

NEWS RELEASE

CLCT makes first foray into China logistics with accretive acquisition of four prime logistics properties for RMB1,683.4 million¹

- ***Strategic addition of high-quality logistics properties will boost the proportion of new economy assets in CLCT's enlarged portfolio***
- ***Entry into the attractive logistics asset class will extend CLCT's portfolio average land tenure while delivering accretion***

Singapore, 12 October 2021 – CapitaLand China Trust Management Limited (“CLCTML”), the manager of CapitaLand China Trust (“CLCT”), announced today the proposed acquisition of a portfolio of four prime logistics assets in Shanghai, Kunshan, Wuhan and Chengdu (the “Properties”), which are key logistics hubs in China and are within CapitaLand’s five core city clusters², from unrelated third parties (the “Acquisition”). This marks CLCT’s first foray into China’s logistics sector and increases its exposure to new economy asset classes, following CLCT’s maiden purchase of a portfolio of five business park properties³; both part of CLCT’s multi-stage portfolio reconstitution strategy to strengthen its long-term income diversification and resilience.

The Acquisition is based on an aggregate agreed property value of RMB1,683.4 million (approximately S\$350.7 million⁴), representing a discount of approximately 0.6% to the aggregate valuation by an independent valuer appointed by CLCT. CLCT’s total cost of the Acquisition is estimated at approximately S\$297.7 million⁵, subject to post-completion adjustments. CLCT intends to finance the acquisition through an optimal mix of debt and equity. Based on the proposed method of financing, the Acquisition is expected to be distribution per unit (“DPU”) accretive by 3.5%⁶ on a pro forma basis. The Acquisition is expected to be completed by end of 2021.

¹ RMB1,683.4 million is the aggregate agreed property value of the Properties.

² The five core city clusters in China under CapitaLand’s strategy are Beijing/Tianjin, Shanghai/Hangzhou/Suzhou/Ningbo, Guangzhou/Shenzhen, Chengdu/Chongqing/Xi’an and Wuhan.

³ CLCT completed the acquisition of Ascendas Xinsu Portfolio on 4 January 2021; Ascendas Innovation Towers on 10 February 2021; Ascendas Innovation Hub on 26 February 2021; and Singapore-Hangzhou Science & Technology Park Phase I and II on 18 June 2021.

⁴ Based on an exchange rate of S\$1 = RMB4.80.

⁵ The purchase consideration is net of the onshore loans which CLCT will assume in respect of the acquisition of the Wuhan asset, the Kunshan asset and the Chengdu asset and takes into account that the Shanghai asset will be acquired debt-free.

⁶ The pro forma DPU impact is for illustrative purposes and is prepared based on CLCT’s audited consolidated financial statements for the financial year ended 31 December 2020. It is calculated assuming (a) the proposed Acquisition had been completed on 1 January 2020 and CLCT had held and operated the Properties for the financial year ended 31 December 2020; (b) the occupancy rates and committed lease rents of the Properties are as at August 2021 and includes the rent support and rent free reimbursement; (c) the proposed Acquisition is funded by S\$120 million raised from a private placement and the remaining balance by debt.

The portfolio of four high-quality modern logistics properties has a total gross floor area (“GFA”) of 265,259 square metres (“sq m”), with a committed occupancy of 96.3% and weighted average lease to expiry⁷ (“WALE”) of 2.1 years as at 31 August 2021. Three of the properties were completed between 2016 and 2018, while the fourth was completed in 2010. Located in key logistics hubs near transportation nodes such as seaports, airports and railways, the properties are strategically located to serve the growing domestic logistical needs in China’s eastern, central and southwest regions. Fitted with high-tech and modern features tailored to meet a wide range of e-commerce and logistics requirements, the properties are anchored by a strong domestic tenant base, including China’s leading technology-driven supply chain solutions and logistics services providers, as well as domestic market leaders for third-party logistics. More than 80% of the leases⁸ have rental escalations in place, with a step-up ranging from 3% to 5% per annum.

Mr Tan Tze Wooi, CEO, CLCTML, said: “We are pleased to mark CLCT’s entry into China’s burgeoning logistics sector with a quality portfolio of logistics assets, in an investment that is aligned with China’s plans for a domestic consumption-driven, higher-value and service-led economy. The acquisition will enable CLCT to tap China’s strong demand for logistics properties, which is supported by conducive government policies and boosted by an accelerated growth in e-commerce. The continuing favourable supply-demand dynamics in China’s logistics properties market with robust net absorption are expected to sustain rental growth for prime logistics assets.”

“The acquisition is in line with CLCT’s investment strategy and near-term focus on new economy assets. Post-acquisition, the proportion of new economy assets in CLCT’s enlarged portfolio will rise to 21.4% from 15.3% by asset value⁹. Assets under management⁹ (“AUM”) will increase by 8.0% to S\$4,729.2 million, reinforcing CLCT’s leadership as the largest multi-asset China-focused real estate investment trust in Singapore by AUM.”

“In addition, the acquisition will enhance CLCT’s portfolio strength and income diversification. NPI of the enlarged portfolio will increase by 12.8%¹⁰. In terms of geographical diversification, the enlarged portfolio will increase CLCT’s presence in Shanghai from 0.4% to 3.1%, and its exposure to the rapidly growing second-tier cities from 36.7% to 38.6%. Given the longer land tenure of China’s logistics properties at 50 years at inception compared with retail assets at 40 years at inception, the remaining weighted average land tenure expiry of CLCT’s enlarged portfolio will positively extend by 1.94 years¹¹ post-acquisition.”

To seize new opportunities in China’s real estate market, CLCT expanded its investment mandate in September 2020 to cover multi-assets that are used primarily for retail, office and industrial use. Under its five-year acquisition growth roadmap, CLCT plans to achieve a balanced portfolio mix of 40% in commercial/integrated developments, 30% in retail properties

⁷ By gross rental income.

⁸ By NLA.

⁹ Existing portfolio AUM is based on valuation as at 31 December 2020, includes the agreed property value for the five business park properties on an effective stake basis and excludes CapitaMall Minzhongleyuan and CapitaMall Saihan which were divested. Enlarged portfolio AUM includes existing portfolio AUM and agreed property value for the Properties.

¹⁰ Based on the financial year ended 31 December 2020 NPI, inclusive of the rent support and rent free reimbursement.

¹¹ Weighted by GFA.

and 30% in new economy assets (including business parks, logistics and data centers) by 2026.

Please refer to the **Annex** for a summary of CLCT's logistics portfolio.

About CapitaLand China Trust (www.clct.com.sg)

CapitaLand China Trust (CLCT), formerly known as CapitaLand Retail China Trust, is Singapore's largest China-focused real estate investment trust (REIT). CLCT's portfolio comprises 11 shopping malls and five business park properties. The geographically diversified portfolio has a total gross floor area (GFA) of approximately 1.7 million square metres (sq m), located across 10 leading Chinese cities. CLCT was listed on the Singapore Exchange Securities Trading Limited (SGX-ST) on 8 December 2006, and established with the objective of investing on a long-term basis in a diversified portfolio of income-producing real estate and real estate-related assets in mainland China, Hong Kong and Macau that are used primarily for retail, office and industrial purposes (including business parks, logistics facilities, data centres and integrated developments).

CLCT's retail properties are strategically located in densely populated areas with good connectivity to public transport. The malls are positioned as one-stop family-oriented destinations housing a wide range of lifestyle offerings that cater to varied consumer preferences in shopping, dining and entertainment as well as essential services. CLCT's portfolio comprises a diverse mix of around 2,000 leases, which include leading brands ZARA, UNIQLO, Xiaomi, Li-Ning, Haidilao, Nike, Sephora, Starbucks Coffee and Swarovski. The malls are CapitaMall Xizhimen, CapitaMall Wangjing, CapitaMall Grand Canyon and CapitaMall Shuangjing in Beijing; Rock Square in Guangzhou; CapitaMall Xinnan in Chengdu; CapitaMall Qibao in Shanghai; CapitaMall Nuohemule in Hohhot; CapitaMall Xuefu and CapitaMall Aidemengdun in Harbin and CapitaMall Yuhuating in Changsha.

CLCT has a portfolio of five business parks situated in high-growth economic zones which house high quality and reputable domestic and multinational corporations operating in new economy sectors such as Electronics, Engineering, E-Commerce, Information and Communications Technology and Financial Services. The business parks exhibit excellent connectivity with close proximity to transportation hubs, and are easily accessible via various modes of transportation. The properties are Ascendas Xinsu Portfolio in Suzhou, Ascendas Innovation Towers and Ascendas Innovation Hub in Xi'an and Singapore-Hangzhou Science & Technology Park Phase I and Phase II in Hangzhou.

CLCT is managed by CapitaLand China Trust Management Limited, a wholly owned subsidiary of Singapore-listed CapitaLand Investment, a leading global real estate investment manager with a strong Asia foothold.

About CapitaLand Investment (www.capitalandinvest.com)

Headquartered and listed in Singapore, CapitaLand Investment (CLI) is a leading global real estate investment manager (REIM) with a strong Asia foothold. As at 30 June 2021, CLI had about S\$119.0 billion of real estate assets under management, and about S\$83.0 billion of real estate funds under management (FUM) held via six listed real estate investment trusts and business trusts, and over 20 private funds across the Asia-Pacific, Europe and USA. Its diversified real estate asset classes cover integrated developments, retail, office, lodging and new economy sectors such as business parks, industrial, logistics and data centres.

CLI aims to scale its FUM and fee-related earnings through its full stack of investment management and operating capabilities. As the listed investment management business arm

of the CapitaLand Group, CLI has access to the development capabilities of and pipeline investment opportunities from CapitaLand's development arm. Being a part of the well-established CapitaLand ecosystem differentiates CLI from other REIMs.

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

Issued by: CapitaLand China Trust Management Limited (Co. Regn.: 200611176D)

Analyst contact

Nicole Chen
Head, CLCT Investor Relations
DID: (65) 6713 1648
Email: nicole.chen@capitaland.com

Media contact

Chia Pei Siang
VP, Group Communications
DID: (65) 6713 1379
Email: chia.peisiang@capitaland.com

IMPORTANT NOTICE AND DISCLAIMER

This release may contain forward-looking statements that involve 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, 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 release. Neither CapitaLand 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 release.

The past performance of CapitaLand China Trust ("CLCT") is not indicative of future performance. The listing of the units in the CLCT ("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, or any of its affiliates. 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 release is for information only and does not constitute an invitation or offer to acquire, purchase or subscribe for the Units.

Annex – Summary of CLCT’s Logistics Portfolio

	Shanghai Logistics Property	Kunshan Logistics Property	Wuhan Logistics Property	Chengdu Logistics Property
Description	One block of double-storey warehouse, with ancillary offices	Three blocks of single-storey warehouses	Four blocks of single-storey warehouses with ancillary facilities	One block of single-storey warehouse and two blocks of double-storey ramp-up warehouses
Year of Completion	2010	2017	2018	2016
Land area (sq m)	63,524	76,175	125,821	77,446
GFA (sq m)	62,785	43,945	86,973	71,556
Land Tenure	50 years expiring on 20 July 2059	50 years expiring on 16 June 2064	50 years expiring on 14 July 2064	50 years expiring on 25 April 2062
Committed Occupancy (as at 31 August 2021)	98.6%	99.4%	97.6%	90.5%
WALE	2.0 years	1.8 years	2.4 years	2.1 years