



CapitaLand Retail China Trust

Proposed Acquisition of CapitaMall Xuefu,
CapitaMall Aidemengdun and CapitaMall Yuhuating

11 June 2019



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This presentation may contain forward-looking statements that involve assumptions, 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, competition from other developments or companies, shifts in expected levels of occupancy rate, property rental income, charge out collections, changes in operating expenses (including employee wages, benefits and training costs), 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 on future events.

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- Acquisition Overview
- Rationale for Acquisition
- Conclusion



Acquisition Overview





Transaction Overview

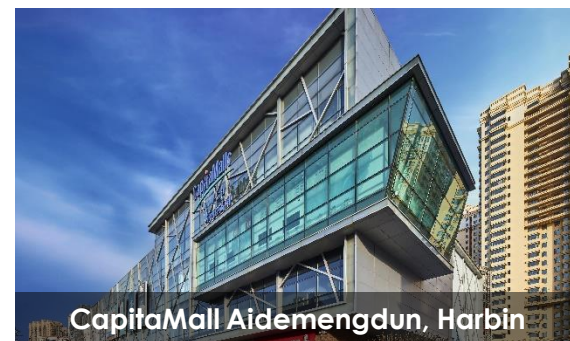
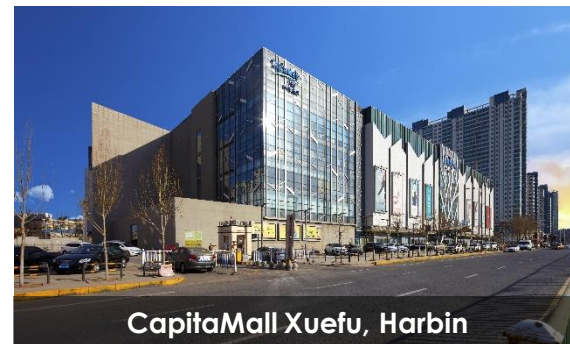
Proposed Acquisition	<ul style="list-style-type: none"> 100.0% of the shares in the Target Companies, from the Vendors¹, which hold the Properties: <ul style="list-style-type: none"> CapitaMall Xuefu and CapitaMall Aidemengdun in Harbin, Heilongjiang Province; and CapitaMall Yuhuating in Changsha, Hunan Province
Aggregate Agreed Property Value	<ul style="list-style-type: none"> RMB2,960 million (\$\$589.2 million) Implied NPI² yield of 6.0%
Total Acquisition Cost	<ul style="list-style-type: none"> \$\$505.4 million, comprising: <ul style="list-style-type: none"> Consideration of \$\$489.0 million; Acquisition fee payable in Units to the Manager³ of \$\$5.9 million; and Estimated professional and other fees and expenses of \$10.5 million
Method of Financing	<ul style="list-style-type: none"> Combination of debt and equity to achieve accretion Funding mix, structure and instruments to be decided at appropriate time

Proposed Acquisition is subject to Unitholders' approval at an Extraordinary General Meeting⁴ to be convened at a later date

Notes:

- Vendors are a subsidiary and associated companies of CapitaLand Limited.
- Net Property Income; NPI yield based on FY 2018 NPI.
- As the Proposed Acquisition will constitute an "interested party transaction" under Appendix 6 of the Code on Collective Investment Schemes issued by the Monetary Authority of Singapore, the Acquisition Fee shall be in the form of Acquisition Fee Units and shall not be sold within one year from the date of issuance in accordance with Paragraph 5.7 of the Property Funds Appendix.
- Proposed Acquisition is an "interested person / party transaction" under the Listing Manual of Singapore Exchange Securities Trading Limited and the Property Funds Appendix of the Code of Collective Investment Schemes. Thus, it is subject to Unitholders' approval.

Properties





Overview of Properties

3 Assets

Expand Presence into 2
Provincial Capital Cities

Committed
Occupancy
99.0%¹

Above Market Average
and Existing Portfolio

Aggregate Agreed
Property Value
RMB2,960 million

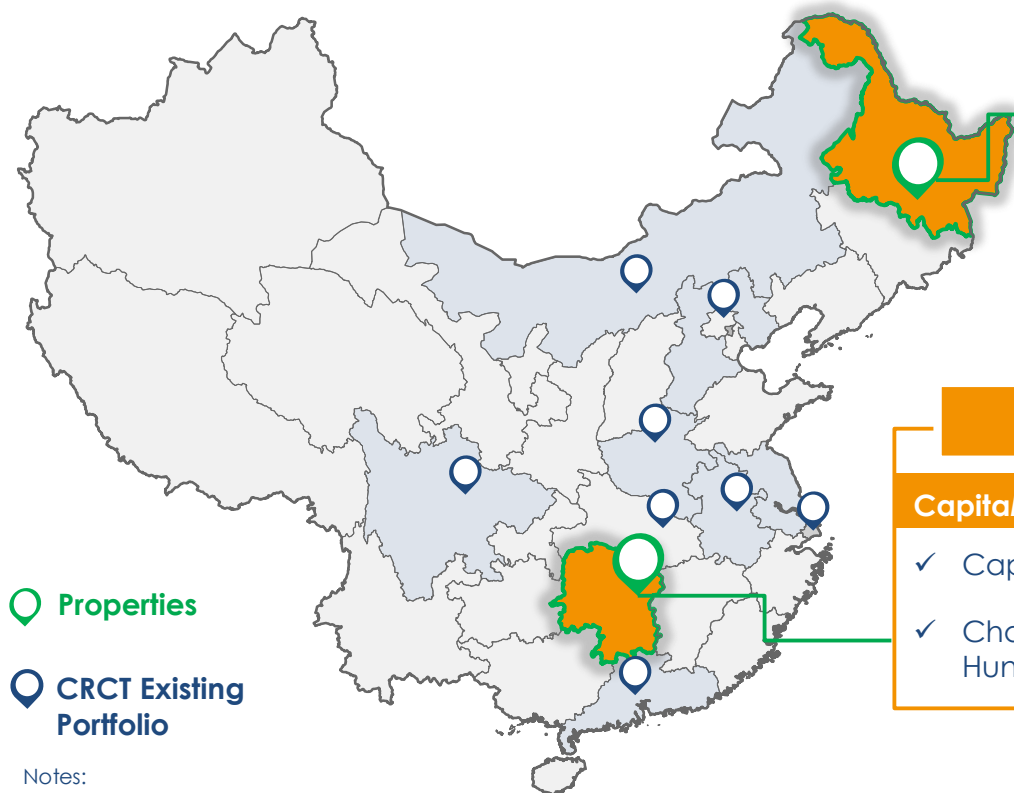
Discount to Independent
Valuations

Implied NPI Yield
6.0%²

Accretive to Existing
Portfolio

Gross Floor Area
("GFA")
248,282 sq m

Increase Portfolio GFA
by 30.7%



Harbin

CapitaMall Xuefu and CapitaMall Aidemengdun

- ✓ Capital and largest city of Heilongjiang Province
- ✓ Key trading gateway with Russia and popular tourist destination

Changsha

CapitaMall Yuhuating

- ✓ Capital city of Hunan Province
- ✓ Changsha-Zhuzhou-Xiangtan city cluster promoted by Hunan Government as new economic growth engine

Notes:

1. As at 31 March 2019.
2. Computed using the aggregate FY 2018 NPI of the Properties divided by the aggregate Agreed Value of the Properties.



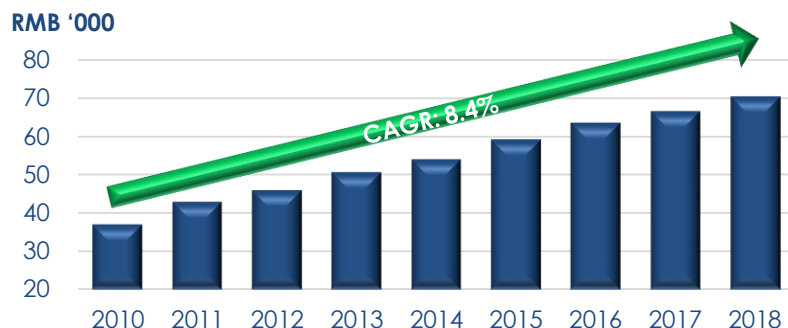
Strategic expansion to the Harbin market...

Northeast China Gateway City with the Largest Population

- **Favourable Geographical Location**
 - Two hours' from Beijing by flight
 - China's gateway city to Russia
- **Large Addressable Market Size**
 - 8th most populous city in China and most populous in Northeast China
 - Popular winter destination, attracting c.18 million visitors¹
 - Home to many prestigious universities and research institutions
- **Strong Economic Growth**
 - Higher than the national average per capita GDP²
 - Strong urban disposable income per capita growth CAGR of 9.4% between 2010 and 2018
 - Key commercial center in Northeast China under the 13th Five-Year Plan



GDP Per Capita of Harbin



Retail Sales of Consumer Goods in Harbin



Notes:

1. China Daily, as of 2017.
2. RMB70,196 vs RMB64,644 in 2018.



... and the Rapidly Growing City of Changsha

Beneficiary of the “Rise of Central China” Strategy

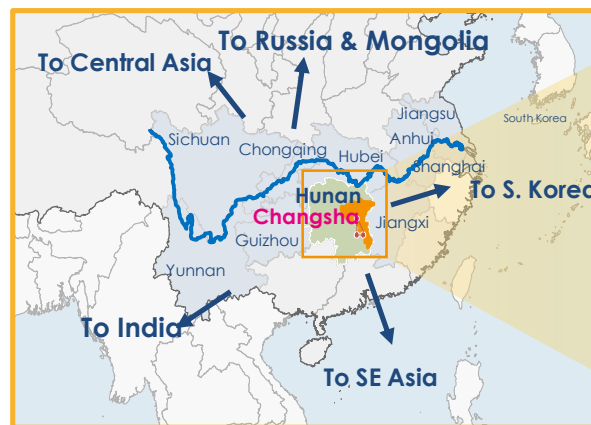
- **Strategically Located and Well Connected**

- Core city along Belt and Road Initiative's trade routes and in Yangtze River Economic Zone
- Major transport and logistics hub in China with connections to 21 major cities

- **Strong Economic Growth**

- **GDP surpassed RMB1 trillion** in 2017 with GDP per capita growth higher than the national average
- Urban disposable income per capita growth outpaced national average, CAGR of 10.5% from 2010 to 2018

- **Highly Conducive Business Environment for New Businesses and MNCs**



Yangtze River

Yangtze River Economic Belt Regions

Belt and Road Initiative

Changsha-Zhuzhou-Xiangtan city cluster

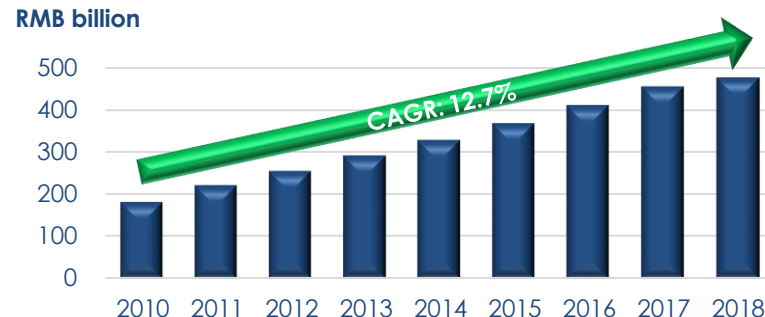
GDP per Capita of Changsha

RMB '000






Retail Sales of Consumer Goods in Changsha

RMB billion





Summary of the Properties

	CapitaMall Xuefu	CapitaMall Aidemengdun	CapitaMall Yuhuating
			
Address	No. 1 Xuefu Road, Nangang District, Harbin	No. 38 Aidemengdun Road, Daoli District, Harbin	No. 421 Shaoshan Middle Road, Yuhua District, Changsha
Property Description	Multi-tenanted mall comprising 5 above ground levels and 1 basement level of retail space and 1 basement level for car park use	Multi-tenanted mall comprising 4 above ground levels and 1 basement level for retail and car park use	Multi-tenanted mall comprising 4 above ground levels and 1 basement level for retail and car park use
Year of Opening	2012	2010	2005
Land Use Right Expiry	2045	2042	2044
Gross Rentable Area ("GRA") (sq m)	104,294	43,394	62,080
Committed Occupancy¹	99.8%	98.6%	98.1%
No. of Leases¹	419	189	221
Independent Valuations (RMB million)	C&W: 1,760 JLL: 1,748	C&W: 480 JLL: 470	C&W: 760 JLL: 749
Agreed Value (RMB million)	1,745	469	746
Agreed Value per sq m GRA (RMB)	16,732	10,808	12,017
NPI Yield on Agreed Value²	6.1%	5.6%	6.2%

Notes:

1. Based on information as at 31 March 2019.
2. Based on FY 2018 NPI.

Modern and Experiential Regional Destination Mall in the University Campus Cluster



- **City-centre retail landmark** in Harbin
- Surrounded by **high-density, affluent and mature residential communities** and financial facilities
- **Proximity to cluster of 8 universities**, with large student and staff population
- **Directly connected to Xuefu Road Station** on Metro Line 1 and **excellent frontage to Xuefu Road**, which connects directly to the Second Ring Road



Exciting Career Fair targeting post-graduate students from nearby campus



Children engaged in the miniature car exhibit



Dream Park offering a memorable summer experience

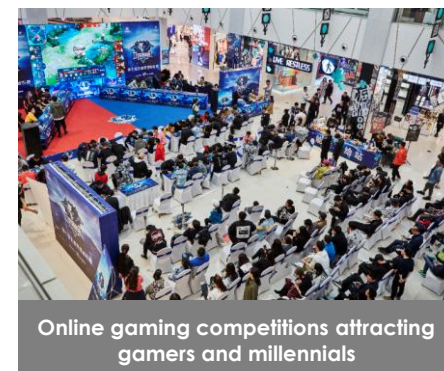
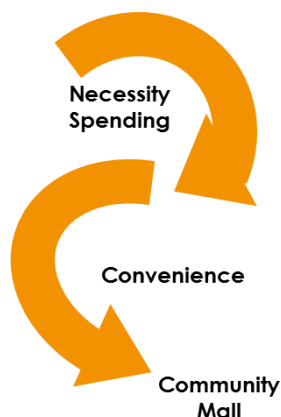
Differentiated Retail Experiences with Indoor Garden, Family Friendly Zones and Themed F&B Street



CapitaMall Aidemengdun

Strategically Located Community Mall Focused on Necessity Spending

- Located in **Downtown Harbin** and surrounded by high-density residential communities
- Within Daoli District, part of city's urban core district and is **close to Central Street**, the main pedestrian street popular for shopping and dining
- Close proximity to the **Second Ring Road**
- Enjoys **direct frontage to Aidemengdun Road** that **connects the Harbin Taiping International Airport to Central Street** in the city centre



Community Mall with Strong Focus on Young Families with Children, Sports and Education Offerings

Well Established Community Mall Surrounded by Large Residential Communities



- **One stop necessity shopping mall** within the Dongtang Retail Area
- Located within a core retail hub with **high concentration of populated residential communities and office buildings**
- **No direct competitors** in the area within 3-kilometre radius
- Enjoys **premium frontage at major intersection**, one of the city's main arterial roads that connects to the Second Ring Road



Only One-stop Necessity Shopping Mall in the Locality with Strong Brand Awareness

Rationale for Acquisition



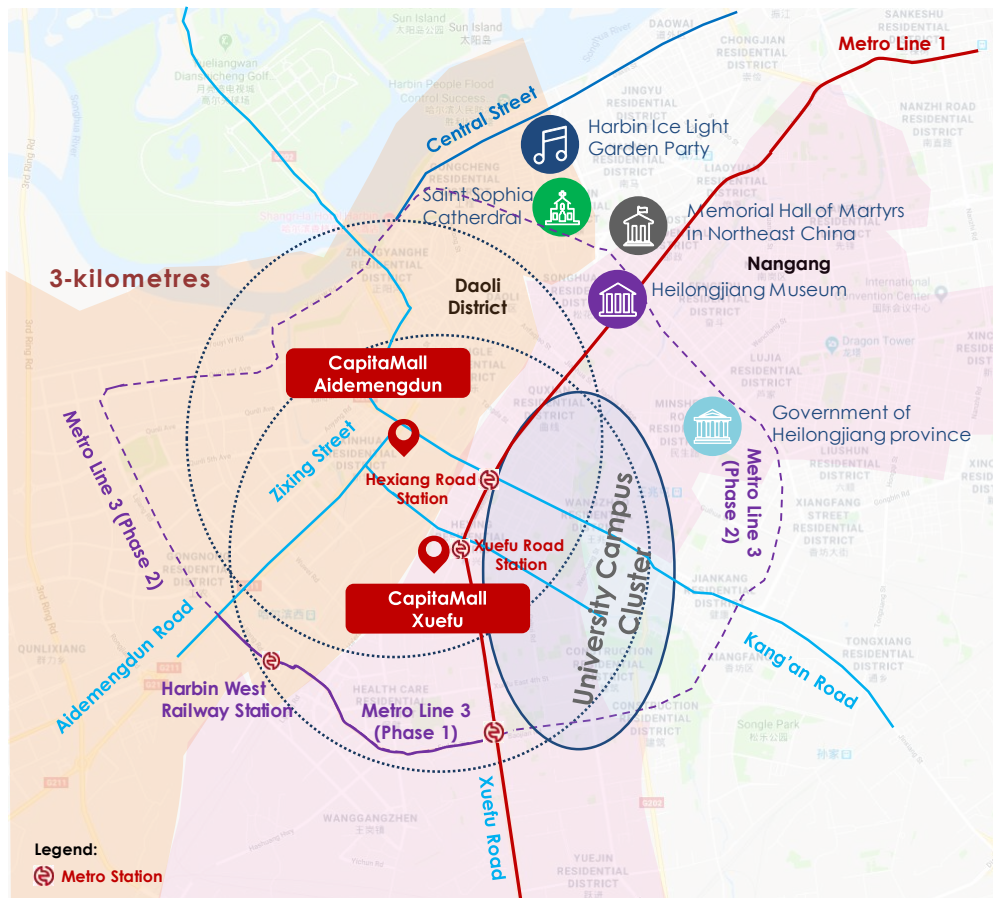


Acquisition Rationale



Addition of Strategically Located and High Quality Assets

Strategic Location with Excellent Connectivity and Strong Population Catchment



CapitaMall Xuefu

- ✓ **Excellent connectivity** given direct connection to Metro Line 1 Xuefu Road Station and accessible by more than 9 bus lines
- ✓ **Sizeable catchment** of c.750,000 within 3-kilometre radius, with large tertiary student population
- ✓ **Experiential retail offerings** through innovative lifestyle concepts

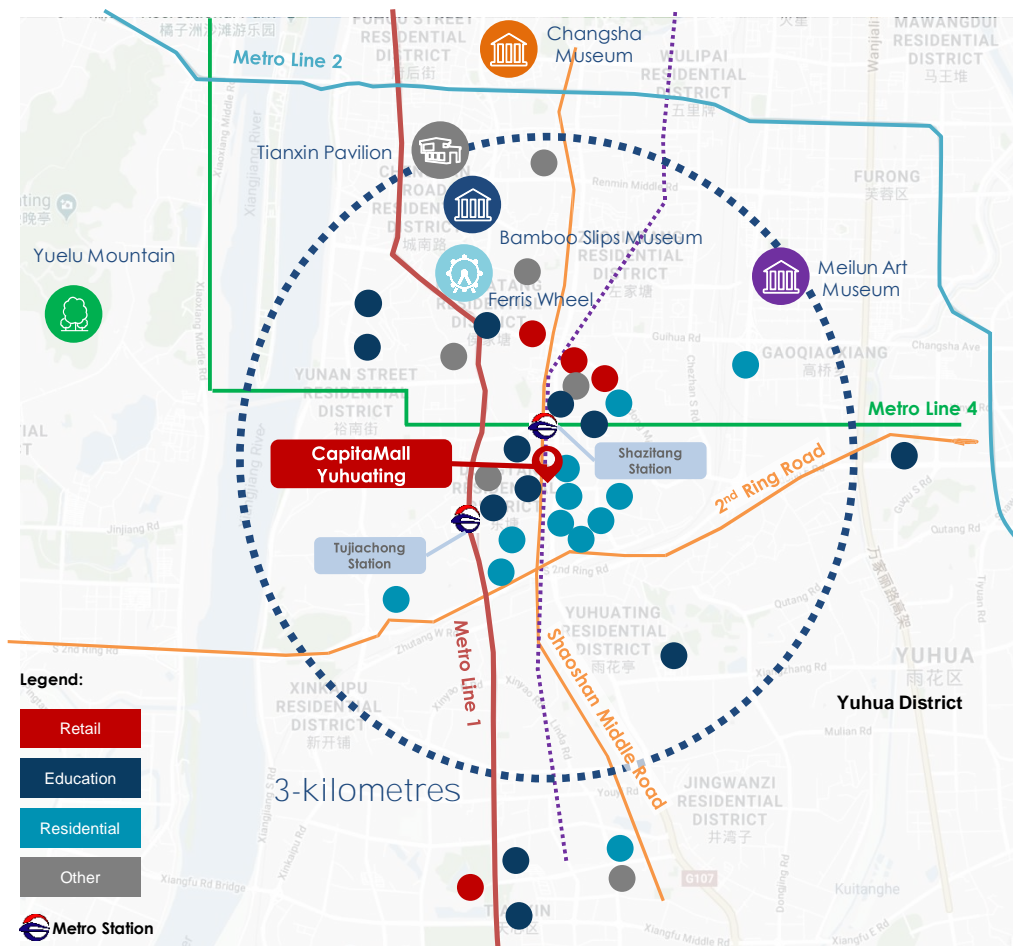
CapitaMall Aidemengdun

- ✓ **Good accessibility** via public transport with 2 Metro Stations within 1.5-kilometres and more than 8 bus lines
- ✓ **Established community mall** catering to a population catchment of c.400,000 within a 3-kilometre radius
- ✓ **Wide tenant base of popular brands** including supermarket, cinema, F&B, fashion and children-related brands

Close proximity and complementary retail offerings of the 2 malls enhance leasing, marketing and operational synergies

Addition of Strategically Located and High Quality Assets

Strategic Location with Excellent Connectivity and Strong Population Catchment



CapitaMall Yuhuating

- ✓ **Great accessibility** via public transport with 2 Metro stations within 1-kilometre and more than 15 bus lines
- ✓ **Dense catchment of c.700,000 within 3-kilometre radius**, in the Dongtang retail hub
- ✓ Nestled within **large cluster of residential, educational and financial institutional facilities**
- ✓ **Comprehensive and integrated shopping experience** including supermarket, cinema, fashion, F&B and leisure

Easily accessible mall situated in a dense catchment

Addition of Strategically Located and High Quality Assets

Experiential Retail Concepts Targeting Local Demographics

CapitaMall Xuefu



- ✓ Harbin's **first and only Amazon-style indoor garden “Dream Park”** within a shopping mall
- ✓ **Family-friendly zones** with children play areas and kids-related offerings
- ✓ Thematic F&B experience with **first artistic food street** in Harbin
- ✓ **New fashion concepts** which appeal to young and fashionable shoppers

Addition of Strategically Located and High Quality Assets

Experiential Retail Concepts Targeting Local Demographics

CapitaMall Aidemengdun



- ✓ **Popular lifestyle and family events** to draw crowds
- ✓ **Repeat visitation** due to its **established status** within catchment area
- ✓ Strong focus on **young families with children**, **sports and education offerings**

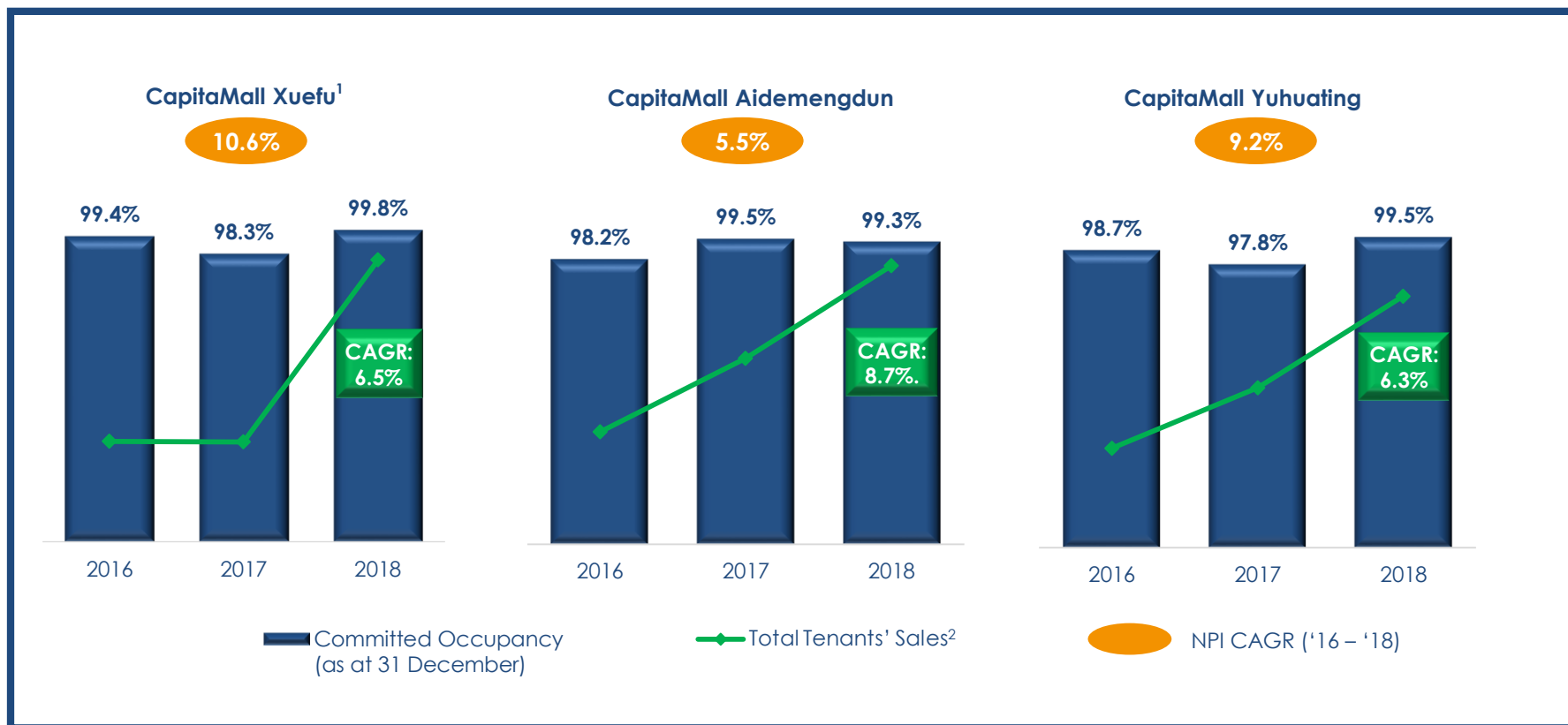
CapitaMall Yuhuating



- ✓ **Only one-stop necessity shopping mall** in the locality
- ✓ **Established mall** with over 10 years of operating history
- ✓ **Strong brand awareness** in the catchment area and **strong loyalty membership base**

Addition of Strategically Located and High Quality Assets

Well Managed and Consistently High Performing Mall Portfolio



Resilient and defensive portfolio evidenced by high committed occupancy, strong tenant sales and NPI growth

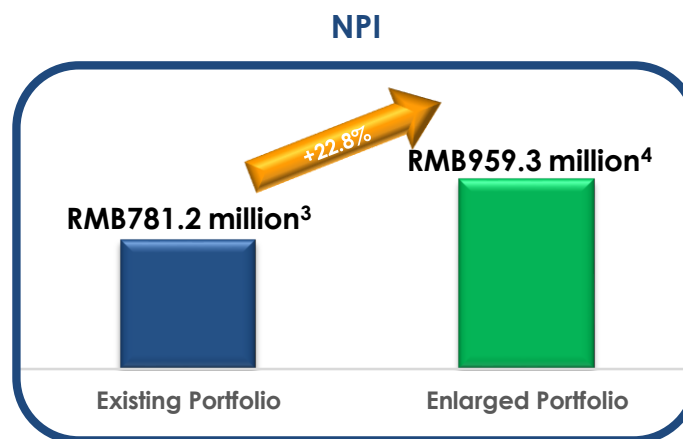
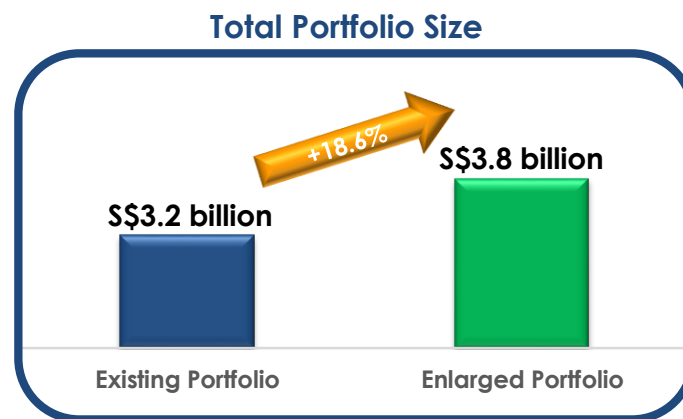
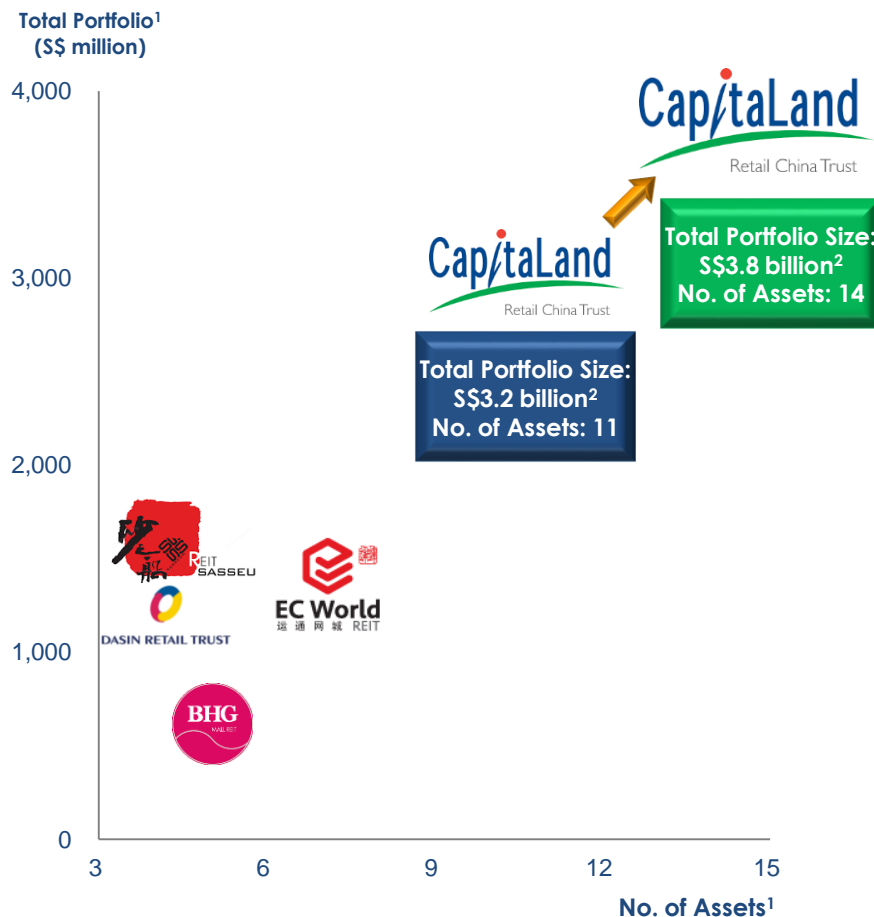
Notes:

1. Total tenants' sales between 2016 and 2017 remained approximately flat due to ongoing asset enhancement initiatives. Post completion of the asset enhancement initiatives, total tenants' sales recorded an improvement in 2018.
2. Excludes tenants' sales from supermarkets.

Proposed Acquisition of CapitaMall Xuefu, CapitaMall Aidemengdun and CapitaMall Yuhuating 11 June 2019

Significantly Increases CRCT's Portfolio Size and NPI

Consolidating Position as the Largest China Retail S-REIT / BT



Notes:

1. All information is as at 31 March 2019.
2. Based on 100% interest in all of CRCT's properties.
3. Based on CRCT's audited financial statements for the period 1 January 2018 to 31 December 2018. Including CRCT's 51.0% interest in Rock Square's NPI for the period from 1 February 2018 to 31 December 2018 which is accounted for as part of "Share of results (net of tax) of joint venture".
4. Includes FY 2018 NPI of the Properties, assuming CRCT had held and operated the Properties from 1 January 2018 to 31 December 2018.

Further Enhances CRCT's Portfolio Diversification

Increases Exposure to Major Provincial Capitals and Multi-Tenanted Malls

- Increases Geographical Diversification across Major China Markets**

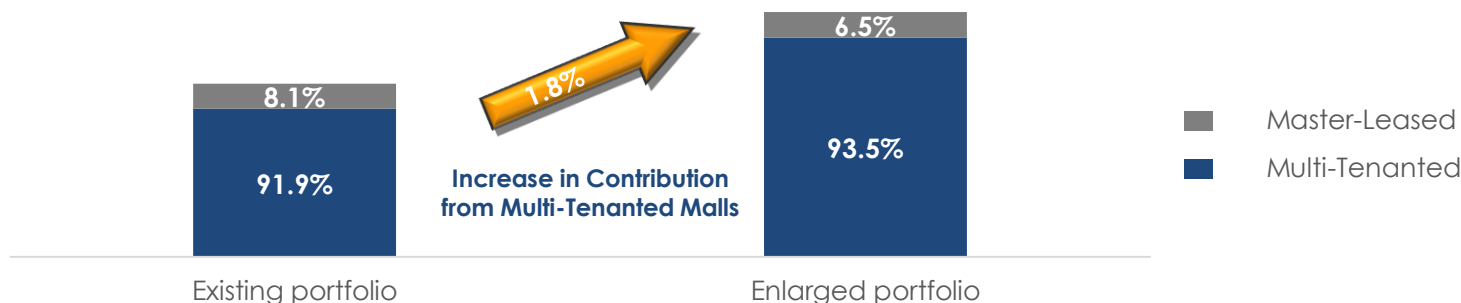
- Acquisition deepens CRCT's footprint to the north and central regions

	Existing Portfolio	Enlarged Portfolio
No. of Cities	8	10
Presence in Provincial Capital Cities¹	7	9

- Increases Exposure to Multi-Tenanted Malls**

- Contribution from multi-tenanted malls expected to increase after acquisition, providing CRCT with greater opportunities to drive growth

By Gross Revenue²



Notes:

- Includes municipalities and capital of autonomous regions.
- Based on gross revenue for FY 2018 and includes CRCT's 51.0% interest in Rock Square.

Proposed Acquisition of CapitaMall Xuefu, CapitaMall Aidemengdun and CapitaMall Yuhuating 11 June 2019

Further Enhances CRCT's Portfolio Diversification

Increases Diversification of Revenue Stream

- Maximum gross revenue contribution by two largest properties will decrease from c.45% to c.36% on a pro forma basis
- CapitaMall Xuefu will be CRCT's 3rd largest mall by gross revenue contribution

Percentage Contribution to CRCT Group's gross revenue ¹	Existing Portfolio	Enlarged Portfolio
CapitaMall Xizhimen	25.0%	20.1%
CapitaMall Wangjing	19.9%	15.9%
CapitaMall Xuefu	-	11.1%
CapitaMall Xinnan	11.5%	9.2%
CapitaMall Grand Canyon	11.2%	9.0%
CapitaMall Qibao	8.6%	6.9%
Rock Square ²	7.2%	5.8%
CapitaMall Yuhuating	-	5.3%
CapitaMall Saihan ³	5.7%	4.5%
CapitaMall Aidemengdun	-	3.5%
CapitaMall Erqi	4.3%	3.4%
CapitaMall Shuangjing	3.9%	3.1%
CapitaMall Minzhongleyuan	2.0%	1.6%
CapitaMall Wuhu ³	0.7%	0.6%
Total	100.0%	100.0%

Notes:

1 Based on gross revenue for FY 2018.

2 Based on CRCT's 51.0% interest in Rock Square.

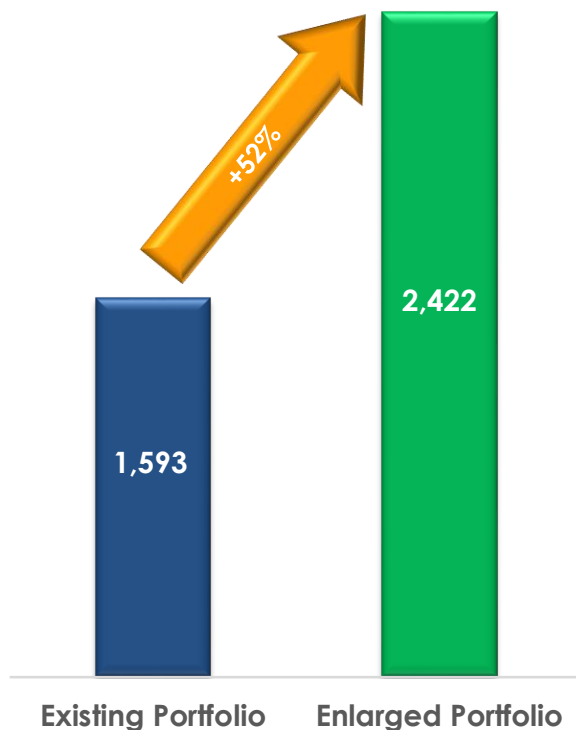
3 CRCT had on 1 February 2019 announced the divestment of the equity interest which holds CapitaMall Saihan which is expected to be completed in 2H 2020 and on 29 March 2019 announced the divestment of the equity interest which holds CapitaMall Wuhu which is expected to be completed in 2H 2019.

3

Further Enhances CRCT's Portfolio Diversification

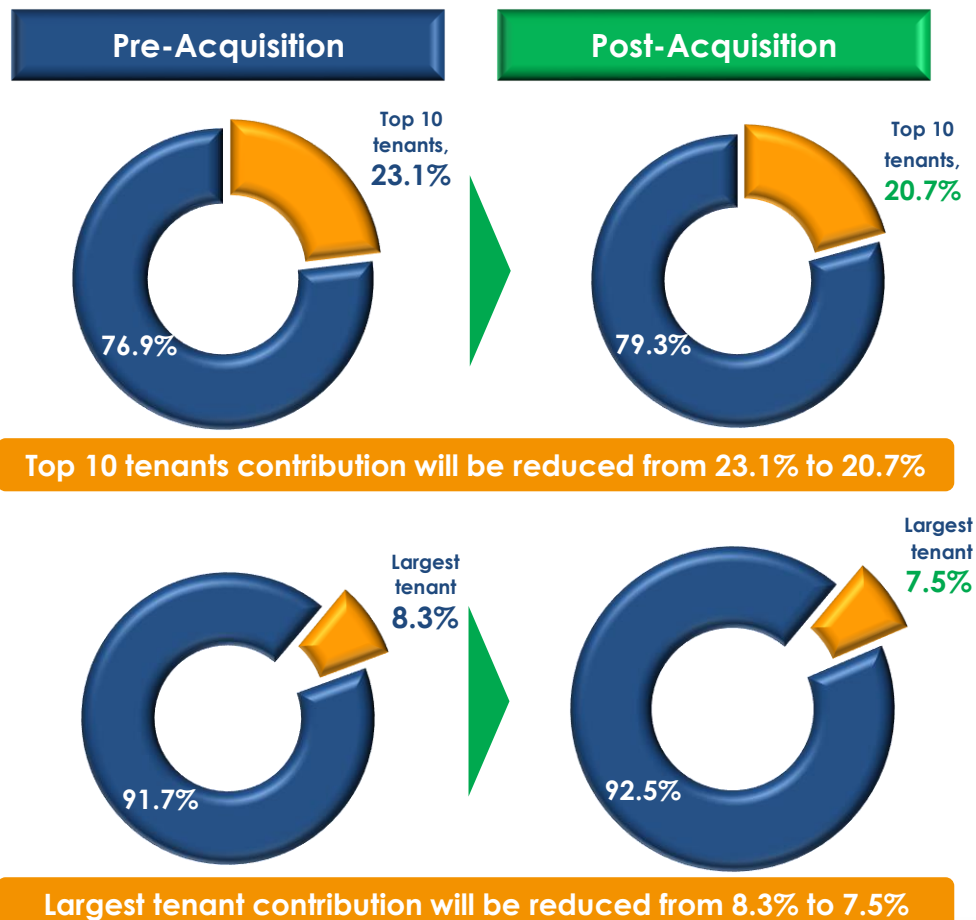
Reduces Tenant Concentration Risk

No. of Leases



Number of leases to significantly increase by 52%

% of Total Rental Income¹



Note:

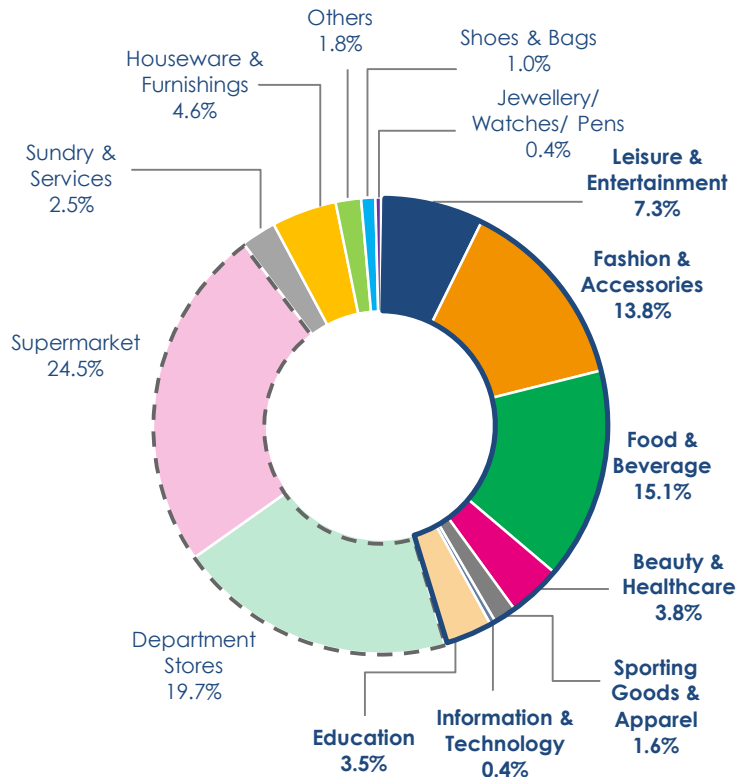
1. By Total Rental Income and includes both gross rental income and gross turnover rental income ("GTO") components. Based on CRCT's effective interest in each property, including CRCT's 51.0% interest in Rock Square.

Further Enhances CRCT's Portfolio Diversification

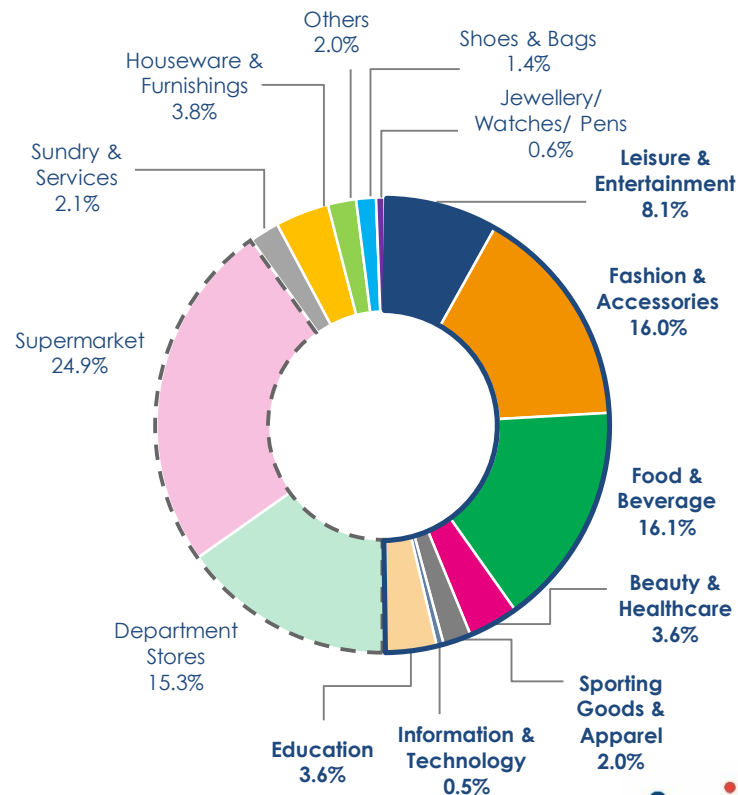
Enhances Trade Mix

- Increases exposure in high growth trade sectors^{1,2} from c.46% to c.50%
- Reduces exposure to Supermarket and Departmental Stores¹ from c.44% to c.40%

Existing Portfolio



Enlarged Portfolio

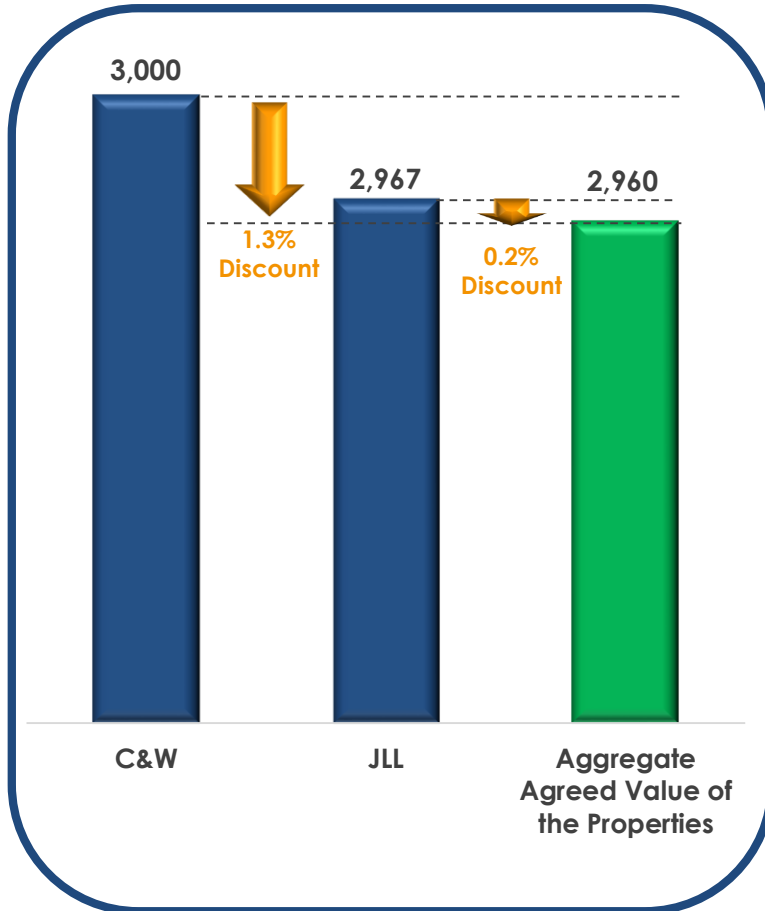


Notes:
¹ On committed NLA basis.
² Includes Leisure & Entertainment, Fashion & Accessories, Food & Beverage, Beauty & Healthcare, Sporting Goods & Apparel, Information & Technology and Education.

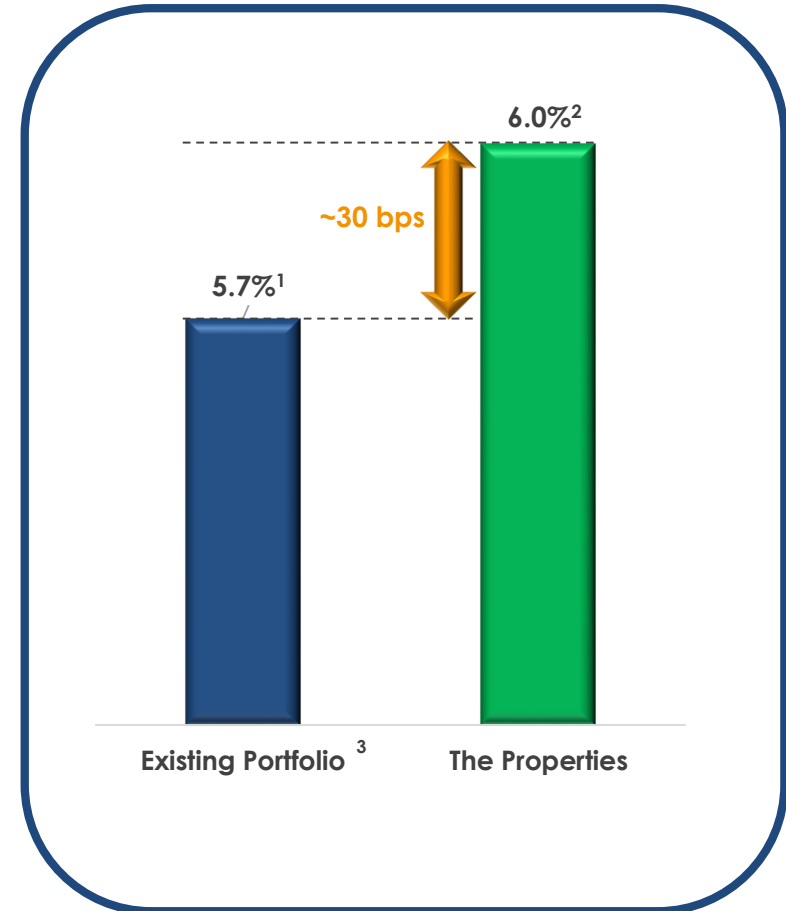
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Attractive Transaction Price that Delivers Accretion

Discount to Independent Valuation
(RMB million)



NPI Yield Accretion
(%)



Notes:

1. Computed using FY 2018 NPI of the Existing Portfolio divided by its valuation as at 31 December 2018, including CRCT's 51.0% interest in Rock Square whose NPI yield is computed based on the annualised NPI for the period 1 February 2018 to 31 December 2018.
2. Computed using the aggregate FY 2018 NPI of the Properties divided by the aggregate Agreed Value of the Properties.
3. Excludes CapitaMall Wuhu as the mall is fully closed.

Leverage on Strong Track Record of Management Team

Experienced Management Team to Deliver Operational Excellence

- **Properties managed by same cluster management teams managing CapitaMall Xizhimen, CapitaMall Wangjing and CapitaMall Grand Canyon in the North Region, and Rock Square in the Central/South Regions**
 - Creates significant mall management, planning and execution efficiencies
- **Track record of active asset management with demonstrable results**

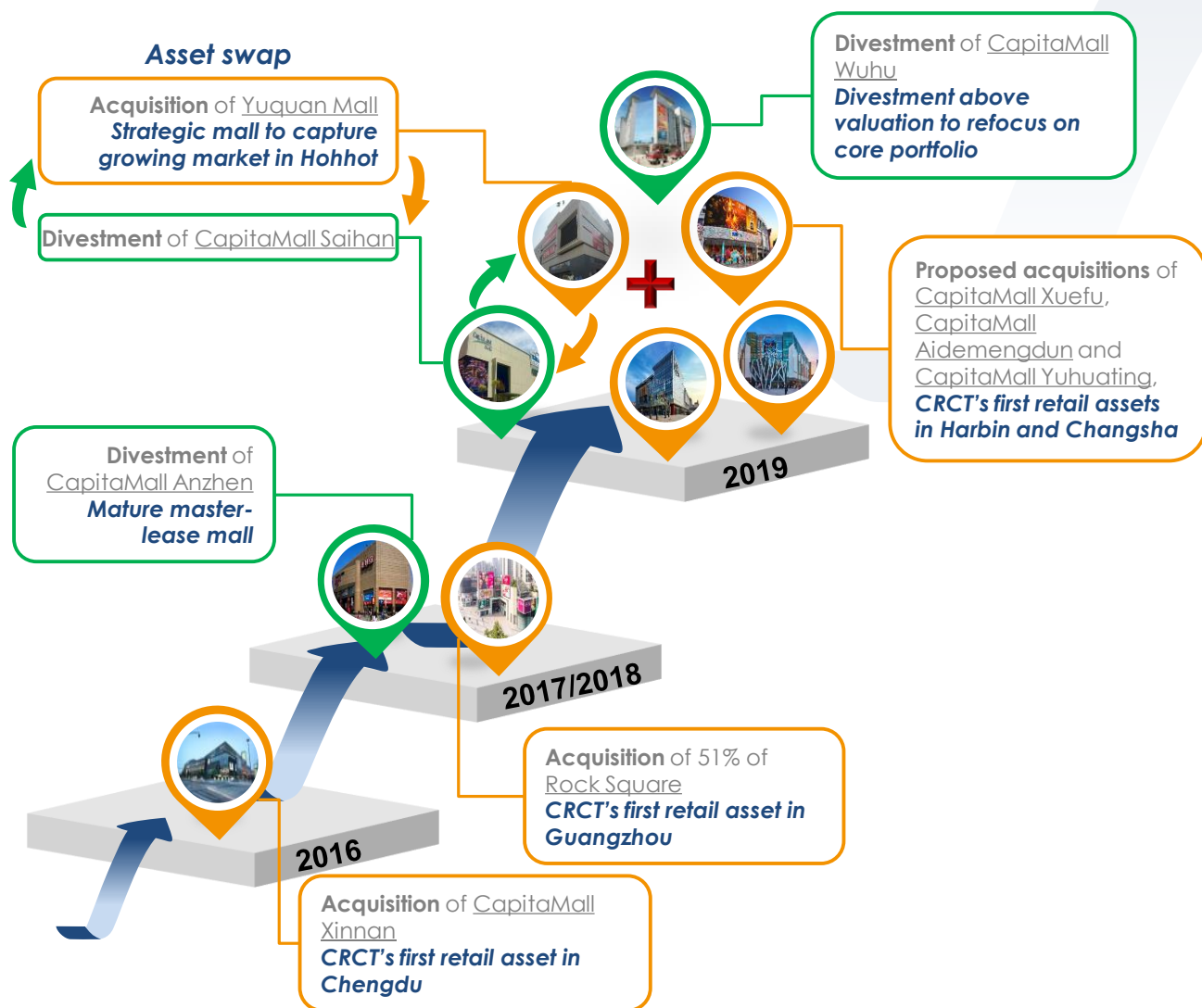
CapitaMall Xuefu	✓ Active AEI initiatives by introducing innovative experiential concepts to strengthen market leadership
CapitaMall Aidemengdun	✓ Recent upgrading and brand refresh to position the mall for further growth
CapitaMall Yuhuating	✓ Future plans to expand tenant mix, primarily in F&B and Fashion & Accessories

Conclusion

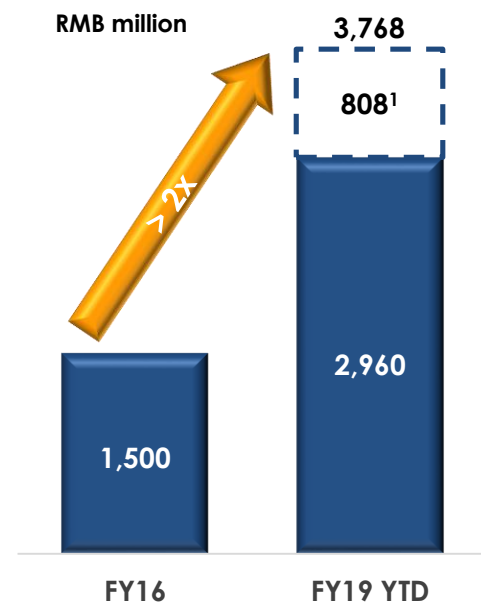


CapitaMall Xuefu, Harbin

CRCT Continues to Deliver Growth through Proactive Portfolio Reconstitution



✓ Acquisition volume more than doubled in last 3 years

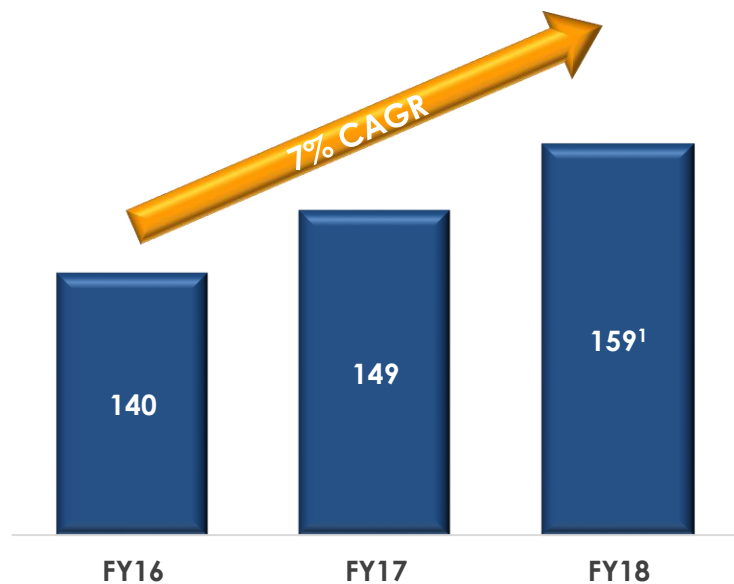


Note:
1. Acquisition of Yuquan Mall.

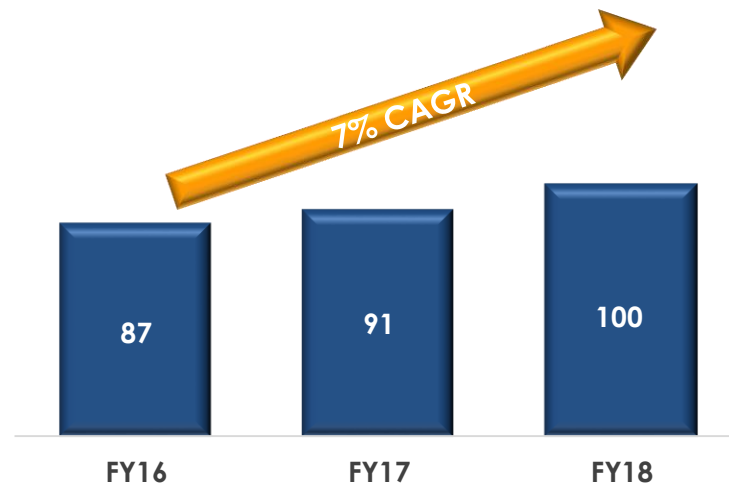


Consistent Track Record of Value Creation and Generating Shareholder Returns

NPI (\$\$ million)



Distributable Income (\$\$ million)



Note:

1. Based on FY2018 audited financial statements, including CRCT's 51.0% in Rock Square from 1 February 2018 to 31 December 2018.



CRCT Post Proposed Acquisition

	Existing Portfolio ¹	Enlarged Portfolio ¹	Uplift
GFA (sq m)	808,940	1,057,222	30.7%
GRA (sq m)	697,854	907,622	30.1%
NLA (sq m)	521,833	662,990	27.1%
No. of Leases	1,593	2,422	52.0%
Occupancy	97.4%	97.8%	0.4% pts
Valuation (RMB million)²	15,771.0	18,731.0 ³	18.8%
NPI (RMB million)⁴	781.2	959.3	22.8%

Notes:

1. Based on information as at 31 March 2019.
2. Based on valuation as at 31 December 2018 on 100% basis, except for CapitaMall Wuhu which is based on the latest divestment price announced on 29 March 2019.
3. Includes the aggregate agreed property value.
4. Based on CRCT's audited financial statements for the period 1 January 2018 to 31 December 2018, including CRCT's 51.0% interest in Rock Square's NPI for the period from 1 February 2018 to 31 December 2018 which is accounted for as part of "Share of results (net of tax) of joint venture". Includes FY 2018 NPI of the Properties, assuming CRCT had held and operated the Properties from 1 January 2018 to 31 December 2018.

Appendix



CapitaMall Yuhuating, Changsha

CRCT after the Proposed Acquisition

Existing Portfolio



The Properties







CapitaMall Aidemengdun

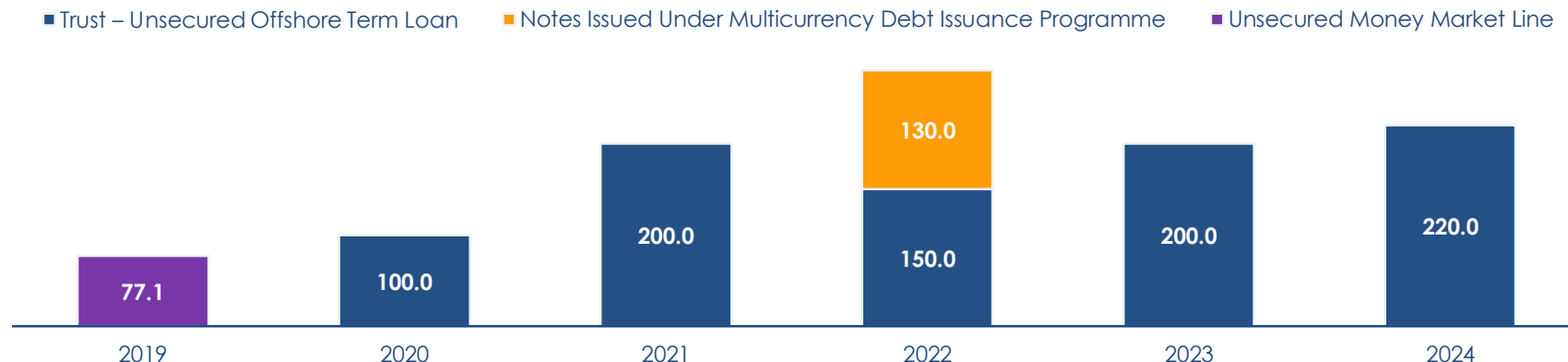






Well Termed out Debt Maturity Profile with Proactive Capital Management

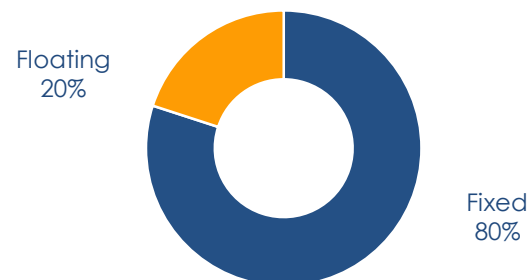
Debt Maturity Profile (\$\$ million)¹



Debt Snapshot¹

Gross Debt (\$\$ million)	1,077.1
Current Gearing	35.5% ²
Average Cost of Debt	2.96% ³

Fixed vs Floating Debt¹ (%)



- Notes:
- Based on information as at 31 March 2019.
 - 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).
 - Ratio of the consolidated YTD 2019 interest expense reflected over the weighted average borrowings on balance sheet.



Thank You

For enquiries, please contact:

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