



CapitaLand Retail China Trust

Proposed Acquisition of Galleria, Chengdu

19 August 2016



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Executive Summary

CRCT to acquire Galleria, a prominent quality mall in south of Chengdu

- Market leader in the well established Xinnan Tiandi retail precinct
- Enjoys strong synergy with the neighbouring retail options
- Stable footfall & tenants' sales
- Close proximity to transportation hub & access to large affluent catchment
- DPU accretive to CRCT portfolio
- Utilises strong balance sheet to drive long term growth



Property Highlights



Galleria, Chengdu, China



Galleria, Chengdu

Location	No. 99, Shenghe Yi Road, Gaoxin District, Chengdu, Sichuan Province
Description	A six-storey shopping mall, 4 above-ground levels and 2 basement levels
Opening Date	November 2010
Land Use Expiry	17 October 2047
Site Area	20,896 sqm
GFA	91,816 sqm
GRA (Excl. Car Park)	53,619 sqm
NLA	34,736 sqm
Occupancy	100%¹ (as at 31 May 2016)
Car Park	900 lots (Basement 1 & 2)

Note:

1. Based on information provided by the vendor.

2. Valuation as at 26 July 2016 by Savills Valuation & Professional Services (S) Limited.

3. Includes professional fees, acquisition-related costs and acquisition fee payable to the Manager computed based on 1% of the agreed property price.



No. of Leases	167 (as at 31 May 2016)
Key Tenants	Golden Harvest cinema, H&M, innisfree, Nike, Starbucks, Swarovski, UNIQLO
Property Price	RMB1,500 million
Property Valuation	RMB1,520 million²
Total Investment Cost	RMB1,527 million³

Galleria, Chengdu

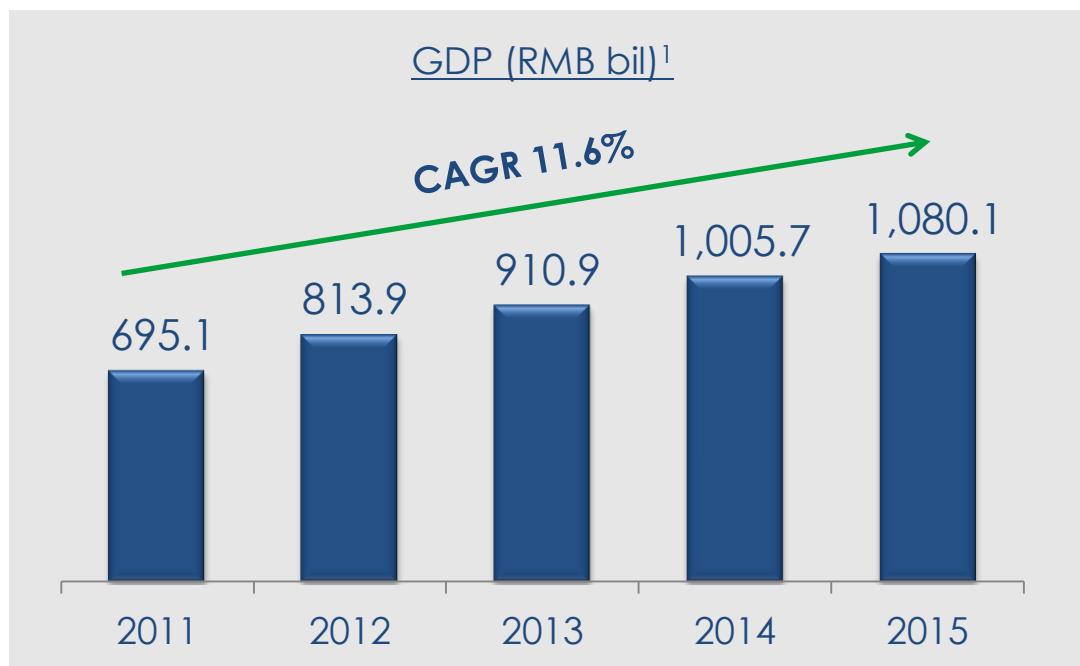
**A popular destination among the fashion conscious young working adults;
Won numerous awards including “Most Influential Mall” award by SINA.com Sichuan**





Chengdu, Major Gateway City in High Growth Western China

- Provincial capital of Sichuan province
- One of the major transportation hubs and economic engines of Western China
- High 2015 GDP growth of 8% to RMB1,080 billion¹
- 2015 residential population ~15 million¹
- One of the key cities in the “One Belt One Road” initiative



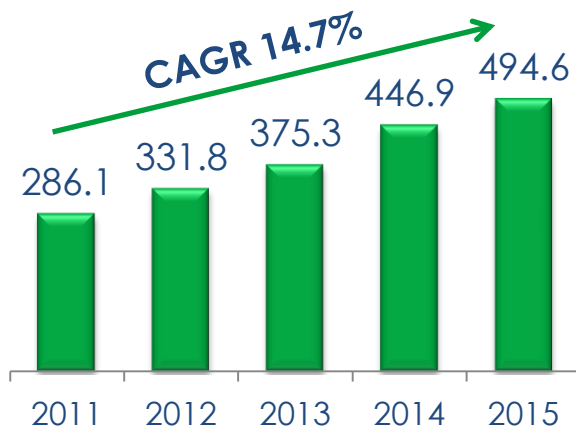
Source:

1. Chengdu Bureau of Statistics

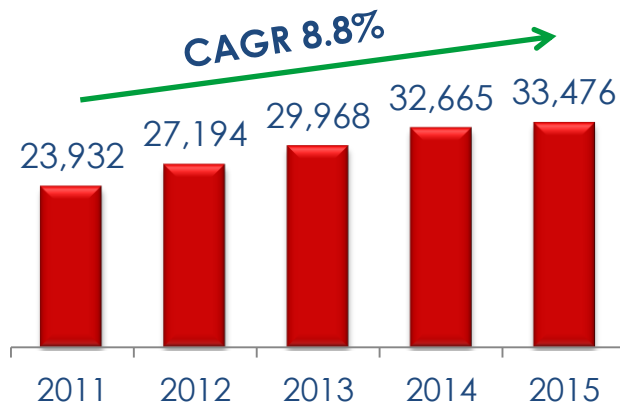
Vibrant Retail Scene in Chengdu

- Supported by a large group of middle-class residents with diverse spending habits
- Favoured by international retailers as a point of entry into the region
- Robust retail sales growth underpinned by steady income growth
- Higher sales conversion rate at community malls

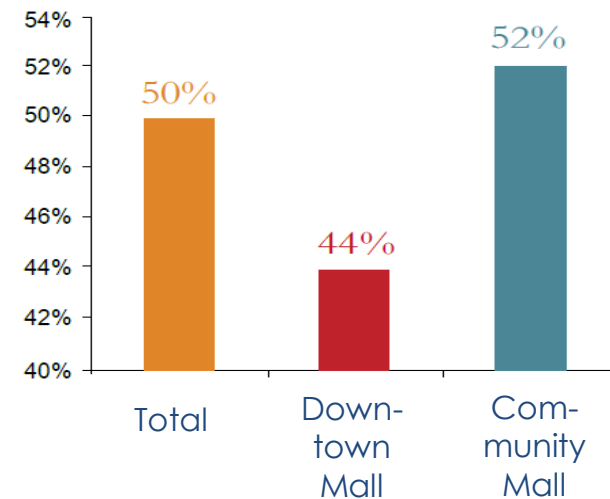
Retail Sales (RMB bil)¹



Per Capita Urban Disposable Income (RMB)¹



Sales Conversion Rate²



Source:

1. Chengdu Bureau of Statistics

2. Jones Lang LaSalle



Gaoxin District, Prominent Hi-Tech Development Zone in South Chengdu

- Ranked 4th among 146 national hi-tech zones in China¹
- Focuses on developing and facilitating financial services for industries such as transportation, banking and investment
- ~100 Fortune 500 companies were attracted to set up their presence¹
- Retail sales grew 11.7% y-o-y to RMB51.6 billion in 2015, the highest recorded among districts in Chengdu¹



Source:

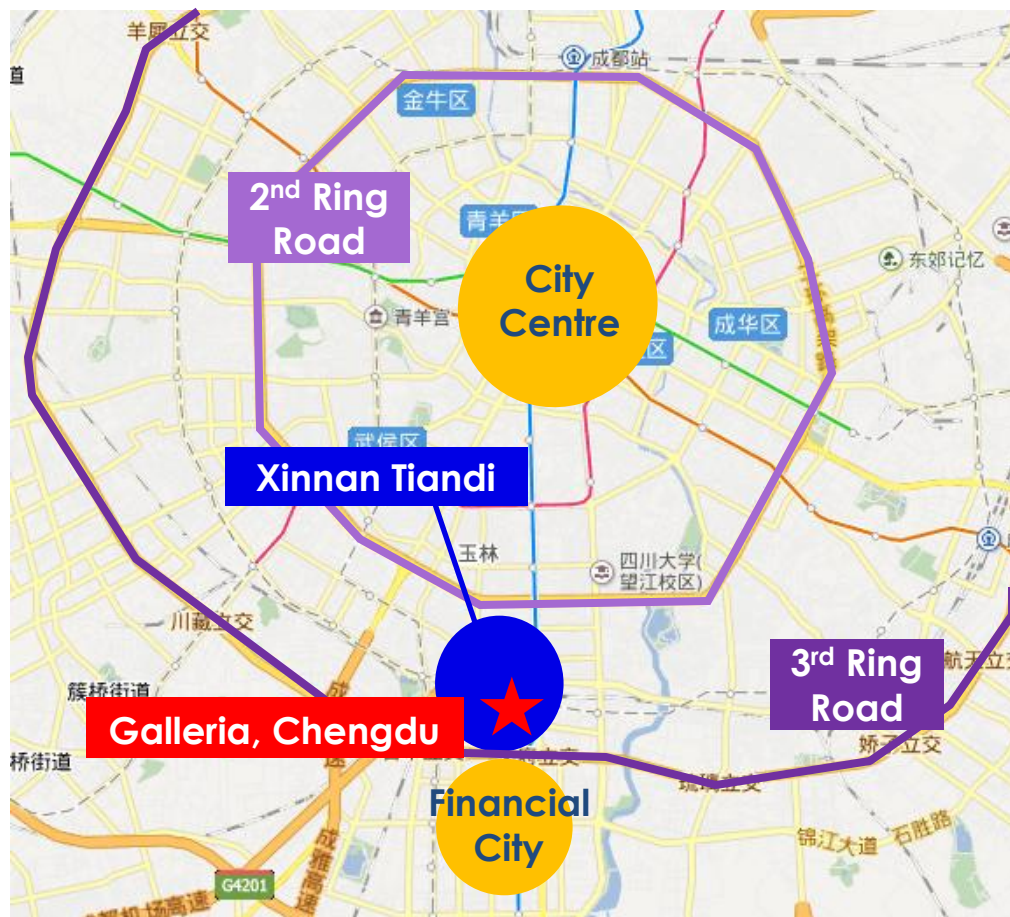
1. China Chengdu Hi-Tech Industrial Development Zone portal at www.cdht.gov.cn



Strategically Located in the Heart of Xinnan Tiandi, Gaoxin District

Xinnan Tiandi: Sizeable & Well Established Retail Precinct in Chengdu

- Located within the 3rd Ring Road
- ~6km from city centre
- Attracts large number of residents as it is conveniently located between the City Centre and Financial City
- Well established retail precinct in Chengdu





Strategically Located in the Heart of Xinnan Tiandi, Gaoxin District

Attracts shoppers from the vicinity and other parts of Chengdu



- Strong complementary retail offerings with surrounding big-box retailers and CapitaMall Tianfu
- Different retail formats focusing on diverse retail offerings and market segments

- | | |
|--|----------------------------|
| 1 Galleria, Chengdu (Fashion & Dining) | 5 Decathlon (Sports Gears) |
| 2 CapitaMall Tianfu (Family Mall) | 6 IKEA (Home Furnishings) |
| 3 Suning Plaza (Outlet Mall) | 7 Auchan (Hypermarket) |
| 4 Fusen-Noble House (Home Furnishings) | 8 GOME (Electronics) |



Excellent Connectivity & Easily Accessible

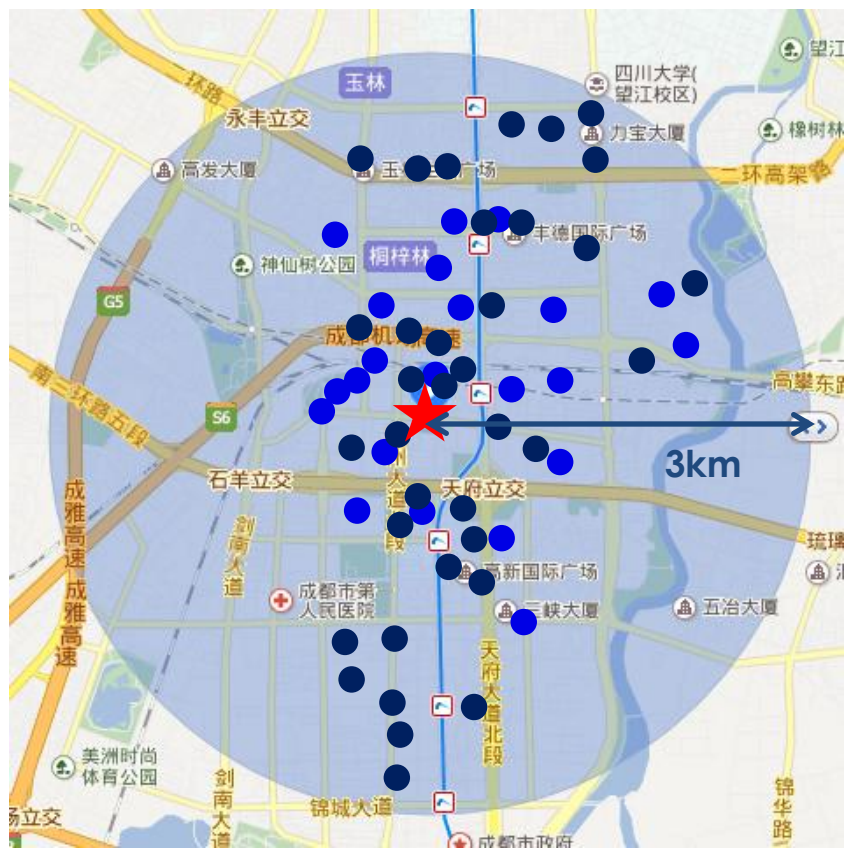
Close proximity to transportation hub



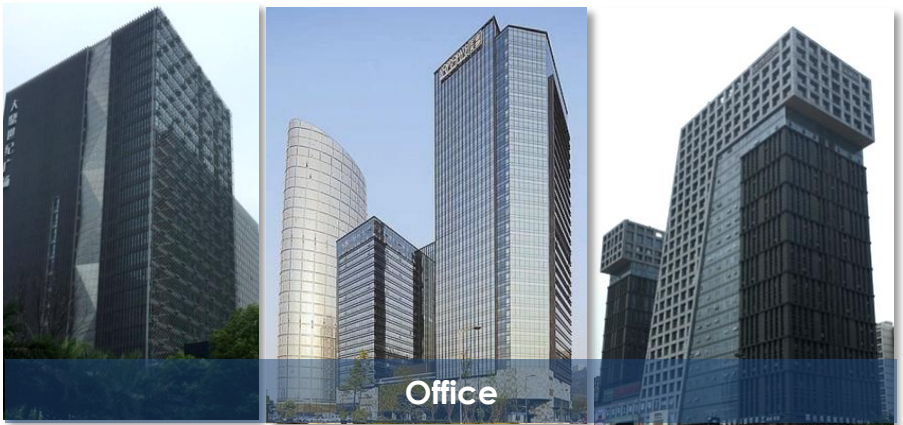
- **South Railway Metro Station: Future Interchange to Line 1, 7 & 18**
 - ✓ **Line 1 (in operation):** Major line connecting north-south bound traffic
 - ✓ **Line 7 (under construction):** target operational by end-2017, an inner city line
 - ✓ **Line 18 (planning):** target operational by early-2020, links to the future Tianfu International Airport
- **With the completion of Line 7 and 18, accessibility will be further enhanced**
- **Chengdu South Railway Station: Major railway station that connects to nearby cities**
- **Direct access to the arterial road (Shenghe Yi Road)**

Large & Affluent Population Catchment

Large and growing immediate catchment;
~1 million residents & white-collar workers within 3-km



★ Galleria, Chengdu ● Residential ● Office



Strong Operating Performance

- Operating at 100% occupancy¹
- Attract quality tenants like H&M, innisfree, Nike, Starbucks, Swarovski, UNIQLO and etc
- Stable footfall and tenants' sales
- Recognised as leading mall, won “Most Influential Mall” Award by SINA.com Sichuan (新浪四川) for 2015



Note:

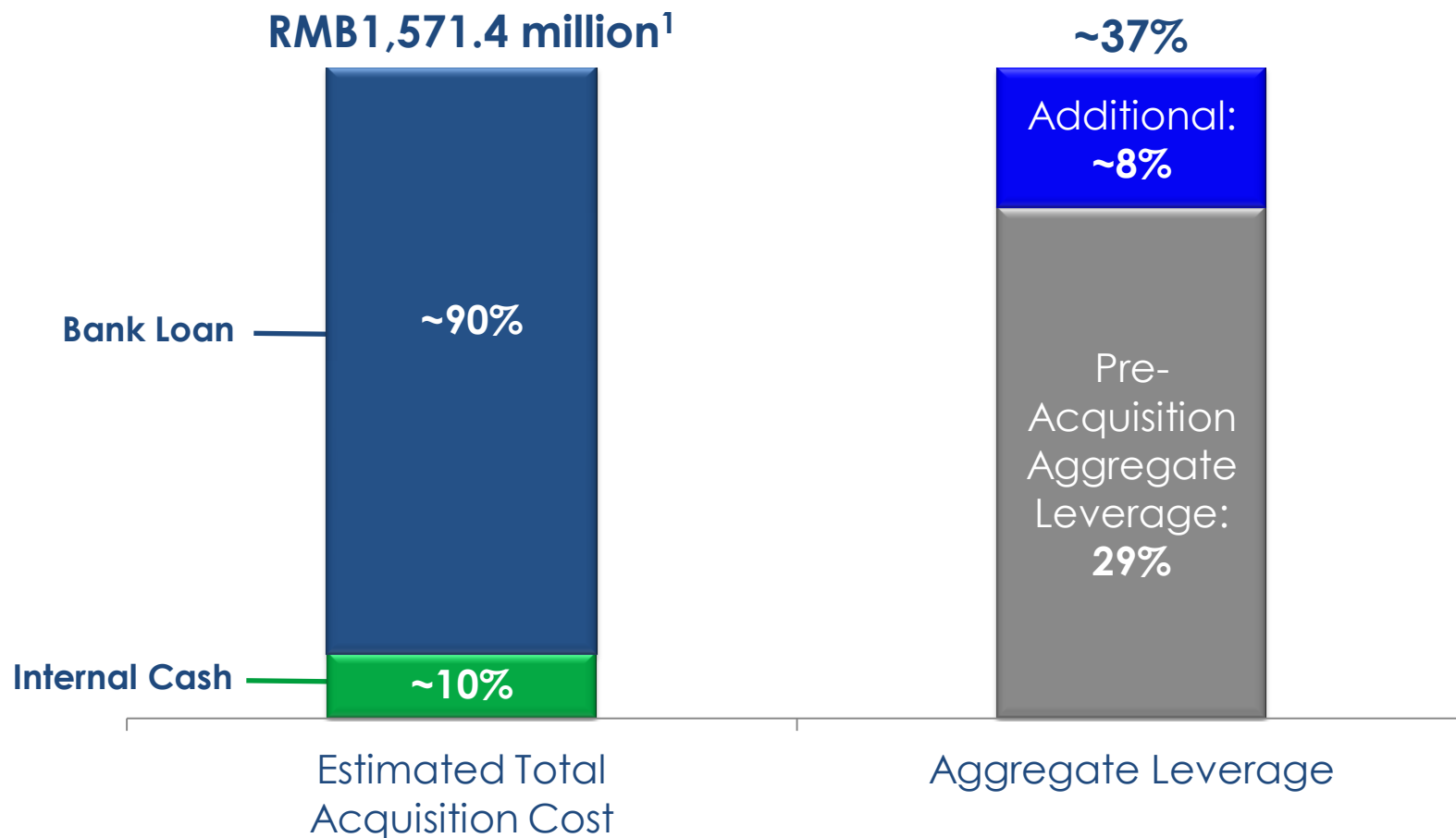
1. Based on information provided by the vendor.

Funding Structure





Healthy Aggregate Leverage of ~37% Post-Acquisition



Note:

1. The estimated total acquisition cost comprises the estimated purchase consideration based on the pro forma statement as at 31 May 2016 of the adjusted net asset value ("NAV") of the target company and its wholly-owned subsidiary (subject to post-completion adjustments), professional fees, acquisition-related costs and acquisition fee payable to the Manager.

Investment Rationale





Investment Rationale

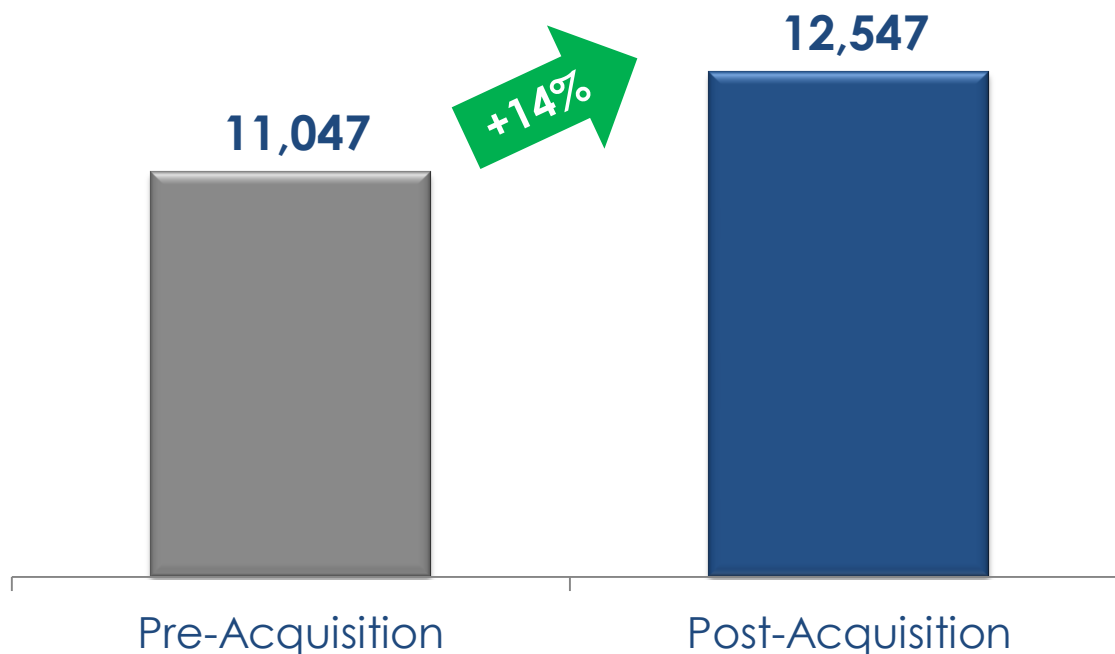
- 1 Valuable Addition to CRCT's portfolio**
- 2 Steady Contribution with Growth Potential**
- 3 Strategic Entry into High Growth Western China**

1 Valuable Addition to CRCT's portfolio

Enlarge Portfolio Size by 14%

Investment Properties

RMB million





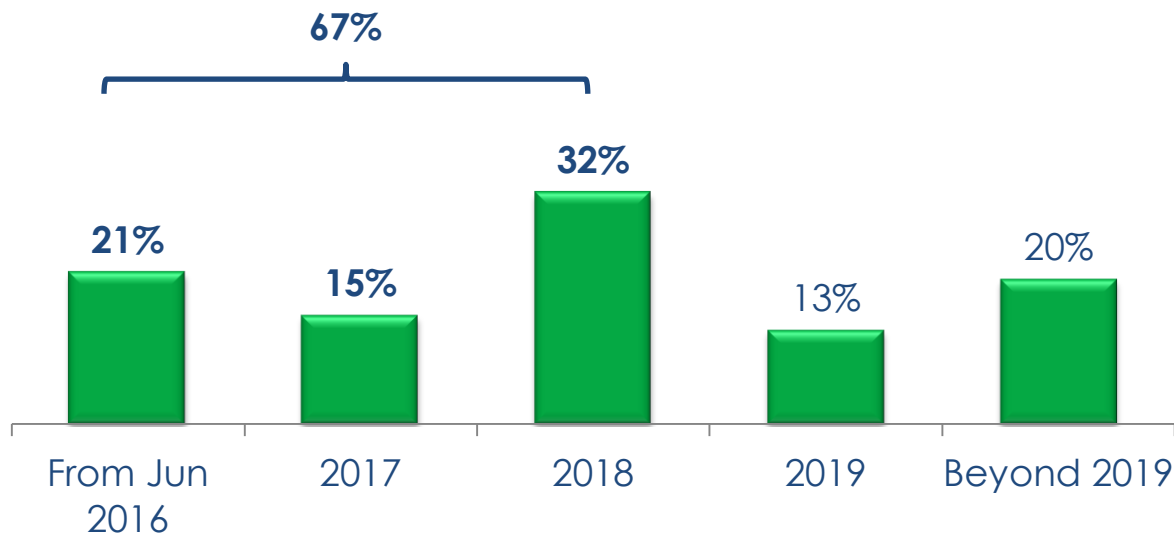
2

Steady Contribution with Growth Potential

Potential upside through upcoming lease expiry and efficient cost management

- NPI Yield of ~5.4%¹ and DPU accretive
- 67% of the leases are expiring in the next 3 years, potential upside through tenant adjustments
- Enhance management efficiency to improve margin

Lease Expiry by Total Rent



Note:

1. Based on annualised management accounts for January 2016 to May 2016 and total investment cost of RMB1,527 million.

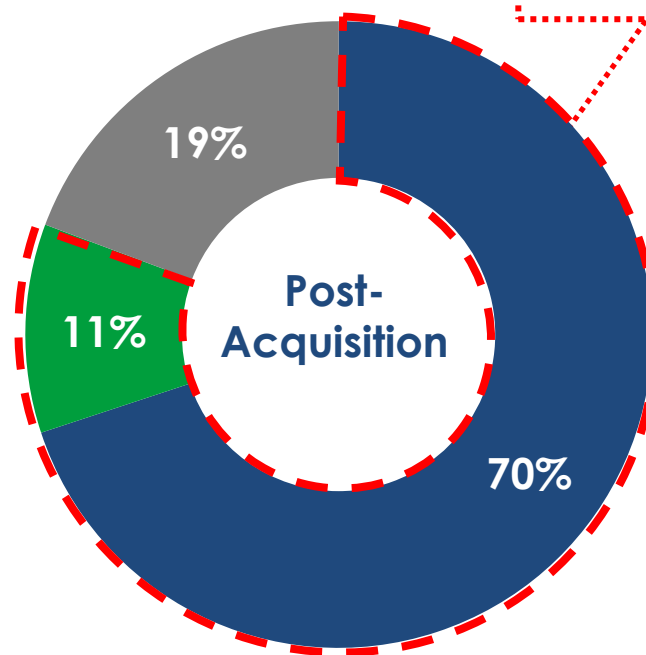
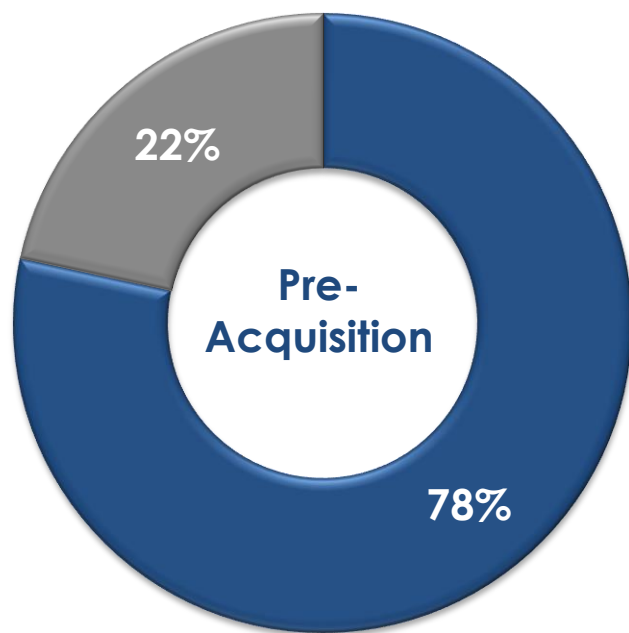


2

Steady Contribution with Growth Potential

Driver for Portfolio Long Term Growth

Net Property Income¹



81% contribution
from multi-
tenanted malls

■ Existing Multi-Tenanted ■ Galleria, Chengdu ■ Master Leased

Note:

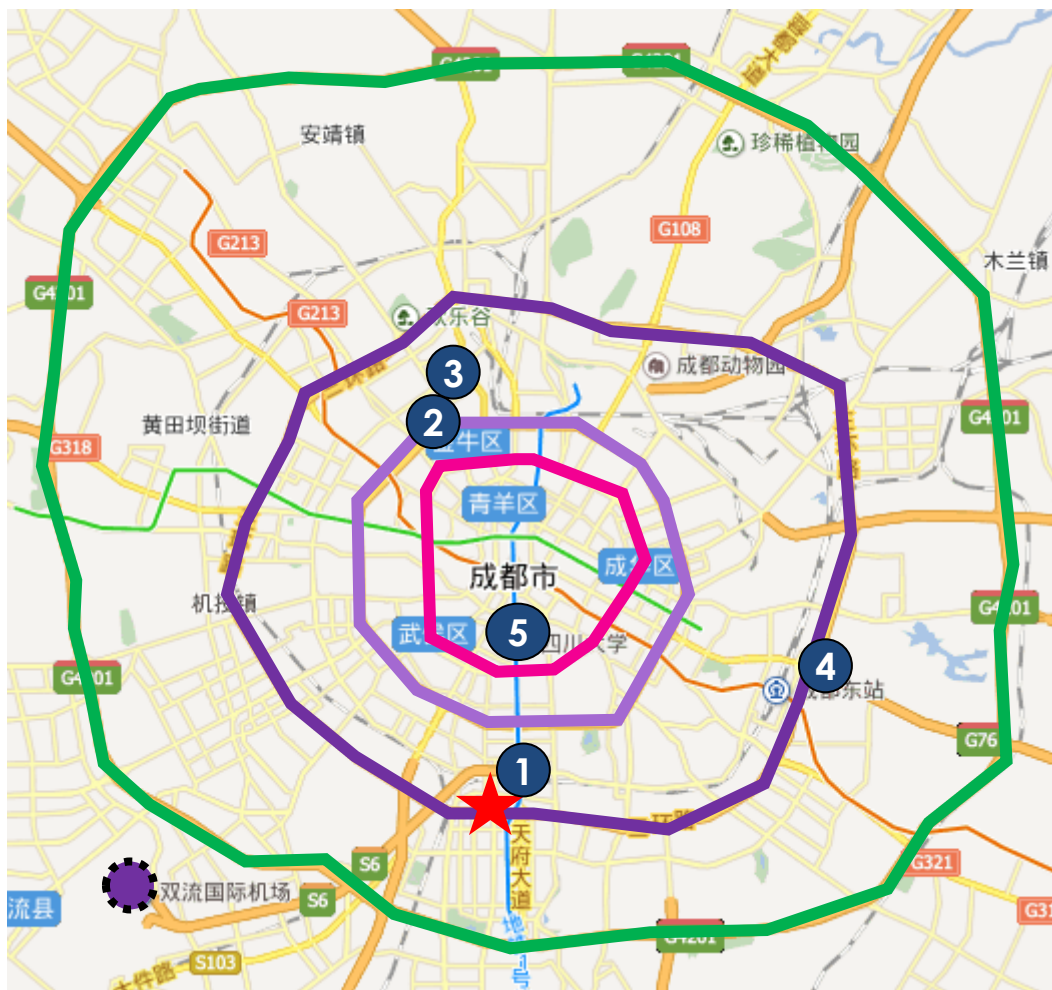
1. For existing portfolio, it is based on annualised 1H 2016 NPI and for Galleria, Chengdu, it is based on annualised management accounts for January 2016 to May 2016.



3

Strategic Entry into High Growth Western China

Expanding Footprint into Key Gateway City & Tapping on Sponsor's Scale



• Enjoy benefits with enlarged scale:

- ✓ Mall management expertise & market knowledge
- ✓ Extensive leasing network
- ✓ Cost savings
- ✓ Strategised marketing activities

★ **Galleria, Chengdu**

① CapitaMall Tianfu

② CapitaMall Jinniu

③ CapitaMall Shawan

④ CapitaMall Meilicheng

⑤ Raffles City Chengdu

✱ Chengdu Shuangliu Airport

— 1st Ring Road — 2nd Ring Road — 3rd Ring Road — 4th Ring Road



Thank You

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