



CAPITALAND RETAIL CHINA TRUST

1Q 2020 Business Updates

23 April 2020

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Notice: Change to Half-Yearly Reporting

CapitaLand Retail China Trust Management Limited (the “**Manager**”), as manager of CapitaLand Retail China Trust (“**CRCT**”), refers to the recent amendments to Rule 705(2) of the Listing Manual of the Singapore Exchange Securities Trading Limited which were effective from 7 February 2020.

The Manager announced on 26 February 2020 that CRCT will adopt the announcement of half-yearly financial statements with effect from the financial year ending 31 December 2020 (“**FY 2020**”). CRCT will also conduct property valuation on an annual basis instead of a half-yearly basis. For FY 2020, the next financial results announcement will be for the half-year period ending 30 June 2020.

The Manager will continue its proactive engagement with stakeholders through its various communication channels, including providing relevant business updates between the announcements of half-yearly financial statements.

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- Capital Management
- Portfolio Update
- Conclusion



1Q 2020 Developments

Easing of China's Lockdown

Steering Economy Back While Preventing Further Spread

Decisive Actions taken by Chinese Government to Contain COVID-19 and to Gradually Reopen the Economy

From 23 Jan 2020

- Imposed travel restrictions on Hubei Province
- Extended official Chinese New Year holiday until 2 Feb 2020
- Closed malls in selected affected cities

Feb 2020

- Established risk rating for cities, counties and districts to monitor hotspots
- Progressive re-opening of offices and factories by provinces
- Rolled out a series of policies to support businesses

Mar 2020

- Encouraged enterprises to resume work and production
- Announced that peak COVID-19 outbreak is over
- Launched a consumption campaign to encourage citizens to "Relax, Eat Out and Shop", issuing digital coupons to stimulate consumption

CapitaLand's Tenant Support Package

Tenant Relief Packages for our Valued Retail Partners




- Provide individual tailored solutions for our tenants based on their requirements and needs
 - **Phase 1:** CapitaLand offered the following rebates to our tenants in China:
 - 100% rental rebate for CapitaMall Minzhongleyuan for the period from 25 Jan –13 Feb 2020
 - 50% rental rebate for all other China malls from 25 Jan – 9 Feb
 - **Phase 2:** Introduced targeted rental rebates to most affected tenants on top of first relief package
- Stagger rental payments by instalments to ease cashflow needs
- Provide marketing assistance through innovative marketing techniques
- Implement flexible leasing strategies

Encouraging Signs of Activity Pick-Up

Progressive Improvement for In-Mall Business Activities

15 Feb 2020
(2 week after official CNY opening)

18-19 Apr 2020
(Latest weekend)

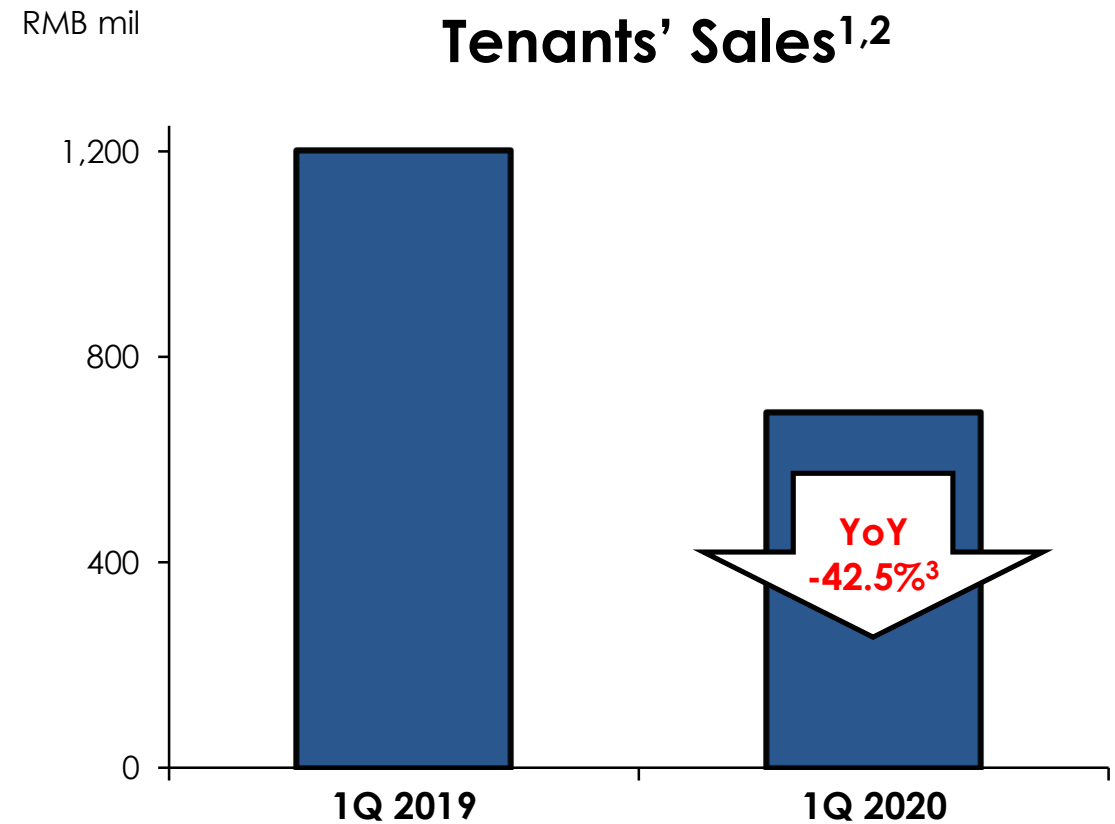
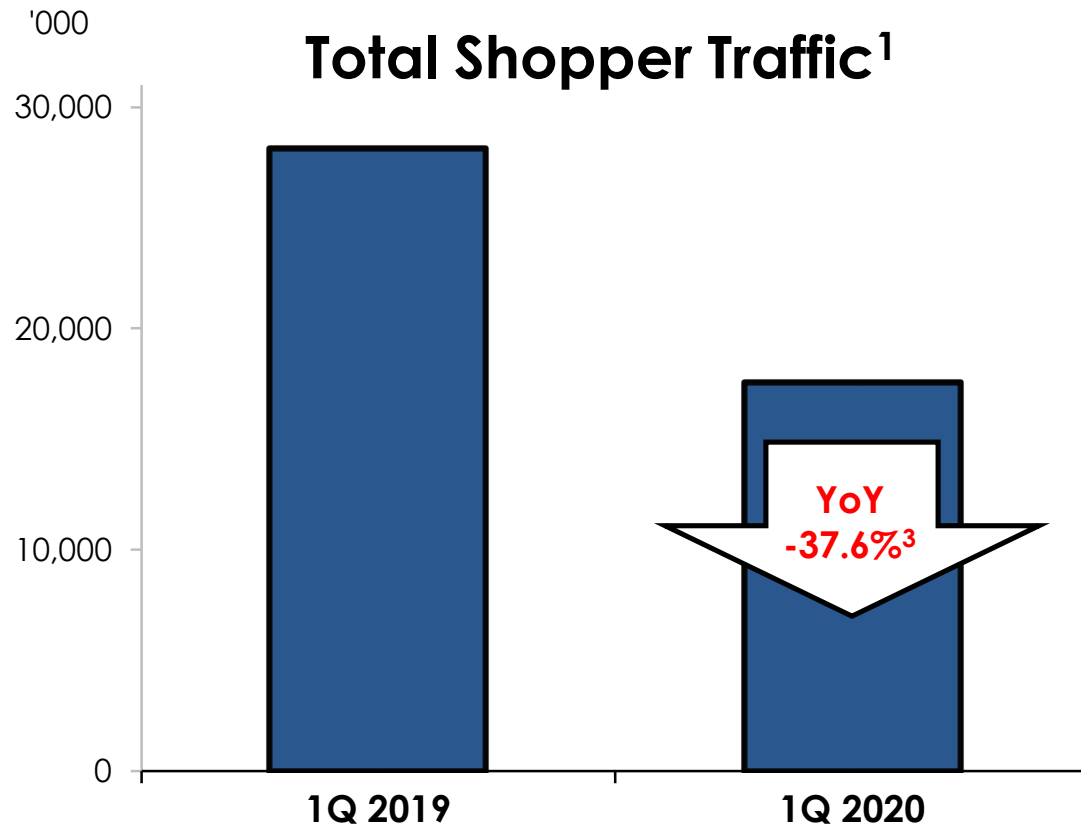
Stores Opened¹	Around 34%		Around 90%
Operating Hours	<ul style="list-style-type: none"> Shortened operating hours 		<ul style="list-style-type: none"> Malls have mostly reverted back to normal operating hours
Mall Operations	<ul style="list-style-type: none"> CapitaLand Minzhongleyuan was closed from 27 Jan 2020 All non-essential services of CapitaMall Saihan, CapitaMall Xuefu and CapitaMall Aidemengdun were temporary shut for around a month each as directed by local authorities 		<ul style="list-style-type: none"> All malls have reopened from 2 Apr 2020

Note:

1. By number of stores and excludes master-leased malls.

Affected by COVID-19 Containment Measures...

Operational Data Reflected Low Activity in 1Q 2020

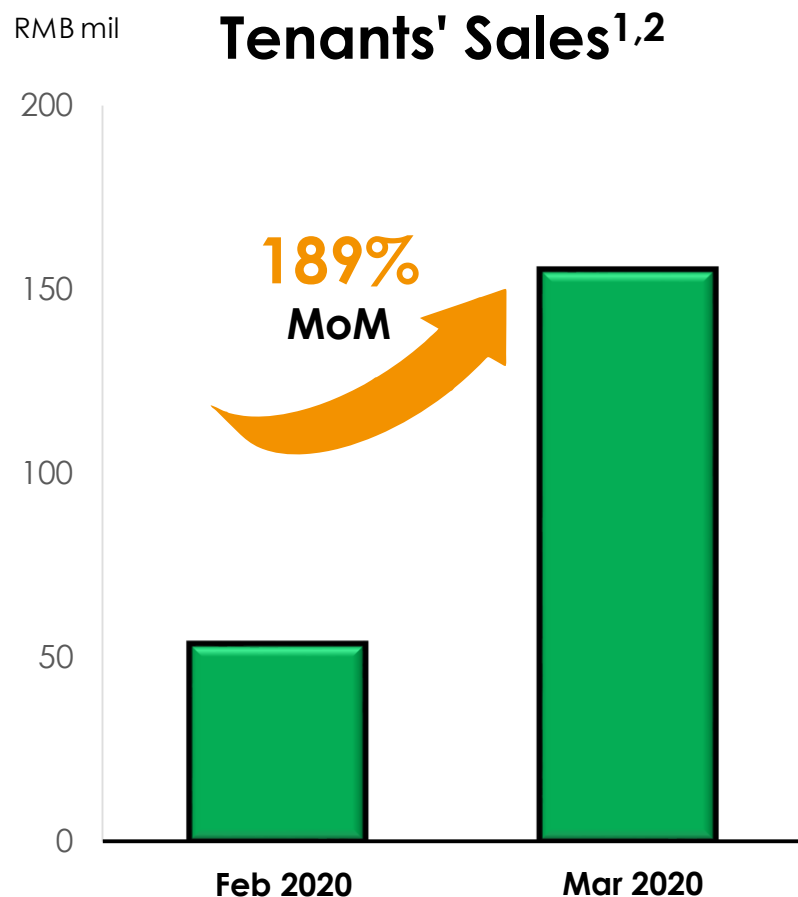
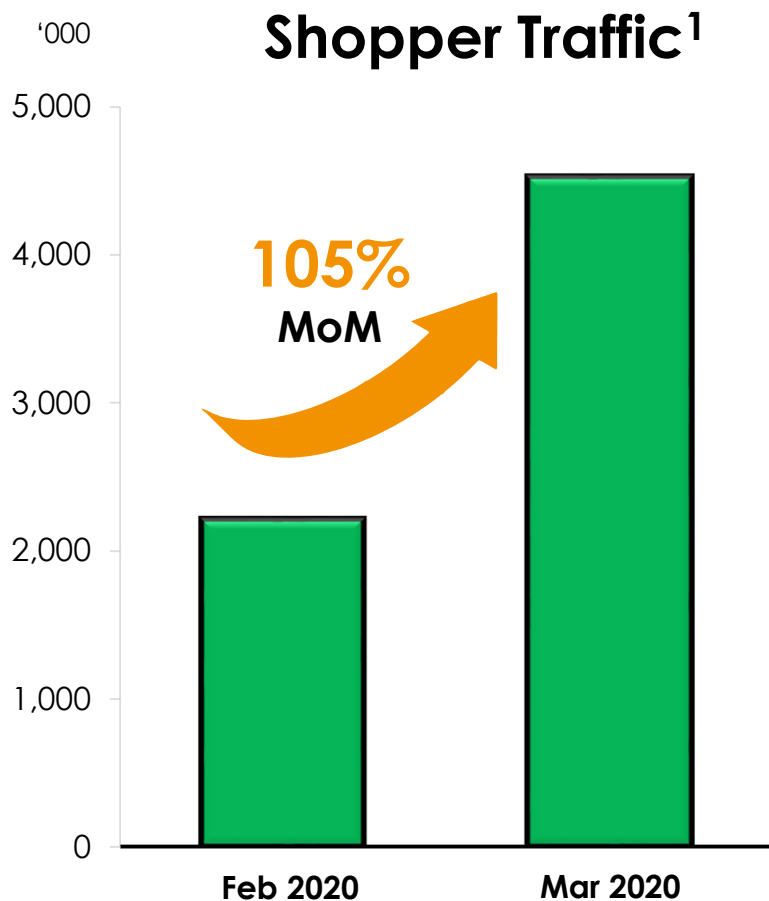


Notes:

1. Excludes master-leased malls.
2. Excludes tenants' sales from Supermarket and Department Store.
3. On same mall basis (excluding CapitaMall Xuefu, CapitaMall Aidemengdun, CapitaMall Yuhuating):
 - a. 1Q 2020 Shopper Traffic: -52.2%
 - b. 1Q 2020 Tenants' Sales: -54.8%

... but Signs of Recovery Emerging

Encouraging month-on-month Recovery in Shopper Traffic and Tenant Sales



Healthy Flow of Shoppers
Heading Back to CRCT malls



Recovery in Tenants' Sales



Resilient Occupancy

Notes:

1. Excludes master-leased mall.
2. Excludes tenants' sales from Supermarket and Department Store.

Timely Mall Reinvigoration Initiatives

Partner Tenants to Drive Footfall and Sales through a Myriad of Social Marketing Campaigns

Live Streaming from Stores



Live streaming at tenant's store at CapitaMall Wangjing (left) and at CapitaMall Xuefu (right)

- Drive real-time interaction by live streaming from our tenants' stores through our malls' official social media account

Promotions to Support F&B Tenants



F&B promotions at CapitaMall Xuefu (Left) and CapitaMall Grand Canyon (Right)

- Leverage on existing food delivery arrangements to push promotions to boost F&B tenants' sales

Group-Buying Campaigns



Advertising for Converse at CapitaMall Yuhuating and CapitaMall Xizhimen's WeChat Group

- Partner retailers to launch group buying campaigns on mall's WeChat page to drive awareness and attract new customers

Leverage on Government Support Packages

China Released Broad-based Stabilisation and Support Measures Focused on Revitalising Businesses

Government announced policies across various areas such as:



Utilities

- 5% off electricity tariffs
- Gas charged at off-peak rates
- Reduced / suspended Sewage Treatment Fees



Subsidies and Taxes

- National and Local government tax cuts and subsidies



Alleviating Financial Burdens

- HR Social Security Fund Contribution waiver
- Lower borrowing costs for businesses



Healthy Liquidity with Cost Discipline

Rely on CRCT's Strong Financial Position to Ride Through this Temporary Challenge

Capital Management – No Refinancing Concerns



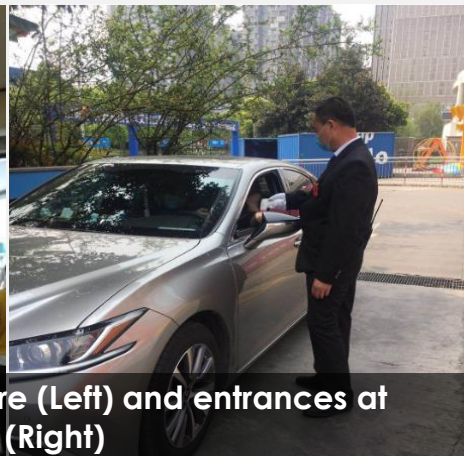
- Early refinanced S\$150 million of term loans due in 2020 to 2026
 - Secured loan at competitive interest rates with extended tenure
- No long-term debt maturing until 2021
- Well-supported by banks and medium-term note program
- Undrawn uncommitted debt facilities of S\$237.1 million available to tap on
- Security deposits of 3 months available to tap on

Cost Containment Measures Implemented



- Conserve cash flow by postponing non-essential CAPEX
- Reduce general and administrative expenses
- Optimise utilities consumption, property maintenance and marketing expenses

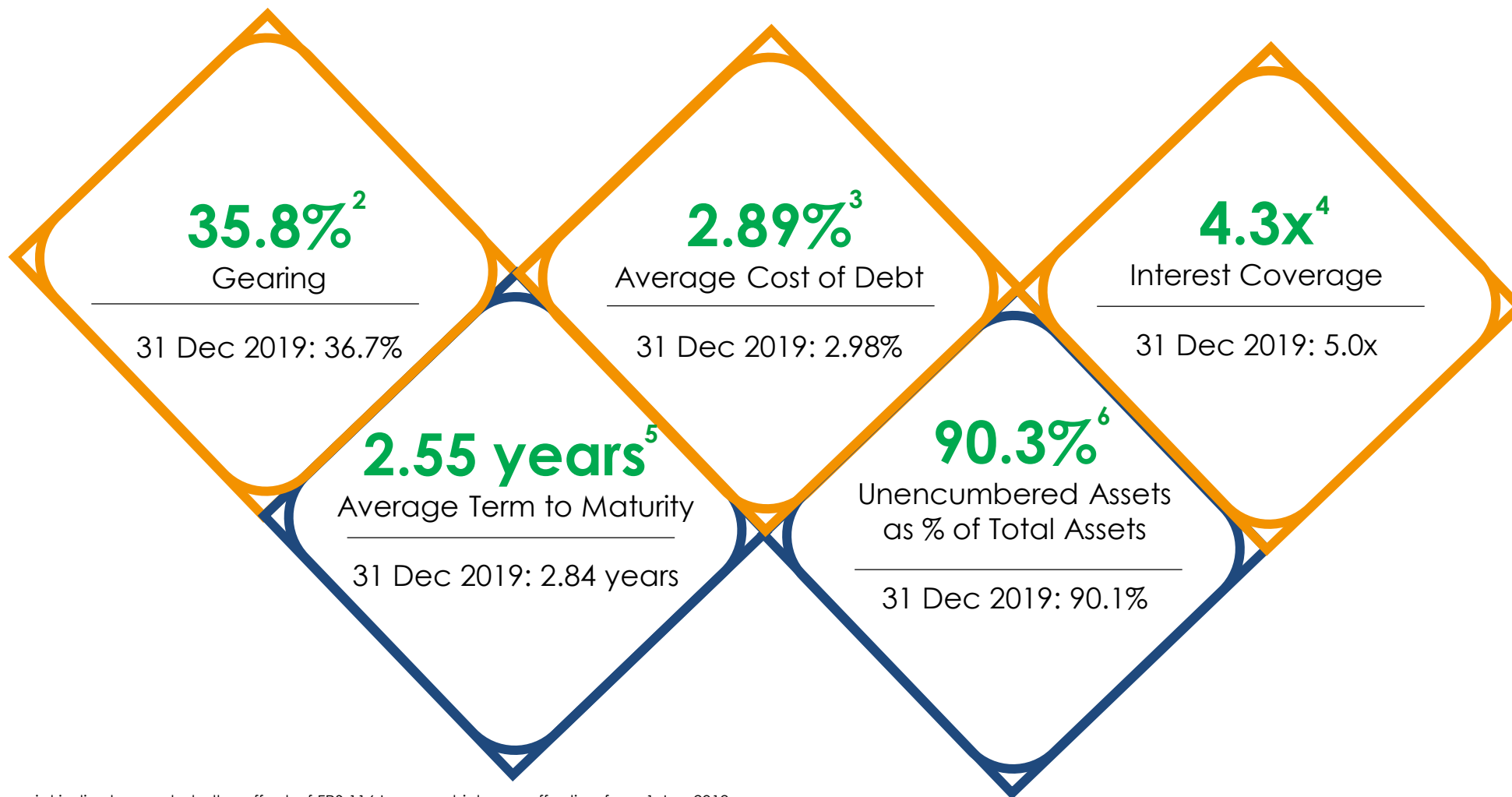
Welcoming Our Shoppers Back



Capital Management



Financial Strength as at 31 Mar 2020¹

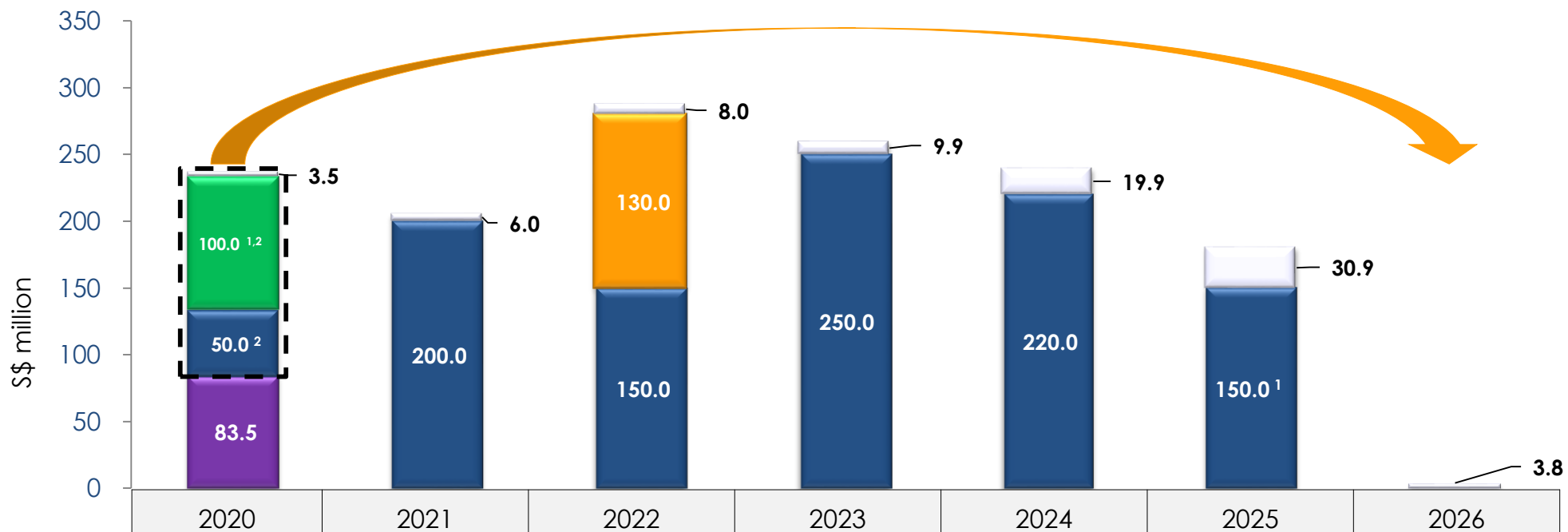


Notes:

1. All key financial indicators exclude the effect of FRS 116 Leases which was effective from 1 Jan 2019.
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.
5. After refinancing 2020 outstanding debt of S\$150 million and extending it to 2026, the average term to maturity is 3.16 years.
6. Excludes CRCT's proportionate share of its Joint Venture assets.

Capital Management

Debt Maturity Profile (31 Mar 2020)



Total Debt (in SGD million)	237.0	206.0	288.0	259.9	239.9	180.9	3.8	1,415.5
% of Outstanding Debt	16.7%	14.5%	20.4%	18.4%	17.0%	12.7%	0.3%	100.0%

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

Notes:

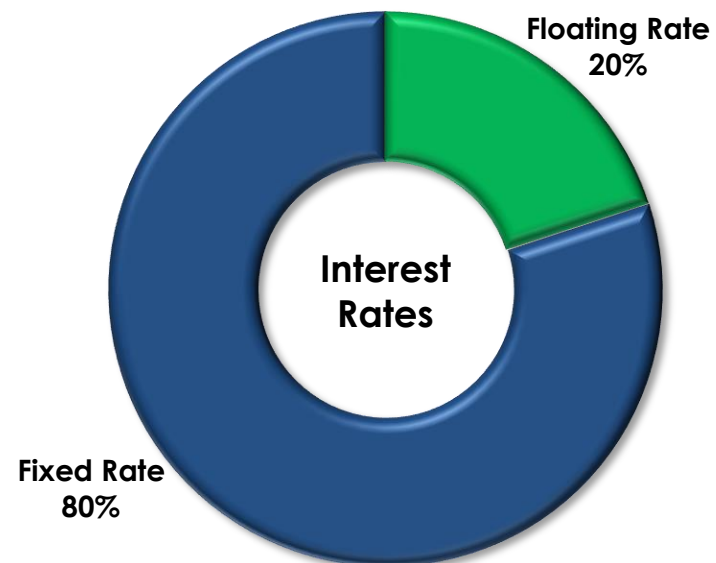
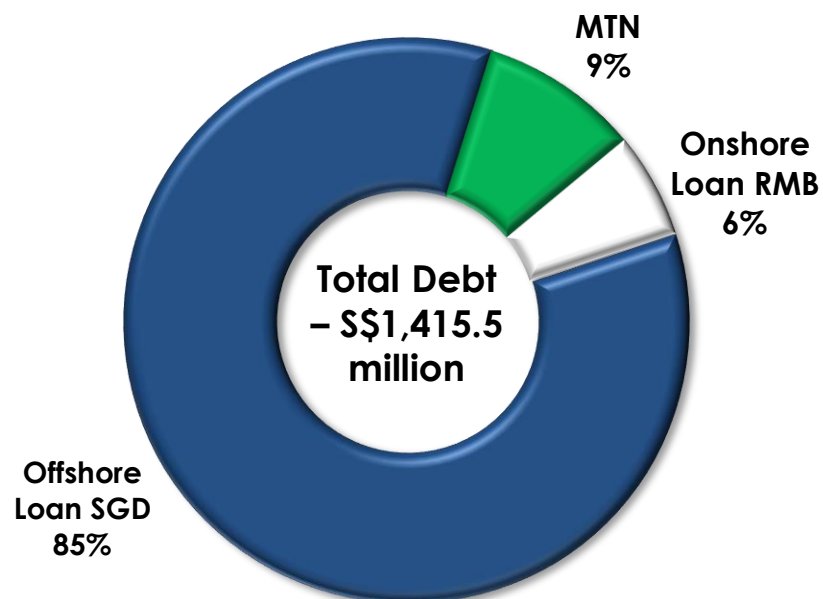
1. Relates to acquisition of CapitaMall Xuefu, CapitaMall Yuhuating and CapitaMall Aidemengdun.
2. Refinanced S\$150 million of loans due in 2020 at competitive rates and extended it to 2026.

Interest Rate & Forex Management

Disciplined Financial Control to Mitigate Risks while Focusing on Growth

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

- Ample debt headroom; better financial flexibility for stability and growth



Composition of Borrowings	
Offshore Loan SGD	85%
Onshore Loan RMB	6%
MTN	9%

Impact on:	Assuming +0.1% p.a. increase in interest rate on variable rate borrowings
Interest Expense	S\$ +0.5 million p.a.

Portfolio Update



Strong Portfolio Occupancy Rate of 95.4%¹

Investment Property	31-Mar-19	30-Jun-19	30-Sep-19	31-Dec-19	31-Mar-20
CapitaMall Xizhimen	99.9%	100.0%	99.8%	99.0%	98.4%
CapitaMall Wangjing	99.2%	99.6%	99.4%	98.9%	97.9%
CapitaMall Grand Canyon	99.3%	98.8%	99.0%	97.7%	97.0%
CapitaMall Xuefu	-	-	99.5%	99.9%	99.3%
Rock Square	98.5%	96.8%	99.0%	99.0%	98.0%
CapitaMall Xinnan	99.7%	98.7%	98.1%	99.4%	98.2%
CapitaMall Yuhuating	-	-	95.6%	98.8%	98.2%
CapitaMall Aidemengdun	-	-	97.6%	97.4%	96.7%
CapitaMall Saihan	99.9%	99.9%	99.8%	99.8%	99.8%
CapitaMall Qibao	96.1%	95.0%	92.8%	93.5%	87.1%
CapitaMall Minzhongleyuan	62.7%	61.2%	58.4%	55.5%	52.8%
CapitaMall Shuangjing	100.0%	100.0%	100.0%	99.7%	99.7%
Total Portfolio	96.8%	96.3%	96.6%	96.7%	95.4%

Note:

1. Based on all committed leases as at 31 Mar 2020.

Portfolio Lease Expiry Profile

Lease Expiry Profile for 2020¹

Investment Property	No. of Leases	% of total Gross Rental Income ^{2,3}	% of total Net Lettable Area ⁴
CapitaMall Xizhimen	146	35.9%	26.3%
CapitaMall Wangjing	101	31.3%	14.9%
CapitaMall Grand Canyon	68	20.3%	9.4%
CapitaMall Xuefu	231	41.2%	27.3%
Rock Square	56	16.5%	11.3%
CapitaMall Xinnan	94	27.4%	19.3%
CapitaMall Yuhuating	151	50.9%	61.6%
CapitaMall Aidemengdun	110	44.2%	29.2%
CapitaMall Qibao	52	25.2%	15.6%
CapitaMall Minzhongleyuan	33	21.0%	16.1%

Notes:

1. Based on committed leases as at 31 Mar 2020. Excludes CapitaMall Saihan as the mall will be divested in 2H 2020.
2. Excludes gross turnover rent.
3. As a percentage of each respective mall's monthly gross rental income as at 31 Mar 2020.
4. As a percentage of each respective mall's committed net lettable area as at 31 Mar 2020.

Portfolio Lease Expiry Profile

Lease Expiry Profile By Year¹

Year	No. of Leases	% of total Gross Rental Income ^{2,3}
2020	1,042	30.0%
2021	590	25.1%
2022	270	16.4%
2023	111	9.2%
2024	75	8.6%
Beyond 2024	86	10.7%

~ 60% of the 2020 leases are up for Renewal in 2H 2020

Weighted Average Lease Expiry (years)

2.3

By Gross Rental Income²

3.7

By Net Lettable Area

Notes:

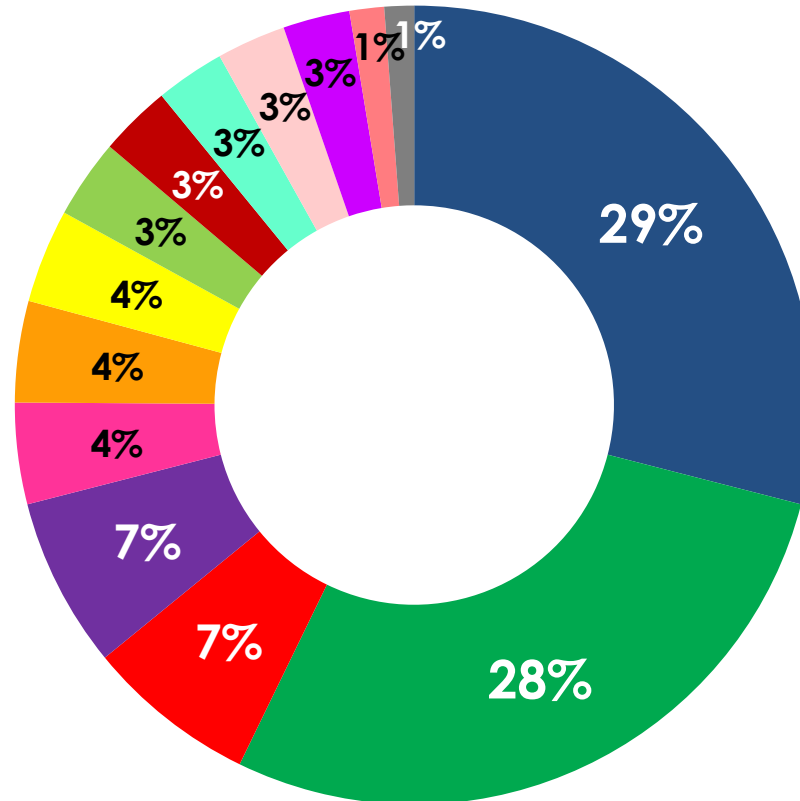
1. Based on committed leases as at 31 Mar 2020. Excludes CapitaMall Saihan as the mall will be divested in 2H 2020, and CapitaMall Erqi as the anchor tenant has exited.
2. Excludes gross turnover rent.
3. As a percentage of monthly gross rental income as at 31 Mar 2020.

Strength in Portfolio Diversification and Quality

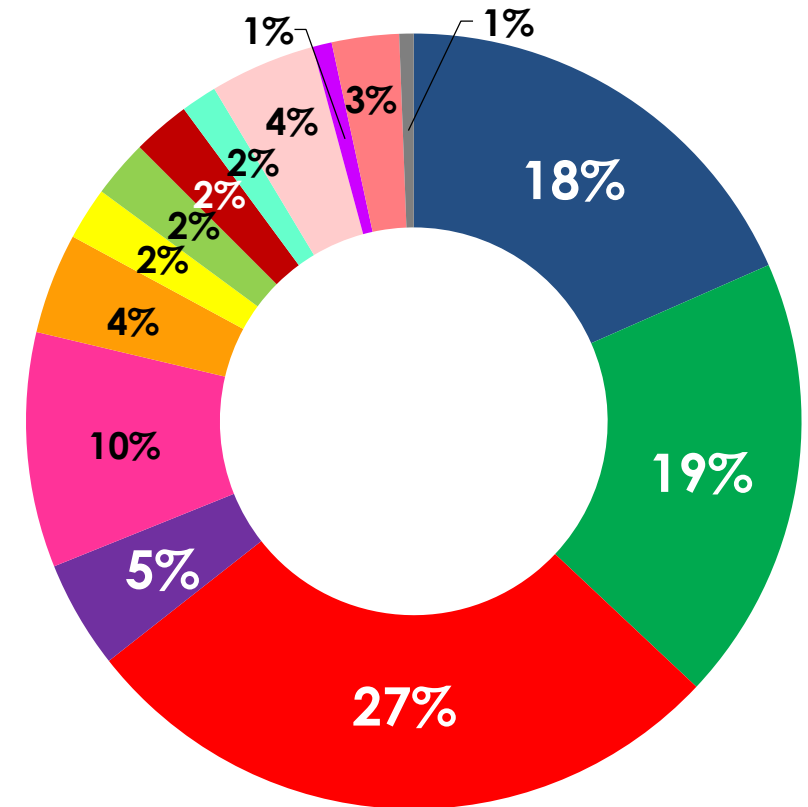
Well-Diversified Exposure with 14 Trade Categories and >2,300 Leases Across the Portfolio

- 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 Income¹



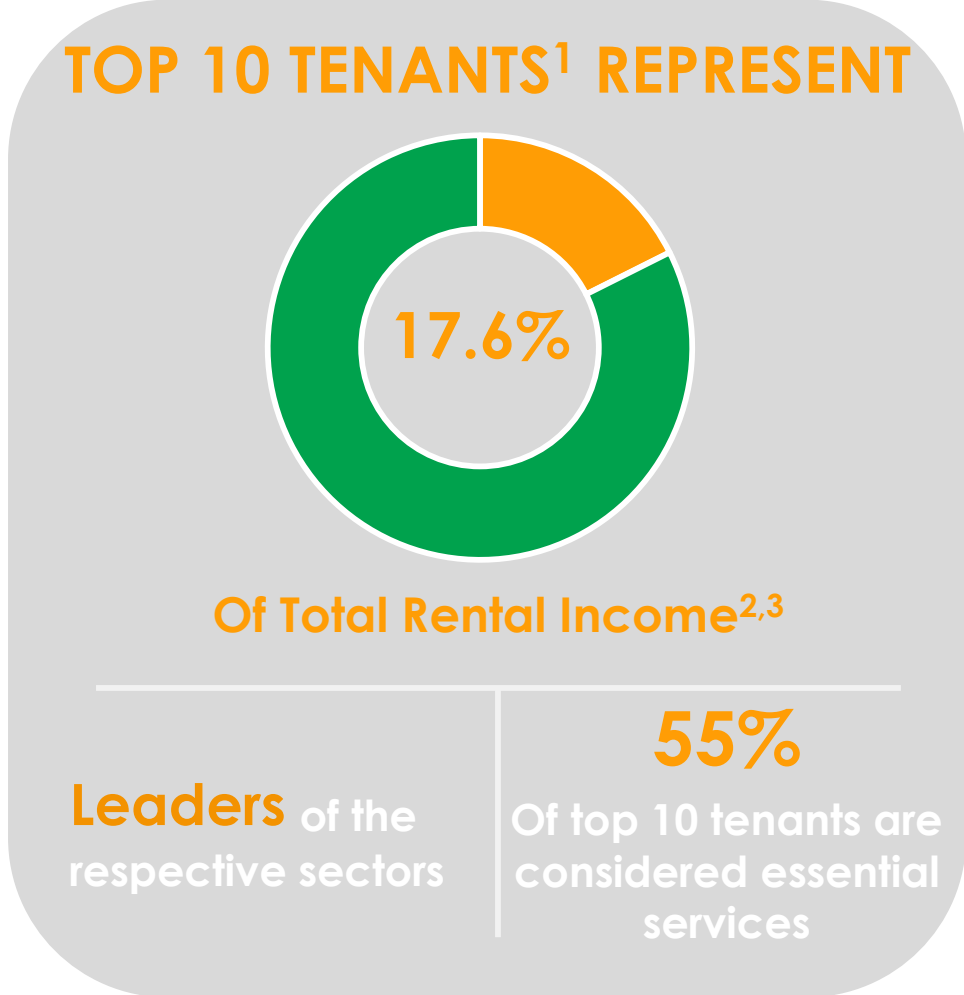
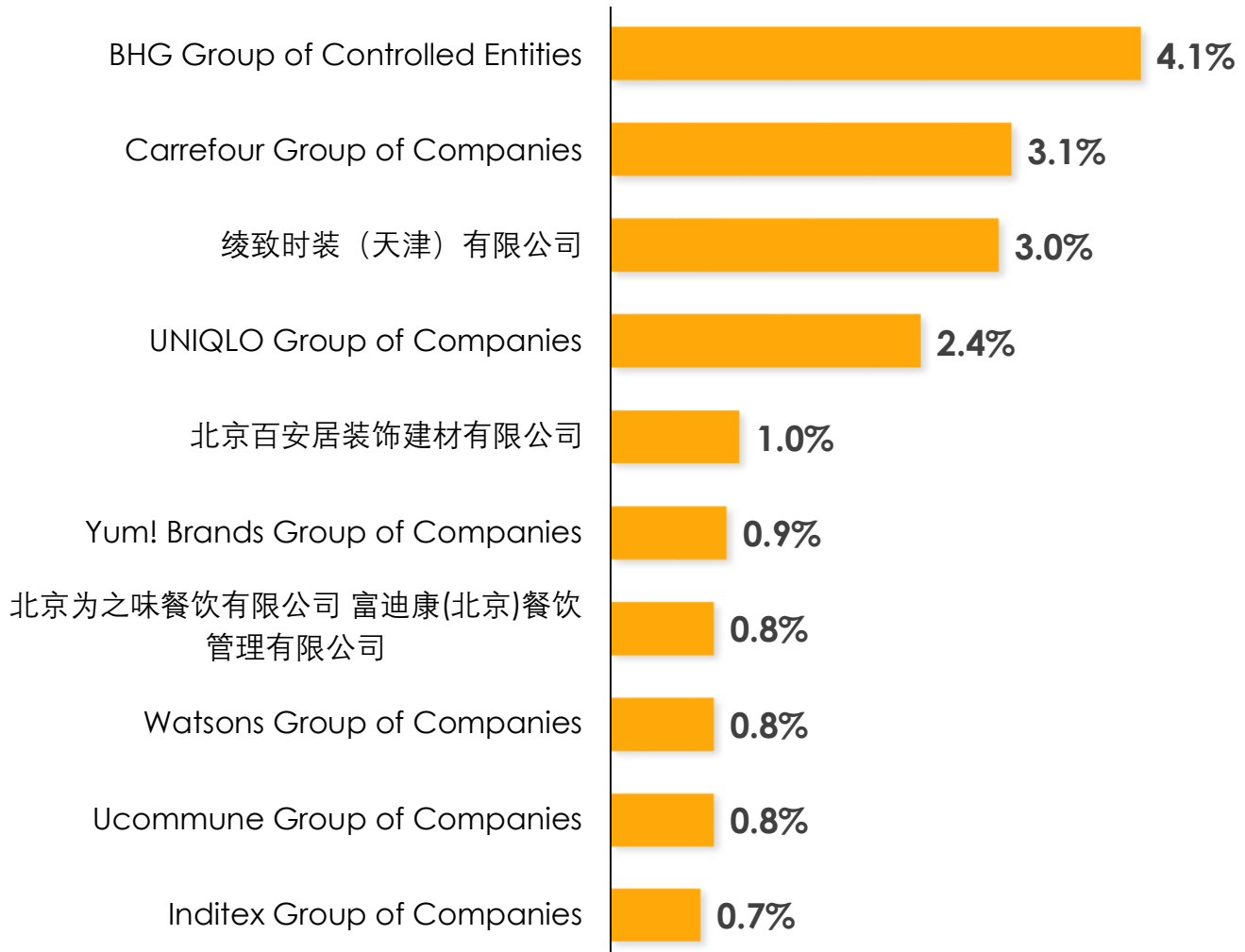
By Net Lettable Area²



Notes:
 1. Percentage of committed gross rental income as at 31 Mar 2020, excluding gross turnover rent.
 2. Percentage of committed NLA as at 31 Mar 2020.

Strength in Tenant Quality and Relationships

Well-Established and Diversified Top 10 Tenants Reduce Overall Concentration Risk



Notes:
 1. Based on percentage of Total Rental Income in the month of Dec 2019
 2. Based on CRCT's effective interest in each property, including CRCT's 51.0% interest in Rock Square.
 3. Includes both gross rental income and the gross turnover rental income (GTO) components to account for pure GTO leases.

Active Portfolio Reconstitution

Portfolio Reconstitution Efforts On Track



Yuquan Mall

Targeted Opening
End of 2020

- Original fit-out works targeted to be completed in 1Q 2020 was temporarily suspended from Feb 2020
- Work has since resumed in early Apr 2020



CapitaMall Erqi

Targeted Divestment
3Q 2020

- Divestment is progressing, with **progressive payment** under S&P received
- Received pre-termination compensation from Master-leasee

Conclusion



Looking Forward

China

- 1Q 2020 economic data declined on measures taken to contain COVID-19
- China policy makers focused on **accelerating economic recovery**

Announced series of macro policies to prop up economy including:

- Monetary policies: Cutting banks' reserve requirement ratios and interest rates
- Fiscal policies:
 - **Ramping up infrastructure investment**
 - **Decreasing business costs** by reducing tax burden and providing subsidies
 - **Encouraging consumption** through digital coupons on third-party platforms that can be redeemed when paying for items online and offline
 - **Protecting jobs** by cutting social security premiums nationwide

CRCT

- **Short term volatility expected** amidst still challenging business environment
- **Cautiously optimistic for 2H 2020** on government pro-business stimulus
- **Proactively positioned** to capture opportunities as economic and business activities gain momentum

CRCT is poised to weather through temporary challenges faced in 1H 2020

- **Resilient and quality portfolio** that caters to strong catchment & necessity spending
- **Experienced ground team** with strong domain knowledge to capture new retail and consumer trends
- Tap on **sticky customer engagement with digital initiatives** to capture shifting preferences and spending
- Continued focus on **disciplined cost management**
- Leverage on **overall position of financial and operational strength**



Thank you

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Appendix



Portfolio at a Glance¹

	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 ² 乐峰广场
Location	Beijing	Beijing	Beijing	Harbin	Guangzhou
GFA (sq m)	83,075	83,768	92,918	123,811	88,279
GRA (sq m)	83,075	68,010	69,967	104,294	83,591
NLA (sq m)	50,791	51,898	45,350	64,230	53,138
Land Use Right Expiry	23 Aug 2044 23 Aug 2054	15 May 2043 15 May 2053	29 Aug 2044 29 Aug 2054	15 Dec 2045	17 Oct 2045
Valuation (RMB mil)	3,580.0	2,772.0	2,125.0	1,792.0	3,425.0
Number of Leases	271	237	182	419	192
Committed Occupancy	98.4%	97.9%	97.0%	99.3%	98.0%

Notes:

1. As at 31 Mar 2020.
2. CRCT has a 51.0% interest in Rock Square. All information are presented based on 100% ownership.

Portfolio at a Glance¹

	CapitaMall Xinnan 凯德广场·新南	CapitaMall Yuhuafing 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	CapitaMall Minzhongleyuan 凯德新民众乐园
Location	Chengdu	Changsha	Harbin	Shanghai	Wuhan
GFA (sq m)	91,816	75,431	49,040	83,986	41,717
GRA (sq m)	53,619	58,575	43,394	72,729	41,717
NLA (sq m)	36,522	48,290	28,373	50,538	22,121
Land Use Right Expiry	17 Oct 2047	03 Mar 2044	07 Sep 2042	10 Mar 2043 ²	30 Jun 2044 ³ 15 Sep 2045
Valuation (RMB mil)	1,600	760	480	435	490
Number of Leases	254	235	180	148	49
Committed Occupancy	98.2%	98.2%	96.7%	87.1%	52.8%

Notes:

1. As at 31 Mar 2020.
2. CapitaMall Qibao is indirectly held by CRCT under a master lease which expires in Jan 2024, with the right to renew for a further term of 19 years and 2 months.
3. The conserved building is under a lease from the Wuhan Cultural Bureau.

Portfolio at a Glance¹

	CapitaMall Saihan 凯德MALL·赛罕	Yuquan Mall ² 凯德广场·玉泉	CapitaMall Erqi ³ 凯德广场·二七	CapitaMall Shuangjing 凯德MALL·双井
Location	Hohhot	Hohhot	Zhengzhou	Beijing
GFA (sq m)	41,938	100,047	92,356	49,463
GRA (sq m)	41,938	76,309	92,356	49,463
NLA (sq m)	31,051	-	92,356	51,193 ⁴
Land Use Right Expiry	11 Mar 2041 20 Mar 2041	26 July 2049	31 May 2042	10 Jul 2042
Valuation (RMB mil)	460.0 ⁵	857.0	645.0	610.0
Number of Leases	192	N.A.	N.A.	7
Committed Occupancy	99.8%	N.A.	N.A.	99.7%

Notes:

- As at 31 Mar 2020.
 - Yuquan Mall is undergoing fitting-out and is targeted to open by end 2020.
 - CapitaMall Erqi is closed following the exit of its anchor tenant. Divestment of the asset has been announced on 7 Feb 2020.
 - Included the area zoned for civil defense but is certified for commercial use.
 - Referring to agreed property selling price for CapitaMall Saihan as it is classified as asset held for sale.
- N.A. Not Applicable