

CapitaLand  
China Trust

# 2024 Annual General Meeting

22 April 2024, 3.30pm

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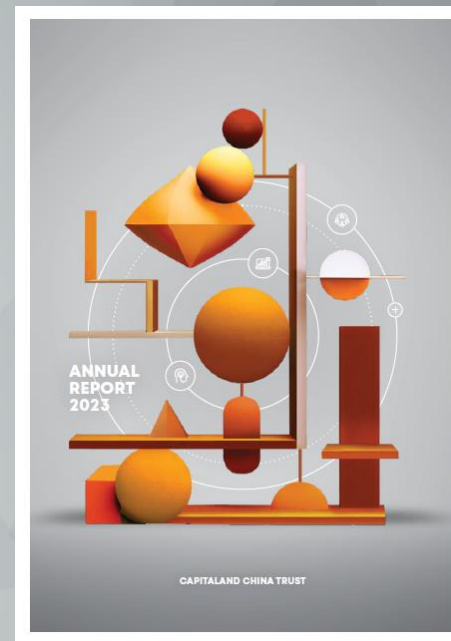
FY 2023 Key Highlights

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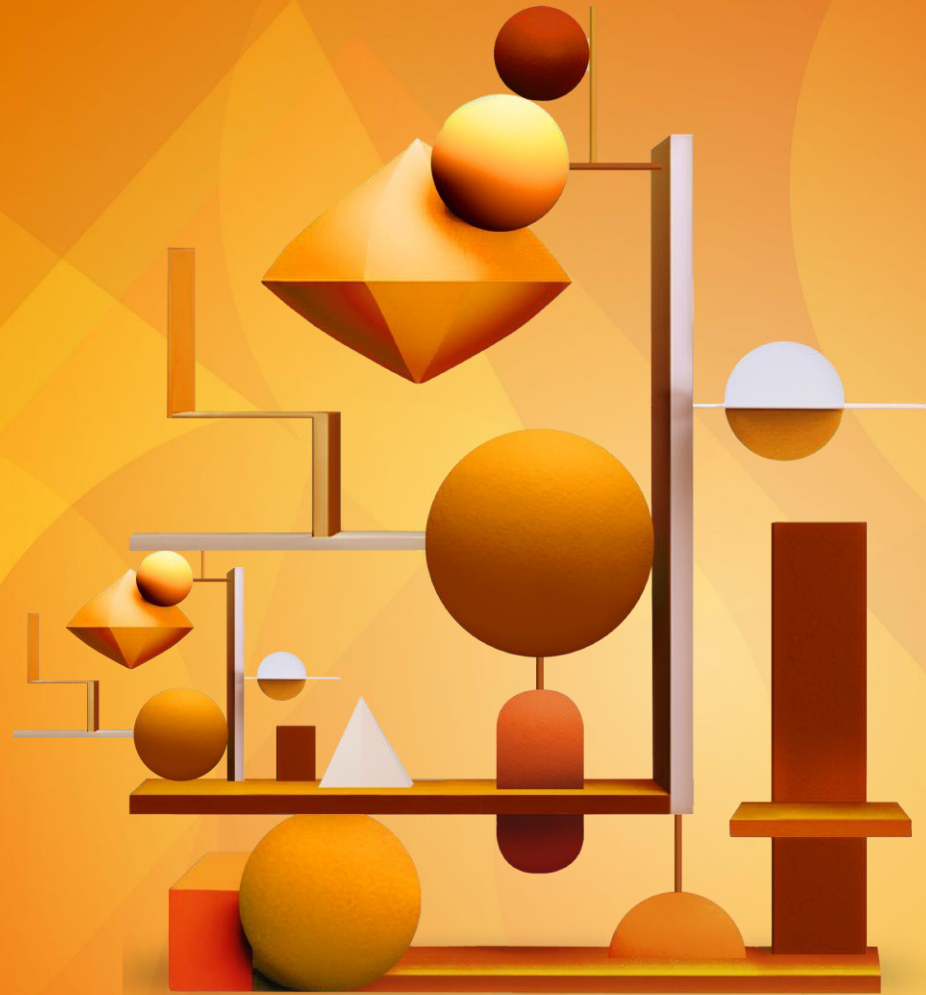
Financial & Capital Management

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Navigating 2024



*Please click to access CLCT's Annual Report 2023 and Integrated Sustainability Report 2023*



# FY 2023 Key Highlights

# Building a Resilient and Diversified Portfolio

First and Largest China-Focused S-REIT



**10**

Retail  
Malls



**5**

Business  
Parks



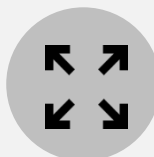
**4**

Logistics  
Parks



Located in

**12 cities**



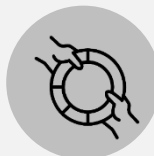
Gross Floor Area

**~1.9 mil sq m**



Total Assets

**S\$5.0 billion**



Market Cap

**S\$1.2 billion**



Distribution per Unit

**6.74 S cents**



Distribution Yield

**9.9%**

Note:

1. Distribution yield of 9.9% based on FY 2023 DPU of 6.74 S cents and unit price of S\$0.68 as at 19 April 2024.

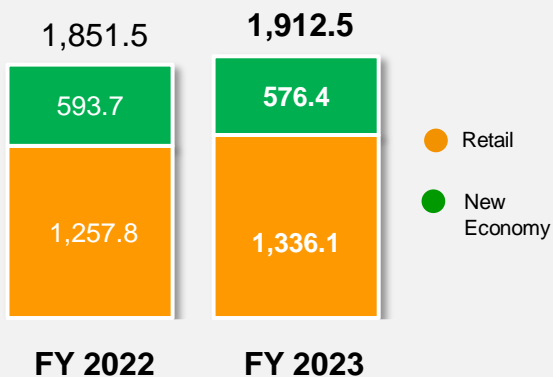


# FY 2023 Performance Highlights

Recovery in the Retail Sector Offset Business Park and Logistics Park Challenges

## Gross Revenue (RMB million)

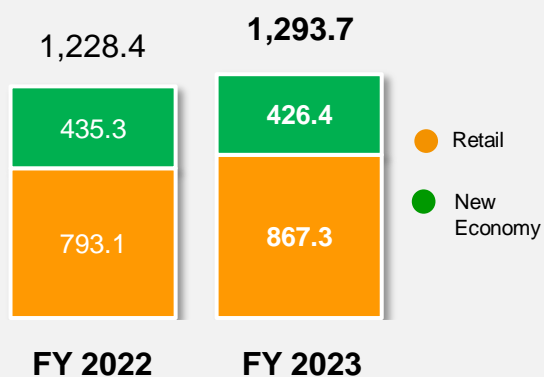
▲ 3.3%



Growth led by **better performance in retail sector**, mitigating lower contributions from business parks and logistics parks

## Net Property Income (RMB million)

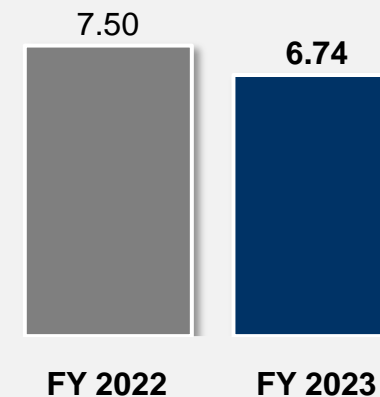
▲ 5.3%



Lifted by **retail NPI improvement of 9.4% YoY** due to better operating conditions and positive momentum driven by higher occupancies and post AEI completions.

## Distribution per Unit (S Cents)

▼ 10.1%



DPU was negatively impacted by the **8.5% decline in the SGD/RMB exchange rate** coupled with **16.5% increase in finance costs**.

# FY 2023 Operational Highlights

Improvements Driven by Higher Occupancies and AEI Efforts

▲ **45.8%<sup>1</sup>**

Shopper Traffic  
(FY YoY)

▲ **41.5%<sup>1</sup>**

Tenant Sales  
(FY YoY)

▼ **0.9%<sup>2</sup>**

Portfolio  
Valuation

**98.2%**

Retail  
Occupancy

**91.0%**

Business Park  
Occupancy

**82.0%**

Logistics Park  
Occupancy

▲ **0.2%**

Retail  
Reversion

▲ **1.6%**

Business Park  
Reversion

▼ **20.5%**

Logistics Park  
Reversion

## Encouraging Shopper Traffic and Tenant sales

Performance of dominant malls and post-AEI assets:

FY 2023 (YoY)	Shopper Traffic	Tenant Sales
CapitaMall Xizhimen	+73.8%	+42.0%
Rock Square*	+30.6%	+46.6%
CapitaMall Wangjing	+45.1%	+44.2%
CapitaMall Xuefu	+71.1%	+60.5%
CapitaMall Nuohemule	+73.6%	+57.4%
CapitaMall Grand Canyon*	+9.6%	+56.3%
CapitaMall Yuhuating*	+11.6%	+8.0%

\*Assets with AEIs in 2023

## Achieved Highest Retail Occupancy since 2019

- Retail occupancy surpassed 98%, supported by active AEI and reconstitution efforts.
- Healthy occupancy cost ranging between high teens to low 20%

## Business Park and Logistics Park Sectors

- New supply and weaker business sentiments impacted leasing activity
- Collaborating with government agencies and tenant community to strengthen demand pipeline

### Notes:

1. Shopper Traffic and Tenant Sales exclude CapitaMall Qibao as the mall had ceased operations since end of March 2023.
2. Presented on a 100% basis in RMB terms, excluding CapitaMall Shuangjing and CapitaMall Qibao.

# FY 2023 Milestones

Achieved New Milestones across Various Pillars from Portfolio Reconstitution, Capital Management to Sustainability

## Portfolio Optimisation & Rejuvenation



**Divestment of CapitaMall Shuangjing in December 2023**, for RMB842.0 million (approximately S\$157.8 million), representing an **exit yield of 2.8%**.



Extracted value from our retail assets through the completion of **strategically timed AEs and unit reconfigurations** at CapitaMall Yuhuating, Rock Square and CapitaMall Grand Canyon.

## Capital Management



Launched RMB600 million free trade zone three-year tenor offshore bonds with a coupon rate of 3.80% per annum, achieving ~100 bps savings. CLCT is the **first Singapore-based issuer to launch Free Trade Zone (FTZ) offshore bonds**.



Established a **Sustainability-Linked Finance Framework** that comprises KPIs linked to green building certifications, renewable energy and energy consumption intensity targets.



# Integrating Sustainability Practices Across Our Operations

Achieved New Milestones across Various Pillars from Portfolio Reconstitution, Capital Management to Sustainability



Attained **4 new LEED Gold certification** for retail and business park assets:

- CapitaMall Xizhimen
- Ascendas Innovation Towers
- Ascendas Innovation Hub
- Singapore-Hangzhou Science & Technology Park Phase I<sup>1</sup>



**Purchased offsite renewable energy for the first time** at Ascendas Innovation Towers and Ascendas Innovation Hub (3.0% of portfolio's electricity consumption)



Implemented **green leasing** for all **CLCT properties** managed by CLI<sup>2</sup>



**Completed the installation of 253 solar panels** on the roof of Kunshan Bacheng Logistics Park, to begin generating renewable energy in 2024.



## Sustainability Accolades

Awarded a **5-star rating** in the GRESB Assessment 2023, an improvement from 2-Star rating in 2022

Maintained an **'A' rating** for GRESB Public Disclosure 2023

Upgraded MSCI ESG Rating from 'B' to **'BBB'**

Upgraded Sustainalytics Risk Rating from 'Low Risk' to **'Negligible Risk'**

#### Notes:

1. Attained LEED Gold certification for Block 1 to 3 of Singapore-Hangzhou Science & Technology Park Phase I – the remaining blocks are LEED Gold certified since 2014.
2. With the exception of CapitaMall Shuangjing and logistics park properties as these properties are not operated by CLI.

# Proactive Rejuvenation to Strengthen Mall Offerings

Assets to Make Positive Contributions in FY 2024



## CapitaMall Yuhuating

### ● AEI

- Recovered ~8,900 sq m of anchor supermarket space to create specialty tenant space, injecting more lifestyle offerings and experiences across more than 70 stores
- Achieved rental reversion of +112% for the zone

**Completed: 1Q 2023**



## Rock Square

### ● Reconfiguration

- Recovered 2,310 sq m of supermarket anchor space at basement two and reconfigured it into 20 stores introducing trendy lifestyle and specialty F&B offerings
- ROI for this new reconfiguration was >13%.

**Completed: 3Q 2023**



## CapitaMall Grand Canyon

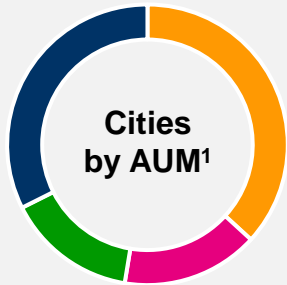
### ● AEI

- Introduced refreshed tenant mix spanning ~7,800 sq m that includes a new retail concept supermarket, 7FRESH, as well as 60 popular F&B outlets and trendy retail & amenity stores
- Post AEI, rental income for the area grew approximately 50%

**Completed: 4Q 2023**

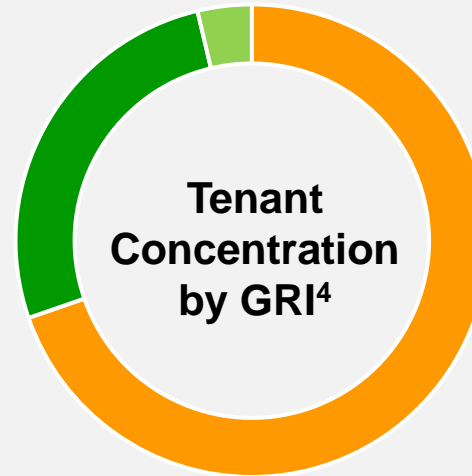
# Progress in Achieving Asset Class, Geography and Tenant Diversification

>90% of AUM in Tier 1 & 2 Cities



- Beijing, 36.8%
- Yangtze Delta<sup>2</sup>, 15.8%
- Guangzhou, 15.0%
- Other Tier 2 and Provincial Cities<sup>3</sup>, 32.4%

>3,000 Leases Across More than 24 Trade Sectors



- Retail Tenants, 69.7%
- Business Park Tenants, 26.6%
- Logistics Park Tenants, 3.7%

## Top trade sectors

contributing more than 50% by GRI



Food & Beverages



Fashion



Services

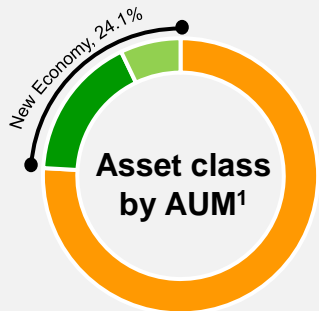


Electronics



Beauty & Healthcare

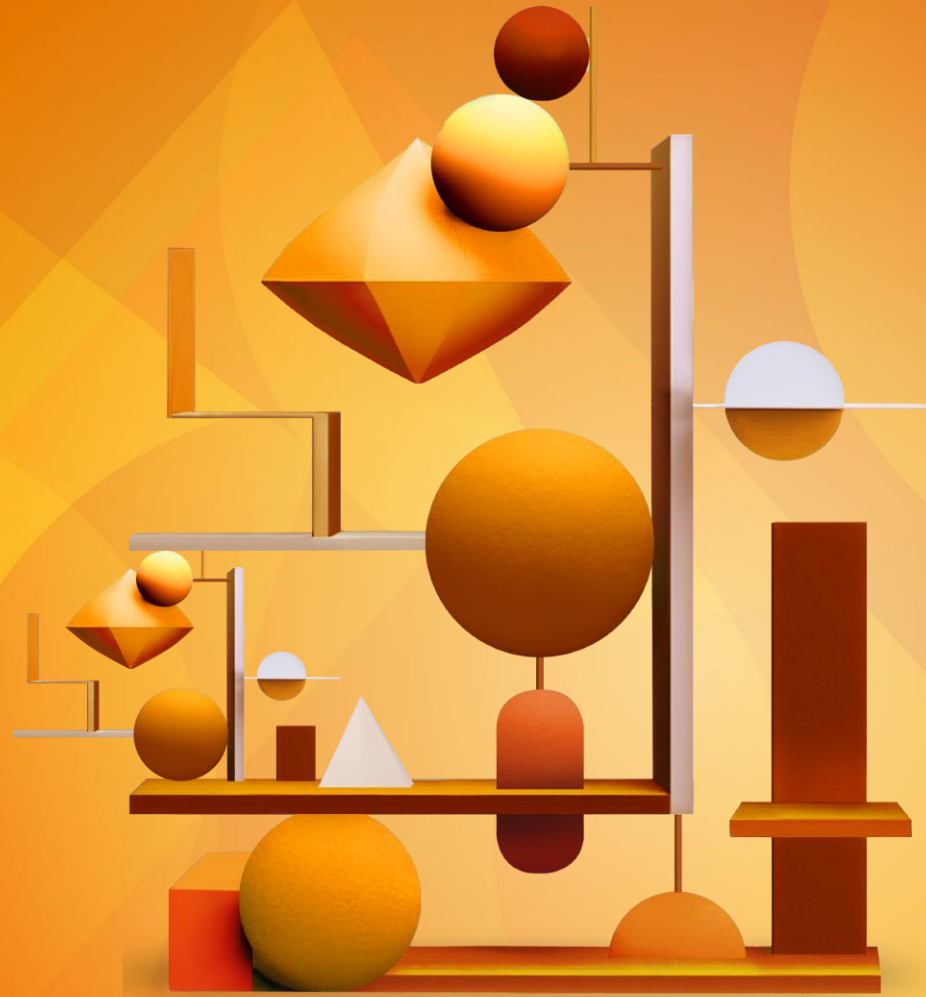
Top 10 Tenants Contribution: **10.7%** (2022: 13.0%)  
Top Tenant Contribution: **2.4%**



- Retail, 75.9%
- New Economy – Business Park, 17.0%
- New Economy – Logistics Park, 7.1%

### Notes:

- Based on effective stake as at 31 December 2023, post completion of CapitaMall Shuangjing's divestment.
- Including Shanghai, Suzhou, Kunshan and Hangzhou.
- Including Changsha, Chengdu, Xi'an, Wuhan, Harbin and Hohhot.
- Based on 100% stake as at 31 December 2023, post completion of CapitaMall Shuangjing's divestment.

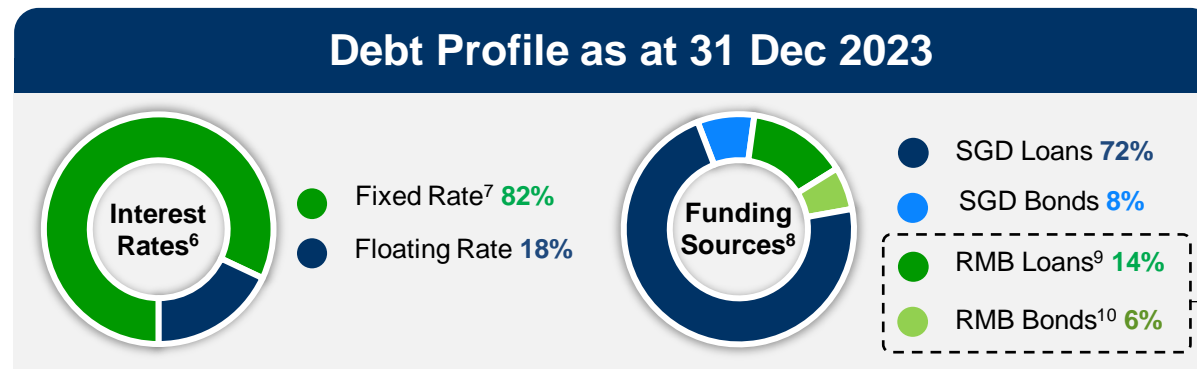


# Financial & Capital Management

# Healthy Financial Position<sup>1</sup>

Positioned to Benefit from Favourable Interest Rates in China

31 Dec 2023	
<b>Total Debt (S\$ million)</b>	1,956.4
<b>Gearing<sup>2</sup></b>	41.5%
<b>Average Cost of Debt<sup>3</sup></b>	3.57%
<b>Interest Coverage Ratio (ICR)<sup>4</sup></b>	3.3x
<b>Adjusted ICR<sup>5</sup></b>	3.1x
<b>Average Term to Maturity (years)</b>	3.5



### Active Capital Management

Increased RMB- denominated facilities from 13% in December 2022 to 20% in December 2023

Target to increase RMB denominated facilities to **30%** of total funding sources in 2024

#### Impact of Interest Rate on Distributions

	Change in Variable Rate	Distribution Impact (p.a.) (S\$ million) <sup>11</sup>	DPU Impact (S cents) <sup>12</sup>	DPU Impact (%) <sup>13</sup>
SGD loans	+ 50 bps	- 1.5	- 0.09	- 1.3
RMB loans	- 50 bps	+ 1.2	+ 0.07	+ 1.0

#### Impact of Interest Rates on ICR

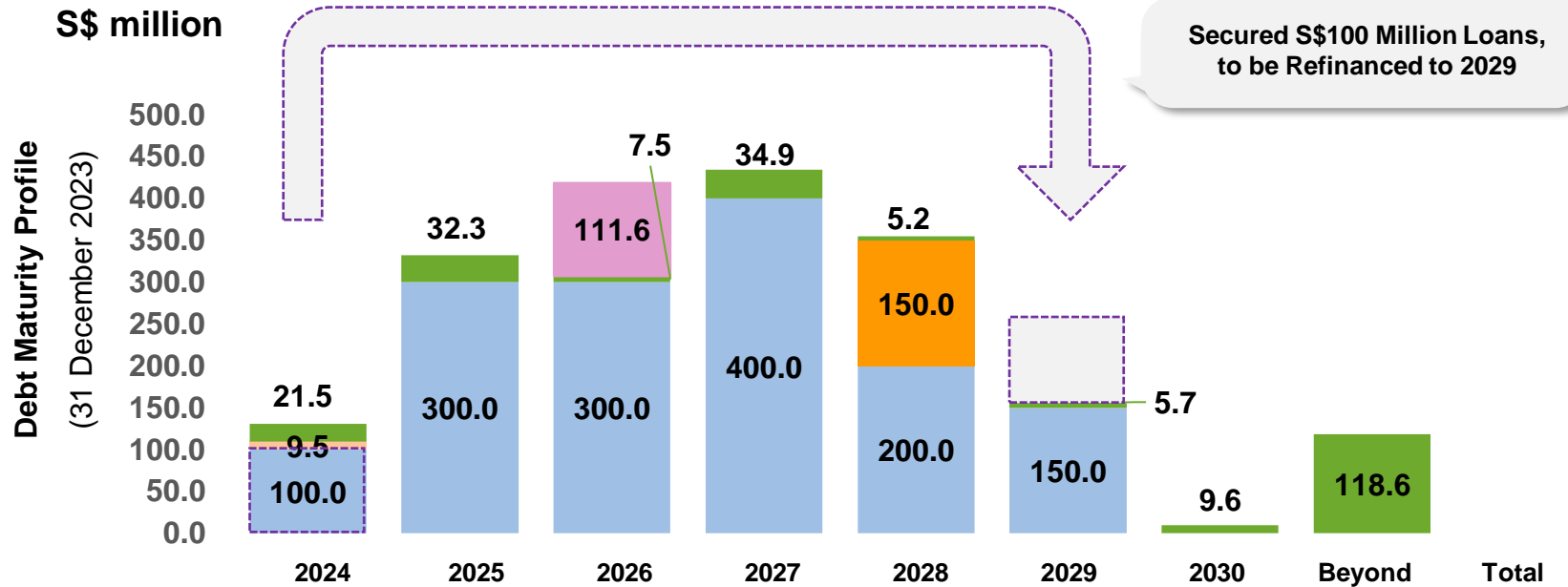
Change in Variable Rate	ICR (x)
+50 bps	2.9

#### Notes:

- All key financial indicators exclude the effect of FRS 116 Leases.
- In accordance with the Property Funds Appendix, the aggregate leverage is calculated based on the proportionate share of total borrowings over deposited properties.
- Ratio of the consolidated interest expense for the respective financial year reflected over weighted average borrowings on balance sheet for that financial year.
- Ratio is calculated by dividing the trailing 12 months EBITDA over the trailing 12 months interest expense (exclude finance lease interest expenses under FRS 116) in accordance with MAS guidelines.
- The adjusted interest coverage includes the trailing 12 months perpetual securities distributions.
- Excludes Money Market Lines (MML) and onshore RMB loans.
- The fixed and floating ratio rose to 82%, reflecting the impact of the FTZ Bonds and Cross Currency Swap (CCS) on the total debt composition.
- Excludes MML.
- Includes SGD to RMB CCS.
- Refers to the 3-year offshore FTZ bonds issued on 17 October 2023 at 3.80% p.a..
- Impact on the interest expense is based on outstanding SGD floating rate loans (excludes MML) and outstanding RMB loans.
- Based on 1,689 million units as at 31 December 2023.
- Based on FY 2023 DPU of 6.74 S cents.

# Well-Staggered Maturity Profile

No Refinancing Requirements Until 2025

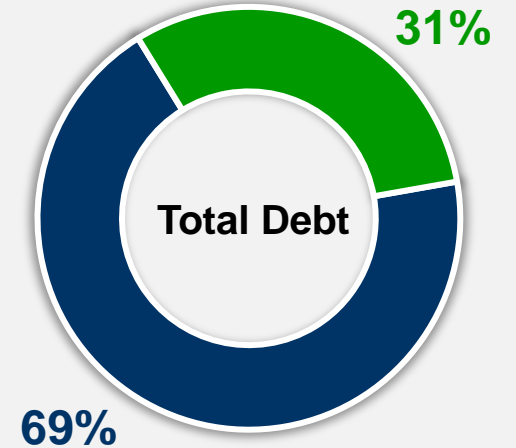


	2024	2025	2026	2027	2028	2029	2030	Beyond	Total
<b>Total Debt (S\$ million)</b>	131.0	332.3	419.1	434.9	355.2	155.7	9.6	118.6	1,956.4
<b>% of Total Debt maturing by end of the year</b>	6.7%	17.0%	21.4%	22.2%	18.2%	8.0%	0.5%	6.0%	100.0%

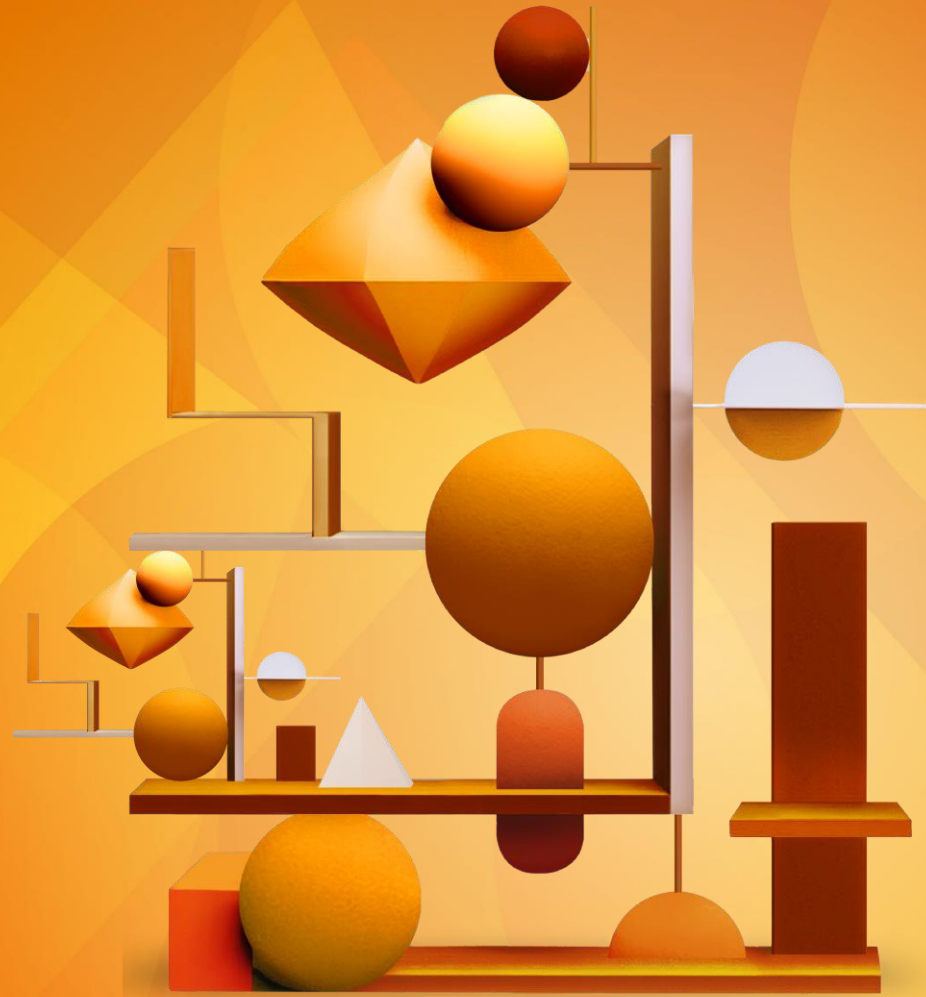
- Unsecured Offshore SGD Loan
- Secured Onshore RMB Loan
- Unsecured Offshore Money Market Line
- RMB Denominated FTZ bonds
- Notes under MTN Programme

## Increased Sustainability-Linked Loans

(FY 2022: 13%)



- Sustainability-Linked Loans
- Other Loans



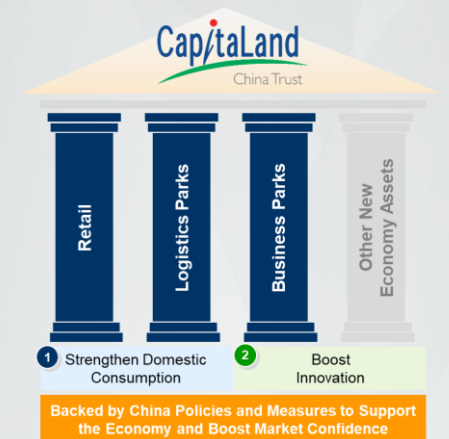
# Navigating 2024

# Building Resilient Foundation While Embracing New Opportunities

Focus on Domestic Consumption and Innovation-Driven Growth



**Divested 7 non-core and matured assets since listing, including 6 out of 7 IPO assets and pursued new growth with capital recycled**





# CLCT's Identity & Investment Proposition



## Proxy to China's Growth with Strong Corporate Governance

- Geographically and asset-class diversified portfolio with presence in 12 leading cities
- Well-regulated S-REIT regime with strong governance oversight and healthy market trading liquidity



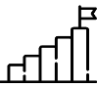
## Sound Financial Stewardship

- Strong financial and credit metrics
- Active and prudent capital management policies
- Access to a wide range of funding sources both onshore and offshore



## Track Record of Consistent Payouts and Proactive Portfolio Management

- 100% distribution payout and steady distribution yields across market cycles (including under COVID-19 environment)
- Proactive portfolio rejuvenation and asset enhancement to strengthen portfolio quality

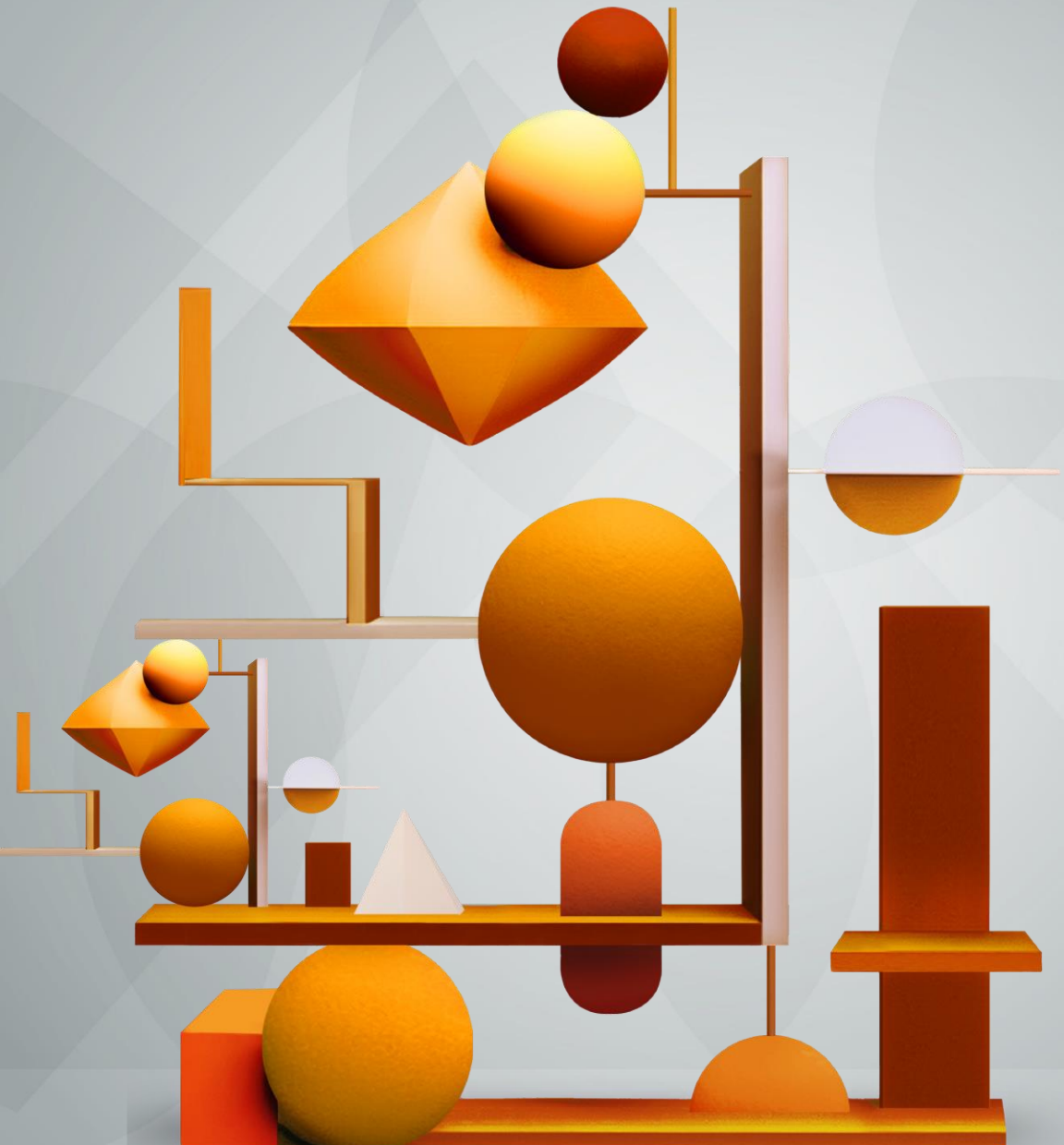


## Committed Sponsor

- CLCT has >17 years of listing track record, back by committed Sponsor with deep domain knowledge and comprehensive real estate platform in China
- Access to pipeline of quality assets held under CapitaLand Group and opportunities from third-party vendors across real estate classes

## Our Value Creation Strategy





**Thank you**