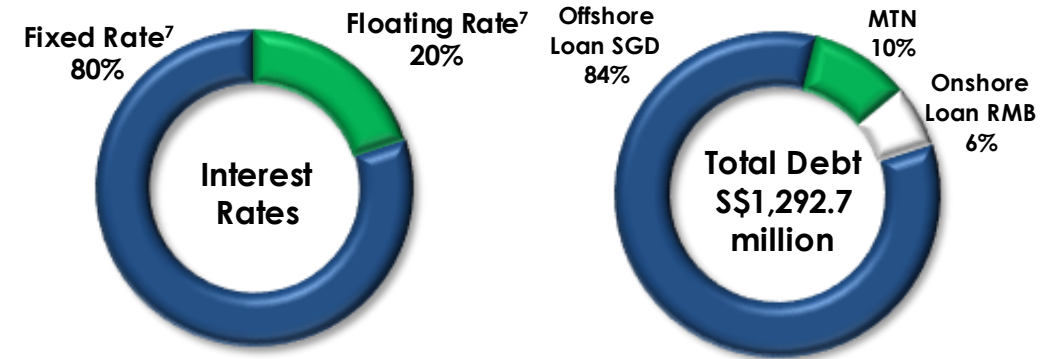
**89.7%**

Unencumbered Assets  
as % of Total Assets<sup>5</sup>

30 Jun 2020: 89.8%

**S\$356 million**

Available credit facilities<sup>6</sup>



Impact on:	Assuming 0.1% p.a. increase/(decrease) in interest rate on variable rate borrowings
Interest Expense	+ / (-) S\$ 0.4 million p.a.

**MAS raised the leverage limit for S-REIT from 45% to 50%**

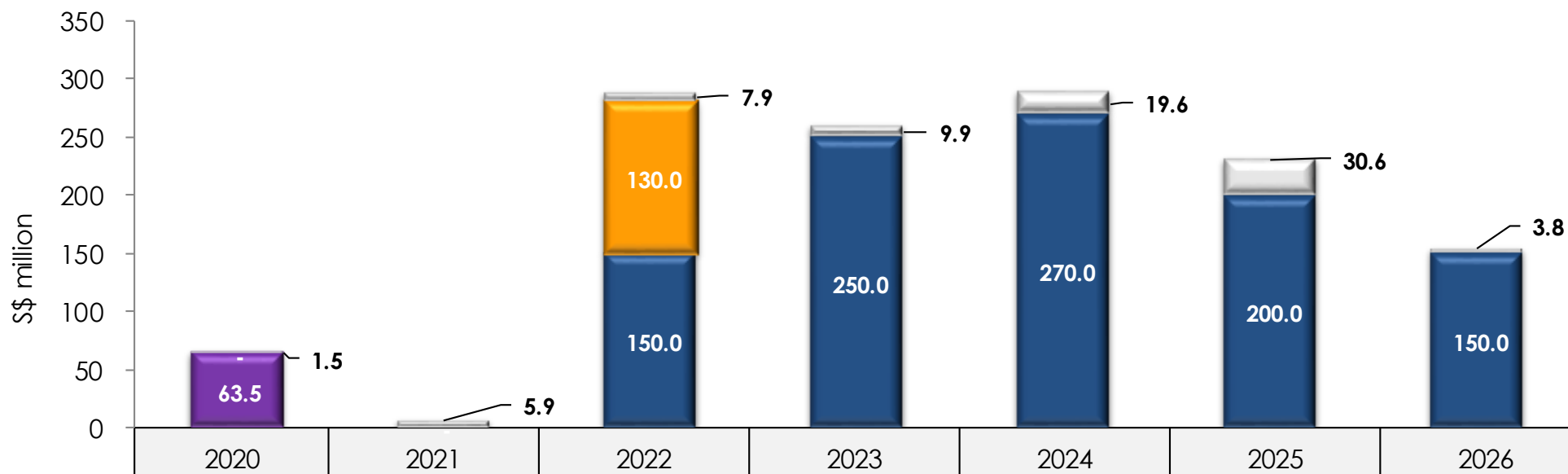
- ✓ Debt headroom of S\$700 million to 45% and S\$1.2 billion to 50%
- ✓ Greater financial flexibility for stability and growth

Notes:

1. All key financial indicators exclude the effect of FRS 116 Leases, except for Interest Coverage Ratio.
2. Based on total borrowings over the deposited properties in accordance to Property Funds Appendix (includes CRCT's proportionate share of its Joint Venture's borrowing and deposited property).
3. Ratio of the consolidated YTD 2020 interest expense reflected over weighted average borrowings on balance sheet.
4. Ratio is calculated by dividing the trailing 12 months EBITDA by the trailing 12 months interest expense (includes finance lease interest expenses under FRS 116) in accordance with MAS guidelines.
5. Excludes ROU Assets under FRS 116 and CRCT's proportionate share of its Joint Venture assets.
6. Excludes \$870.0 million Multicurrency Medium Term Note.
7. Excludes MML which were intended to be short term as well as RMB denominated loan.

# Well-Distributed Debt Maturity Profile

Completed 2020/2021 Refinancing



<b>Total Debt (in SGD million)</b>	65.0	5.9	287.9	259.9	289.6	230.6	153.8	<b>1,292.7</b>
<b>% of Outstanding Debt</b>	5.0%	0.5%	22.3%	20.1%	22.4%	17.8%	11.9%	<b>100.0%</b>

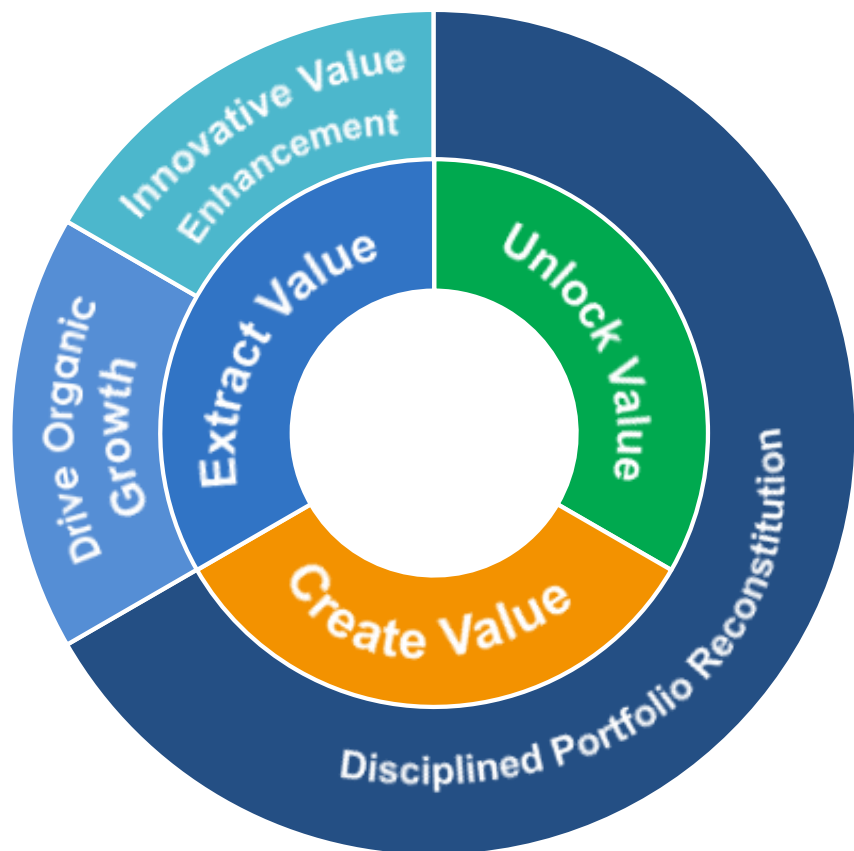
- Unsecured MML
- Unsecured Offshore Term Loan
- Secured Onshore RMB Bank Loan
- Notes Issued Under Multicurrency Debt Issuance Programme

# Looking Forward





# CRCT Strategy



## Key Objectives

1

### Disciplined Portfolio Reconstitution - Create Value

- Increase diversification of revenue stream
- Expand footprint into targeted growth cities
- Engage Sponsor's pipeline and third-party vendors

2

### Disciplined Portfolio Reconstitution - Unlock Value

- Monetise older assets and acquire newer assets with higher growth potential
- Decrease exposure to lower growth and non-core malls

3

### Drive Organic Growth and Innovative Value Enhancement - Extract Value

- Drive operational excellence, continuous AEI and space optimisation

# Extract Value from Rock Square

## Executing Planned Asset Enhancement Initiatives

*Achieved Strong Rental Reversion Every Quarter Since Acquisition in 2018*

**2018**

Phase 1

**Major Tenant Remixing**

- ✓ Curate retail experience by adjusting tenant mix
- ✓ **66** leases new leases/renewals

**26.8%**

**Rental Reversion**

**2019**

Phase 2

**Extensive Reconfiguration**

- ✓ Completed 7 reconfigurations
- ✓ **64** leases new leases/renewals

**23.0%**

**Rental Reversion**

**2020 Onwards**

Phase 3

**Seize opportunity to reposition and strengthen future business model during COVID-19 period**

**Asset Enhancement Initiatives**

- ✓ Improve shopper circulation and area efficiency
- ✓ Additional >1,000 sq m of NLA to be added over the next two to three years

**Area Reconfiguration**

- ✓ Reconfigure space at Level 3 into 5 smaller and higher-yielding F&B tenants in 2020

 **~15% ROI expected**

# Unlock and Create Value from Bundle Deal

Rejuvenate Portfolio with Higher Quality And More Strategically Located Asset

- **Bundle deal** to acquire Yuquan Mall and divest CapitaMall Saihan
- Swap **aged asset with newer and more modern development**
- Leverage on **new building specifications** to capture market opportunities



Gross Rentable Area	41,938 sqm	↑ 82.0%	76,309 sqm
Land Use Right Expiry	2041	↑ 8 Years	2049
Connectivity	No	↑ Enhanced	Directly Connected <sup>1</sup>
Carpark	No	↑ Enhanced	Yes

Note:  
1. Directly connected to Metro Line 2 that was launched in October 2020.



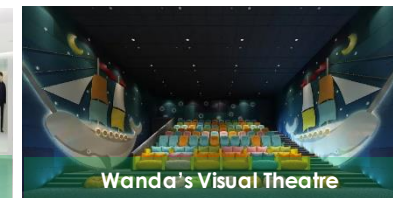
# A Destination Lifestyle Mall of Tomorrow

Strong Positioning Draws Reputable and High Quality Tenants

94.0%

December 2020

- Committed Occupancy<sup>1</sup> Despite Soft Leasing Environment due to COVID-19 Impact
- Expected Mall Opening



Supermarket

Food & Beverage

Beauty and Wellness

Edutainment

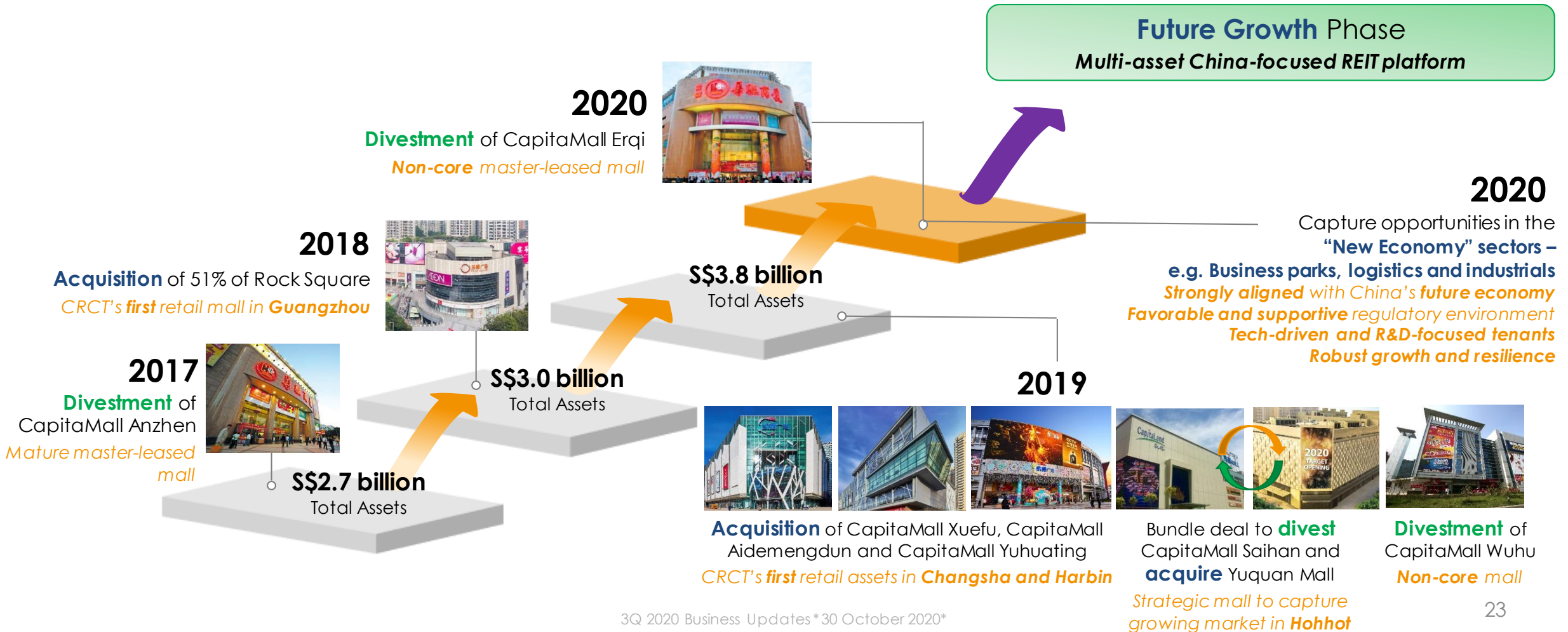
IT and Jewellery



Note:  
1. Based on NLA.

# Portfolio Reconstitution Efforts have Strengthened CRCT

Long-Term Focus of Creating Growth and Resilience



# Capture China's "New Economy" Sectors

Opportunity to Build more Diversified and Resilient Income Streams



## China's Economic Focus

- Focus on domestic consumption
- Pursue high-value added production
- Develop Chinese technological competencies
- Acceleration of digitalisation in China
- Governments committed to invest in relevant key strategic industries



## Key Beneficial Sectors

- Information and Communications Technologies
- E-Commerce
- Electronics
- Semiconductors
- Biomedical Sciences



## Key Beneficial Asset Classes

- **Business Parks**
- **Logistics**
- **Industrials**

**Opportunities under CRCT's new mandate**

**Increased Demand From Higher Value-Added Industries, Service-Led Industries Will Provide Growth Opportunities For Underlying Real Estate Classes In China**



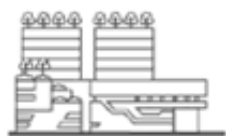
# Leveraging On Sponsor's Strong Support And Network To Drive Future Growth



- ✓ In-depth local market knowledge across China
- ✓ Full spectrum of real estate capabilities and resources
- ✓ CRCT to tap on the strength and depth of CapitaLand's expertise and network to enter into new asset classes

CRCT will be the Dedicated S-REIT for CapitaLand Group's Non-lodging China Business with Acquisition Pipeline Access to CapitaLand's China's assets

## CapitaLand's China Investment Portfolio<sup>1</sup>



Retail

25  
Assets



Commercial

27  
Assets



Integrated Developments

22  
Assets

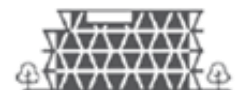


Logistics



Industrial

10  
Assets

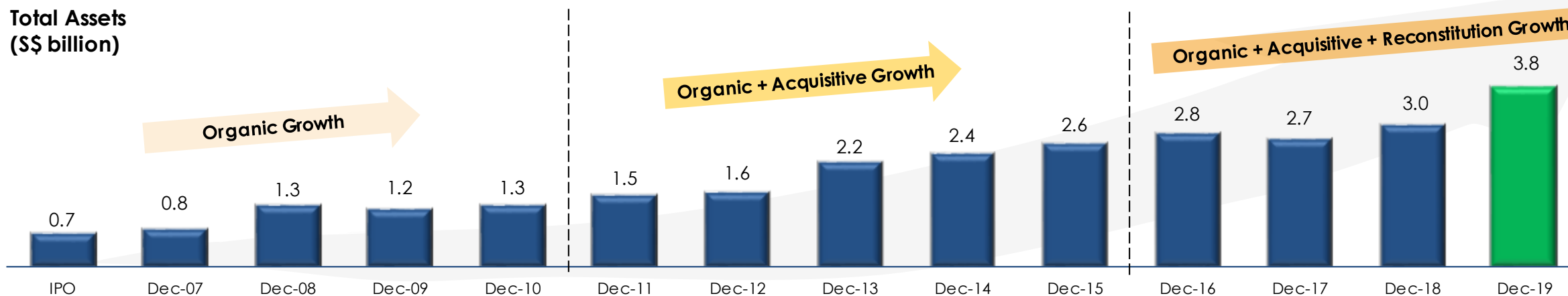


Business Park

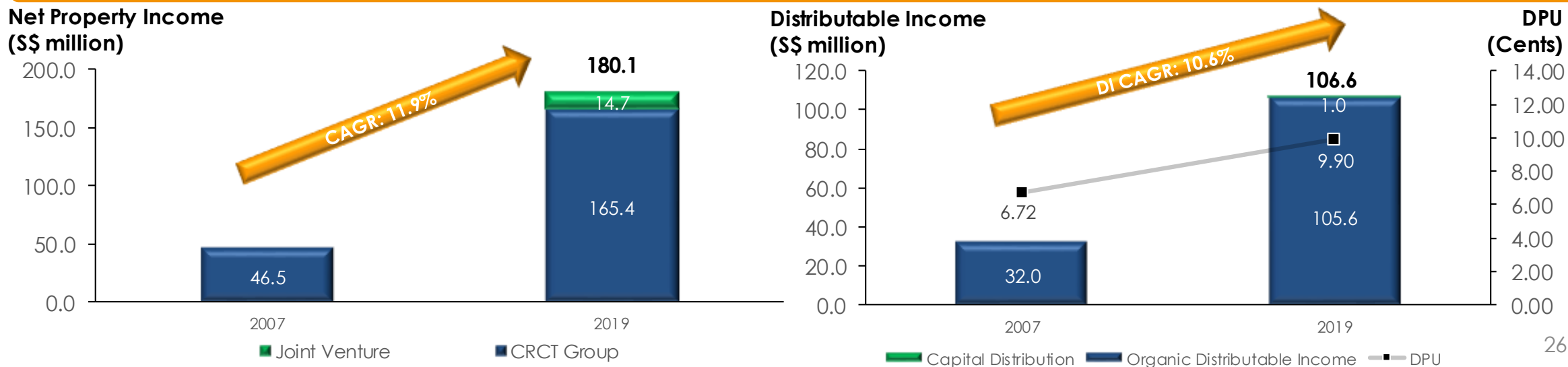
Note:  
1. As of 30 June 2020.

# Proven Track Record of Value Creation

## Total Assets Increased more than Fivefold since IPO



## Steady Growth in NPI, DI and DPU





# Forging Ahead with on Strong Foundation



- **Resilient and Quality Portfolio** that focus on offering lifestyle essentials and necessities to densely populated vicinity
- **Experienced Ground Team** with strong domain knowledge to capture new business trends
- **Prudent** capital management
- Access to **Strong Pipeline of High Quality Assets** held under CapitaLand Group

**Well-Positioned for  
Next Phase of Growth**



# Thank you

For enquiries, please contact: Ms Nicole Chen, Investor Relations  
Direct: (65) 6713 1648, Email: [nicole.chen@capitaland.com](mailto:nicole.chen@capitaland.com)  
**CapitaLand Retail China Trust Management Limited (<https://www.crct.com.sg>)**  
168 Robinson Road, #30-01 Capital Tower, Singapore 068912  
Tel: (65) 6713 2888, Fax: (65) 6713 2999

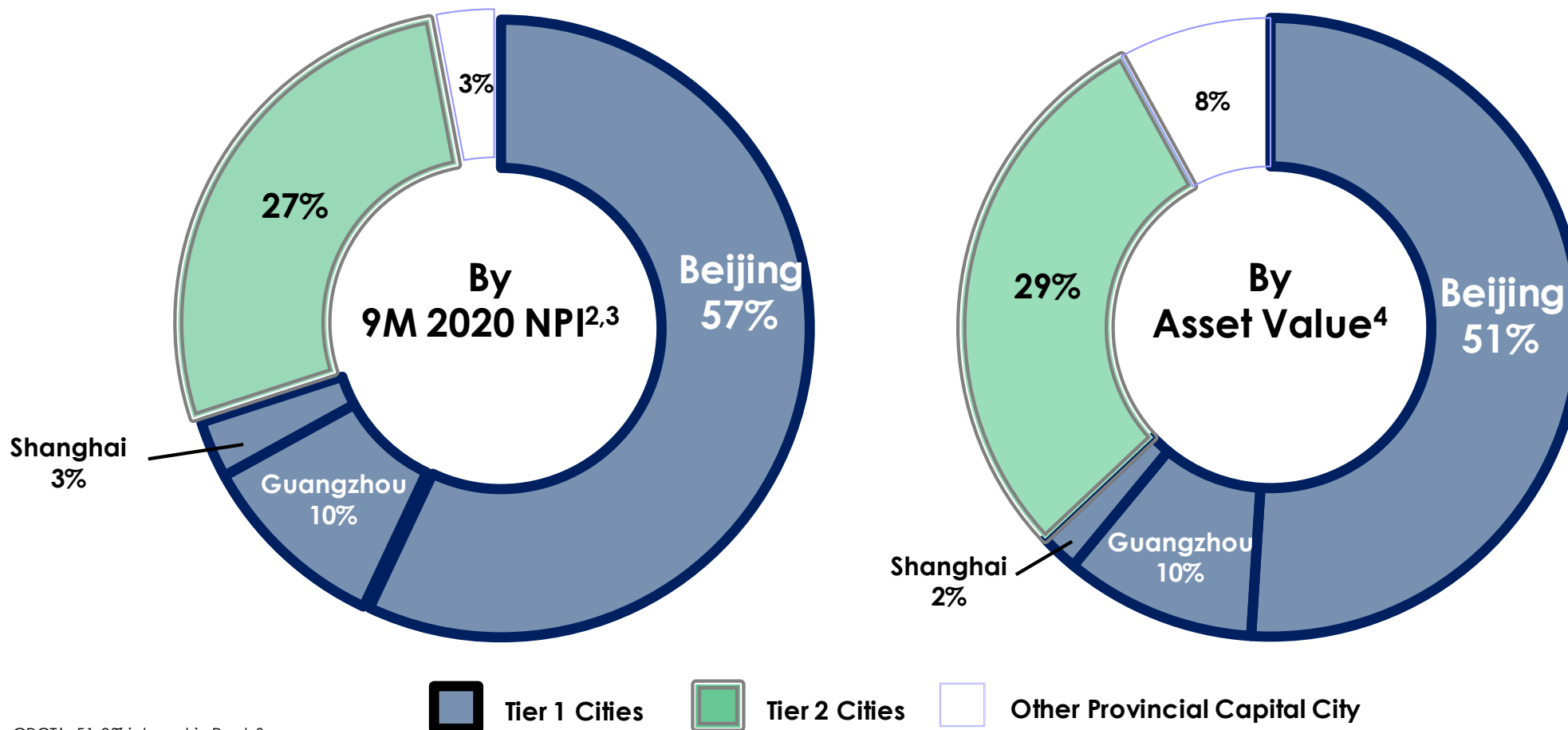


# Appendix



# Breakdown of Portfolio Contribution

Portfolio Income and Valuation Derived Predominantly from Malls in Tier 1 and Tier 2 Cities<sup>1</sup>

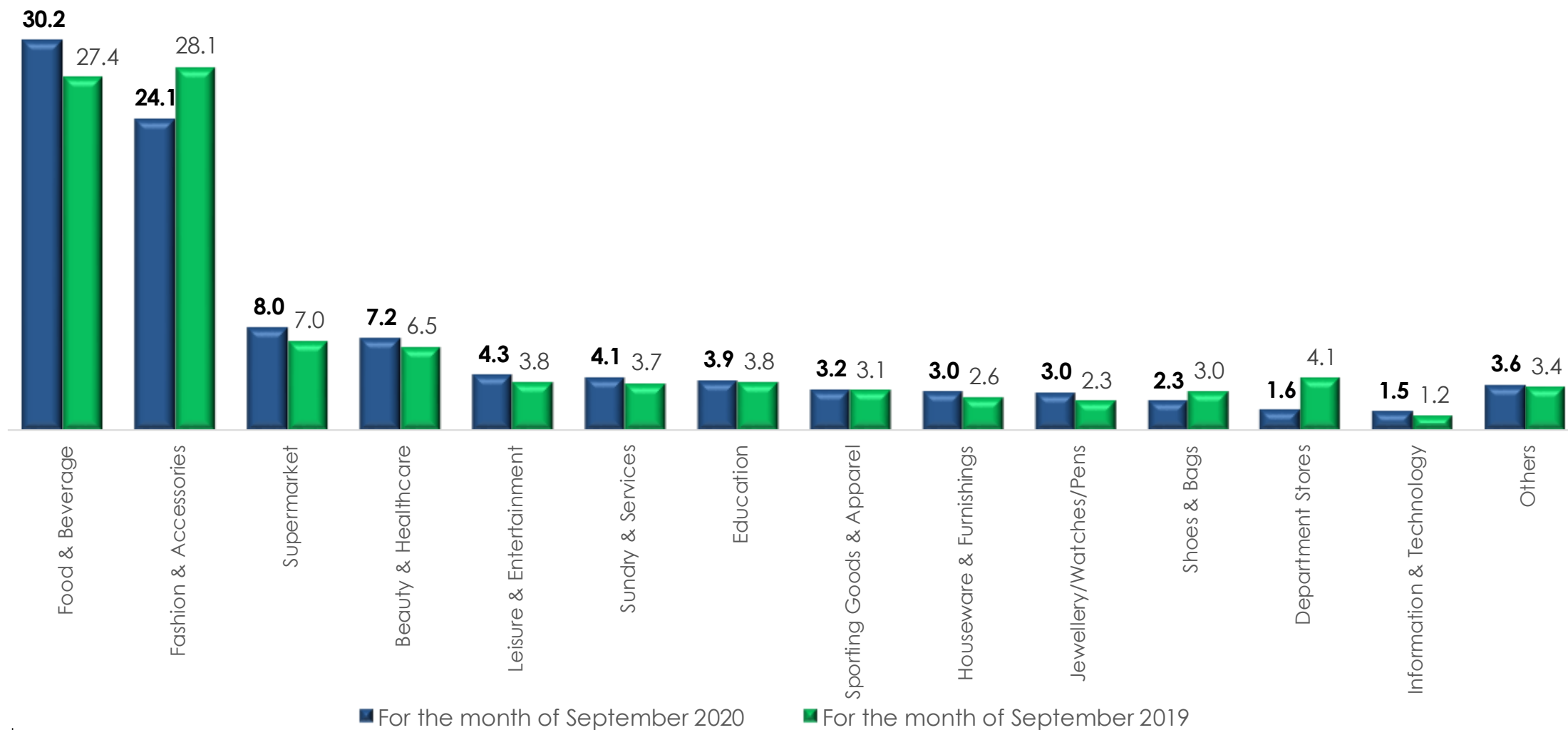


Notes:

1. Includes CRCT's 51.0% interest in Rock Square.
2. Excludes the adjustment of FRS 116.
3. Exclude Yuquan Mall which is undergoing fit-out, and CapitaMall Erqi which was divested in 1H 2020.
4. Based on the valuation of the investment properties as at 31 December 2019 except for CapitaMall Saihan, where the valuation refers to the agreed property selling price as it is classified as asset held for sale.

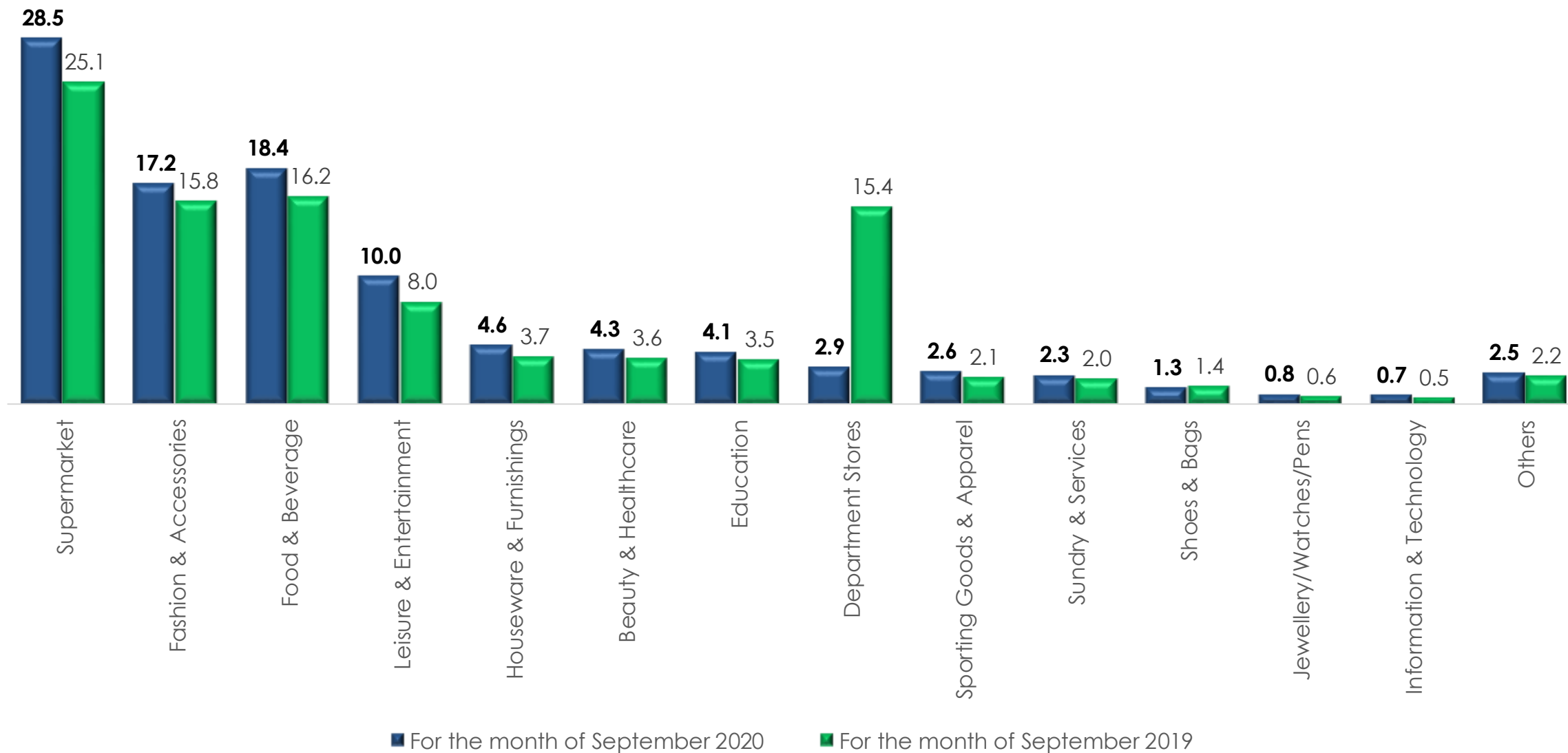


# Trade Mix By Gross Rental Income<sup>1</sup> (%)



Note:  
1. Includes master-leased mall.

# Trade Mix By Net Lettable Area<sup>1</sup> (%)



Note:  
1. Includes master-leased mall.

# Portfolio at a Glance<sup>1</sup>

	CapitaMall Xizhimen 凯德MALL·西直门	CapitaMall Wangjing 凯德MALL·望京	CapitaMall Grand Canyon 凯德MALL·大峡谷	CapitaMall Xuefu 凯德广场·学府	Rock Square <sup>2</sup> 乐峰广场
<b>Location</b>	Beijing	Beijing	Beijing	Harbin	Guangzhou
<b>GFA (sq m)</b>	83,075	83,768	92,918	123,811	88,279
<b>GRA (sq m)</b>	83,075	68,010	69,967	104,294	83,591
<b>NLA (sq m)</b>	50,770	51,902	44,961	64,256	53,129
<b>Land Use Right Expiry</b>	23 Aug 2044 23 Aug 2054	15 May 2043 15 May 2053	29 Aug 2044 29 Aug 2054	15 Dec 2045	17 Oct 2045
<b>Valuation (RMB mil)</b>	3,580	2,772	2,125	1,792	3,425
<b>Number of Leases</b>	229	209	138	398	172
<b>Committed Occupancy</b>	95.2%	93.3%	91.4%	97.4%	91.9%

Notes:

1. As at 30 September 2020.

2. CRCT has a 51.0% interest in Rock Square. All information are presented based on 100% ownership.



# Portfolio at a Glance<sup>1</sup>

	CapitaMall Xinnan 凯德广场·新南	CapitaMall Yuhuating 凯德广场·雨花亭	CapitaMall Aidemengdun 凯德广场·埃德蒙顿	CapitaMall Qibao 凯德七宝购物广场
<b>Location</b>	Chengdu	Changsha	Harbin	Shanghai
<b>GFA (sq m)</b>	91,816	75,431	49,040	83,986
<b>GRA (sq m)</b>	53,619	58,575	43,394	72,729
<b>NLA (sq m)</b>	36,736	48,315	28,377	50,642
<b>Land Use Right Expiry</b>	17 Oct 2047	03 Mar 2044	07 Sep 2042	10 Mar 2043 <sup>2</sup>
<b>Valuation (RMB mil)</b>	1,600	760	480	435
<b>Number of Leases</b>	237	230	150	140
<b>Committed Occupancy</b>	94.0%	96.7%	89.0%	83.8%

Notes:

1. As at 30 September 2020.
2. CapitaMall Qibao is indirectly held by CRCT under a master lease which expires in January 2024, with the right to renew for a further term of 19 years and 2 months.

# Portfolio at a Glance<sup>1</sup>

	CapitaMall Minzhongleyuan 凯德新民众乐园	CapitaMall Saihan 凯德MALL·赛罕	Yuquan Mall <sup>2</sup> 凯德广场·诺和木勒	CapitaMall Shuangjing 凯德MALL·双井
<b>Location</b>	Wuhan	Hohhot	Hohhot	Beijing
<b>GFA (sq m)</b>	41,717	41,938	100,047	49,463
<b>GRA (sq m)</b>	41,717	41,938	76,309	49,463
<b>NLA (sq m)</b>	22,121	31,051	-	51,193
<b>Land Use Right Expiry</b>	30 Jun 2044 <sup>4</sup> 15 Sep 2045	11 Mar 2041 20 Mar 2041	26 July 2049	10 Jul 2042
<b>Valuation (RMB mil)</b>	490	460 <sup>5</sup>	857	610
<b>Number of Leases</b>	21	180	-	4
<b>Committed Occupancy</b>	44.6%	99.2%	94.0%	98.5%

Notes:

- As at 30 September 2020.
- Yuquan Mall is undergoing fit-out. Committed occupancy on a pre-leasing basis.
- Included the area zoned for civil defense but is certified for commercial use.
- The conserved building is under a lease from the Wuhan Cultural Bureau.
- Referring to agreed property selling price for CapitaMall Saihan as it is classified as asset held for sale.

N.A. Not Applicable