



CAPITALAND CHINA TRUST

Annual General Meeting
20 April 2021

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ANNUAL REPORT
**20
20**

FY 2020 Achievements

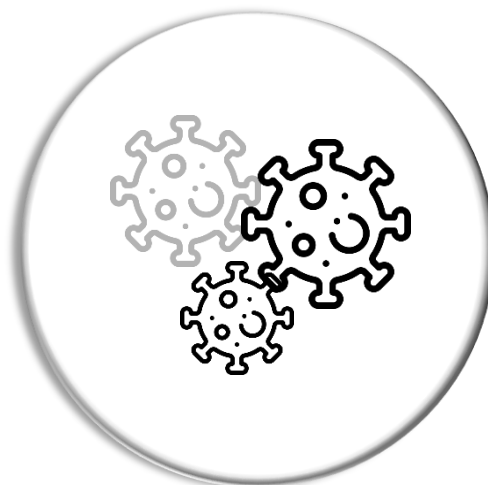
新加坡杭州科技园
SINGAPORE-HANGZHOU SCIENCE & TECHNOLOGY PARK

Meeting COVID-19 Challenges Head On

Emerged Stronger Post-COVID-19

Safety as Our Top Priority

- Safeguarded the health and safety of our tenants, shoppers and employees
- Adopted precautionary measures to contain COVID-19 spread
- Enforced shorter operating hours, with closure of some restricted trades



Stood by Valued Tenants

- Rolled out tenant relief and support packages to strengthen our partnership with tenants
- Implemented flexible leasing strategies
- Rolled out innovative marketing outreach through livestreaming, group buy promotions etc.

Build on our Online-Offline Ecosystem to Create Strong Competitive Advantage



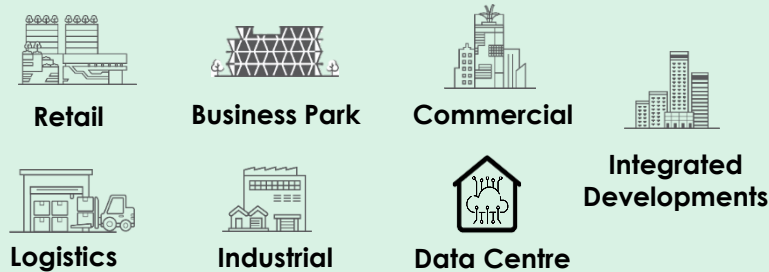
Accelerated Digitalisation Efforts to Enhance Marketing Channel

- Future-ready our retail business by embracing omnichannel offerings
- Tap on data analytics to understand consumer behavior and preferences to cater to their evolving lifestyle needs
- Dual capture of China's Offline and Online retail sales growth

FY 2020 – A Milestone Year In Spite of Challenging Environment

Expansion of Investment Strategy

Investible Asset Classes



CLCT is the **dedicated S-REIT for CapitaLand Group’s non-lodging China Business** with acquisition pipeline access to CapitaLand’s China assets.

Transformative Acquisition

~\$**1 billion** – Largest Acquisition to-date

- ✓ Maiden entry into **Business Park asset class**
- ✓ **3 New Provincial Cities** – Suzhou, Xi’an and Hangzhou
- ✓ Thematically Supported by China’s Economic Growth Initiatives
- ✓ Achieved asset class, geographical, tenant and trade sector diversification



Portfolio Rejuvenation

RMB777.0 million – Capital Recycled

- ✓ Non-core master-leased mall
- ✓ Divested at **20.5% above valuation**
- ✓ Divested ahead of schedule in May 2020



Opening of CapitaMall Nuohemule

100% Occupancy¹

- ✓ Situated atop Nuohemule Station on Metro Line 2
- ✓ Houses experiential and smart retailing concepts with new-to-market brands and concept stores
- ✓ Extended land expiry by 8 years to 2049

Note:
1. Exclude non-retail storeroom units.

FY 2020 – A Milestone Year In Spite of Challenging Environment

Scaling Higher

>\$S2 billion
Market Capitalisation¹ **+7.6%**

~5.1 million Units
Average Daily Trading Volume **>2x**

Index Inclusion

- ✓ Included into GRP 250 Index with effect from 22 March 2021
- ✓ Consist of the 250 leading and most liquid property companies worldwide

Sustainability Movement²

Energy Usage
Reduced **54.1%**
From 2008 baseline

Carbon Intensity
Reduced **51.6%**
From 2008 baseline

Water Usage
Reduced **44.7%**
From 2008 baseline

Collaboration with Tesla on Supercharging stations at CapitaMall Xuefu

Staff Volunteers from CapitaMall Yuhuating hosted a "Reading Appreciation" event at Sanzhi County

Notes:
 1. As at 31 December 2020.
 2. Refer to CLCT's Annual Report 2020 for more details.



FY 2020 Highlights



Financial Highlights for FY 2020

Earnings Impacted by COVID-19



Gross Revenue

RMB1,056.2 million

▼ 12.2% y-o-y

Net Property Income

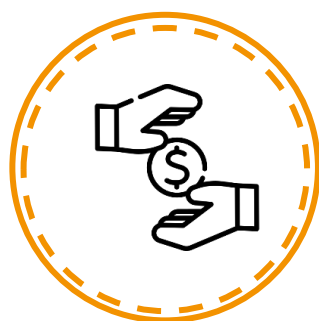
RMB678.2 million

▼ 18.8% y-o-y

Distributable Amount to Unitholders¹

\$\$79.7 million

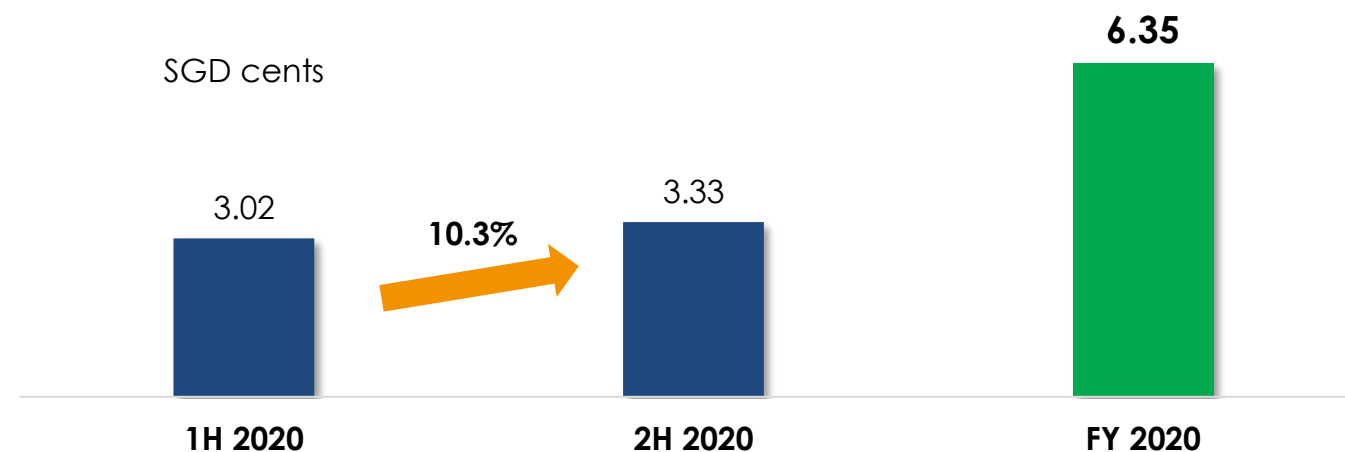
▼ 24.5% y-o-y



Distribution Per Unit (DPU)¹

6.35 cents

▼ 35.2% y-o-y



Note:
1. Before capital distribution.

Portfolio Highlights for FY 2020

Portfolio Impacted by COVID-19



Retail Portfolio Valuation¹

RMB19.1 billion

FY 2020



Retail Portfolio Occupancy²

94.1%

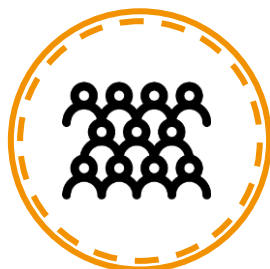
FY 2020



Retail Portfolio Rental Reversion

-4.0%

FY 2020



Portfolio Shopper Traffic³

83.4%

Recovery
4Q 2020 y-o-y



Tenants' Sales per sq m³

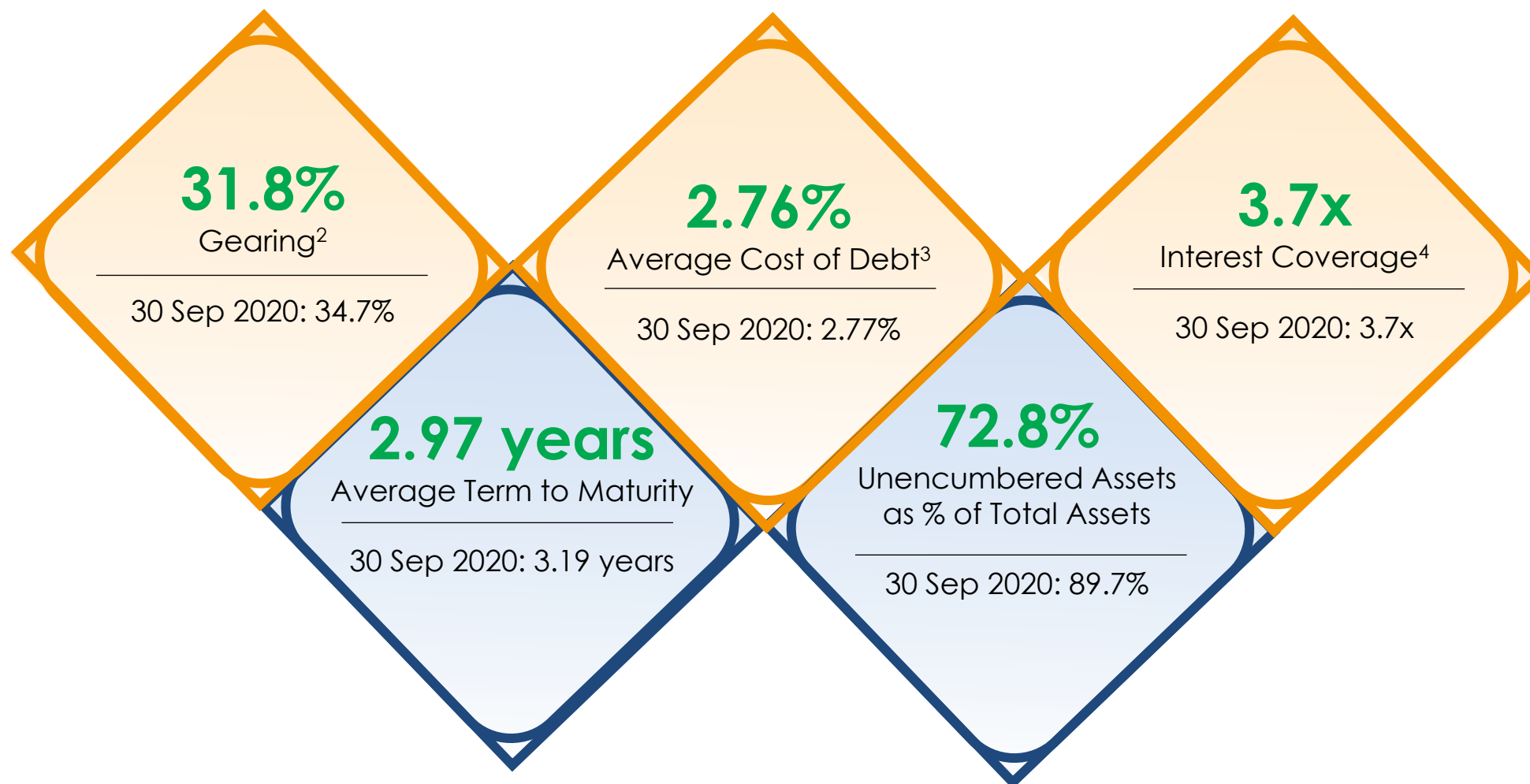
95.1%

Recovery
4Q 2020 y-o-y

Notes:

1. Includes CapitaMall Saihan and CapitaMall Minzhongleyuan. CapitaMall Minzhongleyuan was divested in February 2021. CapitaMall Saihan is expected to be divested by 2Q 2021. Post-acquisition of the five business parks and excluding CapitaMall Minzhongleyuan, portfolio valuation would have been RMB23.4 billion on a 100% stake basis.
2. Based on all committed leases as at 31 December 2020 and excludes CapitaMall Minzhongleyuan.
3. Tenants' Sales and Shopper Traffic are based on CLCT's respective holding period of its multi-tenanted assets (namely CapitaMall Xizhimen, CapitaMall Wangjing, CapitaMall Grand Canyon, CapitaMall Xinnan, CapitaMall Qibao, CapitaMall Saihan, CapitaMall Nuohemule, Rock Square (100% basis), CapitaMall Xuefu, CapitaMall Aidemengdun and CapitaMall Yuhuating) in each respective year. Excluded tenant sales and shopper traffic from CapitaMall Minzhongleyuan as the mall has been divested.

Financial Strength as at 31 December 2020¹



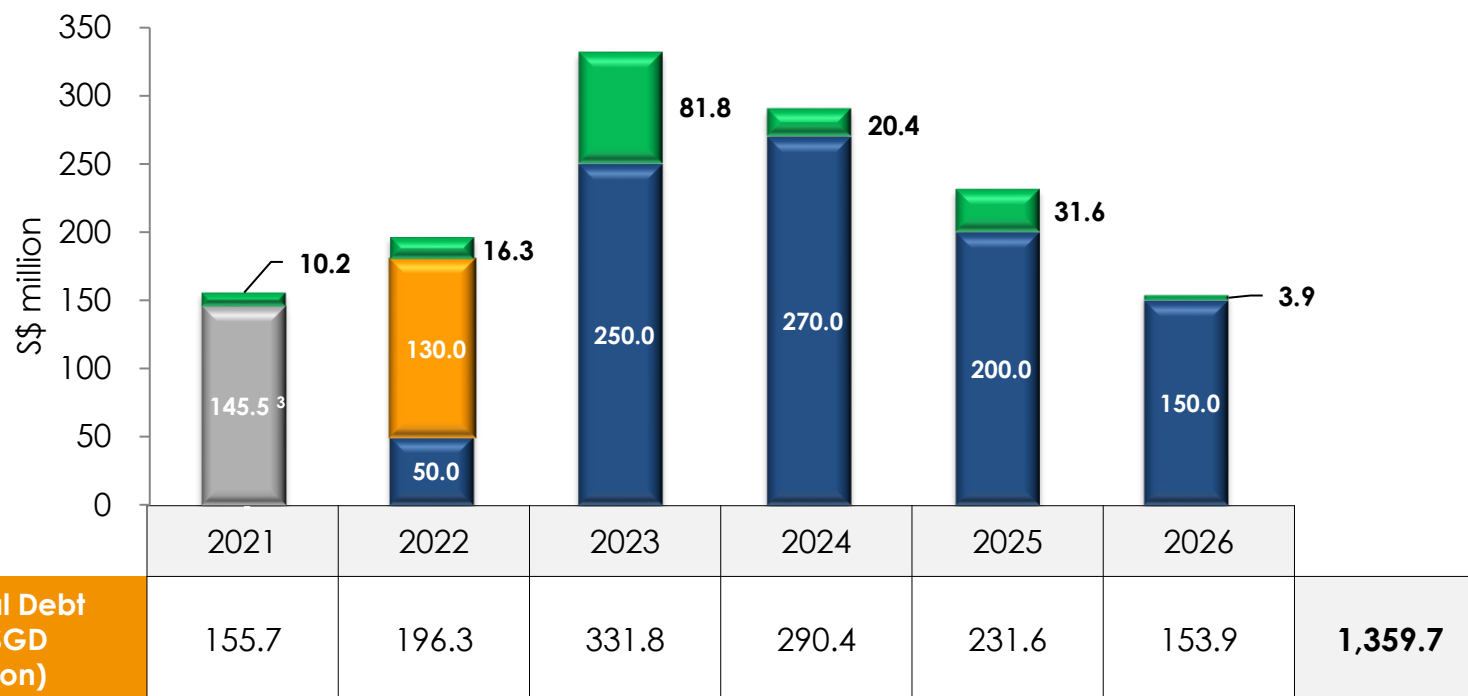
Notes:

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.
3. Ratio of the consolidated interest expenses over weighted average borrowings on balance sheet.
4. Ratio is calculated by dividing FY 2020 EBITDA by FY 2020 interest expense (includes finance lease interest expenses under FRS 116) in accordance with MAS guidelines.

Prudent Capital Management¹

Well-Distributed Debt Maturity Profile

<25%² of total loans due for refinancing each year

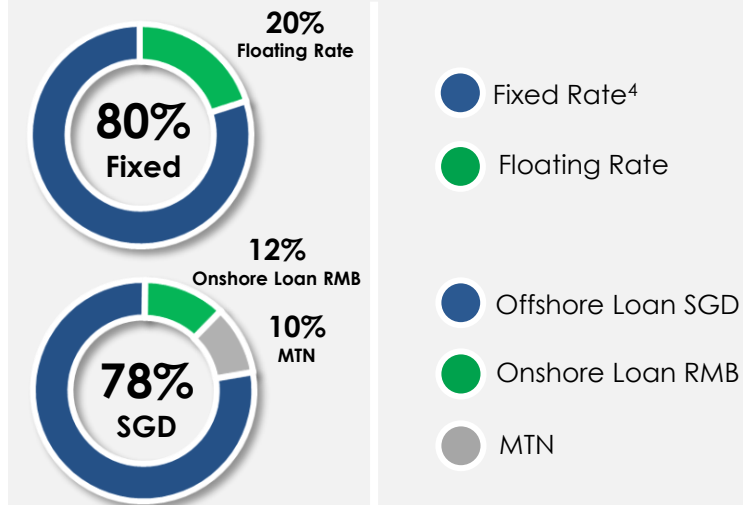


- Secured Onshore RMB Bank Loan
- Notes Issued Under Multicurrency Debt Issuance Programme
- Unsecured Offshore Term Loan
- Floating Bridge Loan

Notes:

1. As at 31 Dec 2020.
2. Excludes RMB denominated loans.
3. Acquisition related bridge loan financing secured in 2020.
4. Exclude bridge loan as well as RMB denominated loans.

Diversified Funding Sources



S\$100.0 million

Maiden perpetual securities Issued under CLCT's S\$1.0 billion Multicurrency Debt Issuance Programme

S\$1.6 billion

Amount of Debt Headroom to 50% gearing limit

+ / (-)
S\$0.5 million p.a.

Assuming +0.1% p.a. increase / (decrease) in interest rate on variable rate borrowings

Looking Ahead



Ascendas Xinsu Square R&D

Positive on China's Growth Outlook

Leverage on High-Quality and Innovation-Led Growth Economy...

China 2020 and 1Q 2021 GDP Grew 2.3% and 18.3% YoY¹ respectively

- Only major economy to have registered an expansion despite COVID-19
- Underscored by the country's effective COVID-19 containment strategies

China's 1Q 2021 Retail Sales Increased 33.9% YoY¹

China 14th Five-Year Plan

- Adopts "Dual Circulation" strategy to pivot China to self-reliance on **domestic consumption, distribution and production**.
- To boost domestic capabilities, China aims to increase R&D spending by more than 7% over the next 5 years.
- China is expected to introduce policy support such as tax incentives to encourage enterprise spending on innovation and research
- Key focus technology areas include semiconductors, health care, quantum computing and cloud computing

>6.0%

China's 2021
GDP Growth Target¹

8.4%

International Monetary Fund
China 2021 GDP Growth Target²

...To Position Ourselves as Proxy for Growth in China's Future Economy

Notes:

1. China Bureau of Statistics
2. International Monetary Fund World Economic Outlook Update April 2021.

Reconstitution Momentum Picking Up Pace...

2021
Divestment of CapitaMall Minzhongleyuan
CLCT's *non-core assets in Wuhan*



Future Growth Phase
Multi-asset China-focused REIT Platform



5 High Quality Business Parks
CLCT's *first foray into Business Parks in Suzhou, Xi'an and Hangzhou*

2020



Acquisition of balance 49% interest in Rock Square
Fully capture core asset's growth

Divestment of CapitaMall Erqi
Non-core master-leased mall

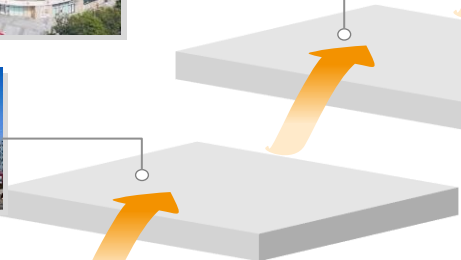
2018
Acquisition of 51% of Rock Square
CLCT's *first retail mall in Guangzhou*



2017
Divestment of CapitaMall Anzhen
Mature master-leased mall



2016
Acquisition of CapitaMall Xinnan
CLCT's *first retail mall in Chengdu*



Acquisition of CapitaMall Xuefu, CapitaMall Aidemengdun and CapitaMall Yuhuating
CLCT's *first retail assets in Changsha and Harbin*

2019



Bundle deal to divest CapitaMall Saihan and acquire Yuquan Mall
Strategic mall to capture growing market in Hohhot

Divestment of CapitaMall Wuhu
Non-core mall

...With Investment Mandate Expansion Opening Possibilities

10 cities
Tier 1 and Tier 2 cities

12 Malls¹
5 Business Parks
Diversified Portfolio

1.7 million sq m
GFA

S\$4.5 billion
Asset Under Management¹

Retail



CapitaMall Xizhimen



CapitaMall Wangjing



CapitaMall Nuohemule



Rock Square



CapitaMall Grand Canyon



CapitaMall Shuangjing



CapitaMall Xuefu



CapitaMall Qibao



CapitaMall Saihan



CapitaMall Xinnan



CapitaMall Aidemengdun



CapitaMall Yuhuafeng

Business Parks



Ascendas Xinsu Portfolio



Ascendas Innovation Hub



Ascendas Innovation Towers



Singapore-Hangzhou Science & Technology Park Phase I



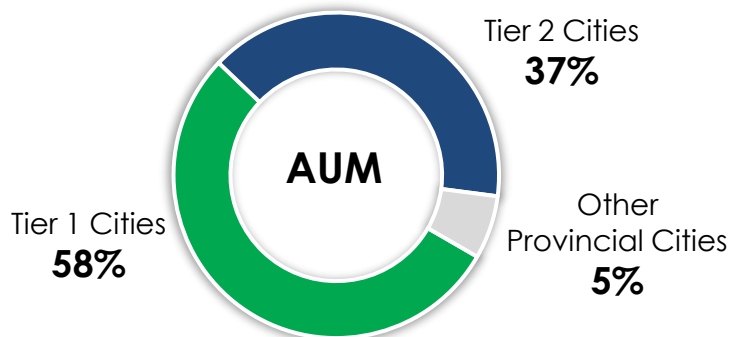
Singapore-Hangzhou Science & Technology Park Phase II

Note:

1. As at 31 December 2020 and assuming completion of the five business parks on effective stake basis and excluding CapitaMall Minzhongleyuan. CapitaMall Saihan is expected to be divested in 2Q 2021.

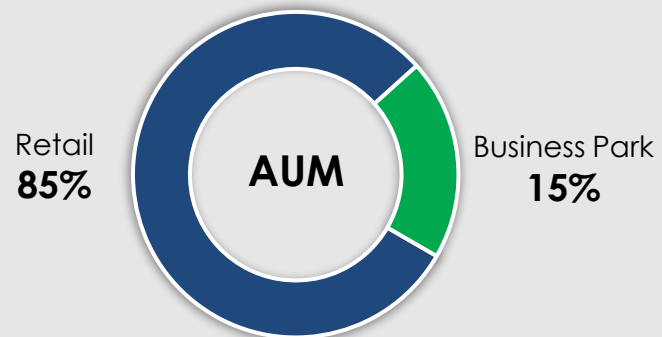
Shaping the Future

Geographical Diversification¹

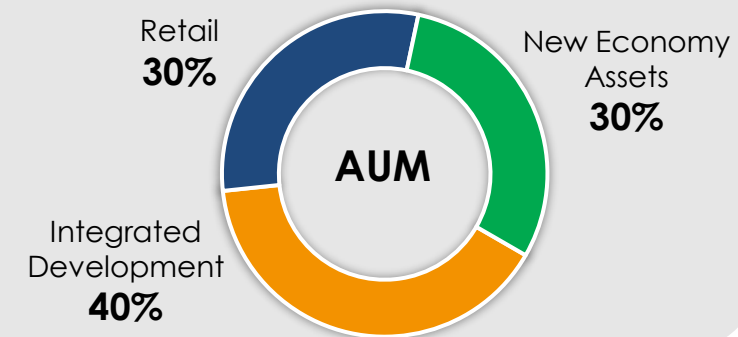


Asset Class Diversification

Dec 2020¹

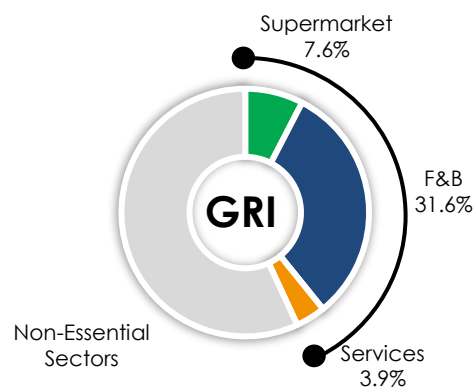


Long Term



Retail

Strong Focus on Essential Sectors² that Caters to Lifestyle Needs

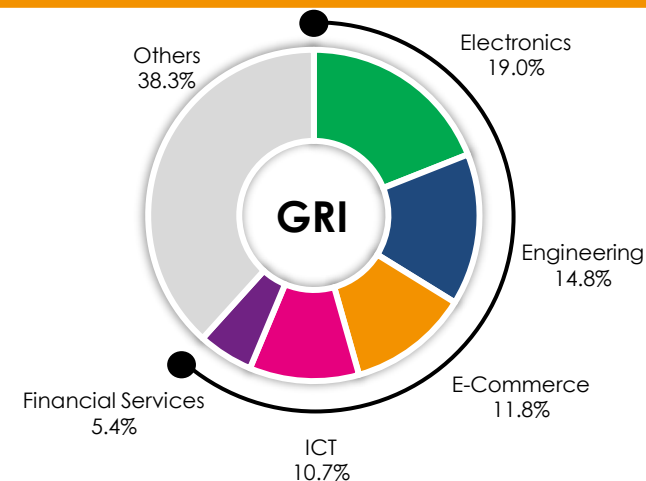
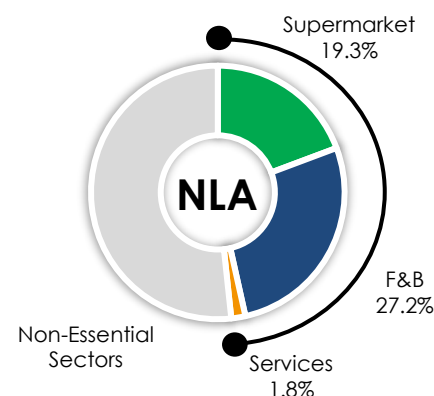


Essential Sectors
43.1%

Essential Sectors
48.3%

Business Park

High Exposure to Emerging High-Growth Sectors³ From Established Companies



Emerging High-Growth Sectors
61.6%

Notes:

1. As at 31 December 2020 and assuming completion of the five business parks on effective stake basis and excluding CapitaMall Minzhongleyuan and CapitaMall Saihan.
2. Retail portfolio excluding CapitaMall Saihan and CapitaMall Minzhongleyuan as at 31 December 2020.
3. Business park portfolio as at 31 August 2020 on a 100% interest basis.

Starting 2021 From a Position of Strength

Create Value



Business Park Portfolio

- ✓ Achieved positive rental reversion to-date
- ✓ 17 new leases signed since 31 August 2020
- ✓ **Improved occupancy¹** post-acquisition

91.5%
30 September 2020



92.3%
31 December 2020

Unlock Value



CapitaMall Minzhongleyuan

- ✓ Non-core assets with limited upside
- ✓ Divested above independent valuation
- ✓ **Completed in 1Q 2021**

Optimise Portfolio Strength and Resilience

Note:

1. Based on committed leases.

Near Term Execution Plans

Unlock Value

Extract Value



CapitaMall Saihan

- Part of the bundle deal to divest CapitaMall Saihan and acquire CapitaMall Nuohemule
- Rejuvenated portfolio with a higher quality asset
- **Expected completion in 2Q 2021**

CapitaMall Yuhuating

- ~45% of anchor tenant's NLA (~9,000 sq m) will be recovered by 3Q 2021
- Planned AEI and reconfiguration on recovered space to house **more than 15 higher-yielding speciality stores**

Rock Square

- Ongoing asset enhancement initiatives
 - Improve shopper circulation and area efficiency
 - **>1,000 sq m of NLA** to be added over the next few years

Ascendas Xinsu Portfolio

- Tap on opportunity to **redevelop Xinsu North Belt** to maximise plot ratio
- Capitalise on CapitaLand's development capabilities
- Capture growing needs for quality business parks in China

Maximise Yields Through Selective Asset Enhancements and Redevelopment

Guided by CLCT's Growth Strategies

Focused on Continuing CLCT's Multi-Year Growth Objectives...

Extracting Value Through Proactive Asset Management and Innovative Asset Enhancement

- Enhance operational efficiency and optimise operating costs
- Leverage on CapitaLand's integrated real estate platform, strong local network and professional property management capabilities
- Refresh spatial usage and improve area productivity and attractiveness



Unlocking Value Through Disciplined Portfolio Reconstitution

- Monetise assets that have reached optimal stage of asset life cycle
- Decrease exposure to limited growth and non-core malls
- Redeploy divestment proceeds into higher yielding properties or other growth opportunities

Creating Value Through Disciplined Portfolio Reconstitution

- Build a diversified portfolio with attractive yields and capital appreciation potential
- Strengthen portfolio resilience and quality
- Seize investment opportunities from Sponsor's pipeline and third-party vendors

...Solidifying our Position as the Largest Multi-Asset China Focused S-REIT



Thank you