

CIRCULAR DATED 4 DECEMBER 2020

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

CIRCULAR TO UNITHOLDERS IN RELATION TO:

THE PROPOSED ACQUISITION OF THE RESPECTIVE INTERESTS IN THE COMPANIES WHICH HOLD THE ASCENDAS XINSU PORTFOLIO, ASCENDAS INNOVATION TOWERS, ASCENDAS INNOVATION HUB, SINGAPORE-HANGZHOU SCIENCE & TECHNOLOGY PARK PHASE I AND PHASE II AND ROCK SQUARE, WHICH IS AN INTERESTED PERSON TRANSACTION.



CAPITALAND RETAIL CHINA TRUST

(constituted in the Republic of Singapore pursuant to a trust deed dated 23 October 2006 (as amended))

Managed by
**CAPITALAND RETAIL CHINA TRUST
MANAGEMENT LIMITED**
a member of CapitaLand



ASCENDAS INNOVATION TOWERS



SINGAPORE-HANGZHOU SCIENCE & TECHNOLOGY PARK PHASE I



ASCENDAS INNOVATION HUB



ASCENDAS XINSU SQUARE R&D



SINGAPORE-HANGZHOU SCIENCE & TECHNOLOGY PARK PHASE II

YOUR VOTE COUNTS.

Please give your voting instructions via Proxy Form.

LAST DATE AND TIME FOR PRE-REGISTRATION, SUBMISSION OF QUESTIONS IN ADVANCE, AND SUBMISSION OF PROXY FORM

Saturday, 19 December 2020 at 2.30 p.m.

DATE AND TIME OF EGM CONVENED AND HELD BY ELECTRONIC MEANS

Tuesday, 22 December 2020 at 2.30 p.m.

Singapore Exchange Securities Trading Limited (the "SGX-ST") takes no responsibility for the accuracy of any statements or opinions made, or reports contained, in this Circular. If you are in any doubt as to the action you should take, you should consult your stockbroker, bank manager, solicitor, accountant or other professional adviser immediately.

If you have sold or transferred all your units in CapitaLand Retail China Trust ("CRCT" and the units in CRCT, "Units"), you should immediately forward this Circular, together with the Notice of Extraordinary General Meeting and the accompanying Proxy Form in this Circular, to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for onward transmission to the purchaser or transferee.

This Circular is not for distribution, directly or indirectly, in or into the United States. This Circular does not constitute an offer of securities in the United States or any other jurisdiction. Any proposed issue of New Units (as defined herein) described in this Circular will not be registered under the U.S. Securities Act of 1933, as amended (the "Securities Act") or under the securities laws of any state or other jurisdiction of the United States, and any such New Units may not be offered or sold within the United States except pursuant to an exemption from, or transactions not subject to, the registration requirements of the Securities Act and in compliance with any applicable state securities laws. The Manager (as defined herein) does not intend to conduct a public offering of any securities of CRCT in the United States.

INDEPENDENT FINANCIAL ADVISER TO THE INDEPENDENT DIRECTORS, THE AUDIT COMMITTEE OF CAPITALAND RETAIL CHINA TRUST MANAGEMENT LIMITED AND THE TRUSTEE (AS DEFINED HEREIN)



Ernst & Young Corporate Finance Pte Ltd



SINGAPORE-HANGZHOU SCIENCE & TECHNOLOGY PARK PHASE I



ASCENDAS XINSU NORTH BELT (INDUSTRIAL)



ROCK SQUARE



ASCENDAS INNOVATION TOWERS

“
**A Transformational Acquisition
 Towards Long-Term Resilience
 and Diversification**
 ”

TAN TZE WOOL

CEO

CapitaLand Retail China Trust Management Limited



NO. OF TARGET
 PROPERTIES

6



TOTAL GROSS FLOOR
 AREA ("GFA")

852,727
 sq m



AGREED VALUE

S\$1,653
 million¹



NET PROPERTY
 INCOME ("NPI") YIELD

5.8%²
 BUSINESS PARK
 PROPERTIES: 6.8%³



COMMITTED
 OCCUPANCY RATE

91.6%⁴

SGD/RMB of 4.9179 used.

1. Agreed Value on 100% basis.
2. Computed using aggregate annualised 1H2020 NPI of the Properties divided by the aggregate Agreed Value of the Properties on effective stake basis. Excluding the one-off rental rebate in relation to COVID-19, NPI yield would have been 6.0%.
3. NPI yield for Business Park Properties is computed based on the annualised 1H 2020 NPI and the Agreed Value on an effective stake basis.
4. Committed occupancy as at 30 September 2020.

OVERVIEW OF THE PROPERTIES



SGD/RMB of 4.9179 used.

¹ Agreed Value on 100% basis.

² Committed occupancy as at 30 September 2020.

³ Excluding underground GFA.

1

STRATEGIC ADDITION OF HIGHLY RESILIENT BUSINESS PARK ASSETS

Business Parks – Thematically Supported By China’s Economic Growth Initiatives



PREFERENTIAL POLICY SUPPORT

- ▶ 13th 5-year plan shifted focus towards new **service-led growth model**
- ▶ Introduced **policies aimed at small and medium enterprises** in business parks
- ▶ **Prioritise domestic demand** under 14th 5-year plan to transform towards **self-sufficient economy**



GROWTH OF KEY TENANT INDUSTRIES

- ▶ **Committed to investing in strategic industries** that tend to be **key tenants in China’s business parks**
- ▶ Supported by NDRC¹ to invest in **value-added industries**
- ▶ **Technology and innovation** is of **top priority** in 14th 5-year plan



DECENTRALISATION TO TIER 2 CITIES

- ▶ **Large-scale building of transport infrastructure** in Tier 2 cities have **improved connectivity** to major cities
- ▶ Encouraged **ongoing decentralisation of economic activities** to Tier 2 cities
- ▶ Global enterprises **have been relocating to business parks** in Tier 2 cities

PROVIDES IMPETUS FOR SUSTAINED AND LONG-TERM GROWTH OF BUSINESS PARKS

SOURCE: BASED ON THE INDEPENDENT MARKET RESEARCH REPORT PROVIDED BY COLLIERS INTERNATIONAL PROPERTY CONSULTANTS (SHANGHAI) CO., LTD. IN RELATION TO THE ACQUISITION (“INDEPENDENT MARKET RESEARCH REPORT”).

1 Refers to China’s National Development and Reform Commission.



ASCENDAS INNOVATION HUB

Business Parks – Growing Demand Supported By Robust Industry Drivers

KEY INDUSTRY DRIVERS

HIGH-GROWTH, INNOVATION-BASED INDUSTRIES



Electronics



Financial Services



Information and Communications Technology ("ICT")



E-Commerce

CONSOLIDATING MULTIPLE FUNCTIONS IN A SINGLE LOCATION



Manufacturing



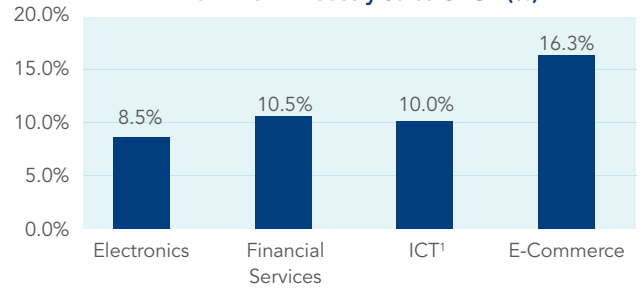
Research and Development



Administration

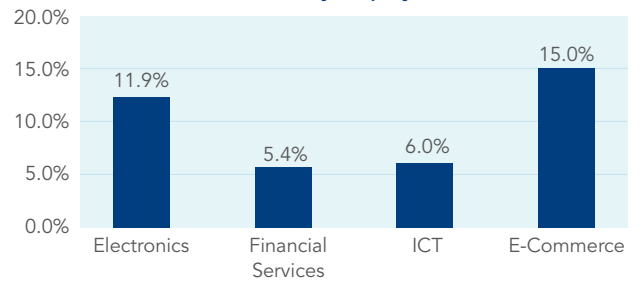
INNOVATION-BASED INDUSTRIES

2014-2019 Industry Sales CAGR (%)



¹ Based on 2014-2018 CAGR.

2014-2018 Industry Employment CAGR (%)



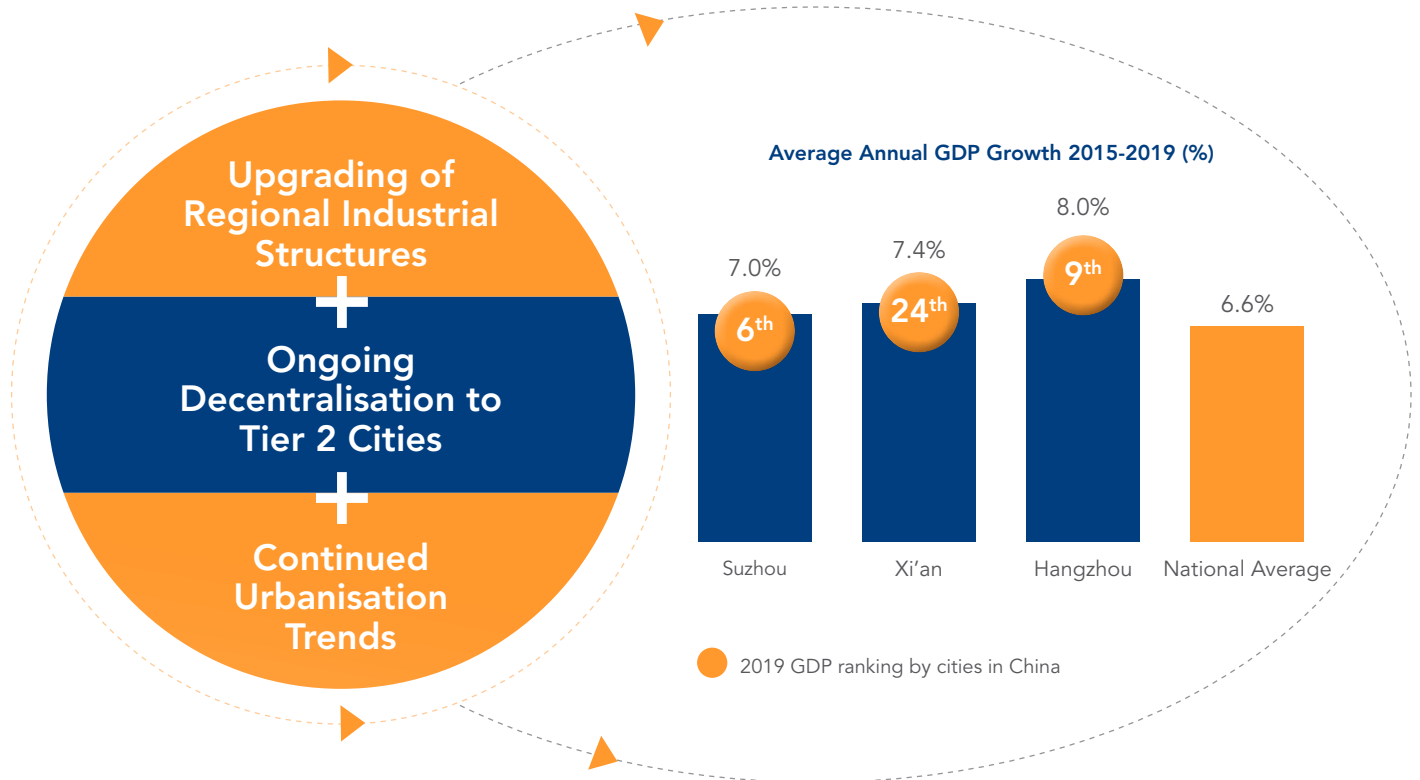
SOURCE: INDEPENDENT MARKET RESEARCH REPORT.



2

ESTABLISHING Foothold IN HIGH-GROWTH ECONOMIC ZONES

Tier 2 Provincial Cities Set for Rapid Growth

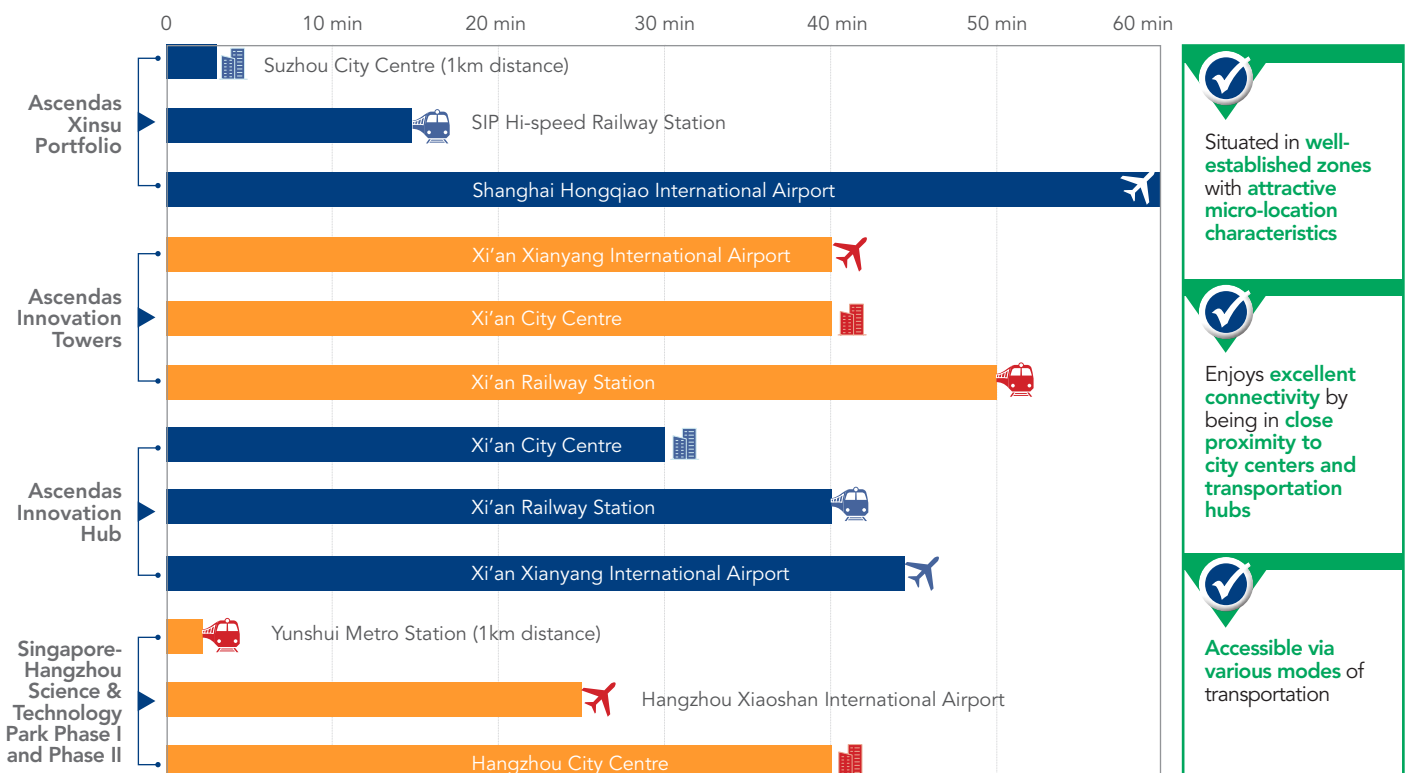


Tier 2 Tech-Driven Provincial Capital Cities Are Supported By Strong Economic Fundamentals

	SUZHOU HQs for Fortune 500 Giants	XI'AN China's Silicon Valley	HANGZHOU E-Commerce Capital
INDUSTRY / SECTOR FOCUS	<p>ICT Biomedical science Energy Advanced Manufacturing</p>	<p>Electronics Semiconductor Manufacturing New Energy Car Biomedicine</p>	<p>E-Commerce ICT Healthcare Financial Services</p>
BUSINESS PARK MARKET	<p>Suzhou Industrial Park ("SIP") Ranked first amongst economic development zones for past four consecutive years</p>	<p>Xi'an High Tech Industries Development Zone Largest business park market in terms of economic scale in Northwestern China</p>	<p>Hangzhou Economic and Technological Development Area Ranked among top ten national development zones for past three consecutive years</p>
KEY HIGHLIGHTS	<p>One of the most popular investment destinations for MNCs in the Yangtze River Delta area</p>	<p>Output value of IT/IC industries and biotechnology exceeded RMB550 billion, with "high-tech" unicorns accounting for 52.7% of the market's value</p>	<p>Key hub for new economy businesses and internet giants such as Alibaba and NetEase</p>

SOURCE: INDEPENDENT MARKET RESEARCH REPORT.

Well-located Assets with Close Proximity to Key Transport Nodes (Minutes by Driving)



3

HIGH QUALITY BUSINESS PARKS SUPPORTING THE NEW ECONOMY

Campus-style Workplace Designed For High-growth, Innovation-based Industries



ASCENDAS XINSU SQUARE R&D

Desired building specifications at attractive rents supporting tenants and park growth



ASCENDAS INNOVATION TOWERS

Comprehensive suite of amenities favoured by modern workforce – **Work-Live-Play** concept



SINGAPORE-HANGZHOU SCIENCE & TECHNOLOGY PARK PHASE I

Campus-style environment with vast green communal landscape

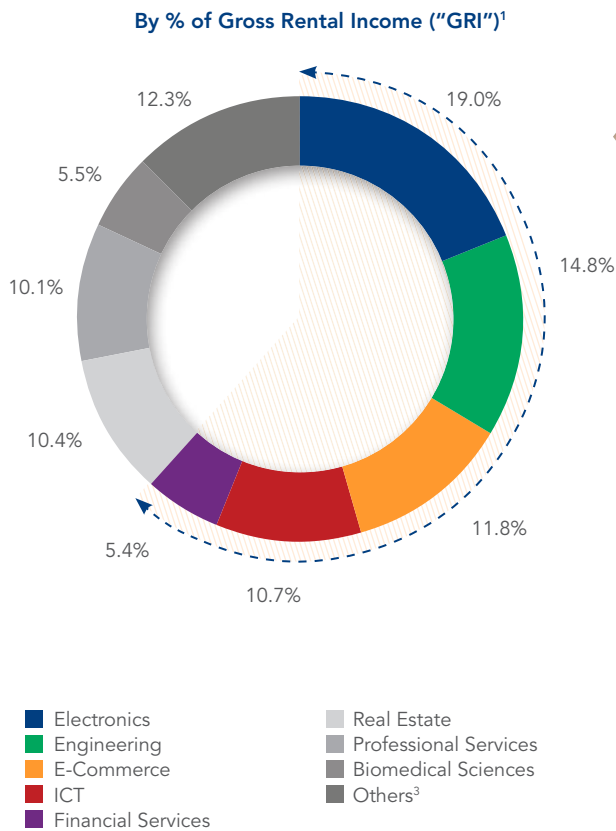


Built up industry clusters across the value chain encourages collaborative environment

BRIDGE+ AT SINGAPORE-HANGZHOU SCIENCE & TECHNOLOGY PARK PHASE II

Strong Occupancy Anchored by High Quality Tenants in Emerging High-Growth Sectors

TENANT BASE BY TRADE SECTOR



- 61.6% of tenants¹ in emerging high-growth sectors in China such as Electronics, Engineering, E-Commerce, ICT, Financial Services
- Established tenant base primarily consisting of high quality, reputable domestic companies and multinational corporations
- Strong committed occupancy rate of 91.5%², above the market average
- Strong rental rates with continuous growth



KEY TENANTS IN HIGH GROWTH SECTORS

Financial / Professional Services



Information and Communications Technology



Electronics / Engineering



¹ Based on GRI for the month ended 31 August 2020 and on a 100% basis for Business Parks / Industrial assets in the Properties (subject to rounding difference).
² Committed occupancy of Business Park and Industrial assets as at 30 September 2020.
³ Others include logistics and supply chain management, distribution and trading, education, data centres, energy and utilities, textile and garments, chemical, fast-moving consumer goods ("FMCG"), media, natural resources, government and hospitality sectors.

4

100% OWNERSHIP IN ROCK SQUARE – PROVEN TRACK RECORD WITH RESILIENT PERFORMANCE

100% Ownership Will Allow CRCT To Capture the Full Upside from Asset Enhancement Initiatives and Reconfiguration



- One of the largest shopping malls in the well-established Jiangnanxi retail cluster in Guangzhou's Haizhu District
- Double-digit positive rental reversions since acquisition: 26.8% in 2018, 23.0% in 2019 and 12.8% YTD September 2020
- Track record of strong performance since CRCT's 51% acquisition in 2018 and continues to demonstrate resilience post COVID-19 lockdown

ASSET ENHANCEMENT INITIATIVES ("AEIs"):

✓ Ongoing AEIs to extract value with >1,000 sq m of NLA to be added over the next 2-3 years

✓ Efficient reconfiguration to make way for higher yielding F&B tenants

✓ Expected ROI of 15% for the ongoing AEIs

✓ Improve shopper circulation and area efficiency

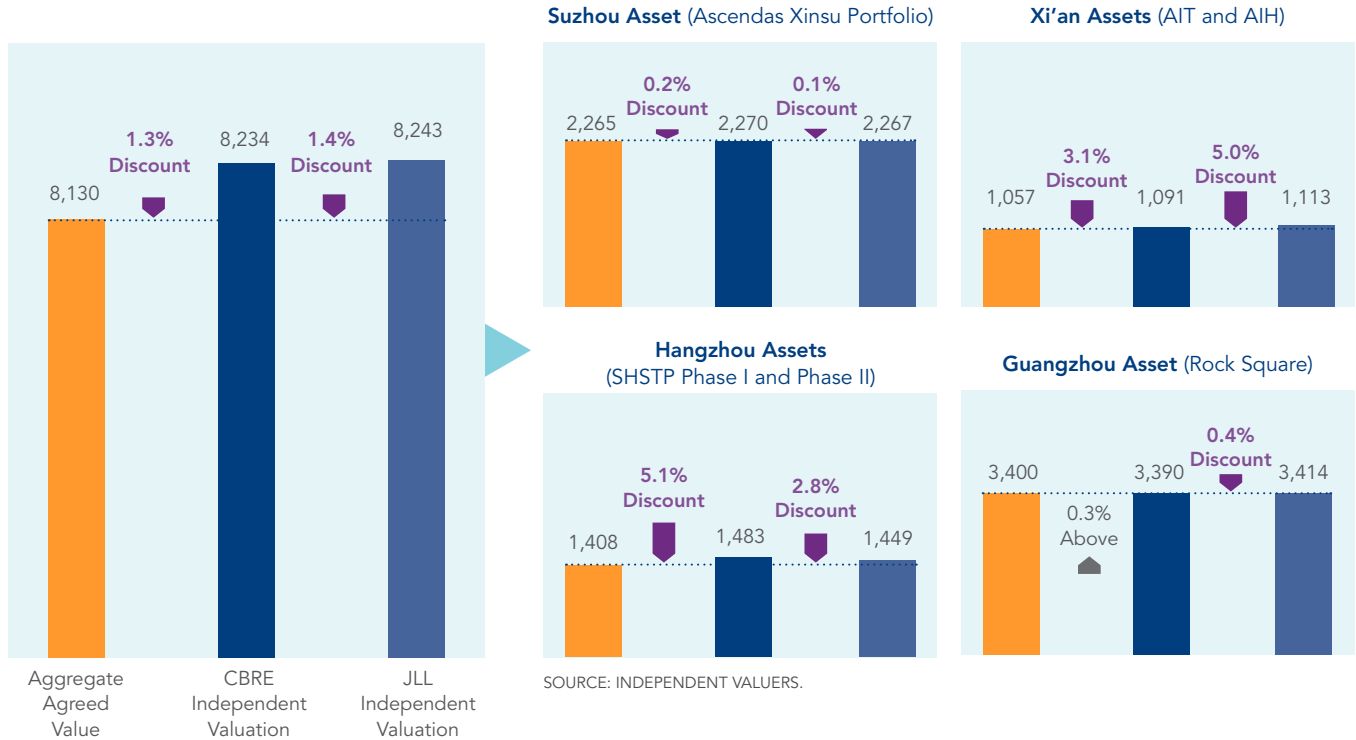
✓ Enhance overall building facade



5

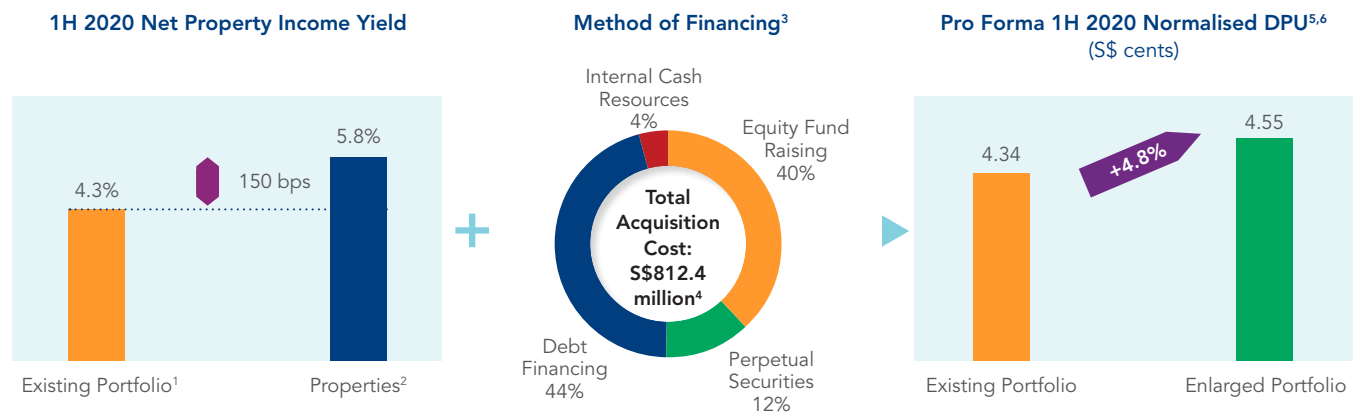
ATTRACTIVE ENTRY VALUATION THAT DELIVERS ACCRETION

Aggregate Agreed Value Relative to Independent Valuations¹ (RMB Million)



1 Agreed Value and appraised valuation on 100% basis.

Positive Impact On Portfolio with 4.8% Pro Forma Distribution Per Unit ("DPU") Accretion



1 NPI yield is computed based on the annualised 1H 2020 NPI and the property valuation as at 1 November 2020 (except for 51% stake in Rock Square where the Agreed Value is used). Excludes CapitaMall Erqi as the mall was divested on 28 May 2020. FRS116 adjustments are excluded in the NPI for CapitaMall Qibao and CapitaMall Minzhongleyuan.

2 NPI yield is computed based on the annualised 1H 2020 NPI and the Agreed Value of the Properties on effective stake basis. Excluding the one-off rental rebate given to Rock Square's tenants in relation to COVID-19, the NPI yield would have been 6.0%.

3 Post-transaction gearing would be 37.4% where the enlarged deposited property and gross borrowings are translated based on the fixed exchange rate of RMB4.9179 = S\$1.000 pursuant to the Agreement.

4 Excludes S\$10.0 million Acquisition Fee payable in units.

5 Computed based on the illustrative average unit price of S\$1.189.

6 On a normalised basis excluding one-off rental rebate of S\$17.9 million (net of fees and property tax savings) provided to tenants, pre-termination compensation of S\$3.5 million received by CapitaMall Erqi and retained distributable income of S\$1.8 million. If using the actual CRCT 1H 2020 reported numbers: (i) DPU before acquisition was 3.02 Singapore cents (ii) DPU after acquisition would be 3.43 Singapore cents (iii) DPU accretion would be 13.6%.

6

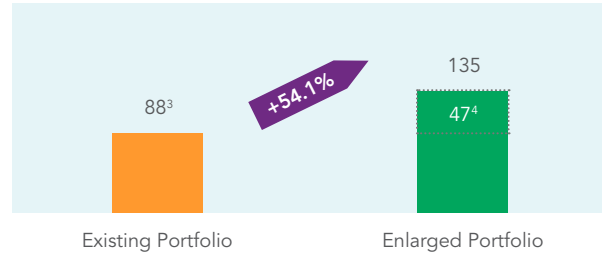
SIGNIFICANTLY ENHANCE PORTFOLIO'S SCALE, DIVERSIFICATION AND RESILIENCE

Significant Increase in Size

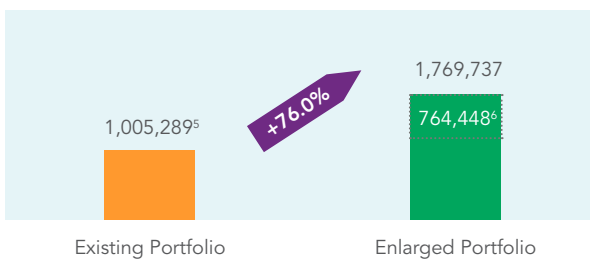
Assets Under Management¹ ("AUM") (\$\$ Million)



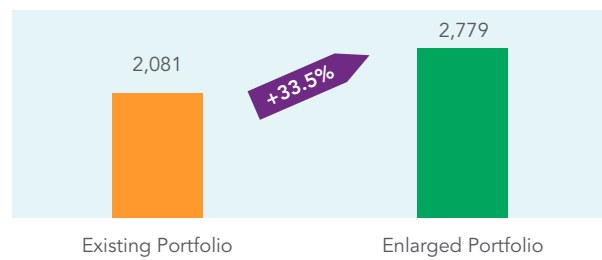
1H 2020 Net Property Income (\$\$ Million)



Gross Floor Area (sq m)

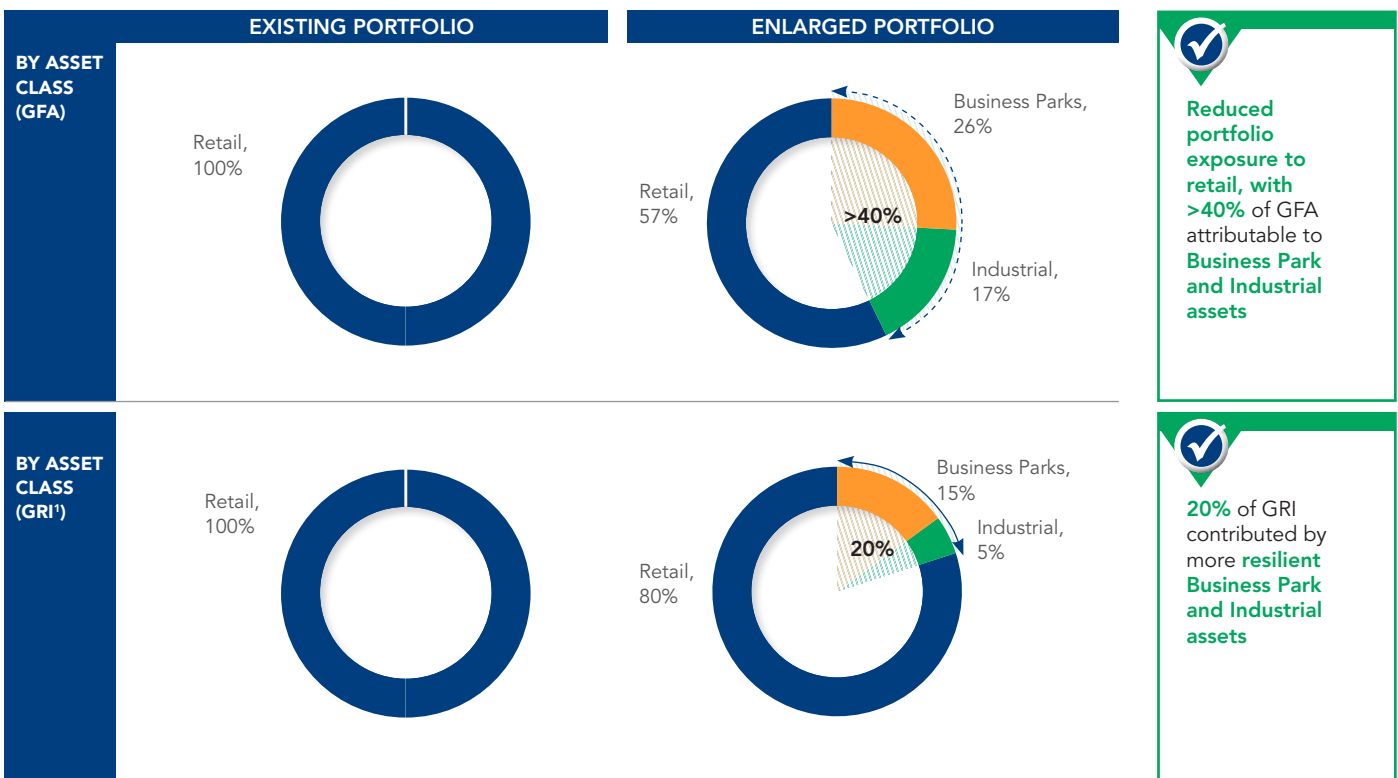


No. of Leases



- 1 AUM for Existing Portfolio is based on the valuation as at 1 November 2020 and Agreed Value of Rock Square. AUM for the Properties are based on Agreed Value. All AUM are stated on effective stake basis.
- 2 Contribution from Business Parks / Industrial assets and balance 49% interest in Rock Square.
- 3 Based on the normalised 1H 2020 NPI (excluding one-off rental rebate net of fees and property tax savings) on a 100% consolidated basis.
- 4 Contribution from Business Parks / Industrial assets and Rock Square (excluding one-off rental rebate net of fees and property tax savings) on a 100% consolidated basis.
- 5 Includes 100% of Rock Square's GFA.
- 6 Contribution from Business Parks / Industrial assets.

Enhanced Diversification and Exposure Offers Greater Stability Through Market Cycles and Flexibility In Portfolio Reconstitution

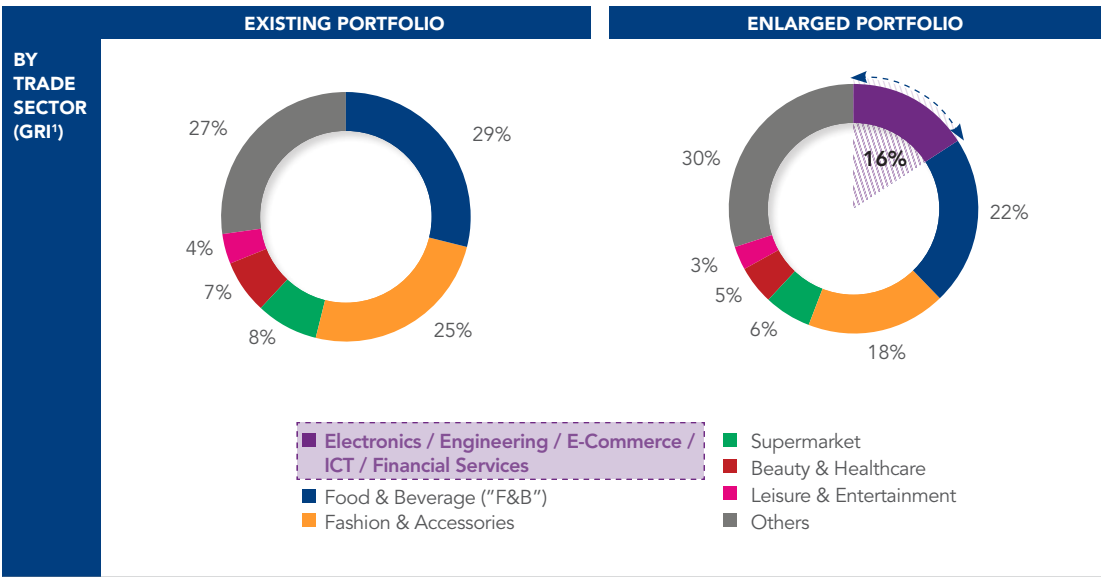


1 Based on GRI for the month ended 31 August 2020 and on an effective stake basis.



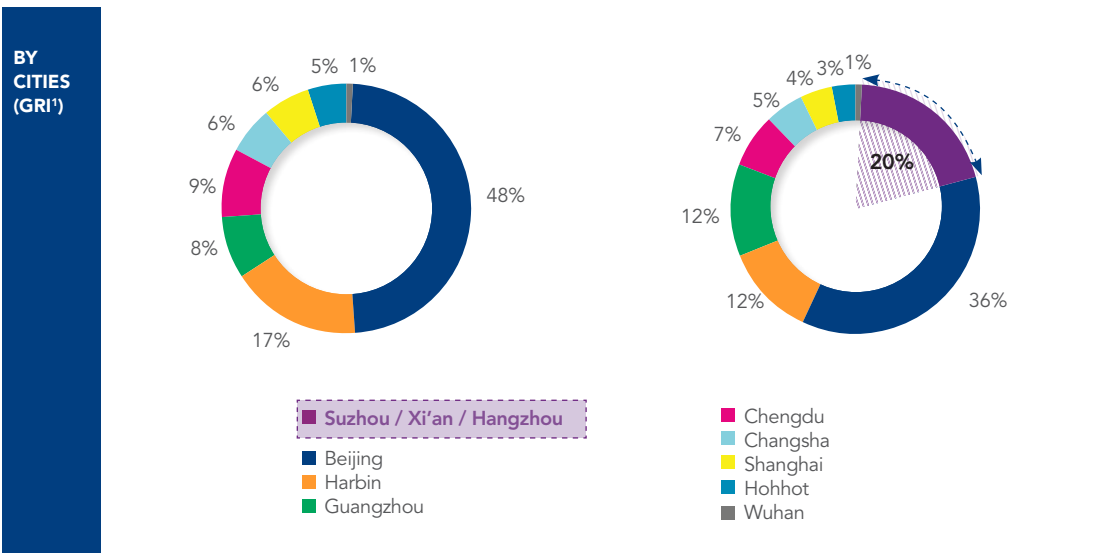
ASCENDAS XINSU NIO DELIVERY CENTRE (INDUSTRIAL)

CRCT's Enlarged Portfolio Benefits from Geographical and Trade Sector Diversification and Access to Tech-Driven Business Park Cities



✓ GRI contribution from F&B and Fashion & Accessories reduced to 40% (from 54%)

✓ Emerging high-growth sectors contribute to 16% of GRI



✓ Exposure to Beijing reduced to 36% (from 48%)

✓ Tech-driven Suzhou, Hangzhou and Xi'an business park cities accounting for 20% of GRI¹

¹ Based on GRI for the month ended 31 August 2020 and on an effective stake basis.

7

LEVERAGING ON SPONSOR'S STRONG SUPPORT, NETWORK AND OPERATIONAL EXPERTISE

Strong Sponsor Supporting CRCT's Growth and Diversification

CAPITALAND – ONE OF ASIA'S LARGEST DIVERSIFIED REAL ESTATE GROUPS



- ▶ In-depth local market knowledge across China
- ▶ Full spectrum of real estate capabilities and resources
- ▶ CRCT to tap on the strength and depth of CapitaLand's expertise and network to enter into new asset classes

CRCT is the dedicated Singapore listed REIT for CapitaLand Group's non-lodging China Business with acquisition pipeline access to CapitaLand's China's assets

POST ACQUISITION, CRCT WILL STRENGTHEN ITS POSITION AS THE LARGEST CHINA-FOCUSED S-REIT

CapitaLand's China Investment Portfolio¹

	Retail	▶ 25 Assets
	Commercial	▶ 27 Assets
	Integrated Developments	▶ 22 Assets
	Logistics	
	Industrial	▶ 10 Assets
	Business Park	

¹ As at 30 June 2020. Includes Existing Portfolio and the Properties.

Professional And Efficient Property Management Is Highly Attractive To Corporate Tenants

CAPITALAND'S BEST-IN-CLASS PROPERTY MANAGEMENT TOOLKIT



Advanced data visualisation and real-time monitoring for efficient property management



"One-Stop" Call Centre enhances customer experiences through unification of services



Intelligent Property Management System improves user experience through a **single smart interface**

COMMUNITY-BUILDING INITIATIVES TO ENHANCE TENANT STICKINESS



CapitaLand's Bridge+ co-working spaces encourage a collaborative community

Community-building signature events:

Technology and Innovation

- TEDx talk on cutting-edge topics
- Drone Club

Lifestyle

- Flea markets, movie week, music festival etc.

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CORPORATE INFORMATION

Directors of CapitaLand Retail China Trust Management Limited (the manager of CRCT) (the “Manager”)	:	Mr Soh Kim Soon (Chairman & Non-Executive Independent Director) Mr Tan Tze Wooi (Chief Executive Officer & Executive Non-Independent Director) Mr Fong Heng Boo (Non-Executive Independent Director) Mr Christopher Gee Kok Aun (Non-Executive Independent Director) Professor Tan Kong Yam (Non-Executive Independent Director) Mr Neo Poh Kiat (Non-Executive Independent Director) Ms Kuan Li Li (Non-Executive Independent Director) Mr Lucas Ignatius Loh Jen Yuh (Non-Executive Non-Independent Director) Mr Lim Cho Pin Andrew Geoffrey (Non-Executive Non-Independent Director)
Registered Office of the Manager	:	168 Robinson Road #30-01 Capital Tower Singapore 068912
Trustee of CRCT (the “Trustee”)	:	HSBC Institutional Trust Services (Singapore) Limited 10 Marina Boulevard Marina Bay Financial Centre Tower 2, #48-01 Singapore 018983
Legal Adviser to the Manager for the Acquisition as to Singapore Law	:	Allen & Gledhill LLP One Marina Boulevard #28-00 Singapore 018989
Legal Adviser to the Manager for the Acquisition as to Chinese Law	:	King & Wood Mallesons 17th Floor, One ICC, Shanghai ICC 999 Huai Hai Road (M), Shanghai 200031, China
Legal Adviser to the Trustee for the Acquisition as to Singapore Law	:	Dentons Rodyk & Davidson LLP 80 Raffles Place #33-00 UOB Plaza 1 Singapore 048624
Unit Registrar and Unit Transfer Office	:	Boardroom Corporate & Advisory Services Pte. Ltd. 50 Raffles Place #32-01 Singapore Land Tower Singapore 048623
Independent Financial Adviser to the Independent Directors, the Audit Committee of the Manager and the Trustee (the “IFA”)	:	Ernst & Young Corporate Finance Pte Ltd One Raffles Quay North Tower, Level 18 Singapore 048583

- Independent Valuers** : Jones Lang Lasalle Corporate Appraisal and Advisory Limited
(appointed by the Manager)
7/F One Taikoo Place,
979 King's Road, Quarry Bay
Hong Kong
- CBRE Limited
(appointed by the Trustee)
Level 27, One Pacific Place
88 Queensway
Admiralty, Hong Kong
- Independent Market Research Consultant** : Colliers International Property Consultants (Shanghai) Co., Ltd.
16F, #300 Middle Huaihai Rd, K11 Plaza
Huangpu District, Shanghai, PRC, 200021

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OVERVIEW

The following overview is qualified in its entirety by, and should be read in conjunction with, the full text of this Circular. Meanings of defined terms may be found in the Glossary on pages 60 to 67 of this Circular. Any discrepancies in the tables included herein between the listed amounts and totals thereof are due to rounding.

For illustrative purposes, certain RMB amounts have been translated into Singapore dollars. Unless otherwise indicated, such translations have been made based on the exchange rate of RMB4.9179 = S\$1.000. Such translations should not be construed as representations that the RMB amounts referred to could have been, or could be, converted into Singapore dollars, as the case may be, at that or any other rate or at all.

OVERVIEW

CRCT is the first and largest China shopping mall real estate investment trust in Singapore, with a portfolio of 13 shopping malls. CRCT was listed on Singapore Exchange Securities Trading Limited on 8 December 2006. CRCT is a Singapore-based REIT established with the objective of investing on a long-term basis in a diversified portfolio of income-producing real estate and real estate-related assets in China, Hong Kong and Macau that are used primarily for retail, office and industrial purposes (including business parks, logistics facilities, data centres and integrated developments)¹. As at 23 November 2020, being the latest practicable date prior to the issuance of this Circular (the “**Latest Practicable Date**”), CRCT has a market capitalisation of approximately S\$1,564.8 million².

CRCT’s existing portfolio comprises (i) CapitaMall Xizhimen, (ii) CapitaMall Wangjing, (iii) CapitaMall Grand Canyon, (iv) CapitaMall Xuefu, (v) CapitaMall Xinnan, (vi) CapitaMall Yuhuating, (vii) CapitaMall Aidemengdun, (viii) CapitaMall Shuangjing, (ix) CapitaMall Minzhongleyuan, (x) CapitaMall Qibao, (xi) CapitaMall Saihan, (xii) Rock Square³ and (xiii) Yuquan Mall (collectively, the “**Existing Portfolio**”).

On 5 November 2020, CRCT through its wholly owned subsidiaries, CRCT Investment (Suzhou) Pte. Ltd. (“**Xinsu CRCT Purchaser**”), CRCT Investment (Xi’an II) Pte. Ltd. (“**AIT Purchaser**”) and CRCT Investment (Xi’an I) Pte. Ltd. (“**AIH Purchaser**”, and together with the Xinsu CRCT Purchaser and the AIT Purchaser, the “**ACBPF4 Purchasers**”), have entered into conditional agreements (collectively, the “**ACBPF4 Conditional Agreement**”) with Ascendas China Business Park IV Trustee Pte. Ltd., in its capacity as trustee of Ascendas China Business Parks Fund 4 (“**Xinsu Vendor**”), Xi’an Business Park II Pte. Ltd. (“**AIT Vendor**”) and Xi’an Business Park III Pte. Ltd. (“**AIH Vendor**”, and together with the Xinsu Vendor and the AIT Vendor, the “**ACBPF4 Vendors**”) to acquire the respective interests in the shares of the ACBPF4 Target Companies (as defined below) as described below:

- (i) 51.0% of the shares of Singapore Suzhou Industrial Holdings Pte. Ltd. (“**Xinsu HoldCo**”) which indirectly holds the Ascendas Xinsu Portfolio comprising six properties located in different locations in Suzhou Industrial Park, China (“**Ascendas Xinsu Portfolio**”);

1 CRCT had on 30 September 2020 announced the expansion of its investment strategy. For the avoidance of doubt, Unitholders’ approval in respect of the expansion of investment strategy is not required pursuant to Rule 404(4) of the Listing Manual as it has been more than three years since the listing of CRCT.

2 Based on the closing Unit price of S\$1.27 as at the Latest Practicable Date.

3 CRCT has a 51.0% interest in Rock Square.

(ii) 100.0% of the shares in Ascendas Xi An High-Tech Development Co., Ltd. ("**AIT ProjectCo**") which holds Ascendas Innovation Towers located in the Hi-tech Industries Development Zone in Xi'an, China ("**Ascendas Innovation Towers**"); and

(iii) 80.0% of the shares in Xi An Ascendas-Science Technology Investment Co., Ltd. ("**AIH ProjectCo**") which holds Ascendas Innovation Hub located in the Hi-tech Industries Development Zone in Xi'an, China ("**Ascendas Innovation Hub**"),

the acquisition of the respective interests in the shares of the Xinsu HoldCo, AIT ProjectCo and AIH ProjectCo (the "**ACBPF4 Target Companies**") (the "**ACBPF4 Acquisition**").

The balance 49.0% of the shares of Xinsu HoldCo will be acquired by CLC Investment Nine Pte. Ltd., an indirect wholly owned subsidiary of CapitalLand Limited ("**CapitalLand**") ("**Xinsu CLC Purchaser**", and together with the Xinsu CRCT Purchaser, the "**Xinsu Purchasers**").

The balance 20.0% of the shares of AIH ProjectCo are owned by an unrelated third party joint venture partner (the "**AIH JV Partner**")¹.

Separately, on 5 November 2020, CRCT, through its wholly owned subsidiaries, CRCT Investment (Hangzhou I) Pte. Ltd. and CRCT Investment (Hangzhou II) Pte. Ltd. (the "**SHSTP Purchasers**") entered into a conditional agreement (the "**SHSTP Conditional Agreement**") with Ascendas Singapore-Hangzhou Science & Technology Park I Pte. Ltd. and Ascendas Singapore-Hangzhou Science & Technology Park IV Pte. Ltd. (together, the "**SHSTP Vendors**") to acquire 80.0% of the shares in Ascendas Hangzhou Science & Technology Co., Ltd. and Ascendas Hangzhou Data Processing Co., Ltd. (the "**SHSTP Target Companies**") which hold Singapore-Hangzhou Science & Technology Park Phase I and Phase II, respectively ("**SHSTP Phase I and Phase II**") located in the Hangzhou Economic & Technological Development Area in Jianggan District, China (the "**SHSTP Acquisition**").

The balance 20.0% of the shares in each of the SHSTP Target Companies are owned by an unrelated third party joint venture partner (the "**SHSTP JV Partner**")².

Separately, on 5 November 2020, CRCT, through its wholly owned subsidiary, Gold Rock Investment Pte. Ltd. (the "**Rock Square Purchaser**")³ entered into a conditional agreement (the "**Rock Square SPA**") with Gold Ruby Pte. Ltd. (the "**Rock Square Vendor**") to acquire the balance 49.0% of the shares of Gold Yield Pte. Ltd. (the "**Rock Square HoldCo**") which indirectly holds Rock Square located in Haizhu District in Guangzhou, China (the "**Rock Square Acquisition**", and collectively with the ACBPF4 Acquisition and the SHSTP Acquisition, the "**Acquisition**").

The "**Target Companies**" comprise the ACBPF4 Target Companies, the SHSTP Target Companies and Rock Square HoldCo.

The "**Properties**" comprise Ascendas Xinsu Portfolio, Ascendas Innovation Towers, Ascendas Innovation Hub, SHSTP Phase I and Phase II, and Rock Square.

The "**Conditional Agreements**" comprise the ACBPF4 Conditional Agreement, the SHSTP Conditional Agreement and the Rock Square SPA.

1 The AIH JV Partner is a State Owned Enterprise.

2 The SHSTP JV Partner is a State Owned Enterprise.

3 The Rock Square Purchaser currently holds 51% of the shares in the Rock Square HoldCo.

For the purposes of this Circular, “**Enlarged Portfolio**” comprises the Existing Portfolio and the Properties.

The property information contained in this Circular on the Existing Portfolio and Enlarged Portfolio is as at 31 August 2020 unless otherwise stated.

SUMMARY OF APPROVAL SOUGHT

The Manager seeks approval from the unitholders in CRCT (“**Unitholders**”) for the proposed acquisition of the respective interests in the companies which hold the Ascendas Xinsu Portfolio, Ascendas Innovation Towers, Ascendas Innovation Hub, SHSTP Phase I and Phase II and Rock Square, as an interested person transaction. The transaction is an interested person transaction as CRCT would be acquiring assets which are held by associates¹ of interested persons or a fund which is managed by an associate of an interested person. (See **Appendix E** of this Circular for a diagram setting out the relationship between the various interested persons and CRCT.)

DETAILS OF THE ACQUISITION

Description of the Properties

Ascendas Xinsu Portfolio

The Ascendas Xinsu Portfolio comprises six properties located in different locations covering a range of asset types, including business park, built-to-suit factories, and ready-built factories. The Ascendas Xinsu Portfolio consists of 61 buildings including R&D and industrial portion. The R&D portion forms part of Ascendas Xinsu Square, comprising six business park office buildings with retail ancillaries. It is one of the first business park projects in the Suzhou Industrial Park and has since established a strong reputation for its quality specifications and premium location. The industrial portion includes 50 single-storey workshops with mezzanine floors and five four-to-six-storey workshops, located in six different properties (Ascendas Xinsu Square, Ascendas Xinsu North Belt, NIO Delivery Centre, Semi Detached Factory in EPZ, Nexteer BTS Phase 1 and 2, and Ascendas Xinsu Industrial Square II) in the Suzhou Industrial Park. The Ascendas Xinsu Portfolio has a total gross floor area of 373,334 sq m and net leasable area of 349,480 sq m.² The Ascendas Xinsu Portfolio is accessible via various modes of transportation including High Speed Railway Station, Metro Line 1, 3 and an upcoming Line 6 of Suzhou Rail Transit which is expected to provide easy access to other parts of Suzhou. Ascendas Xinsu Square, in particular, is well-connected to the city’s public transit infrastructure via West Ligongdi Station on Metro Line 3 and is located only five minutes’ drive to Suzhou Centre, the landmark of Suzhou Industrial Park, one hour’s drive to Shanghai Hongqiao International Airport. It houses multinational companies and leading domestic enterprises, ideal for industrial, R&D and modern services functions. Some key tenants in the portfolio includes Beckman Coulter Laboratory Systems (leased since 1997), CCL Design Label (leased since 1996), TDK (Suzhou) Electronics Co Ltd (leased since 2000), Takasago Electric (Suzhou) (leased since 2003), Nexteer Automotive (Suzhou) Co., Ltd (leased since 2008) and Tobii Electronics Technology Suzhou Co (leased since 2018).

1 “**Associate**” as defined in the Property Funds Appendix and as used in the context of an interested person/party.

2 In relation to Ascendas Xinsu Square, there is an agreement between the local authorities and the Xinsu ProjectCo (as defined herein) for the permanent acquisition of approximately 636.4 sq m of land for the construction of a new metro line in Suzhou. The site area of Ascendas Xinsu Square of 92,868 sq m disclosed in this Circular includes this parcel of land as the compulsory acquisition process is underway and the land has not yet been carved out from the title certificate. When the exact land area to be acquired has been fixed and the purchase price paid over to Xinsu ProjectCo, the land will be carved out of the title certificate and returned to the government. This process is expected to take place after completion of the Acquisition and the price for the land will be retained for the account of the Xinsu Purchasers. The acquired land is not expected to affect the gross floor area and net leasable area of Ascendas Xinsu Square, and its current usage is not expected to be materially affected. The Independent Valuers’ (as defined herein) valuation of the Ascendas Xinsu Portfolio has taken into account the compulsory acquisition.

Ascendas Innovation Towers

Ascendas Innovation Towers is a business park project with two 23-storey office towers with a five-storey podium and a three-storey standalone building with a total gross floor area of 118,495 sq m and net leasable area of 96,347 sq m. The property is located in 88 Tian Gu Seventh Road, Hi-tech Industries Development Zone, Xi'an, the capital of Shaanxi Province which is well known for its cultural, industrial and educational resources. The Hi-tech Industries Development Zone registered 120,000 enterprises mainly from the electronics, semiconductors, manufacturing, biomedicine, new energy cars and innovative industries. Building A is a three-storey office podium building erected on a two-storey basement for car park use. Building B comprises two 23-storey office towers erected on a two-storey basement for car park use. Ascendas Innovation Towers is positioned as a landmark asset providing quality focal point for development of Xi'an's new economy, including hi-tech, innovation, software and R&D sectors. Notable tenants include Ping An Insurance Company (leased since 2017), Dahua Technology (leased since 2018), Anchnet (leased since 2019) and Transcosmos (leased since 2017).

Ascendas Innovation Hub

Ascendas Innovation Hub is a business park project with two office towers. The property is located in 38 Gao Xin Sixth Road, within the core area of Xi'an Software Park in Hi-tech Industries Development Zone, Xi'an, the capital of Shaanxi Province. The property comprises two six-storey business park office towers, both erected on a one-storey basement, with a total gross floor area of 40,547 sq m and net leasable area of 36,108 sq m. Ascendas Innovation Hub has good accessibility and the area is home to a mixture of office, retail, and residential as well as hotel developments. Located in the core area of Hi-tech Industries Development Zone, Ascendas Innovation Hub is served by more than 10 bus lines and is 1.2 km away from the Zhangba North Road Metro Station on Metro Line 3, providing good accessibility to the city centre and airport of Xi'an (estimated travel time of 30 minutes and 45 minutes respectively). Ascendas Innovation Hub is positioned as a high-tech incubator and R&D space for manufacturing and semiconductor enterprises. Notable tenants include UniC Semiconductors (leased since 2006), Montage Technology (leased since 2019) and Qualcomm (leased since 2011).

SHSTP Phase I and Phase II

Singapore-Hangzhou Science & Technology Park is an integrated business park located in the middle of Hangzhou Xiasha Education Zone of the Hangzhou Economic & Technological Development Area (part of Hangzhou Qiantang New Area). SHSTP Phase I and Phase II are located at 2 Kejiyuan Road, Hangzhou Economic & Technological Development Area in Jianggan District. Phase I comprises five R&D buildings of 4 to 20 storeys and two ancillary buildings, with a total gross floor area of 101,811 sq m and a net leasable area of 101,450 sq m. Phase II comprises five R&D buildings of 11 to 15 storeys and five semi-detached standalone R&D buildings of four storeys and ancillary facilities, with a total gross floor area of 130,261 sq m and a net leasable area of 126,294 sq m. The property is located in the heart of Hangzhou Economic and Technological Development Area ("**HEDA**") and is only 500 metres away from the Hangzhou Bay Ring Expressway and 1 km away from Yunshui Station on Metro Line 1. HEDA is a national level economic and technological development zone. Over the decades, HEDA has achieved rapid development where many leading companies and Fortune 500 companies have set up their branches in the area. With the growth of IT, innovative, high technology industries, the property provides alternative office space for the start-ups. The property is adjacent to Zhejiang's largest university zone and provides ideal office space for many companies in E-commerce, Biomedical Sciences, Information and Communication Technology and R&D functions. Notable tenants include Zhimei (leased since 2014) and Sowow (leased since 2015) for Phase I property, as well as Taodao Technology (leased since 2017) and Weinian Technology (leased since 2017) for Phase II property.

Rock Square

Rock Square is located in Gongye Avenue North, Haizhu District, Guangzhou City, the most populous city of Guangdong province in Southern China. Opened in 2013, the property is the largest mall in Jiangnanxi, an established retail cluster located in Guangzhou's Haizhu District. Haizhu District is Guangzhou's 2nd most populous urban district that also ranks high in terms of disposable income per capita. The mall has five retail levels with three levels above-ground and two levels at the basement with gross floor area of 88,279 sq m. The mall is directly connected to Shayuan metro station, which serves Line 8 that links Guangzhou's eastern and western areas, and Guangfo Line that connects Guangzhou with Foshan. Surrounded by densely populated residential estates, the mall caters to about 800,000 residents from middle-and high-income households within a three-km radius. Offering a wide range of fashion, dining and entertainment options for modern lifestyle needs, the mall presents a one-stop shopping and lifestyle experience, featuring well-known domestic and international brands such as AEON, UNIQLO, ZARA, Victoria's Secret, Xiaomi, Green Tea restaurant and HEYTEA.

The table below sets out some details of the Properties as at 31 August 2020 (unless otherwise indicated).

	Ascendas Xinsu Portfolio	Ascendas Innovation Towers	Ascendas Innovation Hub	Singapore-Hangzhou Science & Technology Park Phase I	Singapore-Hangzhou Science & Technology Park Phase II	Rock Square
Location	Suzhou Industrial Park, Suzhou	88 Tian Gu 7 Road, Xi'an Hi-Tech Industries Development Zone, Xi'an	38 Gao Xin 6 Road, Xi'an Hi-Tech Industries Development Zone, Xi'an	2 Science & Technology Park Road, Qiantang New Area, Hangzhou	2 Science & Technology Park Road, Qiantang New Area, Hangzhou	106-108 Gongye Avenue North, Haizhu District, Guangzhou
Year of Opening	Xinsu Industrial: 1996-2013; Xinsu R&D: Oct 2016	Apr 2017	Tower A: Oct 2003 Tower B: Nov 2005	Sep 2009 – Jun 2013	Jun 2016	Jul 2013
Land Tenure	December 2046 – May 2057 ⁽¹⁾	February 2064	May 2051	September 2056	July 2060	October 2045
Gross Floor Area (sq m)	373,334	118,495	40,547	101,811	130,261	88,279
Net Lettable Area (sq m)	349,480 ⁽²⁾	96,347	36,108	101,450	126,294	53,108
Committed Occupancy Rate (as at 30 Sep 20)	90.3%	91.4%	93.1%	93.0%	93.7%	91.9%
No. of Leases	310	79	47	184	78	175
Agreed Value (RMB million) (on a 100% basis)	2,265.0	759.0	298.0	641.0	767.0	3,400.0
FY2019 Net Property Income ("NPI") Yield ⁽³⁾ (%)	6.1%	4.7%	8.2%	7.5%	6.4%	4.3%
1H2020 Annualised NPI Yield ⁽⁴⁾ (%)	6.2%	6.0%	9.5%	8.3%	6.7%	3.9% ⁽⁵⁾

Notes:

- (1) See paragraph 1.2 of Appendix A of the Circular for the breakdown of land tenure for each property in the Ascendas Xinsu Portfolio.
- (2) In relation to Ascendas Xinsu Square, there is an agreement between the local authorities and the Xinsu ProjectCo for the permanent acquisition of approximately 636.4 sq m of land for the construction of a new metro line in Suzhou. The site area of Ascendas Xinsu Square of 92,868 sq m disclosed in this Circular includes this parcel of land as the compulsory acquisition process is underway and the land has not yet been carved out from the title certificate. When the exact land area to be acquired has been fixed and the purchase price paid over to Xinsu ProjectCo, the land will be carved out of the title certificate and returned to the government. This process is expected to take place after completion of the Acquisition and the price for the land will be retained for the account of the Xinsu Purchasers. The acquired land is not expected to affect the gross floor area and net leasable area of Ascendas Xinsu Square, and its current usage is not expected to be materially affected. The Independent Valuers' valuation of the Ascendas Xinsu Portfolio has taken into account the compulsory acquisition.
- (3) Based on FY 2019 NPI and Agreed Value.
- (4) Based on 1H 2020 annualised NPI and Agreed Value.
- (5) Excluding one-off rental rebate due to COVID-19 outbreak, the yield would have been 4.4%.

(See **Appendix A** of this Circular for further details.)

Consideration and Valuation

The estimated aggregate consideration (the "**Consideration**") of S\$769.8 million payable to the ACBPF4 Vendors, the SHSTP Vendors, and the Rock Square Vendor (collectively, the "**Vendors**") in connection with the acquisition of the Target Companies takes into account:

- (i) the assumed net asset value ("**Assumed NAV**")¹ of RMB6,300.6 million (approximately S\$1,281.1 million²) computed based on the unaudited accounts as of 30 June 2020 of each of the Target Companies on a 100% basis and RMB3,750.5 million (approximately S\$762.6 million) on the effective stake to be acquired by CRCT in each of the Target Companies, taking into account, among other things, the agreed market value on a 100% basis (the "**Agreed Value**") of:
 - (a) Ascendas Xinsu Portfolio of RMB2,265.0 million (S\$460.6 million);
 - (b) Ascendas Innovation Towers of RMB759.0 million (S\$154.3 million);
 - (c) Ascendas Innovation Hub of RMB298.0 million (S\$60.6 million);
 - (d) SHSTP Phase I of RMB641.0 million (S\$130.3 million);
 - (e) SHSTP Phase II of RMB767.0 million (S\$156.0 million); and
 - (f) Rock Square of RMB3,400.0 million (S\$691.3 million).

The Agreed Value of each of the Properties was negotiated on a willing-buyer and willing-seller basis and takes into account the independent valuations of each of the Properties;

1 The "**Assumed NAV**" means (i) the NAV of each of the AIT ProjectCo, the AIH ProjectCo and the SHSTP Target Companies, and (ii) the consolidated NAV of each of the Xinsu HoldCo and the Rock Square HoldCo, in each case as of 30 June 2020 in respect of the relevant Target Company. The NAV of the Target Companies take into account the assets and the liabilities of the Target Companies, while the Agreed Value reflects the agreed value for the Properties. Accordingly, the NAV and Agreed Value would differ as the Agreed Value is one component in the computation of the NAV of the Target Companies.

2 Except where the exchange rate between the Chinese RMB and the Singapore dollar is expressly stated otherwise, certain Chinese RMB amounts in this Circular have been translated into Singapore dollars based on the fixed exchange rate of RMB4.9179 = S\$1.000 pursuant to the Conditional Agreements.

- (ii) the outstanding existing shareholder's loan extended by the Xinsu Vendor to the Xinsu HoldCo which is to be fully discharged on the date of completion of the acquisition of the Xinsu HoldCo; and
- (iii) the outstanding existing shareholder's loan extended by the Rock Square Vendor to the Rock Square HoldCo which is to be fully discharged on the date of completion of the acquisition of the Rock Square HoldCo.

The final Consideration payable to the Vendors will be subject to completion adjustments¹.

In addition, the Xinsu CRCT Purchaser will procure that a subsidiary of CRCT will extend an entrustment loan (the "**CRCT Xinsu Entrustment Loan**") to Ascendas-Xinsu Development (Suzhou) Co., Ltd. ("**Xinsu ProjectCo**"), the wholly owned subsidiary of the Xinsu HoldCo which directly holds the Ascendas Xinsu Portfolio, in proportion to its indirect shareholding in the Xinsu ProjectCo. The entire amount of the CRCT Xinsu Entrustment Loan, together with the entrustment loan extended by the Xinsu CLC Purchaser to the Xinsu Project Co, will be applied towards prepayment of the entire outstanding principal of an existing onshore bank loan owing by the Xinsu ProjectCo (the "**Xinsu Onshore Loan**").

(See paragraph 2.2 of the Letter to Unitholders for further details on the Consideration payable to the Vendors under each of the ACBPF4 Conditional Agreement, the SHSTP Conditional Agreement and the Rock Square SPA.)

The Manager has commissioned an independent property valuer, Jones Lang Lasalle Corporate Appraisal and Advisory Limited ("**JLL**"), and the Trustee has commissioned another independent property valuer, CBRE Limited ("**CBRE**", and together with JLL, the "**Independent Valuers**"), to value the Properties.

The table below sets out the valuations of the Properties (on a 100% basis) as at 31 October 2020, the Agreed Value (on a 100% and effective stake basis) as well as the discount of the Agreed Value to the valuations (on a 100% basis).

	JLL	CBRE	Agreed Value		Discount to Valuation (on 100% basis)	
	RMB' million	RMB' million	RMB' million	S\$' million	JLL	CBRE
Ascendas Xinsu Portfolio	2,267.0	2,270.0	2,265.0 (effective stake: 1,155.2)	460.6 (effective stake: 234.9)	0.1%	0.2%
Ascendas Innovation Towers	802.0	789.0	759.0 (effective stake: 759.0)	154.3 (effective stake: 154.3)	5.4%	3.8%
Ascendas Innovation Hub	311.0	302.0	298.0 (effective stake: 238.4)	60.6 (effective stake: 48.5)	4.2%	1.3%

¹ Where referred to in this Circular, completion adjustments mainly comprise of the incremental NAV of the Target Companies from 1 July to the completion date of the Acquisition, and hence can only be determined on the completion date itself.

	JLL	CBRE	Agreed Value		Discount to Valuation (on 100% basis)	
	RMB' million	RMB' million	RMB' million	S\$' million	JLL	CBRE
SHSTP Phase I	657.0	680.9	641.0 (effective stake: 512.8)	130.3 (effective stake: 104.3)	2.4%	5.9%
SHSTP Phase II	792.0	802.2	767.0 (effective stake: 613.6)	156.0 (effective stake: 124.8)	3.2%	4.4%
Rock Square	3,414.0	3,390.0	3,400.0 (effective stake: 1,666.0)	691.3 (effective stake: 338.7)	0.4%	-0.3%
Total	8,243.0	8,234.1	8,130.0 (effective stake: 4,945.0)	1,653.1 (effective stake: 1,005.5)	1.4%	1.3%

The valuation methods used by the Independent Valuers were the Discounted Cash Flow method and Income Capitalisation method.

(See **Appendix C** for the valuation certificates by the Independent Valuers for further details.)

Total Acquisition Cost

The total cost of the Acquisition (the “**Total Acquisition Cost**”) is approximately S\$822.4 million, comprising:

- (i) the Consideration and the CRCT Xinsu Entrustment Loan of approximately S\$799.9 million, which is subject to closing adjustments;
- (ii) an acquisition fee (the “**Acquisition Fee**”) payable in Units to the Manager pursuant to the Trust Deed for the Acquisition (the “**Acquisition Fee Units**”) of approximately S\$10.0 million¹; and
- (iii) the estimated professional and other fees and expenses incurred or to be incurred by CRCT in connection with the Acquisition (inclusive of the equity financing-related expenses and debt financing-related expenses) of approximately S\$12.5 million.

Method of Financing the Acquisition

The Manager intends to finance the Total Acquisition Cost (save for the Acquisition Fee) with approximately S\$326.1 million being all of the gross proceeds from the issuance of 274,328,855 new Units (the “**New Units**”) pursuant to the underwritten equity fund raising which was announced on 17 November 2020 (the “**Equity Fund Raising**”), issuance of perpetual securities under CRCT’s S\$1.0 billion multicurrency debt issuance programme, debt financing and internal cash resources.

¹ As the Acquisition will constitute an “**interested party transaction**” under Appendix 6 of the Code on Collective Investment Schemes (the “**Property Funds Appendix**”) issued by the Monetary Authority of Singapore (“**MAS**”), 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.

The gross proceeds of the fully underwritten Equity Fund Raising consist of:

- (i) the placement of 205,331,000 New Units (equivalent to approximately 16.7% of the total number of Units in issue prior to the Equity Fund Raising) for approximately S\$245.4 million (“**Private Placement**”); and
- (ii) the preferential offering of 68,997,855 New Units (equivalent to approximately 5.6% of the total number of Units in issue prior to the Equity Fund Raising) for approximately S\$80.7 million (“**Preferential Offering**”).

(See the announcement titled “Results of the Private Placement and Pricing of New Units under the Private Placement and the Preferential Offering” issued on 18 November 2020 for further details on the Equity Fund Raising.)

Undertakings by CapitaLand Group

To demonstrate its support for CRCT and the Preferential Offering, CapitaLand Limited’s wholly owned subsidiary, Retail Crown Pte. Ltd. (“**Retail Crown**”), which owns direct interest in 235,233,091 Units representing approximately 19.09% of the total number of Units in issue as at the Latest Practicable Date, has irrevocably undertaken to the Manager that, among other things:

- (i) in accordance with the terms and conditions of the Preferential Offering, it will by no later than the last day for acceptance and payment of the New Units issued pursuant to the Preferential Offering (“**Preferential Offering Units**”), accept, subscribe and pay in full for its total provisional allotment of the Preferential Offering Units corresponding to its direct interest in CRCT (such provisional allotment of the Preferential Offering Units of Retail Crown, the “**Pro Rata Units**”); and
- (ii) it will, in addition to paragraph (i) above, accept, subscribe and pay in full for such number of additional Preferential Offering Units in excess of the Pro Rata Units (“**Excess Units**”) amounting to CapitaLand Integrated Commercial Trust’s (formerly known as CapitaLand Mall Trust) (“**CICT**”) total provisional allotment of the Preferential Offering Units corresponding to CICT’s direct interest in CRCT (“**CICT Pro Rata Units**”) ¹, it being understood that Retail Crown’s obligation under this paragraph (ii) arises only to the extent that there remains any CICT Pro Rata Units unsubscribed by HSBC Institutional Trust Services (Singapore) Limited, acting solely in its capacity as trustee of CICT (the “**CICT Trustee**”).

For the avoidance of doubt, should the CICT Trustee subscribe for a proportion of the CICT Pro Rata Units, Retail Crown will only apply for excess based on the balance amount of the CICT Pro Rata Units unsubscribed by the CICT Trustee. Pursuant to Rule 877(10) of the Listing Manual, in the allotment of any excess Units under the Preferential Offering, Retail Crown will rank last in priority amongst all existing Unitholders. Accordingly, the Excess Units will only be allocated to Retail Crown to the extent that there remains any Units unsubscribed by the existing Unitholders under the Preferential Offering.

CapitaLand Retail China Trust Management Limited (acting in its own capacity) (“**CRCTML**”), which owns direct interest in 77,847,479 Units representing approximately 6.31% of the total number of Units in issue as at the Latest Practicable Date ², has irrevocably undertaken to the Manager in accordance with the terms and conditions of the Preferential Offering, that it will by no later than the last day for acceptance and payment of the Preferential Offering Units, accept, subscribe and pay in full for its total provisional allotment of the Preferential Offering Units corresponding to its direct interest in CRCT.

1 Based on 133,380,335 Units held by CICT, the CICT Pro Rata Units amount to 7,469,298 Units. As at the Latest Practicable Date, CapitaLand holds approximately 28.89% of the interest in CICT.

2 Based on a total number of 1,232,104,560 Units in issue as at the Latest Practicable Date.

Interested Person Transaction and Interested Party Transaction

As at the Latest Practicable Date, CapitaLand, through (i) its indirect wholly owned subsidiaries namely, Retail Crown and CRCTML and (ii) CICT, has a deemed interest in 446,460,905 Units, which comprises approximately 36.23% of the total number of Units in issue¹, and is therefore regarded as a “controlling unitholder” of CRCT under both the Listing Manual and the Property Funds Appendix. In addition, as the Manager is a wholly owned subsidiary of CapitaLand, CapitaLand is therefore regarded as a “controlling shareholder” of the Manager under both the Listing Manual and the Property Funds Appendix.

Proposed Acquisition

Each of the SHSTP Vendors and the Rock Square Vendor is a wholly owned subsidiary of CapitaLand. The AIH Vendor and the AIT Vendor are wholly owned subsidiaries of Ascendas China Business Parks Fund 4 (“**ACBPF4**”) while the Xinsu Vendor is the trustee of ACBPF4. ACBPF4 is a fund which is 22.99% held by CapitaLand, and managed by Ascendas Asia Real Estate Fund Management Pte Ltd, a wholly owned subsidiary of CapitaLand. ACBPF4 owns (directly or indirectly) the Ascendas Xinsu Portfolio, Ascendas Innovation Towers and Ascendas Innovation Hub.

For the purposes of Chapter 9 of the Listing Manual and Paragraph 5 of the Property Funds Appendix, (i) the SHSTP Vendors and the Rock Square Vendor (being associates of a “controlling unitholder” of CRCT and a “controlling shareholder” of the Manager) are (for the purpose of the Listing Manual) “interested persons” and (for the purpose of the Property Funds Appendix) “interested parties” of CRCT, and (ii) the Manager also regards the acquisition of Ascendas Xinsu Portfolio, Ascendas Innovation Towers and Ascendas Innovation Hub as an interested person transaction and an interested party transaction as it is a transaction with a fund (ACBPF4) managed by an associate of a “controlling unitholder” of CRCT and a “controlling shareholder” of the Manager.

Therefore, the Acquisition will constitute an “interested person transaction” under Chapter 9 of the Listing Manual as well as an “interested party transaction” under the Property Funds Appendix, in respect of which the approval of Unitholders is required².

Accordingly, the Manager is seeking the approval of Unitholders by way of an Ordinary Resolution of the Unitholders for the Acquisition.

(See paragraph 4 of the Letter to Unitholders for further details.)

Property Management Agreements

The Rock Square HoldCo had on 1 February 2018 entered into a property management agreement with a wholly owned subsidiary of CapitaLand for the provision of property management services for Rock Square. In respect of the Properties (other than Rock Square), under the terms of the property management agreements to be entered into between the respective Target Companies and certain wholly owned subsidiaries of CapitaLand (together with the property manager of Rock Square, the “**Property Managers**”, and the property management agreements collectively, the “**Property Management Agreements**”), the relevant Property Managers will provide property management services for the relevant Properties.

1 Based on a total number of 1,232,104,560 Units in issue as at the Latest Practicable Date.

2 The Properties are effectively sold on a portfolio basis and the transaction is conditional on Unitholders’ approval for the Acquisition as well as successful fund raising for the entire portfolio.

As each of the Property Managers is a wholly owned subsidiary of CapitaLand (being a “controlling Unitholder” and a “controlling shareholder” of the Manager), each of the Property Managers (being a subsidiary of a “controlling Unitholder” and a “controlling shareholder” of the Manager) is (for the purposes of the Listing Manual) an “interested person” of CRCT. Accordingly, the entry into the Property Management Agreements between the respective Target Companies and the Property Managers will constitute an interested person transaction under the Listing Manual.

Xinsu SHA

Following completion of the acquisition of 51.0% of the Xinsu HoldCo by CRCT, CRCT, through the Xinsu CRCT Purchaser will enter into a shareholders’ agreement with the Xinsu CLC Purchaser, which holds the balance 49.0% of the shares of Xinsu HoldCo (the “**Xinsu SHA**”). The Xinsu CLC Purchaser is an indirect wholly owned subsidiary of CapitaLand.

As the Xinsu CLC Purchaser is an indirect wholly owned subsidiary of CapitaLand (being a “controlling Unitholder” and a “controlling shareholder” of the Manager), the Xinsu CLC Purchaser (being a subsidiary of a “controlling Unitholder” and a “controlling shareholder” of the Manager) is (for the purposes of the Listing Manual) an “interested person” of CRCT. Accordingly, the entry into the Xinsu SHA by CRCT, through the Xinsu CRCT Purchaser, with the Xinsu CLC Purchaser will constitute an interested person transaction under the Listing Manual. (See paragraph 2.9 of the Letter to Unitholders for the principal terms of the Xinsu SHA.)

Major Transaction

The Acquisition is a “major transaction” under Rule 1014(1) of the Listing Manual (read with Rule 1006(c) of the Listing Manual) as the aggregate of the Consideration and the CRCT Xinsu Entrustment Loan is approximately 52.5% of CRCT’s market capitalisation as at 4 November 2020, being the market day preceding the date of the ACBPF4 Conditional Agreement, the SHSTP Conditional Agreement and the Rock Square Share Purchase Agreement.

Accordingly, the Manager is seeking the approval of Unitholders by way of an Ordinary Resolution of the Unitholders for the Acquisition.

(See paragraph 4 of the Letter to Unitholders for further details.)

RATIONALE FOR AND BENEFITS OF THE ACQUISITION

The Manager believes that the Acquisition will bring the following key benefits to Unitholders:

- Strategic Addition of Highly Resilient Business Park Assets
- Establishing Foothold in High-Growth Economic Zones
- High Quality Business Parks Supporting the New Economy
- 100% Ownership in Rock Square – Proven Track Record with Resilient Performance
- Attractive Entry Valuation That Delivers Accretion
- Significantly Enhance Portfolio’s Scale, Diversification and Resilience
- Leveraging on Sponsor’s Strong Support, Network and Operational Expertise

(See paragraph 3 of the Letter to Unitholders for further details.)

INDICATIVE TIMETABLE

The timetable for the events which are scheduled to take place after the EGM is indicative only and is subject to change at the Manager's absolute discretion. Any changes (including any determination of the relevant dates) to the timetable below will be announced.

Event	Date and Time
Last date and time for pre-registration for EGM, submission of questions in advance and submission of Proxy Forms	: Saturday, 19 December 2020 at 2.30 p.m.
Date and time of the EGM	: Tuesday, 22 December 2020 at 2.30 p.m.

If approval for the Acquisition is obtained at the EGM:

Target date for completion of the Acquisition : 1Q 2021

Any changes (including any determination of the relevant dates) to the above timetable will be announced.

CapitaLand Retail China Trust
(Constituted in the Republic of Singapore
pursuant to a trust deed dated 23 October 2006 (as amended))

Directors of the Manager

Mr Soh Kim Soon (Chairman & Non-Executive Independent Director)
Mr Tan Tze Wooi (Chief Executive Officer & Executive
Non-Independent Director)
Mr Fong Heng Boo (Non-Executive Independent Director)
Mr Christopher Gee Kok Aun (Non-Executive Independent Director)
Professor Tan Kong Yam (Non-Executive Independent Director)
Mr Neo Poh Kiat (Non-Executive Independent Director)
Ms Kuan Li Li (Non-Executive Independent Director)
Mr Lucas Ignatius Loh Jen Yuh (Non-Executive Non-Independent Director)
Mr Lim Cho Pin Andrew Geoffrey (Non-Executive Non-Independent Director)

Registered Office

168 Robinson Road
#30-01 Capital Tower
Singapore 068912

4 December 2020

To: Unitholders of CRCT

Dear Sir/Madam

1 SUMMARY OF APPROVAL SOUGHT

The Manager is convening the EGM to seek the approval from Unitholders by way of Ordinary Resolution¹ for the Acquisition, as an interested person transaction. The transaction is an interested person transaction as CRCT would be acquiring assets which are held by associates of interested persons or a fund which is managed by an associate of an interested person. (See **Appendix E** of this Circular for a diagram setting out the relationship between the various interested persons and CRCT.)

2 THE PROPOSED ACQUISITION

2.1 Description of the Properties

2.1.1 Ascendas Xinsu Portfolio

The Ascendas Xinsu Portfolio comprises six properties located in different locations covering a range of asset types, including business park, built-to-suit factories, and ready-built factories. The Ascendas Xinsu Portfolio consists of 61 buildings including R&D and industrial portion. The R&D portion forms part of Ascendas Xinsu Square, comprising six business park office buildings with retail ancillaries. It is one of the first business park projects in the Suzhou Industrial Park and has since established a strong reputation for its quality specifications and premium location. The industrial portion includes 50 single-storey workshops with mezzanine floors and five four-to-six-storey workshops, located in six different properties (Ascendas Xinsu Square, Ascendas Xinsu North Belt, NIO Delivery Centre, Semi Detached Factory in EPZ, Nexteer BTS Phase 1 and 2, and Ascendas Xinsu Industrial Square II) in the Suzhou Industrial Park. The Ascendas Xinsu Portfolio has a total gross floor area of 373,334 sq m and net leasable area

¹ “**Ordinary Resolution**” means a resolution proposed and passed as such by a majority being greater than 50.0% or more of the total number of votes cast for and against such resolution at a meeting of Unitholders convened in accordance with the provisions of the Trust Deed (as defined herein).

of 349,480 sq m¹. The Ascendas Xinsu Portfolio is accessible via various modes of transportation including High Speed Railway Station, Metro Line 1, 3 and an upcoming Line 6 of Suzhou Rail Transit which is expected to provide easy access to other parts of Suzhou. Ascendas Xinsu Square, in particular, is well-connected to the city's public transit infrastructure via West Ligongdi Station on Metro Line 3 and is located only five minutes' drive to Suzhou Centre, the landmark of Suzhou Industrial Park, one hour's drive to Shanghai Hongqiao International Airport. It houses multinational companies and leading domestic enterprises, ideal for industrial, R&D and modern services functions. Some key tenants in the portfolio includes Beckman Coulter Laboratory Systems (leased since 1997), CCL Design Label (leased since 1996), TDK (Suzhou) Electronics Co Ltd (leased since 2000), Takasago Electric (Suzhou) (leased since 2003), Nexteer Automotive (Suzhou) Co., Ltd (leased since 2008) and Tobii Electronics Technology Suzhou Co (leased since 2018).

2.1.2 Ascendas Innovation Towers

Ascendas Innovation Towers is a business park project with two 23-storey office towers with a five-storey podium and a three-storey standalone building with a total gross floor area of 118,495 sq m and net leasable area of 96,347 sq m. The property is located in 88 Tian Gu Seventh Road, Hi-tech Industries Development Zone, Xi'an, the capital of Shaanxi Province which is well known for its cultural, industrial and educational resources. The Hi-tech Industries Development Zone registered 120,000 enterprises mainly from the electronics, semiconductors, manufacturing, biomedicine, new energy cars and innovative industries. Building A is a three-storey office podium building erected on a two-storey basement for car park use. Building B comprises two 23-storey office towers erected on a two-storey basement for car park use. Ascendas Innovation Towers is positioned as a landmark asset providing quality focal point for development of Xi'an's new economy, including hi-tech, innovation, software and R&D sectors. Notable tenants include Ping An Insurance Company (leased since 2017), Dahua Technology (leased since 2018), Anchnet (leased since 2019) and Transcosmos (leased since 2017).

2.1.3 Ascendas Innovation Hub

Ascendas Innovation Hub is a business park project with two office towers. The property is located in 38 Gao Xin Sixth Road, within the core area of Xi'an Software Park in Hi-tech Industries Development Zone, Xi'an, the capital of Shaanxi Province. The property comprises two six-storey business park office towers, both erected on a one-storey basement, with a total gross floor area of 40,547 sq m and net leasable area of 36,108 sq m. Ascendas Innovation Hub has good accessibility and the area is home to a mixture of office, retail, and residential as well as hotel developments. Located in the core area of Hi-tech Industries Development Zone, Ascendas Innovation Hub is served by more than 10 bus lines and is 1.2 km away from the Zhangba North Road Metro Station on Metro Line 3, providing good

1 In relation to Ascendas Xinsu Square, there is an agreement between the local authorities and the Xinsu ProjectCo for the permanent acquisition of approximately 636.4 sq m of land for the construction of a new metro line in Suzhou. The site area of Ascendas Xinsu Square of 92,868 sq m disclosed in this Circular includes this parcel of land as the compulsory acquisition process is underway and the land has not yet been carved out from the title certificate. When the exact land area to be acquired has been fixed and the purchase price paid over to Xinsu ProjectCo, the land will be carved out of the title certificate and returned to the government. This process is expected to take place after completion of the Acquisition and the price for the land will be retained for the account of the Xinsu Purchasers. The acquired land is not expected to affect the gross floor area and net leasable area of Ascendas Xinsu Square, and its current usage is not expected to be materially affected. The Independent Valuers' valuation of the Ascendas Xinsu Portfolio has taken into account the compulsory acquisition.

accessibility to the city centre and airport of Xi'an (estimated travel time of 30 minutes and 45 minutes respectively). Ascendas Innovation Hub is positioned as a high-tech incubator and R&D space for manufacturing and semiconductor enterprises. Notable tenants include UniC Semiconductors (leased since 2006), Montage Technology (leased since 2019) and Qualcomm (leased since 2011).

2.1.4 SHSTP Phase I and Phase II

Singapore-Hangzhou Science & Technology Park is an integrated business park located in the middle of Hangzhou Xiasha Education Zone of the Hangzhou Economic & Technological Development Area (part of Hangzhou Qiantang New Area). SHSTP Phase I and Phase II are located at 2 Kejiyuan Road, Hangzhou Economic & Technological Development Area in Jianggan District. Phase I comprises five R&D buildings of 4 to 20 storeys and two ancillary buildings, with a total gross floor area of 101,811 sq m and a net leasable area of 101,450 sq m. Phase II comprises five R&D buildings of 11 to 15 storeys and five semi-detached standalone R&D buildings of four storeys and ancillary facilities, with a total gross floor area of 130,261 sq m and a net leasable area of 126,294 sq m. The property is located in the heart of Hangzhou Economic and Technological Development Area (HEDA), and is only 500 metres away from the Hangzhou Bay Ring Expressway and 1 km away from Yunshui Station on Metro Line 1. HEDA is a national level economic and technological development zone. Over the decades, HEDA has achieved rapid development where many leading companies and Fortune 500 companies have set up their branches in the area. With the growth of IT, innovative, high technology industries, the property provides alternative office space for the start-ups. The property is adjacent to Zhejiang's largest university zone and provides ideal office space for many companies in E-commerce, Biomedical Sciences, Information and Communication Technology and R&D functions. Notable tenants include Zhimei (leased since 2014) and Sowow (leased since 2015) for Phase I property, as well as Taodao Technology (leased since 2017) and Weinian Technology (leased since 2017) for Phase II property.

2.1.5 Rock Square

Rock Square is located in Gongye Avenue North, Haizhu District, Guangzhou City, the most populous city of Guangdong province in Southern China. Opened in 2013, the property is the largest mall in Jiangnanxi, an established retail cluster located in Guangzhou's Haizhu District. Haizhu District is Guangzhou's 2nd most populous urban district that also ranks high in terms of disposable income per capita. The mall has five retail levels with three levels above-ground and two levels at the basement with gross floor area of 88,279 sq m. The mall is directly connected to Shayuan metro station, which serves Line 8 that links Guangzhou's eastern and western areas, and Guangfo Line that connects Guangzhou with Foshan. Surrounded by densely populated residential estates, the mall caters to about 800,000 residents from middle-and high-income households within a three-km radius. Offering a wide range of fashion, dining and entertainment options for modern lifestyle needs, the mall presents a one-stop shopping and lifestyle experience, featuring well-known domestic and international brands such as AEON, UNIQLO, ZARA, Victoria's Secret, Xiaomi, Green Tea restaurant and HEYTEA.

(See **Appendix A** of this Circular for further details.)

2.2 Structure of the Acquisition

2.2.1 ACBPF4 Conditional Agreement

On 5 November 2020, CRCT through its wholly owned subsidiaries, the Xinsu CRCT Purchaser, the AIT Purchaser and the AIH Purchaser, have entered into the ACBPF4 Conditional Agreement with the ACBPF4 Vendors to acquire the respective interests in the shares of the ACBPF4 Target Companies as described below:

- (i) 51.0% of the shares of the Xinsu HoldCo which indirectly holds the Ascendas Xinsu Portfolio comprising six properties located in different locations in Suzhou Industrial Park, China;
- (ii) 100.0% of the shares in AIT ProjectCo which holds Ascendas Innovation Towers located in the Hi-tech Industries Development Zone in Xi'an, China; and
- (iii) 80.0% of the shares in the AIH ProjectCo which holds Ascendas Innovation Hub located in the Hi-tech Industries Development Zone in Xi'an, China.

(See paragraph 4.2.3 below for further information on the relationship between CRCT and the ACBPF4 Vendors.)

Upon satisfaction or waiver (as the case may be) of the conditions in the ACBPF4 Conditional Agreement (as described in paragraph 2.4 below):

- (a) separate equity transfer agreements in relation to the transfer of shares in each of the AIH ProjectCo and AIT ProjectCo, the form of which is set out in the ACBPF4 Conditional Agreement (the “**ACBPF4 Equity Transfer Agreements**”), shall be entered into within the requisite time frame as set out in the ACBPF4 Conditional Agreement; and
- (b) a share purchase agreement in relation to the transfer of shares in the Xinsu HoldCo (the “**Xinsu SPA**”), the form of which is set out in the ACBPF4 Conditional Agreement, shall be entered into within the requisite time frame as set out in the ACBPF4 Conditional Agreement.

Pursuant to the ACBPF4 Conditional Agreement, the estimated share purchase consideration (“**ACBPF4 Share Purchase Consideration**”) of RMB1,703.7 million (approximately S\$346.4 million) payable to the ACBPF4 Vendors in connection with the acquisition of the ACBPF4 Target Companies takes into account the effective stake to be acquired by CRCT in each of the ACBPF4 Target Companies' Assumed NAV, computed based on the unaudited accounts of each of the ACBPF4 Target Companies as of 30 June 2020, taking into account, among other things, the Agreed Value of:

- (i) Ascendas Xinsu Portfolio of RMB2,265.0 million (S\$460.6 million) on a 100% basis;
- (ii) Ascendas Innovation Towers of RMB759.0 million (S\$154.3 million) on a 100% basis; and
- (iii) Ascendas Innovation Hub of RMB298.0 million (S\$60.6 million) on a 100% basis.

The Agreed Value of each of the Ascendas Xinsu Portfolio, Ascendas Innovation Towers and Ascendas Innovation Hub was negotiated on a willing-buyer and willing-seller basis and takes into account the independent valuations of each of the Ascendas Xinsu Portfolio, Ascendas Innovation Towers and Ascendas Innovation Hub.

The final ACBPF4 Share Purchase Consideration will be subject to completion adjustments.

In addition to the payment of the ACBPF4 Share Purchase Consideration to the ACBPF4 Vendors, the Xinsu Purchasers, proportionate to their percentage shareholdings, will extend shareholders' loans to the Xinsu HoldCo of an amount equal to the entire amount outstanding under the existing shareholders' loan extended by the Xinsu Vendor to the Xinsu HoldCo (the "**Original Xinsu Shareholder Loan**") as at completion of the Xinsu SPA (the "**ACBPF4 Loan Consideration**") to enable the Xinsu HoldCo to fully repay and discharge the Original Xinsu Shareholder Loan. As at 30 June 2020, the total principal of the Original Xinsu Shareholder Loan is S\$14.0 million.

Accordingly, the Consideration payable to the ACBPF4 Vendors in respect of the ACBPF4 Target Companies would be the sum of the ACBPF4 Share Purchase Consideration and the ACBPF4 Loan Consideration, being approximately RMB1,738.8 million (approximately S\$353.6 million).

Further, the Xinsu CRCT Purchaser will procure that a subsidiary of CRCT will extend the CRCT Xinsu Entrustment Loan to the Xinsu ProjectCo in proportion to its indirect shareholding in the Xinsu ProjectCo. The entire amount of the CRCT Xinsu Entrustment Loan, together with the entrustment loan extended by the Xinsu CLC Purchaser to the Xinsu Project Co, will be applied towards prepayment of the entire outstanding principal of the Xinsu Onshore Loan.

2.2.2 SHSTP Conditional Agreement

Separately, on 5 November 2020, CRCT, through its wholly owned subsidiaries, the SHSTP Purchasers, entered into the SHSTP Conditional Agreement with the SHSTP Vendors to acquire 80.0% of the shares in the SHSTP Target Companies which hold SHSTP Phase I and Phase II which is located in the Hangzhou Economic & Technological Development Area in Jianggan District, China.

(See paragraph 4.2.3 below for further information on the relationship between CRCT and the SHSTP Vendors.)

Upon satisfaction or waiver (as the case may be) of the conditions in the SHSTP Conditional Agreement (as described in paragraph 2.5 below) separate equity transfer agreements in relation to the transfer of shares in each of the SHSTP Target Companies, the form of which is set out in the SHSTP Conditional Agreement (the "**SHSTP Equity Transfer Agreements**"), shall be entered into within the requisite time frame as set out in the SHSTP Conditional Agreement.

The estimated Consideration payable to the SHSTP Vendors in connection with the acquisition of the SHSTP Target Companies ("**SHSTP Share Purchase Consideration**") of RMB695.6 million (approximately S\$141.4 million) takes into account the effective stake to be acquired by CRCT in each of the SHSTP Target Companies' Assumed NAV based on unaudited accounts as at 30 June 2020, taking into account, among other things, the Agreed Value of SHSTP Phase I and Phase II of RMB1,408.0 million (S\$286.3 million) on a 100% basis.

The Agreed Value of SHSTP Phase I and Phase II was negotiated on a willing-buyer and willing-seller basis and takes into account the independent valuations of SHSTP Phase I and Phase II.

The final SHSTP Share Purchase Consideration will be subject to completion adjustments.

2.2.3 Rock Square SPA

Separately, on 5 November 2020, CRCT, through its wholly owned subsidiary, the Rock Square Purchaser, entered into the Rock Square SPA with the Rock Square Vendor to acquire the balance 49.0% of the shares of the Rock Square HoldCo which indirectly holds Rock Square located in Haizhu District in Guangzhou, China.

(See paragraph 4.2.3 below for further information on the relationship between CRCT and the Rock Square Vendor.)

The estimated Consideration payable to the Rock Square Vendor in connection with the acquisition of the balance 49.0% of the shares of the Rock Square HoldCo (the **“Rock Square Share Purchase Consideration”**), being approximately RMB1,351.2 million (approximately S\$274.7 million), takes into account 49.0% of the Assumed NAV of RMB2,757.5 million (approximately S\$560.7 million) computed based on the unaudited consolidated accounts as of 30 June 2020 of the Rock Square HoldCo, taking into account, among other things, the Agreed Value of Rock Square of RMB3,400.0 million (S\$691.3 million) on a 100% basis.

The Agreed Value of Rock Square was negotiated on a willing-buyer and willing-seller basis and takes into account the independent valuations of Rock Square.

The final Rock Square Share Purchase Consideration will be subject to completion adjustments.

In addition to the payment of the Rock Square Share Purchase Consideration to the Rock Square Vendor, the Rock Square Purchaser will extend a shareholder’s loan of an amount equal to the entire amount outstanding under the existing shareholder’s loan extended by the Rock Square Vendor to the Rock Square HoldCo (the **“Rock Square Shareholder Loan”**)¹ as at completion of the Rock Square SPA (the **“Rock Square Loan Consideration”**), to enable the Rock Square HoldCo to fully repay and discharge the Rock Square Shareholder Loan. As at 30 June 2020, the total principal of the Rock Square Shareholder Loan is S\$16,667.

Accordingly, the Consideration payable to the Rock Square Vendor in respect of the Rock Square HoldCo would be the aggregate of the Rock Square Share Purchase Consideration and the Rock Square Loan Consideration, being approximately RMB1,351.2 million (approximately S\$274.8 million).

¹ The shareholders of Rock Square HoldCo have previously extended a shareholders’ loan to the Rock Square HoldCo, comprising (i) the Rock Square Shareholder Loan extended by the Rock Square Vendor (proportionate to its 49% shareholding in the Rock Square HoldCo) and (ii) the shareholder’s loan extended by Gold Rock Investment Pte. Ltd. (proportionate to its 51% shareholding in the Rock Square HoldCo).

2.3 Valuation

The Manager has commissioned an independent property valuer, JLL, and the Trustee has commissioned another independent property valuer, CBRE, to value the Properties.

The table below sets out the valuations of the Properties (on a 100% basis) as at 31 October 2020, the Agreed Value (on a 100.0% and effective stake basis) as well as the discount of the Agreed Value to the valuations (on a 100% basis).

	JLL	CBRE	Agreed Value		Discount to Valuation (on 100% basis)	
	RMB' million	RMB' million	RMB' million	S\$' million	JLL	CBRE
Ascendas Xinsu Portfolio	2,267.0	2,270.0	2,265.0 (effective stake: 1,155.2)	460.6 (effective stake: 234.9)	0.1%	0.2%
Ascendas Innovation Towers	802.0	789.0	759.0 (effective stake: 759.0)	154.3 (effective stake: 154.3)	5.4%	3.8%
Ascendas Innovation Hub	311.0	302.0	298.0 (effective stake: 238.4)	60.6 (effective stake: 48.5)	4.2%	1.3%
SHSTP Phase I	657.0	680.9	641.0 (effective stake: 512.8)	130.3 (effective stake: 104.3)	2.4%	5.9%
SHSTP Phase II	792.0	802.2	767.0 (effective stake: 613.6)	156.0 (effective stake: 124.8)	3.2%	4.4%
Rock Square	3,414.0	3,390.0	3,400.0 (effective stake: 1,666.0)	691.3 (effective stake: 338.7)	0.4%	-0.3%
Total	8,243.0	8,234.1	8,130.0 (effective stake: 4,945.0)	1,653.1 (effective stake: 1,005.5)	1.4%	1.3%

The valuation methods used by the Independent Valuers were the Discounted Cash Flow method and Income Capitalisation method.

2.4 Certain Terms and Conditions of the ACBPF4 Conditional Agreement

The principal terms of the ACBPF4 Conditional Agreement include, among others, the following:

2.4.1 The entry into the ACBPF4 Equity Transfer Agreements and the Xinsu SPA is subject to the satisfaction of a number of conditions, including:

- (i) the ACBPF4 Purchasers having obtained the approval of the Unitholders for the ACBPF4 Acquisition;
- (ii) CRCT having secured funds to its account to undertake the ACBPF4 Acquisition;
- (iii) there having occurred no material adverse change as at the date of the ACBPF4 Vendors' written notice to the ACBPF4 Purchasers that the entry into the ACBPF4 Equity Transfer Agreements and the Xinsu SPA will take place;
- (iv) there having been no breach of any of the fundamental warranties¹ contained in the ACBPF4 Conditional Agreement as at the date of the ACBPF4 Vendors' written notice to the ACBPF4 Purchasers that the entry into the ACBPF4 Equity Transfer Agreements and the Xinsu SPA will take place;
- (v) the AIH Vendor having obtained written documentation from the AIH JV Partner evidencing its consent or that it has no objections to the joint venture agreement entered into between the AIH Vendor and the AIH JV Partner being amended and/or the AIH Vendor having procured the AIH JV Partner's entry into the AIH SHA (as defined below); and
- (vi) the equity pledge over the shares in the AIH ProjectCo and the Xinsu ProjectCo held by the AIH Vendor and the Xinsu Vendor respectively having been discharged;

2.4.2 following the entry into the relevant ACBPF4 Equity Transfer Agreements, the necessary filings with the AMR and Ministry of Commerce of the PRC (if applicable) shall be undertaken;

2.4.3 completion ("**ACBPF4 Completion**") in respect of the relevant ACBPF4 Target Companies is subject to the satisfaction of a number of conditions, including:

- (i) the AIH ProjectCo having repaid its existing offshore and onshore bank loans;
- (ii) (a) the Xinsu HoldCo having repaid its existing offshore bank loan; (b) the Xinsu ProjectCo having repaid its existing onshore bank loan; and (c) all encumbrances over the shares in the Xinsu HoldCo having been discharged; and

¹ The fundamental warranties in the ACBPF4 Conditional Agreement are warranties given by the ACBPF4 Vendors which mainly relate to the authority and capacity of the ACBPF4 Vendors, the ACBPF4 Vendors' legal and beneficial ownership of the shares of the ACBPF4 Target Companies which form part of the ACBPF4 Acquisition, the due incorporation of the ACBPF4 Target Companies, the nature of the shares of the ACBPF4 Target Companies, and title to the Ascendas Xinsu Portfolio, Ascendas Innovation Towers and Ascendas Innovation Hub.

(iii) there having been no breach of any of the fundamental warranties contained in the ACBPF4 Conditional Agreement (as if repeated at completion in respect of the relevant ACBPF4 Target Companies);

2.4.4 the Xinsu Purchasers agree to, prior to or upon the ACBPF4 Completion, procure the extension of entrustment loans (“**Xinsu Entrustment Loans**”) to the Xinsu ProjectCo proportionate to the number of shares in the Xinsu HoldCo to be acquired by the Xinsu Purchasers. The Xinsu Entrustment Loans (which includes the CRCT Xinsu Entrustment Loan) would be applied towards prepayment of the principal amount of the Xinsu Onshore Loan and, as such, the aggregate principal amount of the Xinsu Entrustment Loans is up to approximately RMB290.0 million, which is equivalent to the principal amount under the Xinsu Onshore Loan. As the CRCT Xinsu Entrustment Loan is extended to the Xinsu HoldCo on a *pro rata* basis and is akin to shareholders’ loans extended by joint venture partners to joint venture entities, it will fall within the exception under Rule 916(3) of the Listing Manual, such that even if the aggregate value of all interested person transactions (including those contemplated under the CRCT Xinsu Entrustment Loan) exceeds 5.0% of the latest audited NTA of CRCT, the approval of the Unitholders for the Xinsu Entrustment Loan is not required;

2.4.5 as a condition subsequent to the ACBPF4 Completion in respect of the relevant ACBPF4 Target Companies, the relevant ACBPF4 Vendors covenants and undertakes to the relevant ACBPF4 Purchasers to procure and ensure the release of the mortgage granted to the lender over the relevant Property held by the AIH ProjectCo and the Xinsu Project Co;

2.4.6 the relevant ACBPF4 Vendors undertake to the relevant ACBPF4 Purchasers that each of the AIH Vendor, the AIT Vendor and ACBPF4 shall not be terminated, liquidated and/or wound up until after 2 March 2022; and

2.4.7 claims for breach of fundamental warranties, tax-related warranties or tax-related indemnities must be made within the earlier of 36 months from the ACBPF4 Completion or the end of the fund life of ACBPF4 and all other claims must be made within the earlier of 24 months from the ACBPF4 Completion or the end of the fund life of ACBPF4.

In approving the Acquisition, Unitholders are deemed to have approved the ACBPF4 Conditional Agreement.

2.5 Certain Terms and Conditions of the SHSTP Conditional Agreement

The principal terms of the SHSTP Conditional Agreement include, among others, the following:

2.5.1 the entry into the SHSTP Equity Transfer Agreements will be subject to the satisfaction of a number of conditions, including:

- (i) the SHSTP Purchasers having obtained the approval of the Unitholders for the SHSTP Acquisition;
- (ii) CRCT having secured funds to its account to undertake the SHSTP Acquisition;

- (iii) there having occurred no material adverse change as at the date of the SHSTP Vendors' written notice to the SHSTP Purchasers that the entry into of the SHSTP Equity Transfer Agreements will take place;
- (iv) there having been no breach of any of the fundamental warranties¹ contained in the SHSTP Conditional Agreement as at the date of the SHSTP Vendors' written notice to the SHSTP Purchasers that the entry into of the SHSTP Equity Transfer Agreements will take place;
- (v) each of the SHSTP Vendors having obtained written documentation from the SHSTP JV Partner evidencing its consent or that it has no objections to the joint venture agreement entered into between each of the SHSTP Vendors and the SHSTP JV Partner being amended and/or each of the SHSTP Vendors having procured the SHSTP JV Partner's entry into the SHSTP SHAs (as defined herein); and
- (vi) the existing onshore loans granted to the SHSTP Target Companies ("**SHSTP Onshore Loans**") remaining in full force and effect, and not being discharged as a result of the entry into the SHSTP Equity Transfer Agreements;

2.5.2 the SHSTP Purchasers will take over the remaining SHSTP Onshore Loans that are not repaid by the SHSTP Vendors on or prior to the SHSTP Completion (the "**Subsisting SHSTP Onshore Loans**");

2.5.3 following the entry into the relevant SHSTP Equity Transfer Agreements, the necessary filings with the AMR and Ministry of Commerce of the PRC (if applicable) shall be undertaken;

2.5.4 completion ("**SHSTP Completion**") in respect of the relevant SHSTP Target Companies is subject to the satisfaction of a number of conditions including:

- (i) there having been no breach of any of the fundamental warranties contained in the SHSTP Conditional Agreement (as if repeated at completion in respect of the relevant SHSTP Target Companies); and
- (ii) the Subsisting SHSTP Onshore Loans remaining in full force and effect, and not being discharged as a result of the SHSTP Completion.

In approving the Acquisition, Unitholders are deemed to have approved the SHSTP Conditional Agreement.

2.6 Certain Terms and Conditions of the Rock Square SPA

Completion of the Rock Square Acquisition ("**Rock Square Completion**") is subject to the satisfaction of a number of conditions, including:

2.6.1 the Rock Square Purchaser having obtained the approval of the Unitholders for the Rock Square Acquisition;

¹ The fundamental warranties in the SHSTP Conditional Agreement are warranties given by the SHSTP Vendors which mainly relate to the authority and capacity of the SHSTP Vendors, the SHSTP Vendors' legal and beneficial ownership of the shares of the SHSTP Target Companies which form part of the SHSTP Acquisition, the due incorporation of the SHSTP Target Companies, the nature of the shares of the SHSTP Target Companies, and title to SHSTP Phase I and Phase II.

- 2.6.2 CRCT having secured funds to its account to undertake the Rock Square Acquisition;
- 2.6.3 there having occurred no material adverse change; and
- 2.6.4 there having been no breach of any of the fundamental warranties¹ contained in the Rock Square SPA.

In approving the Acquisition, Unitholders are deemed to have approved the Rock Square SPA.

2.7 Completion of the Acquisitions

Completion of the acquisition of all the Properties is expected to take place by 1Q 2021. The completion of the acquisition of each Property may take place on different dates. Accordingly, it is possible that CRCT may complete the acquisition of one or more of the Properties but not complete the acquisition of the other Properties if the conditions (as described in paragraphs 2.4 to 2.6 above) are not satisfied.

2.8 Property Management Agreements

The Rock Square HoldCo had on 1 February 2018 entered into a property management agreement with a wholly owned subsidiary of CapitaLand for the provision of property management services for Rock Square. In respect of the Properties (other than Rock Square), under the terms of the property management agreements to be entered into between the respective Target Companies and certain wholly owned subsidiaries of CapitaLand (together with the property manager of Rock Square, the “**Property Managers**”, and the property management agreements collectively, the “**Property Management Agreements**”), the relevant Property Managers will provide property management services for the relevant Properties.

The services provided by the Property Managers for the relevant Property under its management include the following:

- (i) property management services for the relevant Property, subject to the overall management of the relevant Target Company’s property management services, including (a) establishing operating budgets and annual plans for the operation, management, marketing and maintenance of the relevant Property, (b) operating and maintaining the relevant Property in accordance with such operating budgets and annual plans (and revisions thereof), (c) co-ordinating, reviewing and maintaining at all times certain insurance coverage with the assistance of insurance advisers, and (d) maintaining books of accounts and records in respect of the operation of the relevant Property; and
- (ii) lease management services, including (a) recommending leasing strategy and negotiating leases, licenses and concessions, (b) supervising and controlling all collections and receipts, payments and expenditure relating to the Property, and (c) lease administration.

¹ The fundamental warranties in the Rock Square SPA are warranties given by the Rock Square Vendor which mainly relate to the authority and capacity of the Rock Square Vendor, the Rock Square Vendor’s legal and beneficial ownership of the shares of the Rock Square HoldCo which form part of the Rock Square Acquisition, the due incorporation of the Rock Square HoldCo, the nature of the shares of the Rock Square HoldCo, and title to Rock Square.

Additionally, the Property Managers will have dedicated personnel for each relevant Property as well as a centralised team of personnel that provides expertise on leasing, technical services, tenancy co-ordination, marketing and communications, etc. at a group level. This is to provide strategic support to the Properties, for example, in establishing strategic relationships with key tenants and tenancy co-ordination work.

The fees payable pursuant to the Property Management Agreement in respect of Rock Square, is as follows:

- (i) 2.0% per annum of the gross revenue of Rock Square; and
- (ii) 2.5% per annum of the NPI of Rock Square.

The fees payable pursuant to the Property Management Agreements in respect of the Properties (other than Rock Square), will be as follows:

- (i) 3.0% per annum of the actual gross revenue of each of the relevant Properties; and
- (ii)
 - (a) a commission equivalent to one (1) time of the monthly gross rent (including service charges and advertisement and promotional fees if any), for each new lease of a term of three (3) years or less;
 - (b) a commission equivalent to two (2) times of the monthly gross rent (including property management fee and marketing fee if any), for each new lease of a term of more than (3) years and equal to or less than five (5) years (together with (a) above, the "**Marketing Commission Fee**");
 - (c) a commission equivalent to 50% of the relevant Marketing Commission Fee, for each renewal of lease; and
 - (d) for leases of a term of less than one (1) year or longer than five (5) years, the respective Property Managers and the respective Target Companies may review and adjust the Marketing Commission Fee on a case by case basis; and
- (iii) if any lease is referred by a third-party agent and if so requested by the respective Property Managers, the respective Target Companies shall pay to the third-party agent such amount of commission as notified by the respective Property Managers and concurrently pay to the respective Property Managers 20% of the amount payable to the third-party agent as marketing support and administrative charges.

Under the Property Management Agreements, the Property Managers will be fully reimbursed for (i) the employment costs and remuneration relating to certain personnel engaged solely for the provision of services for the Property, (ii) the allocated employment costs and remuneration relating to the centralised team of personnel engaged to provide group services for the Property, as approved in each annual budget by the project company, and (iii) certain shared services, including but not limited to finance shared service, IT consulting service and corporate shared services.

The Property Managers are authorised to utilise funds deposited in operating accounts (which are separate from the collection accounts into which all rental income is paid) of CRCT to make payment for all costs and expenses incurred in the operation and management of each property, within an annual budget approved by the relevant project company.

The term of the Property Management Agreement in respect of Rock Square expires on 30 June 2021. The term of each of the Property Management Agreements in respect of the Properties (other than Rock Square) is from the day subsequent to the actual completion date of the Acquisition to 31 December 2025.

The relevant Target Company may terminate the appointment of the relevant Property Manager by giving written notice.

The terms of the Property Management Agreement in respect of Rock Square are based on and substantially similar to the terms of the existing property management agreements entered into in respect of the Existing Portfolio.

As each of the Property Managers is a wholly owned subsidiary of CapitaLand (being a “controlling Unitholder” and a “controlling shareholder” of the Manager), each of the Property Managers (being a subsidiary of a “controlling Unitholder” and a “controlling shareholder” of the Manager) is (for the purposes of the Listing Manual) an “interested person” of CRCT. Accordingly, the entry into the Property Management Agreements between the respective Target Companies and the Property Managers will constitute an interested person transaction under the Listing Manual.

Please refer to the IFA Letter (as defined herein) set out in **Appendix B** of this Circular for the IFA’s evaluation which explains how the terms of the Property Management Agreements are on normal commercial terms and are not prejudicial to the interests of CRCT and its minority Unitholders.

In approving the Acquisition, Unitholders are deemed to have approved the Property Management Agreements.

2.9 Shareholders’ Agreements

2.9.1 Xinsu HoldCo Shareholders’ Agreement

Following completion of the acquisition of 51.0% of the Xinsu HoldCo by CRCT, CRCT, through the Xinsu CRCT Purchaser, will enter into the Xinsu SHA with the Xinsu CLC Purchaser, which holds the balance 49.0% of the shares of Xinsu HoldCo. The Xinsu CLC Purchaser is an indirect wholly owned subsidiary of CapitaLand.

Under the terms of the Xinsu SHA, as CRCT holds more than 50% of the shares in the Xinsu HoldCo and the chairman appointed by CRCT shall have a second and casting vote at any meeting of the board or at any general meeting of the Xinsu HoldCo, all resolutions and matters which require the approval of the shareholders or the board of directors will require the approval of CRCT.

The Xinsu SHA also contains (i) certain directors’ reserved matters which require the approval of all directors, (ii) certain shareholders’ reserved matters which require the approval of both partners, (iii) the distribution policy of the Xinsu HoldCo and (iv) customary provisions governing a transfer of the shares of the Xinsu HoldCo by the partners.

As the Xinsu CLC Purchaser is an indirect wholly owned subsidiary of CapitaLand (being a “controlling Unitholder” and a “controlling shareholder” of the Manager), the Xinsu CLC Purchaser (being a subsidiary of a “controlling Unitholder” and a “controlling shareholder” of the Manager) is (for the purposes of the Listing Manual) an “interested person” of CRCT. Accordingly, the entry into the Xinsu SHA by CRCT, through the Xinsu CRCT Purchaser, with the Xinsu CLC Purchaser will constitute an interested person transaction under the Listing Manual.

Please refer to the IFA Letter set out in **Appendix B** of this Circular for the IFA's evaluation which explains how the terms of the Xinsu SHA are on normal commercial terms and are not prejudicial to the interests of CRCT and its minority Unitholders.

In approving the Acquisition, Unitholders are deemed to have approved the Xinsu SHA.

2.9.2 AIH ProjectCo Shareholders' Agreement

Following completion of the acquisition of 80.0% of the AIH ProjectCo by CRCT, CRCT, through the AIH Purchaser will enter into a shareholders' agreement with the AIH JV Partner, which holds the balance 20.0% of the shares of AIH ProjectCo (the "**AIH SHA**"). The AIH JV Partner is an unrelated third party¹.

As CRCT holds more than 50% of the shares in AIH ProjectCo and is entitled to appoint more than 50% of the directors on the board of AIH ProjectCo, all resolutions and matters which require the approval of the shareholders or the board of directors will require the approval of CRCT.

2.9.3 SHSTP Target Companies Shareholders' Agreements

Following completion of the acquisition of 80.0% of the SHSTP Target Companies by CRCT:

- (i) CRCT, through CRCT Investment (Hangzhou I) Pte. Ltd, will enter into a shareholders' agreement with the SHSTP JV Partner, which holds the balance 20.0% of the shares of Ascendas Hangzhou Science & Technology Co., Ltd. (the "**SHSTPI SHA**"), which holds Singapore-Hangzhou Science & Technology Park Phase I; and
- (ii) CRCT, through CRCT Investment (Hangzhou II) Pte. Ltd, will enter into a shareholders' agreement with the SHSTP JV Partner, which holds the balance 20.0% of the shares of Ascendas Hangzhou Data Processing Co., Ltd. (the "**SHSTPII SHA**" together with the SHSTPI SHA, the "**SHSTP SHAs**"), which holds Singapore-Hangzhou Science & Technology Park Phase II.

The SHSTP JV Partner is an unrelated third party².

As CRCT holds more than 50% of the shares in the SHSTP Target Companies and is entitled to appoint more than 50% of the directors on the board of the SHSTP Target Companies, all resolutions and matters which require the approval of the shareholders or the board of directors will require the approval of CRCT.

2.10 Total Acquisition Cost

The Total Acquisition Cost is approximately S\$822.4 million, comprising:

- (i) the Consideration and the CRCT Xinsu Entrustment Loan, in the aggregate amount of approximately S\$799.9 million;
- (ii) the Acquisition Fee payable in Units to the Manager of approximately S\$10.0 million; and

1 The AIH JV Partner is a State Owned Enterprise.

2 The SHSTP JV Partner is a State Owned Enterprise.

- (iii) the estimated professional and other fees and expenses incurred or to be incurred by CRCT in connection with the Acquisition (inclusive of the equity financing-related expenses and debt financing-related expenses) of approximately S\$12.5 million.

2.11 Method of Financing

The Manager intends to finance the Total Acquisition Cost (save for the Acquisition Fee) with approximately S\$326.1 million being all of the gross proceeds from the Equity Fund Raising, issuance of perpetual securities under CRCT's S\$1.0 billion multicurrency debt issuance programme, debt financing and internal cash resources.

The gross proceeds of the fully underwritten Equity Fund Raising consists of:

- (i) the Placement of approximately S\$245.4 million; and
- (ii) the Preferential Offering of approximately S\$80.7 million.

2.12 Undertakings by CapitaLand Group

To demonstrate its support for CRCT and the Preferential Offering, CapitaLand's wholly owned subsidiary, Retail Crown which owns an aggregate direct interest in 235,233,091 Units representing approximately 19.09% of the total number of Units in issue as at the Latest Practicable Date, has irrevocably undertaken to the Manager that, among other things:

- (i) in accordance with the terms and conditions of the Preferential Offering, it will by no later than the last day for acceptance and payment of the Preferential Offering Units, accept, subscribe and pay in full for its Pro Rata Units; and
- (ii) it will, in addition to paragraph (i) above, accept, subscribe and pay in full for the Excess Units amounting to the CICT Pro Rata Units, it being understood that Retail Crown's obligation under this paragraph (ii) arises only to the extent that there remains any CICT Pro Rata Units unsubscribed by the CICT Trustee.

For the avoidance of doubt, should CICT subscribe for a proportion of the CICT Pro Rata Units, Retail Crown will only apply for excess based on the balance amount of the CICT Pro Rata Units unsubscribed by CICT. Pursuant to Rule 877(10) of the Listing Manual, in the allotment of any excess Units under the Preferential Offering, Retail Crown will rank last in priority amongst all existing Unitholders. Accordingly, the Excess Units will only be allocated to Retail Crown to the extent that there remains any Units unsubscribed by the existing Unitholders under the Preferential Offering.

CRCTML (acting in its own capacity), which owns direct interest in 77,847,479 Units representing approximately 6.31% of the total number of Units in issue as at the Latest Practicable Date, has irrevocably undertaken to the Manager in accordance with the terms and conditions of the Preferential Offering, it will by no later than the last day for acceptance and payment of the Preferential Offering Units, accept, subscribe and pay in full for its total provisional allotment of the Preferential Offering Units corresponding to its direct interest in CRCT.

3 RATIONALE FOR AND BENEFITS OF THE ACQUISITION

The Manager believes that the Acquisition will bring the following key benefits to Unitholders:

3.1 Strategic Addition of Highly Resilient Business Park Assets

3.1.1 Business Parks are Thematically Supported by China's Economic Growth Initiatives

Preferential Policy Support

Business parks in China benefit from preferential policy supported by key economic policies and regional government subsidies. Through the 13th Five-Year Plan introduced in 2016, China has successfully shifted its economic focus towards a service-led growth model, with the aim of achieving high-quality economic development. Furthermore, in response to the COVID-19 pandemic, the government has successfully introduced supporting plans and policies specifically targeted at small and medium enterprises in business parks by providing various concessions, thereby driving demand and maintaining occupancies of business parks. Going forward, the upcoming 14th Five-Year Plan is expected to prioritise domestic consumption as a core strategy to transform China into a self-sufficient economy.

Growth of Key Tenant Industries

The government has committed to investing in strategic industries such as information technology, industrial robotics and biomedical sectors, which tend to be key tenants of China's business parks. This is evident from the expanded mandate of the National Development and Reform Commission to invest in these strategic emerging value-added industries. With technology and innovation as the top priority, the 14th Five-Year Plan is expected to lay out the blueprint for increased R&D expenditure and development of major high-tech hubs, supporting strong growth trajectory for business parks in the future.

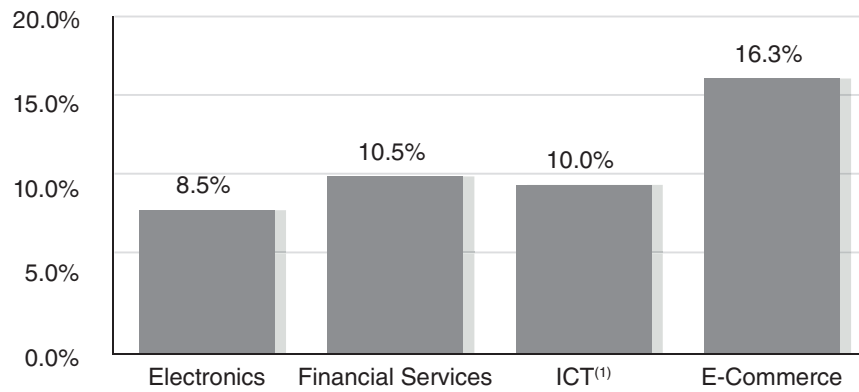
Decentralisation to Tier 2 cities

Regional development strategies have also promoted the large-scale building of transport infrastructure in Tier 2 cities, improving their connectivity to major cities. These strategies and developments encourage the ongoing decentralisation of economic activities to Tier 2 cities. The decentralisation trend is evidenced by many renowned global enterprises such as Cisco, Linde, L'Oréal and Samsung relocating their headquarters and manufacturing bases to Tier 2 cities. To date in 2020, Hangzhou has attracted more than 80 key projects across advanced manufacturing and, information and communications technology ("ICT") sectors, with investments of up to RMB80 billion. Suzhou achieved gross industrial output of RMB1.55 trillion in the first half of 2020 where it exceeded all Tier 1 cities, with Suzhou emerging as the top industrial city nationwide.

3.1.2 Growing Demand Supported by Robust Industry Drivers

Innovation-based industries such as Electronics, Financial Services, ICT, and E-Commerce have grown significantly, achieving industry sales compounded annual growth rates ("CAGR") of 8.5%, 10.5%, 10.0% and 16.3% respectively over the period 2014 to 2019.

2014-2019 Industry Sales CAGR
(%)



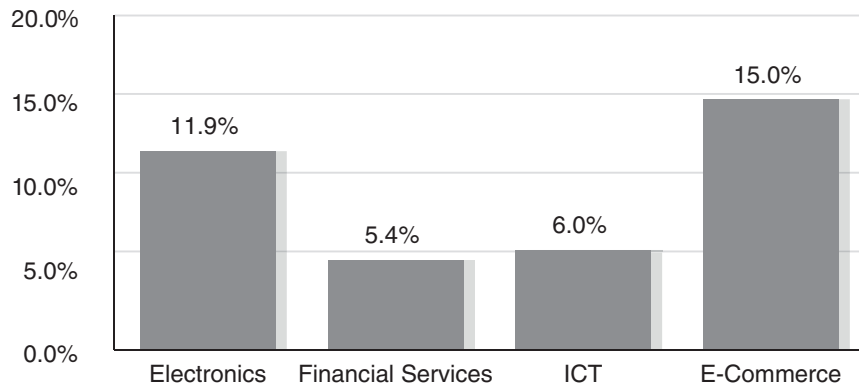
Source: Based on the independent market research report (“**Independent Market Research Report**”) provided by the Independent Market Research Consultant in relation to the Acquisition.

Note:

(1) Based on 2014-2018 CAGR.

In terms of number of people employed, these industries have also exhibited robust growth rates, with Electronics, Financial Services, ICT, and E-Commerce exhibiting CAGRs of 11.9%, 5.4%, 6.0% and 15.0% respectively over the period of 2014 to 2018.

2014-2018 Industry Employment CAGR
(%)



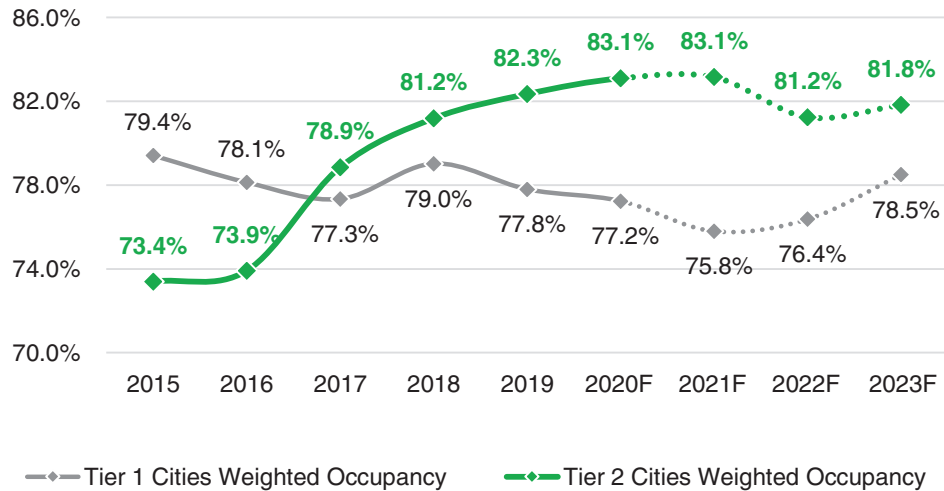
Source: Independent Market Research Report.

A secular shift in office user requirements, with companies looking to consolidate multiple functions such as manufacturing, research and development, and administration, into a single location, supports the increased demand for tenancy in business park assets by the companies operating in the abovementioned high-growth innovation-industries.

3.1.3 Business Parks in Tier 2 Cities Experiencing Higher Occupancy Rates and Stronger Rental Growth

Since 2017, business park occupancy rates in Tier 2 cities have outperformed business parks in Tier 1 cities with this trend expected to continue further to 2023F. This highlights the resilient characteristics of business park assets in Tier 2 cities and its growing demand in comparison to similar assets in Tier 1 cities.

Business Park Occupancy⁽¹⁾ (%)



Source: Independent Market Research Report.

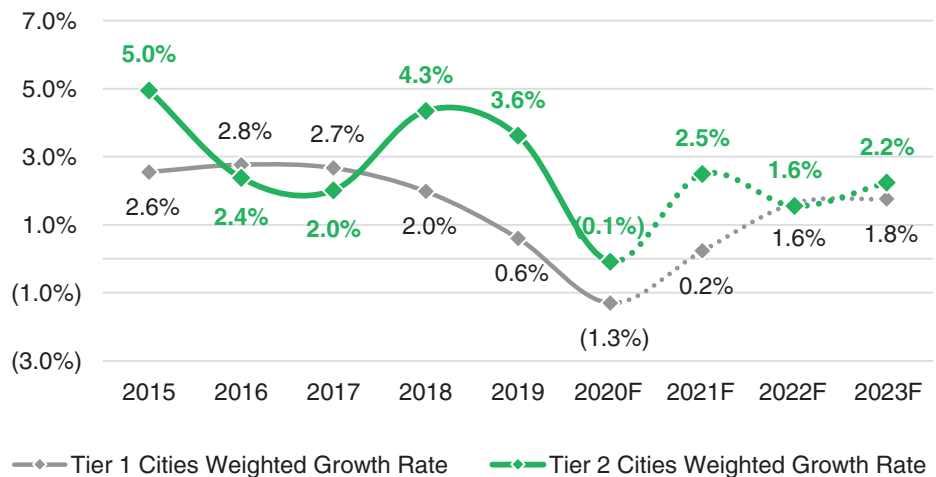
Note:

Tier 1 cities comprises Beijing, Shanghai and Guangzhou. Tier 2 cities comprises Suzhou, Hangzhou and Xi'an.

(1) Occupancy is weighted by total stock of business parks in the respective cities for each year.

Rental growth rates for business parks in Tier 2 cities have outperformed similar assets in Tier 1 cities since 2018, most recently with a growth rate of 3.6% in 2019, compared to the 0.6% achieved by business parks in Tier 1 cities. Moving forward, this trend is expected to persist with rental growth rates of business parks in Tier 2 cities forecasted to be stronger than that of Tier 1 cities.

Business Park Rental Growth⁽¹⁾ (%)



Source: Independent Market Research Report.

Note:

Tier 1 cities comprises Beijing, Shanghai and Guangzhou. Tier 2 cities comprises Suzhou, Hangzhou and Xi'an.

(1) Rental growth is weighted by total stock of business parks in the respective cities for each year.

3.2 Establishing Foothold in High-Growth Economic Zones

3.2.1 Tier 2 Provincial Cities Set for Rapid Growth

The Properties are located in three Tier 2 provincial cities, namely Suzhou, Hangzhou and Xi'an. On the back of the upgrading of regional industrial structures, ongoing decentralisation from Tier 1 cities and continued urbanisation trends, these Tier 2 cities are expected to experience the most rapid growth amongst China's regional Business Park markets.

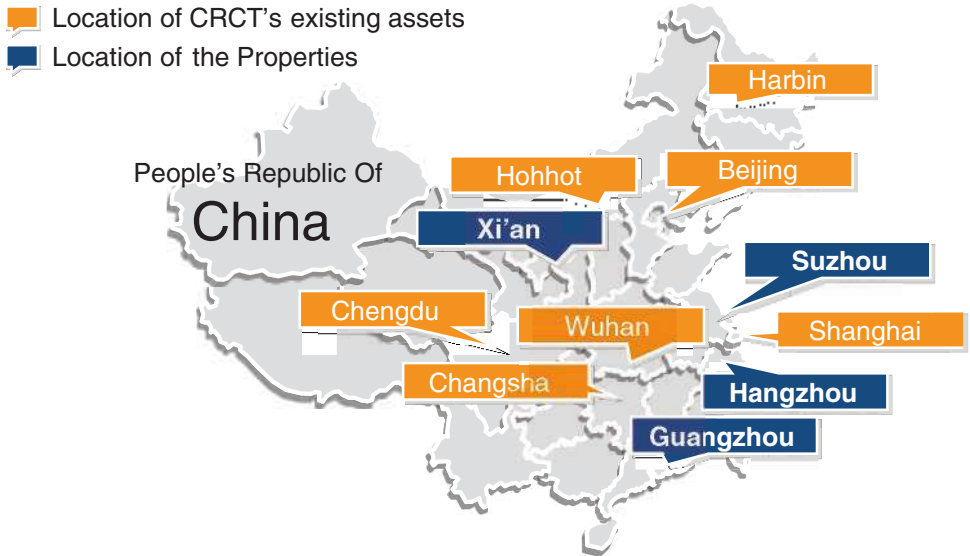
Suzhou, Xi'an and Hangzhou experienced an average annual GDP growth of 7.0%, 7.4% and 8.0% respectively from 2015 to 2019, outperforming the national average of 6.6% over the same period. In terms of 2019 GDP, these cities are top quartile cities in China, ranking 6th, 24th and 9th respectively.



Source: Independent Market Research Report.

The Acquisition also allows CRCT to gain exposure to three cities that CRCT currently does not have a presence in.

CRCT's Geographic Footprint



Situated in various industrial and high-tech zones, the Properties are strategically located within close proximity to their respective city centres and have access to key transportation networks.

Ascendas Xinsu Portfolio is located in Suzhou, a major city in Jiangsu Province of East China. Singapore-Hangzhou Science & Technology Park Phase I and Phase II are located in Hangzhou, the capital of Zhejiang Province. Ascendas Innovation Hub and Ascendas Innovation Towers are located in Xi'an, the provincial city of Shaanxi Province in Northwest China.

3.2.2 Tier 2 Tech-Driven Provincial Cities Are Supported by Strong Economic Fundamentals

Suzhou

Suzhou is one of China's foremost cities for foreign investment due to its proximity to Shanghai but with comparably lower operating cost. Key industries in Suzhou include information and communication technology, biomedical sciences, energy and advanced manufacturing. Substantial improvements in infrastructure will continue to benefit Suzhou including a high-speed rail between Suzhou and Shanghai, along with a light rail line linking Shanghai subway system and a Suzhou metro line.

In Suzhou, business parks such as Suzhou Industrial Park (“SIP”) ranked first for four consecutive years (2016 – 2019) in a comprehensive assessment of national-level economic development zones, and Suzhou remains one of the most popular investment destinations for MNCs in the Yangtze River Delta area.

Xi'an

Xi'an is the capital and largest city of Shaanxi Province. It has developed numerous transportation nodes connecting it to other regions of North and South China. With a total area spanning over 10,000 square kilometres and resident population of 10.2 million, Xi'an is a core city of China's “Belt and Road Initiative” with its strategic location in Central China and the Guanzhong-Tianshui Economic Zone. Key sectors in Xi'an include electronics, semiconductors, manufacturing, biomedicine, and new energy cars.

Within Xi'an's business parks, Xi'an High Tech Industries Development Zone is the largest business park market in terms of economic scale in Northwestern China.

With the highest density of colleges and universities and the largest number of students in China, Xi'an is highly regarded as the main hub for scientific research, national defence technology industry and the aviation industry. Xi'an also has a strong industrial foundation with IT at its core. Up to now, the output value of IT/IC industries and biotechnology has exceeded RMB550 billion in Xi'an, with “high-tech” unicorns accounting for 52.7% of the market's value.

Hangzhou

Hangzhou is an industrial city with major industries such as E-Commerce, Information Technology, Healthcare and Financial Services. Hangzhou has a well-developed transportation network and connects a number of expressways, intercity railways and national highways between the northeast and southeast of China.

In Hangzhou, Hangzhou Economic and Technological Development Area ranked amongst the top ten national development zones for the last three consecutive years (2017 – 2019). Hangzhou is also a key hub for new economy businesses and internet giants such as Alibaba and NetEase.

3.3 High Quality Business Parks Supporting the New Economy

3.3.1 Well-located Assets with Close Proximity to Key Transport Nodes

The business parks and industrial properties in Suzhou, Xi'an and Hangzhou (“**Business Park Properties**”) are situated in well-established zones with attractive micro-location characteristics, exhibiting excellent connectivity with close proximity to transportation hubs, and are easily accessible via various modes of transportation.

Property	City	Connectivity
Ascendas Xinsu Portfolio	Suzhou	<ul style="list-style-type: none"> • Metro: 1km distance to Station Metro Line 3 and Line 6 which is under construction • Airport: approximately one-hour driving distance to Shanghai Hongqiao International Airport • City Centre: 1km distance to Suzhou city centre • Railway Station: 15-minute driving distance to SIP Hi-speed Railway Station
Ascendas Innovation Towers	Xi'an	<ul style="list-style-type: none"> • Metro: walking distance to Yuhuazhai Station Metro Line 3 • Airport: 40-minute driving distance to Xi'an Xianyang International Airport • City Centre: 40-minute driving distance to city centre • Railway Station: 50-minute driving distance to Xi'an Railway Station
Ascendas Innovation Hub	Xi'an	<ul style="list-style-type: none"> • Metro: 1.2km distance to Zhangba North Road Station Metro Line 3 • Airport: 45-minute driving distance to Xi'an Xianyang International Airport • City Centre: 30-minute driving distance to city centre • Railway Station: 45-minute driving distance to Xi'an North Station, 40-minute driving distance to Xi'an Railway Station
Singapore-Hangzhou Science & Technology Park Phase I and Phase II	Hangzhou	<ul style="list-style-type: none"> • Metro: 1km distance to Yunshui Station Metro Line 1 • Airport: 25km distance to Hangzhou Xiaoshan International Airport (25-minute drive) • City Centre: 40-minute driving distance to city centre • Railway Station: 15km distance to Hangzhou East Railway Station

3.3.2 Campus-style Workplace Designed for High-growth, Innovation-based Industries

The Business Park Properties are high quality assets with features and facilities favoured by high-growth, innovation-based industries. With a comprehensive suite of sports, recreational facilities and lifestyle amenities favoured by a modern workforce, the Work-Live-Play concept is deeply rooted in the Business Park Properties. The Business Park Properties offer various size and space choices with desired building specifications at attractive rents, supporting tenants and park growth. In addition, industry clusters are built up across the value chain, reducing proximity of upstream and downstream tenants, thereby encouraging a collaborative environment. These qualities, coupled with a vast green communal landscape, provide a campus-style workplace that is attractive for typical tenants in high-growth and innovation-based industries.

3.3.3 Strong Occupancy Anchored by High Quality Tenant in emerging High-growth Sectors

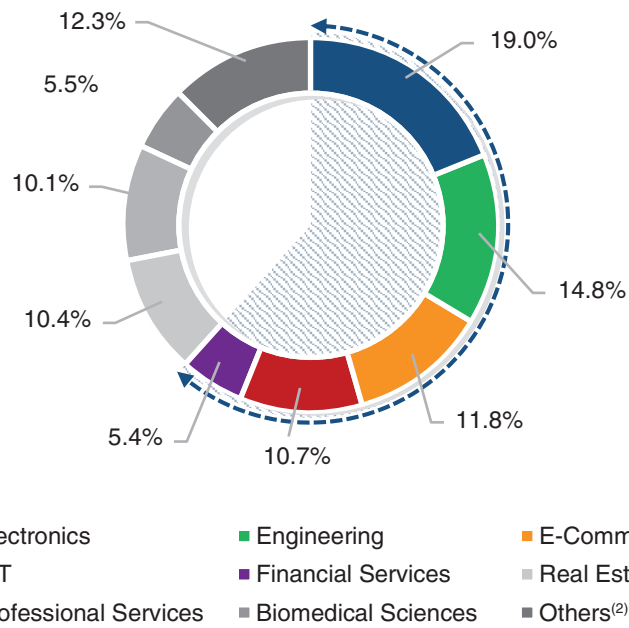
The Business Park Properties enjoy an established tenant base largely from emerging growth sectors. As at 31 August 2020, tenants operating in emerging high-growth sectors such as Electronics, Engineering, E-Commerce, ICT and Financial Services contribute to 61.6%¹ of the Business Park Properties' gross rental income ("GRI"). The Properties feature numerous high quality and reputable domestic companies and multinational corporations such as Ping An Life Insurance Company of China, Nexteer Automotive Systems, UnilC, and many other leading key tenants that operate in the Financial and Professional Services, ICT, Electronics and Engineering sectors.

As a key beneficiary of emerging growth sectors, the Properties are poised to experience robust rental growth rates and strong occupancy rates. As at 30 September 2020, the committed occupancy rate of the Business Park Properties was 91.5%², which is above the market average.

1 Based on GRI for the month ended 31 August 2020 and on a 100% basis for Business Parks/Industrial assets of the Properties (subject to rounding difference).

2 Including Rock Square, the Properties' committed occupancy is 91.6% as at 30 September 2020.

Tenant Base by Sector (By % of GRI⁽¹⁾)



Notes:

- (1) Based on GRI for the month ended 31 August 2020 and on a 100% basis for Business Parks/Industrial assets of the Properties.
- (2) Others include food and beverages, logistics and supply chain management, distribution and trading, education, data centres, energy and utilities, textiles and garments, leisure and entertainment, chemical, fast-moving consumer goods (“FMCG”), media, natural resources, government and hospitality sectors.

Other Key Tenants in High-growth Sectors

Financial / Professional Services


中国平安
PING AN
保险 · 银行 · 投资


上海银行
Bank of Shanghai


THE UNIVERSITY OF AUCKLAND
University of Auckland
NEW ZEALAND


中国人寿
CHINA LIFE


中信银行(国际)
CHINA CITIC BANK INTERNATIONAL


宜信
CreditEase


NIO

Information and Communications Technology


Qualcomm


DHC 东华软件


360
TOTAL SECURITY


CEC 中国电科


安畅网络
Anchnet

Electronics / Engineering


MONTAGE
Technology


TDK


BeeTech


UniIC


兆芯


Sinexcel


nexteer

3.4 100% Ownership in Rock Square – Proven Track Record with Resilient Performance

Opened in 2013, Rock Square is one of the largest shopping malls in Jiangnanxi, which is an established retail cluster located in Guangzhou’s Haizhu District. Haizhu District is Guangzhou’s 2nd most populous urban district that places highly in terms of disposable income per capita. Swiftly evolving into a popular residential area for Guangzhou’s new affluent class, Haizhu District is home to the Creative Industry Zone (where leading technology firms such as Tencent is based), the city’s landmark Canton Tower and tertiary institution Sun Yat-sen University. Positioned as a modern and trendy retail destination offering a wide range of fashion, F&B and entertainment options, Rock Square houses well-known international and domestic brands such as AEON, UNIQLO, ZARA, Victoria’s Secret, Xiaomi, Green Tea restaurant and HEYTEA. Rock Square has exhibited double-digit positive rental reversions since acquisition – 26.8% in 2018, 23.0% in 2019 and 12.8% year-to-date September 2020. It also features a track record of impeccable performance since CRCT’s acquisition, and continues to demonstrate resilience post COVID-19 lockdown.

100% ownership in Rock Square will enable CRCT to fully capture the upside from asset enhancement initiatives (“**AEIs**”) and reconfiguration effectively. Ongoing AEIs will add more than 1,000 sq m of NLA to Rock Square over the next two to three years, while reconfiguration will make way for higher yielding F&B tenants – translating to an expected 15% return on investment. These AEIs will likely improve shopper circulation and would enhance the overall building façade, augmenting customer’s retail shopping experience.

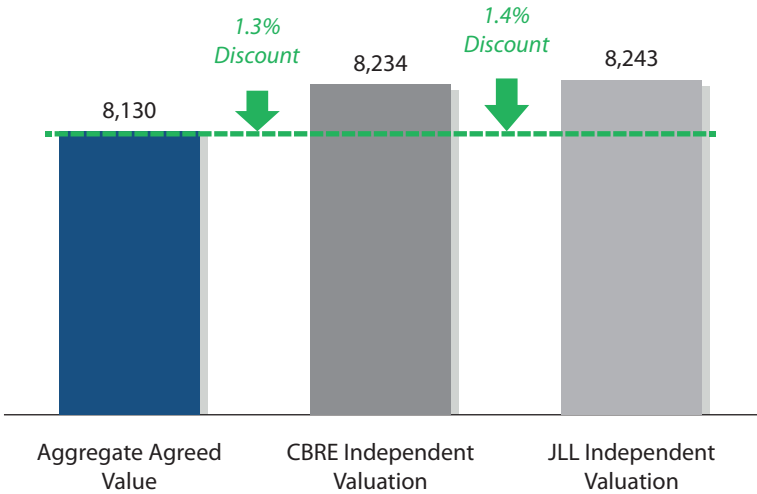
3.5 Attractive Entry Valuation that Delivers Accretion

3.5.1 Agreed Value Relative to Independent Valuation

The Manager believes that the Acquisition provides an attractive value proposition for Unitholders with the Acquisition expected to be accretive with the Agreed Value at a discount to independent valuation.

The Agreed Value of RMB8,130 million represents a discount of 1.3% to CBRE’s independent valuation of RMB8,234 million and a discount of 1.4% to JLL’s independent valuation of RMB8,243 million.

Aggregate Agreed Value Relative to Independent Valuation⁽¹⁾
(RMB million)



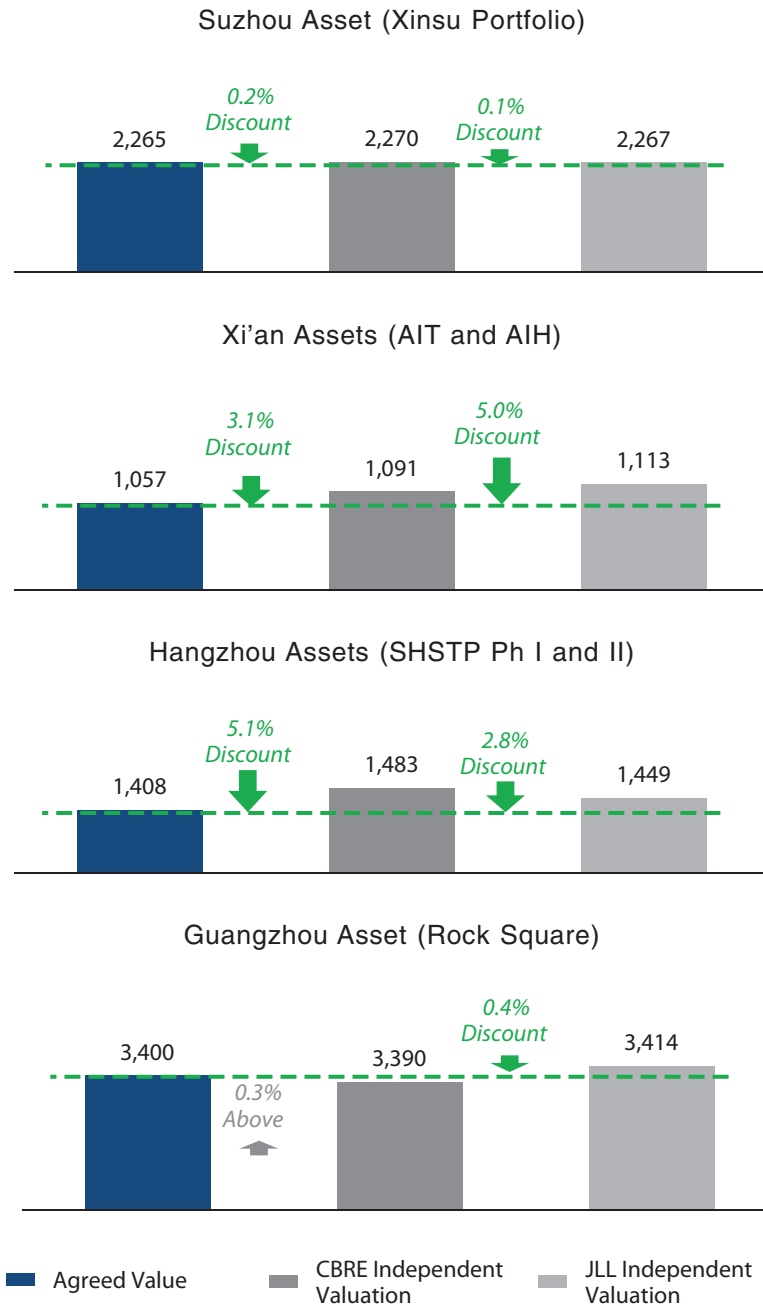
Source: Independent Valuers.

Note:

(1) Aggregate Agreed Value and appraised valuation based on 100% basis.

Majority of the assets, including the Suzhou asset, Hangzhou assets, and Xi'an assets are being acquired at an Agreed Value that is a discount to CBRE's independent valuation, while all the assets' Agreed Value are at a discount to JLL's Independent Valuation.

Asset Level Agreed Value Relative to Independent Valuation⁽¹⁾
(RMB million)



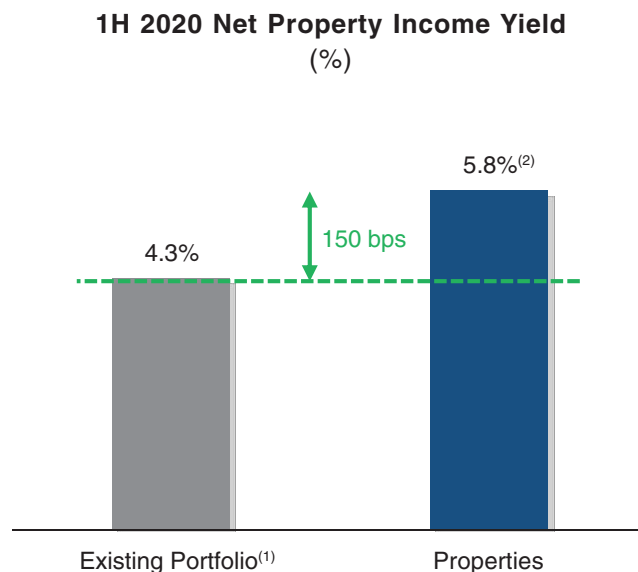
Source: Independent Valuers.

Note:

(1) Agreed Value and appraised valuation based on 100% basis.

3.5.2 Positive Impact on Portfolio with 4.8%¹ Pro Forma DPU Accretion

The Properties' NPI yield of 5.8%² is 150bps higher than the existing portfolio's NPI yield of 4.3%, which would boost CRCT's NPI yield post acquisition.



Notes:

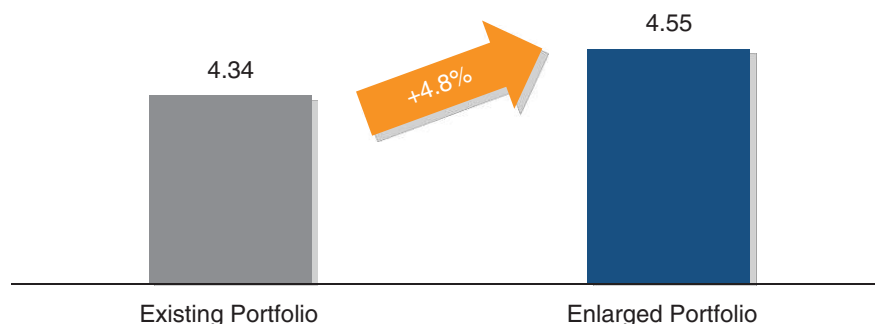
- (1) NPI yield is computed based on the annualised 1H 2020 NPI and the property valuation as at 1 November 2020 (except for 51% stake in Rock Square where the Agreed Value is used for the property valuation instead). Excludes CapitaMall Erqi as the mall was divested in 28 May 2020. FRS116 adjustments are excluded in the NPI for CapitaMall Qibao and CapitaMall Minzhongleyuan.
- (2) NPI yield is computed based on the annualised 1H 2020 NPI and the Agreed Value of the Properties on effective stake basis. Excluding the one-off rental rebate given to Rock Square's tenants in relation to COVID-19, the NPI yield would have been 6.0%.

For illustrative purposes, based on the proposed method of financing shown below, the Acquisition is expected to be DPU accretive on a *pro forma* basis. The charts below illustrate the *pro forma* impact on CRCT's DPU, assuming that the Equity Fund Raising comprises the Private Placement and the Preferential Offering, for the financial half year ended 30 June 2020.

1 Refer to the footnotes in the below DPU illustration.

2 The NPI yield for Business Park Properties based on the annualised 1H 2020 NPI and the Agreed Value on an effective stake basis is 6.8%.

Normalised 1H 2020 DPU⁽¹⁾⁽²⁾
(S\$ cents)



Notes:

- (1) Computed based on the illustrative average unit price of S\$1.189.
- (2) On a normalised basis excluding one-off rental rebate of S\$17.9 million (net of fees and tax savings) provided to tenants, pre-termination compensation of S\$3.5 million received by CapitaMall Erqi and retained distributable income of S\$1.8 million. If using the actual CRCT 1H 2020 reported numbers: (i) DPU before acquisition was 3.02 Singapore cents; (ii) DPU after acquisition would be 3.43 Singapore cents; and (iii) DPU accretion would be 13.6%.

Please refer to Section 4.1 Pro Forma Financial Effects of the Acquisition for more details (including the assumptions on which the pro forma financials have been prepared). The *Pro Forma* DPU for the Enlarged Portfolio assumes that the Private Placement and Preferential Offering Scenario (as defined herein) raises gross proceeds of approximately S\$326.1 million.

3.6 Significantly Enhance Portfolio's Scale, Diversification and Resilience

3.6.1 Significant Increase in Size

Following the Acquisition, CRCT's Enlarged Portfolio will consist of 18 properties, an increase from 13 retail malls in the Existing Portfolio. The Acquisition is expected to increase CRCT's assets under management¹ by approximately 28.5% from S\$3,529 million to S\$4,535 million, while its gross floor area would increase by 76.0%. The Acquisition augments CRCT's portfolio and enlarges the asset base, providing CRCT with greater scale and a larger platform to grow. This increase will help solidify CRCT's leading position in the S-REIT market as the largest China-focused REIT.

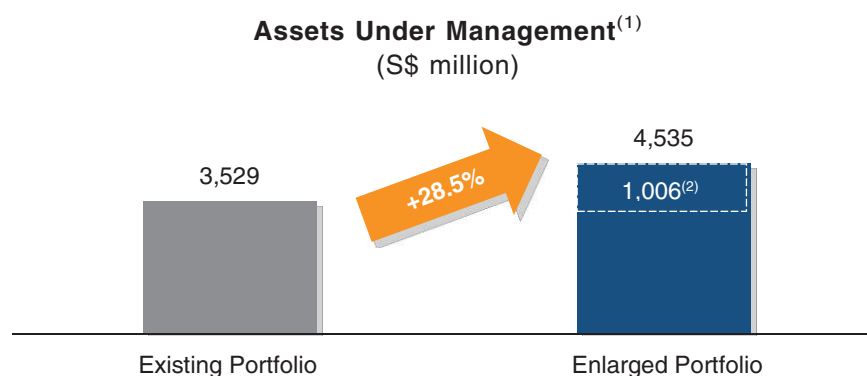
CRCT would also benefit from a substantial increase of 54.1% in net property income from S\$88 million² to S\$135 million³, on a *pro forma* 1H 2020 basis after the acquisition.

¹ AUM for Existing Portfolio is based on the valuation as at 1 November 2020, and Agreed Value of Rock Square. AUM for the Properties are based on the Agreed Value. All AUM are stated on effective stake basis.

² Based on the normalised 1H 2020 NPI (excluding one-off rental rebate net of fees and property tax savings) on a 100% consolidated basis.

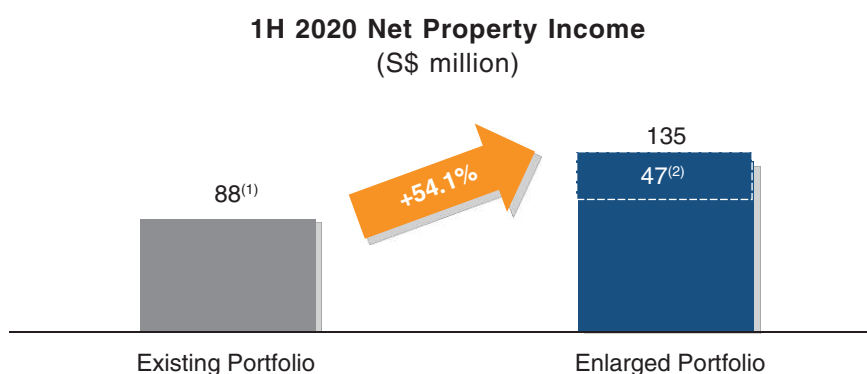
³ Exclude one-off rental rebate (net of fees and property tax savings) provided to tenants for Rock Square. The NPI for the Enlarged Portfolio are consolidated at 100% basis.

CRCT's existing portfolio has a weighted average land tenure of 24.5 years. After the Acquisition, the Enlarged Portfolio's land tenure would be extended to 28.6 years.



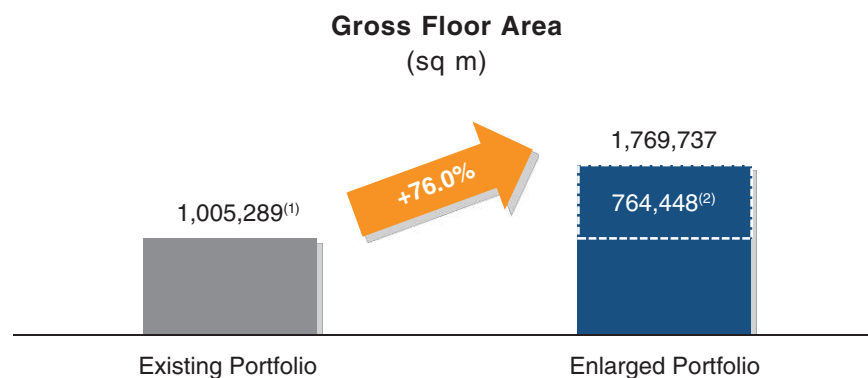
Notes:

- (1) AUM for Existing Portfolio is based on the valuation as at 1 November 2020 and Agreed Value of Rock Square. AUM for the Properties are based on the Agreed Value. All AUM are stated on effective stake basis.
- (2) Contribution from Business Parks, Industrial assets and the balance 49% interest in Rock Square.



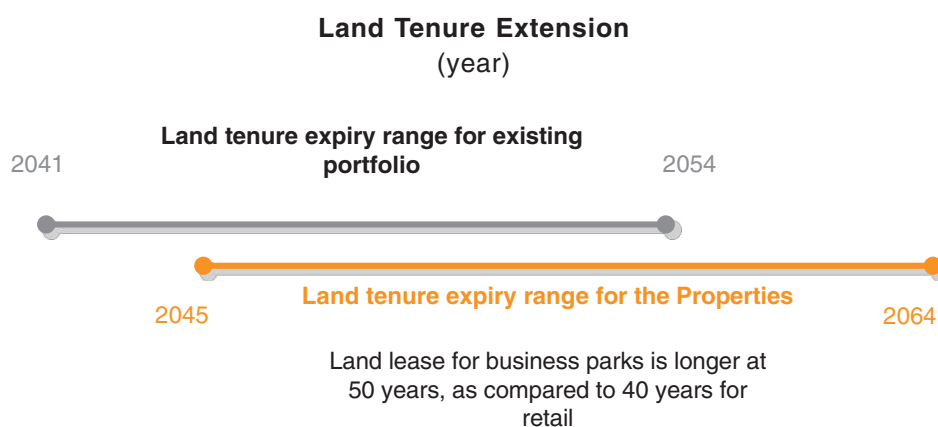
Notes:

- (1) Based on the normalised 1H 2020 NPI (excluding one-off rental rebate net of fees and property tax savings) on a 100% consolidated basis.
- (2) Contribution from Business Parks, Industrial assets and Rock Square (excluding one-off rental rebate net of fees and property tax savings) on a 100% consolidated basis.



Notes:

- (1) Includes 100% of Rock Square's GFA.
- (2) Contribution from Business Parks and Industrial assets.

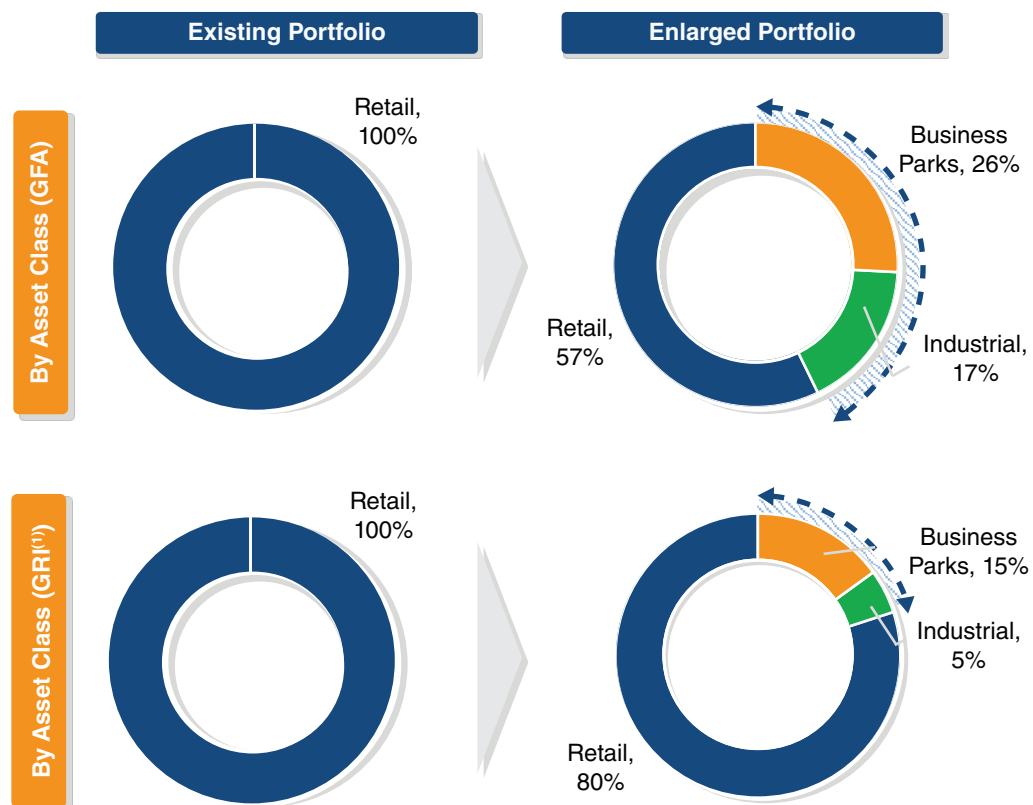


3.6.2 Enhanced Diversification and Exposure Offers Greater Stability Through Market Cycles and Flexibility in Portfolio Reconstitution

CRCT will benefit from a diversified Enlarged Portfolio, with a reduced exposure to retail and more than 40% of its GFA contributed by business parks and industrial assets.

The Acquisition also presents CRCT with a more balanced exposure across retail, business parks and industrial assets, offering stability through cycles. In terms of GRI, 20% of the Enlarged Portfolio's GRI will be contributed by resilient business parks and industrial assets. With multi-asset classes in the Enlarged Portfolio, CRCT is equipped with flexibility in portfolio reconstitution across market cycles.

GFA and GRI Breakdown of Existing Portfolio and Enlarged Portfolio by Asset Class
(%)



Note:

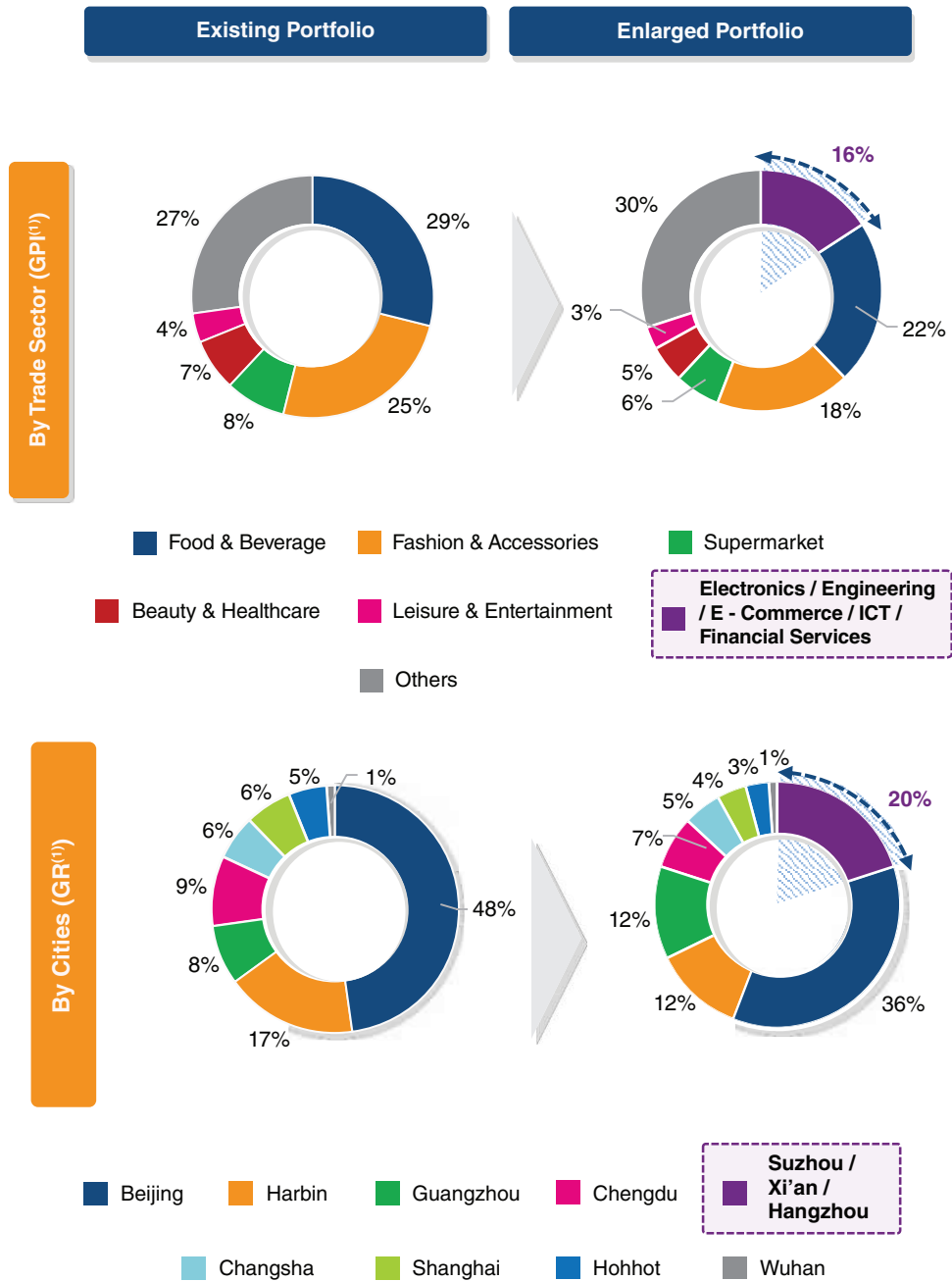
(1) Based on GRI for the month ended 31 August 2020 and on an effective stake basis.

3.6.3 CRCT's Enlarged Portfolio Benefits from Geographical and Trade Sector Diversification and Access to Tech-Driven Business Park Cities

The Enlarged Portfolio will be diversified to a larger extent in terms of trade sectors, with the GRI contribution from F&B and Fashion & Accessories reduced to 40% from 54%. The Acquisition also enables CRCT to gain exposure from emerging high-growth sectors (Electronics, Engineering, E-Commerce, ICT and Financial Services), with 16% of the Enlarged Portfolio's GRI derived from these sectors.

In addition, CRCT's exposure to Beijing will reduce from 48% to 36% in terms of GRI, while gaining exposure to Suzhou, Hangzhou and Xi'an, with these tech-driven cities accounting for 20% of GRI in the Enlarged Portfolio.

GRI Breakdown of Existing Portfolio and Enlarged Portfolio by Trade Sector and by Cities (%)



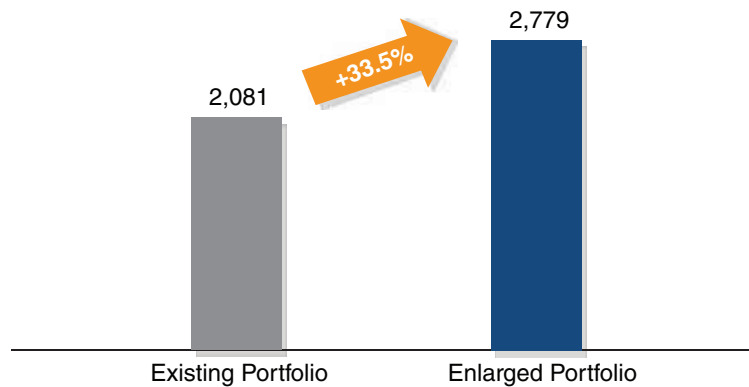
Note:

(1) Based on GRI for the month ended 31 August 2020 and on an effective stake basis.

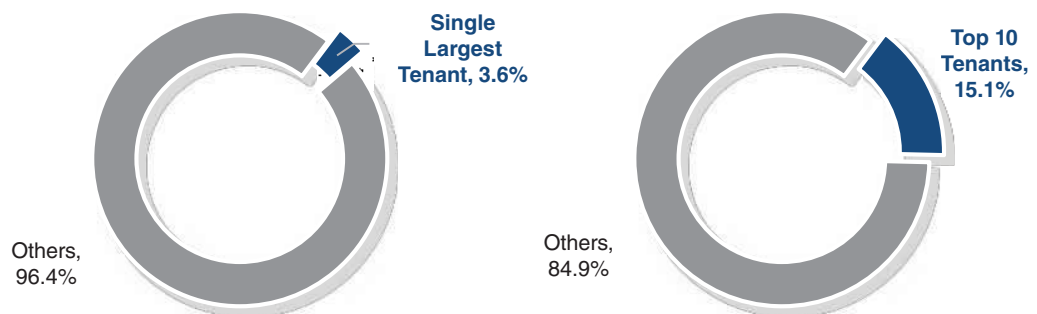
3.6.4 Enlarge and Diversify CRCT's Tenant Base and Reduces Exposure to Top 10 Tenants and Single Tenant Concentration Risk

Following the Acquisition, the number of leases in CRCT's portfolio is expected to increase by 33.5%, reducing tenant concentration risk. The single largest tenant in the Enlarged Portfolio will account for 3.6% of GRI, compared to 4.8% previously. Additionally, the top 10 tenants will account for 15.1% of GRI in the Enlarged Portfolio, down from 18.4% previously. The addition of new leases coupled with the addition of new tenants would translate into reduced exposure to any single tenant, enhancing the tenant base of the Enlarged Portfolio.

Number of Leases



Tenant Concentration by GRI⁽¹⁾
(%)



Note:

(1) Based on GRI for the month ended 31 August 2020 and on an effective stake basis.

3.7 Leveraging on Sponsor’s Strong Support, Network and Operational Expertise

3.7.1 Strong Sponsor Supporting CRCT’s Growth and Diversification

The Sponsor, CapitaLand, is one of Asia’s largest diversified real estate groups, equipped with in-depth local market knowledge in China and a full spectrum of real estate capabilities and resources. As at 30 June 2020, CapitaLand has a sizable China investment portfolio of 25 retail assets, 27 commercial assets, 22 integrated development assets and 10 logistics, industrial and business park assets (including the Properties).

CapitaLand – One of Asia’s Largest Diversified Real Estate Groups



Note:

(1) As at 30 June 2020. Includes Existing Portfolio and the Properties.

With the support of the Sponsor, CRCT is able to leverage on the strength and depth of CapitaLand's expertise to enter into new asset classes. Post-Acquisition, CRCT will be the dedicated Singapore listed REIT for CapitaLand Group's non-lodging China Business with an acquisition pipeline access to CapitaLand's China assets.

3.7.2 Professional and Efficient Property Management is Highly Attractive to Corporate Tenants

CRCT stands to benefit from the Sponsor's best-in-class resources, technology, network, operational and property management expertise.

The Sponsor's operations centre enables data visualisation and real-time monitoring of business parks through cutting-edge technology. CapitaLand also has a national level "one-stop" toll free number that enhances customer and tenant experiences through the unification of services such as leasing inquiries, repair requests, tenant accounting inquiries, user support, and community eco system events inquiries, amongst others.

Furthermore, the Sponsor's intelligent property management system supports remote metering, online feedback and service application, visitor/vehicle management system via facial recognition and QR code scanning, as well as toilet feedback and auto-scrubbers.

Tenancy stickiness is further enhanced via community-building events and programmes focused on technology, lifestyle and trendy fashion themes. The Sponsor's Bridge+ co-working portfolio supports the development of a collaborative community through signature events. These include but are not limited to, TEDx sessions, where occupiers and tenants share ideas through an 8-minute talk on high technology, new energy, virtual reality, and Drone Club, where a series of classes are organised through luncheon sessions. In addition, other signature events include flea markets, colour running, movie week and music festivals, amongst others.

4 DETAILS AND FINANCIAL INFORMATION OF THE ACQUISITION

4.1 Pro Forma Financial Effects of the Acquisition

The pro forma financial effects of the Acquisition on the DPU and NAV per Unit presented below are strictly for illustrative purposes and were prepared based on the audited financial statements of the CRCT Group for the financial year ended 31 December 2019 (the "**CRCT Group 2019 Audited Financial Statements**") as well as the audited financial statements of the Target Companies for the financial year ended 31 December 2019, taking into account the Agreed Value of the Properties and assuming that:

- the Acquisition is funded by perpetual securities, Equity Fund Raising, debt financing and internal cash resources; and
- the Manager's management fees, including the base management fee and the performance management fee, will be paid in the form of Units.

4.1.1 Pro Forma DPU

FOR ILLUSTRATIVE PURPOSES ONLY:

The pro forma financial effects of the Acquisition on CRCT's DPU for the financial year ended 31 December 2019, as if the Acquisition was completed on 1 January 2019 and CRCT held and operated its respective interests in the Properties through to 31 December 2019 are as follows:

	Before the Acquisition	After the Acquisition
Distributable Income ⁽¹⁾ (S\$'000)	99,656	129,382
Issued Units ('000)	1,209,067 ⁽²⁾	1,491,855 ⁽³⁾
DPU ⁽¹⁾⁽⁴⁾⁽⁵⁾ (Singapore cents)	9.33	9.58
DPU accretion (%)	–	2.7%

Notes:

- (1) The calculation of the Distributable Income and DPU exclude the contribution of CapitaMall Erqi (which was divested on 28 May 2020) as if it was divested since 1 January 2019.
- (2) Number of Units issued as at 31 December 2019.
- (3) Includes (a) 274.3 million New Units issued in connection with the Equity Fund Raising at an illustrative average issue price of S\$1.189, (b) approximately 8.5 million new Units issuable as payment for the Acquisition Fee payable to the Manager at illustrative issue price of S\$1.189 per new Unit.
- (4) DPU after acquisition is calculated based on the weighted average Units in FY 2019 with the additional Units assumed in note 3.
- (5) Includes capital distribution of S\$1 million which was distributed in FY2019.

The pro forma financial effects of the Acquisition on CRCT's DPU for the financial period ended 30 June 2020, as if the Acquisition was completed on 1 January 2020 and CRCT held and operated the Properties through to 30 June 2020 are as follows:

	Before the Acquisition	After the Acquisition
Distributable Income ⁽¹⁾ (S\$'000)	53,157	68,752
Issued Units ('000)	1,222,872 ⁽²⁾	1,505,659 ⁽³⁾
DPU (Singapore cents) ⁽³⁾⁽⁴⁾	4.34	4.55
DPU accretion (%)	–	4.8%

Notes:

- (1) Excluded one-off rental rebate of S\$17.9 million (net of fees and tax savings) provided to tenants by CRCT for the period from 1 January 2020 to 30 June 2020, pre-termination compensation of S\$3.5 million received by CapitaMall Erqi and retained distributable income of S\$1.8 million. If using the actual CRCT 1H 2020 reported numbers:
 - (i) DPU before acquisition was 3.02 Singapore cents; and
 - (ii) DPU after completion will be 3.43 Singapore cents.
- (2) Number of Units issued as at 30 June 2020.
- (3) Includes (a) 274.3 million New Units issued in connection with the Equity Fund Raising at an illustrative average issue price of S\$1.189, (b) approximately 8.5 million new Units issuable as payment for the Acquisition Fee payable to the Manager at illustrative issue price of S\$1.189 per new Unit.
- (4) DPU after acquisition is calculated based on the weighted average Units in 30 June 2020 with the additional Units assumed in note 3.

4.1.2 Pro Forma NAV

FOR ILLUSTRATIVE PURPOSES ONLY:

The pro forma financial effects of the Acquisition on CRCT Group's NAV per Unit as at 31 December 2019, as if the Acquisition was completed on 31 December 2019 are as follows:

	Before the Acquisition	After the Acquisition
NAV represented by Unitholders' funds ⁽¹⁾ (S\$'000)	1,830,020	2,166,173
Issued Units ('000)	1,209,067	1,491,855 ⁽²⁾
NAV represented by Unitholders' funds per Unit (S\$)	1.51	1.45 ⁽²⁾⁽³⁾

Notes:

- (1) Exclude CRCT's distributable income for the period 14 August 2019 to 31 December 2019, which was paid on 10 March 2020.
- (2) Includes (a) 274.3 million New Units issued in connection with the Equity Fund Raising at an illustrative average issue price of S\$1.189, (b) approximately 8.5 million new Units issuable as payment for the Acquisition Fee payable to the Manager at illustrative issue price of S\$1.189 per new Unit.

4.1.3 Aggregate Leverage

FOR ILLUSTRATIVE PURPOSES ONLY:

The table below sets out the aggregate leverage of CRCT Group as at 30 September 2020:

	Before the Acquisition	After the Acquisition
Aggregate Leverage	34.7% ⁽¹⁾	37.4% ⁽²⁾⁽³⁾⁽⁴⁾

Notes:

- (1) Aggregate Leverage as at 30 September 2020.
- (2) Includes the incremental deposited properties and gross borrowings as a result of the Acquisition, assuming existing onshore bank loans in relation to Ascendas Xinsu Portfolio, AIH, SHSTP Phase I and Phase II and Rock Square are fully or partially repaid using Target Companies' internal cash and/or CRCT's internal resources.
- (3) Adjusted for the latest valuation for the existing properties as at 1 Nov 2020.
- (4) Enlarged deposited properties and gross borrowings are translated based on the fixed exchange rate of RMB4.9179 = S\$1.000 pursuant to the Conditional Agreements.

4.1.4 Pro Forma Capitalisation

FOR ILLUSTRATIVE PURPOSES ONLY:

The pro forma capitalisation of CRCT Group as at 31 December 2019, as if the Acquisition was completed on 31 December 2019, is as follows:

	Actual (\$ million)	After the Acquisition (\$ million)
Debt		
Secured Debt	123 ⁽¹⁾	283 ⁽²⁾
Unsecured Debt	1,303	1,659
Total Debt	1,426	1,942
Unitholders' Funds ⁽³⁾	1,830	2,166
Perpetual Securities	–	100
Total Capitalisation	<u>3,256</u>	<u>4,208</u>

Notes:

- (1) Includes 51% of Rock Square's onshore loan.
- (2) Relates to CRCT's effective stake of the onshore bank loan from the respective Target Companies, assuming the onshore bank loans in relation to Ascendas Xinsu Portfolio, AIH, SHSTP Phase I and Phase II and Rock Square are fully or partially repaid using Target Companies' internal cash and/or CRCT's internal resources.
- (3) Exclude CRCT's distributable income for the period 14 August 2019 to 31 December 2019, which was paid on 10 March 2020.

4.2 Requirement for Unitholders' Approval

4.2.1 Major Transaction

Chapter 10 of the Listing Manual governs the acquisition or divestment of assets, including options to acquire or dispose of assets, by CRCT. Such transactions are classified into the following categories:

- (a) non-discloseable transactions;
- (b) discloseable transactions;
- (c) major transactions; and
- (d) very substantial acquisitions or reverse takeovers.

A transaction by CRCT may fall into any of the categories set out above depending on the size of the relative figures computed on the following bases of comparison:

- (i) the NAV of the assets to be disposed of, compared with the CRCT Group's NAV;
- (ii) the net profits attributable to the assets acquired, compared with the CRCT Group's net profits;
- (iii) the aggregate value of the consideration given, compared with the CRCT Group's market capitalisation; and
- (iv) the number of Units issued by CRCT as consideration for an acquisition, compared with the number of Units previously in issue.

Where any of the relative figures computed on the bases set out above exceeds 20.0%, the transaction is classified as a major transaction. The Listing Manual requires that a major transaction involving CRCT be made conditional upon approval by Unitholders in a general meeting. However, the approval of Unitholders is not required in the case of an acquisition of profitable assets if only sub-paragraph 4.2.1(ii) exceeds the relevant 20.0% threshold.

4.2.2 Relative Figures Computed on the Bases set out in Rule 1006

The relative figures for the Acquisition using the applicable bases of comparison described in sub-paragraph 4.2.1 above are set out in the table below.

Comparison of	Acquisition	CRCT Group	Relative figure (%)
Profits (S\$ million)	23.7 ⁽¹⁾	78.6 ⁽²⁾	30.2%
Consideration against market capitalisation (S\$ million)	799.9 ⁽³⁾⁽⁴⁾	1,522.1 ⁽⁵⁾	52.5%

Notes:

- (1) The figure is based on the unaudited management accounts of the Target Companies for the 6-month period ended 30 June 2020.
- (2) The figure is based on the unaudited results of the CRCT Group for the 6-month period ended 30 June 2020.
- (3) The figure represents the Consideration of the Target Companies based on the unaudited management accounts as at 30 June 2020, which is subject to post-completion adjustments.
- (4) Includes the CRCT Xinsu Entrustment Loan provided to Xinsu to repay its onshore debt.
- (5) The figure is based on the weighted average closing price of S\$1.2354 as at 4 November 2020 being the market day prior to the date of the ACBPF4 Conditional Agreement, SHSTP Conditional Agreement and Rock Square Share Purchase Agreement.

The relative figure in Rule 1006(d) in relation to the number of Units issued by CRCT as consideration for the Acquisition, compared with the number of Units previously in issue, is not applicable to the Acquisition as the Consideration for the Acquisition is payable entirely in cash.

As seen in the table above, the Acquisition constitutes a “major transaction” under Rule 1014(1) of the Listing Manual (read with Rule 1006(c) of the Listing Manual) as the Consideration is approximately 52.5% of CRCT’s market capitalisation as at 4 November 2020, being the market day preceding the date of the ACBPF4 Conditional Agreement, the SHSTP Conditional Agreement and the Rock Square Share Purchase Agreement.

4.2.3 Interested Person Transaction and Interested Party Transaction

Under Chapter 9 of the Listing Manual, where CRCT proposes to enter into a transaction with an interested person and the value of the transaction (either in itself or when aggregated with the value of other transactions, each of a value equal to or greater than S\$100,000, with the same interested person during the same financial year) is equal to or exceeds 5.0% of the CRCT Group’s latest audited net tangible assets (“NTA”), Unitholders’ approval is required in respect of the transaction. Based on the CRCT Group 2019 Audited Financial Statements, the NTA of the CRCT Group was S\$1,873.7 million as at 31 December 2019. Accordingly, if the value of a transaction which is proposed to be entered into in the current financial year by CRCT with an interested person is, either in itself or in aggregation with all other earlier transactions (each of a value equal to or greater than S\$100,000) entered into with the same interested person during the current financial year, equal to or in excess of S\$93.7 million, such a transaction would be subject to Unitholders’ approval.

Paragraph 5 of the Property Funds Appendix also imposes a requirement for Unitholders' approval for an interested party transaction by CRCT whose value exceeds 5.0% of CRCT Group's latest audited NAV. Based on the CRCT Group 2019 Audited Financial Statements, the NAV of the CRCT Group was S\$1,873.7 million as at 31 December 2019. Accordingly, if the value of a transaction which is proposed to be entered into by CRCT with an interested party is equal to or greater than S\$93.7 million, such a transaction would be subject to Unitholders' approval.

Based on the CRCT Group 2019 Audited Financial Statements, the aggregate value of the Acquisition and the Xinsu Entrustment Loan and the estimated value of the Property Management Agreements is S\$838.1 million or 44.7% of the NTA/NAV of the CRCT Group as at 31 December 2019. Accordingly, the value of the Acquisition exceeds the said thresholds.

As at the Latest Practicable Date, CapitaLand, through (i) its indirect wholly owned subsidiaries namely, Retail Crown and CRCTML and (ii) CICT, has a deemed interest in 446,460,905 Units, which comprises approximately 36.23% of the total number of Units in issue, and is therefore regarded as a "controlling unitholder" of CRCT under both the Listing Manual and the Property Funds Appendix. In addition, as the Manager is a wholly owned subsidiary of CapitaLand, CapitaLand is therefore regarded as a "controlling shareholder" of the Manager under both the Listing Manual and the Property Funds Appendix.

Proposed Acquisition

Each of the SHSTP Vendors and the Rock Square Vendor is a wholly owned subsidiary of CapitaLand. The AIH Vendor and the AIT Vendor are wholly owned subsidiaries of ACBPF4, while the Xinsu Vendor is the trustee of ACBPF4. CapitaLand holds 22.99% in ACBPF4, and ACBPF4 is a fund managed by Ascendas Asia Real Estate Fund Management Pte Ltd, a wholly owned subsidiary of CapitaLand. ACBPF4 owns (directly or indirectly) the Ascendas Xinsu Portfolio, Ascendas Innovation Towers and Ascendas Innovation Hub.

For the purposes of Chapter 9 of the Listing Manual and Paragraph 5 of the Property Funds Appendix, (i) the SHSTP Vendors and the Rock Square Vendor (being associates of a "controlling unitholder" of CRCT and a "controlling shareholder" of the Manager) are (for the purpose of the Listing Manual) "interested persons" and (for the purpose of the Property Funds Appendix) "interested parties" of CRCT, and (ii) the Manager also regards the acquisition of Ascendas Xinsu Portfolio, Ascendas Innovation Towers and Ascendas Innovation Hub as an interested person transaction and an interested party transaction, as it is a transaction with a fund (ACBPF4) managed by an associate of a "controlling unitholder" of CRCT and a "controlling shareholder" of the Manager.

Therefore, the Acquisition will constitute an "interested person transaction" under Chapter 9 of the Listing Manual as well as an "interested party transaction" under the Property Funds Appendix, in respect of which the approval of Unitholders is required¹.

¹ The Properties are effectively sold on a portfolio basis and the transaction is conditional on Unitholders' approval for the Acquisition as well as successful fund raising for the entire portfolio.

Property Management Agreements

As each of the Property Managers is a wholly owned subsidiary of CapitaLand (being a “controlling Unitholder” and a “controlling shareholder” of the Manager), each of the Property Managers (being a subsidiary of a “controlling Unitholder” and a “controlling shareholder” of the Manager) is (for the purposes of the Listing Manual) an “interested person” of CRCT. Accordingly, the entry into the Property Management Agreements between the respective Target Companies and the Property Managers will constitute an interested person transaction under the Listing Manual.

Xinsu SHA

As the Xinsu CLC Purchaser is an indirect wholly owned subsidiary of CapitaLand (being a “controlling Unitholder” and a “controlling shareholder” of the Manager), the Xinsu CLC Purchaser (being a subsidiary of a “controlling Unitholder” and a “controlling shareholder” of the Manager) is (for the purposes of the Listing Manual) an “interested person” of CRCT. Accordingly, the entry into the Xinsu SHA by CRCT, through the Xinsu CRCT Purchaser, with the Xinsu CLC Purchaser will constitute an interested person transaction under the Listing Manual.

As at the date of this Circular, the interested person transactions entered into between (i) CRCT and (ii) entities within CapitaLand and its subsidiaries and associates, during the course of the current financial year amount to S\$0.2 million. There are no other transactions with any other interested person for the same financial year.

See **Appendix E** of this Circular for a diagram setting out the relationship between the various interested persons and CRCT.

4.3 Advice of the Independent Financial Adviser

The Manager has appointed Ernst & Young Corporate Finance Pte Ltd as the IFA pursuant to Rule 921(4)(a) of the Listing Manual as well as to advise the independent directors of the Manager (the “**Independent Directors**”), the audit committee of the Manager (the “**Audit Committee**”) and the Trustee in relation to the Acquisition. A copy of the letter from the IFA to the Independent Directors, the Audit Committee and the Trustee (the “**IFA Letter**”), containing its advice in full, is set out in **Appendix B** of this Circular and Unitholders are advised to read the IFA Letter carefully. Having considered the factors and the assumptions set out in the IFA Letter, and subject to the qualifications set out therein, the IFA is of the opinion that the Acquisition (including the Property Management Agreements and the Xinsu SHA) is on normal commercial terms and is not prejudicial to the interests of CRCT and its minority Unitholders.

The IFA is of the opinion that the Independent Directors and the Audit Committee can recommend that Unitholders vote in favour of the resolution in connection with the Acquisition to be proposed at the EGM.

4.4 Interests of Directors and Substantial Unitholders

The interests in Units of Directors and Substantial Unitholders¹ as at the Latest Practicable Date are set out below.

Mr Lucas Ignatius Loh Jen Yuh, a Non-Executive Non-Independent Director of the Manager, is also the President, China of CapitaLand group. Mr Lim Cho Pin Andrew Geoffrey, a Non-Executive Non-Independent Director of the Manager, is also the Group Chief Financial Officer of CapitaLand group.

Based on the Register of Directors' Unitholdings maintained by the Manager, the interests of Directors in Units as at the Latest Practicable Date are as follows:

Name of Directors	Direct Interest		Deemed Interest		Total No. of Units Held	%(¹)	Contingent Awards of Units ⁽³⁾ under the Manager's	
	No. of Units	%(¹)	No. of Units	%(¹)			Performance Unit Plan	Restricted Unit Plan
Mr Soh Kim Soon	51,232	0.004	–	–	51,232	0.004	–	–
Mr Tan Tze Wooi	334,645	0.027	4,000	NM ⁽²⁾	338,645	0.027	0 to 587,428 ⁽⁴⁾	90,858 ⁽⁵⁾⁽⁶⁾ 0 to 169,992 ⁽⁴⁾⁽⁶⁾
Mr Fong Heng Boo	97,104	0.008	–	–	97,104	0.008	–	–
Mr Christopher Gee Kok Aun	76,220	0.006	–	–	76,220	0.006	–	–
Professor Tan Kong Yam	52,619	0.004	–	–	52,619	0.004	–	–
Mr Neo Poh Kiat	78,676	0.006	–	–	78,676	0.006	–	–
Ms Kuan Li Li	49,240	0.004	–	–	49,240	0.004	–	–
Mr Lucas Ignatius Loh Jen Yuh	78,004	0.006	–	–	78,004	0.006	–	–
Mr Lim Cho Pin Andrew Geoffrey	20,276	0.002	–	–	20,276	0.002	–	–

Notes:

- (1) The percentage is based on 1,232,104,560 Units in issue as at the Latest Practicable Date and rounded up to the nearest 0.001%.
- (2) Not meaningful.
- (3) This refers to the number of Units which are the subject of contingent awards granted but not released under the Manager's Performance Unit Plan ("PUP") and Restricted Unit Plan ("RUP"). The final number of Units that will be released could range from 0% to a maximum of 200% of the baseline award under the PUP and from 0% to a maximum of 150% of the baseline award under the RUP.
- (4) The final number of Units to be released will depend on the achievement of pre-determined targets at the end of the respective performance periods for the PUP and RUP.
- (5) Being unvested Units under RUP.
- (6) On the final vesting, an additional number of Units of a total value equal to the value of the accumulated distributions which are declared during each of the vesting periods and deemed foregone due to the vesting mechanism of RUP, will also be released.

¹ "Substantial Unitholders" refers to a person with an interest in Units constituting not less than 5.0% of all Units in issue.

The table below sets out the interests in CapitaLand shares which are held by the Directors.

Name of Directors	Direct Interest		Deemed Interest		Total No. of CapitaLand Shares Held	%(1)	Contingent Awards of Shares ⁽³⁾ under the CapitaLand's	
	No. of CapitaLand Shares	%(1)	No. of CapitaLand Shares	%(1)			Performance Share Plan	Restricted Share Plan
Mr Soh Kim Soon	–	–	–	–	–	–	–	–
Mr Tan Tze Wooi	137,948	0.003	–	–	137,948	0.003	–	–
Mr Fong Heng Boo	–	–	–	–	–	–	–	–
Mr Christopher Gee Kok Aun	–	–	–	–	–	–	–	–
Professor Tan Kong Yam	–	–	–	–	–	–	–	–
Mr Neo Poh Kiat	20,000	NM ⁽²⁾	–	–	20,000	NM ⁽²⁾	–	–
Ms Kuan Li Li	–	–	–	–	–	–	–	–
Mr Lucas Ignatius Loh Jen Yuh	1,459,141	0.028	–	–	1,459,141	0.028	0 to 1,073,904 ⁽⁴⁾	348,676 ⁽⁵⁾ to 263,157 ⁽⁴⁾
Mr Lim Cho Pin Andrew Geoffrey	514,720	0.010	–	–	514,720	0.010	0 to 752,422 ⁽⁴⁾	90,174 ⁽⁵⁾⁽⁶⁾ to 172,063 ⁽⁴⁾

Notes:

- (1) The percentage is based on 5,192,881,525 issued shares (excluding treasury shares) as at the Latest Practicable Date and rounded up to the nearest 0.001%.
- (2) Not meaningful.
- (3) This refers to the number of CapitaLand shares which are the subject of contingent awards granted but not released under CapitaLand's Performance Share Plan ("PSP") and Restricted Share Plan ("RSP"). The final number of CapitaLand shares that will be released could range from 0% to a maximum of 200% of the baseline awards under the PSP and from 0% to a maximum of 150% of the baseline award under the RSP.
- (4) The final number of CapitaLand shares that will be released will depend on the achievement of the pre-determined targets at the end of the respective performance periods for the PSP and the RSP.
- (5) Being unvested CapitaLand shares under RSP.
- (6) On the final vesting, an additional number of CapitaLand shares of a total value equal to the value of the accumulated dividends which are declared during each of the vesting periods and deemed foregone due to the vesting mechanism of the RSP, will also be released.

Based on the information available to the Manager, the interests of the Substantial Unitholders in Units as at the Latest Practicable Date are as follows:

Name of Substantial Unitholders	Direct Interest		Deemed Interest		Total No. of Units Held	%(1)
	No. of Units	%(1)	No. of Units	%(1)		
Temasek Holdings (Private) Limited ("THPL")	–	–	461,839,131 ⁽²⁾	37.48	461,839,131 ⁽²⁾	37.48
Tembusu Capital Pte. Ltd. ("Tembusu")	–	–	446,460,905 ⁽³⁾	36.23	446,460,905 ⁽³⁾	36.23
Bartley Investments Pte. Ltd. ("Bartley")	–	–	446,460,905 ⁽³⁾	36.23	446,460,905 ⁽³⁾	36.23
Mawson Peak Holdings Pte. Ltd. ("Mawson")	–	–	446,460,905 ⁽³⁾	36.23	446,460,905 ⁽³⁾	36.23
Glenville Investments Pte. Ltd. ("Glenville")	–	–	446,460,905 ⁽³⁾	36.23	446,460,905 ⁽³⁾	36.23
TJ Holdings (III) Pte. Ltd. ("TJ Holdings (III)")	–	–	446,460,905 ⁽³⁾	36.23	446,460,905 ⁽³⁾	36.23
CLA Real Estate Holdings Pte. Ltd. ("CLA")	–	–	446,460,905 ⁽³⁾	36.23	446,460,905 ⁽³⁾	36.23

Name of Substantial Unitholders	Direct Interest		Deemed Interest		Total No. of Units Held	%(1)
	No. of Units	%(1)	No. of Units	%(1)		
CapitaLand Limited ("CapitaLand")	–	–	446,460,905 ⁽⁴⁾	36.23	446,460,905 ⁽⁴⁾	36.23
CapitaLand Mall Asia Limited ("CMA")	–	–	235,233,091 ⁽⁵⁾	19.09	235,233,091 ⁽⁵⁾	19.09
CapitaLand Retail China Pte. Ltd. ("CLRC")	–	–	235,233,091 ⁽⁶⁾	19.09	235,233,091 ⁽⁶⁾	19.09
Retail Crown Pte. Ltd. ("Retail Crown")	235,233,091	19.09	–	–	235,233,091	19.09
CapitaLand Singapore Limited ("CLS")	–	–	133,380,335 ⁽⁷⁾	10.82	133,380,335 ⁽⁷⁾	10.82
HSBC Institutional Trust Services (Singapore) Limited, as trustee of CapitaLand Integrated Commercial Trust ("CICT")	133,380,335	10.82	–	–	133,380,335	10.82
CapitaLand Financial Limited ("CFL")	–	–	77,847,479 ⁽⁸⁾	6.31	77,847,479 ⁽⁸⁾	6.31
CapitaLand Retail China Trust Management Limited ("CRCTML")	77,847,479	6.31	–	–	77,847,479	6.31

Notes:

- (1) The percentage is based on 1,232,104,560 Units in issue as at the Latest Practicable Date and rounded down to the nearest 0.01%.
- (2) THPL is deemed to have an interest in the unitholdings in which its subsidiaries and associated companies (including but not limited to CLA) have or are deemed to have an interest pursuant to Section 4 of the Securities and Futures Act, Chapter 289 of Singapore.
- (3) THPL holds 100% of the shares in Tembusu, which holds 100% of the shares in Bartley, which holds 100% of the shares in Mawson, which holds 100% of the shares in Glenville, which holds 100% of the shares in TJ Holdings (III), which holds 100% of the shares in CLA. CLA holds approximately 51.86% of the issued shares in CapitaLand. Each of Tembusu, Bartley, Mawson, Glenville and TJ Holdings (III) is deemed to have an interest in the unitholdings in which CLA is deemed to have an interest pursuant to Section 4 of the Securities and Futures Act, Chapter 289 of Singapore.
- (4) CapitaLand is deemed to have an interest in the unitholdings held by HSBC Institutional Trust Services (Singapore) Limited, as trustee of CICT, and its indirect wholly owned subsidiaries namely, Retail Crown and CRCTML.
- (5) CMA is deemed to have an interest in the unitholding held by its indirect wholly owned subsidiary namely, Retail Crown.
- (6) CLRC is deemed to have an interest in the unitholding held by its direct wholly owned subsidiary namely, Retail Crown.
- (7) CLS is deemed to have an interest in the unitholding held by HSBC Institutional Trust Services (Singapore) Limited, as trustee of CICT.
- (8) CFL is deemed to have an interest in the unitholding held by its direct wholly owned subsidiary namely, CRCTML.

Save as disclosed in the Circular and based on the information available to the Manager as at the Latest Practicable Date, none of the Directors or the Substantial Unitholders has an interest, direct or indirect, in the Acquisition.

4.5 Directors' Service Contracts

No person is proposed to be appointed as a director of the Manager in connection with the Acquisition or any other transactions contemplated in relation to the Acquisition. It should be noted that separate from the Acquisition, directors of the Manager may be appointed or replaced in line with the normal board renewal process.

5 RECOMMENDATION

Based on the opinion of the IFA (as set out in the IFA Letter in **Appendix B** of this Circular) and the rationale for the Acquisition as set out in paragraph 3 above, the Independent Directors (comprising Mr Soh Kim Soon, Mr Fong Heng Boo, Mr Christopher Gee Kok Aun, Professor Tan Kong Yam, Mr Neo Poh Kiat and Ms Kuan Li Li) and the Audit Committee (excluding Mr Lim Cho Pin Andrew Geoffrey who has abstained as he is concurrently an officer of CapitaLand) believe that the Acquisition (including the Property Management Agreements and the Xinsu SHA) is on normal commercial terms and would not be prejudicial to the interests of CRCT and its minority Unitholders.

Accordingly, the Independent Directors and the Audit Committee (excluding Mr Lim Cho Pin Andrew Geoffrey) recommend that Unitholders vote at the EGM in favour of the Resolution.

6 EXTRAORDINARY GENERAL MEETING

The EGM will be convened and held by electronic means on Tuesday, 22 December 2020 at 2.30 p.m. by way of electronic means, for the purpose of considering and, if thought fit, passing with or without modification, the resolution set out in the Notice of EGM, which are set out on pages G-1 to G-2 of this Circular. The purpose of this Circular is to provide Unitholders with relevant information about the resolution. Approval by way of an Ordinary Resolution is required in respect of the Acquisition.

A Depositor shall not be regarded as a Unitholder entitled to attend the EGM and to speak and vote thereat unless he is shown to have Units entered against his name in the Depository Register, as certified by The Central Depository (Pte) Limited ("**CDP**") as at 72 hours before the time fixed for the EGM.

7 ABSTENTIONS FROM VOTING

As at the Latest Practicable Date, CapitaLand, through (i) its indirect wholly owned subsidiaries namely, Retail Crown and CRCTML and (ii) CICT, has a deemed interest in 446,460,905 Units, which comprises approximately 36.23% of the total number of Units in issue. Given that the Properties will be acquired from indirect wholly owned subsidiaries of CapitaLand and from funds managed by associates of a "controlling unitholder" of CRCT and a "controlling shareholder" of the Manager, CapitaLand and their associates will abstain from voting on the Resolution.

In the interest of good corporate governance, Mr Lucas Ignatius Loh Jen Yuh and Mr Lim Cho Pin Andrew Geoffrey will also abstain from voting at the EGM.

8 ACTION TO BE TAKEN BY UNITHOLDERS

Due to the current COVID-19 situation in Singapore, Unitholders will not be able to attend the EGM in person.

Pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020, which was gazetted on 13 April 2020, and the Joint Statement by Accounting and Corporate Regulatory Authority, Monetary Authority of Singapore and Singapore Exchange Regulation in relation to Guidance on the Conduct of General Meetings Amid Evolving COVID-19 Situation issued on 1 October 2020, which set out the alternative arrangements in respect of, *inter alia*, general meetings of real estate investment trusts, the EGM will be convened and held by way of electronic means on Tuesday, 22 December 2020 at 2.30 p.m. (Singapore time). (See **Appendix F** for further details on the procedures for the EGM.)

9 DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this Circular and confirm after making all reasonable enquiries that, to the best of their knowledge and belief, this Circular constitutes full and true disclosure of all material facts about the Acquisition, CRCT and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this Circular misleading.

Where information in this Circular has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this Circular in its proper form and context.

10 CONSENTS

Each of the IFA (being Ernst & Young Corporate Finance Pte Ltd) and the Independent Valuers (being JLL and CBRE) has given and has not withdrawn its written consent to the issue of this Circular with the inclusion of its name and, respectively, the IFA Letter and the valuation certificates and all references thereto, in the form and context in which they are included in this Circular.

11 DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection during normal business hours at the registered office of the Manager¹ at 168 Robinson Road, #30-01 Capital Tower, Singapore 068912 from the date of this Circular up to and including the date falling three months after the date of this Circular:

- (i) the Conditional Agreements;
- (ii) the form of the Xinsu SHA;
- (iii) the IFA Letter;
- (iv) the independent valuation report on the Properties issued by JLL;

¹ Prior appointment with the Manager is required. Please contact Ms Nicole Chen, Investor Relations (telephone: +65 6713 2888).

- (v) the independent valuation report on the Properties issued by CBRE;
- (vi) the CRCT Group 2019 Audited Financial Statements¹;
- (vii) the forms of the Property Management Agreements; and
- (viii) the written consents of each of the IFA and the Independent Valuers.

The Trust Deed will also be available for inspection at the registered office of the Manager for so long as CRCT is in existence.

Yours faithfully

CapitaLand Retail China Trust Management Limited
(Registration Number: 200611176D)
as manager of **CapitaLand Retail China Trust**

SOH KIM SOON

Chairman and Non-Executive Independent Director

¹ A copy of the CRCT Group 1H2020 Unaudited Financial Statements is available on CRCT's website at the URL https://investor.crct.com.sg/financial_result.html

IMPORTANT NOTICE

This Circular does not constitute or form part of an offer, invitation or solicitation of any offer to purchase or subscribe for any securities of CRCT in Singapore or any other jurisdictions. The value of Units and the income derived from them may fall as well as rise. Units are not obligations of, deposits in, or guaranteed by, the Manager or any of its affiliates. An investment in Units is subject to investment risks, including the possible loss of the principal amount invested.

Unitholders have no right to request the Manager to redeem or purchase their Units for so long as the Units are listed on the SGX-ST. It is intended that Unitholders may only deal in their Units through trading on the SGX-ST. Listing of the Units on the SGX-ST does not guarantee a liquid market for the Units. The past performance of CRCT is not indicative of the future performance of CRCT. Similarly, the past performance of the Manager is not indicative of the future performance of the Manager.

This Circular 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 Manager's current view on future events.

If you have sold or transferred all your Units, you should immediately forward this Circular, together with the Notice of Extraordinary General Meeting and the accompanying Proxy Form, to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for onward transmission to the purchaser or transferee.

GLOSSARY

In this Circular, the following definitions apply throughout unless otherwise stated:

%	:	Per centum or percentage
ACBPF4	:	Ascendas China Business Parks Fund 4
ACBPF4 Acquisition	:	The acquisition of the respective interests in the shares of the ACBPF4 Target Companies
ACBPF4 Conditional Agreement	:	The agreement dated 5 November 2020 entered into between ACBPF4 Purchasers and ACBPF4 Vendors
ACBPF4 Completion	:	Completion of the ACBPF4 Acquisition
ACBPF4 Equity Transfer Agreements	:	Separate equity transfer agreements in relation to the transfer of shares in each of the AIH ProjectCo and AIT ProjectCo, the form of which is set out in the ACBPF4 Conditional Agreement
ACBPF4 Loan Consideration	:	Shareholder's loans to be extended by the Xinsu Purchasers, proportionate to their percentage shareholdings, to the Xinsu HoldCo of an amount equal to the entire amount outstanding under the Original Xinsu Shareholder Loan, to enable the Xinsu HoldCo to fully repay and discharge the Original Xinsu Shareholder Loan
ACBPF4 Purchasers	:	CRCT Investment (Suzhou) Pte. Ltd., CRCT Investment (Xi'an II) Pte. Ltd. and CRCT Investment (Xi'an I) Pte. Ltd.
ACBPF4 Share Purchase Consideration	:	The estimated share purchase consideration payable to the ACBPF4 Vendors in connection with the acquisition of the ACBPF4 Target Companies
ACBPF4 Target Companies	:	Xinsu HoldCo, AIT ProjectCo and AIH ProjectCo
ACBPF4 Vendors	:	Xinsu Vendor, AIT Vendor and AIH Vendor
Acquisition	:	Means the ACBPF4 Acquisition, the SHSTP Acquisition and the Rock Square Acquisition
Acquisition Fee	:	The acquisition fee for the Acquisition which the Manager will be entitled to receive from CRCT upon completion of the Acquisition
Acquisition Fee Units	:	The Units payable to the Manager as the Acquisition Fee
AEIs	:	Asset enhancement initiatives

Agreed Value	:	The agreed market value of Ascendas Xinsu Portfolio, Ascendas Innovation Towers, Ascendas Innovation Hub, SHSTP Phase I, SHSTP Phase II and Rock Square (on a 100% basis) of RMB2,265.0 million (S\$460.6 million), RMB759.0 million (S\$154.3 million), RMB298.0 million (S\$60.6 million), RMB641.0 million (S\$130.3 million), RMB767.0 million (S\$156.0 million) and RMB3,400.0 million (S\$691.3 million), respectively
AIH JV Partner	:	The unrelated third party holding the balance 20.0% of the shares in the AIH ProjectCo
AIH ProjectCo	:	Xi An Ascendas-Science Technology Investment Co., Ltd.
AIH Purchaser	:	CRCT Investment (Xi'an I) Pte. Ltd.
AIH SHA	:	Shareholders' agreement between the AIH Purchaser and the AIH JV Partner
AIH Vendor	:	Xi'an Business Park III Pte. Ltd.
AIT ProjectCo	:	Ascendas Xi An High-Tech Development Co., Ltd.
AIT Purchaser	:	CRCT Investment (Xi'an II) Pte. Ltd.
AIT Vendor	:	Xi'an Business Park II Pte. Ltd.
AMR	:	Means the Administration for Market Regulation of the PRC (previously known as the State Administration for Industry and Commerce) and/or its local counterparts, or with respect to any filing or registration to be effected by or with the State Administration for Industry and Commerce, any Governmental Authority which is similarly competent to accept such filing or registration under the laws of the PRC
Ascendas Innovation Hub	:	Ascendas Innovation Hub located in the Hi-tech Industries Development Zone in Xi'an, China
Ascendas Innovation Towers	:	Ascendas Innovation Towers located in the Hi-tech Industries Development Zone in Xi'an, China
Ascendas Xinsu Portfolio	:	Ascendas Xinsu Portfolio comprising six properties located in different locations in Suzhou Industrial Park, China
Associate	:	As defined in the Property Funds Appendix and as used in the context of an interested person/party
Assumed NAV	:	Means (i) the NAV of each of the AIT ProjectCo, the AIH ProjectCo and the SHSTP Target Companies, and (ii) the consolidated NAV of each of the Xinsu HoldCo and the Rock Square HoldCo, in each case as of 30 June 2020 in respect of the relevant Target Company

Audit Committee	:	The audit committee of the Manager
Business Park Properties	:	Business parks and industrial properties in Suzhou, Xi'an and Hangzhou
CAGR	:	Compounded annual growth rates
CapitaLand	:	CapitaLand Limited
CBRE	:	CBRE Limited
CDP	:	The Central Depository (Pte) Limited
CICT	:	CapitaLand Integrated Commercial Trust (formerly known as CapitaLand Mall Trust)
CICT Pro Rata Units	:	Total provisional allotment of the Preferential Offering Units corresponding to CICT's direct interest in CRCT
CICT Trustee	:	HSBC Institutional Trust Services (Singapore) Limited, acting solely in its capacity as trustee of CICT
Circular	:	This circular to Unitholders dated 4 December 2020
Conditional Agreements	:	The ACBPF4 Conditional Agreement, the SHSTP Conditional Agreement and the Rock Square SPA
Consideration	:	The estimated consideration of approximately S\$769.8 million payable to the Vendors for the Acquisition
Controlling Unitholder	:	A person who holds directly or indirectly 15.0% or more of the nominal amount of all voting units in CRCT
CRCT	:	CapitaLand Retail China Trust
CRCT Group	:	CRCT and its subsidiaries
CRCT Group 1H2020 Unaudited Financial Statements	:	The unaudited financial statements of the CRCT Group for the financial period ended 30 June 2020
CRCT Group 2019 Audited Financial Statements	:	The audited financial statements of the CRCT Group for the financial year ended 31 December 2019
CRCT Xinsu Entrustment Loan	:	The Xinsu Entrustment Loan extended by CRCT (or its subsidiary)
CRCTML	:	CapitaLand Retail China Trust Management Limited (acting in its own capacity)
DPU	:	Distribution per Unit

EGM	:	The extraordinary general meeting of Unitholders to be convened and held by electronic means on 22 December 2020 at 2.30 p.m., to approve the matters set out in the Notice of Extraordinary General Meeting on pages G-1 to G-2 of this Circular
Enlarged Portfolio	:	Consists of the Existing Portfolio and the Properties
Equity Fund Raising	:	Means the equity fund raising to part finance the Acquisition
Excess Units	:	The additional Preferential Offering Units in excess of the Pro Rata Units amounting to the CICT Pro Rata Units
Existing Portfolio	:	The portfolio of properties currently held by CRCT, comprising comprises (i) CapitaMall Xizhimen, (ii) CapitaMall Wangjing, (iii) CapitaMall Grand Canyon, (iv) CapitaMall Xuefu, (v) CapitaMall Xinnan, (vi) CapitaMall Yuhuating, (vii) CapitaMall Aidemengdun, (viii) CapitaMall Shuangjing, (xi) CapitaMall Minzhongleyuan, (x) CapitaMall Qibao, (xi) CapitaMall Saihan, (xii) Rock Square and (xiii) Yuquan Mall
F&B	:	Food & beverage
FY 2019	:	The financial year ended 31 December 2019
GFA	:	Gross floor area
GRI	:	Gross rental income
GTO	:	Gross turnover rental income
HEDA	:	Hangzhou Economic and Technological Development Area
ICT	:	Information and communications technology
IFA	:	Ernst & Young Corporate Finance Pte Ltd
IFA Letter	:	The letter from the IFA to the Independent Directors, the Audit Committee of the Manager, and the Trustee containing its advice as set out in Appendix B of this Circular
Independent Directors	:	The independent directors of the Manager comprising Mr Soh Kim Soon, Mr Fong Heng Boo, Mr Christopher Gee Kok Aun, Professor Tan Kong Yam, Mr Neo Poh Kiat and Ms Kuan Li Li
Independent Market Research Consultant	:	Colliers International Property Consultants (Shanghai) Co., Ltd.

Independent Market Research Report	:	Independent market research report provided by the Independent Market Research Consultant in relation to the Acquisition
Independent Valuers	:	JLL and CBRE
JLL	:	Jones Lang Lasalle Corporate Appraisal and Advisory Limited
km	:	Kilometre
Latest Practicable Date	:	23 November 2020, being the latest practicable date prior to the printing of this Circular
Listing Manual	:	The Listing Manual of the SGX-ST
Manager	:	CapitaLand Retail China Trust Management Limited, in its capacity as manager of CRCT
MAS	:	Monetary Authority of Singapore
NAV	:	Net asset value
New Units	:	The new Units to be issued under the Equity Fund Raising
NLA	:	Net lettable area
NPI	:	Net property income
NTA	:	Net tangible assets
Ordinary Resolution	:	A resolution proposed and passed as such by a majority being greater than 50.0% or more of the total number of votes cast for and against such resolution at a meeting of Unitholders convened in accordance with the provisions of the Trust Deed
Original Xinsu Shareholder Loan	:	Existing shareholders' loan extended by the Xinsu Vendor to the Xinsu HoldCo
PRC	:	People's Republic of China
Preferential Offering	:	The non-renounceable preferential offering of New Units to the existing Unitholders on a pro rata basis
Preferential Offering Units	:	New Units issued pursuant to the Preferential Offering
Private Placement	:	The private placement of New Units to institutional and other investors

Properties	:	Ascendas Xinsu Portfolio, Ascendas Innovation Towers, Ascendas Innovation Hub, SHSTP Phase I and Phase II, and Rock Square
Property Funds Appendix	:	Appendix 6 of the Code on Collective Investment Schemes issued by the MAS
Property Managers	:	Certain wholly owned subsidiaries of CapitaLand which will provide property management services for the Properties
Property Management Agreements	:	The property management agreements entered into or to be entered into between the respective Target Companies and the respective Property Managers
Pro Rata Units	:	Retail Crown's total provisional allotment of the Preferential Offering Units corresponding to its direct interest in CRCT
R&D	:	Research and development
Retail Crown	:	Retail Crown Pte. Ltd.
RMB	:	Means the Chinese yuan, the official currency of China
Rock Square Acquisition	:	Acquisition of the balance 49.0% of the shares in the Rock Square HoldCo
Rock Square Completion	:	Completion of the Rock Square Acquisition
Rock Square HoldCo	:	Gold Yield Pte. Ltd.
Rock Square Loan Consideration	:	Shareholder's loan to be extended by the Rock Square Purchaser to the Rock Square HoldCo of an amount equal to the entire amount outstanding under the Rock Square Shareholder Loan, to enable the Rock Square HoldCo to fully repay and discharge the Rock Square Shareholder Loan
Rock Square Purchaser	:	Gold Rock Investment Pte. Ltd.
Rock Square Share Purchase Consideration	:	The estimated Consideration payable to the Rock Square Vendor in connection with the acquisition of the balance 49.0% of the shares of the Rock Square HoldCo
Rock Square Shareholder Loan	:	Existing shareholders' loan extended by the Rock Square Vendor to the Rock Square HoldCo
Rock Square SPA	:	The agreement dated 5 November 2020 entered into between the Rock Square Purchaser and the Rock Square Vendor
Rock Square Vendor	:	Gold Ruby Pte. Ltd.

ROI	:	Return on investment
S\$ and cents	:	Singapore dollars and cents
SGX-ST	:	Singapore Exchange Securities Trading Limited
SHSTP Acquisition	:	Acquisition of 80.0% shares in the SHSTP Target Companies
SHSTP Completion	:	Completion of the SHSTP Acquisition
SHSTP Equity Transfer Agreements	:	Separate equity transfer agreements in relation to the transfer of shares in each of the SHSTP Target Companies, the form of which is set out in the SHSTP Conditional Agreement
SHSTP Conditional Agreement	:	The agreement dated 5 November 2020 entered into between the SHSTP Purchasers and SHSTP Vendors
SHSTP Onshore Loans	:	Existing onshore loans granted to the SHSTP Target Companies
SHSTP JV Partner	:	The unrelated third party who holds the balance 20.0% shares in each of the SHSTP Target Companies
SHSTP Phase I and Phase II	:	Singapore-Hangzhou Science & Technology Park Phase I and Phase II
SHSTP Purchasers	:	CRCT Investment (Hangzhou I) Pte. Ltd. and CRCT Investment (Hangzhou II) Pte. Ltd.
SHSTP Share Purchase Consideration	:	The estimated Consideration payable to the SHSTP Vendors in connection with the acquisition of the SHSTP Target Companies
SHSTP SHAs	:	The SHSTPI SHA and the SHSTPII SHA
SHSTPI SHA	:	Shareholders' agreement between CRCT Investment (Hangzhou I) Pte. Ltd. and the SHSTP JV Partner
SHSTPII SHA	:	Shareholders' agreement between CRCT Investment (Hangzhou II) Pte. Ltd. and the SHSTP JV Partner
SHSTP Target Companies	:	Ascendas Hangzhou Science & Technology Co., Ltd. and Ascendas Hangzhou Data Processing Co., Ltd.
sq m	:	Square metre
Subsisting SHSTP Onshore Loans	:	The remaining SHSTP Onshore Loans that are not repaid by the SHSTP Vendors on or prior to the SHSTP Completion

Target Companies	:	The ACBPF4 Target Companies, the SHSTP Target Companies and the Rock Square HoldCo
Total Acquisition Cost	:	The total cost of the Acquisition to CRCT as set out in paragraph 2.10 of the Letter to Unitholders
Trust Deed	:	The trust deed dated 23 October 2006 constituting CRCT, as supplemented, amended and restated from time to time
Trustee	:	HSBC Institutional Trust Services (Singapore) Limited, in its capacity as trustee of CRCT
Unit	:	A unit representing an undivided interest in CRCT
Unitholder	:	The registered holder for the time being of a Unit, including person(s) so registered as joint holders, except where the registered holder is CDP, the term “ Unitholder ” shall, in relation to Units registered in the name of CDP, mean, where the context requires, the Depositor whose Securities Account with CDP is credited with Units
Vendors	:	ACBPF4 Vendors, SHSTP Vendors and the Rock Square Vendor
Xinsu CLC Purchaser	:	CLC Investment Nine Pte. Ltd.
Xinsu CRCT Purchaser	:	CRCT Investment (Suzhou) Pte. Ltd.
Xinsu Entrustment Loans	:	Entrustment loans to the Xinsu ProjectCo
Xinsu Onshore Loan	:	Existing onshore bank loan owing by Xinsu ProjectCo
Xinsu HoldCo	:	Singapore Suzhou Industrial Holdings Pte. Ltd.
Xinsu ProjectCo	:	Ascendas-Xinsu Development (Suzhou) Co., Ltd.
Xinsu Purchasers	:	Xinsu CRCT Purchaser and Xinsu CLC Purchaser
Xinsu SHA	:	The shareholders’ agreement to be entered into between the Xinsu CRCT Purchaser and the Xinsu CLC Purchaser, in relation to Xinsu HoldCo
Xinsu SPA	:	Share purchase agreement in relation to the transfer of shares in the Xinsu HoldCo, the form of which is set out in the ACBPF4 Conditional Agreement
Xinsu Vendor	:	Ascendas China Business Park IV Trustee Pte. Ltd., in its capacity as trustee of ACBPF4

The terms “**Depositor**” and “**Depository Register**” shall have the meanings ascribed to them respectively in Section 81SF of the Securities and Futures Act, Chapter 289 of Singapore.

Words importing the singular shall, where applicable, include the plural and vice versa and words importing the masculine gender shall, where applicable, include the feminine and neuter genders. References to persons shall include corporations.

Any reference in this Circular to any enactment is a reference to that enactment for the time being amended or re-enacted.

Any reference to a time of day in this Circular shall be a reference to Singapore time unless otherwise stated.

Any discrepancies in the tables, graphs and charts between the listed amounts and totals thereof are due to rounding. Where applicable, figures and percentages are rounded to one decimal place.

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DETAILS OF THE PROPERTIES, THE EXISTING PORTFOLIO AND THE ENLARGED PORTFOLIO

1 Ascendas Xinsu Portfolio

Ascendas Xinsu Portfolio comprises six properties located in different locations covering a range of asset types, including business park, built-to-suit factories, and ready-built factories, all of which are situated in different locations in Suzhou Industrial Park, the most mature industrial submarket in Suzhou.

Ascendas Xinsu Square Business Parks



Ascendas Xinsu Square Industrial



Ascendas Xinsu North Belt



NIO Delivery Centre



Semi Detached Factory in EPZ



Nexteer BTS Phase 1 and 2



Ascendas Xinsu Industrial Square II



1.1 Overview of Suzhou and Suzhou Industrial Park

Suzhou is one of the most important cities in the Yangtze River Delta and the economic driver for Jiangsu province, with a total area of 8,488 sq km and a population of 10.8 million. Suzhou is now one of the largest manufacturing cities in China and is targeting to build up a global technology and innovation hub with emphasis on industrial upgrading and transformation, R&D, and innovation.

Suzhou Industrial Park was established in 1994 as the most important collaboration project between China and Singapore. After the successful development over the past 20 years, it is now the key driver for Suzhou's development and has developed key industries including advanced manufacturing, biomedical sciences, energy and information and communication technology. Suzhou Industrial Park (ranked 1st in all national-level economic development zones from 2016 to 2019 by the Ministry of Commerce) has become a core CBD area by integrating a comprehensive array of facilities such as Grade-A offices, mixed-use complexes, mega shopping malls as well as R&D centres.

1.2 Description of Ascendas Xinsu Portfolio

Ascendas Xinsu Portfolio consists of 61 buildings including R&D and industrial portion. The R&D portion forms part of Ascendas Xinsu Square, comprising six business park office buildings with retail ancillaries. It is one of the first business park projects in the Suzhou Industrial Park and has since established a strong reputation for its quality specifications and premium location. The industrial portion includes 50 single-storey workshops with mezzanine floors and five four-to-six-storey workshops, located in six different properties (Ascendas Xinsu Square, Ascendas Xinsu North Belt, NIO Delivery Centre, Semi Detached Factory in EPZ, Nexteer BTS Phase 1 and 2, and Ascendas Xinsu Industrial Square II). Ascendas Xinsu Portfolio has a total gross floor area of 373,334 sq m and net leasable area of 349,480 sq m¹ with 675 parking lots (592 in Ascendas Xinsu Square and 83 in Ascendas Xinsu North Belt).

1 In relation to Ascendas Xinsu Square, there is an agreement between the local authorities and the Xinsu ProjectCo for the permanent acquisition of approximately 636.4 sq m of land for the construction of a new metro line in Suzhou. The site area of Ascendas Xinsu Square of 92,868 sq m disclosed in this Circular includes this parcel of land as the compulsory acquisition process is underway and the land has not yet been carved out from the title certificate. When the exact land area to be acquired has been fixed and the purchase price paid over to Xinsu ProjectCo, the land will be carved out of the title certificate and returned to the government. This process is expected to take place after completion of the Acquisition and the price for the land will be retained for the account of the Xinsu Purchasers. The acquired land is not expected to affect the gross floor area and net leasable area of Ascendas Xinsu Square, and its current usage is not expected to be materially affected. The Independent Valuers' valuation of the Ascendas Xinsu Portfolio has taken into account the compulsory acquisition.



Ascendas Xinsu Portfolio is accessible via various modes of transportation including High Speed Railway Station, Metro Line 1, 3 and an upcoming Line 6 of Suzhou Rail Transit which is expected to provide easy access to other parts of Suzhou. Ascendas Xinsu Square, in particular, is well-connected to the city’s public transit infrastructure via West Ligongdi Station on Metro Line 3 and is located 1 km to Suzhou Centre, the landmark of Suzhou Industrial Park, 1 hour drive to Shanghai Hongqiao International Airport.

For Ascendas Xinsu Portfolio, more than 40% of the property’s NLA is occupied by tenants in the new-economy sectors combined, including electronics, biomedical sciences, and information and communications technology sectors. The NIO Delivery Centre is single tenanted with NIO Inc., an electric car provider publicly listed on The New York Stock Exchange whereas Nexteer BTS Phase 1 and 2 project was built to suit for Nexteer Automotive, an automotive parts supplier publicly listed in Hong Kong. The other four properties were leased to multiple tenants from the engineering, electronics, and biomedical sciences sectors. Some key tenants in the portfolio include Beckman Coulter Laboratory Systems (leased since 1997), CCL Design Label (leased since 1996), TDK (Suzhou) Electronics Co Ltd (leased since 2000), Takasago Electric (Suzhou) (leased since 2003), Nexteer Automotive (Suzhou) Co., Ltd (leased since 2008) and Tobii Electronics Technology Suzhou Co (leased since 2018).

Key amenities are located within close distance to the Ascendas Xinsu Portfolio, including three hospitals, schools such as Suzhou University, hotels with 4-star or above such as Marriot Courtyard, Renaissance Hotel, W Hotel, several medium-to-top grade residential communities and mixed-use complexes such as The Summit, Trirun Fortune Plaza, Suzhou Centre and Suzhou IFC, integrating multiple functions such as office, commerce, culture and entertainment.

The tables below set out a summary of selected information on Ascendas Xinsu Portfolio as at 31 August 2020 (unless otherwise indicated):

Site Area	460,338 sq m
GFA	373,334 sq m ⁽¹⁾
NLA	349,480 sq m ⁽¹⁾
Committed Occupancy	90.3% (as at 30 September 2020) 90.3% (as at 31 August 2020)
Number of Leases	310
WALE	2.0 (by GRI) 2.0 (by NLA)
Car Park Lots	Xinsu Square: 592 North Belt: 83
Land Tenure	December 2046 – May 2057
Valuation as at 31 October 2020	JLL (commissioned by the Manager): RMB2,267.0 million CBRE (commissioned by the Trustee): RMB2,270.0 million
Agreed Value	RMB2,265.0 million
NPI Yield on Agreed Value	6.1% ⁽²⁾ 6.2% ⁽³⁾

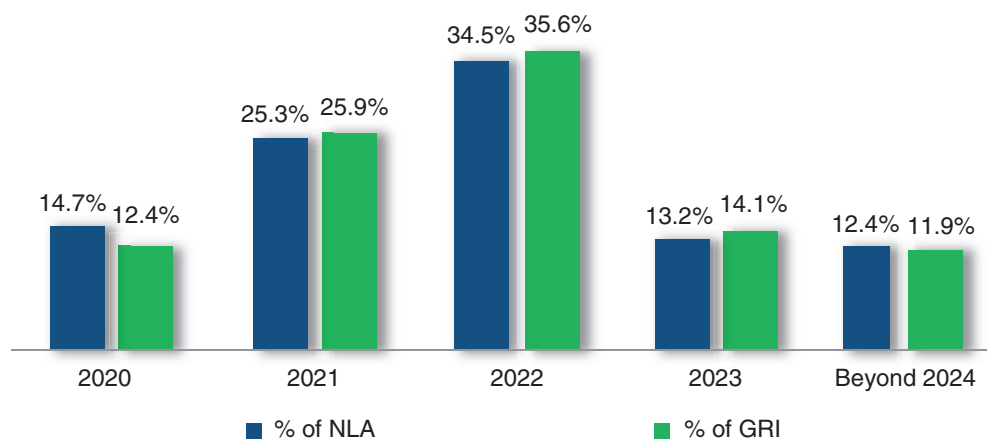
Notes:

- (1) In relation to Ascendas Xinsu Square, there is an agreement between the local authorities and the Xinsu ProjectCo for the permanent acquisition of approximately 636.4 sq m of land for the construction of a new metro line in Suzhou. The site area of Ascendas Xinsu Square of 92,868 sq m disclosed in this Circular includes this parcel of land as the compulsory acquisition process is underway and the land has not yet been carved out from the title certificate. When the exact land area to be acquired has been fixed and the purchase price paid over to Xinsu ProjectCo, the land will be carved out of the title certificate and returned to the government. This process is expected to take place after completion of the Acquisition and the price for the land will be retained for the account of the Xinsu Purchasers. The acquired land is not expected to affect the gross floor area and net leasable area of Ascendas Xinsu Square, and its current usage is not expected to be materially affected. The Independent Valuers' valuation of the Ascendas Xinsu Portfolio has taken into account the compulsory acquisition.
- (2) Based on FY 2019 NPI and Agreed Value.
- (3) Based on 1H 2020 annualised NPI and Agreed Value.

	Xinsu Square	North Belt	NIO Delivery Centre	Semi Detached Factory in EPZ	Nexteer BTS Phase 1 and 2	Xinsu Square II
Site Area	92,868 sq m	180,288 sq m	16,064 sq m	23,946 sq m	45,948 sq m	101,223 sq m
GFA	166,605 sq m	97,797 sq m	7,833 sq m	14,804 sq m	25,465 sq m	60,831 sq m
Car Park Lots	592	83	–	–	–	–
Land Tenure	December 2046	December 2046	February 2053	December 2049	May 2057	March 2056-April 2057

1.3 Lease Expiry Profile for Ascendas Xinsu Portfolio

The chart below illustrates the committed lease expiry profile for Ascendas Xinsu Portfolio by percentage of monthly GRI as at 31 August 2020.



1.4 TRADE SECTOR ANALYSIS FOR ASCENDAS XINSU PORTFOLIO

The table below provides a breakdown by the different trade sectors represented in Ascendas Xinsu Portfolio as a percentage of monthly GRI as at 31 August 2020.

	% of GRI	% of Committed NLA
Engineering	33.0	35.1
Electronics	20.8	22.9
Professional Services	11.5	10.6
Biomedical Sciences	10.1	10.8
Information and Communications Technology	7.1	7.1
Distributors and Trading Company	3.7	3.1
Logistics and Supply Chain Management	3.3	3.3
Data Centres	2.7	1.7
Amenities	2.4	1.3
Real Estate	1.3	0.9
Textile and Garments	1.2	1.0
Energy/Utilities	0.8	0.8
E-Commerce	0.5	0.3
Others ⁽¹⁾	1.6	1.1
Total	100.0	100.0

Note:

(1) Includes Financial Services, FMCG, Food, Education, Chemical, Natural Resources, Media, Hospitality and Leisure.

1.5 Top Ten Tenants of Ascendas Xinsu Portfolio

The table below sets out the top ten tenants of Ascendas Xinsu Portfolio by monthly total rental income for the month of August 2020.

No.	Tenant	Trade Sector	Description	% of Total Rental Income
1	Nexteer Automotive (耐世特汽车系统(苏州)有限公司)	Engineering	<ul style="list-style-type: none"> Provides electric and hydraulic steering systems, steering columns, driveline systems and automated driving technologies for OEMs Listed on Hong Kong Stock Exchange 	8.1
2	TDK Electronics (TDK(苏州)电子有限公司)	Electronics	<ul style="list-style-type: none"> Leading electronic materials and components producer Listed on Tokyo Stock Exchange 	3.7
3	Beckman Coulter Laboratory Systems (贝克曼库尔特实验系统(苏州)有限公司)	Biomedical Sciences	<ul style="list-style-type: none"> Operating company of Danaher Corporation, an American globally diversified conglomerate Provides clinical diagnostic products and services used in complex biomedical testing 	2.7
4	Bank of Shanghai (上海银行股份有限公司)	Financial Services	<ul style="list-style-type: none"> Joint stock commercial bank with branches and outlets across China Listed on Shanghai Stock Exchange 	2.7
5	NIO Inc. (苏州聚鼎供应链管理有限公司)	Professional Services	<ul style="list-style-type: none"> Designs, jointly manufactures, and sells smart and connected premium electric vehicles Listed on New York Stock Exchange 	2.3
6	Herbalife Health Products (康宝莱(中国)保健品有限公司)	Biomedical Sciences	<ul style="list-style-type: none"> Manufactures vitamins, protein drinks, slimming products, skin care products, and other health products 	2.2

No.	Tenant	Trade Sector	Description	% of Total Rental Income
7	CCL Design Label (丝艾标签标识(苏州)有限公司)	Engineering	<ul style="list-style-type: none"> • Designs and manufactures highly bespoke products and solutions e.g. labels and precision die-cut parts 	1.9
8	Metro Technologies (码捷(苏州)科技有限公司)	Electronics	<ul style="list-style-type: none"> • Manufactures and distributes scanners 	1.8
9	Curtiss Wright (威廉姆斯(苏州)控制系统有限公司)	Engineering	<ul style="list-style-type: none"> • Industrial division of Curtiss Wright, a global diversified product manufacturer and service provider • Provides components and sub-systems which enable customer specific solutions for on- and off-highway vehicles 	1.8
10	Bemis Flexible Packaging (毕玛时软包装(苏州)有限公司)	Biomedical Sciences	<ul style="list-style-type: none"> • Subsidiary of Amcor, a global leader in consumer packaging • Leader in flexible and rigid plastic packaging for food, consumer products and healthcare 	1.6
Top Ten Tenants				28.8
Other Tenants				71.2
Total				100.0

Sources: Manager's information, respective company websites

2 Ascendas Innovation Towers



Ascendas Innovation Towers is a business park project with two 23-storey office towers with a five-storey podium and a three-storey standalone building. The property is located in 88 Tian Gu Seventh Road, Xi'an Software Park in Hi-tech Industries Development Zone.

2.1 Overview of Xi'an and Xi'an Hi-tech Industries Development Zone

Xi'an, the capital and largest city of Shaanxi Province, is located in the geographical centre of China, with a total area of more than 10,000 sq km and a population of 10.2 million. As one of the world's four ancient capitals of civilisation, Xi'an is now an important base of scientific research, higher education, national defence science and technology as well as hi-tech industrial base in China.

Established in 1991, Xi'an Hi-tech Industries Development Zone was one of the earliest Chinese science parks at national level and is regarded as one of the most successful national high-tech zones (ranked 7th in 2019 by the Ministry of Science and Technology).

The Xi'an Hi-tech Industries Development Zone registered 120,000 enterprises mainly from electronics, semiconductors, manufacturing, biomedicine, new energy cars and innovative industries. The well-established Phase 1 area is home to a mixture of office, retail, and residential properties as well as hotel developments and is concentrated with high-tech enterprises, schools and research institutions, culminating in a vibrant Work-Live-Play model. Prominent institutions and research centres in the vicinity include Northwest University, Xi'an International University and Xi'an University.

Xi'an Software Park is one of four parks that have obtained both the titles of "national software industrial base" and "national software export base" in China. The Xi'an Software Park has formed seven advantageous industrial clusters, including industrial application software, embedded software, integrated circuit design and test, Internet of Things, mobile Internet, information technology outsourcing and service, digital publishing, game and animation, and has successfully gathered a batch of influential and distinguished enterprises, including Huawei.

2.2 Description of Ascendas Innovation Towers

Ascendas Innovation Towers comprises two 23-storey office towers with a five-storey podium and a three-storey standalone building with a total gross floor area of 118,495 sq m and net leasable area of 96,347 sq m. Each floor of the property covers an area of about 1,800 sq m and of 4.0 m height. The property has 970 parking lots in total (869 underground and 101 above ground).

The property was completed in April 2017 with the science and education land use right expiring in February 2064.



Located in the cross-section of two city main roads Keji Sixth Road and West Ring Road, the project is adjacent to the subway (Metro Line 6) and other transportation, which provide good accessibility to the city centre and Xi'an Xianyang International Airport (with estimated travel time of 40 minutes and 40 minutes respectively).

Ascendas Innovation Towers is positioned as a landmark asset providing quality focal point for development of Xi'an's new-economy, including hi-tech, innovation, software and R&D sectors. More than 60% of the property's NLA is occupied by tenants in the information and communications technology and financial services sectors. Notable tenants include Ping An Insurance Company (leased since 2017), Dahua Technology (leased since 2018), Anchnet (leased since 2019) and Transcosmos (leased since 2017).

The property adopts a fully equipped software management system, which supports shared office, multi-functional conference hall and other facilities, providing a favourable office condition and environment for tenants.

The table below sets out a summary of selected information on Ascendas Innovation Towers as at 31 August 2020 (unless otherwise indicated):

Site Area	26,333 sq m
GFA	118,495 sq m
NLA	96,347 sq m
Committed Occupancy	91.4% (as at 30 September 2020) 89.0% (as at 31 August 2020)
Number of Leases	79
WALE	2.0 (by GRI) 2.0 (by NLA)
Car Park Lots	970
Land Tenure	February 2064
Valuation as at 31 October 2020	JLL (commissioned by the Manager): RMB802.0 million CBRE (commissioned by the Trustee): RMB789.0 million
Agreed Value	RMB759.0 million
NPI Yield on Agreed Value	4.7% ⁽¹⁾ 6.0% ⁽²⁾

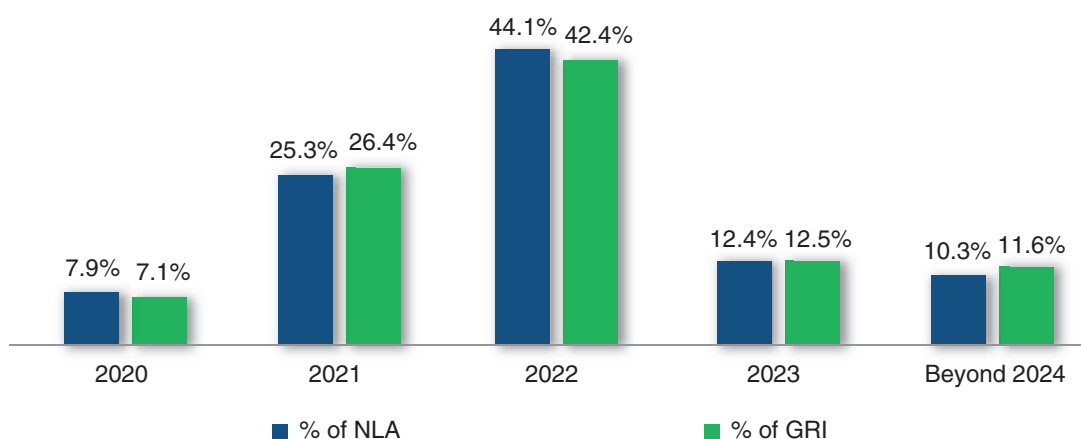
Notes:

(1) Based on FY 2019 NPI and Agreed Value.

(2) Based on 1H 2020 annualised NPI and Agreed Value.

2.3 Lease Expiry Profile for Ascendas Innovation Towers

The chart below illustrates the committed lease expiry profile for Ascendas Innovation Towers by percentage of monthly GRI as at 31 August 2020.



2.4 Trade Sector Analysis for Ascendas Innovation Towers

The table below provides a breakdown by the different trade sectors represented in Ascendas Innovation Towers as a percentage of monthly GRI as at 31 August 2020.

	% of GRI	% of Committed NLA
Information and Communications Technology	31.0	30.3
Financial Services	29.2	30.3
Electronics	18.4	16.4
Professional Services	11.5	11.6
Amenities	6.7	7.7
Engineering	1.9	2.3
Education	0.8	1.0
Data Centres	0.5	0.4
Total	100.0	100.0

2.5 Top Ten Tenants of Ascendas Innovation Towers

The table below sets out the top ten tenants of Ascendas Innovation Towers by monthly total rental income for the month of August 2020.

No.	Tenant	Trade Sector	Description	% of Total Rental Income
1	Ping An Insurance Company (中国平安人寿保险股份有限公司)	Financial Services	<ul style="list-style-type: none"> Leading technology-powered retail financial services group Listed on Shanghai Stock Exchange and Hong Kong Stock Exchange 	29.4
2	DHC Software Company (西安东华软件有限公司)	Information and Communications Technology	<ul style="list-style-type: none"> Leading developer of industry application software and integration of information systems Listed on Shanghai Stock Exchange 	8.3
3	Dahua Technology (西安大华智联技术有限公司)	Electronics	<ul style="list-style-type: none"> Leading video-centric smart IoT solution provider and operation service provider 53 branches globally with 16,000+ employees 	7.9

No.	Tenant	Trade Sector	Description	% of Total Rental Income
4	陕西几何创新创意文化传播有限公司	Professional Services	<ul style="list-style-type: none"> Professional cultural and creative industry service and incubation platform 13 entrepreneurial projects have been incubated, more than 90 enterprises have settled in the space 	7.5
5	Anchnet (安畅腾云(西安)信息技术有限公司)	Information and Communications Technology	<ul style="list-style-type: none"> Professional cloud hosting service provider in the Chinese market More than 800 employees serving more than 2,000 corporate clients 	4.8
6	西安格易安创集成电路有限公司	Electronics	<ul style="list-style-type: none"> Leading fabless company engaged in advanced memory technology and IC solutions Listed on Shanghai Stock Exchange 	4.4
7	西安新景腾飞汽车销售有限责任公司	Others	<ul style="list-style-type: none"> Automotive subsidiary of BYD 	3.6
8	Transcosmos (上海特朗思大宇宙信息技术服务有限公司西安分公司)	Information and Communications Technology	<ul style="list-style-type: none"> Provider of outsourced services e.g. call centre, etc. with 102 operating centres across 14 countries Listed on Tokyo Stock Exchange 	3.4
9	Qihoo 360 Technology (西安三六零科技有限公司)	Information and Communications Technology	<ul style="list-style-type: none"> Largest internet security service provider in China Listed on Shanghai Stock Exchange 	3.4
10	Sinexcel Electric (西安盛弘电气有限公司)	Electronics	<ul style="list-style-type: none"> Provides power electronic technical services Listed on Shanghai Stock Exchange 	2.4
Top Ten Tenants				75.1
Other Tenants				24.9
Total				100.0

Sources: Manager's information, respective company websites

3 Ascendas Innovation Hub

Ascendas Innovation Hub is a business park project with two office towers. The property is located in 38 Gao Xin Sixth Road, within the core area of Xi'an Software Park in Hi-tech Industries Development Zone, the most mature business park submarket in Xi'an.



3.1 Description of Ascendas Innovation Hub

Located in South-West Xi'an, the property is served by more than 10 bus lines and is 1.2 km away from the Zhangba North Road Metro Station on Metro Line 3, providing good accessibility to the city centre and Xi'an Xianyang International Airport (estimated travel time of 30 minutes and 45 minutes respectively).



The property comprises two six-storey business park office towers, both erected on a one-storey basement, with a total gross floor area of 40,547 sq m and net leasable area of 36,108 sq m. Each floor of the property covers an area of about 3,300 sq m and of 4.0 m height. The property has 130 parking lots (54 underground and 76 above ground).

The property was completed in 2003 for Block A and 2005 for Block B with the industrial land use right expiring in May 2051.

Ascendas Innovation Hub is positioned as a high-tech incubator and R&D space for manufacturing and semiconductor enterprises. More than 60% of the property's NLA is occupied by tenants in the new-economy electronics sectors focusing on semiconductors. Notable tenants include UniIC Semiconductors (leased since 2006), Montage Technology (leased since 2019) and Qualcomm (leased since 2011).

The property also has a favourable supporting environment. Within 3 km radius there are universities such as Northwest University, Xi'an International University and Xi'an University, several medium-to-top grade residential communities, four hotels with 4-star or above including Hilton Hotel, The Fairway Place and Shangri-La Hotel, commercial complexes such as Zhongjiang Plaza Tower, Shengda Times Square and China Life Finance Centre and four hospitals including Xi'an Gaoxin Hospital.

The table below sets out a summary of selected information on Ascendas Innovation Hub as at 31 August 2020 (unless otherwise indicated):

Site Area	15,027 sq m
GFA	40,547 sq m
NLA	36,108 sq m
Committed Occupancy	93.1% (as at 30 September 2020) 89.5% (as at 31 August 2020)
Number of Leases	47
WALE	1.4 (by GRI) 1.4 (by NLA)
Car Park Lots	130
Land Tenure	May 2051
Valuation as at 31 October 2020	JLL (commissioned by the Manager): RMB311.0 million CBRE (commissioned by the Trustee): RMB302.0 million
Agreed Value	RMB298.0 million
NPI Yield on Agreed Value	8.2% ⁽¹⁾ 9.5% ⁽²⁾

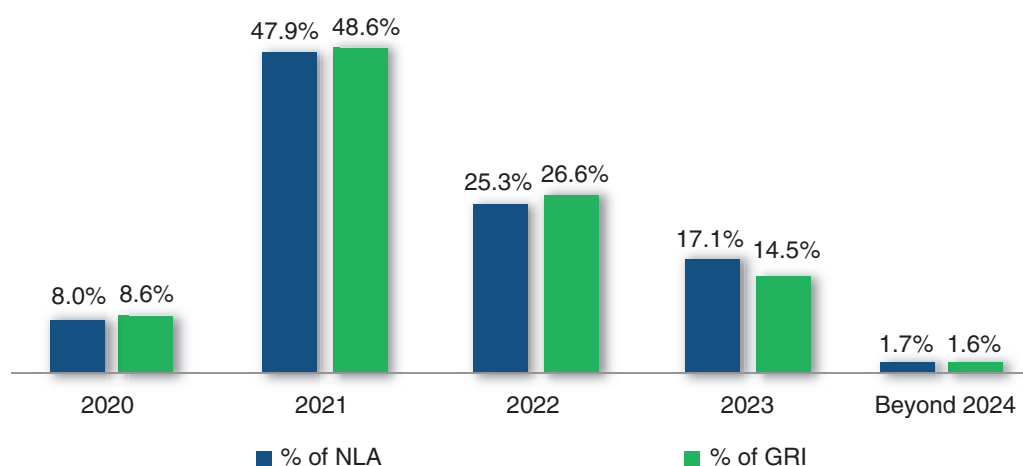
Notes:

(1) Based on FY 2019 NPI and Agreed Value.

(2) Based on 1H 2020 annualised NPI and Agreed Value.

3.2 Lease Expiry Profile for Ascendas Innovation Hub

The chart below illustrates the committed lease expiry profile for Ascendas Innovation Hub by percentage of monthly GRI as at 31 August 2020.



3.3 Trade Sector Analysis for Ascendas Innovation Hub

The table below provides a breakdown by the different trade sectors represented in Ascendas Innovation Hub as a percentage of monthly GRI as at 31 August 2020.

	% of GRI	% of Committed NLA
Electronics	63.8	61.6
Information and Communications Technology	20.7	19.8
Professional Services	10.0	10.5
Education	1.7	1.6
Energy/Utilities	1.0	0.9
Amenities	0.9	3.6
Biomedical Sciences	0.7	0.7
Government	0.7	0.8
Logistics and Supply Chain Management	0.4	0.4
Engineering	0.1	0.1
Total	100.0	100.0

3.4 Top Ten Tenants of Ascendas Innovation Hub

The table below sets out the top ten tenants of Ascendas Innovation Hub by monthly total rental income for the month of 31 August 2020.

No.	Tenant	Trade Sector	Description	% of Total Rental Income
1	UniIC Semiconductors (西安紫光国芯半导体有限公司)	Electronics	<ul style="list-style-type: none"> Leading developer of memory products and ASIC design services with nearly 500 employees and an international R&D team 	31.8
2	Zhaoxin Semiconductor (西安兆芯集成电路有限公司)	Electronics	<ul style="list-style-type: none"> State-owned enterprise specializing in the design and R&D of core processor chips with more than 1,400 patents 	10.0
3	CreditEase (宜信普诚信用管理(北京)有限公司)	Professional Services	<ul style="list-style-type: none"> Leading FinTech conglomerate in China, specializing in inclusive finance and wealth management, payment technology 	8.9

No.	Tenant	Trade Sector	Description	% of Total Rental Income
4	Montage Technology (澜起电子科技(昆山)有限公司西安分公司)	Electronics	<ul style="list-style-type: none"> Leading IC design company for cloud computing and data centre clients Listed on Shanghai Stock Exchange 	8.6
5	Xuji Electric (西安许继电力电子技术有限公司)	Electronics	<ul style="list-style-type: none"> Develops and produces electrical equipment and electronic components Listed on Shenzhen Stock Exchange 	5.4
6	China Electronics Technology Group (中电科技(北京)有限公司)	Information and Communications Technology	<ul style="list-style-type: none"> Provides independent firmware and information system quality assurance services 	3.9
7	Xi'an Fanhua Technology (西安泛华科技开发有限公司)	Information and Communications Technology	<ul style="list-style-type: none"> Incorporated by China State Shipbuilding Corporation Provides electronic military equipment used in the navy, aviation and aerospace 	3.3
8	Qualcomm (高通无线通信技术(中国)有限公司)	Information and Communications Technology	<ul style="list-style-type: none"> Fortune 500 wireless technology provider Listed on NASDAQ 	3.0
9	Yada Electronic Company (雅达电子有限公司西安分公司)	Electronics	<ul style="list-style-type: none"> Manufactures and distributes electronics components e.g. switchgear and switchboard apparatus 	2.7
10	Beetech (无锡必创数据科技有限公司)	Electronics	<ul style="list-style-type: none"> Provides smart sensors and optoelectronic instruments Listed on Shanghai Stock Exchange 	2.4
Top Ten Tenants				80.0
Other Tenants				20.0
Total				100.0

Sources: Manager's information, respective company websites

4 SHSTP Phase I and Phase II

Singapore-Hangzhou Science & Technology Park is an integrated business park located in the middle of Hangzhou Xiasha Education Zone of the Hangzhou Economic & Technological Development Area (part of Hangzhou Qiantang New Area), starting No. 23 Street in the East, reaching No. 6 Street in the South and Hangzhou Ring Expressway in the West, and ending No. 2 Street in the North.

Phase I



Phase II



4.1 Overview of Hangzhou and Hangzhou Economic & Technological Development Area

Hangzhou is the capital city and economic centre of Zhejiang Province, with a total area of 34,585 sq km and a population of 10.4 million. It is considered as one of the most important high-tech industrial hubs in China, and has developed key industries including information technology, healthcare, and financial services, where leading technology firms such as Alibaba are headquartered.

Established in 1993, Hangzhou Economic & Technological Development Area is the only national economic and technological development zone in China that integrates industrial parks, export processing zones and tertiary education parks. Over the decades, it has achieved rapid development where many leading companies and Fortune 500 companies have set up their branches in the area. In April 2019, Hangzhou Economic & Technology Development Area was integrated into the Hangzhou Qiantang New Area as part of an effort to build a world-class intelligent manufacturing industry cluster, with an industry focus on advanced device manufacturing, advanced electronics manufacturing, biomedicine, new energy and new materials.

4.2 Description of SHSTP Phase I and Phase II

The property is situated in a prime location, only 500m away from the Hangzhou Bay Ring Expressway and 1 km away from Yunshui Station on Metro Line 1. It only takes a 25 minutes' drive to Xiaoshan International Airport and a 40 minutes' drive to Hangzhou city centre.



The Phase I property comprises five R&D buildings of 4 to 20 storeys and two ancillary buildings, with a total gross floor area of 101,811 sq m and a net leasable area of 101,450 sq m. The Phase II property comprises five R&D buildings of 11 to 15 storeys and five semi-detached standalone R&D buildings of four storeys and ancillary facilities, with a total gross floor area of 130,261 sq m and a net leasable area of 126,294 sq m. The property has 1,445 parking lots in total (625 in Phase I property and 820 in Phase II property).

The Phase I property was completed in two stages, in September 2009 and June 2013 respectively, with the industrial land use right expiring in 2056. The Phase II property was completed in June 2016, with the industrial land use right expiring in 2060.

More than 40% of the property's NLA is occupied by tenants in the E-commerce sectors for Phase I property, while more than 20% of the property's NLA is occupied by tenants in the E-commerce sectors for Phase II property. Notable tenants include Zhimei (leased since 2014) and Sowow (leased since 2015) for Phase I property, as well as Taodao Technology (leased since 2017) and Weinian Technology (leased since 2017) for Phase II.

The property has adopted a digitalised park management platform which vastly improved operational efficiency and competitiveness through the use of smart building technologies. The property has also launched BRIDGE+, a flexible office workspace solution to connect the business community and to drive innovation.

The property is adjacent to Zhejiang's largest university zone with universities such as Zhejiang Technical Institute of Economics, Zhejiang Gongshang University, Zhejiang Sci-tech University within 3 km radius, more than 200,000 college students, which provides rich talent resources for many companies in IT services, E-commerce, Healthcare and R&D functions.

The property is also in close proximity to hospitals such as Oriental Hospital, hotels including Ibis Hotel and Ou Jiang Hotel, and commercial complexes, such as Dandelion World and Hangzhou Xiasha Powerlong City Plaza, offering a vibrant community for tenants.

The table below sets out a summary of selected information on SHSTP Phase I and Phase II as at 31 August 2020 (unless otherwise indicated):

Phase I

Site Area	40,846 sq m
GFA	101,811 sq m ⁽¹⁾
NLA	101,450 sq m
Committed Occupancy	93.0% (as at 30 September 2020) 92.5% (as at 31 August 2020)
Number of Leases	184
WALE	1.8 (by GRI) 1.7 (by NLA)
Car Park Lots	625
Land Tenure	September 2056
Valuation as at 31 October 2020	JLL (commissioned by the Manager): RMB657.0 million CBRE (commissioned by the Trustee): RMB680.9 million
Agreed Value	RMB641.0 million
NPI Yield on Agreed Value	7.5% ⁽²⁾ 8.3% ⁽³⁾

Notes:

- (1) Excluding underground GFA.
- (2) Based on FY 2019 NPI and Agreed Value.
- (3) Based on 1H 2020 annualised NPI and Agreed Value.

Phase II

Site Area	55,958 sq m
GFA	130,261 sq m ⁽¹⁾
NLA	126,294 sq m
Committed Occupancy	93.7% (as at 30 September 2020) 96.5% (as at 31 August 2020)
Number of Leases	78
WALE	3.1 (by GRI) 3.3 (by NLA)
Car Park Lots	820
Land Tenure	July 2060
Valuation as at 31 October 2020	JLL (commissioned by the Manager): RMB792.0 million CBRE (commissioned by the Trustee): RMB802.2 million
Agreed Value	RMB767.0 million
NPI Yield on Agreed Value	6.4% ⁽²⁾ 6.7% ⁽³⁾

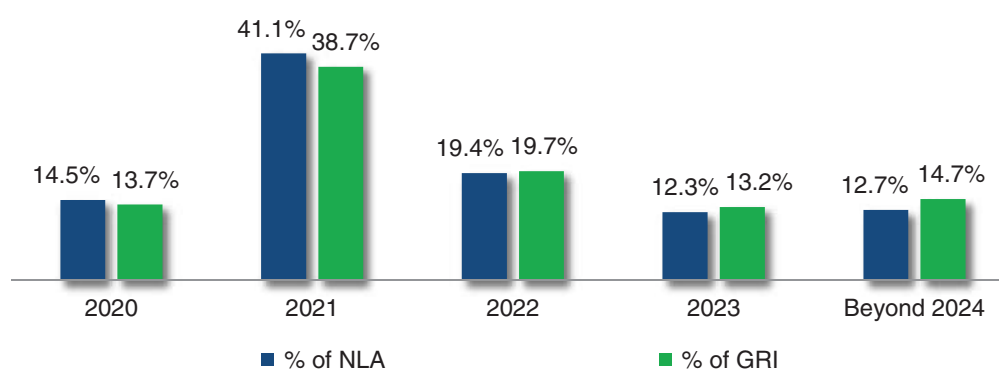
Notes:

- (1) Excluding underground GFA.
- (2) Based on FY 2019 NPI and Agreed Value.
- (3) Based on 1H 2020 annualised NPI and Agreed Value.

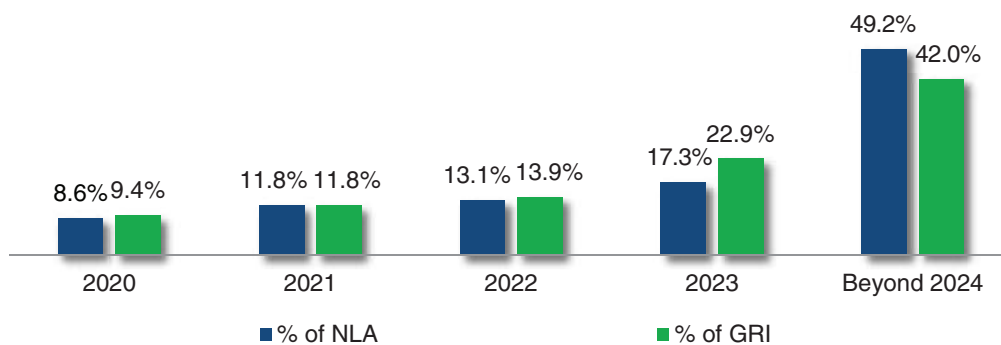
4.3 Lease Expiry Profile for SHSTP Phase I and Phase II

The chart below illustrates the committed lease expiry profile for SHSTP Phase I and Phase II by percentage of monthly GRI as at 31 August 2020.

Phase I



Phase II



4.4 Trade Sector Analysis for SHSTP Phase I and Phase II

The table below provides a breakdown by the different trade sectors represented in SHSTP Phase I and Phase II as a percentage of monthly GRI as at 31 August 2020.

Phase I

	% of GRI	% of Committed NLA
E-Commerce	40.8	42.1
Electronics	12.7	12.8
Professional Services	12.5	11.6
Amenities	7.6	5.6
Information and Communications Technology	7.5	7.1
Education	4.9	4.7
Real Estate	4.6	7.2
Logistics and Supply Chain Management	3.3	3.4
Biomedical Sciences	2.3	2.0
Financial Services	1.9	1.8
Engineering	1.6	1.5
Media	0.3	0.2
Total	100.0	100.0

Phase II

	% of GRI	% of Committed NLA
Real Estate ⁽¹⁾	50.5	60.3
E-Commerce	26.5	20.1
Electronics	4.8	4.9
Biomedical Sciences	4.2	3.7
Amenities	3.8	2.5
Professional Services	3.5	3.3
Energy/Utilities	1.8	1.4
Chemical	1.6	1.3
Financial Services	1.4	1.0
Education	1.2	0.9
Information and Communications Technology	0.7	0.6
Total	100.0	100.0

Note:

(1) Real Estate companies in SHSTP Phase II are largely made up of incubators and co-working providers.

4.5 Top Ten Tenants of SHSTP Phase I and Phase II

The table below sets out the top ten tenants of SHSTP Phase I and Phase II by monthly total rental income for the month of August 2020.

Phase I

No.	Tenant ⁽¹⁾	Trade Sector	Description	% of Total Rental Income
1	Hangzhou Zhimei (杭州至美) Group of Companies	E-Commerce	<ul style="list-style-type: none"> Provide a complete set of E-Commerce service solutions for beauty brands Cosmetics brand: Florasis 	4.4
2	杭州湃沃 Group of Companies	E-Commerce	<ul style="list-style-type: none"> Focus on E-Commerce sales and related ecological integration 	3.9
3	浙江向上创业投资管理有限公司	Professional Service	<ul style="list-style-type: none"> Venture capital firm National Science and technology business incubator Provide investment, construction and operation management of Venture Park 	3.8

No.	Tenant ⁽¹⁾	Trade Sector	Description	% of Total Rental Income
4	Hangzhou Meacon (杭州美控) Group of Companies	Electronics	<ul style="list-style-type: none"> Mainly engaged in process automation instrument R&D, manufacturing, sales and service 	3.8
5	Hangzhou Wangkuo electronics (杭州网阔电子) Group of Companies	E-Commerce	<ul style="list-style-type: none"> Nearly 10 flagship stores and several retail stores for online wholesale and retail: clothing, cosmetics, daily necessities 	3.6
6	杭州鲸算 Group of Companies	Electronics	<ul style="list-style-type: none"> Provider of digital and technological services for more than 10 industries and over 160 million users 	3.4
7	Zhejiang Sowow E-Commerce Company (浙江速网电子商务有限公司)	E-Commerce	<ul style="list-style-type: none"> Provides one-stop E-Commerce integrated services for premium international brands Partnership with 12 multinationals and 30+ global brands 	2.8
8	China Life (中国人寿保险股份有限公司杭州市分公司)	Financial Services	<ul style="list-style-type: none"> Largest integrated insurer in China Listed on Hong Kong Stock Exchange 	2.4
9	CITIC Bank (中信银行股份有限公司杭州分行)	Financial Services	<ul style="list-style-type: none"> Commercial bank under CITIC Group, a state-owned conglomerate Listed on Hong Kong Stock Exchange 	2.3
10	Hangzhou Quentin Science and Technology Company (杭州昆汀科技股份有限公司)	E-Commerce	<ul style="list-style-type: none"> One-stop E-Commerce operator with retail, channel distribution, brand communication and cross-border E-Commerce 	2.3
Top Ten Tenants				32.7
Other Tenants				67.3
Total				100.0

Sources: Manager's information, respective company websites

Note:

(1) Tenants that are under the same group of companies are listed together.

Phase II

No.	Tenant ⁽¹⁾	Trade Sector	Description	% of Total Rental Income
1	杭州乐龙科技有限公司	Real Estate	<ul style="list-style-type: none"> Enterprise incubation platform Operates a national mass innovation space, a provincial incubator, a municipal incubator, and three entrepreneurship and innovation industrial parks 	21.0
2	浙江合本业企业管理有限公司	Real Estate	<ul style="list-style-type: none"> Provides works spaces conducive for industrial technology research and innovation 	17.2
3	Taobao Technology (杭州淘道) Group of Companies	E-Commerce	<ul style="list-style-type: none"> Online retailer of snacks and packaged food products under the Be & Cherry brand 	8.3
4	Weinian Technology (杭州微念科技有限公司)	E-Commerce	<ul style="list-style-type: none"> Online retailing business by renowned Chinese internet celebrity, Li Ziqi, featuring food products and handicraft items 	6.7
5	浙江国际协同创新研究院	Real Estate	<ul style="list-style-type: none"> Non-governmental organisation for research and innovation Offers working space in an innovative service complex which integrates and supports R&D services, investment incubation and commercialisation of new technology 	4.7
6	杭州赛林企业管理有限公司	Real Estate	<ul style="list-style-type: none"> Provide physical space and infrastructure, as well as a series of services, for enterprise team 	4.0

No.	Tenant ⁽¹⁾	Trade Sector	Description	% of Total Rental Income
7	杭州蔚映生物科技有限公司	E-Commerce	<ul style="list-style-type: none"> Provide content operation and E-Commerce operation, product development and supply chain management, brand marketing 	2.6
8	Nest.Bio Labs (杭州巢生科技管理有限公司)	Biomedical Sciences	<ul style="list-style-type: none"> Provider of laboratory and office spaces for emerging biotech start-ups Provide support and funding to help develop and commercialise biomedical technologies 	2.4
9	杭州鼎翼智能科技有限公司	Electronics	<ul style="list-style-type: none"> Provide support for users in computer hardware and software integration, international cooperation, industry university research management, brand and platform service and management 	2.4
10	University of Auckland (Hangzhou) Innovation Institute (奥克兰大学(杭州)创新研究院有限公司)	Professional Services	<ul style="list-style-type: none"> World-class centre for research and innovation by Auckland UniServices and the University of Auckland Occupies 2,800 sq m space and offers meeting rooms, conference facilities and office areas for meetings, seminars and functions 	2.3
Top Ten Tenants				71.6
Other Tenants				28.4
Total				100.0

Sources: Manager's information, respective company websites

Note:

(1) Tenants that are under the same group of companies are listed together.

5 Rock Square

Rock Square is located in Gongye Avenue North, Haizhu District, Guangzhou City, the most populous city of Guangdong province in Southern China.



5.1 Overview of Guangzhou

Guangzhou is the provincial capital of Guangdong Province. As Guangzhou transforms into a major commercial centre, with an evolving retail scene and an increased emphasis on consumerism, further growth is expected.

5.2 Description of Rock Square

Opened in 2013, the property is one of the largest malls in Jiangnanxi, an established retail cluster located in Guangzhou's Haizhu District. Haizhu District is Guangzhou's 2nd most populous urban district that also ranks high in terms of disposable income per capita. Fast evolving into a popular residential area for Guangzhou's new affluent class, Haizhu District is home to the Creative Industry Zone (where leading technology firms such as Tencent are based), the city's landmark Canton Tower and tertiary institution Sun Yat-sen University.

The mall has five retail levels with three levels above-ground and two levels at the basement with gross floor area of 88,279 sq m, comprising 4,688 sq m of car park area (with 600 parking lots). Easily accessible by public and private transport, the mall is only 1 km away from Guangzhou Inner Ring Road, the major road serving the city centre.

Surrounded by densely populated residential estates, the property serves a catchment population of about 800,000 residents from middle to high-income households within a 3 km radius. It is directly connected to Shayuan metro station, which serves Metro Line 8 that links Guangzhou's eastern and western areas, and Guangfo Line that connects Guangzhou with Foshan.



Positioned as a modern and trendy retail destination offering a wide range of fashion, F&B and entertainment options, the property houses well-known international and domestic brands such as AEON, UNIQLO, ZARA, Victoria's Secret, Xiaomi, Green Tea restaurant and HEYTEA. Its diverse offerings draw a healthy annual footfall of about 25.3 million in 2019.

The table below sets out a summary of selected information on Rock Square as at 31 August 2020 (unless otherwise indicated):

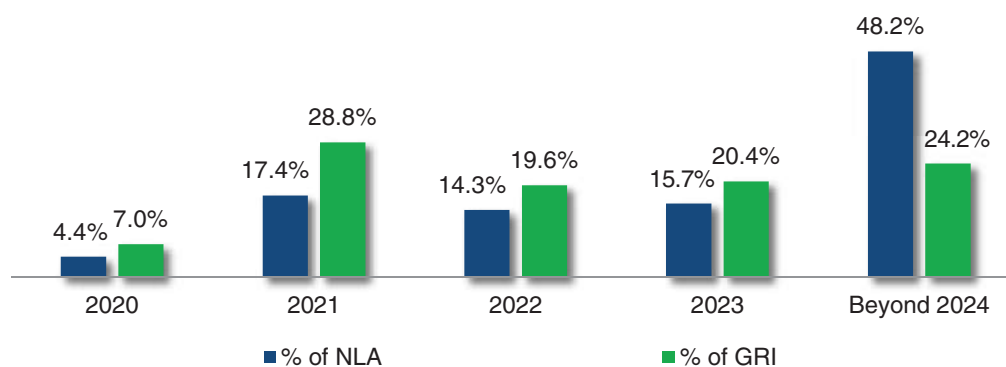
Site Area	21,340 sq m
GFA	88,279 sq m
NLA	53,108 sq m
Committed Occupancy	91.9% (as at 30 September 2020) 93.8% (as at 31 August 2020)
Number of Leases	175
WALE	2.7 (by GRI) 4.3 (by NLA)
Car Park Lots	600
Land Tenure	October 2045
Valuation as at 31 October 2020	JLL (commissioned by the Manager): RMB3,414.0 million CBRE (commissioned by the Trustee): RMB3,390.0 million
Agreed Value	RMB3,400.0 million
NPI Yield on Agreed Value	4.3% ⁽¹⁾ 3.9% ⁽²⁾

Notes:

- (1) Based on FY 2019 NPI and Agreed Value.
- (2) Based on 1H 2020 annualised NPI and Agreed Value. Excluding one-off rental rebate due to COVID-19 outbreak, the yield would have been 4.4%.

5.3 Lease Expiry Profile for Rock Square

The chart below illustrates the committed lease expiry profile for Rock Square by percentage of monthly GRI as at 31 August 2020.



5.4 Trade Sector Analysis for Rock Square

The table below provides a breakdown by the different trade sectors represented in Rock Square as a percentage of monthly GRI as at 31 August 2020.

	% of GRI	% of Committed NLA
Food & Beverage	34.6	27.9
Fashion & Accessories	15.9	14.9
Beauty & Healthcare	10.0	4.8
Supermarket	6.9	25.4
Leisure & Entertainment	6.8	13.9
Sundry & Services	5.9	2.4
Education	5.1	4.9
Jewellery/Watches	4.5	1.3
Houseware & Furnishings	3.1	0.9
Information & Technology	2.5	0.8
Sporting Goods & Apparel	1.3	0.7
Shoes & Bags	0.9	0.5
Others	2.5	1.6
Total	100.0	100.0

5.5 Top Ten Tenants of Rock Square

The table below sets out the top ten tenants of Rock Square by monthly total rental income for the month of August 2020.

No.	Tenant ⁽¹⁾	Trade Sector	Description	% of Total Rental Income ⁽²⁾
1	Guangdong Yongwang Tee Mall Commerce (广东永旺天河城商业有限公司)	Supermarket	<ul style="list-style-type: none"> Joint venture between TEEMALL and AEON Hong Kong operating supermarkets and retail stores under the “AEON” brand in Guangdong 	7.0
2	Guangzhou Huaying Enterprise Image Planning (广州华影企业形象策划有限公司)	Leisure & Entertainment	<ul style="list-style-type: none"> Operates cinemas under the “Huaying” brand 	4.3
3	深圳市乐的文化有限公司广州分店	Leisure & Entertainment	<ul style="list-style-type: none"> Operates indoor play areas and arcade centres under the three main brands: Fundoland, MELAND, and 星际传奇 	2.6
4	Guangzhou Chaoweizhan Catering Company (广州市超味盏饮食有限公司)	Food & Beverage	<ul style="list-style-type: none"> Operates restaurants under various brands specialising in local cuisine under its flagship brands “Yanhui” and “Huidian” Operates “Roppongi” restaurants selling Japanese cuisine and “easybake”, a Western cafe 	2.3
5	Inditex Group of Companies	Fashion & Accessories	<ul style="list-style-type: none"> One of the world’s largest fashion retailers with renowned brands such as Zara, Pull&Bear, Massimo Dutti, Bershka, and Stradivarius in its portfolio Operates 548 stores across China 	2.2

No.	Tenant ⁽¹⁾	Trade Sector	Description	% of Total Rental Income ⁽²⁾
6	Bank of Guangzhou (广州银行股份有限公司工业大道北支行)	Sundry & Services	<ul style="list-style-type: none"> Leading banking institution in Guangzhou with 124 bank branches 	2.1
7	Yum! Brands Group of Companies	Food & Beverage	<ul style="list-style-type: none"> Operates KFC, Pizza Hut and Taco Bell brands with over 10,000 restaurants in over 1,400 cities across China Listed on New York Stock Exchange 	1.8
8	Meten EdtechX Education Group (广州市美联教育科技有限公司)	Education	<ul style="list-style-type: none"> Leading English Language teaching service provider with 135 learning centres in China Listed on NASDAQ 	1.7
9	广州市满福城餐饮有限公司海珠分公司	Food & Beverage	<ul style="list-style-type: none"> Restaurant selling local Guangzhou delicacies 	1.7
10	广东恒唯信通讯设备有限公司	Information & Technology	<ul style="list-style-type: none"> Retailer of communication devices and smart home and office devices Annual sales of over RMB1.0bn and close to 50 branches across shopping malls in Guangzhou 	1.6
Top Ten Tenants				27.3
Other Tenants				72.7
Total				100.0

Sources: Manager's information, respective company websites

Notes:

(1) Tenants that are under the same group of companies are listed together.

(2) Includes both GRI and the gross turnover rental income ("GTO") component to account for pure GTO leases.

6 Existing Portfolio

The table below sets out selected information about the Existing Portfolio as at 31 August 2020 unless otherwise indicated.

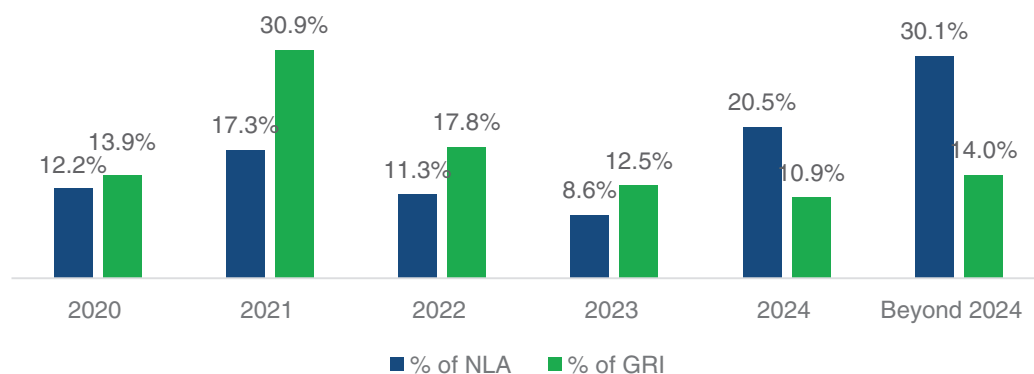
	CapitaMall Xizhimen	CapitaMall Wangjing	CapitaMall Grand Canyon	CapitaMall Xuefu	CapitaMall Xinnan	CapitaMall Yuhuating	CapitaMall Aidemengdun	CapitaMall Shuangjing	CapitaMall Minzhongleyuan	CapitaMall Qibao ⁽¹⁾	CapitaMall Saihan	Yuquan Mall	Rock Square
Gross Floor Area (sq m)	83,075	83,768	92,918	123,811	91,816	75,431	49,040	49,463	41,717	83,986	41,938	100,047	88,279
Number of Leases	218	200	137	393	239	225	149	4	26	135	180	-	175
Land Use Right(s) Expiry	23 August 2044 23 August 2054	15 May 2043 15 May 2053	29 August 2044 29 August 2054	15 December 2045	17 October 2047	03 March 2044	07 September 2042	10 July 2042	30 June 2044 ⁽²⁾ 15 September 2045	10 March 2043	11 March 2041 20 March 2041	26 July 2049	17 October 2045
Market Valuation (as at 1 November 2020) (RMB million)	3,580.0	2,772.0	2,125.0	1,774.0	1,600.0	760.0	469.0	610.0	440.0	83.0	460.0 ⁽³⁾	949.0	3,400.0 ⁽⁴⁾
Committed Occupancy (as at 30 September 2020)	95.2%	93.3%	91.4%	97.4%	94.0%	96.7%	89.0%	98.5%	44.6%	83.8%	99.2%	-	91.9%

Notes:

- (1) CapitaMall Qibao is held under a master lease by CapitaRetail Dragon Mall (Shanghai) Co., Ltd, a subsidiary of CapitaRetail China Investments (B) Alpha Pte. Ltd. The master lease was entered with Shanghai Jin Qiu (Group) Co., Ltd ("Jin Qiu"), the legal owner of CapitaMall Qibao and expires in January 2024, with the right to renew for a further term of 19 years and two months at the option of the Group. Accordingly, the land use rights is held by Jin Qiu. For the purpose of valuation, it is assumed that the lease extension option is not exercised. If the lease extension option is exercised, the valuation will be 425mil.
- (2) The conserved building is under a lease from the Wuhan Cultural Bureau.
- (3) No independent valuation done for CapitaMall Saihan as it is an asset held for sale where the divestment price has already been locked in.
- (4) This value represents the Agreed Value for Rock Square on a 100% basis.

6.1 Lease Expiry Profile for the Existing Portfolio

The chart below illustrates the committed lease expiry profile of the Existing Portfolio by percentage of monthly GRI as at 31 August 2020.



Note: Excludes CapitaMall Saihan as the mall will be divested in 1H 2021.

6.2 Trade Sector Analysis for the Existing Portfolio

The table below provides a breakdown by the different trade sectors represented in the Existing Portfolio as a percentage of monthly GRI as at 31 August 2020.

	% of GRI	% of Committed NLA
Food & Beverage	29.3	17.8
Fashion & Accessories	24.7	17.6
Supermarket	8.1	28.7
Beauty & Healthcare	7.0	4.1
Leisure & Entertainment	4.4	10.1
Sundry & Services	4.3	2.4
Education	4.2	3.9
Jewellery/Watches	3.2	0.9
Sporting Goods & Apparel	3.1	2.6
Houseware & Furnishings	3.0	4.6
Shoes & Bags	2.4	1.4
Department Stores	1.6	2.9
Gifts & Souvenirs	1.5	0.6
Information & Technology	1.5	0.7
Others	1.7	1.7
Total	100.0	100.0

6.3 Top Ten Tenants of the Existing Portfolio

The table below sets out the top ten tenants of the Existing Portfolio by monthly total rental income for the month of August 2020.

No.	Tenant ⁽¹⁾	Trade Sector	Description	% of Total Rental Income ⁽²⁾⁽³⁾
1	BHG Group of Companies	Supermarket Department Store Food & Beverages	<ul style="list-style-type: none"> One of the largest commercial chain retailers and operates numerous supermarkets, department stores and shopping malls across China Subsidiaries listed on both Shanghai and Shenzhen Stock Exchange 	4.8
2	Carrefour Group of Companies	Supermarket	<ul style="list-style-type: none"> Operates a network of hypermarkets and convenience stores across China 80% of shares owned by Suning International 	3.9
3	Bestseller Fashion Group (绫致时装(天津)有限公司)	Fashion & Accessories	<ul style="list-style-type: none"> One of China's leading fashion retailers operating more than 7,000 stores in over 500 cities throughout China, with brands including ONLY, Jack & Jones, Vero Moda and Selected 	2.6
4	UNIQLO Group of Companies	Fashion & Accessories	<ul style="list-style-type: none"> Global clothing apparel brand with more than 848 stores across China Fast Retailing, UNIQLO's holding company, is listed on Tokyo Stock Exchange 	1.6
5	B&Q (北京百安居装饰建材有限公司)	Houseware & Furnishings	<ul style="list-style-type: none"> Leading home improvement retailer in China, with 39 stores in 17 cities Operates under two brands, B&Q China, and Vivid Home 	1.3

No.	Tenant ⁽¹⁾	Trade Sector	Description	% of Total Rental Income ⁽²⁾⁽³⁾
6	Ucommune Group of Companies	Sundry & Services	<ul style="list-style-type: none"> China's shared workspace provider Operates shared workspaces in 200 locations across 44 cities, led by Beijing and Shanghai 	1.0
7	Yum! Brands Group of Companies	Food & Beverages	<ul style="list-style-type: none"> Operates KFC, Pizza Hut and Taco Bell brands with over 10,000 restaurants in over 1,400 cities across China Listed on New York Stock Exchange 	0.9
8	Watsons Group of Companies	Beauty & Healthcare	<ul style="list-style-type: none"> Flagship health and beauty brand of A.S. Watson Group Currently operates more than 3,800 stores and pharmacies in over 470 cities in Mainland China 	0.9
9	北京联郡餐饮管理有限公司	Food & Beverages	<ul style="list-style-type: none"> Operates Nanjing Impressions, a restaurant chain offering Huaiyang cuisine with outlets in different Chinese cities 	0.7
10	北京为之味 Group of Companies	Food & Beverages	<ul style="list-style-type: none"> Operates a restaurant chain offering noodles and meat sticks from China's southwestern Yunnan region Has 50 outlets in Beijing and Tianjin 	0.7
Top Ten Tenants				18.4
Other Tenants				81.6
Total				100.0

Sources: Manager's information, respective company websites

Notes:

(1) Tenants that are under the same group of companies are listed together.

(2) Includes both GRI and the GTO components to account for pure GTO leases.

(3) Based on CRCT's effective interest in each property, including CRCT's 51.0% interest in Rock Square.

7 Enlarged Portfolio

The table below sets out the details of the Enlarged Portfolio as at 31 August 2020 (unless otherwise indicated).

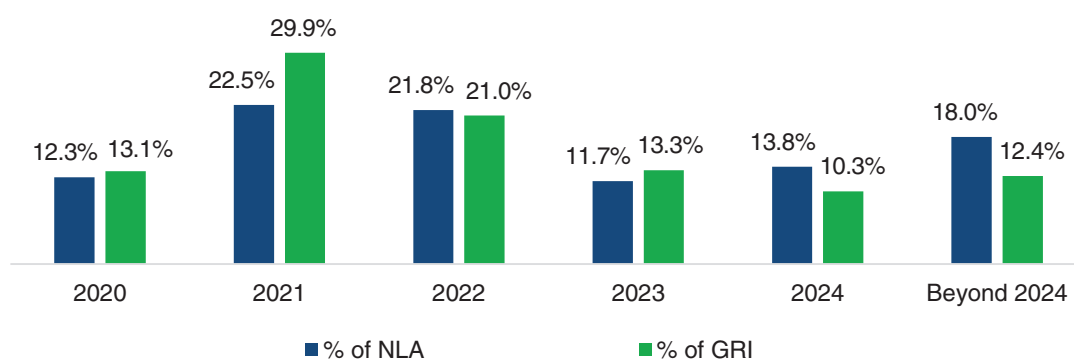
	Retail ⁽¹⁾	Business parks	Industrial	Enlarged Portfolio
Gross Floor Area	1,005,289 sq m	463,310 sq m	301,138 sq m	1,769,737 sq m
Net Leasable Area	533,850 sq m	432,205 sq m	277,474 sq m	1,243,529 sq m
Number of Leases	2,081	698		2,779
WALE	2.3 (by GRI)	2.1 (by GRI)		2.3 (by GRI)
	3.5 (by NLA)	2.2 (by NLA)		2.7 (by NLA)
Valuation/ Agreed Value (RMB million)	19,022 ⁽²⁾	4,730 ⁽³⁾		23,752
Occupancy (as of 30 September 2020)	91.7%	91.5% ⁽⁴⁾		91.6%

Notes:

- (1) Yuquan Mall is undergoing fit-out and is expected to be opened by the end of 2020. Gross Floor Area and Valuation includes Yuquan Mall.
- (2) Based on valuation as at 1 November 2020 for all existing portfolio and as at 31 October 2020 for Rock Square on a 100% basis.
- (3) Based on agreed value on 100% basis.
- (4) Including Rock Square, the Properties' committed occupancy is 91.6% as at 30 September 2020.

7.1 Lease Expiry Profile for the Enlarged Portfolio

The chart below illustrates the committed lease expiry profile of the Enlarged Portfolio by percentage of monthly GRI as at 31 August 2020.



Notes: Excludes CapitaMall Saihan as the mall will be divested in 1H 2021.

7.2 Trade Sector Analysis for the Enlarged Portfolio

The table below provides a breakdown by the different trade sectors represented in the Enlarged Portfolio as a percentage of monthly GRI as at 31 August 2020.

	% of GRI	% of Committed NLA
Food & Beverage	21.5	7.6
Fashion & Accessories	18.1	7.5
Supermarket	5.9	12.3
Beauty & Healthcare	5.1	1.7
Electronics	5.1	10.9
Engineering	3.9	10.1
Leisure & Entertainment	3.2	4.3
E-Commerce	3.1	5.7
Sundry & Services	3.1	1.0
Education ⁽¹⁾	3.1	1.7
Information and Communications Technology ⁽²⁾	2.8	5.5
Real Estate	2.8	7.3
Professional Services	2.7	5.4
Jewellery/Watches	2.3	0.4
Sporting Goods & Apparel	2.3	1.1
Houseware & Furnishings	2.2	2.0
Shoes & Bags	1.7	0.6
Biomedical Sciences	1.5	3.6
Financial Services	1.4	2.6
Department Store	1.2	1.3
Gifts & Souvenirs	1.1	0.3
Information & Technology ⁽³⁾	1.1	0.3
Amenities	1.1	1.8
Others ⁽⁴⁾	3.7	5.0
Total	100.0	100.0

Notes:

- (1) Refers to Education tenants in Retail.
- (2) Refers to Information and Communications Technology tenants in Business Parks.
- (3) Refers to Information & Technology tenants in Retail.
- (4) Others include Department Stores, Gift & Souvenirs, IT, Toys & Hobbies, Amenities, Logistics and Supply Chain Management, Distributors and Trading Company, Education, Data Centres, Electronics, Energy/Utilities, Books & Stationary, Textile and Garments, Chemical, FMCG, Food, Media, Natural Resources, Government, Hospitality and Leisure.

7.3 Top Ten Tenants of the Enlarged Portfolio

The table below sets out the top ten tenants of the Enlarged Portfolio by monthly total rental income for the month of 31 August 2020.

No.	Tenant ⁽¹⁾	Trade Sector	Description	% of Total Rental Income ⁽²⁾⁽³⁾
1	BHG Group of Companies	Supermarket Food & Beverages Department Store	<ul style="list-style-type: none"> One of the largest commercial chain retailers and operates numerous supermarkets, department stores and shopping malls across China Subsidiaries listed on both Shanghai and Shenzhen Stock Exchange 	3.6
2	Carrefour Group of Companies	Supermarket	<ul style="list-style-type: none"> Operates a network of hypermarkets and convenience stores across China 80% of shares owned by Suning International 	2.9
3	Bestseller Fashion Group (绫致时装(天津)有限公司)	Fashion & Accessories	<ul style="list-style-type: none"> One of China's leading fashion retailers operating more than 7,000 stores in over 500 cities throughout China, with brands including ONLY, Jack & Jones, Vero Moda and Selected 	1.9
4	Ping An Insurance Company (中国平安人寿保险股份有限公司)	Financial Services	<ul style="list-style-type: none"> Leading technology-powered retail financial services group Listed on Hong Kong Stock Exchange 	1.3
5	UNIQLO Group of Companies	Fashion & Accessories	<ul style="list-style-type: none"> Global clothing apparel brand with more than 848 stores across China Fast Retailing, UNIQLO's holding company, is listed on Tokyo Stock Exchange 	1.3
6	B&Q (北京百安居装饰建材有限公司)	Houseware & Furnishings	<ul style="list-style-type: none"> Leading home improvement retailer in China, with 39 stores in 17 cities Operates under two brands, B&Q China, and Vivid Home 	0.9

No.	Tenant ⁽¹⁾	Trade Sector	Description	% of Total Rental Income ⁽²⁾⁽³⁾
7	杭州乐龙科技有限公司	Real Estate	<ul style="list-style-type: none"> Enterprise incubation platform Operates a national mass innovation space, a provincial incubator, a municipal incubator, and three entrepreneurship and innovation industrial parks 	0.9
8	Guangdong Yongwang Tee Mall Commerce (广东永旺天河城商业有限公司)	Supermarket	<ul style="list-style-type: none"> Joint venture company between TEEMALL and AEON Hong Kong operating supermarkets and retail stores under the "AEON" brand in Guangdong 	0.8
9	Yum! Brands Group of Companies	Food & Beverage	<ul style="list-style-type: none"> Operates KFC, Pizza Hut and Taco Bell brands with over 10,000 restaurants in over 1,400 cities across China Listed on New York Stock Exchange 	0.8
10	Ucommune Group of Companies	Sundry & Services	<ul style="list-style-type: none"> China's shared workspace provider Operates shared workspaces in 200 locations across 44 cities, led by Beijing and Shanghai 	0.7
Top Ten Tenants				15.1
Other Tenants				84.9
Total				100.0

Sources: Manager's information, respective company websites

Notes:

- (1) Tenants that are under the same group of companies are listed together.
- (2) Includes both GRI and the GTO components to account for pure GTO leases.
- (3) Based on CRCT's effective interest in each property, including CRCT's 100.0% interest in Rock Square, 80% stake in Ascendas Innovation Hub, SHSTP Phase I and Phase II, 51% stake in Ascendas Xinsu Portfolio.

**INDEPENDENT FINANCIAL ADVISER'S LETTER
TO THE INDEPENDENT DIRECTORS AND THE AUDIT COMMITTEE
OF THE MANAGER AND THE TRUSTEE**

ERNST & YOUNG CORPORATE FINANCE PTE. LTD.

(Incorporated in the Republic of Singapore)
(Company Registration Number: 199702967E)
One Raffles Quay
North Tower, Level 18
Singapore 048583

4 December 2020

**The Independent Directors and the Audit Committee of
CapitaLand Retail China Trust Management Limited
(As Manager of CapitaLand Retail China Trust)**

168 Robinson Road
#30-01 Capital Tower
Singapore 068912

**HSBC Institutional Trust Services (Singapore) Limited
(As Trustee of CapitaLand Retail China Trust)**

10 Marina Boulevard
Marina Bay Financial Centre
Tower 2 #48-01
Singapore 018983

Dear Sirs:

THE PROPOSED ACQUISITION OF THE RESPECTIVE INTERESTS IN THE COMPANIES WHICH HOLD THE ASCENDAS XINSU PORTFOLIO, ASCENDAS INNOVATION TOWERS, ASCENDAS INNOVATION HUB, SINGAPORE-HANGZHOU SCIENCE & TECHNOLOGY PARK PHASE I AND PHASE II AND ROCK SQUARE AS AN INTERESTED PERSON TRANSACTION

1 INTRODUCTION

On 5 November 2020, CapitaLand Retail China Trust (“**CRCT**”), through its wholly-owned subsidiaries, CRCT Investment (Suzhou) Pte. Ltd. (“**Xinsu CRCT Purchaser**”), CRCT Investment (Xi’an II) Pte. Ltd. (“**AIT Purchaser**”) and CRCT Investment (Xi’an I) Pte. Ltd. (“**AIH Purchaser**”), and together with the Xinsu CRCT Purchaser and the AIT Purchaser, the “**ACBPF4 Purchasers**”), have entered into conditional agreements (collectively, the “**ACBPF4 Conditional Agreement**”) with Ascendas China Business Park IV Trustee Pte. Ltd., in its capacity as trustee of Ascendas China Business Parks Fund 4 (“**Xinsu Vendor**”), Xi’an Business Park II Pte. Ltd. (“**AIT Vendor**”) and Xi’an Business Park III Pte. Ltd. (“**AIH Vendor**”), and together with the Xinsu Vendor and the AIT Vendor, the “**ACBPF4 Vendors**”) to acquire the respective interests in the shares of the ACBPF4 Target Companies (as defined below) as described below:

- (i) 51.0% of the shares of Singapore Suzhou Industrial Holdings Pte. Ltd. (“**Xinsu HoldCo**”) which indirectly holds the Ascendas Xinsu Portfolio comprising six properties located in different locations in Suzhou Industrial Park, China (“**Ascendas Xinsu Portfolio**”);

- (ii) 100.0% of the shares in Ascendas Xi An High-Tech Development Co., Ltd. (“**AIT ProjectCo**”) which holds Ascendas Innovation Towers located in the Hi-tech Industries Development Zone in Xi’an, China (“**Ascendas Innovation Towers**”); and
- (iii) 80.0% of the shares in Xi An Ascendas-Science Technology Investment Co., Ltd. (“**AIH ProjectCo**”) which holds Ascendas Innovation Hub located in the Hi-tech Industries Development Zone in Xi’an, China (“**Ascendas Innovation Hub**”),

the acquisition of the respective interests in the shares of the Xinsu HoldCo, AIT ProjectCo and AIH ProjectCo (the “**ACBPF4 Target Companies**”) (the “**ACBPF4 Acquisition**”).

The balance 49.0% of the shares of Xinsu HoldCo will be acquired by CLC Investment Nine Pte. Ltd., an indirect wholly-owned subsidiary of CapitalLand Limited (“**CapitalLand**” or the “**Sponsor**”) (“**Xinsu CLC Purchaser**”, and together with the Xinsu CRCT Purchaser, the “**Xinsu Purchasers**”).

The balance 20.0% of the shares of AIH ProjectCo are owned by an unrelated third-party joint venture partner (the “**AIH JV Partner**”)¹.

Separately, on 5 November 2020, CRCT, through its wholly-owned subsidiaries, CRCT Investment (Hangzhou I) Pte. Ltd. and CRCT Investment (Hangzhou II) Pte. Ltd. (the “**SHSTP Purchasers**”) entered into a conditional agreement (the “**SHSTP Conditional Agreement**”) with Ascendas Singapore-Hangzhou Science & Technology Park I Pte. Ltd. and Ascendas Singapore-Hangzhou Science & Technology Park IV Pte. Ltd. (together, the “**SHSTP Vendors**”) to acquire 80.0% of the shares in Ascendas Hangzhou Science & Technology Co., Ltd. and Ascendas Hangzhou Data Processing Co., Ltd. (the “**SHSTP Target Companies**”) which hold Singapore-Hangzhou Science & Technology Park Phase I and Phase II, respectively (“**SHSTP Phase I and Phase II**”) located in the Hangzhou Economic & Technological Development Area in Jianggan District, China (the “**SHSTP Acquisition**”).

The balance 20.0% of the shares in each of the SHSTP Target Companies are owned by an unrelated third-party joint venture partner (the “**SHSTP JV Partner**”)².

Separately, on 5 November 2020, CRCT, through its wholly-owned subsidiaries, Gold Rock Investment Pte. Ltd. (the “**Rock Square Purchaser**”)³ entered into a conditional agreement (the “**Rock Square SPA**”) with Gold Ruby Pte. Ltd. (the “**Rock Square Vendor**”) to acquire the balance 49.0% of the shares of Gold Yield Pte. Ltd. (the “**Rock Square HoldCo**”) which indirectly holds Rock Square located in Haizhu District in Guangzhou, China (the “**Rock Square Acquisition**”, and collectively with the ACBPF4 Acquisition and the SHSTP Acquisition, the “**Acquisition**”).

The “**Target Companies**” comprise the ACBPF4 Target Companies, the SHSTP Target Companies and Rock Square HoldCo.

The “**Properties**” comprise Ascendas Xinsu Portfolio, Ascendas Innovation Towers, Ascendas Innovation Hub, SHSTP Phase I and Phase II, and Rock Square.

The “**Conditional Agreements**” comprise the ACBPF4 Conditional Agreement, the SHSTP Conditional Agreement and the Rock Square SPA.

1 The AIH JV Partner is a State Owned Enterprise.

2 The SHSTP JV Partner is a State Owned Enterprise.

3 The Rock Square Purchaser currently holds 51% of the shares in the Rock Square HoldCo.

The total cost of the Acquisition (the **“Total Acquisition Cost”**) is approximately S\$822.4 million.

For the purposes of the circular to the unitholders of CRCT (**“Unitholders”**) and the circular, the **“Circular”**) and this letter, and unless otherwise stated, the **“Existing Portfolio”** comprises (i) CapitaMall Xizhimen, (ii) CapitaMall Wangjing, (iii) CapitaMall Grand Canyon, (iv) CapitaMall Xuefu, (v) CapitaMall Xinnan, (vi) CapitaMall Yuhuating, (vii) CapitaMall Aidemengdun, (viii) CapitaMall Shuangjing, (ix) CapitaMall Minzhongleyuan, (x) CapitaMall Qibao, (xi) CapitaMall Saihan, (xii) Rock Square¹, and (xiii) Yuquan Mall held by CRCT as at 23 November 2020, being the latest practicable date prior to the issuance of the Circular (the **“Latest Practicable Date”**). The **“Enlarged Portfolio”** refers to the Existing Portfolio and the Properties.

Unless otherwise stated, the information contained in this letter and in the Circular on the Existing Portfolio and the Enlarged Portfolio is as at 31 August 2020.

Interested Person Transactions and Interested Party Transactions

As at the Latest Practicable Date, CapitaLand, through (i) its indirect wholly-owned subsidiaries, namely, Retail Crown Pte. Ltd. (**“Retail Crown”**) and CapitaLand Retail China Trust Management Limited (acting in its own capacity) (**“CRCTML”**), and (ii) CapitaLand Integrated Commercial Trust (formerly known as CapitaLand Mall Trust) (**“CICT”**), has a deemed interest in 446,460,905 units in CRCT (the **“Units”**), which comprises approximately 36.23% of the total number of Units in issue², and is therefore regarded as a “controlling unitholder” of CRCT under both the Listing Manual of the Singapore Exchange Securities Trading Limited (**“SGX-ST”**) (the **“Listing Manual”**) and Appendix 6 of the Code on Collective Investment Schemes issued by the Monetary Authority of Singapore (the **“MAS”** and Appendix 6, the **“Property Funds Appendix”**). In addition, as the Manager is a wholly-owned subsidiary of CapitaLand, CapitaLand is therefore regarded as a “controlling shareholder” of the Manager under both the Listing Manual and the Property Funds Appendix.

The Acquisition

Each of the SHSTP Vendors and the Rock Square Vendor is a wholly-owned subsidiary of CapitaLand. The AIH Vendor and the AIT Vendor are wholly-owned subsidiaries of Ascendas China Business Parks Fund 4 (**“ACBPF4”**) while the Xinsu Vendor is the trustee of ACBPF4. ACBPF4 is a fund which is 22.99% held by CapitaLand, and managed by Ascendas Asia Real Estate Fund Management Pte Ltd, a wholly-owned subsidiary of CapitaLand. ACBPF4 owns (directly or indirectly) the Ascendas Xinsu Portfolio, Ascendas Innovation Towers and Ascendas Innovation Hub.

For the purposes of Chapter 9 of the Listing Manual and Paragraph 5 of the Property Funds Appendix, (i) the SHSTP Vendors and the Rock Square Vendor (being associates of a “controlling unitholder” of CRCT and a “controlling shareholder” of the Manager) are (for the purpose of the Listing Manual) “interested persons” and (for the purpose of the Property Funds Appendix) “interested parties” of CRCT, and (ii) the Manager also regards the acquisition of Ascendas Xinsu Portfolio, Ascendas Innovation Towers and Ascendas Innovation Hub as an interested person transaction and an interested party transaction as it is a transaction with a fund (ACBPF4) managed by an associate of a “controlling unitholder” of CRCT and a “controlling shareholder” of the Manager.

1 CRCT has a 51.0% interest in Rock Square.

2 Based on a total number of 1,232,104,560 Units in issue as at the Latest Practicable Date.

Therefore, the Acquisition will constitute an “interested person transaction” under Chapter 9 of the Listing Manual as well as an “interested party transaction” under the Property Funds Appendix, in respect of which the approval of Unitholders is required.

Accordingly, CapitaLand Retail China Trust Management Limited (as the manager of CRCT) (the “**Manager**”) is seeking the approval of Unitholders by way of an Ordinary Resolution of the Unitholders for the Acquisition¹.

Under Chapter 9 of the Listing Manual, where CRCT proposes to enter into a transaction with an interested person and the value of the transaction (either in itself or when aggregated with the value of other transactions, each of a value equal to or greater than S\$100,000, with the same interested person during the same financial year) is equal to or exceeds 5.0% of the latest audited net tangible assets (“**NTA**”) of CRCT and its subsidiaries (the “**CRCT Group**”), Unitholders’ approval is required in respect of the transaction. Based on the audited financial statements of the CRCT Group for the financial year ended 31 December 2019 (the “**2019 Audited Financial Statements**”), the NTA of the CRCT Group was S\$1,873.7 million (represented by Unitholders’ funds) as at 31 December 2019. Accordingly, if the value of a transaction which is proposed to be entered into in the current financial year by CRCT with an interested person is, either in itself or in aggregation with all other earlier transactions (each of a value equal to or greater than S\$100,000) entered into with the same interested person during the current financial year, equal to or in excess of S\$93.7 million, such a transaction would be subject to Unitholders’ approval.

Paragraph 5 of the Property Funds Appendix also imposes a requirement for Unitholders’ approval for an interested party transaction by CRCT whose value exceeds 5.0% of the CRCT Group’s latest audited net asset value (“**NAV**”). Based on the CRCT Group’s 2019 Audited Financial Statements, the NAV of the CRCT Group was S\$1,873.7 million (represented by Unitholders’ funds) as at 31 December 2019. Accordingly, if the value of a transaction which is proposed to be entered into by CRCT with an interested party is equal to or in excess of S\$93.7 million, such a transaction would be subject to Unitholders’ approval.

Based on the CRCT Group’s 2019 Audited Financial Statements, the aggregate value of the Acquisition, and the CRCT Xinsu Entrustment Loan (as defined below) and the estimated value of the Property Management Agreements (as defined below) is S\$838.1 million or 44.7% of the NTA/NAV of the CRCT Group as at 31 December 2019. Accordingly, the value of the Acquisition exceeds the said thresholds.

The Property Management Agreements

The Rock Square HoldCo had, on 1 February 2018, entered into a property management agreement with a wholly-owned subsidiary of CapitaLand for the provision of property management services for Rock Square. In respect of the Properties (other than Rock Square), under the terms of the property management agreements to be entered into between the respective Target Companies and certain wholly-owned subsidiaries of CapitaLand (together with the property manager of Rock Square, the “**Property Managers**”, and the property management agreements collectively, the “**Property Management Agreements**”), the relevant Property Managers will provide property management services for the relevant Properties.

¹ The Properties are effectively sold on a portfolio basis and the transaction is conditional on Unitholders’ approval for the Acquisition as well as successful fund raising for the entire portfolio.

As each of the Property Managers is a wholly-owned subsidiary of CapitaLand (being a “controlling Unitholder” and a “controlling shareholder” of the Manager), each of the Property Managers (being a subsidiary of a “controlling Unitholder” and a “controlling shareholder” of the Manager) is (for the purposes of the Listing Manual) an “interested person” of CRCT. Accordingly, the entry into the Property Management Agreements between the respective Target Companies and the Property Managers will constitute an interested person transaction under the Listing Manual.

The Shareholders’ Agreement in relation to Xinsu HoldCo

Following the completion of the acquisition of 51.0% of the Xinsu HoldCo by CRCT, CRCT, through the Xinsu CRCT Purchaser will enter into a shareholders’ agreement with the Xinsu CLC Purchaser, which holds the balance 49.0% of the shares of Xinsu HoldCo (the “**Xinsu SHA**”). The Xinsu CLC Purchaser is an indirect wholly-owned subsidiary of CapitaLand.

As the Xinsu CLC Purchaser is an indirect wholly-owned subsidiary of CapitaLand (being a “controlling Unitholder” and a “controlling shareholder” of the Manager), the Xinsu CLC Purchaser (being a subsidiary of a “controlling Unitholder” and a “controlling shareholder” of the Manager) is (for the purposes of the Listing Manual) an “interested person” of CRCT. Accordingly, the entry into the Xinsu SHA by CRCT, through the Xinsu CRCT Purchaser, with the Xinsu CLC Purchaser will constitute an interested person transaction under the Listing Manual.

As at the date of the Circular, the interested person transactions entered into between (i) CRCT and (ii) entities within CapitaLand and its subsidiaries and associates, during the course of the current financial year amount to S\$0.2 million. There are no other transactions with any other interested person for the same financial year.

In approving the Acquisition, Unitholders are deemed to have approved the ACBPF4 Conditional Agreement, the SHSTP Conditional Agreement, the Rock Square SPA, the Property Management Agreements, and the Xinsu SHA, which are required to be executed by the parties in order to give effect to the Acquisition.

In accordance with the abovementioned requirements, more details of which are set out in the Circular, Ernst & Young Corporate Finance Pte Ltd (“**EYCF**”) has been appointed as the independent financial adviser (“**IFA**”) as required under Rule 921(4)(a) of the Listing Manual as well as to advise the independent directors of the Manager (the “**Independent Directors**”), the audit committee of the Manager (the “**Audit Committee**”), and HSBC Institutional Trust Services (Singapore) Limited (as trustee of CRCT) (the “**Trustee**”) on whether the Acquisition is on normal commercial terms and is not prejudicial to the interests of CRCT and its minority Unitholders. In opining on the Acquisition, we have taken into account the Property Management Agreements and the Xinsu SHA, which are also considered as interested person transactions under Chapter 9 of the Listing Manual.

This letter sets out, *inter alia*, our evaluation of the Acquisition (including the Property Management Agreements and the Xinsu SHA) and our opinion thereon. This letter forms part of the Circular to be issued by the Manager which provides, *inter alia*, the details of the Acquisition, the Property Management Agreements, the Xinsu SHA, and the recommendation of the Independent Directors and the Audit Committee in respect thereof.

Unless otherwise defined or the context otherwise requires, all terms in the Circular shall have the same meaning in this letter. For illustrative purposes, foreign currency amounts have been translated into Singapore dollars (“**S\$**”). Unless otherwise indicated, such translations have been made based on the illustrative exchange rate of S\$1.000 = Chinese Renminbi (“**RMB**”) 4.9179.

2 TERMS OF REFERENCE

EYCF has been appointed as required under Rule 921(4)(a) of the Listing Manual as well as to advise the Independent Directors, the Audit Committee, and the Trustee in respect of whether the Acquisition is on normal commercial terms and is not prejudicial to the interests of CRCT and its minority Unitholders. In opining on the Acquisition, we have taken into account the Property Management Agreements and the Xinsu SHA, which are also considered as interested person transactions under Chapter 9 of the Listing Manual.

Our views as set forth in this letter are based on the prevailing market conditions, economic conditions, and financial conditions, and our evaluation of the Acquisition, as well as information provided to us by CRCT and the management of the Manager (the “**Management**”), as at the Latest Practicable Date. Accordingly, we assume no responsibility to update, revise or reaffirm our opinions as a result of any subsequent development after the Latest Practicable Date. Unitholders should take note of any announcement and/or event relevant to the proposed transactions which may be released by CRCT and/or the Manager after the Latest Practicable Date.

We are not and were not involved in any aspect of the discussions and negotiations pertaining to the Acquisition nor were we involved in the deliberations leading up to the decisions by the directors of the Manager (the “**Directors**”) in connection with the Acquisition. We have not conducted a comprehensive review of the business, operations or financial condition of CRCT and its subsidiaries and associates. It is not within our terms of reference to assess the rationale for, legal, strategic, commercial and financial merits and/or risks of the Acquisition, and to comment on such merits and/or risks of the Acquisition. We have only expressed our opinion on whether the Acquisition is on normal commercial terms and is not prejudicial to the interests of CRCT and its minority Unitholders. The assessment of the legal, strategic, commercial and financial merits and/or risks of the Acquisition remains the sole responsibility of the Directors, although we may draw upon their views in respect thereof (to the extent deemed necessary or appropriate by us) in arriving at the opinion set out in this letter.

It is also not within our terms of reference to compare the relative merits of the Acquisition vis-à-vis any alternative transaction previously considered by CRCT and/or the Manager (if any) or that CRCT and/or the Manager may consider in the future, and as such, we do not express an opinion thereon.

In the course of our evaluation of the Acquisition, we have held discussions with the Directors and the Management. We have also examined and relied on information in respect of CRCT collated by us, as well as information provided and representations and assurances made to us, both written and verbal, by the Directors, the Management and/or professional advisers of CRCT and/or the Manager, including information contained in the Circular. We have not independently verified such information or any representation or assurance, whether written or verbal, and accordingly cannot and do not warrant or accept responsibility for the accuracy or completeness of such information, representation or assurance. Nevertheless, the Directors (including those who may have delegated supervision of the Circular) and the Management have confirmed to us, after making all reasonable enquiries that, to the best of their knowledge and belief, all material information relating to CRCT, the Acquisition has been disclosed to us, that such information constitutes a full and true disclosure, in all material respects, of all material facts about CRCT, the Acquisition, and there is no material information the omission of which would make any of the information contained herein or in the Circular misleading in any material respect. The Directors have jointly and severally accepted such responsibility accordingly.

We have also made reasonable enquiries and exercised our judgement on the reasonable use of such information and have found no reason to doubt the accuracy or the reliability of such information. We have further assumed that all statements of fact, belief, opinion and intention made by the Directors in relation to the Acquisition have been reasonably made after due and careful enquiry. We have not conducted a comprehensive review of the business, operations and financial condition of CRCT and/or the Properties. We have also not made an independent evaluation or appraisal of the assets and liabilities of CRCT and/or the Properties. However, we have been furnished with the independent valuation reports commissioned by the Manager and the Trustee and issued by the independent valuers in connection with the open market values of the Properties (the “**Valuation Reports**”), namely Jones Lang Lasalle Corporate Appraisal and Advisory Limited (“**JLL**”) and CBRE Limited (“**CBRE**”, and together with JLL, the “**Independent Valuers**”) respectively. We are not experts and do not regard ourselves to be experts in the valuation of the Properties, and we have taken into consideration the Valuation Reports respectively prepared by the Independent Valuers.

In preparing this letter, we have not had regard to the specific investment objectives, financial situation, tax position and/or unique needs and constraints of any individual Unitholder or any specific group of Unitholders. As each Unitholder would have different investment objectives and profiles, any individual Unitholder or group of Unitholders who may require specific advice in relation to his or their Units should consult his or their stockbroker, bank manager, solicitor, accountant or other professional advisers.

We were not involved and have not provided any advice, whether financial or otherwise, in the preparation, review and verification of the Circular (other than in connection with this letter). Accordingly, we do not take any responsibility for, and express no views on, whether expressed or implied, the contents of the Circular (other than in connection with this letter).

This letter and our opinions are pursuant to Rule 921(4)(a) of the Listing Manual as well as addressed for the use and benefit of the Independent Directors, the Audit Committee, and the Trustee in connection with and for the purpose of their consideration of the Acquisition, and the recommendations made by the Independent Directors and the Audit Committee to the Unitholders shall remain the sole responsibility of the Independent Directors and the Audit Committee.

Our opinions in relation to the Acquisition should be considered in the context of the entirety of this letter and the Circular.

3 DETAILS OF THE ACQUISITION

The details of the Acquisition, including details of the Properties and the documents required to give effect to the Acquisition, are set out in the Summary section, Paragraph 2 of the Letter to Unitholders of the Circular and Appendix A to the Circular.

3.1 Description of the Properties

Ascendas Xinsu Portfolio

The Ascendas Xinsu Portfolio comprises six properties located in different locations covering a range of assets types, including business park, built-to-suit factories, and ready-built factories. The Ascendas Xinsu Portfolio consists of 61 buildings including research and development (“**R&D**”) and industrial portion. The R&D portion forms part of Ascendas Xinsu Square, comprising six business park office buildings with retail ancillaries. It is one of the first business park projects in Suzhou Industrial Park and has since established a strong reputation for its quality specifications and premium location. The

industrial portion includes 50 single-storey workshops with mezzanine floors and five four-to-six storey workshops, located in six different properties (Ascendas Xinsu Square, Ascendas Xinsu North Belt, NIO Delivery Centre, Semi Detached Factory in EPZ, Nexteer BTS Phase 1 and 2, and Ascendas Xinsu Industrial Square II) in the Suzhou Industrial Park. The Ascendas Xinsu Portfolio has a total gross floor area of 373,334 square metre (“**sq m**”) and net leasable area of 349,480 sq m¹. The Ascendas Xinsu Portfolio is accessible via various modes of transportation including High Speed Railway Station, Metro Line 1, 3 and an upcoming Line 6 of Suzhou Rail Transit which is expected to provide easy access to other parts of Suzhou. Ascendas Xinsu Square, in particular, is well-connected to the city’s public transit infrastructure via West Ligongdi Station on Metro Line 3 and is located only five minutes’ drive to Suzhou Centre, the landmark of Suzhou Industrial Park, one hour’s drive to Shanghai Hongqiao International Airport. It houses multinational companies and leading domestic enterprises, ideal for industrial, R&D and modern services functions. Some key tenants in the portfolio includes Beckman Coulter Laboratory Systems (leased since 1997), CCL Design Label (leased since 1996), TDK (Suzhou) Electronics Co Ltd (leased since 2000), Takasago Electric (Suzhou) (leased since 2003), Nexteer Automotive (Suzhou) Co., Ltd (leased since 2008) and Tobii Electronics Technology Suzhou Co (leased since 2018).

Ascendas Innovation Towers

Ascendas Innovation Towers is a business park project with two 23-storey office towers with a five-storey podium and a three-storey standalone building with a total gross floor area of 118,495 sq m and net leasable area of 96,347 sq m. The property is located in 88 Tian Gu Seventh Road, Hi-tech Industries Development Zone, Xi’an, the capital of Shaanxi Province which is well-known for its cultural, industrial and educational resources. The Hi-tech Industries Development Zone registered 120,000 enterprises mainly from the electronics, semiconductors, manufacturing, biomedicine, new energy cars and innovative industries. Building A is a three-storey office podium building erected on a two-storey basement for car park use. Building B comprises two 23-storey office towers erected on a two-storey basement for car park use. Ascendas Innovation Towers is positioned as a landmark asset providing quality focal point for development of Xi’an’s new economy, including hi-tech, innovation, software and R&D sectors. Notable tenants include Ping An Insurance Company (leased since 2017), Dahua Technology (leased since 2018), Anchnet (leased in 2019) and Transcosmos (leased since 2017).

Ascendas Innovation Hub

Ascendas Innovation Hub is a business park project with two office towers. The property is located in 38 Gao Xin Sixth Road, within the core area of Xi’an Software Park in Hi-tech Industries Development Zone, Xi’an, the capital of Shaanxi Province. The property comprises two six-storey business park office towers, both erected on a one-storey basement, with a total gross floor area of 40,547 sq m and net leasable area of 36,108 sq m. Ascendas Innovation Hub has good accessibility and the area is home to a mixture of office, retail, and residential as well as hotel developments. Located in the core area of Hi-tech Industries Development Zone, Ascendas Innovation Hub is served by more than 10 bus

1 In relation to Ascendas Xinsu Square, there is an agreement between the local authorities and the Xinsu ProjectCo (as defined herein) for the permanent acquisition of approximately 636.4 sq m of land for the construction of a new metro line in Suzhou. The site area of Ascendas Xinsu Square of 92,868 sq m disclosed in the Circular includes this parcel of land as the compulsory acquisition process is underway and the land has not yet been carved out from the title certificate. When the exact land area to be acquired has been fixed and the purchase price paid over to Xinsu ProjectCo, the land will be carved out of the title certificate and returned to the government. This process is expected to take place after completion of the Acquisition and the price for the land will be retained for the account of the Xinsu Purchasers. The acquired land is not expected to affect the gross floor area and net leasable area of Ascendas Xinsu Square, and its current usage is not expected to be materially affected. The Independent Valuers’ (as defined herein) valuation of the Ascendas Xinsu Portfolio has taken into account the compulsory acquisition.

lines and is 1.2 kilometre (“**km**”) away from the Zhangba North Road Metro station on Metro Line 3, providing good accessibility to the city centre and airport of Xi’an (estimated travel time of 30 minutes and 45 minutes respectively). Ascendas Innovation Hub is positioned as a high-tech incubator and R&D space for manufacturing and semiconductor enterprises. Notable tenants include UniC Semiconductors (leased since 2006), Montage Technology (leased since 2019) and Qualcomm (leased in 2011).

SHSTP Phase I and Phase II

Singapore-Hangzhou Science & Technology Park is an integrated business park located in the middle of Hangzhou Xiasha Education Zone of the Hangzhou Economic & Technological Development Area (part of Hangzhou Qiantang New Area). SHSTP Phase I and Phase II are located at 2 Kejiyuan Road, Hangzhou Economic & Technological Development Area in Jianggan District. Phase 1 comprises five R&D buildings of 4 to 20 storeys and two ancillary buildings, with a total gross floor area of 101,811 sq m and a net leasable area of 101,450 sq m. Phase II comprises five R&D buildings of 11 to 15 storeys and five semi-detached standalone R&D buildings of four storeys and ancillary facilities, with a total gross floor area of 130,261 sq m and a net leasable area of 126,294 sq m. The property is located in the heart of Hangzhou Economic and Technological Development Area (“**HEDA**”), and is only 500 metres away from the Hangzhou Bay Ring Expressway and 1 km away from Yunshui Station on Metro Line 1. HEDA is a national level economic and technological development zone. Over the decades, HEDA has achieved rapid development where many leading companies and Fortune 500 companies have set up their branches in the area. With the growth of information technology (“**IT**”), innovative, and high technology industries, the property provides alternative office space for the start-ups. The property is adjacent to Zhejiang’s largest university zone and provides ideal office space for many companies in E-commerce, biomedical sciences, information and communication technology and R&D functions. Notable tenants include Zhimei (leased since 2014) and Sowow (leased since 2015) for Phase I property, as well as Taodao Technology (leased since 2017) and Weinian Technology (leased since 2017) for Phase II property.

Rock Square

Rock Square is located in Gongye Avenue North, Haizhu District, Guangzhou City, the most populous city of Guangdong province in Southern China. Opened in 2013, the property is one of the largest malls in Jiangnanxi, an established retail cluster located in Guangzhou’s Haizhu District. Haizhu District is Guangzhou’s 2nd most populous urban district that also ranks high in terms of disposable income per capita. The mall has five retail levels with three levels above-ground and two levels at the basement with gross floor area of 88,279 sq m. The mall is directly connected to Shayuan metro station, which serves Line 8 that links Guangzhou’s eastern and western areas, and Guangfo Line that connects Guangzhou with Foshan. Surrounded by densely populated residential estates, the mall caters to about 800,000 residents from middle-and high-income households within a three-km radius. Offering a wide range of fashion, dining and entertainment options for modern lifestyle needs, the mall presents a one-stop shopping and lifestyle experience, featuring well-known domestic and international brands such as AEON, UNIQLO, ZARA, Victoria’s Secret, Xiaomi, Green Tea restaurant and HEYTEA.

The table below sets out some details of the Properties as at 31 August 2020 (unless otherwise indicated).

	Ascendas Xinsu Portfolio	Ascendas Innovation Towers	Ascendas Innovation Hub	SHSTP Phase I	SHSTP Phase II	Rock Square
Location	Suzhou Industrial Park, Suzhou	88 Tian Gu 7 Road, Xi'an Hi-Tech Industries Development Zone, Xi'an	38 Gao Xin 6 Road, Xi'an Hi-Tech Industries Development Zone, Xi'an	2 Science & Technology Park Road, Qiantang New Area, Hangzhou	2 Science & Technology Park Road, Qiantang New Area, Hangzhou	106-108 Gongye Avenue North, Haizhu District, Guangzhou
Year of Opening	Xinsu Industrial: 1996-2013; Xinsu R&D: Oct 2016	Apr 2017	Tower A: Oct 2003 Tower B: Nov 2005	Sep 2009 – Jun 2013	Jun 2016	Jul 2013
Land Tenure	December 2046 – May 2057 ⁽¹⁾	February 2064	May 2051	September 2056	July 2060	October 2045
Gross Floor Area (sq m)	373,334	118,495	40,547	101,811	130,261	88,279
Net Lettable Area (sq m)	349,480 ⁽²⁾	96,347	36,108	101,450	126,294	53,108
Committed Occupancy Rate (as at 30 Sep 2020)	90.3%	91.4%	93.1%	93.0%	93.7%	91.9%
No. of Leases	310	79	47	184	78	175
Agreed Value (on a 100% basis) (RMB million)	2,265.0	759.0	298.0	641.0	767.0	3,400.0
Agreed Value (based on effective stake) (RMB million)	1,155.2	759.0	238.4	512.8	613.6	1,666.0
FY2019 Net Property Income ("NPI") Yield ⁽³⁾	6.1%	4.7%	8.2%	7.5%	6.4%	4.3%
1H2020 Annualised NPI Yield ⁽⁴⁾	6.2%	6.0%	9.5%	8.3%	6.7%	3.9% ⁽⁵⁾

Source: Circular

Notes:

- (1) See paragraph 1.2 of Appendix A to the Circular for the breakdown of land tenure for each property in the Ascendas Xinsu Portfolio.
- (2) In relation to Ascendas Xinsu Square, there is an agreement between the local authorities and the Xinsu ProjectCo for the permanent acquisition of approximately 636.4 sq m of land for the construction of a new metro line in Suzhou. The site area of Ascendas Xinsu Square of 92,868 sq m disclosed in the Circular includes this parcel of land as the compulsory acquisition process is underway and the land has not yet been carved out from the title certificate. When the exact land area to be acquired has been fixed and the purchase price paid over to Xinsu ProjectCo, the land will be carved out of the title certificate and returned to the government. This process is expected to take place after completion of the Acquisition and the price for the land will be retained for the account of the Xinsu Purchasers. The acquired land is not expected to affect the gross floor area and net leasable area of Ascendas Xinsu Square, and its current usage is not expected to be materially affected. The Independent Valuers' valuation of the Ascendas Xinsu Portfolio has taken into account the compulsory acquisition.
- (3) Based on the NPI for the relevant property for the 12-month period ended 31 December 2019 ("FY 2019") and the Agreed Value.
- (4) Based on the annualised NPI for the 6-month period ended 30 June 2020 ("1H2020") and the Agreed Value.
- (5) Excluding one-off rental rebate due to the COVID-19 outbreak, the yield would have been 4.4%.

3.2 Structure of and Consideration for the Acquisition

The details of the structure of and consideration for the Acquisition are set out in the Summary section and Paragraph 2.2 of the Letter to Unitholders of the Circular.

The estimated aggregate consideration (the “**Consideration**”) of S\$769.8 million payable to the ACBPF4 Vendors, the SHSTP Vendors and the Rock Square Vendor (collectively, the “**Vendors**”) in connection with the acquisition of the Target Companies takes into account:

- (i) the assumed NAV (the “**Assumed NAV**”) ¹ of RMB6,300.6 million (S\$1,281.1 million²) computed based on the unaudited accounts as at 30 June 2020 of each of the Target Companies on a 100% basis and RMB3,750.5 million (approximately S\$762.6 million) on the effective stake to be acquired by CRCT in each of the Target Companies, taking into account, among other things, the agreed market value on a 100% basis (the “**Agreed Value**”) of:
 - (a) Ascendas Xinsu Portfolio of RMB2,265.0 million (S\$460.6 million);
 - (b) Ascendas Innovation Towers of RMB759.0 million (S\$154.3 million);
 - (c) Ascendas Innovation Hub of RMB298.0 million (S\$60.6 million);
 - (d) SHSTP Phase I of RMB641.0 million (S\$130.3 million);
 - (e) SHSTP Phase II of RMB767.0 million (S\$156.0 million); and
 - (f) Rock Square of RMB3,400.0 million (S\$691.3 million).

The Agreed Value of each of the Properties was negotiated on a willing-buyer and willing-seller basis and takes into account the independent valuations of each of the Properties;

- (ii) the outstanding existing shareholder’s loan extended by the Xinsu Vendor to the Xinsu HoldCo which is to be fully discharged on the date of completion of the acquisition of the Xinsu HoldCo; and
- (iii) the outstanding existing shareholder’s loan extended by the Rock Square Vendor to the Rock Square HoldCo which is to be fully discharged on the date of completion of the acquisition of the Rock Square HoldCo.

The final Consideration payable to the Vendors will be subject to completion adjustments³.

1 The Assumed NAV means (i) the NAV of each of the AIT ProjectCo, the AIH ProjectCo and the SHSTP Target Companies, and (ii) the consolidated NAV of each of the Xinsu HoldCo and the Rock Square HoldCo, in each case as of 30 June 2020 in respect of the relevant Target Company.

The NAV of the Target Companies take into account the assets and the liabilities of the Target Companies, while the Agreed Value reflects the agreed value for the Properties. Accordingly, the NAV and Agreed Value would differ as the Agreed Value is one component in the computation of the NAV of the Target Companies.

2 Except where the exchange rate between RMB and S\$ is expressly stated otherwise, certain RMB amounts in the Circular have been translated into S\$ based on the fixed exchange rate of RMB4.9179 = S\$1.000 pursuant to the Conditional Agreements.

3 Where referred to in the Circular, completion adjustments mainly comprise the incremental NAV of the Target Companies from 1 July 2020 to the completion date of the Acquisition, and hence can only be determined on the completion date itself.

In addition, the Xinsu CRCT Purchaser will procure that a subsidiary of CRCT will extend an entrustment loan (the “**CRCT Xinsu Entrustment Loan**”) to Ascendas-Xinsu Development (Suzhou) Co., Ltd. (the “**Xinsu ProjectCo**”), the wholly-owned subsidiary of the Xinsu HoldCo which directly holds the Ascendas Xinsu Portfolio, in proportion to its indirect shareholding in the Xinsu ProjectCo. The entire amount of the CRCT Xinsu Entrustment Loan, together with the entrustment loan extended by the Xinsu CLC Purchaser to the Xinsu Project Co, will be applied towards prepayment of the entire outstanding principal of an existing onshore bank loan owing by the Xinsu ProjectCo (the “**Xinsu Onshore Loan**”).

The CRCT Xinsu Entrustment Loan amounts to approximately S\$30.1 million (being 51% of S\$59.0 million). The Consideration payable to the Vendors is S\$769.8 million, which together with the CRCT Xinsu Entrustment Loan, amount to S\$799.9 million.

3.3 Valuation

The details of the valuation of the Properties are set out in the Summary section and Paragraph 2.3 of the Letter to Unitholders of the Circular, and the summary valuation certificates of the Independent Valuers are set out as Appendix C to the Circular.

The Manager and the Trustee has each commissioned the Independent Valuers, being JLL and CBRE respectively, to value the Properties as at 31 October 2020 (the “**Valuation Date**”).

The valuation methods used by the Independent Valuers were the Discounted Cash Flow and Income Capitalisation methods.

3.4 Certain Terms and Conditions of the ACBPF4 Conditional Agreement

The principal terms of the ACBPF4 Conditional Agreement are set out in the Summary section and Paragraph 2.4 of the Letter to Unitholders of the Circular.

In approving the Acquisition, Unitholders are deemed to have approved the ACBPF4 Conditional Agreement.

3.5 Certain Terms and Conditions of the SHSTP Conditional Agreement

The principal terms of the SHSTP Conditional Agreement are set out in the Summary section and Paragraph 2.5 of the Letter to Unitholders of the Circular.

In approving the Acquisition, Unitholders are deemed to have approved the SHSTP Conditional Agreement.

3.6 Certain Terms and Conditions of the Rock Square SPA

The principal terms of the Rock Square SPA are set out in the Summary section and Paragraph 2.6 of the Letter to Unitholders of the Circular.

In approving the Acquisition, Unitholders are deemed to have approved the Rock Square SPA.

3.7 Property Management Agreements in relation to the Acquisition

The details of the property management agreements in relation to the Acquisition are set out in Paragraph 2.8 of the Letter to Unitholders of the Circular.

In approving the Acquisition, Unitholders are deemed to have approved the Property Management Agreements.

3.8 Shareholders' Agreements

The details of the shareholders' agreements in relation to the Acquisition, including the Xinsu SHA, are set out in Paragraph 2.9 of the Letter to Unitholders of the Circular.

In approving the Acquisition, Unitholders will be deemed to have also approved the Xinsu SHA.

3.9 Total Acquisition Cost

The details of the Total Acquisition Cost are set out in the Summary section and Paragraph 2.10 of the Letter to Unitholders of the Circular.

The Total Acquisition Cost is estimated to be approximately S\$822.4 million, comprising:

- (a) the Consideration and the CRCT Xinsu Entrustment Loan of approximately S\$799.9 million, which is subject to closing adjustments;
- (b) an acquisition fee (the "**Acquisition Fee**") payable in Units to the Manager pursuant to the Trust Deed for the Acquisition (the "**Acquisition Fee Units**") of approximately S\$10.0 million¹; and
- (c) the estimated professional and other fees and expenses incurred or to be incurred by CRCT in connection with the Acquisition (inclusive of equity financing-related expenses and debt financing-related expenses) of approximately S\$12.5 million.

3.10 Method of Financing

The details of the method of financing for the Acquisition are set out in the Summary section and Paragraph 2.11 of the Letter to Unitholders of the Circular.

The Manager intends to finance the Total Acquisition Cost (save for the Acquisition Fee) with approximately S\$326.1 million being all of the gross proceeds from the issuance of 274,328,855 new Units (the "**New Units**") pursuant to the underwritten equity fund raising which was announced on 17 November 2020 (the "**Equity Fund Raising**"), issuance of perpetual securities under CRCT's S\$1.0 billion multicurrency debt issuance programme, debt financing and internal cash resources.

The gross proceeds of the fully underwritten Equity Fund Raising consist of:

- (i) the placement of 205,331,000 New Units (equivalent to approximately 16.7% of the total number of Units in issue prior to the Equity Fund Raising) for approximately S\$245.4 million (the "**Private Placement**"); and
- (ii) the preferential offering of 68,997,855 New Units (equivalent to approximately 5.6% of the total number of Units in issue prior to the Equity Fund Raising) for approximately S\$80.7 million (the "**Preferential Offering**").

¹ As the Acquisition will constitute an "interested party transaction" under the Property Funds Appendix, 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.

3.11 Undertakings by the CapitaLand Group

The details of the undertakings by the CapitaLand Group are set out in the Summary section and Paragraph 2.12 of the Letter to Unitholders of the Circular.

To demonstrate its support for CRCT and the Preferential Offering, CapitaLand's wholly-owned subsidiary, Retail Crown, which owns direct interest in 235,233,091 Units representing approximately 19.09% of the total number of Units in issue as at the Latest Practicable Date, has irrevocably undertaken to the Manager that, among other things:

- (i) in accordance with the terms and conditions of the Preferential Offering, it will by no later than the last day for acceptance and payment of the New Units issued pursuant to the Preferential Offering ("**Preferential Offering Units**"), accept, subscribe and pay in full for its total provisional allotment of the Preferential Offering Units corresponding to its direct interest in CRCT (such provisional allotment of the Preferential Offering Units of Retail Crown, the "**Pro Rata Units**"); and
- (ii) it will, in addition to paragraph (i) above, accept, subscribe and pay in full for such number of additional Preferential Offering Units in excess of the Pro Rata Units (the "**Excess Units**") amounting to CICT's total provisional allotment of the Preferential Offering Units corresponding to CICT's direct interest in CRCT (the "**CICT Pro Rata Units**")¹, it being understood that Retail Crown's obligation arises only to the extent that there remains any CICT Pro Rata Units unsubscribed by HSBC Institutional Trust Services (Singapore) Limited, acting solely in its capacity as trustee of CICT (the "**CICT Trustee**").

For the avoidance of doubt, should the CICT Trustee subscribe for a proportion of the CICT Pro Rata Units, Retail Crown will only apply for excess based on the balance amount of the CICT Pro Rata Units unsubscribed by the CICT Trustee. Pursuant to Rule 877(10) of the Listing Manual, in the allotment of any excess Units under the Preferential Offering, Retail Crown will rank last in priority amongst all existing Unitholders. Accordingly, the Excess Units will only be allocated to Retail Crown to the extent that there remains any Units unsubscribed by the existing Unitholders under the Preferential Offering.

In addition, CRCTML, which owns direct interest in 77,847,479 Units representing approximately 6.31% of the total number of Units in issue as at the Latest Practicable Date, has also irrevocably undertaken to the Manager in accordance with the terms and conditions of the Preferential Offering, that it will by no later than the last day for acceptance and payment of the Preferential Offering Units, accept, subscribe and pay in full for its total provisional allotment of the Preferential Offering Units corresponding to its direct interest in CRCT.

4 EVALUATION OF THE ACQUISITION

In our analysis and evaluation of the Acquisition, and our recommendation thereon, we have taken into consideration the following:

- (i) rationale for and benefits of the Acquisition;
- (ii) valuation of the Properties by the Independent Valuers;
- (iii) comparison of the NPI yield (the "**NPI Yield**") of the Properties with the Existing Portfolio and Enlarged Portfolio;

¹ Based on 133,380,335 Units held by CICT, the CICT Pro Rata Units amount to 7,469,298 Units. As at the Latest Practicable Date, CapitaLand holds approximately 28.89% of the interest in CICT.

- (iv) comparison of the Properties with selected property valuations and transactions;
- (v) *pro forma* financial effects of the Acquisition;
- (vi) assessment of the Property Management Agreements;
- (vii) assessment of the Xinsu SHA; and
- (viii) other factors which we deem to be relevant in our evaluation.

The factors above are discussed in more detail in the following sections.

4.1 Rationale for and benefits of the Acquisition

The detailed rationale for and benefits of the Acquisition are set out in the Summary section and Paragraph 3 of the Letter to Unitholders of the Circular.

We note that the Manager believes that the Acquisition will bring the following key benefits to the Unitholders:

- (i) Strategic addition of highly resilient business park assets
 - (a) Business parks are thematically supported by China's economic growth initiatives
 - (b) Growing demand supported by robust industry drivers
 - (c) Business parks in Tier 2 cities experiencing higher occupancy rates and stronger rental growth
- (ii) Establishing foothold in high-growth economic zones
 - (a) Tier 2 provincial cities set for rapid growth
 - (b) Tier 2 tech-driven provincial cities are supported by strong economic fundamentals
- (iii) High quality business parks supporting the New Economy
 - (a) Well-located assets with close proximity to key transport nodes
 - (b) Campus-style workplace designed for high-growth, innovation-based industries
 - (c) Strong occupancy anchored by high quality tenant in emerging high-growth sectors
- (iv) 100% ownership in Rock Square – proven track record with resilient performance
- (v) Attractive entry valuation that delivers accretion
 - (a) Agreed Value relative to Independent Valuation
 - (b) Positive impact on portfolio with 4.8%¹ *pro forma* distribution per unit (“DPU”) accretion

¹ NPI Yield is computed based on the annualised 1H2020 NPI and the property valuation as at 1 November 2020 (except for 51% stake in Rock Square where the Agreed Value is used for the property valuation instead). Excludes CapitaMall Erqi as the mall was divested on 28 May 2020. FRS116 adjustments are excluded in the NPI for CapitaMall Qibao and CapitaMall Minzhongleyuan.

- (vi) Significantly enhance portfolio's scale, diversification and resilience
 - (a) Significant increase in size
 - (b) Enhanced diversification and exposure offers greater stability through market cycles and flexibility in portfolio reconstitution
 - (c) CRCT's Enlarged Portfolio benefits from geographical and trade sector diversification and access to tech-driven business park cities
 - (d) Enlarge and diversify CRCT's tenant base and reduces exposure to top 10 tenants and single tenant concentration risk
- (vii) Leveraging on Sponsor's strong support, network and operational expertise
 - (a) Strong Sponsor supporting CRCT's growth and diversification
 - (b) Professional and efficient property management is highly attractive to corporate tenants

We note that the Acquisition is in line with CRCT's investment strategy to invest on a long-term basis in a diversified portfolio of income-producing real estate and real estate-related assets in China, Hong Kong and Macau that are used primarily for retail, office and industrial purposes (including business parks, logistics facilities, data centres and integrated developments).

4.2 Valuation of the Properties by the Independent Valuers

The Manager and the Trustee have commissioned the Independent Valuers to perform independent valuations on the Properties. The valuation certificates issued by the Independent Valuers are set out in Appendix C to the Circular.

S/No	Property	NLA (sq m)	Independent Valuation by the Valuer appointed by the Trustee (CBRE) (in millions)	Independent Valuation by the Valuer appointed by the Manager (JLL) (in millions)	Agreed Value (on 100% basis) (in millions)	Premium/ (Discount) of the Agreed Value over/to the Independent Valuation
1	Ascendas Xinsu Portfolio	349,480 ⁽¹⁾	RMB2,270.0 (approximately S\$461.6)	RMB2,267.0 (approximately S\$461.0)	RMB2,265.0 (approximately S\$460.6)	Trustee: (0.2)% Manager: (0.1)%
2	Ascendas Innovation Towers	96,347	RMB789.0 (approximately S\$160.4)	RMB802.0 (approximately S\$163.1)	RMB759.0 (approximately S\$154.3)	Trustee: (3.8)% Manager: (5.4)%
3	Ascendas Innovation Hub	36,108	RMB302.0 (approximately S\$61.4)	RMB311.0 (approximately S\$63.2)	RMB298.0 (approximately S\$60.6)	Trustee: (1.3)% Manager: (4.2)%
4	SHSTP Phase I	101,450	RMB680.9 (approximately S\$138.5)	RMB657.0 (approximately S\$133.6)	RMB641.0 (approximately S\$130.3)	Trustee: (5.9)% Manager: (2.4)%
5	SHSTP Phase II	126,294	RMB802.2 (approximately S\$163.1)	RMB792.0 (approximately S\$161.0)	RMB767.0 (approximately S\$156.0)	Trustee: (4.4)% Manager: (3.2)%
6	Rock Square	53,108	RMB3,390.0 (approximately S\$689.3)	RMB3,414.0 (approximately S\$694.2)	RMB3,400.0 (approximately S\$691.3)	Trustee: 0.3% Manager: (0.4)%
	Total	762,787	RMB8,234.1 (approximately S\$1,674.3)	RMB8,243.0 (approximately S\$1,676.1)	RMB8,130.0 (approximately S\$1,653.1)	Trustee: (1.3)% Manager: (1.4)%

Source: Circular, CBRE Valuation Report, JLL Valuation Report, EY

Note:

- (1) In relation to Ascendas Xinsu Square, there is an agreement between the local authorities and the Xinsu ProjectCo for the permanent acquisition of approximately 636.4 sq m of land for the construction of a new metro line in Suzhou. The site area of Ascendas Xinsu Square of 92,868 sq m disclosed in the Circular includes this parcel of land as the compulsory acquisition process is underway and the land has not yet been carved out from the title certificate. When the exact land area to be acquired has been fixed and the purchase price paid over to Xinsu ProjectCo, the land will be carved out of the title certificate and returned to the government. This process is expected to take place after completion of the Acquisition and the price for the land will be retained for the account of the Xinsu Purchasers. The acquired land is not expected to affect the gross floor area and net leasable area of Ascendas Xinsu Square, and its current usage is not expected to be materially affected. The Independent Valuers' valuation of the Ascendas Xinsu Portfolio has taken into account the compulsory acquisition.

We have been provided the valuation reports of the Properties and we note the following in our review:

- (a) the basis of valuation, being 'Market Value', which is defined as the estimated amount for which an asset or liability should exchange on the date of valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion. The basis of valuation and the definition are broadly consistent between the independent valuers of the Properties and in line with market definition;
- (b) the Independent Valuers have used the same valuation date for each of the Properties, being 31 October 2020;
- (c) the Independent Valuers have used the same valuation methodologies, being discounted cash flow and capitalisation methods under the income approach, which are widely accepted methods for the purpose of valuing income-producing properties;
- (d) in terms of valuation standards, the valuation by CBRE had been carried out in accordance with the Hong Kong Institute of Surveyors ("**HKIS**") Valuation Standards 2017 and Royal Institution of Chartered Surveyors ("**RICS**") Valuation – Global Standards 2020 and the International Valuation Standards Council ("**IVSC**") International Valuation Standards (IVS) 2020, while the valuation by JLL had been carried out in accordance with the IVSC and RICS guidelines.

We note that the aggregate Agreed Value for the Properties (on 100% basis) of RMB8,130.0 million (S\$1,653.1 million) is 1.3% lower than the aggregate valuation by CBRE and 1.4% lower than the aggregate valuation by JLL. We also note that the Agreed Value of each of the Properties was negotiated on a willing-buyer and willing-seller basis and took into account the independent valuations of each of the Properties. Based on the effective stake to be acquired, the Agreed Value for the Properties is RMB4,945.0 million (S\$1,005.5 million).

4.3 Comparison of the NPI Yield of the Properties with the Existing Portfolio and Enlarged Portfolio

We have compared the weighted average lease to expiry (“WALE”) and NPI Yield of the Properties with those of the Existing Portfolio and Enlarged Portfolio.

S/No	Property	Type	WALE by Gross Rental Income (“GRI”) (years) ⁽¹⁾	NPI Yield ⁽²⁾
The Business Park Properties				
1	Ascendas Xinsu Portfolio	Business park, Industrial	2.0	6.2%
2	Ascendas Innovation Towers	Business park	2.0	6.0%
3	Ascendas Innovation Hub	Business park	1.4	9.5%
4	SHSTP Phase I	Business park	1.8	8.3%
5	SHSTP Phase II	Business park	3.1	6.7%
The Retail Property				
6	Rock Square	Retail	2.7	3.9% ⁽³⁾

Source: Circular, Management

Notes:

- (1) As at 31 August 2020.
- (2) Based on the annualised NPI for the relevant property for 1H2020 and the Agreed Value for the relevant property.
- (3) Excluding one-off rental rebate due to the COVID-19 outbreak, the yield would have been 4.4%.

We note that NPI Yields of Ascendas Xinsu Portfolio, Ascendas Innovation Towers, Ascendas Innovation Hub, SHSTP Phase I and SHSTP Phase II (collectively, the “**Business Park Properties**”) range from 6.0% to 9.5%, while the NPI Yield of Rock Square (the “**Retail Property**”) is 3.9%.

	WALE by Net Lettable Area (“NLA”) (years) ⁽¹⁾	WALE by GRI (years) ⁽¹⁾	NPI Yield
Existing Portfolio ⁽²⁾	3.5	2.3	4.3% ⁽³⁾
The Properties	2.3	2.3	5.8% ⁽⁴⁾
Enlarged Portfolio ⁽²⁾	2.7	2.3	4.6% ⁽⁵⁾

Source: Circular, Annual Report, Management

Notes:

- (1) As at 31 August 2020.
- (2) Excludes Yuquan Mall as it is undergoing fit-out and is expected to be opened by the end of 2020.
- (3) NPI Yield of the Existing Portfolio is based on the annualised 1H2020 NPI and the property valuation as at 1 November 2020 (except for 51% stake in Rock Square where the Agreed Value is used for the property valuation instead). Excludes CapitaMall Erqi as the mall was divested on 28 May 2020.
- (4) NPI Yield of the Properties is computed based on the annualised 1H2020 NPI and the Agreed Value of the Properties on effective stake basis. Excluding the one-off rental rebate given to Rock Square’s tenants in relation to COVID-19, the NPI Yield would have been 6.0%.

- (5) NPI Yield of the Enlarged Portfolio is computed based on the annualised 1H2020 NPI and the property valuation as at 1 November 2020 (except for 51% stake in Rock Square where the Agreed Value is used for the property valuation instead) for the Existing Portfolio (excluding CapitaMall Erqi as the mall was divested on 28 May 2020) and the annualised 1H2020 NPI and the Agreed Value of the Properties on effective stake basis for the Properties.

We note that the average NPI Yield of the Properties of 5.8% is higher than the average NPI Yield of the Existing Portfolio. On a combined basis, the estimated NPI Yield of 4.6% for the Enlarged Portfolio is higher than the NPI Yield of the Existing Portfolio. The higher NPI Yields of the Properties and the Enlarged Portfolio as compared to the NPI Yield of the Existing Portfolio may be reflective of the expansion of CRCT into the new property class of business parks and industrial assets.

We also note that the WALE by NLA of the Properties of 2.3 years is shorter than the WALE of 3.5 years of the Existing Portfolio. Further, we note that the WALE by GRI of the Properties of 2.3 years is the same as the WALE by GRI of 2.3 years of the Existing Portfolio. On a combined basis, the estimated WALE by NLA of the Enlarged Portfolio of 2.7 years is shorter than the WALE by NLA of the Existing Portfolio, while the estimated WALE by GRI of the Enlarged Portfolio of 2.3 years remains the same as the WALE by GRI of the Existing Portfolio.

4.4 Comparison of the Properties with Selected Property Valuations and Transactions

Based on our discussions with the Management and a search for comparable property portfolios on available databases and relevant stock exchanges, we recognise that there is no particular property portfolio that we may consider to be directly comparable to the Properties in the aspects of usage of property, geographic location, construction quality, accessibility, NLA, gross lettable area, profile and composition of tenants, age of building, outstanding lease tenure, market risks, track record and other relevant factors.

However, we have extracted publicly available information on certain comparable properties for comparison with the metrics of the Properties. For illustrative purposes only, our evaluation of the Acquisition included the following:

- (i) Transaction details involving comparable properties (where available); and
- (ii) Valuation details of comparable properties owned by certain listed real estate investment trusts (“REITs”) and property business trust.

The Independent Directors, the Audit Committee and the Trustee should note that any comparison made with respect to selected properties and property transactions are for illustrative purposes only and based on available data/information as at the Latest Practicable Date. The conclusions drawn from such comparisons may not necessarily reflect the perceived or implied valuation of the Properties as at the Latest Practicable Date. In addition, we wish to highlight that the selected properties and property transactions are by no means exhaustive.

4.4.1 The Properties

Selected Property Portfolio Valuation of Comparable SGX-Listed REIT and Property Business Trust

We understand from the Management that following the completion of the Acquisition, CRCT will be classified to have a diversified property portfolio, which is located in China. As such, we have considered, for illustrative purposes, the REITs and property business trusts listed on the SGX-ST with comparable asset portfolios located in China (the

“Comparable REITs and Property Business Trusts”) in order to compare the NPI Yield implied by the Agreed Value of the Properties with the NPI Yields of the Comparable REITs and Property Business Trusts.

REIT/Property Business Trust	Description
BHG Retail REIT	<p>BHG Retail REIT is a Singapore REIT with the investment strategy of investing principally, directly or indirectly, in a diversified portfolio of income-producing real estate which is used primarily for retail purposes (whether wholly or partially), as well as real estate-related assets in relation to the foregoing, with an initial focus in China.</p> <p>As at 31 December 2019, BHG Retail REIT’s portfolio consists of six retail properties in China that are located in areas surrounded by growing middle or upper-middle income families.</p>
Dasin Retail Trust	<p>Dasin Retail Trust is a property business trust with the principal investment mandate to invest in, own or develop land, uncompleted developments and income-producing real estate in Greater China, used primarily for retail purposes, as well as real estate-related assets, with an initial focus on retail malls.</p> <p>Following its acquisition of 2 retail malls in July 2020, the portfolio of Dasin Retail Trust comprises seven retail malls.</p>
EC World Real Estate Investment Trust	<p>EC World Real Estate Investment Trust is a Singapore REIT established with the investment strategy of investing principally, directly or indirectly, in a diversified portfolio of income-producing real estate which is used primarily for e-commerce, supply-chain management and logistics purposes, as well as real estate-related assets, with an initial geographical focus on China.</p> <p>EC World Real Estate Investment Trust’s portfolio comprise eight properties located predominantly in largest e-commerce clusters in China.</p>
Mapletree Logistics Trust	<p>Mapletree Logistics Trust is Singapore’s first Asia-focused logistics REIT. Mapletree Logistics Trust invests in a diversified portfolio of quality, well-located, income producing logistics real estate in Singapore, Hong Kong SAR, Japan, China, Australia, South Korea, Malaysia and Vietnam.</p>
Mapletree North Asia Commercial Trust	<p>Mapletree North Asia Commercial Trust is the first REIT to invest, directly or indirectly, in commercial properties (including real estate used predominantly for retail and/or offices) and real estate-related assets situated in prime locations in China, Hong Kong and Japan.</p>

Source: Annual reports, SGX and entity websites

Selected details of the Comparable REITs and Property Business Trusts in comparison with selected details of the Properties and the Enlarged Portfolio:

REIT/Property Business Trust	Valuation Date	Valuation (S\$’m)	GFA (sq m)	Occupancy Rate	WALE by GRI (years)	NPI Yield ⁽¹⁾
BHG Retail REIT	31-Dec-19	929.4	311,691 ⁽²⁾	91.5% ⁽²⁾	3.7 ⁽²⁾	3.6%
Dasin Retail Trust	30-Jun-20	1,786.3	602,836	97.0%	4.0	3.4%
EC World Real Estate Investment Trust	30-Sep-20	1,627.9	960,461 ⁽³⁾	96.7%	3.3	6.4%
Mapletree Logistics Trust	30-Sep-20	8,556.8	5,100,000 ⁽³⁾	97.5%	4.2 ⁽³⁾	5.6%
Mapletree North Asia Commercial Trust	30-Sep-20	7,948.3	636,406	96.6%	2.5	3.5%

REIT/Property Business Trust	Valuation Date	Valuation (S\$m)	GFA (sq m)	Occupancy Rate	WALE by GRI (years)	NPI Yield ⁽¹⁾
Low						3.4%
High						6.4%
Median						3.6%
Average						4.5%
The Properties – Based on the Agreed Value	31-Oct-20	1,653.1	852,728	91.6% ⁽⁴⁾	2.3 ⁽⁵⁾	5.8% ⁽⁶⁾
Enlarged Portfolio			1,769,737	91.6% ⁽⁴⁾	2.3 ⁽⁵⁾	4.6% ⁽⁷⁾

Source: Annual reports, Circular, Management

Notes:

- (1) Estimated NPI Yield based on reported NPI and valuation as at the latest reporting periods.
- (2) Figures stated are reported as of 30 September 2020 by BHG Retail REIT.
- (3) Figure stated is based on NLA.
- (4) As at 30 September 2020.
- (5) As at 31 August 2020.
- (6) NPI Yield of the Properties is computed based on the annualised 1H2020 NPI and the Agreed Value of the Properties on effective stake basis. Excluding the one-off rental rebate given to Rock Square's tenants in relation to COVID-19, the NPI Yield would have been 6.0%.
- (7) NPI Yield of the Enlarged Portfolio is computed based on the annualised 1H2020 NPI and the property valuation as at 1 November 2020 (except for 51% stake in Rock Square where the Agreed Value is used for the property valuation instead) for the Existing Portfolio (excluding CapitaMall Erqi as the mall was divested on 28 May 2020) and the annualised 1H2020 NPI and the Agreed Value of the Properties on effective stake basis for the Properties.

Based on the table above, we note that the NPI Yields of the Properties and the Enlarged Portfolio of 5.8% and 4.6% are higher than the median and average of the NPI Yields of the Comparable REITs and Property Business Trusts.

4.4.2 The Business Park Properties

Valuation of Selected Comparable Business Park Property located in China

We have considered, for illustrative purposes, the valuation of selected comparable business park property located in China held by a REIT listed on the SGX-ST, in order to compare the yield implied by the Agreed Value of the Business Park Properties with that of the comparable property.

Property	Valuation Date	Valuation (in million)	GFA (sq m)	Occupancy Rate	NPI Yield
Mapletree North Asia Commercial Trust (Sandhill Plaza)	30-Sep-20	RMB2,424.0 (approximately S\$485.0)	83,801	96.9%	4.8% ⁽¹⁾
The Business Park Properties – Based on the Agreed Value	31-Oct-20	RMB4,730.0 (approximately S\$961.8)	764,449	91.5% ⁽²⁾	6.8% ⁽³⁾

Source: Annual report, Circular

Notes:

- (1) Estimated NPI Yield based on reported NPI and valuation as at the latest reporting period.
- (2) As at 30 September 2020.
- (3) Based on the annualised NPI for the Business Park Properties for 1H2020 and the Agreed Value for the Business Park Properties.

Based on the table above, we note that the NPI Yield of the Business Park Properties of 6.8% is higher than the NPI Yield of the selected comparable business park property.

Selected Property Portfolio Valuation of Comparable SGX-Listed REITs

We have also considered, for illustrative purposes, the REITs listed on the SGX-ST with comparable business park and industrial asset portfolios in China, in order to compare the NPI Yield implied by the Agreed Value of the Business Park Properties.

REIT	Valuation Date	Valuation (S\$m)	GFA (sq m)	Occupancy Rate	WALE by GRI (years)	NPI Yield ⁽¹⁾
EC World Real Estate Investment Trust	30-Sep-20	1,627.9	960,461 ⁽²⁾	96.7%	3.3	6.4%
Mapletree Logistics Trust	30-Sep-20	8,556.8	5,100,000 ⁽²⁾	97.5%	4.2 ⁽²⁾	5.6%
Mapletree North Asia Commercial Trust	30-Sep-20	7,948.3	636,406 ⁽²⁾	96.6%	2.5	3.5%
Low						3.5%
High						6.4%
Median						5.6%
Average						5.2%
The Business Park Properties – Based on the Agreed Value	31-Oct-20	961.8	764,449	91.5%⁽³⁾	2.1⁽⁴⁾	6.8%

Source: Annual reports, Circular, Management

Notes:

- (1) Estimated NPI Yield based on reported NPI and valuation as at the latest reporting periods.
- (2) Figure stated is based on NLA.
- (3) As at 30 September 2020.
- (4) As at 31 August 2020.

Based on the table above, we note that the NPI Yield of the Business Park Properties of 6.8% is higher than the range of the NPI Yields of the selected REITs listed on the SGX-ST with comparable business park and industrial asset portfolios in China.

4.4.3 The Retail Property*Selected China Retail Property Transactions*

We have considered, for illustrative purposes, transactions announced from 1 January 2017 up to the Latest Practicable Date involving China retail properties of certain listed REITs and property business trusts in order to compare the NPI Yield implied by the Agreed Value for Rock Square with those of the selected China retail property transactions.

REIT/Property Business Trust (Location of Property)	Announcement date	Agreed Property Value (RMB'm)	GFA (sq m)	Occupancy rate	NPI Yield
Tier 1 cities					
Link REIT – Shenzhen	20-Feb-19	6,600.0	120,964	100.0%	2.8% ⁽¹⁾
Link REIT – Beijing	26-Nov-18	2,560.0	86,377	96.2%	2.9% ⁽¹⁾
Link REIT – Guangzhou, Guangdong province	7-Apr-17	4,065.0	130,060	94.1%	4.7% ⁽²⁾
Low				94.1%	2.8%
High				100.0%	4.7%
Median				96.2%	2.9%
Average				96.8%	3.5%
Non-Tier 1 cities					
CapitaLand Retail China Trust – Zhengzhou, Henan Province	7-Feb-20	777.0	92,356	N/A	4.4%
Dasin Retail Trust – Foshan and Zhongshan, Guangdong Province	13-Nov-19	1,947.0	190,916	98.5%	4.5%
Dasin Retail Trust – Zhuhai, Guangdong Province	30-Jun-19	1,585.3	168,269	99.7%	4.6%
CapitaLand Retail China Trust – Harbin, Heilongjiang Province and Changsa, Hunan Province	11-Jun-19	2,960.0	248,282	99.0%	6.0%
BHG Retail REIT – Hefei, Anhui Province	6-Nov-18	334.0	48,003	99.4%	6.0%
Low				98.5%	4.4%
High				99.7%	6.0%
Median				99.2%	4.6%
Average				99.2%	5.1%
All cities					
Low				94.1%	2.8%
High				100.0%	6.0%
Median				99.0%	4.6%
Average				98.1%	4.5%
Rock Square⁽³⁾ – Based on the Agreed Value		3,400.0	88,279	91.9%⁽⁴⁾	3.9%⁽⁵⁾

Source: Annual reports, SGX announcements, Circular

Notes:

- (1) Based on the NPI before depreciation for the financial year ended 31 December 2017 and the agreed property value.
- (2) Represents gross rental yield, which is based on the annualised gross rental monthly income of the property and the purchase price of the property. The gross rental yield is generally estimated to be higher than the NPI Yield.
- (3) Rock Square is located in Guangzhou, which is a Tier 1 city in China.
- (4) As at 30 September 2020.
- (5) Excluding one-off rental rebate due to the COVID-19 outbreak, the yield would have been 4.4%.

Based on the table above, we note that the NPI Yield for Rock Square of 3.9% is within the range of the NPI Yields of the selected China retail property transactions in Tier 1 cities, and above the median and average NPI Yields. We also note that the NPI Yield for Rock Square is below the range of the NPI Yields of the selected China retail property transactions in Non-Tier 1 cities.

We further note that the NPI Yield for Rock Square is within the range of the NPI Yields of all the selected China retail property transactions, and below the median and average NPI Yields.

Selected China Retail Property Portfolio Valuation of Listed REITs and Property Business Trust

We have considered, for illustrative purposes, the valuations of selected China retail property portfolio of listed REITs and property business trust in order to compare the NPI Yield implied by the Agreed Value of Rock Square with those of the selected China retail property portfolio of listed REITs and property business trust.

REIT/Property Business Trust	Valuation Date	Valuation (\$'m)	GFA (sq m)	Occupancy Rate	WALE by GRI (years)	NPI Yield ⁽¹⁾
BHG Retail REIT	31-Dec-19	929.4	311,691 ⁽²⁾	91.5% ⁽²⁾	3.7 ⁽²⁾	3.6%
Dasin Retail Trust	30-Jun-20	1,786.3	602,836	97.0%	4.0	3.4%
Link REIT (China retail portfolio)	31-Mar-20	3,300.7	295,595	94.7%	N/A	4.2%
Low						3.4%
High						4.2%
Median						3.6%
Average						3.7%
Rock Square – Based on the Agreed Value	31-Oct-20	691.3	88,279	91.9%	2.7	3.9%⁽³⁾

Source: Annual reports, SGX announcements

Notes:

- (1) Estimated NPI Yield based on reported NPI and valuation as at the latest reporting periods.
- (2) Figures stated are reported as of 30 September 2020 by BHG Retail REIT.
- (3) Excluding one-off rental rebate due to the COVID-19 outbreak, the yield would have been 4.4%.

Based on the table above, we note that the NPI Yield of Rock Square of 3.9% is higher than the median and average of the NPI Yields of the selected China retail property portfolio of listed REITs and property business trust.

Certain published valuation amount of Rock Square

Based on publicly available information, we note that there were historical valuations performed for Rock Square by CRCT since its acquisition of 51% stake in Rock Square in 2018. For illustrative purposes, we set out below the latest historical valuation of Rock Square by CRCT as of 31 December 2019 and included in the 2019 Audited Financial Statements:

	Valuation Date	Valuation (on 100% stake basis) (in RMB millions)
Initial acquisition in 2018 ⁽¹⁾	28-Nov-17	3,340.7
Based on the 2019 Audited Financial Statements	31-Dec-19	3,425.0
Agreed Value	31-Oct-20	3,400.0

Source: Annual Report, SGX announcements, Circular

Note:

(1) Acquisition of 51% interest in Rock Square.

We observed that:

- (a) the Agreed Value (on 100% basis) of Rock Square at RMB3,400.0 million (\$691.3 million) is approximately 1.8% higher than CRCT's acquisition price (on 100% basis) in 2018; and
- (b) the Agreed Value (on 100% basis) of Rock Square at RMB3,400.0 million (\$691.3 million) is lower than the historical valuation (on 100% basis) set out in the 2019 Audited Financial Statements.

We have not been provided with and are not privy to the valuation report which the valuation amount disclosed in the 2019 Audited Financial Statements was based upon. Accordingly, we are not aware of, *inter alia*, the bases and assumptions on which it was performed. In addition, we note that the valuation included in the 2019 Audited Financial Statements was carried out for different purposes and was at a different valuation date. Hence, any comparison is likely to be limited and only serves as an illustrative guide. We further note that there are two Independent Valuers, namely, CBRE and JLL, engaged for the purpose of the Acquisition.

4.5 Pro Forma Financial Effects of the Acquisition

The details of the *pro forma* financial effects of the Acquisition, which are shown for illustrative purposes only, are set out in Paragraph 4.1 of the Letter to Unitholders of the Circular.

We note, *inter alia*, the following:

- (a) The *pro forma* financial effects of the Acquisition were prepared based on the audited financial statements of the CRCT Group for the financial year ended 31 December 2019 (the "**CRCT Group 2019 Audited Financial Statements**") as well as the audited financial statements of the Target Companies for the financial year ended 31 December 2019, taking into account the Agreed Value of the Properties and assuming that:
 - (i) the Acquisition is funded by perpetual securities, Equity Fund Raising, debt financing and internal cash resources; and

- (ii) The Manager's management fees, including the base management fee and the performance management fee, will be paid in the form of Units.
- (b) After the Acquisition, (i) the distribution per Unit increases from 9.33 Singapore cents to 9.58 Singapore cents, or by 0.25 Singapore cents (approximately 2.7%), for the *pro forma* financial effects of the Acquisition on CRCT's DPU for the financial year ended 31 December 2019, as if the Acquisition was completed on 1 January 2019 and CRCT held and operated its respective interests in the Properties through to 31 December 2019; (ii) the DPU increases from 4.34 Singapore cents to 4.55 Singapore cents, or by 0.21 Singapore cents (approximately 4.8%), for the *pro forma* financial effects of the Acquisition on CRCT's DPU for the financial period ended 30 June 2020, as if the Acquisition was completed on 1 January 2020 and CRCT held and operated its respective interest in the Properties through to 30 June 2020.
- (c) After the Acquisition, the *pro forma* NAV per Unit as at 31 December 2019 is expected to decrease from S\$1.51 to S\$1.45, or by S\$0.06 (approximately 4.0%), as if the Acquisition was completed on 31 December 2019.
- (d) After the Acquisition, the *pro forma* Aggregate Leverage as at 30 September 2020 is expected to increase from 34.7% to 37.4%.

4.6 Assessment of the Property Management Agreements

The details of the property management agreements in relation to the Acquisition are set out in Paragraph 2.8 of the Letter to Unitholders of the Circular.

The Rock Square HoldCo had, on 1 February 2018, entered into a Property Management Agreement with a wholly-owned subsidiary of CapitaLand for the provision of property management services for Rock Square.

In respect of the Properties (other than Rock Square), under the terms of the Property Management Agreements to be entered into between the respective Target Companies and the Property Managers, the relevant Property Managers will provide property management services for the relevant Properties.

We understand that the Manager believes that the entry into the Property Management Agreements would benefit the Unitholders, as the Property Managers possess a broad range of commercial experience, including expertise in property investment, development, and management.

We note the following, among others:

- (a) The services provided by the Property Managers for the relevant Property under its management include the following:
 - (i) property management services for the relevant Property, subject to the overall management of the relevant Target Company's property management services, including (a) establishing operating budgets and annual plans for the operation, management, marketing and maintenance of the relevant Property, (b) operating and maintaining the relevant Property in accordance with such operating budgets and annual plans (and revisions thereof), (c) co-ordinating, reviewing and maintaining at all times certain insurance coverage with the assistance of insurance advisers, and (d) maintaining books of accounts and records in respect of the operation of the relevant Property; and

- (ii) lease management services, including (a) recommending leasing strategy and negotiating leases, licenses and concessions, (b) supervising and controlling all collections and receipts, payments and expenditure relating to the Property, and (c) lease administration.
- (b) The Property Managers will have dedicated personnel for each relevant Property as well as a centralised team of personnel that provides expertise on leasing, technical services, tenancy co-ordination, marketing and communications, etc. at a group level. This is to provide strategic support to the Properties, for example, in establishing strategic relationships with key tenants and tenancy co-ordination work.
- (c) The fees payable pursuant to the Property Management Agreement in respect of Rock Square, are as follows:
 - (i) 2.0% per annum of the gross revenue of Rock Square; and
 - (ii) 2.5% per annum of the NPI of Rock Square.
- (d) The fees payable pursuant to the Property Management Agreements in respect of the Properties (other than Rock Square), will be as follows:
 - (i) 3.0% per annum of the actual gross revenue of each of the relevant Properties; and
 - (ii)
 - (a) a commission equivalent to one (1) time of the monthly gross rent (including service charges and advertisement and promotional fees if any), for each new lease of a term of three (3) years or less;
 - (b) a commission equivalent to two (2) times of the monthly gross rent (including property management fee and marketing fee if any), for each new lease of a term of more than (3) years and equal to or less than five (5) years (together with (a) above, the “**Marketing Commission Fee**”);
 - (c) a commission equivalent to 50% of the relevant Marketing Commission Fee, for each renewal of lease; and
 - (d) for leases of a term of less than one (1) year or longer than five (5) years, the respective Property Managers and the respective Target Companies may review and adjust the Marketing Commission Fee on a case by case basis; and
 - (iii) if any lease is referred by a third-party agent and if so requested by the respective Property Managers, the respective Target Companies shall pay to the third-party agent such amount of commission as notified by the respective Property Managers and concurrently pay to the respective Property Managers 20% of the amount payable to the third-party agent as marketing support and administrative charges
- (e) Under the Property Management Agreements, the Property Managers will be fully reimbursed for (i) the employment costs and remuneration relating to certain personnel engaged solely for the provision of services for the Property, (ii) the allocated employment costs and remuneration relating to the centralised team of personnel engaged to provide group services for the Property, as approved in each annual budget by the project company, and (iii) certain shared services, including but not limited to finance shared service, IT consulting service and corporate shared services.

- (f) The term of the Property Management Agreement in respect of Rock Square expires on 30 June 2021. The term of each of the Property Management Agreements in respect of the Properties (other than Rock Square) is from the day subsequent to the actual completion date of the Acquisition to 31 December 2025.
- (g) The relevant Target Company may terminate the appointment of the relevant Property Manager by giving written notice.

The Property Management Agreement in respect of Rock Square

We note that the terms of the Property Management Agreement in respect of Rock Square are based on and substantially similar to the terms of the existing property management agreements entered into in respect of the Existing Portfolio.

We also note the following:

- (a) there are no changes to the services to be provided by the Property Manager of Rock Square, and such services are the same as the services provided by the respective property managers of the Existing Portfolio; and
- (b) in terms of tenure, the expiry date of the Property Management Agreement in respect of Rock Square is aligned with the expiry dates of the property management agreements for the Existing Portfolio.

The Property Management Agreement in respect of the Properties (other than Rock Square)

Based on our discussions with the Management and a search on available databases for comparable property management agreements of REITs listed on the SGX-ST, we recognise that there is no particular property management agreement that we may consider to be directly comparable to the Property Management Agreements in respect of the Properties (other than Rock Square) in the aspects of usage of property, geographic location, NLA, gross lettable area, profile and composition of tenants, services and other relevant factors.

For illustrative purposes, we have extracted publicly available information on certain property management agreements of comparable REITs listed on the SGX-ST for comparison with the Property Management Agreements in respect of the Properties (other than Rock Square), and have summarized the key terms in the following table.

	Ascendas REIT⁽¹⁾	Mapletree Commercial Trust⁽²⁾	Mapletree North Asia Commercial Trust⁽³⁾	ESR-REIT⁽⁴⁾	CRCT – The Properties (other than Rock Square)⁽⁴⁾
Services	1) Property management services 2) Lease management services 3) Marketing and marketing co-ordination services 4) Project management services	1) Property management services 2) Lease management services 3) Marketing and marketing co-ordination services 4) Project management services	1) Property management services 2) Marketing services 3) Project management services	1) Property management services 2) Lease management services 3) Marketing and marketing co-ordination services 4) Project management services	1) Property management services 2) Lease management services
Tenure	5 years	5 years	5 years	8 years	5 years

	Ascendas REIT⁽¹⁾	Mapletree Commercial Trust⁽²⁾	Mapletree North Asia Commercial Trust⁽³⁾	ESR-REIT⁽⁴⁾	CRCT – The Properties (other than Rock Square)⁽⁴⁾
Fees	Property management services: 2.0% of the gross revenue Lease management services: 1.0% of the gross revenue Marketing services: 0.5 – 2.4 months of gross rent, depending on the term and nature of the leases Project Management services: 1.35% – 3.0% of the construction cost when total construction cost is <=S\$100m (depending on the size of the construction costs); to be mutually agreed when >S\$100m	Property management services: -2.0% of the Gross revenue – 2.0% of the NPI – 0.5% of the NPI in lieu of leasing commissions project management services: To be mutually agreed, up to 3.0% of the total construction costs	Property management services: – 2.0% per annum of gross revenue; – 2.0% per annum of NPI; and – 20% of fee payable for any service provided by a 3rd party Marketing services: 0.5 – 2 months of Gross rent Project management services: Up to 3.0% of the construction cost	Property management services: 2.0% of the gross revenue Lease management services: 1.0% of the gross revenue Marketing services: 0.5 – 2 months of gross rent Project management services: 1.5% – 3.0% of the construction cost, when total construction cost is <=S\$50m; to be mutually agreed when >S\$50m	(i) 3.0% of total revenue (ii) 0.5 – 2.0 months of total rent for lease term between 1 and 5 years. Marketing services fee will be adjusted for special lease shorter than 1 year or longer than 5 years. Marketing services fee will be 20% of the fee payable to a third party agent when the lease is referred to by a third party agent. Project management services: fee to be agreed with the Manager.

Source: Annual Report, SGX announcements, Circular, Prospectus, Management agreements

Notes:

- (1) Under the Ascendas REIT's property management agreement, gross revenue consists of gross rental income and other income earned from the properties including licence fees, car park income, utilities and miscellaneous income; and gross rental income consists of net rental income (after rent rebates) and service charges.
- (2) Under the Mapletree Commercial Trust's property management agreement, gross rental income consists of fixed rent and turnover rent; fixed rent includes base rent (after rent rebates, refunds, credits, discounts and rebates for rent free periods, where applicable, but excluding turnover rent), service charges and advertising and promotion fund contribution payable by tenants; and gross revenue consists of gross rental income and other income earned from the properties, including car park revenue, advertising and other income attributable to the operation of the properties.
- (3) Under the Mapletree North Asia Commercial Trust's property management agreement, fixed rent consist base rent, service charges, chilled water charges and promotional levy, where applicable; turnover rent is calculated by reference to a pre-determined percentage of a tenant's sales turnover; gross rental income comprises fixed rent and turnover rent, recognised on a cash basis; and gross revenue consists of gross rental income (after adjusting for rent-free incentives amortised over the lease periods) and other income earned from the properties, including ice rink income, car park revenue, advertising and other income attributable to the operation of the properties.
- (4) Under the ESR REIT's property management agreement, gross rent comprises net rental income (after rent rebates and provisions for rent free periods), service charge where applicable (which is a contribution paid by tenant(s) towards the operating and maintenance expenses of the properties) and licence fees (where applicable); and gross revenue consists of (i) gross rent and (ii) other income earned from the properties.
- (5) Under the Property Management Agreements in respect of the Properties (other than Rock Square), total revenue in relation to the Property and in relation to any fiscal year or part thereof means all income accruing or resulting from the operation of the Property for that fiscal year or part thereof, including but not limited to rentals or other sums due from lessees, licensees and concessionaires, subsidy payments, business interruption insurance payments, governmental allowances and any form of incentive payments from any source whatsoever which are attributable to the operation of the Property and service and maintenance charge collected from the lessees, licensees and concessionaires of the Property but, notwithstanding anything in the foregoing to the contrary, shall exclude the following: (a) all the insurance proceeds, excluding the insurance proceeds arising from business interruption, which shall be regarded as part of total revenue; (b) all proceeds derived or arising from the sale and/or disposal of the Property (or any part thereof); (c) rental deposits and other refundable security deposits; and (d) exchange gain.

Based on the table above, we note that:

- (a) the services to the provided by the Property Managers in respect of the Properties (other than Rock Square) are generally the same as the services provided by the property managers of the comparable REITs;

- (b) while the terminologies used may be different, the bases for the calculation and the applicable rates of the fees payable to the Property Managers in respect of the Properties (other than Rock Square) are in line with the bases used by the comparable REITs, including the reimbursement arrangement; and
- (c) the term of the Property Management Agreements in respect of the Properties (other than Rock Square) of five (5) years is the same for most of the comparable REITs, save for one with a longer 8-year term.

We also note that in approving the Acquisition, Unitholders are deemed to have approved the Property Management Agreements upon the completion of the Acquisition.

Given the above, it is our view that the terms of the Property Management Agreements are on normal commercial terms and are not prejudicial to the interests of CRCT and its minority Unitholders.

4.7 Assessment of the Xinsu SHA

The details of the shareholders' agreement in relation Xinsu HoldCo are set out in Paragraph 2.9 of the Letter to Unitholders of the Circular.

Following the completion of the acquisition of 51.0% of the Xinsu HoldCo by CRCT, CRCT, through the Xinsu CRCT Purchaser will enter into the Xinsu SHA. The Xinsu CLC Purchaser is an indirect wholly-owned subsidiary of CapitaLand.

In arriving at our opinion on the Acquisition, we have also looked at the terms of the Xinsu SHA which will be entered into to regulate the management of the Xinsu HoldCo and the relationship and activities between the Xinsu CRCT Purchaser and the Xinsu CLC Purchaser.

In reviewing the terms of the Xinsu SHA, we have considered whether the risks and rewards set out in the Xinsu SHA are in proportion to the equity of each party and whether the terms of the Xinsu are not prejudicial to the interests of CRCT and its minority Unitholders. We note the following:

- (a) By approving the Acquisition, Unitholders will be deemed to have also approved the entry into the Xinsu SHA.
- (b) The terms of the Xinsu SHA were negotiated between the Xinsu CRCT Purchaser and the Xinsu CLC Purchaser, taking into account key terms that are relevant to each party.
- (c) Under the terms of the Xinsu SHA, as CRCT holds more than 50% of the shares in the Xinsu HoldCo and the chairman by CRCT shall have a second and casting vote at any meeting of the board or at any general meeting of the Xinsu HoldCo, all resolutions and matters which require the approval of the shareholders or the board of directors will require the approval of CRCT. As such, it is reasonable to expect that the interests of CRCT will be safeguarded.
- (d) The reserved matters cover key operational and management issues affecting the Xinsu HoldCo, with (i) certain directors' reserved matters which require the approval of all directors, and (ii) certain shareholders' reserved matters which require the approval of both partners. The matters set out under reserved matters of the Xinsu SHA which require unanimous approval of all the directors of the Xinsu HoldCo have taken into account the requirements under Paragraph 6.5(b) of the Property Funds Appendix.

- (e) The Xinsu SHA also contains provisions in relation to (i) the distribution policy of the Xinsu HoldCo and (ii) the transfer of the shares of the Xinsu HoldCo by the partners. We note that the distribution policy of the Xinsu HoldCo takes into account the existing dividend structure of CRCT.

Given the above, it is our view that the terms of the Xinsu SHA are on normal commercial terms and are not prejudicial to the interests of CRCT and its minority Unitholders.

4.8 Other Relevant Factors in relation to the Acquisition

We have also considered the following in our evaluation of the Acquisition:

4.8.1 Expansion of CRCT's investment mandate

The Manager has, on 30 September 2020, announced that with effect from 30 days following 30 September 2020, the investment strategy of CRCT will be changed as follows:

"CRCT is a Singapore-based REIT established with the objective of investing on a long-term basis in a diversified portfolio of income-producing real estate and real estate-related assets in China, Hong Kong and Macau that are used primarily for retail, office and industrial purposes (including business parks, logistics facilities, data centres and integrated developments)."

We note that with the Acquisition of the Business Park Properties, the Manager is carrying out its expanded investment strategy to bring about, *inter alia*, diversification in terms of revenue stream, sector, asset categories and tenancies. Following the completion of the Acquisition, CRCT will transform from a pure retail REIT to a diversified REIT, with 81%¹ of CRCT's asset under management in retail, 13% in business parks and 6% in industrial.

4.8.2 Completion of the Acquisition

We note that the completion of the acquisition of all the Properties is expected to take place by 1Q 2021. We further note that the completion of the acquisition of each Property may take place on different dates. Accordingly, it is possible that CRCT may complete the acquisition of one or more of the Properties, but not complete the acquisition of the other Properties if the conditions (as described in Paragraphs 2.4 to 2.6 of the Letter to Unitholders of the Circular) are not satisfied.

4.8.3 The Acquisition is DPU accretive

We note that for illustrative purposes, on a *pro forma* basis and based on the proposed method of financing, the Acquisition is expected to be DPU accretive. After the Acquisition, (i) the DPU increases from 9.33 Singapore cents to 9.58 Singapore cents, or by 0.25 Singapore cents (approximately 2.7%), for the *pro forma* financial effects of the Acquisition on CRCT's DPU for the financial year ended 31 December 2019, as if the Acquisition was completed on 1 January 2019 and CRCT held and operated its respective interest in the Properties through to 31 December 2019; (ii) the DPU increases from 4.34 Singapore cents to 4.55 Singapore cents, or by 0.21 Singapore cents (approximately 4.8%), for the *pro forma* financial effects of the Acquisition on CRCT's DPU for the financial period ended 30 June 2020, as if the Acquisition was completed on 1 January 2020 and CRCT held and operated its respective interest in the Properties through to 30 June 2020.

¹ Based on 100% properties valuation as at 31 December 2019.

4.8.4 Undertakings by the CapitaLand Group

We note that Retail Crown, which is a wholly-owned subsidiary by CapitaLand, has given certain irrevocable undertakings to the Manager, to demonstrate its support for CRCT and the Preferential Offering. Retail Crown has, among other things, irrevocably undertaken to:

- (a) in accordance with the terms and conditions of the Preferential Offering, it will by no later than the last day for acceptance and payment of the Preferential Offering Units, accept, subscribe and pay in full for its Pro Rata Units; and
- (b) it will, in addition to paragraph (i) above, accept, subscribe and pay in full for the Excess Units amounting to the CICT Pro Rata Units, it being understood that Retail Crown's obligation arises only to the extent that there remains any CICT Pro Rata Units unsubscribed by HSBC Institutional Trust Services (Singapore) Limited, acting solely in its capacity as trustee of CICT. For the avoidance of doubt, should CICT subscribe for a proportion of the CICT Pro Rata Units, Retail Crown will only apply for excess based on the balance amount of the CICT Pro Rata Units unsubscribed by CICT. The Excess Units will only be allocated to Retail Crown to the extent that there remains any Units unsubscribed by the existing Unitholders under the Preferential Offering. For the avoidance of doubt, in the allotment of any Excess Units under the Preferential Offering, Retail Crown will rank last in priority amongst all existing Unitholders.

We also note that CRCTML has irrevocably undertaken to the Manager in accordance with the terms and conditions of the Preferential Offering, that it will by no later than the last day for acceptance and payment of the Preferential Offering Units, accept, subscribe and pay in full for its total provisional allotment of the Preferential Offering Units corresponding to its direct interest in CRCT.

5 OUR OPINION ON THE ACQUISITION

In arriving at our advice to the Independent Directors, the Audit Committee, and the Trustee on the Acquisition, we have reviewed and deliberated on the factors which we consider to be relevant and to have a significant bearing on our assessment of the Acquisition. The factors we have considered in our evaluation, which are based on, among others, representations made by CRCT, the Directors and the Management and discussed in detail in the earlier sections of this letter and which we have relied upon, are as follows:

- (a) rationale for and benefits of the Acquisition;
- (b) valuation of the Properties by the Independent Valuers;
- (c) comparison of the NPI Yield of the Properties with the Existing Portfolio and Enlarged Portfolio;
- (d) comparison of the Properties with selected property valuations and transactions;
- (e) *pro forma* financial effects of the Acquisition;
- (f) assessment of the Property Management Agreements in relation to the Business Park Properties;
- (g) assessment of the Property Management Agreement in relation to Rock Square;
- (h) assessment of the Xinsu SHA;
- (i) expansion of CRCT's investment mandate;
- (j) completion of the Acquisition;

- (k) the Acquisition being DPU accretive; and
- (l) the undertakings by the CapitaLand Group to the Manager in relation to the Preferential Offering.

Having considered the factors and the assumptions set out in this letter, and subject to the qualifications set out herein, we are of the opinion that the Acquisition (including the Property Management Agreements and the Xinsu SHA) is on normal commercial terms and is not prejudicial to the interests of CRCT and its minority Unitholders.

Accordingly, we advise the Independent Directors and the Audit Committee to recommend that Unitholders vote in favour of the Acquisition.

We wish to highlight that in approving the Acquisition, Unitholders are deemed to have approved all such acts and things and documents which are required to be executed by the parties in order to give effect to the Acquisition, including the Property Management Agreements and the Xinsu SHA.

The Independent Directors, the Audit Committee, and the Trustee should note that we have arrived at our opinions based on information made available to us prior to, and including, the Latest Practicable Date. Our opinion on the Acquisition cannot and does not take into account any subsequent developments after the Latest Practicable Date as these are governed by factors beyond the scope of our review, and would not fall within our terms of reference in connection with our evaluation of the Acquisition.

We have prepared this letter as required under Rule 921(4)(a) of the Listing Manual and the Code, and for the use of the Independent Directors, the Audit Committee, and the Trustee in connection with and for the purposes of their consideration of the Acquisition, but any recommendation made by the Independent Directors and the Audit Committee in respect of the Acquisition shall remain their responsibility.

While a copy of this letter may be reproduced in the Circular, no other person may reproduce, disseminate or quote this letter (or any part thereof) for any purpose (other than the intended purpose in relation to the Acquisition) at any time and in any manner without our prior written consent in each specific case. For the avoidance of doubt, nothing in this letter prevents CRCT, the Manager, the Directors, the Trustee or the Unitholders from reproducing, disseminating or quoting this letter without our prior consent for the purpose of any matter relating to the Acquisition. This opinion is governed by, and construed in accordance with, the laws of Singapore, and is strictly limited to the matters stated herein and does not apply by implication to any other matter.

Yours faithfully
For and on behalf of
Ernst & Young Corporate Finance Pte Ltd

Luke Pais
Partner

Elisa Montano
Associate Partner

VALUATION CERTIFICATES



CBRE Limited
Our Reference: C2009-0534-SH

22 October 2020

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地產代理 (公司) 牌照號碼
Estate Agent's Licence (Co.) No. C-004065

Dear Sirs

SIX ASSETS IN PROJECT RESILIENCE, LOCATED IN SUZHOU, HANGZHOU, XI'AN, GUANGZHOU, THE PRC

Instruction

We refer to instructions issued by HSBC Institutional Trust Services (Singapore) Limited (as trustee of CapitaLand Retail China Trust) (the "Instructing Party" or the "Company"), requesting formal valuation advice in respect of the abovementioned Project Resilience. We have specifically been instructed to provide our opinion of Market Value of the Properties, subject to the existing tenancies and occupational arrangements.

We have prepared comprehensive formal valuation reports (individually a "Report" and collectively the "Reports") in accordance with the requirements of the instructions and the following international definition of Market Value, namely:

Market Value is the estimated amount for which an asset should exchange on the date of valuation between a willing buyer and a willing seller in an arm's length transaction, after proper marketing, wherein the parties had each acted knowledgeably, prudently and without compulsion".

In adopting this definition of value, we are of the opinion that it is consistent with the international definition of Market Value as advocated by the Royal Institution of Chartered Surveyors (RICS).

For the specific purposes of this Disclosure Document, we provide a Summary of the Reports outlining key factors that have been considered in arriving at our opinions of value. The value conclusions reflect all information known by the valuers of CBRE who worked on the valuations in respect to the Properties, market conditions and available data.

Reliance on This Letter

For the purposes of this Disclosure Document, we have prepared this letter which summarises our Reports and outlines key factors which have been considered in arriving at our opinions of value. This letter alone does not contain the necessary data and support information included in our Reports. For further information to that contained herein, reference should be made to the Reports, copies of which are held by HSBC Institutional Trust Services (Singapore) Limited (as trustee of CapitaLand Retail China Trust).

CBRE has provided the client with comprehensive valuation report for the Properties and the Reports are to be vested with the issuer or REIT or Trust Manager appointed for the portfolio. The valuation and market information are not guarantees or predictions and must be read in consideration of the following:

The conclusions as to the estimated value are based upon the factual information set forth in that Reports. Whilst CBRE has endeavoured to assure the accuracy of the factual information, it has not independently verified all information provided by CapitaLand Retail China Trust Management Limited (the "Manager") (primarily copies of leases and financial information with respect to the Properties as well as reports by independent consultants engaged by the Manager, or the government of the People's Republic of China (primarily statistical information relating to market conditions and demographics). CBRE believes that every investor, before making an investment in CapitaLand Retail China Trust, should review the Reports to understand the complexity of the methodology and the many variables involved.

The methodologies used by CBRE in valuing the Properties — Capitalisation Approach and Discounted Cashflow Analysis— are based upon estimates of future results and are not predictions. These valuation methodologies are summarised in the Valuation Rationale section of this letter. Each methodology begins with a set of assumptions as to income and expenses of the Properties and future economic conditions in the local market. The income and expense figures are mathematically extended with adjustments for estimated changes in economic conditions. The resultant value is considered the best practice estimate but is not to be construed as a prediction or guarantee and is fully dependent upon the accuracy of the assumptions as to income, expenses and market conditions. The basic assumptions utilised for the Properties is summarised in the Valuation Rationale section of this letter.

The Reports were undertaken based upon information available as at August 2020. CBRE accepts no responsibility for subsequent changes in information as to income, expenses or market conditions.

The People's Republic of China Economy

China has transformed from a minor economy with no private businesses in the late 1970s to today's world's second largest economy after the economic reform. Currently, China claims top spot in a number of important economic league tables as it replaced Germany as the world's biggest exporter in 2009, and overtook Japan as the second largest world economy in 2010.

Among the most fundamental changes in China over the past decades has been the massive population shift from rural to urban areas. The scale of urbanization in China is unprecedented, official data indicated that urban population as a percentage of total population grew from 36% in 2000 to 61% in 2019. The World Bank has forecast that up to 70% of the country's population would live in urban areas by 2030.

China has been facing a slowing economic growth since the last decade as it realigned its structure from being export-driven to a more balanced economy, it still remains as the leading growth engine to the global economy. The Chinese government is actively taking steps to stimulate investment, boost consumption and create more jobs, as part of its ongoing efforts to foster domestic market amid slowing economic growth.

The COVID-19 outbreak has undoubtedly had a severe short-term impact on the Chinese economy and property market. However, almost four months after the first reported cases, we are seeing light at the end of the tunnel. China was first to be affected by COVID-19 and was also first to recover post COVID-19.

With further measures have been taken to accelerate economic development, GDP in China returned to positive territory in Q2 2020, registering a gain of 3.2% y-o-y after contracting by -6.8% in Q1 2020 following the onset of the COVID-19 pandemic. Domestic GDP growth is forecast to turn positive within the next six months, followed by a significant rebound in 2021. The rebound was driven by expansion in the manufacturing (up 5.1% y-o-y in June) and service (up 1.9% y-o-y in Q2 2020) sectors. Advanced manufacturing, finance and IT all outperformed, registering growth of 10% y-o-y, 6.6% y-o-y and 14.5%, y-o-y respectively.

Retail sales continued to recover, falling by just 1.8% y-o-y in June compared with a 16% y-o-y decrease in March. E-commerce's share of overall retail sales increased to 25%.

In addition to conventional stimulus methods such as consumption vouchers and shopping festivals, the government has stepped up its promotion of the "night economy" along with weekend markets in selected high streets and shopping malls. These initiatives are designed to increase employment and provide residents with more flexible and diversified services.

The following table provides an overview of China economic performance from 2010 to H1 2020.

ECONOMIC INDICATORS	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	H1 2020
GDP Growth (annual %)	10.6%	9.5%	7.7%	7.7%	7.3%	6.9%	6.7%	6.9%	6.6%	6.1%	-1.6%
Population (Million)	1,340	1,347	1,350	1,360	1,367	1,374	1,382	1,390	1,395	1,400	1,400
Consumer Prices Inflation	3.3%	5.4%	2.6%	2.6%	2.0%	1.4%	1.8%	1.6%	2.1%	2.9%	3.8%
Unemployment Rate (annual %)	4.10%	4.10%	4.10%	4.10%	4.10%	4.10%	4.11%	4.12%	4.1%	4.1%	6.2%
Export (Billion RMB)	10,702	12,324	12,936	13,713	14,388	14,126	15,987	16,923	16,420	17,230	7,713
Import (Billion RMB)	9,470	11,316	11,480	12,104	12,036	10,449	14,436	15,091	14,090	14,310	6,524

Source: Oxford Economics, National Bureau of Statistics

Material Valuation Uncertainty from Novel Coronavirus

The outbreak of the Novel Coronavirus (COVID-19), declared by the World Health Organisation as a "Global Pandemic" on the 11th March 2020, has impacted many aspects of daily life and the global economy – with some real estate markets experiencing significantly lower levels of transactional activity and liquidity. As at the valuation date, in the case of the Property, there is a shortage of market evidence for comparison purposes, to inform opinions of value.

Our valuation of the Property is therefore reported as being subject to 'material valuation uncertainty'. Consequently, less certainty – and a higher degree of caution – should be attached to our valuation than would normally be the case.

For the avoidance of doubt, the inclusion of the 'material valuation uncertainty' declaration above does not mean that the valuation cannot be relied upon. Rather, the declaration has been included to ensure transparency of the fact that – in the current extraordinary circumstances – less certainty can be attached to the valuation than would otherwise be the case. The material uncertainty clause is to serve as a precaution and does not invalidate the valuation.

Values may change more rapidly and significantly than during standard market conditions. Given the unknown future impact that COVID-19 might have on the real estate market and the difficulty in differentiating between short term impacts and long-term structural changes, we recommend that you keep the valuation(s) contained within this report under frequent review.

Property Summary

The following pages provide a brief summary of each of the properties.

1) Ascendas Xinsu, Suzhou

Ascendas Xinsu, situated in the Suzhou Industrial Park, completed in 1995-2016, comprises 50 blocks of single-story (partial 2-story) as well as 5 blocks of 4 to 6-story industrial workshops and 6 blocks of 4 to 7 stories industrial office buildings. The Property covers a site area of approximately 460,337.56 sq m and with a total gross floor area of 373,334.27 sq m. The Property also includes 474 underground and 201 above-ground car parking lots. The property achieved an occupancy rate of 89.9% as at 31 August 2020. The weighted average lease expiry is 1.8 years (by area) as at the date of valuation.

2) AIH Xi'an

Ascendas Innovation Hub is an industrial office project in Xi'an Hi-Tech Industries Development Zone. Completed in 2003 and 2005, the Property covers a site area of 15,027.00 sq m with a total gross floor area of 40,547.38 sq m. It comprises 2 blocks of 6-storey (above-ground) industrial office, ancillaries, 54 covered car parking lots and 76 uncovered car parking spaces. The property achieved an occupancy rate of 89.5% as at 31 August 2020. The weighted average lease expiry is 1.3 years (by area) as at the date of valuation.

3) AIT Xi'an

Ascendas Innovation Towers is an industrial office project in Xi'an Hi-Tech Industries Development Zone. Completed in 2017, The Property covers a site area of 26,333.02 sq m with a total GFA of 118,495.31sq m. It comprises 1 block of 3-storey low-rise industrial office, 1 block of 23-storey high-rise industrial office twin tower atop on a 5-storey podium, 869 covered car parking lots and 101 uncovered car parking spaces. The property achieved an occupancy rate of 88.4% as at 31 August 2020. The weighted average lease expiry is 1.8 years (by area) as at the date of valuation.

4) Ascendas Hangzhou Phase I

Singapore Hangzhou Science & Technology Park Phase I is a large-scale industrial office development in Hangzhou Economic and Technological Development Area within Qiantang New Area. It is developed in 3 phases. Completed during 2008 and 2013, Phase I covers a site area of 40,846.00sq m with a total above-ground gross floor area of 101,810.65sq m. It comprises 5 blocks of 4-20 storey industrial office buildings with ancillary, 2 blocks of standalone industrial ancillary buildings, 505 covered car parking lots and 120 uncovered car parking spaces. The property achieved an occupancy rate of 92.5% as at 31 August 2020. The weighted average lease expiry is 1.5 years (by area) as at the date of valuation.

5) Ascendas Hangzhou Phase II

Singapore Hangzhou Science & Technology Park Phase II is a large-scale industrial office development in Hangzhou Economic and Technological Development Area within Qiantang New Area. It is developed in 3 phases. Completed in 2016, Phase II covers a site area of 55,958.00sq m with a total above-ground gross floor area of 130,261.15sq m. It comprises 5 blocks of 11-15 storey high-rise industrial office buildings, 5 blocks of 4-storey semi-detached standalone industrial office buildings, ancillaries, 729 covered car parking lots and 91 uncovered car parking spaces. The property achieved an occupancy rate of 96.5% on total gross

rentable area of 126,294.01sq m as at 31 August 2020. The weighted average lease expiry is 3.1 years (by area) as at the date of valuation.

6) Rock Square, Guangzhou

Rock Square, completed in 2012, is a mid-end neighbourhood mall within a composite development named China Overseas Oakwood. The Property comprises a 5-storey retail mall from Basement Level 2 to Level 3 with a total gross floor area of approximately 88,278.73 sq m (incl. basement car parking space) and a total of net lettable area of approximately 53,108.43 sq m. Basement Level 2 of the Property has direct access to Metro Line 8 and Guangfo Line (Shayuan Station). As advised by the Instructing Party, there is a total of 600 underground car parking space on Basement Level 3, Basement Level 2 and Basement Mezzanine Level. The property achieved an occupancy rate of 92.7% as at 31 August 2020. The weighted average lease expiry is 4.1 years (by area) as at the date of valuation.

Briefly, the individual property details are tabulated as follows:

No.	Property	Balance Land Tenure (Years)	Land Area (sq m)	Gross Floor Area (sq m)	Gross Rentable Area (sq m)
1	Ascendas Xinsu Suzhou	26.17	460,337.56	373,334.27	349,480.29
2	AIH Xi'an	30.56	15,027.00	40,547.38	36,108.40
3	AIT Xi'an	43.31	26,333.02	118,495.31	96,346.50
4	Ascendas Hangzhou PHI	35.85	40,846.00	101,810.65	101,450.25
5	Ascendas Hangzhou PHII	39.68	55,958.00	130,261.15	126,294.01
6	Rock Square, Guangzhou	24.96	21,339.51	88,278.73	83,591.10 (NLA: 53,108.43)

Valuation Rationale

In arriving at our opinion of values, we have considered relevant general and economic factors and in particular have investigated recent sales and leasing transactions of comparable properties that have occurred in the broader property market. We have primarily utilised the Capitalisation Approach and Discounted Cash Flow analysis in undertaking our assessment for each of the Properties.

Capitalisation Approach

As our primary method of valuation, we have utilised a capitalisation approach in which the sustainable net income on a fully leased basis has been estimated having regard to the current passing rental income and potential future income from existing vacancies. Other income relating to advertising and promotion recoveries, casual leasing, sundry items and car parking revenue has additionally been incorporated within our calculations. From this figure, we have deducted outgoings expenditure, property tax, management fees and an ongoing allowance (excluding the master leases) to reflect possible future vacancies and bad debts. We have additionally incorporated an ongoing owner's non-recoverable expenditure allowance within our calculations.

The resultant net income has thereafter been capitalised for the remaining tenure of the respective Properties to produce a core capital value. The yields adopted reflect the nature, location and tenancy profile of the Properties together with current market investment criteria, as evidenced by the sales evidence considered. Thereafter,

appropriate capital adjustments have been included relating to letting up costs associated with existing vacancies, rental reversion adjustments and capital expenditure requirements.

Discounted Cash Flow Analysis

As a secondary method of valuation, we have carried out a discounted cash flow analysis over a 10-year investment horizon in which we have assumed that the Property is sold at the commencement of the eleventh year of the cashflow. This form of analysis allows an investor or owner to make an assessment of the long-term return that is likely to be derived from a property with a combination of both rental and capital growth over an assumed investment horizon. In undertaking this analysis, a wide range of assumptions are made including a target or pre-selected internal rate of return, rental growth, sales turnover growth if applicable, sale price of the property at the end of the investment horizon, costs associated with the initial purchase of the property and also its disposal at the end of the investment period.

Summary of Values

Based on the above, the following table outlines the salient valuation assumptions adopted in undertaking our assessment of the Properties:

No.	Property	Cap Rate	Terminal Cap Rate	Discount Rate	Assessed Market Value (RMB)	Unit Rate on GRA*(RMB PSM)
1	Ascendas Xinsu Suzhou	5.50%	5.75%	8.75%	2,270,000,000	6,500
2	AIH Xi'an	6.50%	6.75%	9.75%	302,000,000	8,400
3	AIT Xi'an	6.50%	6.75%	9.75%	789,000,000	8,200
4	Ascendas Hangzhou PHI	6.50%	6.75%	9.75%	680,900,000	6,700
5	Ascendas Hangzhou PHII	6.50%	6.75%	9.75%	802,200,000	6,200
6	Rock Square, Guangzhou	4.75%	5.00%	8.25%	3,390,000,000	40,600
Total Portfolio					8,234,100,000	

Note*: Gross Rentable Area ("GRA") refers to gross floor area excluding basement carparking and others.

Assessment of Value

We are of the opinion that the Market Value of the unencumbered leasehold interest in the Properties, as at 31 October 2020 subject to the existing tenancies and occupational arrangement is:

¥8,234,100,000

(RMB: Eight Billion Two Hundred and Thirty Four Million One Hundred Thousand Only)

Disclaimer

Ms Rita Wong and CBRE have prepared this Valuation Summary letter which appears in this circular and specifically disclaim liability to any person in the event of any omission from or false or misleading statement included in the prospectus, other than in respect of the information provided within the aforementioned Reports and this Valuation Summary letter. Ms Rita Wong and CBRE do not make any warranty or representation as to the accuracy of the information in any other part of the Disclosure other than as expressly made or given by CBRE in this Valuation Summary letter.

CBRE has relied upon property data supplied by by CapitalLand Retail China Trust Management Limited (the "Manager") which we assume to be true and accurate. CBRE takes no responsibility for inaccurate client supplied data and subsequent conclusions related to such data.

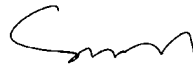
The reported analyses, opinions and conclusions are limited only by the reported assumptions and limiting conditions and are our personal, unbiased professional analyses, opinions and conclusions. Ms Rita Wong have no present or prospective interest in the Properties and have no personal interest or bias with respect to the party/s involved. The valuers' compensation is not contingent upon the reporting of a predetermined value or direction in value that favours the cause of the client, the amount of the value estimate, the attainment of a stipulated result, or the occurrence of a subsequent event (such as a lending proposal or sale negotiation).

We hereby certify that the valuers undertaking these valuations are authorised to practise as valuers and have at least 15 years continuous experience in valuation.

Yours sincerely
CBRE Limited



Rita Wong
MRICS MHKIS AAPI RPS (GP)
Executive Director
Head of Valuation & Consulting
Greater China



Sunny Han
CFA MRICS MCIREA
Director
Valuation & Advisory Services
Eastern China

Attachments

Attachment 1 – Valuation Certificates

VALUATION CERTIFICATE

Property: Ascendas Xinsu
Suzhou Industrial Park, Suzhou City, Jiangsu Province
The People’s Republic of China

Client: HSBC Institutional Trust Services (Singapore) Limited (as Trustee of CapitaLand Retail China Trust) (the “Instructing Party”)

Purpose: Circular Purpose

Interest Valued: Leasehold Interest

Basis of Valuation: Market Value subject to the existing tenancies and occupational arrangements*



Critical Assumptions: Subject to approved usage, floor areas, tenancy schedule and financial data provided by the Instructing Party and its representatives. If this information turns out to be different, we reserve the right to revise the valuation. Our assessment addresses the market value of the Property on single property interest basis and subject to the existing tenancies and occupational arrangements.

The Registered Owner: 腾飞新苏置业（苏州）有限公司

Land Area: 460,337.56 sq m

Land Tenure: 50 years with latest expiry date on 30 May 2057

Brief Description: Ascendas Xinsu, situated in the Suzhou Industrial Park, completed in 1995-2016, comprises 50 blocks of single-story (partial 2-story) as well as 5 blocks of 4 to 6-story industrial workshops and 6 blocks of 4 to 7 stories industrial office buildings. The Property covers a site area of approximately 460,337.56 sq m and with a total gross floor area of 373,334.27 sq m. The Property also includes 474 underground and 201 above-ground car parking lots.

Gross Floor Area: 373,334.27 sq m (incl. basement car parking space)

Gross Rentable Area: 349,480.29 sq m

Tenant Profile: The property achieved an occupancy rate of 89.9% as at 31 August 2020. The weighted average lease expiry is 1.8 years (by area) as at the date of valuation.

Valuation Approaches: Discounted Cash Flow Approach and Direct Capitalization Approach

Cap Rate: 5.50%

Terminal Cap Rate: 5.75%

Discount Rate: 8.75%

Date of Inspection: 22 September 2020

Date of Valuation: 31 October 2020

Market Value:	Approaches	RMB
	Discounted Cash Flow Approach	2,281,000,000
	Direct Capitalization Approach	2,258,000,000
	Reconciled Value	2,270,000,000
	(Renminbi Two Billion Two Hundred and Seventy Million)	

Market Value on GFA: RMB6,100 psm

Market Value on GRA: RMB6,500 psm

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Prepared By: **CBRE Limited**


Rita Wong
MRICS MHKIS AAPI RPS (GP)
Executive Director
Head of Valuation & Consulting
Greater China


Sunny Han
CFA MRICS MCIREA
Director
Valuation & Advisory Services
Eastern China

Remarks: * In relation to Ascendas Xinsu Square, there is an agreement between the local authorities and the Project Company for the permanent acquisition of approximately 636.4 sq m of land for the construction of a new metro line in Suzhou. Our valuation of the Ascendas Xinsu Portfolio has taken into account the compulsory acquisition.

VALUATION CERTIFICATE

Property: Ascendas Innovation Hub
38 Gaoxin 6th Road, Xi'an Hi-Tech Industries Development Zone, Xi'an
The People's Republic of China

Client: HSBC Institutional Trust Services (Singapore) Limited (as Trustee of CapitaLand Retail China Trust) (the "Instructing Party")

Purpose: Circular Purpose

Interest Valued: Leasehold Interest

Basis of Valuation: Market Value subject to the existing tenancies and occupational arrangements



Critical Assumptions: Subject to approved usage, floor areas, tenancy schedule and financial data provided by the Instructing Party and its representatives. If this information turns out to be different, we reserve the right to revise the valuation. Our assessment addresses the market value of the Property on single property interest basis and subject to the existing tenancies and occupational arrangements.

The Registered Owner: 西安腾飞信息技术孵化器有限公司

Land Area: 15,027.00 sq m

Land Tenure: 50 years with expiry date on 23 May 2051

Brief Description: Ascendas Innovation Hub (The "Property") is an industrial office project in Xi'an Hi-Tech Industries Development Zone. Completed in 2003 (Block A) and 2005 (Block B), The Property covers a site area of 15,027.00 sq m with a total GFA of 40,547.38 sq m. It comprises 2 blocks of 6-storey (above-ground) industrial office, ancillaries, 54 covered car parking lots and 76 uncovered car parking spaces.

Gross Floor Area: 40,547.38 sq m (incl. basement car parking space)

Gross Rentable Area: 36,108.40 sq m

Tenant Profile: The property achieved an occupancy rate of 89.5% as at 31 August 2020. The weighted average lease expiry is 1.3 years (by area) as at the date of valuation.

Valuation Approaches: Discounted Cash Flow Approach and Direct Capitalization Approach

Cap Rate: 6.50%

Terminal Cap Rate: 6.75%

Discount Rate: 9.75%

Date of Inspection: 22 September 2020

Date of Valuation: 31 October 2020

Market Value:	Approaches	RMB
	Discounted Cash Flow Approach	301,000,000
	Direct Capitalization Approach	303,000,000
	Reconciled Value	302,000,000
	(Renminbi Three Hundred and Two Million)	

Market Value on GFA: RMB7,400 psm

Market Value on GRA: RMB8,400 psm

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Head of Valuation & Consulting
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Sunny Han
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Director
Valuation & Advisory Services
Eastern China

VALUATION CERTIFICATE

Property: Ascendas Innovation Towers
88 Tiangu 7th Road, Xi'an Hi-Tech Industries Development Zone, Xi'an
The People's Republic of China

Client: HSBC Institutional Trust Services (Singapore) Limited (as Trustee of CapitaLand Retail China Trust) (the "Instructing Party")

Purpose: Circular Purpose

Interest Valued: Leasehold Interest

Basis of Valuation: Market Value subject to the existing tenancies and occupational arrangements



Critical Assumptions: Subject to approved usage, floor areas, tenancy schedule and financial data provided by the Instructing Party and its representatives. If this information turns out to be different, we reserve the right to revise the valuation. Our assessment addresses the market value of the Property on single property interest basis and subject to the existing tenancies and occupational arrangements.

The Registered Owner: 裕廊腾飞科技企业孵化器（西安）有限公司

Land Area: 26,333.02 sq m

Land Tenure: 50 years with expiry date on 19 February 2064

Brief Description: Ascendas Innovation Towers (The "Property") is an industrial office project in Xi'an Hi-Tech Industries Development Zone. Completed in 2017, The Property covers a site area of 26,333.02 sq m with a total GFA of 118,495.31 sq m. It comprises 1 block of 3-storey low-rise industrial office, 1 block of 23-storey high-rise industrial office twin tower atop on a 5-storey podium, 869 covered car parking lots and 101 uncovered car parking spaces.

Gross Floor Area: 118,495.31 sq m (incl. basement car parking space)

Gross Rentable Area: 96,346.50 sq m

Tenant Profile: The property achieved an occupancy rate of 88.4% as at 31 August 2020. The weighted average lease expiry is 1.8 years (by area) as at the date of valuation.

Valuation Approaches: Discounted Cash Flow Approach and Direct Capitalization Approach

Cap Rate: 6.50%

Terminal Cap Rate: 6.75%

Discount Rate: 9.75%

Date of Inspection: 22 September 2020

Date of Valuation: 31 October 2020

Market Value:	Approaches	RMB
	Discounted Cash Flow Approach	786,000,000
	Direct Capitalization Approach	792,000,000
	Reconciled Value	789,000,000
	(Renminbi Seven Hundred and Eighty-Nine Million)	

Market Value on GFA: RMB6,700 psm

Market Value on GRA: RMB8,200 psm

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Executive Director
Head of Valuation & Consulting
Greater China


Sunny Han
CFA MRICS MCIREA
Director
Valuation & Advisory Services
Eastern China

VALUATION CERTIFICATE

Property: Phase I of Singapore Hangzhou Science & Technology Park
No. 2 Kejiyuan Road,
Hangzhou Economic and Technological Development Area,
Qiantang New Area, Hangzhou
The People's Republic of China

Client: HSBC Institutional Trust Services (Singapore) Limited (as Trustee of CapitaLand Retail China Trust) (the "Instructing Party")

Purpose: Circular Purpose

Interest Valued: Leasehold Interest

Basis of Valuation: Market Value subject to the existing tenancies and occupational arrangements

Critical Assumptions: Subject to approved usage, floor areas, tenancy schedule and financial data provided by the Instructing Party and its representatives. If this information turns out to be different, we reserve the right to revise the valuation. Our assessment addresses the market value of the Property on single property interest basis and subject to the existing tenancies and occupational arrangements.

The Registered Owner: 杭州裕廊腾飞科技有限公司

Land Area: 40,846.00 sq m

Land Tenure: 50 years expiring on 4 September 2056

Brief Description: Singapore Hangzhou Science & Technology Park (the "Development") is a large scale industrial office development in Hangzhou Economic and Technological Development Area within Qiantang New Area. It is developed in 3 phases. Completed during 2008 and 2013, the Property (Phase I) covers a site area of 40,846.00sq m with a total above-ground Gross Floor Area ("GFA") of 101,810.65sq m. It comprises 5 blocks of 4-20 storey industrial office buildings with ancillary, 2 blocks of standalone industrial ancillary buildings, 505 covered car parking lots and 120 uncovered car parking spaces.

Gross Floor Area: 101,810.65 sq m (excl. basement)

Gross Rentable Area: 101,450.25 sq m

Tenant Profile: The property achieved an occupancy rate of 92.5% as at 31 August 2020. The weighted average lease expiry is 1.5 years (by area) as at the date of valuation.

Valuation Approaches: Discounted Cash Flow Approach and Direct Capitalization Approach

Cap Rate: 6.50%

Terminal Cap Rate: 6.75%

Discount Rate: 9.75%

Date of Inspection: 22 September 2020

Date of Valuation: 31 October 2020

Market Value:

Approaches	RMB
Discounted Cash Flow Approach	681,900,000
Direct Capitalization Approach	679,800,000
Reconciled Value	680,900,000

(Renminbi Six Hundred and Eighty Million Nine Hundred Thousand)

Market Value on GFA: RMB6,700 psm

Market Value on GRA: RMB6,700 psm

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Rifa Wong
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Executive Director
Head of Valuation & Consulting
Greater China

Sunny Han
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Director
Valuation & Advisory Services
Eastern China

VALUATION CERTIFICATE

Property: Phase II of Singapore Hangzhou Science & Technology Park
No. 20 and 57 Kejiyuan Road
Hangzhou Economic and Technological Development Area,
Hangzhou, Qiantang New Area
The People’s Republic of China

Client: HSBC Institutional Trust Services (Singapore) Limited (as Trustee
of CapitaLand Retail China Trust) (the “Instructing Party”)

Purpose: Circular Purpose

Interest Valued: Leasehold Interest

Basis of Valuation: Market Value subject to the existing tenancies and occupational
arrangements

Critical Assumptions: Subject to approved usage, floor areas, tenancy schedule and financial data provided by the Instructing Party and its
representatives. If this information turns out to be different, we reserve the right to revise the valuation.
Our assessment addresses the market value of the Property on single property interest basis and subject to the existing
tenancies and occupational arrangements.



The Registered Owner: 杭州裕廊腾飞数据处理有限公司

Land Area: 55,958.00 sq m

Land Tenure: 50 years expiring on 6 July 2060

Brief Description: Singapore Hangzhou Science & Technology Park (the “Development”) is a large scale industrial office development in
Hangzhou Economic and Technological Development Area within Qiantang New Area. It is developed in 3 phases.
Completed in 2016, the Property (Phase II) covers a site area of 55,958.00sq m with a total above-ground Gross Floor
Area (“GFA”) of 130,261.15sq m. It comprises 5 blocks of 11-15 storey high-rise industrial office buildings, 5 blocks of
4-storey semi-detached standalone industrial office buildings, ancillaries, 729 covered car parking lots and 91
uncovered car parking spaces.

Gross Floor Area: 130,261.15 sq m (excl. basement)

Gross Rentable Area: 126,294.01 sq m

Tenant Profile: The property achieved an occupancy rate of 96.5% as at 31 August 2020. The weighted average lease expiry is 3.1
years (by area) as at the date of valuation.

Valuation Approaches: Discounted Cash Flow Approach and Direct Capitalization Approach

Cap Rate: 6.50%

Terminal Cap Rate: 6.75%

Discount Rate: 9.75%

Date of Inspection: 22 September 2020

Date of Valuation: 31 October 2020

Market Value:

Approaches	RMB
Discounted Cash Flow Approach	800,700,000
Direct Capitalization Approach	803,700,000
Reconciled Value	802,200,000

(Renminbi Eight Hundred and Two Million Two Hundred Thousand)

Market Value on GFA: RMB6,400 psm

Market Value on GRA: RMB6,400 psm

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Executive Director
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Sunny Han
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Eastern China

VALUATION CERTIFICATE

Property: Rock Square
No.106-108 Gongye Avenue North,
Haizhu District, Guangzhou
The People's Republic of China

Client: HSBC Institutional Trust Services (Singapore) Limited (as Trustee of CapitaLand Retail China Trust) (the "Instructing Party")

Purpose: Circular Purpose

Interest Valued: Leasehold Interest

Basis of Valuation: Market Value subject to the existing tenancies and occupational arrangements



Critical Assumptions: Subject to approved usage, floor areas, tenancy schedule and financial data provided by the Instructing Party and its representatives. If this information turns out to be different, we reserve the right to revise the valuation. Our assessment addresses the market value of the Property on single property interest basis and subject to the existing tenancies and occupational arrangements.

The Registered Owner: 广州中海橡园房地产发展有限公司

Land Area: 21,339.51 sq m

Land Tenure: 40 years expiring on 17 October 2045

Brief Description: Rock Square ("the Property"), completed in 2012, is a mid-end neighbourhood mall within a composite development named China Overseas Oakwood. The Property comprises a 5-storey retail mall from Basement Level 2 to Level 3 with a total gross floor area ("GFA") of approximately 88,278.73 sq m (incl. basement car parking space) and a total of net lettable area ("NLA") of approximately 53,108.43 sq m. Basement Level 2 of the Property has direct access to Metro Line 8 and Guangfo Line (Shayuan Station). As advised by the Instructing Party, there is a total of 600 underground car parking space on Basement Level 3, Basement Level 2 and Basement Mezzanine Level.

Gross Floor Area: 88,278.73 sq m (incl. basement car parking space)

Gross Rentable Area: 83,591.10 sq m (Retail GFA)

Net Lettable Area: 53,108.43 sq m (as per the provided tenancy schedule dated August 2020)

Tenant Profile: The property achieved an occupancy rate of 92.7% as at 31 August 2020. The weighted average lease expiry is 4.1 years (by area) as at the date of valuation.

Valuation Approaches: Discounted Cash Flow Approach and Direct Capitalization Approach

Cap Rate: 4.75%

Terminal Cap Rate: 5.00%

Discount Rate: 8.25%

Date of Inspection: 23 September 2020

Date of Valuation: 31 October 2020


Market Value:	Approaches	RMB
	Discounted Cash Flow Approach	3,418,000,000
	Direct Capitalization Approach	3,362,000,000
	Reconciled Value	3,390,000,000
	(Renminbi Three Billion Three Hundred and Ninety Million)	

Market Value on GRA: RMB40,600 psm

Market Value on NLA: RMB63,700 psm

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Prepared By: CBRE Limited


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Executive Director
Head of Valuation & Consulting
Greater China


Sunny Han
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Director
Valuation & Advisory Services
Eastern China

Valuation Certificate

Client: CapitaLand Retail China Trust Management Limited
(as Manager of CapitaLand Retail China Trust)

Properties: Various Properties in the People's Republic of China

November 2020



The following is the text of a letter, summary of values and valuation details, prepared for the purpose of acquisition and public circulation reference by Jones Lang LaSalle Corporate Appraisal and Advisory Limited, an independent valuer, in connection with its valuation as at 31 October 2020 of the Properties.

Ref. No. : CON100388038

5 November 2020

The Board of Directors
CapitaLand Retail China Trust Management Limited.
(as Manager of CapitaLand Retail China Trust)
168 Robinson Road,
#30-01 Capital Tower,
Singapore 068912

Dear Sirs,

In accordance with your instructions to value Properties including business parks, industrial park and retail (hereinafter referred to as the “Properties” or individually as the “Property”) in the People’s Republic of China (the “PRC”), we confirm that we have carried out inspections, made relevant enquiries and searches and obtained such further information as we consider necessary for the purpose of providing you with our opinion of the Market Values of the Properties as at 31 October 2020 (the “Valuation Date”) for acquisition and public circulation reference purpose of your company.

Our valuation is carried out on a Market Value basis. Market Value is defined as “the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm’s length transaction after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion”.

Due to the nature of the Properties and the particular locations where they are situated, there are unlikely to be relevant market comparable sales readily available. The Properties have therefore been valued by Discounted Cash Flow (“DCF”) Analysis and Income Capitalisation Method.

DCF analysis requires periodic net cash flows to be forecasted over the life of the investment and discounted at a risk-adjusted opportunity cost of capital to arrive at a present value. It takes into consideration the month by month net cash flows after deductions for expenditure, and having regard to the assumptions made relating to rental growth projections, vacancies, rent frees, non-recoverable outgoings and leasing costs. Unless otherwise stated, the DCF analysis is prepared on an assumed 10-year holding period and the reversionary value in year ten, discounted by an appropriate discount rate to derive a net present value. The projections in the discounted cash flow have been prepared for valuation purposes and not as a business plan forecast.

The Income Capitalisation Method is based on the capitalisation of the leased, current passing rental income and potential reversionary income from the date of valuation at appropriate investment yield to arrive at the capital value. The appropriate adjustments / deductions for rent free period and ongoing vacancy voids / marketing periods for the vacant space have been allowed.

Unless otherwise stated, our valuation has been made on the assumption that the seller sells the Properties in the market without the benefit of a deferred term contract, leaseback, joint venture or any similar arrangement, which could serve to affect the values of the Properties.

No allowance has been made in our report for any charge, mortgage or amount owing on the Properties valued nor for any expense or taxation which may be incurred in effecting a sale. Unless otherwise stated, it is assumed that the Properties are free from encumbrances, restrictions and outgoings of an onerous nature, which could affect its values.

In the course of our valuation, we have complied with all the requirements contained in the “International Valuation Standards Effective 31 January 2020” published by the International Valuation Standards Council (IVSC), the “RICS Valuation – Global Standards Effective from 31 January 2020” published by the Royal Institution of Chartered Surveyors (RICS) and the “HKIS Valuation Standards” published by the Hong Kong Institute of Surveyors (HKIS) subject to variation to meet local established law. Unless otherwise stated, our valuation is undertaken as External Valuers as defined in the relevant Valuation Standards.

We have relied on the information given by the Company and have accepted advice given to us on such matters as tenure, planning approvals, statutory notices, easements, particulars of occupancy, lettings and other relevant matters.

We have been shown copies of various title documents including State-owned Land Use Rights Certificates, Building Ownership Certificates, Real Estate Ownership Certificates, list of Real Estate Ownership Certificate and other official plans relating to the Properties and have made relevant enquiries. Where possible, we have examined the original documents to verify the existing title to the Properties in the PRC and any material encumbrance that might be attached to the Properties or any tenancy amendment.

Inspection of the Properties were carried out in September and October 2020 by 5 technical staffs including Mr. Jerry He, Mr. Chris Zhou, Mr. Josh Wang, Ms. Lisa Li and Ms. Skye Pan. They are Member of China Certified Real Estate Appraisers or have more than 2 years’ experience in the valuation of properties in the PRC.

We have not carried out detailed measurements to verify the correctness of the areas in respect of the Properties but have assumed that the areas shown on the title documents and official site plans handed to us are correct. All documents and contracts have been used as reference only and all dimensions, measurements and areas are approximations. No on-site measurement has been taken. We declare our departure from the “RICS property measurement” published by RICS.

We have inspected the exterior and, where possible, the interior of the Properties. However, we have not carried out investigations to determine the suitability of the ground conditions and services for any development thereon. Our valuation has been prepared on the assumption that these aspects are satisfactory. Moreover, no structural survey has been made, but, in the course of our inspection, we did not note any serious defect. We are not, however, able to report whether the Properties are free of rot, infestation or any other structural defect. No test was carried out on any of the services.

We have had no reason to doubt the truth and accuracy of the information provided to us by the Trustee. We have also sought confirmation from the Trustee that no material factors have been omitted from the information supplied. We consider that we have been provided with sufficient information to arrive an informed view, and we have no reason to suspect that any material information has been withheld.

The outbreak of COVID-19, declared by the World Health Organisation as a “Global Pandemic” on the 11th March 2020, has and continues to impact many aspects of daily life and the global economy – with some real estate markets having experienced lower levels of transactional activity and liquidity. Travel restrictions have been implemented by many countries and “lockdowns” applied to varying degrees. Whilst restrictions have now been lifted in some cases, local lockdowns may continue to be deployed as necessary and the emergence of significant further outbreaks or a “second wave” is possible.

The pandemic and the measures taken to tackle COVID-19 continue to affect economies and real estate markets globally. Nevertheless, as at the valuation date some property markets have started to function again, with transaction volumes and other relevant evidence returning to levels where an adequate quantum of market evidence exists upon which to base opinions of value. Accordingly, and for the avoidance of doubt, our valuation is not reported as being subject to ‘material valuation uncertainty’ as defined by VPS 3 and VPGA 10 of the RICS Valuation – Global Standards.

For the avoidance of doubt this explanatory note has been included to ensure transparency and to provide further insight as to the market context under which the valuation opinion was prepared. In recognition of the potential for market conditions to move rapidly in response to changes in the control or future spread of COVID-19 we highlight the importance of the valuation date.

Unless otherwise stated, all monetary figures stated in this report are in Renminbi (RMB).

Our valuation is summarized below and the valuation details are attached.

Yours faithfully,
for and on behalf of
Jones Lang LaSalle Corporate Appraisal and Advisory Limited



Yiu Tsang Wing
MHKIS, MRICS, RPS (GP)
Senior Director

Note: Yiu Tsang Wing is a Chartered Surveyor who has 25 years' experience in the valuation of properties in Hong Kong and the PRC as well as relevant experience in the Asia-Pacific region.

SUMMARY OF VALUES

No. Property	Market Value as at 31 October 2020 RMB
1. Ascendas - Xinsu Suzhou Industrial Park, Suzhou City, Jiangsu Province, The PRC	2,267,000,000
2. Ascendas Innovation Hub 38 Gao Xin 6 Road, Xi'an Hi-Tech Industries Development Zone, Xi'an City, Shaanxi Province, The PRC	311,000,000
3. Ascendas Innovation Towers 88 Tian Gu 7 Road, Xi'an Hi-Tech Industries Development Zone, Xi'an City, Shaanxi Province, The PRC	802,000,000
4a. Singapore-Hangzhou Science Technology Park Phase 1, No.2 Kejiyuan Road, Hangzhou Economic & Technological Development Area, Qiantang New Area, Hangzhou City, Zhejiang Province, The PRC	657,000,000

No. Property	Market Value as at 31 October 2020 RMB
4b. Singapore-Hangzhou Science Technology Park Phase 2 No.20 & 57 Kejiyuan Road, Hangzhou Economic & Technological Development Area, Qiantang New Area, Hangzhou City, Zhejiang Province, The PRC	792,000,000
5. Rock Square 106-108 Gongye Avenue North, Haizhu District, Guangzhou City, Guangdong Province, The PRC	3,414,000,000
Total:	8,243,000,000

We are of the opinion that the Market Value of the unencumbered leasehold interest in the Properties, as at 31 October 2020 in the existing state and subject to the existing tenancies and occupational arrangement is in the amount of **RMB8,243,000,000**.

VALUATION DETAILS

Property No.1 - Ascendas - Xinsu

Property Address	:	Ascendas - Xinsu located at Suzhou Industrial Park, Suzhou City, Jiangsu Province, The PRC
Registered Owner	:	腾飞新苏置业（苏州）有限公司
Site Area	:	Approximately 460,337.56 sq. m.
Land Use	:	Industrial (工业)
Land Use Rights Expiry	:	Expiring between 31 December 2046 to 30 May 2057
Gross Floor Area	:	Approximately 373,334.27 sq.m. as stated on copies of Building Ownership Certificate (房屋所有权证), Real Estate Ownership Certificate (不动产权证书) of the Property
Gross Lettable Area	:	Approximately 349,480.29 sq.m. as advised by the Company
Occupancy Rate	:	As at the Valuation Date, the occupancy rate of the Property was approximately 89.9%, computed based on all current leases in respect of Property and information provided, on the basis of the Gross Lettable Area.
Location	:	The subject buildings of the Property are located in various areas of Suzhou Industrial Park ("SIP") scattering from Suhong West Road in the west of SIP, Suzhou Industrial Park International Business District (West Zone) to the north and Xingpu Road to the eastern part of SIP.

Most of the subject buildings are located at Xing Han Street, Baihe Street, Xinghai Street, Suhong Road etc. All the projects are connected to the main streets.

They are about 10 to 35km away from the downtown (Suzhou Station) and about 40 to 60 km away from Sunan Shuofang International Airport.

It is well-served by various modes of public transportation. Bus stops and Metro Stations are available around the Property.

The vicinity of the Property comprises various industrial, commercial developments and vacant site pending for development.

SIP is situated at the eastern part of Suzhou as one of the six urban areas of the city.

SIP was established in 1994 with a total planned area of about 288km². It includes a China-Singapore Cooperation Area of about 80 km² which was planned, developed and managed by a China-Singapore joint venture company called China-Singapore Suzhou Industrial Park Development Co Ltd. (CSSD).

The entire SIP currently consists of IT Park, Comprehensive Free Trade Zone, Science Hub, Service Outsourcing Hub, Bio Bay together with comprehensive supporting facilities. It is one of the top industrial zones in China with significant GDP contribution to Jiangsu Province as well as the PRC.

Brief Description

- : The Property is known as Ascendas - Xinsu which was completed between about 1995 to 2016 and comprises various projects namely Xinsu Square, Xinsu North Belt, NIO Delivery Center, Semi-detached Factory, Xinsu Industrial Square II and Nexteer including 6 blocks of multi-storey R&D buildings, 5 blocks of multi-storey industrial buildings and 50 single-storey industrial buildings with 675 car parking spaces.

According to the copies of Building Ownership Certificate (房屋所有权证), Real Estate Ownership Certificate (不动产权证书) of the Property, the Property is held by 腾飞新苏置业(苏州)有限公司 and has a total gross floor area ("GFA") of approximately 373,334.27 sq.m. (excluding underground GFA), the use of property and breakdown of Gross Floor Area ("GFA") are shown as follows:

Property	Use	GFA (sq.m.)
Xinsu Square - 5 Xing Han Street, Suzhou Industrial Park	Non-residential	166,604.84
Xinsu North Belt - 181 Suhong West Road, Suzhou	Non-residential	37,683.08
Xinsu North Belt - South of Suhong West Road, East of Xingming Street	Industrial	9,558.81
Xinsu North Belt - 18 Baihe Street	Industrial	12,073.07
Xinsu North Belt - 225 Xinghai Street, Suzhou Industrial Park	Non-residential	21,831.79
Xinsu North Belt - 217 Xinghai Street, Suzhou Industrial Park	Industrial	2,022.48
Xinsu North Belt - 218, 220, 222, 224 and 226 Xinghai Street	Industrial	14,628.02
Semi-Detached Factory - South of Lou River, North of Suchun West Road, Suzhou Industrial Park	Industrial	14,803.99
NIO Delivery Center - 379 Suhong Middle Road, Suzhou	Industrial	7,832.69

Xinsu Industrial Square II - 128 Xingpu Road, Shengpu Town, Suzhou Industrial Park	Non-residential	28,493.33
Xinsu Industrial Square II - 128 Xingpu Road, Suzhou Industrial Park	Non-residential	32,337.55
Nexmeer - 72 Fengli Street, Suzhou Industrial Park	Non-residential	25,464.62
Total		373,334.27

- Tenancy Details** : As at the Valuation Date, the Property was leased to various parties for various terms with the latest expiry date on 31 December 2027.
- Basis of Valuation** : Market Value of the Property in its existing state as at the Valuation Date
- Valuation Approach** : Discounted Cash Flow Analysis & Income Capitalisation Method
- Valuation Date** : 31 October 2020
- Market Value** : RMB2,267,000,000
- Term Capitalisation Rate** : 5.25%
- Reversionary Capitalisation Rate** : 5.75%
- Terminal Capitalisation Rate** : 5.75%
- Discount Rate** : 9.75%

Valuation Assumptions : In the valuation of the Property, we have made the following assumptions:

- a) 腾飞新苏置业（苏州）有限公司 legally holds the ownership of the Property and all title certificates mentioned above issued for the Property are in full force and effect;
- b) The Property can be freely transferred, leased, mortgaged or otherwise disposed of by 腾飞新苏置业（苏州）有限公司 with no outstanding payable fees or monies; and
- c) The Tenancy Agreements relating to the Property are legally binding, valid and enforceable.

Note:

In relation to Ascendas - Xinsu, there is an agreement between the local authorities and the Project Company for the permanent acquisition of approximately 636.4 sq.m. of land for the construction of a new metro line in Suzhou. Our valuation of the Ascendas - Xinsu has taken into account the compulsory acquisition.

Property No.2 - Ascendas Innovation Hub

- Property Address** : Ascendas Innovation Hub
located at
38 Gao Xin 6 Road,
Xi'an Hi-Tech Industries Development Zone,
Xi'an City,
Shaanxi Province,
The PRC
- Registered Owner** : 西安腾飞信息技术孵化器有限公司
- Site Area** : Approximately 15,027.0 sq. m.
- Land Use** : Industrial
- Land Use Rights Expiry** : Expiring on 23 May 2051
- Gross Floor Area** : Approximately 40,547.38 sq.m. as stated on two copies of Building Ownership Certificate (房屋所有权证) of the Property
- Gross Lettable Area** : Approximately 36,108.40 sq.m. as advised by the Company
- Occupancy Rate** : As at the Valuation Date, the occupancy rate of the Property was approximately 89.5%, computed based on all current leases in respect of Property and information provided, on the basis of the Gross Lettable Area.
- Location** : The Property is situated at 38 Gao Xin 6 Road, Xi'an Hi-Tech Industries Development Zone, Xi'an City, Shaanxi Province, the PRC.

Specifically, the Property is situated at the south to Ke Ji 2 Road, the east to Gao Xin 6 Road, and the north and the west to nearby industrial developments.

It is about 7.5 km away from the downtown (Bell Tower of Xi'an) and about 25 km away from Xi'an Xianyang International Airport.

Brief Description : The Property comprises two blocks of 7-storey (including 1 basement floor) business park buildings with 130 car parking spaces completed in about 2003 and 2005.

According to two copies of Building Ownership Certificate of the Property, the use of property and breakdown of Gross Floor Area (“GFA”) are shown as follows:

Property	Use	GFA (sq.m.)
Block A	Industrial / R&D	19,245.10
Block B	Industrial / R&D	21,302.28
	Total	40,547.38

Tenancy Details : As at the Valuation Date, the Property was leased to various parties for various terms with the latest expiry date on 30 April 2025.

Basis of Valuation : Market Value of the Property in its existing state as at the Valuation Date

Valuation Approach : Discounted Cash Flow Analysis & Income Capitalisation Method

Valuation Date : 31 October 2020

Market Value : RMB311,000,000

Term Capitalisation Rate : 5.75%

Reversionary Capitalisation Rate : 6.25%

Terminal Capitalisation Rate : 6.25%

Discount Rate : 10.25%



*Achieve
Ambitions*

**Valuation
Assumptions**

- : In the valuation of the Property, we have made the following assumptions:
- a) 西安腾飞信息技术孵化器有限公司 legally holds the ownership of the Property and all title certificates mentioned above issued for the Property are in full force and effect;
 - b) The Property can be freely transferred, leased, mortgaged or otherwise disposed of by 西安腾飞信息技术孵化器有限公司 with no outstanding payable fees or monies; and
 - c) The Tenancy Agreements relating to the Property are legally binding, valid and enforceable.

Property No.3 - Ascendas Innovation Towers

- Property Address** : Ascendas Innovation Towers
located at
88 Tian Gu 7 Road,
Xi'an Hi-Tech Industries Development Zone,
Xi'an City,
Shaanxi Province,
The PRC
- Registered Owner** : 裕廊腾飞科技企业孵化器（西安）有限公司
- Site Area** : Approximately 26,333.02 sq. m.
- Land Use** : R&D (科研用地)
- Land Use Rights Expiry** : Commencing from 20 February 2014 and expiring on 19 February 2064
- Gross Floor Area** : Approximately 118,495.31 sq.m. as stated on 11 copies of Real Estate Ownership Certificate (不动产权证书) and the copy of 房屋权属分户表 of the Property
- Gross Lettable Area** : Approximately 96,346.5.m. as advised by the Company
- Occupancy Rate** : As at the Valuation Date, the occupancy rate of the Property was approximately 88.4%, computed based on all current leases in respect of Property and information provided, on the basis of the Gross Lettable Area.
- Location** : The Property is situated at 88 Tian Gu 7 Road, Xi'an Hi-Tech Industries Development Zone, Xi'an City, Shaanxi Province, the PRC.

Specifically, the Property is situated at the south of Tian Gu 7 Road, the west of Xisanhuan Road, and the south and the west of nearby industrial and business park developments.

It is about 13 km away from the downtown (Bell Tower of Xi'an) and about 26 km away from Xi'an Xianyang International Airport.

Brief Description : The Property comprises two 23-story office towers with a 5-storey podium and one 3-storey standalone building plus 2 levels basement with 970 car parking spaces completed in about 2017.

According to 11 copies of Real Estate Ownership Certificate and 房屋权属分户表 of the Property, the use of property and breakdown of Gross Floor Area (“GFA”) are shown as follows:

Property	Use	GFA (sq.m.)
Block 1 Room 10000	Office	85,534.40
Block 2 Room 10000	Office	5,493.63
Block 3 Room 1F101	Car Parking	16,758.35
Block 3 Room 1F102	Other	1,661.7
Block 3 Room 1F103	Other	66.69
Block 3 Room 1F108	Other	14.85
Block 3 Room 1F109	Other	17.99
Block 3 Room 1F201	Civil Defense	6,642.46
Block 3 Room 1F203	Other	34.66
Block 3 Room 1F204	Other	81.68
Block 3 Room 1F205	Other	82.91
Block 3 Room 1F104 to 1F107, Room 1F202, Room 10101, and Room 10103	Ancillary Building	2,105.99
	Total	118,495.31

Tenancy Details : As at the Valuation Date, the Property was leased to various parties for various terms with the latest expiry date on 30 April 2026.

Basis of Valuation : Market Value of the Property in its existing state as at the Valuation Date

Valuation Approach : Discounted Cash Flow Analysis & Income Capitalisation Method

Valuation Date : 31 October 2020

Market Value	:	RMB802,000,000
Term Capitalisation Rate	:	5.75%
Reversionary Capitalisation Rate	:	6.25%
Terminal Capitalisation Rate	:	6.25%
Discount Rate	:	10.25%
Valuation Assumptions	:	<p>In the valuation of the Property, we have made the following assumptions:</p> <ul style="list-style-type: none">a) 裕廊腾飞科技企业孵化器（西安）有限公司 legally holds the ownership of the Property and all title certificates mentioned above issued for the Property are in full force and effect;b) The Property can be freely transferred, leased, mortgaged or otherwise disposed of by 裕廊腾飞科技企业孵化器（西安）有限公司 with no outstanding payable fees or monies; andc) The Tenancy Agreements relating to the Property are legally binding, valid and enforceable.

Property No.4a - Singapore-Hangzhou Science Technology Park Phase 1

- Property Address** : Singapore-Hangzhou Science Technology Park Phase 1, located at No.2 Kejiyuan Road, Hangzhou Economic & Technological Development Area, Qiantang New Area, Hangzhou City, Zhejiang Province, the PRC
- Registered Owner** : 杭州裕廊腾飞科技有限公司
- Site Area** : Approximately 40,846 sq.m.
- Land Use** : Industrial
- Land Use Rights Expiry** : Expiring on 4 September 2056
- Gross Floor Area** : Approximately 101,810.65 sq.m. as stated on seven copies of Building Ownership Certificates (房屋所有权证) of the Property.
- Gross Lettable Area** : Approximately 101,450.25 sq.m. as advised by the Company
- Occupancy Rate** : As at the Valuation Date, the occupancy rate of the Property was approximately 92.5%, computed based on all current leases in respect of the Property and information provided, on the basis of the Gross Lettable Area.
- Location** : The Property is situated at No.2 Kejiyuan Road, Qiantang New Area, Hangzhou City, Zhejiang Province, the PRC.

Specifically, the Property is situated at the west of Hangzhou Hi-tech Enterprises Incubator Park, the east of Signapore-Hangzhou Science & Technology Park Phase 3 under construction, the south of Signapore-Hangzhou Science & Technology Park Phase 2, and the north of No. 6 Avenue.

It is about 25 km away from the downtown Hangzhou and about 20 km away from Hangzhou Xiaoshan International Airport.

Brief Description : The Property comprises five 4 to 20-storey multi-tenant business park buildings, and two single-storey amenity buildings with 625 car parking spaces which was completed between 2008 and 2013.

As stated on the on seven copies of Hangzhou Building Ownership Certificate (房屋所有权证), the use of property and breakdown of Gross Floor Area (“GFA”) are shown as follows:

Property	Use	GFA (sq.m.)
Block 1	Non-residential	9,524.52
Block 2	Non-residential	25,575.89
Block 3	Non-residential	6,267.10
Block 4	Non-residential	22,776.70
Block 5	Non-residential	37,142.42
Block 6	Non-residential	231.98
Block 7	Non-residential	292.04
	Total	101,810.65

Tenancy Details : As at the Valuation Date, the Property was leased to various parties for various terms with the latest expiry date on 30 August 2025.

Basis of Valuation : Market Value of the Property in its existing state as at the Valuation Date

Valuation Approach : Discounted Cash Flow Analysis & Income Capitalisation Method

Valuation Date : 31 October 2020

Market Value : RMB657,000,000

Term Capitalisation Rate : 5.75%

Reversionary Capitalisation Rate : 6.25%

Terminal Capitalisation Rate : 6.25%

Discount Rate : 10.25%

Valuation Assumptions : In the valuation of the Property, we have made the following assumptions:

- a) 杭州裕廊腾飞科技有限公司 legally holds the ownership of the Property and all title certificates mentioned above issued for the property are in full force and effect;
- b) The Property can be freely transferred, leased, mortgaged or otherwise disposed of by 杭州裕廊腾飞科技有限公司 with no outstanding payable fees or monies; and
- c) The Tenancy Agreements relating to the property are legally binding, valid and enforceable.

Property No.4b - Singapore-Hangzhou Science Technology Park Phase 2

- Property Address** : Singapore-Hangzhou Science Technology Park Phase 2, located at No.20 & 57 Kejiyuan Road, Hangzhou Economic & Technological Development Area, Qiantang New Area, Hangzhou City, Zhejiang Province, the PRC
- Registered Owner** : 杭州裕廊腾飞数据处理有限公司
- Site Area** : Approximately 55,958.00 sq.m.
- Land Use** : Industrial
- Land Use Rights Expiry** : Expiring on 6 July 2060
- Gross Floor Area** : Approximately 130,261.15 sq.m. as stated on seven copies of Building Ownership Certificates (房屋所有权证) of the Property.
- Gross Lettable Area** : Approximately 126,294.01 sq.m. as advised by the Company
- Occupancy Rate** : As at the Valuation Date, the occupancy rate of the Property was approximately 96.5%, computed based on all current leases in respect of the Property and information provided, on the basis of the Gross Lettable Area.
- Location** : The Property is situated at No.20 & 57 Kejiyuan Road, Hangzhou Economic & Technological Development Area, Qiantang New Area, Hangzhou City, Zhejiang Province, the PRC.

Specifically, the Property is situated at the west of Hangzhou Hi-tech Enterprises Incubator Park, the east of Singapore-Hangzhou Science & Technology Park Phase 3 under construction, and the north of Singapore-Hangzhou Science & Technology Park Phase 1.

It is about 25 km away from the downtown Hangzhou and about 20 km away from Hangzhou Xiaoshan International Airport.

Brief Description : The Property comprises ten 4 to 15-storey multi-tenant business park buildings with 820 car parking spaces which was completed in about 2016.

As stated on the on two Real Estate Ownership Certificates (不动产权证书), the use of property and breakdown of Gross Floor Area (“GFA”) are shown as follows:

Property	Use	GFA (sq.m.)
Block 8	Non-residential	19,139.90
Block 9	Non-residential	20,915.36
Block 10	Non-residential	5,734.29
Block 11	Non-residential	5,785.54
Block 12	Non-residential	5,731.54
Block 13	Non-residential	5,781.62
Block 14	Non-residential	5,734.18
Block 15	Non-residential	17,324.48
Block 16	Non-residential	16,541.92
Block 17	Non-residential	27,572.32
Total		130,261.15

Tenancy Details : As at the Valuation Date, the Property was leased to various parties for various terms with the latest expiry date on 31 August 2027.

Basis of Valuation : Market Value of the Property in its existing state as at the Valuation Date

Valuation Approach : Discounted Cash Flow Analysis & Income Capitalisation Method

Valuation Date : 31 October 2020

Market Value : RMB792,000,000

Term Capitalisation Rate : 5.75%

Reversionary Capitalisation Rate : 6.25%

Terminal Capitalisation Rate : 6.25%

Discount Rate : 10.25%

Valuation Assumptions : In the valuation of the Property, we have made the following assumptions:

- a) 杭州裕廊腾飞数据处理有限公司 legally holds the ownership of the Property and all title certificates mentioned above issued for the property are in full force and effect;
- b) The Property can be freely transferred, leased, mortgaged or otherwise disposed of by 杭州裕廊腾飞数据处理有限公司 with no outstanding payable fees or monies; and
- c) The Tenancy Agreements relating to the property are legally binding, valid and enforceable.

Property No.5 - Rock Square

- Property Address** : Rock Square
located at 106-108 Gongye Avenue North,
Haizhu District , Guangzhou City,
Guangdong Province, the PRC
- Registered Owner** : 广州星铨置业有限公司
- Site Area** : Approximately 21,339.51 sq. m
- Land Use** : Residential use (居住), commercial use (商业), tourism use (旅游)
and entertainment use (娱乐)
- Land Use Rights
Expiry** : 40 years from 18 October 2005 for commercial use
- Gross Floor Area** : Approximately 88,278.73 sq.m. according to the information
provided by the client.
- Net Lettable Area** : Approximately 53,108.43 sq.m. as advised by the Company
- Occupancy Rate** : As at the Valuation Date, the occupancy rate of the Property was
approximately 92.7%, computed based on all current leases in
respect of Property and information provided, on the basis of the
Gross Lettable Area.
- Location** : The Property is located in Haizhu District, Guangzhou City.
Specifically, the Property is situated at the west to Gongye North
Avenue, north to Rongjing Road and east and west to residential
developments nearby.

It is about 7 km away from the downtown (People's Park,
Guangzhou) and about 39 km away from Guangzhou Baiyun Airport.
- Brief Description** : The Property comprises a 5-storey shopping mall (Level B2 to L3)
served by 600 car parking spaces (Level B2, B3 and Mezzanine Level)
completed in about 2013.

As stated on the information provided by the client, the use of property and breakdown of Gross Floor Area (“GFA”) are shown as follows:

Property	GFA (sq.m.)	Use
B3	3,426.78	CPS
B2	24,679.07	Retail / CPS
B1	14,660.13	Retail
L1	21,057.25	Retail
L2	16,749.14	Retail
L3	7,706.36	Retail
Total	88,278.73	

- Tenancy Details** : As at the Valuation Date, the Property was leased to various parties for various terms with the latest expiry date on 28 Jun 2029.
- Basis of Valuation** : Market Value of the Property in its existing state as at the Valuation Date
- Valuation Approach** : Discounted Cash Flow Analysis & Income Capitalisation Method
- Valuation Date** : 31 October 2020
- Market Value** : RMB3,414,000,000
- Term Capitalisation Rate** : 4.25%
- Reversionary Capitalisation Rate** : 4.75%
- Terminal Capitalisation Rate** : 4.75%
- Discount Rate** : 7.75%

Valuation Assumptions

- : In the valuation of the Property, we have made the following assumptions:
- a) 广州星铨置业有限公司 legally holds the ownership of the Property and all title certificates mentioned above issued for the Property are in full force and effect;
 - b) The Property can be freely transferred, leased, mortgaged or otherwise disposed of by 广州星铨置业有限公司 with no outstanding payable fees or monies; and
 - c) The Tenancy Agreements relating to the Property are legally binding, valid and enforceable.

LIMITING CONDITIONS

1. We are not able to report whether the property is free from rot, infestation or any other structural defects. No test was carried out on any of the utility services.
2. We have assumed that the conditions of the property as at the valuation date are consistent with the information provided to us. We take no responsibility for the accuracy of such information.
3. Jones Lang LaSalle Corporate Appraisal and Advisory Limited shall not be required to give testimony or attendance in court or to any government agency by reason of this valuation, with reference to the property described herein, unless prior arrangements have been made.
4. As instructed, this report has been compiled for the disclosure in circular of CapitaLand Retail China Trust Management Limited (as Manager of CapitaLand Retail China Trust) on the Main Board of the Singapore Exchange Securities Trading Limited and certain assumptions have been made which may not be confirmed upon external checking.
5. Our valuation is based upon various assumptions. Market conditions and assumptions where upon we based our valuation may vary from conditions and circumstances of real life transactions; therefore it is reasonable that the transacted price in the real life market may vary from our valuation. No responsibility is accepted from any party for any subsequent effects arising from the difference between our valuation and the transacted price of the property.
6. This report is for the use only of the party to whom it is addressed for the specific purpose to which it refers and no responsibility is accepted to any third party for use of or reliance on the whole or any part of its contents for any purpose.
7. Reliance on this valuation report is permitted only:
 - (i) by a party expressly identified by the report as being permitted to rely on it;
 - (ii) when the given party has received the report directly from JLL; and
 - (iii) for a purpose expressly identified by the report as being a permitted use of the report.

VALUER'S PROFESSIONAL DECLARATION

We, the following valuers, hereby certify, to the best of our knowledge and belief, that:

- Information in this report has been obtained from sources that are believed to be reliable. All facts which have a bearing on the value concluded have been considered by the valuers and no important facts have been intentionally disregarded.
- The reported analysis, opinions, and conclusions are subject to the assumptions and limiting conditions as stated in the report and based on our personal, unbiased professional analysis, opinions, and conclusions.
- We are external valuers, independent from the client and the owners of the subject property interest and property related interests, their subsidiaries and jointly controlled entities (collectively, the "Group") and their respective directors and controlling shareholder and that we do not have any direct or indirect material interests in the securities or assets of the Group, its connected persons, or any associate of the Group and we have no bias with respect to the parties involved.
- We confirm that we do not have a pecuniary or other conflict of interest that could conflict with an independent and professional valuation of the Property.
- Our professional fee is not contingent upon the amount of the value assessed, the attainment of a stipulated result, the occurrence of a subsequent event, or the reporting of a predetermined value or direction in value that favours the cause of the client.
- The under mentioned persons provided professional assistance in the compilation of this report.

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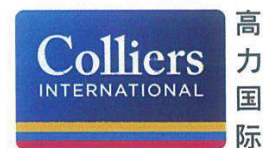
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INDEPENDENT MARKET RESEARCH REPORT



4 Nov 2020

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Dear Sir/Madam,

RE: Consultancy Services of Three Cities Business Park Market Research

With reference to your instructions received on 16 September 2020, we have prepared a market research report of three cities business park in China.

This report is for your sole use and for the purpose indicated and no liability to any third party can be accepted for the whole or any part of the contents of the document. Neither the whole nor any part of this market study nor any reference thereto may be included in any published documents, circular or statement, nor published in any way whatsoever without prior within approval of Colliers International Property Consultants (Shanghai) Co., Ltd. as to the form and context in which it may appear.

This report is enclosed herewith

Yours faithfully,

For and on behalf of

Colliers International Property Consultants (Shanghai) Co., Ltd.

Marco Zhou

Senior Associate Director, Advisory Services





China Business Park Market Report

2020 OCT

Prepared by Colliers International

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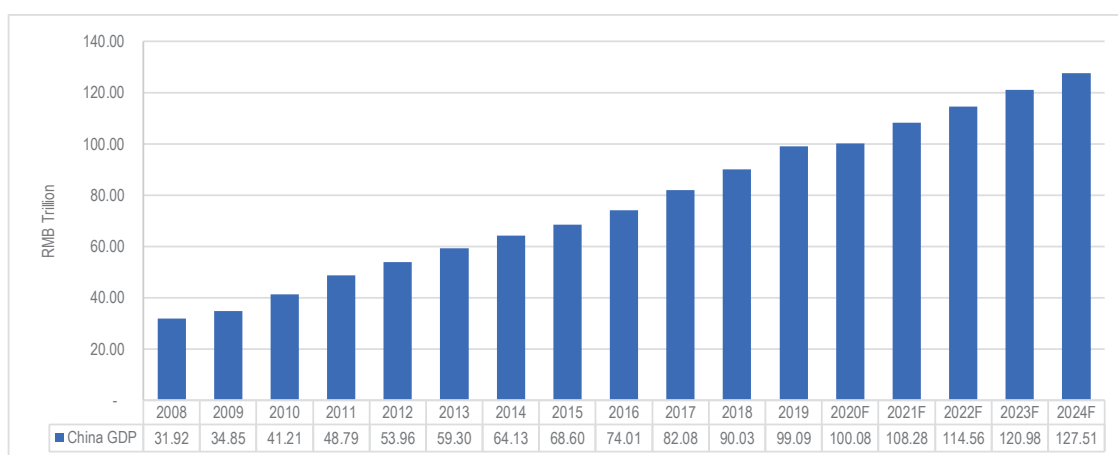
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1. OVERVIEW OF CHINA'S ECONOMY AND DEMOGRAPHIC

1.1 GDP (2008 – 2024F)

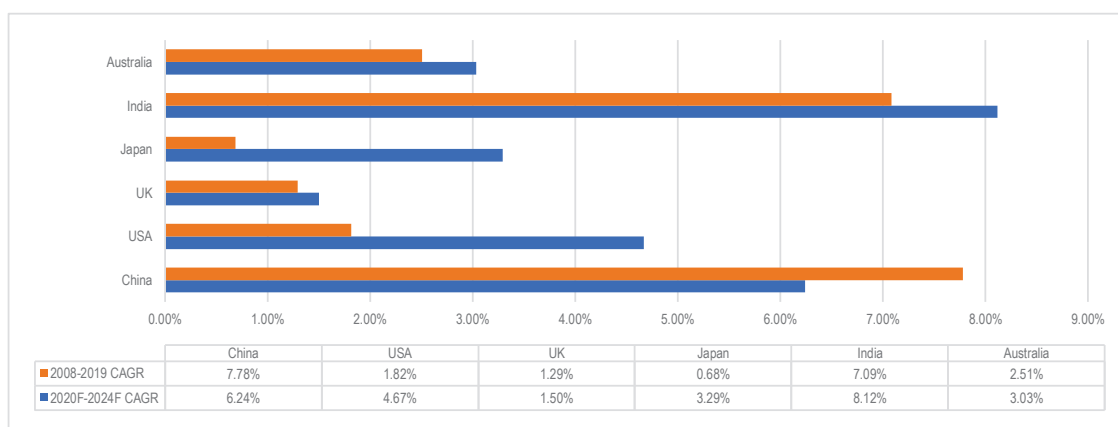
China's economy has grown from strength to strength for more than a decade, with GDP growth of 7.8% per year between 2008 and 2019, outperforming most other advanced economies globally. Its economy is increasingly driven by the services sector, contributing 54% to its GDP, and have since exceeded the industries sector's contribution by 15%. China's GDP per capita has also seen robust growth over the years, with a CAGR of 7.3% between 2008 and 2019. This strong growth, driven by the strength of its domestic economy, is expected to continue into the near future with a forecasted GDP growth and GDP per capital growth of 6.2% and 5.4% per year between 2020 and 2024 respectively. The strong projected growth of China's economy bodes well for the services sector which contribute significantly to the country's GDP and are key demand drivers for business parks across China.

Figure 1 China's GDP



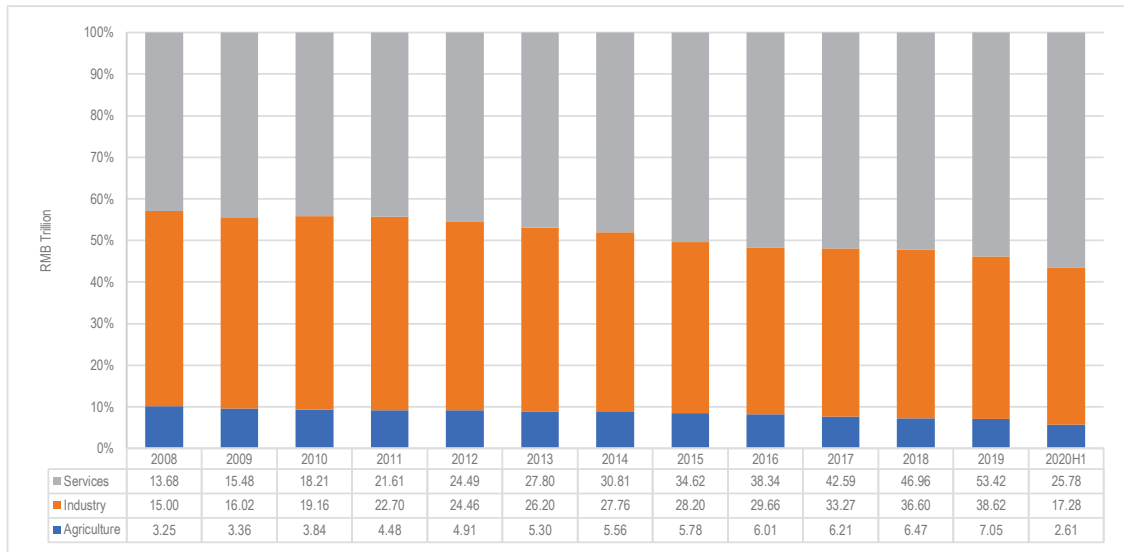
Source: National Bureau of Statistics of China, IMF, Colliers International, 2020

Figure 2 GDP CAGR by Country



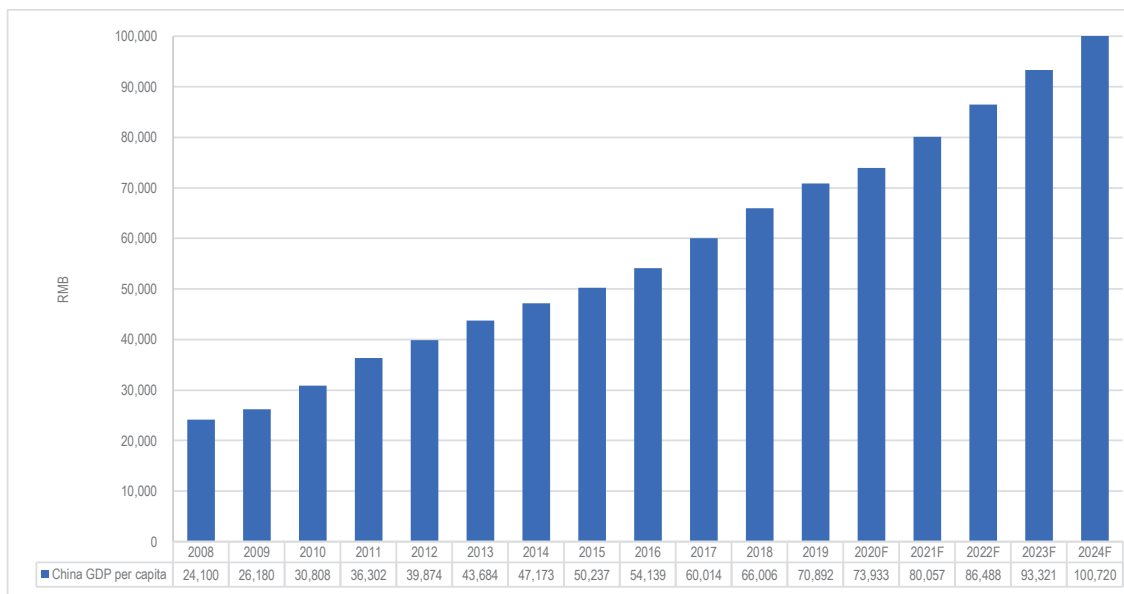
Source: National Bureau of Statistics of China, IMF, Colliers International, 2020

Figure 3 GDP by Sector



Source: National Bureau of Statistics of China, Colliers International, 2020

Figure 4 GDP per Capita

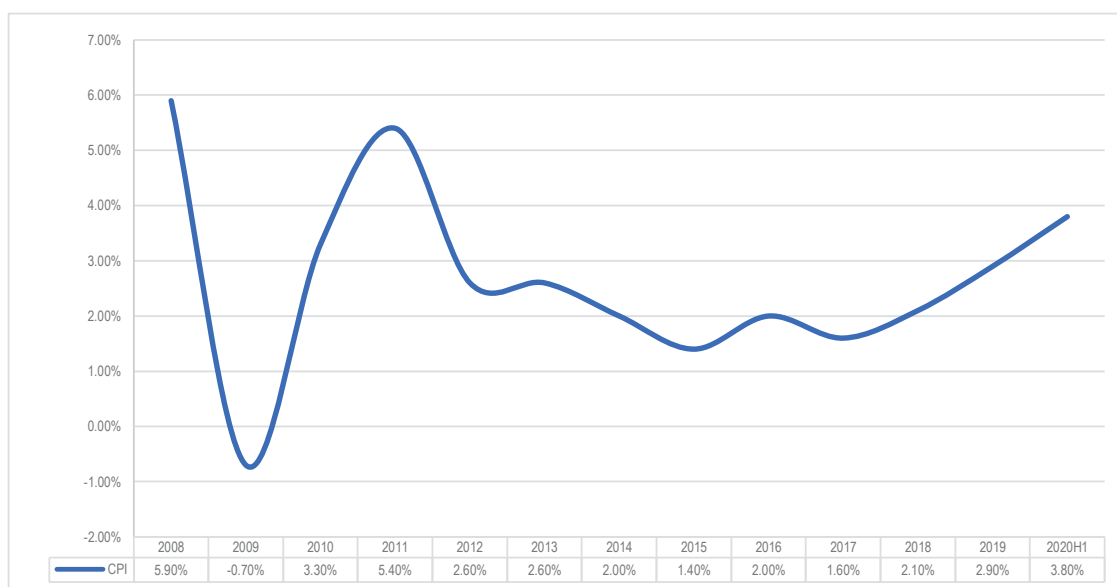


Source: National Bureau of Statistics of China, IMF, Colliers International, 2020

1.2 CONSUMER PRICE INDEX (CPI)

China's CPI has remained relatively stable below 6% since 2008, except for a fluctuation in 2009 due to the global financial crisis. Since 2011, China's CPI growth has been moderating. In the second quarter of 2020, China's CPI grew by 3.8% YOY.

Figure 5 China's Consumer Price Index (CPI)



Source: National Bureau of Statistics of China, Colliers International, 2020

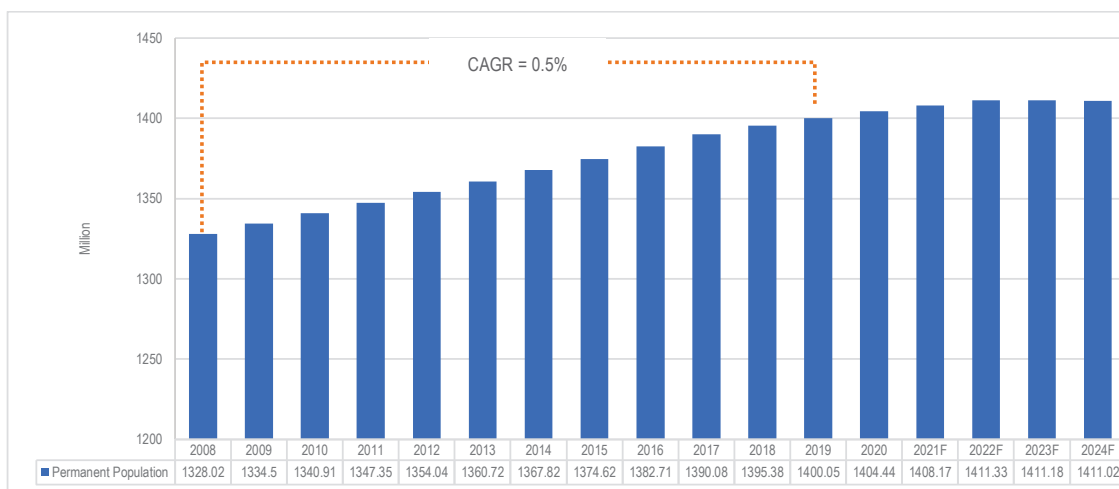
1.3 DEMOGRAPHICS

At the end of 2019, China's population stood at 1.40 billion, having recorded a CAGR of 0.5% since 2008. According to IMF, China's population is projected to grow to reach 1.41 billion by 2022. In the next two to three decades, China's total population will remain above 1.4 billion, a much higher base compared to other developed countries such as Australia, UK, Japan and USA. For a long period in the future, China will continue to benefit from its large population in terms of the sheer size of domestic consumption and market capacity expansion.

At the end of 2019, China had a literacy rate (defined as those aged 15 and over who can read and write) of around 96%. This high literacy rate in the country indicates a generally well-educated population, providing high quality human capital crucial to the development of high-tech industries who are often key tenants in business parks.

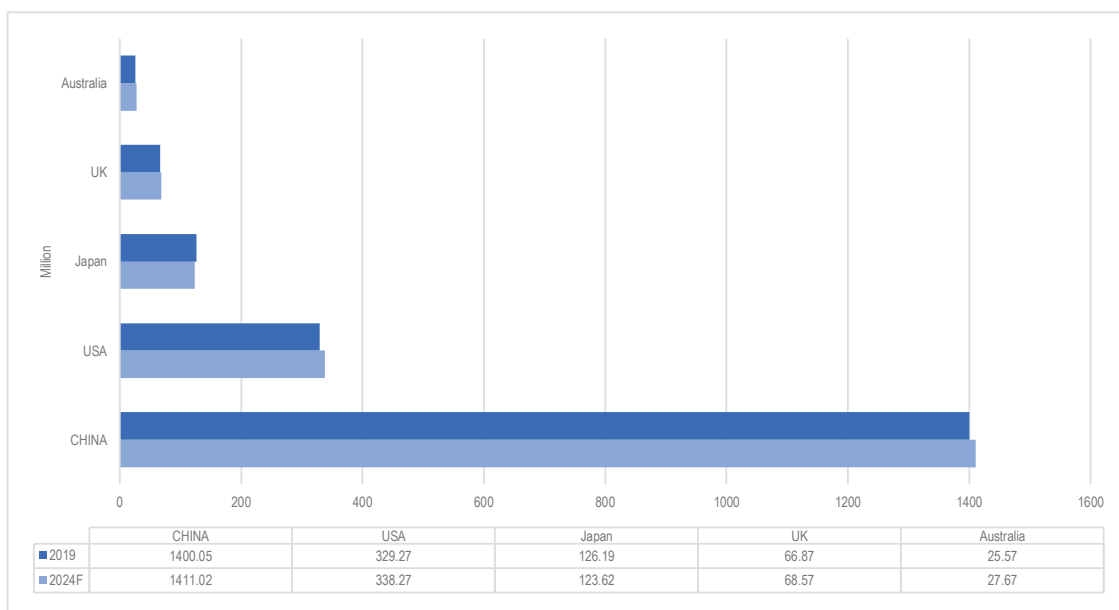
Additionally, China has a burgeoning population of millennials (born between the year 1980 and the year 2000), currently with around 400 million millennials accounting for approximately 28% of China's population. Given that these millennials have the privilege of receiving higher education than their previous generations, with 25% of them holding a bachelor's degree or higher, their annual income are expected to increase more rapidly than that of other age groups, allowing them to become the main drivers of the country's surge in consumption and economic growth. Chinese millennials' consumption and spending patterns is thus expected to heavily transform the consumer market, and their digital exposure will undoubtedly result in transformative changes in various industries such as electronics, information and communication technology, biomedical technology and e-commerce that are key demand sources for the business park market.

Figure 6 China's Registered Permanent Population and Growth Rate



Source: National Bureau of Statistics of China, IMF, Colliers International, 2020

Figure 7 Population by country (2019 & 2024F)



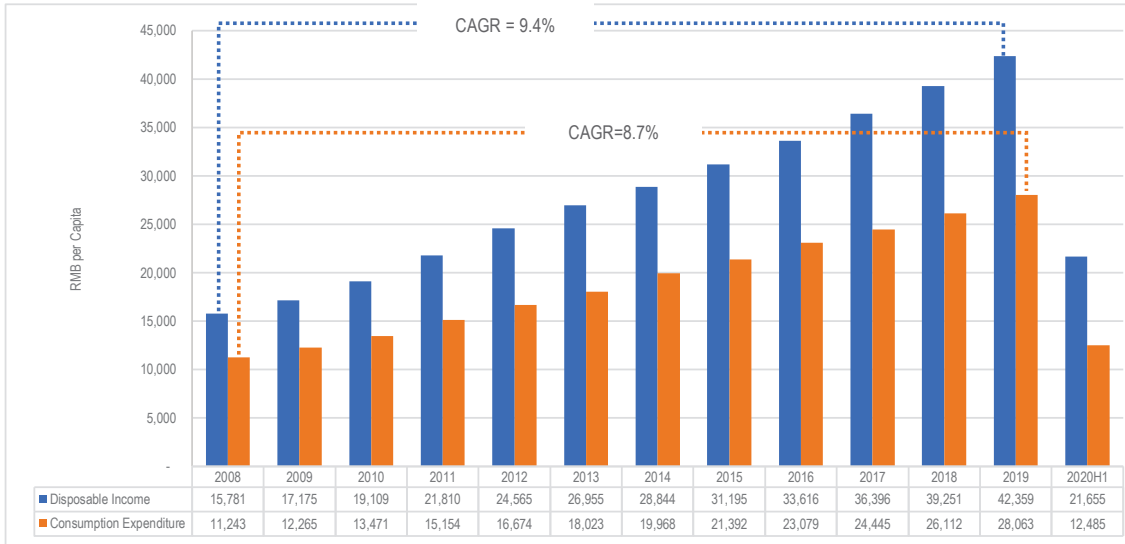
Source: National Bureau of Statistics of China, IMF, Colliers International, 2020

1.4 DISPOSABLE INCOME AND CONSUMPTION EXPENDITURE

China's disposable income and consumption expenditure recorded robust and consistent growth over the past few years, with disposable income and consumption expenditure per capita growing a CAGR of 9.4% and 8.7% respectively between 2008 and 2019. This strong growth has resulted in China's economy shifting towards a domestic-driven economy. In the second quarter of 2020, the average urban disposable income and consumption expenditure per capita reached RMB11,633 and RMB7,160, up 7.9% and 6.1% YOY respectively. Furthermore, China has witnessed a rapid urbanization trend, with the urbanization growing from 47.0%

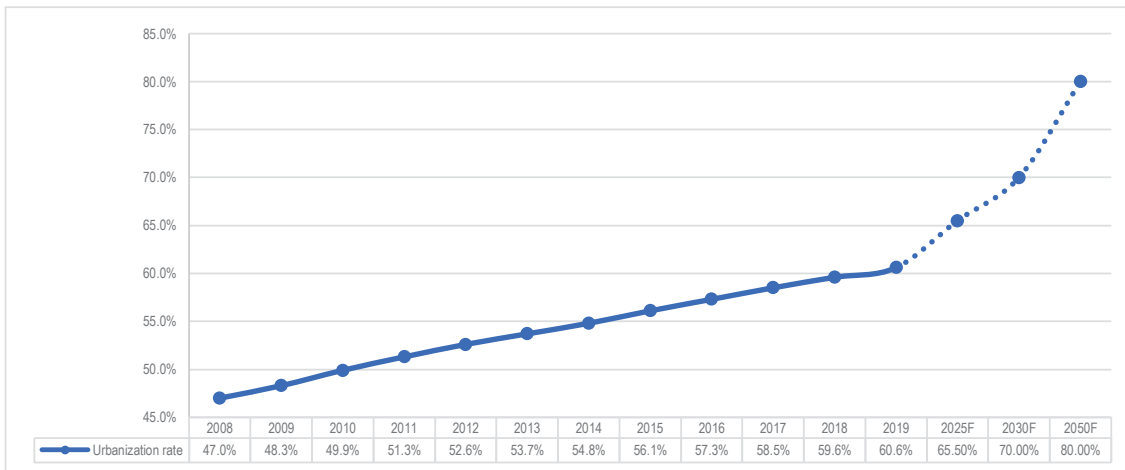
in 2008 to above 60% in 2019. The growth in the proportion of the urban population which has greater spending power and consumption appetite is expected to continue into the future and drive further growth for the economy.

Figure 8 China's Disposable Income and Consumption Expenditure (Urban)



Source: National Bureau of Statistics of China, Colliers International, 2020

Figure 9 China's Urbanization Rate

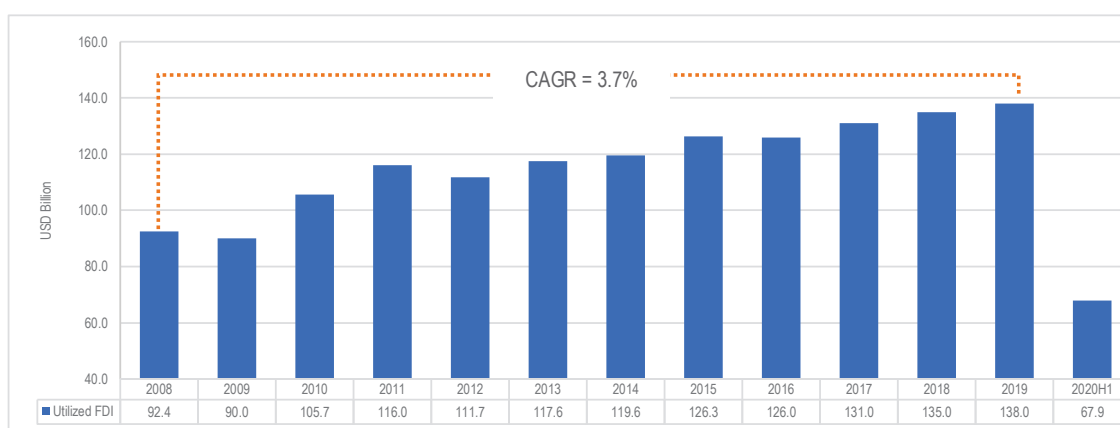


Source: National Bureau of Statistics of China, Institute of Urban Development and Environment, Chinese Academy of Social Sciences, Colliers International, 2020

1.5 CHINA FOREIGN DIRECT INVESTMENT (FDI)

Over the past decade, China's FDI has grown at a CAGR of 3.7% from 2008 to reach USD138 billion in 2019. The government intends to further increase FDI by reducing the foreign investment restrictions currently in place such as allowing full foreign ownership of companies in more sectors of the economy and reducing the number of industries in which foreign investment was restricted or barred. These industries include credit investigation and rating services, rail transportation equipment manufacturing, automotive electronic bus network technology, R&D and manufacturing of electronic controllers for electric power steering systems, manufacturing of energy-based power batteries for new energy vehicles, etc., which are typically occupants of business parks and have demonstrated continued growth over the years. While there was a drastic decline in FDI in 2020H1 due to the pandemic, according to the latest release, China's FDI in August 2020 was recorded at USD12 billion, representing an increase of 15% YOY. In consideration of the Chinese government's efforts on broadening opportunities for foreign investors, China's FDI outlook still remains positive in the short to medium term, with expected inflow of foreign funds to boost the growth in key industries that constitute the demand for the business park market.

Figure 10 China's Utilized FDI and Growth Rate

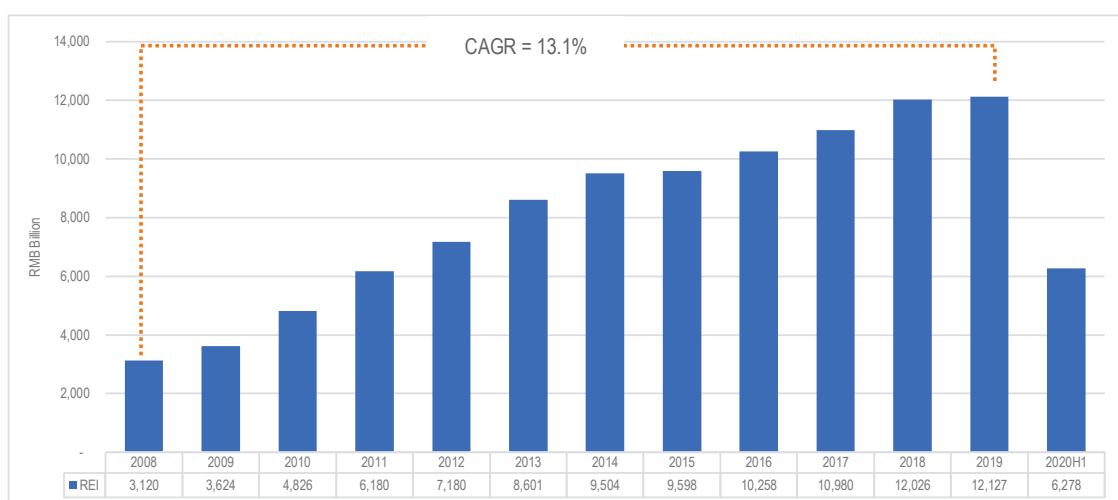


Source: National Bureau of Statistics of China, Colliers International, 2020

1.6 CHINA REAL ESTATE INVESTMENT (REI)

Between 2008 and 2019, REI in China grew by a CAGR of 13.1% to RMB12 Billion. By the end of August 2020, the national real estate development investment reached RMB 88,454 billion, representing an increase of 4.6% YOY.

Figure 11 China's REI and Growth Rate



Source: National Bureau of Statistics of China, Colliers International, 2020

1.7 IMPACT OF COVID-19 AND CHINA'S STRONG RECOVERY

Due to the impact of COVID-19 forcing cities into lockdowns and ongoing trade tensions with the United States, China's GDP growth was negatively impacted in 2020. However, China is expected to emerge from this crisis stronger due to its swift response to the pandemic with a plethora of fiscal measures and strong domestic economy, and in the second quarter of 2020, China's GDP had expanded by 3.2% compared to the same period last year, outperforming economists' forecast of 1.0%. Shortly after the COVID-19 situation was brought under control, the Chinese government had eased its control measures and cities have since resumed most of its usual economic activities. This is expected to facilitate the rapid recovery of economic activities in the second half of 2020, with growth largely supported by strong manufacturing production and growing domestic spending by Chinese consumers. Additionally, the Chinese government's key monetary and fiscal initiatives such as tax cuts for businesses, infrastructure spending and looser monetary policy have had a positive effect on stabilizing and stimulating the economy. The strong recovery of China coupled with resilient economic fundamentals is expected to provide the backdrop for robust growth of the various industries and business park market. Additionally, China's biomedical industry, being one of the frontrunners in the vaccine research, has drawn much attention from all over the world due the COVID-19 pandemic, and this is expected to provide the catalyst for significant growth over the next few years.

1.8 OUTLOOK OF CHINA'S ECONOMY

Despite the weak growth outlook of the global economy due to COVID-19, China's economy is expected to remain stable as a result of rapid economic recovery in the second and third quarters of 2020. According to the International Monetary Fund (IMF), China's economy is still expected to grow by 1.0% in 2020 despite the volatile environment caused by COVID-19 and the US-China trade dispute and pick up considerably to grow by 8.2% in 2021. In summary, the Chinese economy is poised to continue to grow significantly in the near to medium term. The strong economic growth and increasing affluence brought about by rapid urbanization will provide the backdrop to accelerate growth in China's key industries, thereby driving the demand for business parks across China.

Through China's 13th 5-year plan which aims to optimize industrial structure and move towards a new economic structure and a service-led growth model, the proportion of service industry is expected to continue rising. China's service industry will be focusing on the development of "production services" - including research and development, design, information services, logistics, consulting, with the aim to achieve high-quality economic development and move up the value chain towards technology-intensive industries. In September 2020, NDRC issued an announcement on expanding investment in strategic emerging industries, imposing direct impacts on industries including 5G mobile, robotics, biomedical technology, high-end manufacturing, etc. The increased demand from such higher value-added industries will provide the impetus for the growth of business parks across China.

In addition, having been embroiled in the US-China trade dispute, China has realised the importance of propelling domestic demand as a core strategy in its post-pandemic economic development. Since the pandemic, China's consumption policy has been primarily focused on stimulating domestic demand for high-quality domestic consumption, further accelerating China's transformation towards a self-sufficient economy.

The renewed focal areas of China's economic blueprint have been further reinforced in its 14th 5-year plan, which aims to drive economic growth by stabilized domestic consumption and placing technology and innovation as a core priority.

2. OVERVIEW OF CHINA'S BUSINESS PARK MARKET

The business park market in China has been rapidly growing and has gained popularity among foreign investors in recent years, thanks to the favorable and supportive regulatory environment cultivated by the Chinese government. Over the years, the Chinese business park market has demonstrated greater resilience and market performance stability, including lower rent volatility, as compared to the office buildings segment. The attractiveness of the sector is attributable to the preferential policy support towards business parks, as well as the robust fundamentals and resilience of the key industries that are typically major tenants in business park properties. Chinese business parks are expected to become a significant engine of China's economic growth in the future.

2.1 KEY BUSINESS PARK MARKETS

Business park markets in China can be generally categorized into three tiers based on their level of maturity, rent, market size, transaction volume, and investment:

- Tier 1 Prime markets – Beijing, Shanghai, Shenzhen
- Tier 2 Rapidly growing markets – Guangzhou, Wuhan, **Hangzhou**, **Xi'an**, **Suzhou**, Chongqing
- Tier 3 Emerging markets – Chengdu, Zhengzhou, Nanjing



2.2 SUMMARY OF KEY ECONOMIC POLICIES' IMPACT ON BUSINESS PARKS

Key economic policies that have encouraged the development of the business park market mainly comes from four areas: (i) action plans on promoting national strategic industry, (ii) regional development strategies, (iii) any supporting policies in response to the recent instability such as the pandemic, and (iv) China's upcoming 14th Five-Year-Plan. Together they spur the growth of key industries that provide demand for business parks, by attracting talents that cater to strategic industries and providing subsidies to such key emerging businesses.

Action Plans on Promoting National Strategic Industry

In recent years, the Chinese economy has shifted its focus from rapid growth to quality development, as part of China's transition to a fully developed economy. The national, state and local governments have promulgated substantial policies in a concerted effort to promote industrial transformation, including measures to encourage the development of strategic industries, improve industrial infrastructure and strengthen financial support. NDRC 's recent announcement on strategic emerging industries is a clear representation of the government's commitment in investing in these key strategic industries, and depicts a clear prospect for these key tenants of China's future business parks, composing of advanced industries, including new generation information technology, industrial robotics and biomedical technology, etc.

In addition, the NDRC also issued a notice on promoting Real Estate Investment Trust (REITs) in the Infrastructure Sector, denoting the official launch of public REITs of domestic infrastructure. The notice explicitly stated governmental support on business parks including national economic development zones to explore pilot projects of REITs. As business parks play an important role in regional development, industrial cultivation and regional resource allocation, they require continuous investment in the improvement of facilities and services to assist enterprise development. With the government taking control of the saleable assets and rental income becoming the main return on investment, the issuing of REITs can alleviate the dilemma, providing a reliable channel for investors and abundant funding for business park platform, thus improving the level of facilities and services in the business park and establishing a positive cycle for business parks development.

Regional Development Strategies

China has been successful with its regional development strategies in relation to the Yangtze River Economic Belt, the Yangtze River Delta Integration and the Belt and Road Initiative. These major national development strategies and regional policies are key priorities of the Chinese government and has garnered significant attention and financial support from the central government. For instance, the Yangtze River Delta City Group is an important intersection between the "Belt and Road" and the Yangtze River Economic Belt. Since 2018, the integration policy of the Yangtze River Delta has become a national strategy, and the interaction between Shanghai, Suzhou and Hangzhou has increased significantly in recent years. Transportation integration is a key foundation for the integration of the Yangtze River Delta. Suzhou and Shanghai are expected to be inter-connected by metro by 2023, while Hangzhou is underpinned by a dense and efficient network of e high-speed rail lines. In terms of communication facilities, 5G networks will be deployed first in the Yangtze River Delta, striving to be at the forefront of such next generation information technology infrastructure.

Such regional development policies have been effective in coordinating and strengthening the cooperation and interactions among Tier I cities and Tier II/III cities. Densely built transportation infrastructural networks have played a part in reducing spatial distances between Tier 2/3 cities and the major cities, and coupled with various attractive regulatory supports and regional government subsidies for strategic industries, this optimizes the environment for industrial development. In 2015, winning over Shanghai, Hangzhou gained the favor of Cisco China, which chose to have their headquarters officially located in Hangzhou. As the first Fortune 500 enterprise to locate its headquarters in Hangzhou, Cisco's move denoted the world's recognition on China's Tier 2 cities regarding their promising industrial environment. Most recently, Linde plc upgraded their Hangzhou sectors into Asia Pacific Headquarters, while settling their China headquarters in Shanghai in 2009. In 2020, further stepping into the Yangtze River Delta Integration Strategy, Hangzhou attracted 84 key projects around advanced manufacturing and information and communication technology, totalling up to RMB 80 billion. Over the years, many well-known enterprises have located their manufacturing sectors

in Suzhou, including Johnson & Johnson, Philips, Bosch, Emerson, L'Oreal, Samsung. In the first half of 2020, Suzhou has reached the gross industrial output of RMB1.55 trillion, exceeding all Tier 1 cities and becoming the No.1 industrial city nationwide.

Supporting Policies in Response to COVID-19

In response to the pandemic, China's central and local governments have successively introduced a series of supporting plans and policies to help enterprises resume work, thereby ensuring production and stabilizing the economy. The supporting policies included strengthening financing support by increasing availability of credit loans and reducing financing costs; implementing tax and fee concessions; supporting investment project construction. Since the onset of the pandemic, the Chinese government has had the foresight to pre-emptively issue a wide array of supporting policies, specifically aimed at small and medium enterprises in business parks to assist them in tiding through operational and financial difficulties by providing various concessions, thus maintaining the occupancy rates in the business park market.

China's 14th Five-Year-Plan

The fifth plenary session of the 19th Central Committee of the Communist Party of China was held in October 2020, in which the outline of the 14th Five-Year Plan (2021-2025) was reviewed. The drafting of the 14th Five-Year Plan ("FYP") gained much domestic and international attention as China moved towards its first centennial goal of building a moderately prosperous society, in an era of increasingly complex external challenges and uncertainties.

China's 14th Five-Year Plan mainly focuses on striving for economic growth driven by stabilized domestic consumption, bolstering areas of weakness and deepening comprehensive reform.

Firstly, the China government has come up with the guideline that the economic development would be mainly based on the domestic cycle and would coordinate with the external cycle. Together with GDP growth targets, the government would be focusing more on stabilizing domestic consumption by improving the quality of the economy, enhancing people's incomes and living environment as well as safeguarding livelihood.

Secondly, the two-year trade war has made China realize that it could not afford to rely on imports of key equipment and core technologies. Hence, China is most certainly likely to surely ramp up its efforts to make key breakthroughs in bottleneck technologies such as semiconductors and high-end manufacturing. Additionally, the Chinese central government has positioned "new infrastructure" development as a key policy to offset the economic impact of the coronavirus pandemic and boost sustainable growth, laying the foundation for future development. These new infrastructure developments comprise the following seven types of projects: 5G networks, the industrial internet, inter-city transportation and inner-city rail systems, data centers, artificial intelligence, ultra-high voltage, and new energy vehicle charging stations.

Finally, the government will deepen the reforms in *hukou* (China's household registration system), land and SOE areas to realize its growth potential and improve productivity and sustainability. Besides, China will further push towards opening-up in the new FYP, which includes rolling out a new foreign investment law to level the playing field for foreign investors with the "negative list" scheme, removing foreign ownership caps on financial institutions, abolishing quota restrictions of Qualified Foreign Institutional Investor ("QFII") and Renminbi Qualified Foreign Institutional Investor ("RQFII"), and implementation of stock and bond connect schemes.

As China's ever large domestic market further opens up and gains popularity among foreign capitals, a clear transfer of manufacturing capacity and service industries from first-tier cities to the surrounding areas and inner cities is likely to be seen. China's continual effort to boost investments in R&D to make breakthroughs in key technologies would also encourage the

development of major city clusters to serve as the main hubs for high-tech industries and innovation. For CapitaLand business park and industrial properties in Suzhou, Hangzhou and Xi'an that are primarily occupied by tenants in high-growth industries such as high-end manufacturing, information technology and bio medicine, China's 14th FYP is likely to generate a strong boost and growth opportunities in the next five years.

2.3 DEVELOPMENT OF KEY TRANSPORT INFRASTRUCTURE TO SUPPORT DE-CENTRALIZATION

Business parks have transformed in recent years, as they adapt to the evolving demands and accommodate different sectors of the economy, in turn becoming highly attractive to an increasingly diverse occupier base. A growing number of companies, e.g. pharmaceutical industry, are looking to consolidate multiple business functions such as manufacturing, research and development, and administration into a single location. Given that modern business park developments allow the integration of both city and industrial economic functions, they are best positioned to capture this shift to multi-functional spaces. This trend serves as the catalyst for the formation of new industrial clusters and satellite cities.

In order to support the formation of new clusters and de-centralization initiative, transport connectivity to key cities and regions are essential. The local / municipal / provincial governments have recognized this key requirement and have developed or put in plans to develop the transportation network to boost interconnectivity amongst key cities and regions, particularly for the Tier 2 and 3 markets. The table below highlights a list of key transport infrastructure developments in the 3 cities of interest that sets the scene for growth in the business park markets in each of these cities.

Region	Transport infrastructure project	Key business parks / submarkets nearby	Connectivity to key transport hubs / major cities
Suzhou	<ul style="list-style-type: none"> ▪ Suzhou Metro Line 1/2/3/4 ▪ Suzhou Metro Line 5/6/7/8/S1 (2021-2024) ▪ Suzhou Station ▪ Suzhou Industrial Park Railway Station ▪ Suzhou North Railway Station ▪ Suzhou New District Railway Station 	<ul style="list-style-type: none"> ▪ SIP: Ascendas Xinsu Square, Qidi Fashion Technology City, Ascendas iHub Suzhou ▪ SND: Boji Technology Park II 	<ul style="list-style-type: none"> ▪ 20 minutes to Shanghai by high-speed rail ▪ 2.5 hours to Beijing by plane ▪ 2.5 hours to Guangzhou by plane
Hangzhou	<ul style="list-style-type: none"> ▪ Hangzhou Metro Line 1/2/4/5/16 ▪ Hangzhou Metro Line 3/6/7/8/9/10 (2021-2022) ▪ Hangzhou Railway Station ▪ Hangzhou East Railway Station ▪ Hangzhou South Railway Station (2020) ▪ Hangzhou Xiaoshan International Airport 	<ul style="list-style-type: none"> ▪ Singapore-Hangzhou Science & Technology Park ▪ Green Park East Hangzhou Innovation Center ▪ Hangzhou Artificial Intelligence Business Park ▪ Cloud Fox Technology Park I ▪ Loft 49 ▪ Betta Dream Works ▪ EFC T5 	<ul style="list-style-type: none"> ▪ 1 hour to Shanghai by high-speed rail ▪ 2.5 hours to Beijing by plane ▪ 2.5 hours to Guangzhou by plane
Xi'an	<ul style="list-style-type: none"> ▪ Xi'an Metro Line 1/2/3/4 ▪ Xi'an Metro Line 5/6/7/8/9/13 (2021) ▪ Xi'an North Railway Station ▪ Xi'an Railway Station ▪ Xi'an Xianyang International Airport 	<ul style="list-style-type: none"> ▪ Xi'an Software Park ▪ Ascendas Innovation Park ▪ Kairui 	<ul style="list-style-type: none"> ▪ 2 hours to Shanghai by Plane ▪ 2 hours to Beijing by Plane ▪ 2.5 hours to Guangzhou by Plane

2.4 OVERVIEW OF KEY INDUSTRIES IN BUSINESS PARKS

Tenants in business parks are primarily skewed towards the technologically advanced sectors such as: electronics, financial services, information and communications technology, e-commerce and biomedical industry. The performance and outlook of these industries therefore have a direct impact on the demand of business parks and having a deeper understanding of such industries will help to determine the performance of business parks.

2.4.1 ELECTRONICS

Description of Electronic industry

The electronics industry covers communication equipment manufacturing, electronic components and electronic special materials manufacturing, electronic device manufacturing, and computer manufacturing. In 2019, the electronics industry achieved a revenue over RMB 15.51 trillion with a growth rate of 4.5%.

Key Brands/companies in the industry

- Integrated Circuit Technology: Huawei, SMIC's.
- New Display Technology: BOE, TCL and Visionox.
- Smart Phones: Huawei, OPPO and Xiaomi.
- Televisions: Hisense, TCL, and Skyworth.

Industry Snapshot

Figure 12 Total Sales of Electronic Industry (2014-2019)

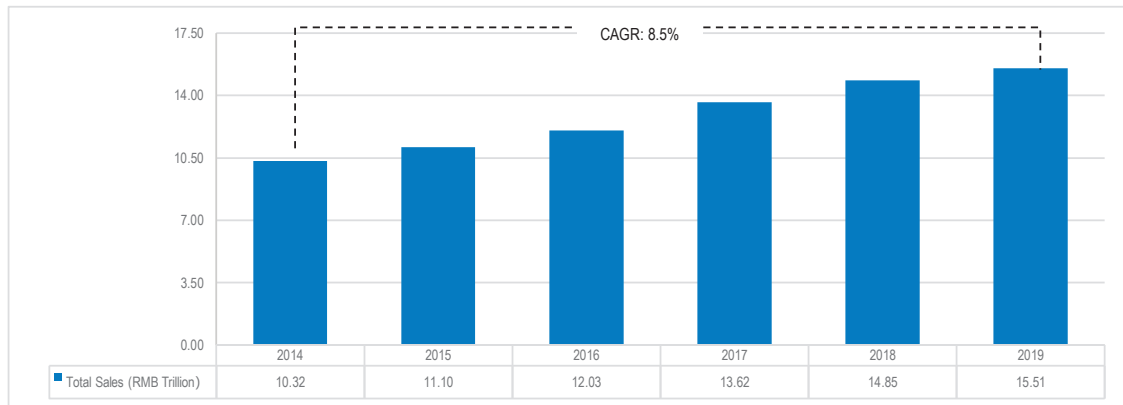


Figure 13 R&D Expenditure of Electronic Industry (2014-2018)

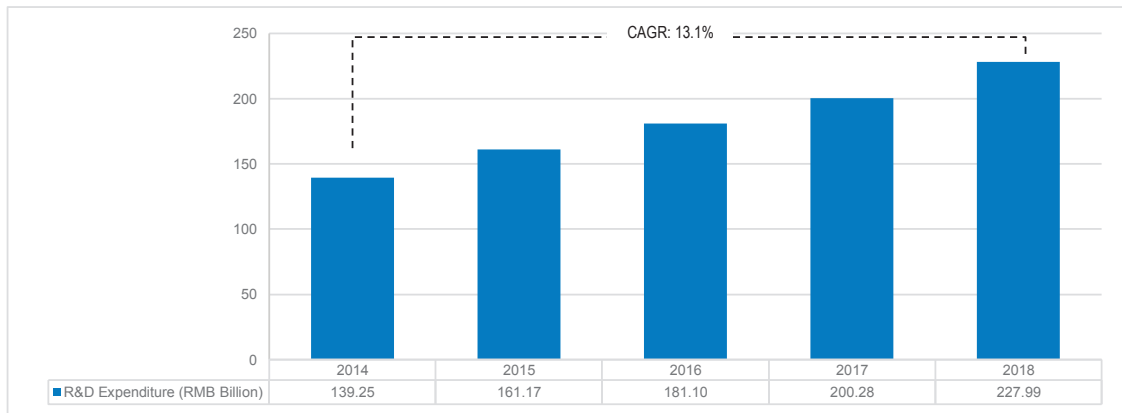
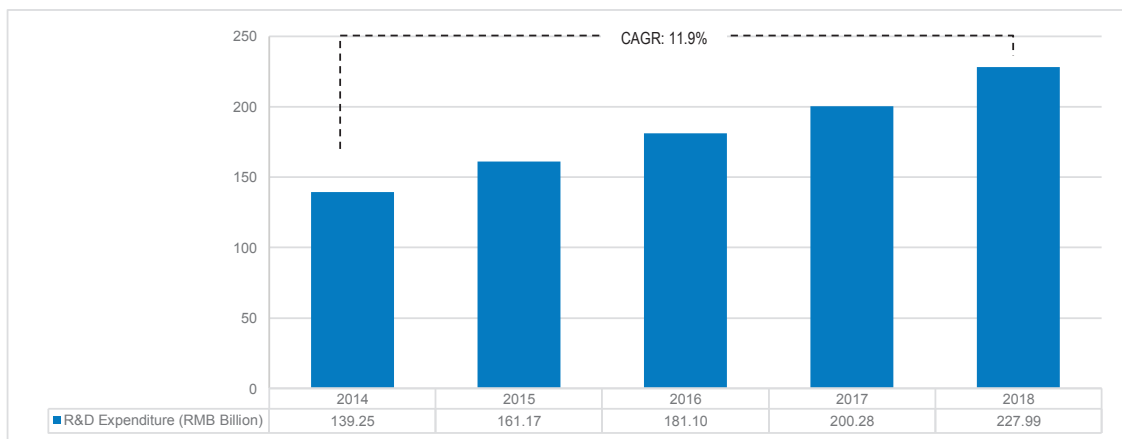


Figure 14 Employment of Electronic Industry (2014-2018)



Source: National Bureau of Statistics of China, MIIT of China

2.4.2 FINANCIAL SERVICES

Description of Financial Services industry

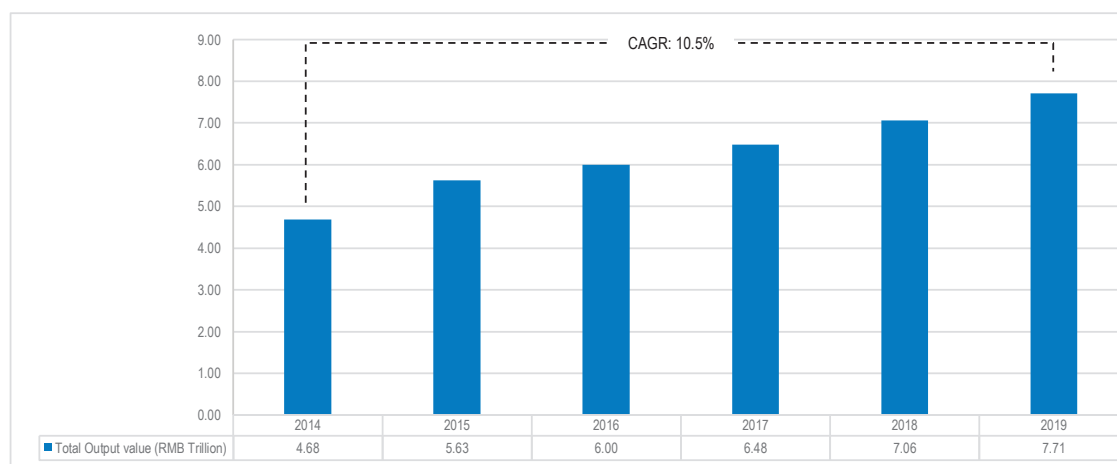
Financial Services industries can be generally categorized into three sectors, retail banking, security markets, and life insurance. Today, the industry's prospects in China continue to remain attractive, and much more alluring than they are almost anywhere else, due to rapid economic growth. China is progressively implementing its policy direction to open up the financial sector and provide a level playing field in terms of ownership requirements for overseas and domestic capital, with experts predicting that financial opening-up will accelerate in the next few years. In 2019, total output value of financial services industry reached RMB 7.7 trillion with a CAGR of 10.5% from 2014-2019.

Key brands / companies in the industry

- Retail Banking: Bank of China, China Construction Bank, Agricultural Bank of China, Industrial and Commercial Bank of China.
- Security Markets: CITIC Securities, HAITONG Securities, and Guotai Junan Securities
- Life Insurance: China Life Insurance (Group) Company, Ping An Insurance Group, China Pacific Insurance Group, People's Insurance Company of China Group, and New China Life Insurance.

Industry Snapshot

Figure 15 Total Output Value¹ & % Share of GDP of Financial Services Industry (2014-2019)



¹ The output value is expressed in currency, which refers to the total value of the final industrial products produced by industrial enterprises and the activities of providing industrial labor services in a certain period of time. It shows that the total scale and level of industrial production of industrial enterprises reflect the total production results, but does not indicate the quality of the operating conditions and economic benefits.

Figure 16 Aggregate Financing to the Real Economy (Flow) (2014-2019)

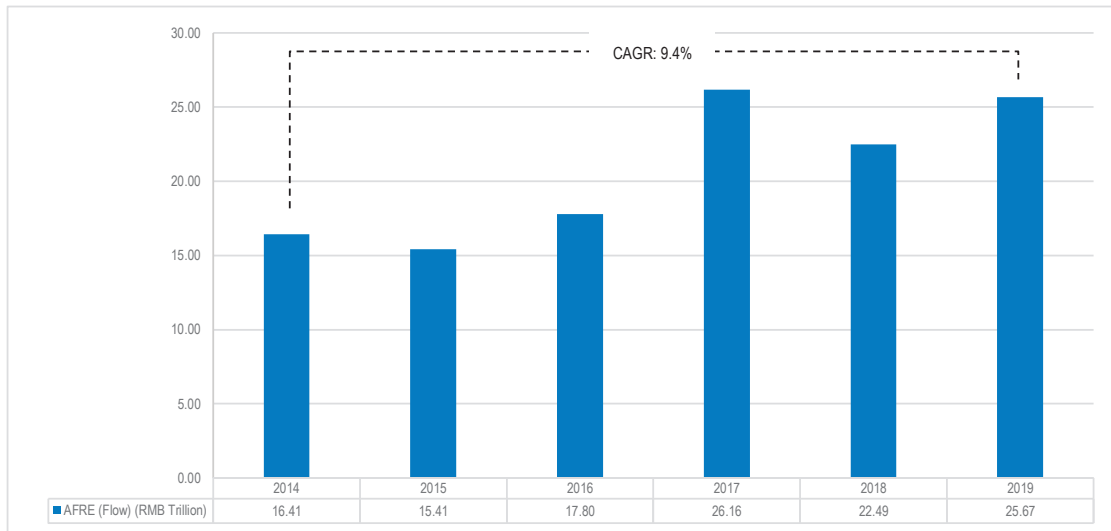
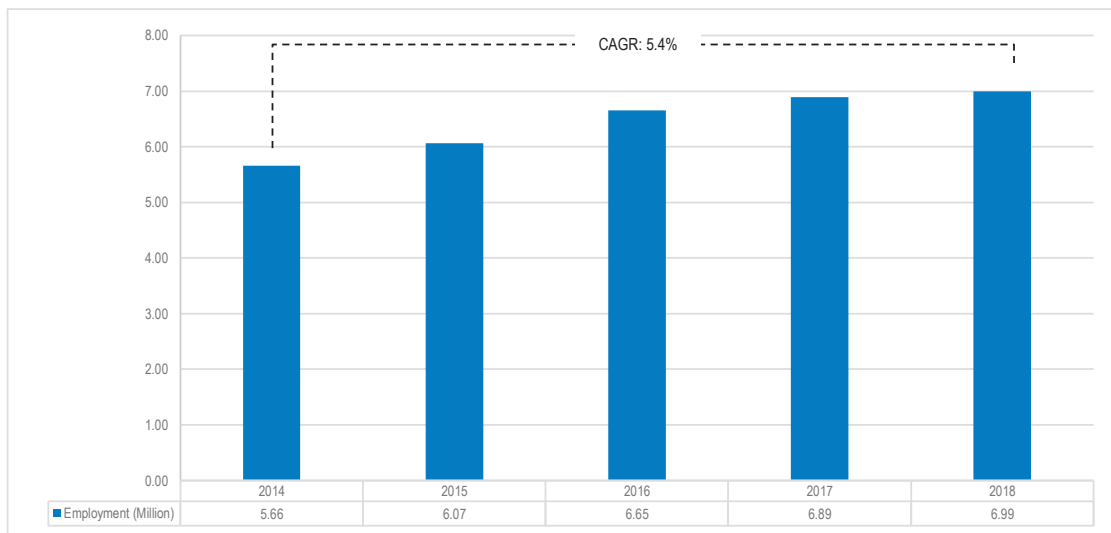


Figure 17 Employment of Financial Services Industry (2014-2018)



Source: National Bureau of Statistics of China

2.4.3 INFORMATION AND COMMUNICATIONS TECHNOLOGY

Description of Information and Communications Technology industry

The golden 30 years of the booming development of China's information and communication technology industry has demonstrated strong market attractiveness and development potential, having grown at a CAGR of 23% between 1990 and 2018. On one hand, the scale of the industry is large. The scale of China's ICT industry ranks third in the world, occupying 13.3% of the market share in 2018 and continues to increase. The infrastructure and user scale of communication networks rank first in the world. On the other hand, it has grown rapidly. Since the 1990s, the income scale of China's ICT industry has increased by 340 times, maintaining double-digit growth, leading the world, and the potential to hit the market has yet to be released. In a short period of 5 years, China's 4G penetration rate grew by 10x to reach 74.4% in 2018, which was double the global growth across the same period. In 2018, the revenue of China's listed ICT companies achieved RMB 22.8 trillion, which had grown at a CAGR of 10.0% since 2014.

Key brands / companies in the industry

- ICT Infrastructure: Huawei
- Telecom Operators: China Mobile, China Unicom, China Telecom
- Smart Terminals: Huawei, Lenovo
- Network communication equipment: TP-LINK

Industry Snapshot

Figure 18 Total Sales of Information and Communication Technology Industry (2014-2018)

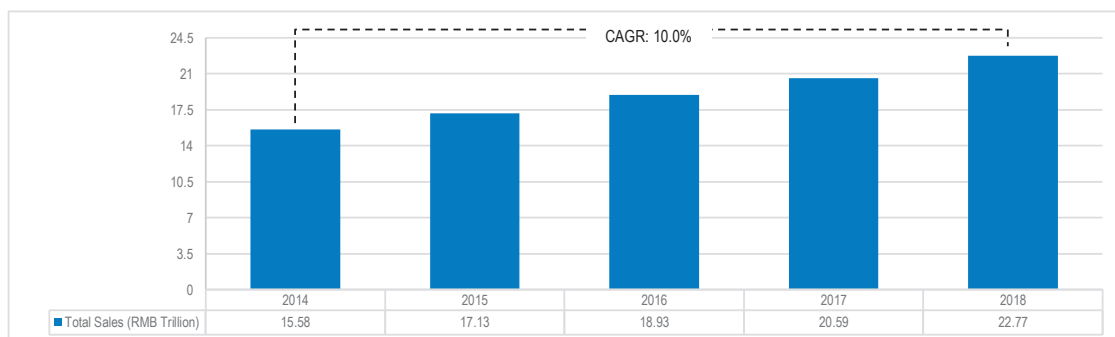


Figure 19 Employment of Information and Communication Technology Industry (2014-2018)

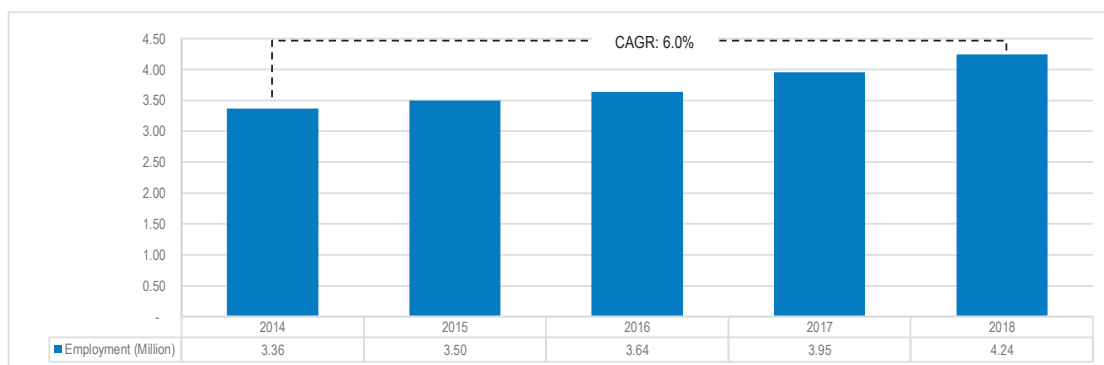
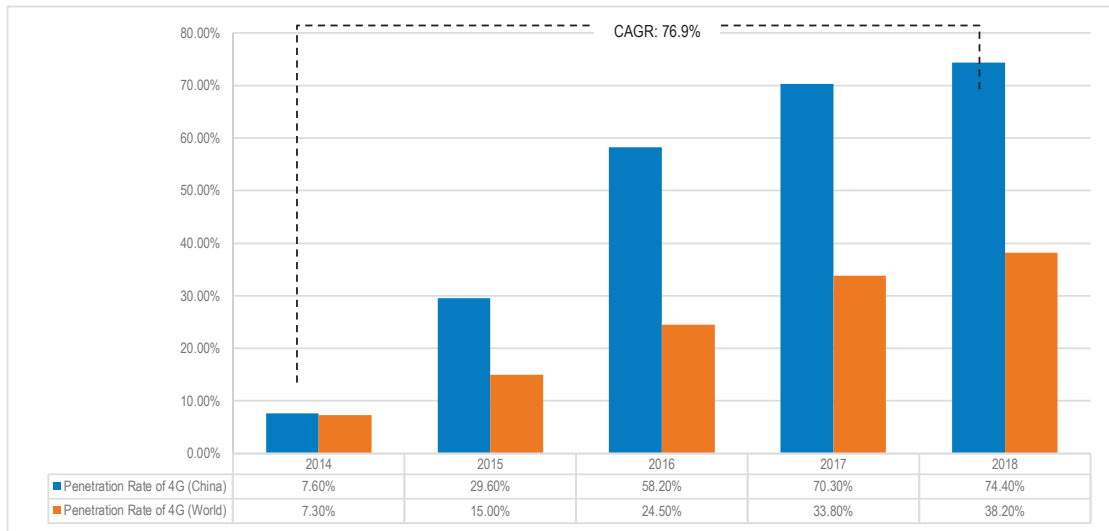


Figure 20 Penetration Rate of 4G in China and the world (2014-2018)



Source: National Bureau of Statistics of China, Ministry of Industry and Information Technology, PRC

2.4.4 E-COMMERCE

Description of E-Commerce Industry

China leads the world in e-commerce. In 2019, more than 40% of the world's e-commerce transactions took place in China, up from only 1% about a decade ago. Local Chinese tech champions such as Alibaba Group, Tencent and JD dominate a rapidly growing e-commerce ecosystem, mostly within China. The rapid development of this industry combined with a large and growing digital consumer base has fuelled tremendous growth both domestically and abroad via cross-border trade. This unique environment is propelling innovations in commerce and digital trade, with China serving as a testbed for new ideas that will propel the future of the global e-commerce marketplace.

Key brands / companies in the industry

- B2C: T-Mall, Taobao, JD, Dangdang, Suning, PDD.
- B2B: Alibaba, DHgate, Made-in-China, GlobleSources.
- C2C: Taobao, Idlefish, 58.com.

Industry Snapshot

Figure 21 Total Sales & % Contribution to GDP of E-Commerce Industry (2014-2019)

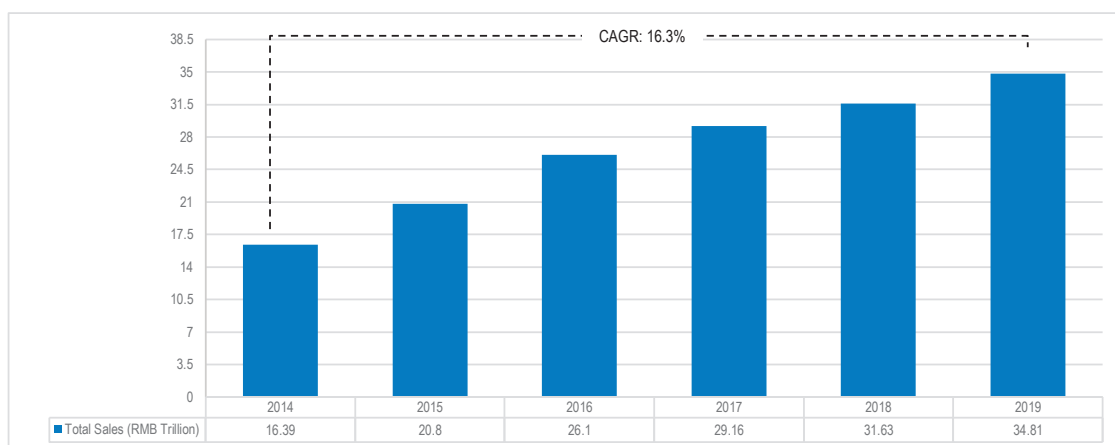


Figure 22 Cross-border E-commerce Total Import & Export Value (2014-2019)

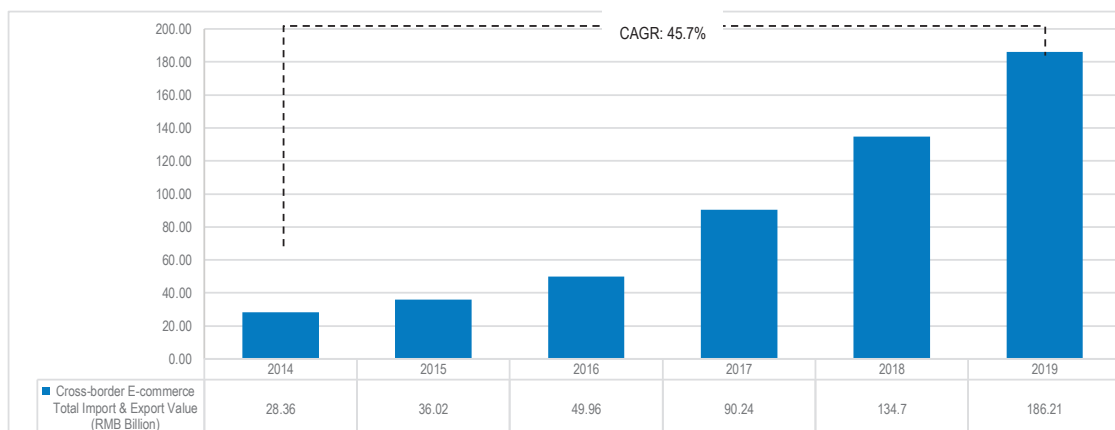


Figure 23 Employment of E-commerce Industry (2014-2019)

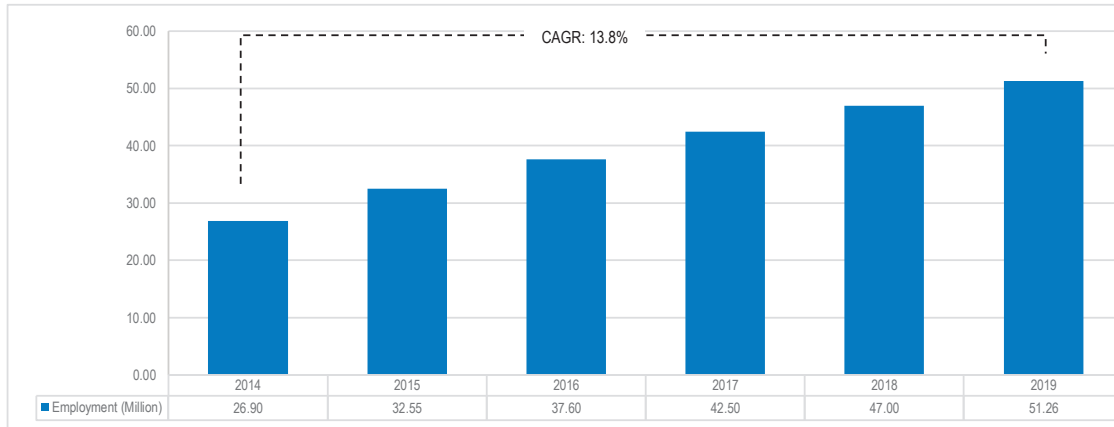
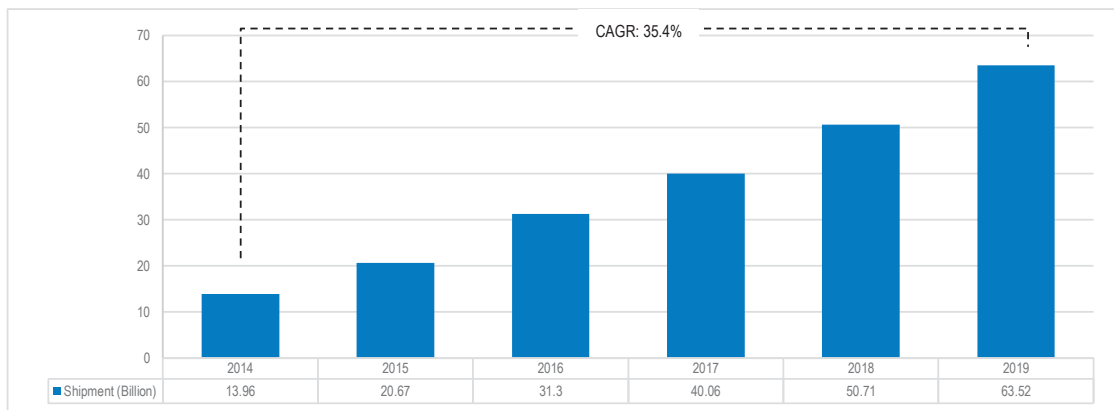


Figure 24 Numbers of Shipments via E-commerce (2014-2019)



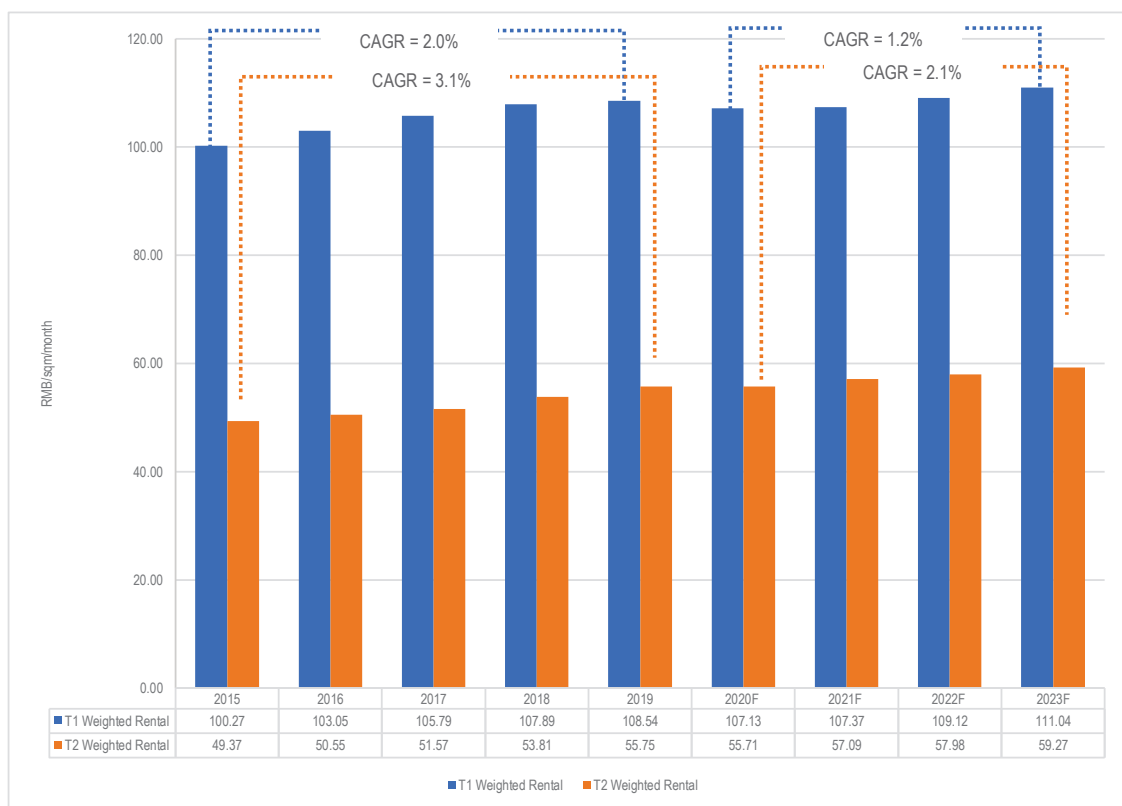
Source: National Bureau of Statistics of China, Ministry of Commerce.PRC

2.5 MARKET PERFORMANCE ANALYSIS FOR BUSINESS PARKS ACROSS CITIES

While there is considerable disparity in the rental performance of regional business park markets across China, the ongoing decentralization of economic activities to Tier 2 cities (Suzhou, Hangzhou, and Xi'an are selected for analysis) are expected to greatly benefit the business park markets of regional cities. Currently, the rental performance of business parks in the Tier 1 cities (Shanghai, Beijing, and Guangzhou are selected for analysis) is stable and solid. Rents are not expected to rise sharply but to continue to steadily increase in the future mainly due to their abundant office building supply and stable industrial structures. On the other hand, with the upgrading of regional industrial structures, ongoing decentralization out of Tier 1 cities and continued urbanization trends, Tier 2 cities are expected to exhibit the most rapid growth among China's regional business park markets in terms of occupancy and rent.

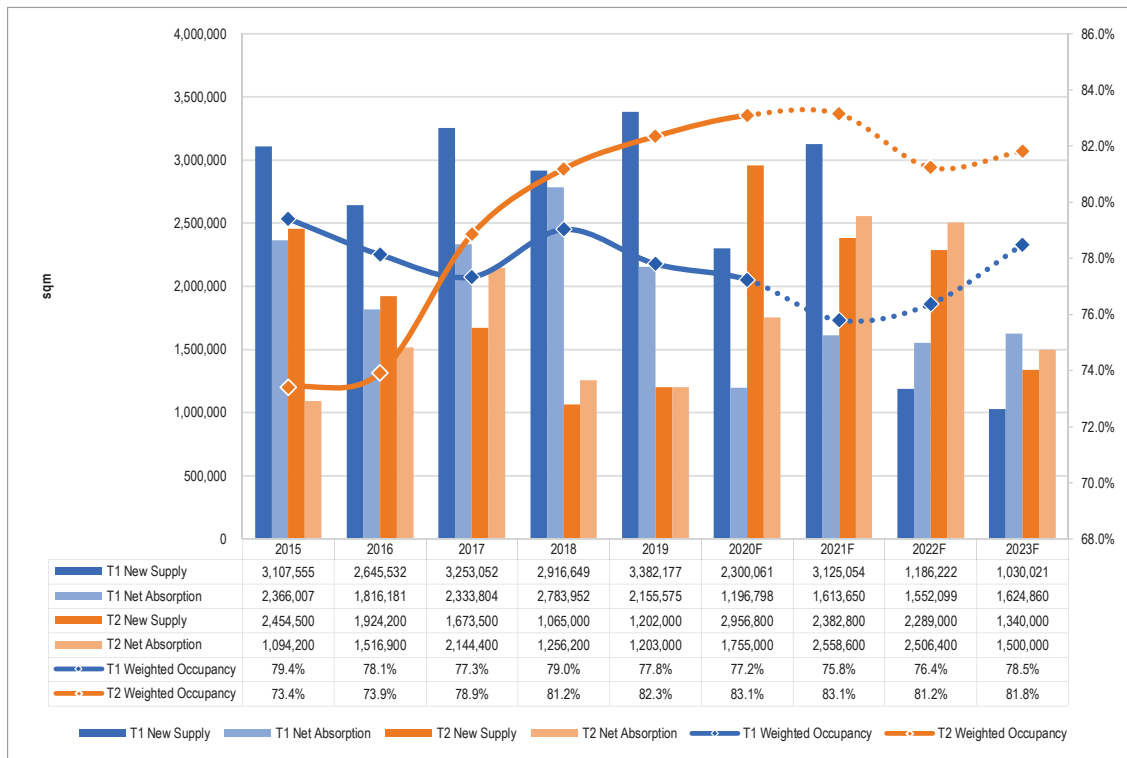
As shown in the chart, the demands in Tier 2 cities between 2015 to 2019 are overall higher than in Tier 1 cities, especially when compared with their relative new supply in the corresponding year. Meanwhile, the occupancy rate in Tier 2 cities are higher as well, evidencing a clear and steadily shift of the business park market focus from Tier 1 cities to Tier 2 cities over the past years. In addition, with regards to the rental difference between Tier 1 and Tier 2 cities as showed in the chart, Tier 2 cities are displaying a distinct advantage over Tier 1 cities, especially considering the recent development in infrastructure and supportive regulatory environment in Tier 2 cities. Moreover, the rental cost and capital value gap between the office and business park market of first-tier and second-tier cities is an added advantage for future investments in business parks of Tier 2 cities across China.

Figure 25 Rental analysis for business parks in Tier 1/2 cities



Source: Colliers International

Figure 26 Supply and Demand analysis for business parks in Tier 1/2 cities



Source: Colliers International

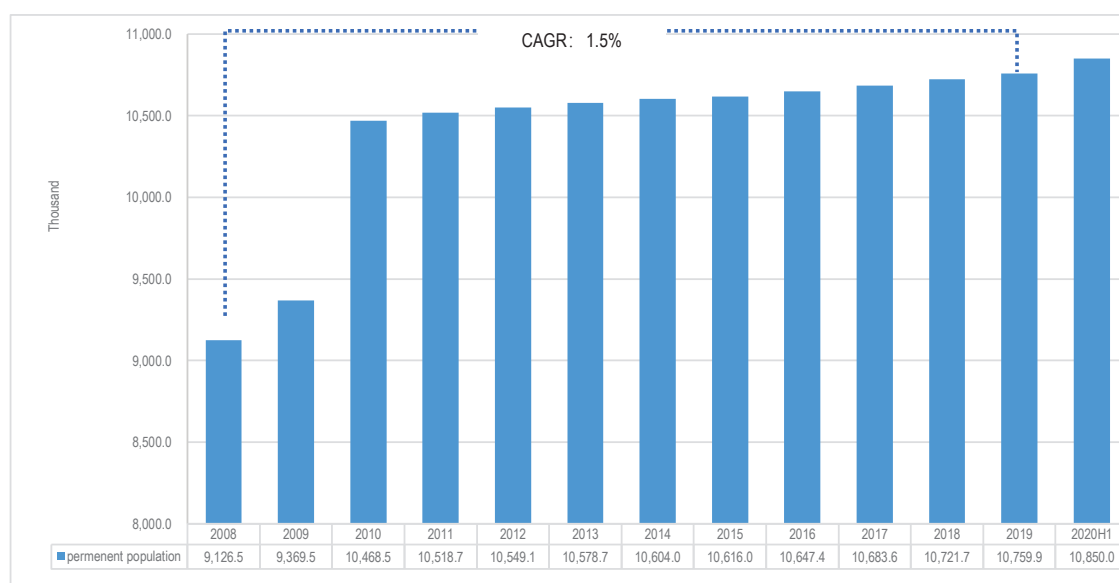
3. SUZHOU MACROECONOMIC OVERVIEW

Suzhou is a historical, cultural and tourism city of national importance as well as one of the largest economic centres and high-tech industrial hubs in the Yangtze River Delta, with a total area of 8,488 sq km and a population 10.8 million. Forming part of eastern China's Yangtze River delta region and located in south eastern Jiangsu province, Suzhou is bordered to the west by Lake Tai, to the north by the Yangtze River, and to the east by the metropolis Shanghai. Together with its satellite cities, the Suzhou prefecture is one of China's most prosperous cities. In terms of industrial development, Suzhou is second only to Shanghai and one of the most mature business park markets in the Yangtze River Delta region. Suzhou is now one of the largest manufacturing city in China and is targeting to build up a global technology and innovation hub with emphasis on industrial upgrading and transformation, R&D, and innovation. Shanghai's Hongqiao airport is located approximately one hour's drive away and the airports of Wuxi and Nanjing are also relatively accessible by road and rail. The city's railway station lies on the busy Shanghai-Nanjing Line and, with the introduction of high-speed rail in 2010, the travel time to Shanghai has been reduced to as little as 23 minutes.

3.1 DEMOGRAPHIC TREND

The permanent population of Suzhou has grown at a CAGR of 1.5% from 2008 to 2019. With the ongoing transformation and upgrading of the manufacturing industry, it is expected that a share of Suzhou's low-skilled workforce is expected to migrate out to satellite manufacturing hubs, while high-skilled and qualifications talent will continue to drive future population growth amid the rise in high-tech and value-add economic activities in the city.

Figure 27 Suzhou's Permanent Population

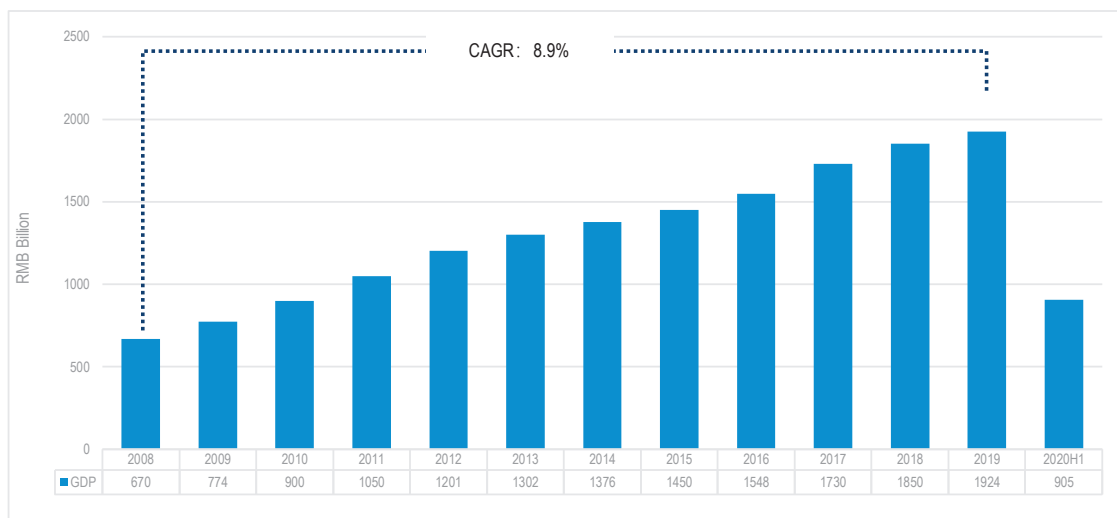


Source: Suzhou Statistic Bureau, Colliers International, 2020

3.2 ECONOMIC PERFORMANCE

Suzhou's GDP grew at a CAGR of 8.9% from 2008 to 2019. The city's economy maintained steady growth in the past decade, as it continued to outperform the national average. In 2019, Suzhou accounted for 21.1% of Jiangsu province's GDP, being the highest in Jiangsu province. Suzhou's GDP ranked 2nd highest in the Yangtze River Delta and ranked 6th highest (only after Shanghai, Beijing, Shenzhen, Guangzhou and Chongqing) among cities in China.

Figure 28 Suzhou's GDP



Source: Suzhou Statistic Bureau, Colliers International, 2020

In the first half of 2020, Suzhou's industrial output value exceeded RMB1.55 trillion. Meanwhile, the industrial added value of the other two Chinese industrial cities, Shenzhen and Shanghai, have both declined. Shanghai's total industrial output value was RMB 1.50 trillion, down 6.3% from the same period last year. From January to May, the added value of industrial above designated size in Shenzhen fell by 5.6% from the same period last year. According to official data, Suzhou's industrial output value exceeded both Shanghai and Shenzhen, to officially become China's largest industrial city.

In the past decade, the city's economic structure has continuously been optimized and has transitioned from low-margin manufacturing activities to more profitable high-tech industries, high-end manufacturing and advanced service sectors.

The industrial sector has been particularly strong in Suzhou, especially in terms of emerging industries such as new energy, new materials, biomedical science, sustainability technology, software and service outsourcing, smart grid and Internet of Things, new flat panel display and high-end equipment manufacturing industries. In 2019, the value-add of the city's service industry - which includes technology services, financial services, modern logistics industry - accounted for 50.0% of the regional GDP. The output value of companies focusing on the emerging industries in the manufacturing space was RMB 1.7 trillion, accounting for 52.0% of the total output value of the industrial sector. Pilot industries are accelerating their development, with the output value of the four leading industries - information technology, biomedical science, nanotechnology, and artificial intelligence. This has allowed Suzhou to become one of the first-batch national service-oriented manufacturing demonstration cities in China.

4. SUZHOU BUSINESS PARKS

4.1 MARKET CHARACTERISTICS

The performance of the Suzhou business park market has been stable and strong amid growing occupier demand and diversifying occupier segments. There are two major business park submarkets in Suzhou: Suzhou Industrial Park (SIP), where the Ascendas Xinsu Portfolio is located, and Suzhou New District (SND). The following map illustrates the approximate location of each business park markets.

Figure 29 Suzhou Business Park Districts



SIP is recognized as a key showcase of China's economic reforms and opening-up strategy and a successful model of international cooperation. Established in 1994, SIP is the first governmental cooperation project between China and Singapore. It is also the first comprehensive market-led innovation area in China. From 2016 to 2019, SIP was ranked first in all national-level economic development zones by the Ministry of Commerce. In 2019, the State Council approved the establishment of the China (Jiangsu) Pilot Free Trade Zone, which comprises the Suzhou area and the Suzhou Industrial Park. By 2020, the total R&D investment in SIP is expected to account for more than 5% of the city's GDP, with more than 1,000 high-tech enterprises, 100 million invention patents, 10,000 people with more than 300 high-level talents, achieving an industrial added value rate of over 35%.

4.2 CURRENT TRENDS

SIP is recognized as a key showcase of China's economic reforms and opening-up strategy and a successful model of international cooperation. Established in 1994, SIP is the first governmental cooperation project between China and Singapore. It is also the first comprehensive market-led innovation area in China. From 2016 to 2019, SIP was ranked first in all national-level economic development zones by the Ministry of Commerce. In 2019, the State Council approved the establishment of the China (Jiangsu) Pilot Free Trade Zone, which comprises the Suzhou area and the Suzhou Industrial Park. By 2020, the total R&D investment in SIP is expected to account for more than 5% of the city's GDP, with more than 1,000 high-tech enterprises, 100 million invention patents, 10,000 people with more than 300 high-level talents, achieving an industrial added value rate of over 35%.

In recent years, Suzhou has been successful in promoting the upgrading of its industry toward high-value added sectors such as information technology, artificial intelligence, nanotechnology applications and biomedical science. Suzhou's government has promulgated a large number of industrial policies, including talent awards, rent subsidies and investment fund, to further attract R&D talent and promote the development of high-end industries.

4.3 SUPPLY ANALYSIS

Existing Stock and New Supply (2008-2020Q3)

Since 2008, there has been significant business park development activity in Suzhou, with an average annual new business park supply of approximately 366,666 sq m from 2008 to 2020Q3, as Suzhou matured to become a key destination for business park occupiers.

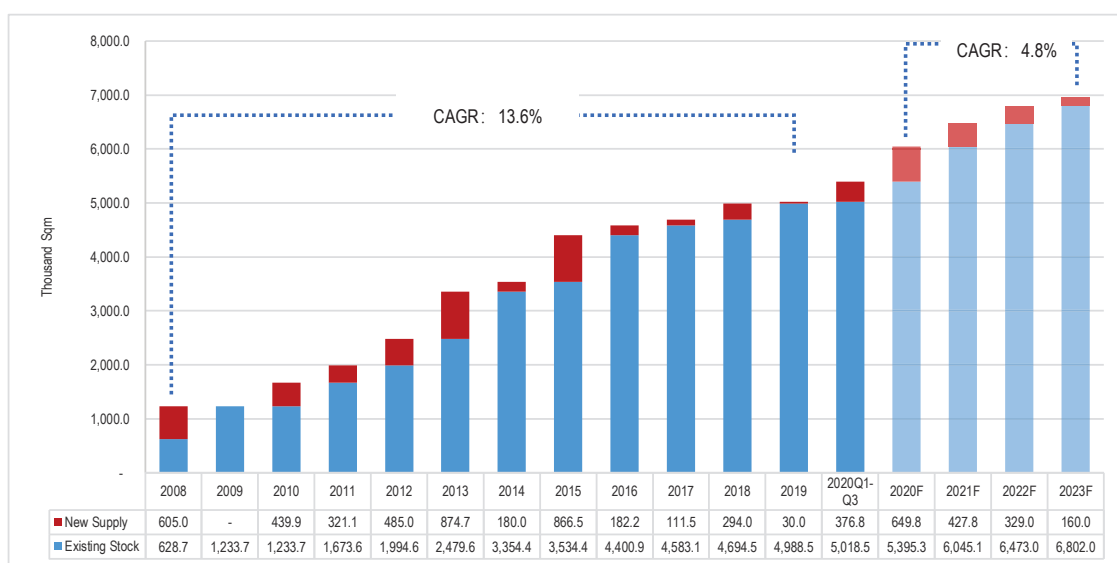
There are four new business park projects, Suzhou Inspiration Park I, Jiangsu MedPark Accelerator, Suzhou Finance Town II and Suzhou New Information Technology Industrial Park, which are slated to be completed in 2020, with a total gross floor area of 649,800 sq m. The four new projects are all located in SND.

Suzhou Inspiration Park I, Jiangsu MedPark Accelerator and Jiangsu MedPark Accelerator are developed by the SND government, Suzhou Finance Town II is jointly developed by China Merchants Shekou and SND government.

Suzhou Inspiration Park I and Jiangsu MedPark Accelerator came into market in 2020Q2, while Suzhou Finance Town II and Suzhou New Information Technology Industrial Park are expected to enter into market in 2020Q4.

By the end of 2023, the new supply of Suzhou business park market is expected to total over 1.5 million sqm, bringing the total supply of Suzhou business park market in excess of 7.0 million sqm, representing a forecasted CAGR of 4.8% between 2020 and 2023.

Figure 30 Suzhou Business Park New Supply and Existing Stock (2008-2023F)



Source: Colliers International

4.4 DEMAND ANALYSIS

Net Absorption and Occupancy Rate (2008–2023F)

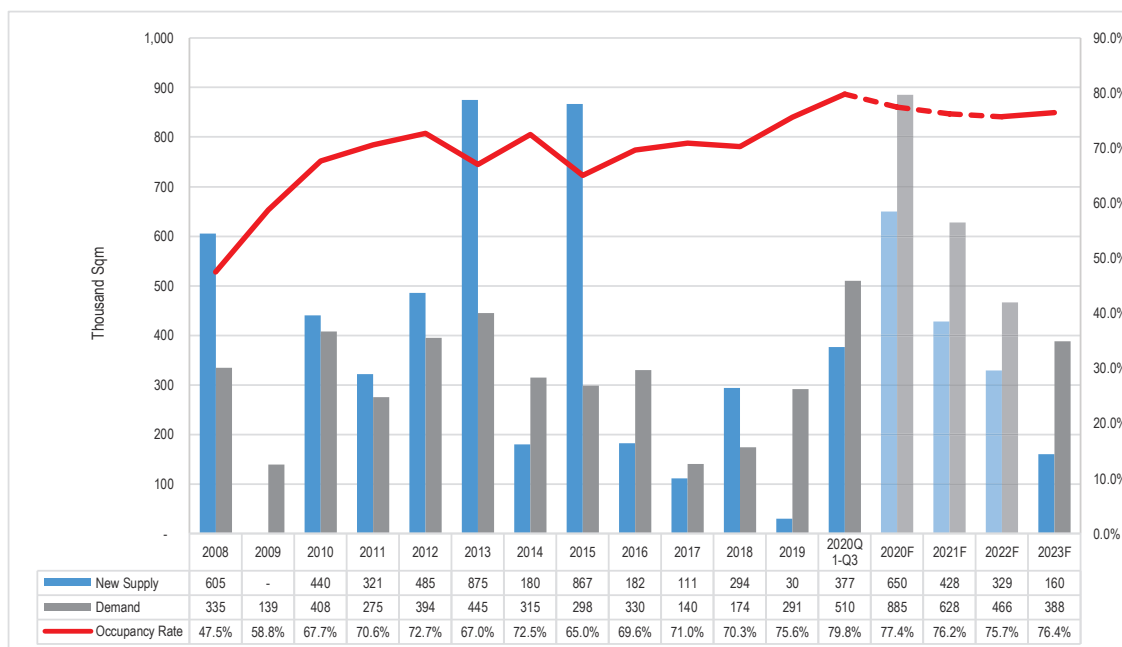
Over the past 10 years, Suzhou has experienced a period of rapid development, attracting high-tech companies in diverse sectors such as information technology, new energy, medical devices and biomedical industry

While occupancy rate had declined from 2012 to 2015 due to new supply, it has been on an upward trend since 2016 onwards, as a result of the strong occupier demand for business park space in Suzhou.

Due to the impact of COVID-19, business park occupancy rate decreased to 75% in 2020Q2 amid slower occupied demand. In order to counterbalance the weaker demand and sustain occupancy rates within the business parks, the Suzhou government has taken decisive actions to relieve market pressure, by providing incentives to attract high-end industries to help stimulate market demand. These policies have played an important role in promoting and supporting the local economy, bringing the occupancy rate back up to 80% in 2020Q3. In addition to government support programs and incentives, the strong performance of the drug-discovery and medical device sector has played a key role in the robust expansionary demand and increased occupancy in the Suzhou business park market. For example, the occupancy rate of Biobay II & III increased from under 80% in 2020Q2 to 95% in 2020Q3.

Going forward, despite the supply of new business parks between 2020 and 2022 placing downward pressure on the occupancy rates, strong occupier demand generated by the growth of end-industries are expected to reverse the downward trend, with occupancy rates rebounding to 76.4% in 2023, which exceeds the 2021 levels.

Figure 31 Suzhou Business Park New Supply, Demand and Occupancy Rate (2008-2023F)



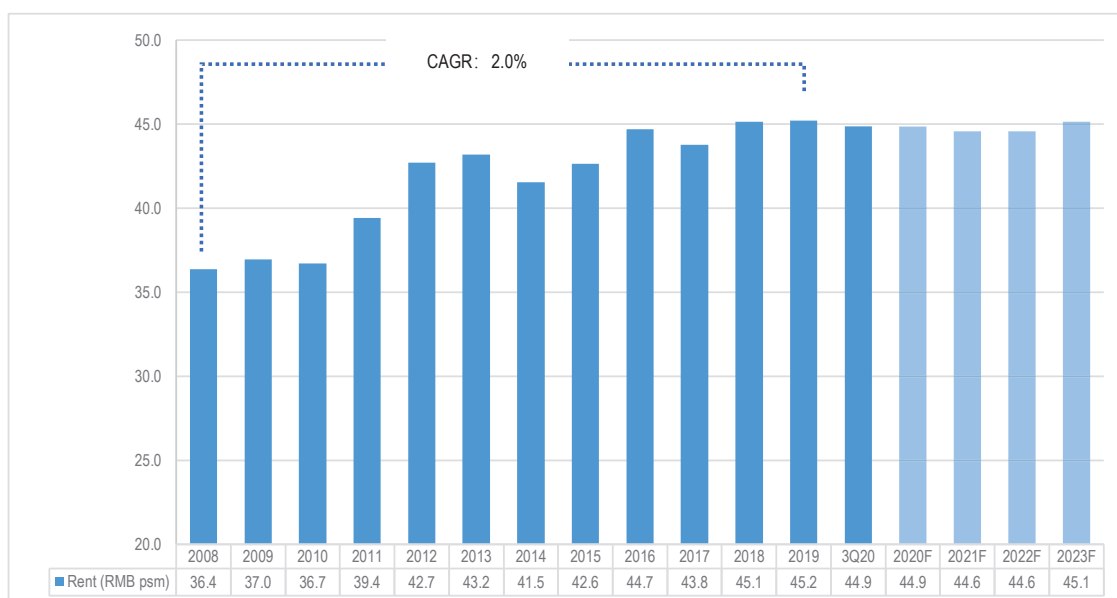
Source: Colliers International

4.5 RENTAL ANALYSIS

After the financial crisis in 2008, the rental performance of Suzhou business parks has recovered gradually, with particularly strong rent increases recorded from 2011 to 2012 amid limited new supply and strong occupier demand. Thereafter, the market came into an adjustment period, with the growth rate fluctuating according to supply and demand dynamics from 2013 to 2019. Despite the volatility, the rent levels in Suzhou business parks have generally exhibited a positive trend, with a CAGR of 2.0% between 2008 and 2019.

As of end-2020Q3, the average rental rate of Suzhou's business park market stood at RMB44.9 psm per month. Rents are expected to remain relatively stable in the near term, despite new incoming supply and is still forecasted to grow slightly over the 2020 and 2023 period, as the economy recovers from the pandemic and new projects are absorbed.

Figure 32 Suzhou Business Park Average Rent and Rental Growth Analysis (2008-2023F)



Source: Colliers International

4.6 INVESTMENT MARKET ANALYSIS

Sale Transactions and Capital Value

Beginning in mid-2018, Suzhou government control business park property transactions to make sure the new owner can contribute to the local economy. Due to such government restrictions, there has been very limited business park transactions in recent years. State-owned companies and end-users are the main buyers, and as a result, the details of such transactions are non-public and most transactions are strata-titled transaction.

There has been only one business park transaction recorded from 2018 to date, of which transaction price range from RMB 7,500-8,500 per sqm. The transaction price range is caused by different delivery standards; some units are decorated while other units are vanilla shell.

Table 1 Capital Value Selected Transactions of Suzhou Business Parks (2017-2020)

Submarket	Project	Land	Price(RMB/m ²)	Seller	Buyer
SND	Accelerator of Jiangsu Medical Device Technology Park	Industrial Land	Deal Price: 7,500-8,500 (2020) (Strata-titled Transaction)	Medpark	N/A
	Ascendas IHUB Suzhou	Industrial Land	Deal Price: 10,000 (2017) (Strata-titled Transaction)	CapitaLand	End User – AI Industry

Gross Yields

A growing number of investors have increased their interest in business park properties as a viable real estate investment asset class in recent years, thus the yield of business park properties has decreased gradually given the lack of available assets for sale on the market. In addition, the development of urban transport infrastructures such as metro lines will contribute to bringing up the price of business park properties as these districts become better connected and integrated to their broader metropolitan area. Consequently, the average yield of business park properties is expected to range between 5.0%-6.0% for the foreseeable future, on par with the cap rates recorded in recent transactions in Suzhou from 2018 to 2020.

Table 2 Gross Yields of Selected Transactions of Suzhou Business Parks (2018-2020)

Submarket	Project	Land	Estimated Gross Yield
SND	Accelerator of Jiangsu Medical Device Technology Park	Industrial Land	4.6%-6.4% (2020)
SIP	Ascendas iHub Suzhou	Industrial Land	N/A

4.7 OUTLOOK

Going forward, it could be expected that with the rapid development of key growth industries such as IT / Internet industry and bio-medicine industries, the business parks with prime locations, high-quality specifications and outstanding property management will continue performing well for the foreseeable future.

5. SUZHOU INDUSTRIALS

5.1 MARKET CHARACTERISTICS

Over the past years, Suzhou maintained its position as one of the most popular investment destinations for MNCs in the Yangtze River Delta area, benefitting from its solid industrial base, adequate labor resources, rapid infrastructure improvements and convenient logistic services. The major industrial areas of SIP, SND and Wuzhong account for the lion's share of Suzhou's industrials stock.

The following map highlights the location of each industrial area:

Figure 33 Suzhou Industrials Submarkets



5.2 CURRENT TRENDS

Over the past 10 years, the industrial economy in Suzhou has entered a period of rapid development. Suzhou has been successful in attracting a largest number of tech-driven and R&D-focused tenants, including biomedical science industry occupiers at Wuzhong, high-tech firms at the SIP, and high-end equipment manufacturing at the SND.

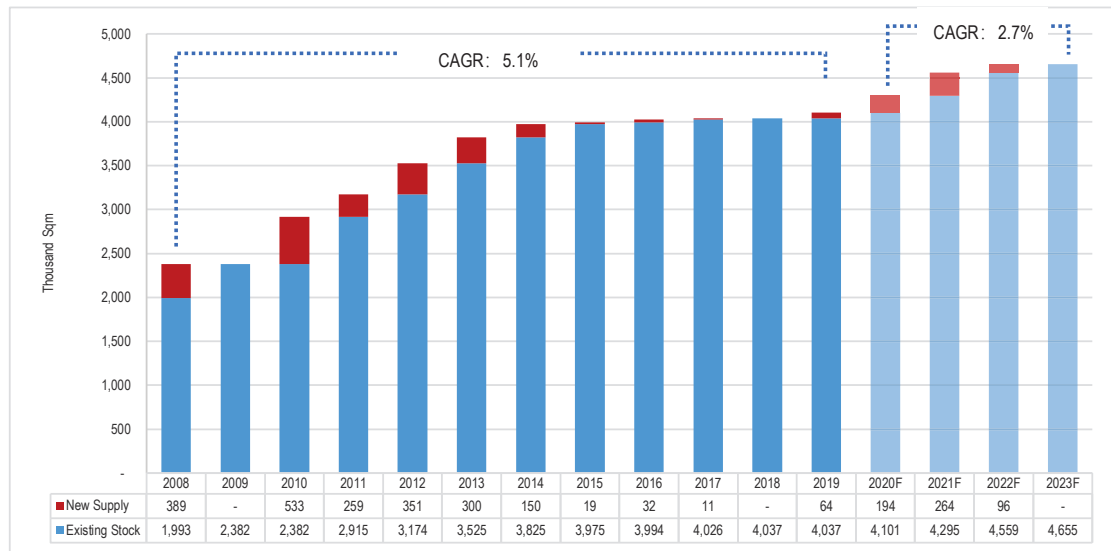
5.3 SUPPLY ANALYSIS

Suzhou's industrials market emerged in the early 2000s, with the majority of the supply located in SIP in early years, making this submarket the most established industrials area in the city. In SIP, there are two new projects that will come into market in 2022, one is HengtaiJinguang Industrial Park I and the other is XinjianyuanJinguang Industrial Park, with total 96,000 sqm.

From 2008 to 2020Q3, total stock of industrial properties has almost quadrupled from 800,000 sqm to more than 3,000,000 sqm in SND and Wuzhong. In the Wuzhong submarket, two projects were completed this year, including one 110,000 sqm building developed by Liando U Valley which started operation in 2020Q3, and one 80,000 sqm building developed by Sin-Sino and delivered in 2020Q1. By the end of 2020Q3, the total stock of industrial properties in Suzhou rose to over 4.29 million sqm.

With limited land supply and strict government regulations, very limited new supply is expected in the next three years. The limited new supply of industrial properties in Suzhou indicates that the market will remain stable in the foreseeable future, with total industrials stock reaching over 4.6 million sqm by the end of 2023, representing a CAGR of 2.7% between 2020 and 2023.

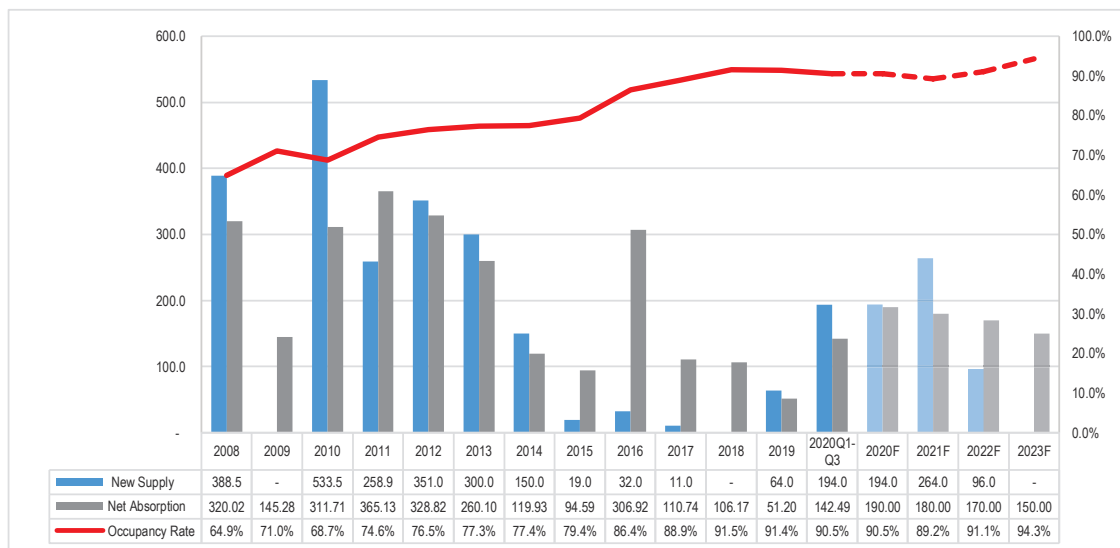
Figure 34 Suzhou Industrials Supply 2008-2023F



Source: Colliers International

5.4 DEMAND ANALYSIS

Figure 35 Demand Analysis of Suzhou Industrials Market (2008-2023F)



Source: Colliers International

The occupancy rate of the Suzhou industrials market has been increasing gradually from 2008 to 2018 due to limited new supply, reaching a stable occupancy rate of over 90% from 2018 onwards. While the pandemic has affected some businesses and thus the net absorption during the first half of 2020, the market continued to remain strong and resilient during the COVID-19 pandemic

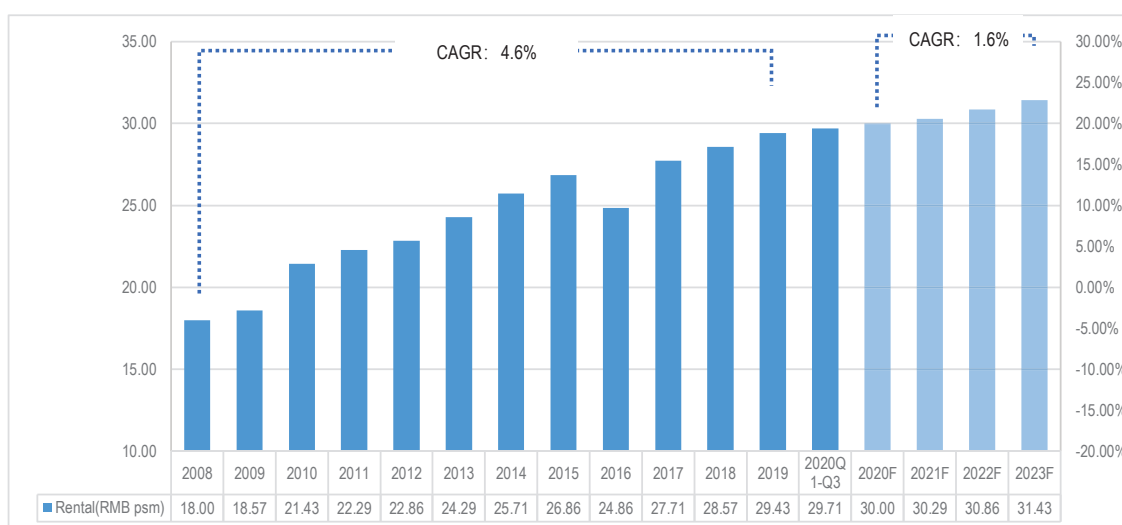
due to strong demand from the biomedical science sector. In 2020Q3, the occupancy rate reached 91%, the highest level recorded in recent years. With a huge influx of new supply entering the market in 2021, the occupancy rate is predicted to decrease marginally to 89.2% in 2021 before recovering back to 91.1% in 2022 and reaching an all-time high of 94.3% in 2023.

In conclusion, demand of industrial properties has been strong in Suzhou for more than a decade, and is expected to continue its strength in the near future. Even with the impact of COVID-19, the market has demonstrated great resilience and stability, making industrial properties an attractive income-generating prospect.

5.5 RENTAL ANALYSIS

Rents and Rental Changes CAGR (2008-2023F)

Figure 36 Rents and Rental Changes (2008-2023F)



Source: Colliers International

The average rental rate of industrial properties in Suzhou has remained robust driven by the strong performance of Suzhou's manufacturing sector and strong occupier relocation demand as a result of the acceleration of the urban renewal process, which has promoted tenants to move out of old facilities and lease newer better spaces. This has allowed rent to grow at a CAGR of 4.6% between 2008 and 2019. In the coming years, the completion of new state-of-the-art high-end projects is expected to bump up average rental rates across the entire market. Rents are expected to continue its trend of stable growth of 1.6% per year in the next 3 years due to steady demand driven by the economic recovery.

5.6 INVESTMENT MARKET ANALYSIS

No major notable industrials leasing and sales transactions were recorded in 2020.

In 2018, the government released policies to strengthen the management of existing industrial land, whereby leasing, land transfer and change of ownership of existing industrial land have to be approved by the government.

Despite strict government controls, there are still investors looking for suitable opportunities in this market, targeting investment yields of 6.5%-7.0%. Due to limited supply and relatively stable demand, capital values of industrials are expected to rise in the coming years. Below are some recent transaction records of industrial properties, all of which took place in 2018.

Table 3 Selected Transaction Records for Reference

Submarket	Property Details	Price	Unit Price (RMB/sqm)	Buyer
SIP	Single and Double Biomedical Workshop with equipment and clean room, 12,000 sqm	RMB 90 Million	Deal Price 7,500 (2018)	N/A
SIP	30,000 sqm standard workshop plus 53,000 sqm of land	RMB 165 Million	Deal Price 1,500 (Workshop, 2018) 2,250(Land, 2018)	N/A
SND	7,000 sqm standard workshop plus 8,000 sqm of land	RMB 30 Million	Deal Price: 4,286	N/A
SND	12,000 sqm standard workshop plus 13,000 sqm of land	RMB 45Million	Deal Price: 3,750	N/A

Source: Colliers International

6. ASCENDAS XINSU PORTFOLIO

6.1 DESCRIPTION, LOCATION AND ACCESSIBILITY

Ascendas Xinsu was built in 1995. It is one of the first business park projects in SIP and has accumulated good reputation for its property quality and premium location. Ascendas Xinsu was designed as workshops in the earlier stage. With the development of high-end industries, a part of workshops was redeveloped into R&D buildings to suit the needs from high-end industries. Now, there are six R&D buildings in Ascendas Xinsu, with total GFA of 72,000 sqm. For each R&D building, there are six elevators and self-controlled HVAC system. Besides, the net height of each building is 2.8m, making people feel comfortable in the space. In addition to these, the Ascendas Xinsu has amenities like restaurants and stores on the first floor. More than 300 multinational companies and top domestic companies gathered here. It is an ideal platform for industry, R&D, and modern service industries.

Ascendas Xinsu is located in the core area of SIP, the most developed submarket in Suzhou and located near the city center. Ascendas Xinsu is well-connected to the city's public transit infrastructure via West Ligongdi Station on the Metro Line 3 & 6, and located only 800m away from SIP centre.

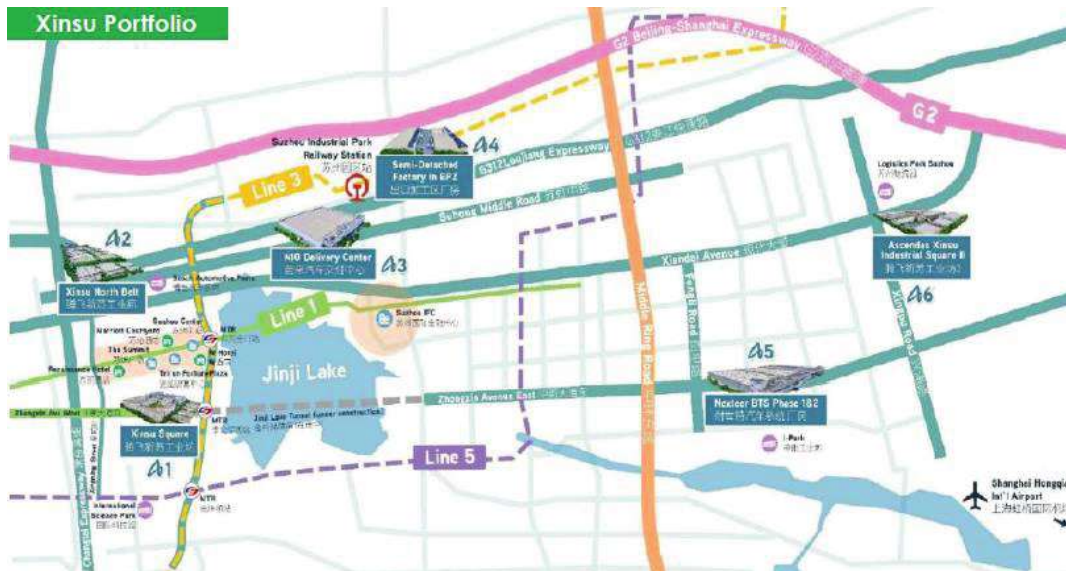
There are six industrial properties in the Ascendas Xinsu portfolio, all of which are located in the SIP submarket and conveniently located near metro stations or expressway access points. Xinsu Square is located west of Jinji Lake, close to Metro Line 3 West Ligongdi Station. Xinsu North Belt, NIO (popular electric car provider) Delivery Center, and Semi-Detached Factory in EPZ are all within 1.5 km radius from metro stations. Xinsu Industrial Square II and Nexteer BTS Phase 1&2, although located far away from metro lines, are close to expressway G2 and Suzhou Middle Ring Road.

Figure 37 The Location of Ascendas Xinsu



Source: Colliers International

Figure 38 Xinsu Portfolio Map



Source: Colliers International

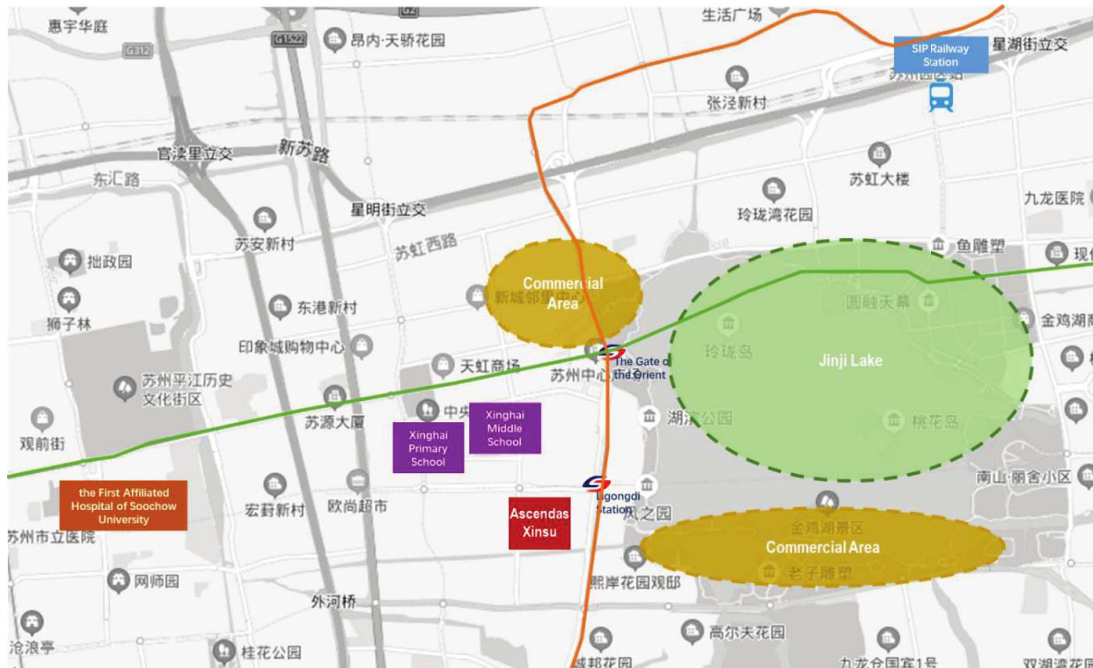
6.2 AMENITIES

Amenities of Business parks in Xinsu Portfolio

Ascendas Xinsu is 800 meters from key commercial activities and community amenities at Jinji Lake and Ligongdi Commercial Street, which is famous for fashionable pubs and restaurants, and lies only 1km away (5 minutes' drive) from the Suzhou Center Square which integrates multiple functions such as office, hotel, commerce, apartment, culture, entertainment, etc. Ligongdi Commercial street was designated as a "Commercial Street with Chinese Characteristics" by China Pedestrian Commercial Street Working Committee in 2019 and was recognized among "Suzhou's Top Ten Most Beautiful Night Scenery Spots" in 2010.

Ascendas Xinsu also enjoys convenient public transportation with three metro lines (1, 3 and 6) and takes only 17 minutes' drive to SIP Train Station. Besides, Ascendas Xinsu is close to Suzhou Square Center, which includes office, shopping malls and five-star hotels, such as W Hotel, Marriott Courtyard and Renaissance Hotel. In addition to these, Ascendas Xinsu is not far to the First Affiliated Hospital of Soochow University. This is the grade A hospital in Jiangsu Province. Furthermore, Ascendas Xinsu is 700 meters to Xinghai Primary School, 900 meters to Xinghai Middle School and 2,000 meters to Suzhou University. On top of this, Ascendas Xinsu is situated near to high-grade shopping malls Suzhou Center Square, as well as W Hotel. In conclusion, Ascendas Xinsu has great advantages in location and transportation than other business parks in SIP.

Figure 39 Map of Amenities of Business parks in Xinsu Portfolio



Amenities of Industrial assets in Xinsu Portfolio

There are six industrial properties in the Ascendas Xinsu portfolio, all of which are located in the SIP submarket. Xinsu North Belt, NIO (popular electric car provider) Delivery Center, and Semi-Detached Factory in EPZ are all near SIP Train Station. SIP Train Station is well connected with other cities in Yangtze River Delta, it takes only 30 minutes to Shanghai Hongqiao Train Station and 50 minutes to South Nanjing Train Station. In addition to these, the three properties are near main road and takes about 20-30 minutes' drive to city center. Specifically, NIO (popular electric car provider) Delivery Center is 1km to Jinjihu Commercial Area, which includes Suzhou international Expo Center, Yuanrong Time Square, Jiuguang Department Store and other commercial resources.

Xinsu Industrial Square II and Nexteer BTS Phase 1&2 are close to expressway G2 and Suzhou Middle Ring Road, which are directly connected to city center. Xinsu Square locates in the west of Jinji Lake, and close to Metro Line 1, 3 and 6. Compared with other workshops in SIP, Xinsu Square has obvious advantage in transportation and commercial facilities.

6.3 REVIEW OF COMPETITIVE ENVIRONMENT

Business Parks in Xinsu Portfolio

The following chart includes the competitive properties to the Ascendas Xinsu in this cluster. Different from Ascendas Xinsu, which includes both business parks and workshops, Suzhou International Science Park only has R&D buildings and focus on information technology industry. Compared with Suzhou International Science Park (I- IV), Ascendas Xinsu is closer to city center and has more

convenient public transportation. Therefore, Ascendas Xinsu gets better market performance than Suzhou International Science Park (I- IV).

Table 4 Competitive Properties to the Ascendas Xinsu (2020Q3)

No	NAME	Completion Year	Gross Area (sqm)	Asking Rent (RMB/sqm/month)	Occupancy Rate
1	Ascendas Xinsu Square	2016	72,000	65.0 – 69.0	83%
1	Suzhou International Science Park I	2001	40,000	45.7	95%
2	Suzhou International Science Park II	2003	60,000	45.7	95%
3	Suzhou International Science Park III	2005	58,000	50.6	95%
4	Suzhou International Science Park IV	2007	150,000	50.6	95%

Figure 40 Map of Competitive Properties to the Ascendas Xinsu



There is no new supply around Ascendas Xinsu in the future. The following chart included competitive properties to Ascendas Xinsu based on their relative similarities with respect to location, age/quality/condition and amenities.

Table 5 Represented Business Parks in SIP (2020Q3)

Represented Projects	Completion Year	Gross Area (sqm)	Rent (RMB / sqm / month)	Occupancy rate
Ascendas Xinsu Square	2016	72,000	65.0 – 69.0	83%
Existing Project (Latest Asking Rental)				
Suzhou International Science Park I	2001	40,000	45.7	95%
Shahu Science Park	2001	26,000	40.0	93%
Suzhou International Science Park II	2003	60,000	45.7	95%
Suzhou International Science Park III	2005	58,000	50.6	95%
Suzhou International Science Park IV	2007	150,000	50.6	95%
Bio Bay I	2007	72,000	38.0	85%
SIP Ecological Science Hub	2007	66,777	47.7	80%
Suzhou International Science Park V-Creative Industrial Park	2008	500,000	47.1	95%
Suzhou International Science Park VI-Idea Pump	2010	20,000	45.7	95%
Suzhou Nanotechnology University Science Park II	2010	166,000	43.7	60%
Ascendas iHub Suzhou 1-A (CL Asset)	2010	38,863	45.7	95%
Genway I-Park I	2011	110,181	57.1	85%
Suzhou Nanotechnology University Science Park I	2011	70,000	43.7	80%
Bio Bay II	2012	277,000	38.0	95%
Dongfang Business Park	2012	128,000	37.1	75%
Genway I-Park II	2013	116,832	57.1	85%
Nanopolis Suzhou I	2013	300,000	38.0	70%
SIP Ecological Science Plaza	2013	133,200	45.7	40%
Ascendas iHub Suzhou 1-B (CL Asset)	2013	16,704	45.7	85%
CECEP Suzhou I	2013	73,000	41.0	94%
Suzhou International Science Plaza	2013	45,000	42.9	93%

Fangzhengzhigu	2013	50,000	35.7	90%
Nature Lake-Wisdom Valley	2013	73,000	35.1	90%
Bio Bay III	2015	194,000	38.0	95%
Ascendas iHub Suzhou 1-C (CL Asset)	2015	148,510	45.7	95%
Qidi Fashion Technology City	2015	200,000	47.7	69%
CECEP Suzhou II	2016	45,000	40.9	90%
Microsoft Suzhou R&D Center	2016	45,000	57.1	100%
Genway I-Park III-1	2017	111,478	54.3	46%
Suzhou International Science Park VII-Suzhou Artificial Intelligence Industrial Park	2018	260,000	47.7	40%
SIP Human Resources Service Park I	2019	30,000	57.1	67%

Outperformance of business parks in Ascendas Xinsu vs business parks in SIP

The market performance of business parks in Ascendas Xinsu is much better than the business parks in SIP.

In terms of rent, the average rent of Ascendas Xinsu business parks has been much higher than that of SIP business parks. From 2017 to 2020Q3, the average rent of Ascendas Xinsu business parks increased from RMB 55.5 to 67.0 per sqm per month, representing a 20.7% increase over the period. While the average rent of SIP business parks increases from RMB 44.7 to 46.0 per sqm per month, which equates to an increase of only 2.9% over the period.

The occupancy rate of Ascendas Xinsu business parks has been much higher than that of SIP business parks in 2019 and 2020Q3. From 2017 to 2020Q3, the occupancy rate of Ascendas Xinsu business parks increases from 44.4% to 82.5% representing an increase of 38.1% over the period. In the same period, the occupancy rate of SIP business parks increased from 68.7% to 81.5%, an increase of only 12.8%. This demonstrates the merits of Ascendas Xinsu in providing the business parks of choice within the SIP submarket, thus attracting a greater proportion of tenants over the years.

	2017	2018	2019	2020Q3
Average rent of Ascendas Xinsu business parks (RMB/sqm/mth)	48.0 – 63.0	51.0 – 66.0	62.0 – 67.0	65.0 – 69.0
Average rent of SIP business parks (RMB/sqm/mth)	44.7	46.3	46.4	46.0
Occupancy of Ascendas Xinsu business parks	44.4%	61.8%	80.2%	82.5%
Average occupancy of SIP business parks	68.7%	68.0%	74.7%	81.5%

Figure 41 Comparison of Average Rent among Ascendas Xinsu and SIP Business Parks (2017-2020Q3)

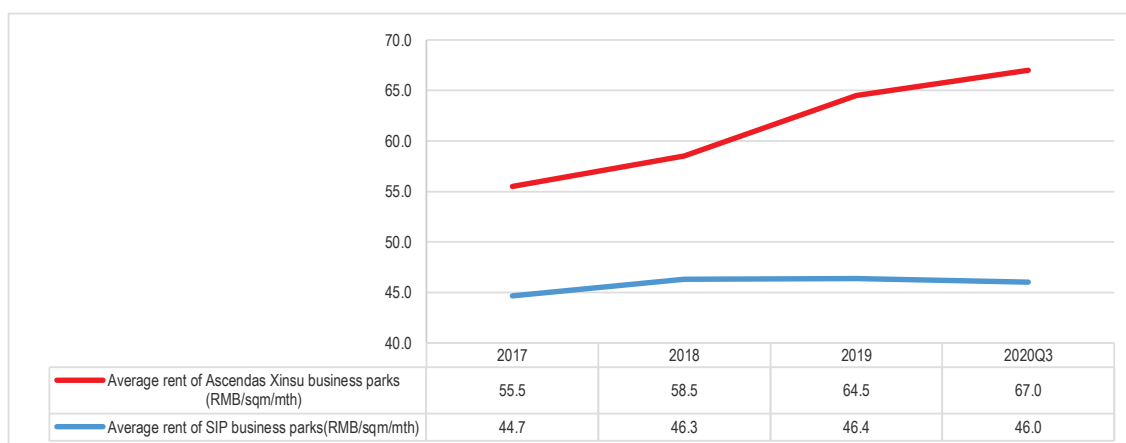
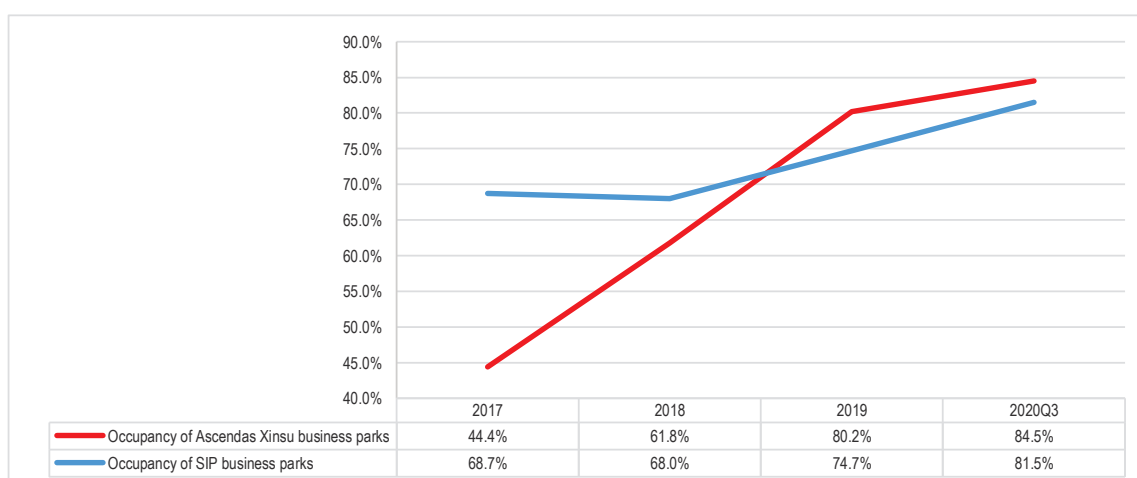


Figure 42 Comparison of Occupancy Rate among Ascendas Xinsu and SIP Business Parks (2017-2020Q3)



Industrial Assets in Xinsu Portfolio

The following chart includes the competitive properties to the industrial assets in Xinsu Portfolio. Compared with Suhong Industrial Park, Xinsu North Belt, NIO Delivery Center and Semi-Detached Factory in EPZ have great advantages on location, which are close to Metro Line 3 and SIP Train Station, as well as Jinjihu Commercial Area. Besides, Xinsu Industrial Square II has greater reputation and better management than Xiandai Industrial Park, Suchun Industrial Park and SIP EPZ-B.

Along with the process of urban renewal and government promoting higher FAR (floor area ratio) for industrial lands, it is anticipated that higher-density multi-floored factory buildings such as those in the Xinsu portfolio will become scarcer despite strong and stable occupier demand for this type of property.

Table 6 Competitive Properties to the Industrial Assets in Xinsu Portfolio (2020Q3)

No	NAME	Completion Year	Gross Area (sqm)	Rent (RMB/sqm/month)	Occupancy Rate
1	Suchun Industrial Park	2003	306,000	38.81	95%
2	Suhong Industrial Park	2002	13,000	41.80	100%
3	SIP EPZ-B	2008	80,000	32.84	70%
4	Xiandai Industrial Park	2008	108,000	41.80	100%

Figure 43 Map of Competitive Properties to the Industrial Assets in Xinsu Portfolio



There are no new workshops around industrial assets in Xinsu portfolio. The following chart included competitive properties to the industrial properties based on their relative similarities with respect to location, age, quality, condition and amenities.

Table 7 Represented Industrial/Manufacturing Projects in SIP (2020Q3)

Representative Projects	Completion Year	Gross Area (sqm)	Rent (RMB / sqm / month)	Occupancy rate
Industrial Assets in Xinsu Portfolio	1995-2004	300,000	37.0 – 41.0	93%
Existing Project (Latest Rental)				
Xiangchengyongchun Industrial Park	2006	120,000	32.8	100%
Xiangchengpanyang Industrial Park	2008	50,000	32.8	90%
Xiangchengchaoyang Industrial Park	2008	105,000	32.8	90%
Suxiang Cooperation Zone	2006	225,000	32.8	95%
Suchun Industrial Park	2003	306,000	38.8	95%
Suhong Industrial Park	2002	13,000	41.8	100%
SIP EPZ-B	2008	80,000	32.8	70%
Xiandai Industrial Park	2008	108,000	41.8	100%
Weiting Venture Capital Industrial Park	2007	200,000	43.3	100%
Technology Industrial Park (Phase I)	2008	45,536	43.3	100%
Technology Industrial Park (Phase II)	2010	33,461	43.3	100%
NO.179, West Suhong Road	2015	19,000	38.8	25%
GLP i-Park	2017	11,000	38.8	100%
Liando U Valley. Innovation and Entrepreneurship Center	2019	64,000	30.9	-

Outperformance of industrial assets in Ascendas Xinsu vs industrial assets in SIP

The market performance of industrial assets in Ascendas Xinsu is stable and in line with the SIP market performance.

Although the age of Industrial assets in Ascendas Xinsu is pretty long, both the average rent and occupancy rate of Ascendas Xinsu industrial assets have maintained at stable and high level, due to its ability to provide higher quality facilities service to its tenants.

	2017	2018	2019	2020Q3
Average rent of Ascendas Xinsu industrial assets (RMB/sqm/mth)	36.0 – 40.0	34.0 – 40.0	35.0 – 40.0	37.0 – 41.0
Average rent of SIP industrial assets (RMB/sqm/mth)	36.6	37.1	37.7	37.9
Occupancy of Ascendas Xinsu industrial assets	90.1%	95.7%	95.0%	92.8%
Occupancy of SIP industrial assets	94.8%	95.4%	93.6%	94.8%

Figure 44 Comparison of Average Rent Among Ascendas Xinsu Portfolio and SIP Industrial Assets (2017-2020Q3)

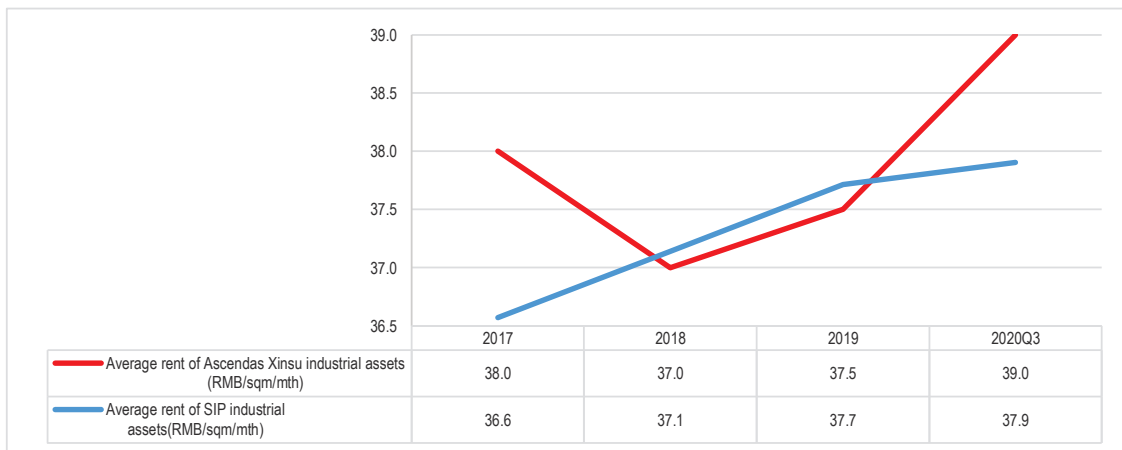
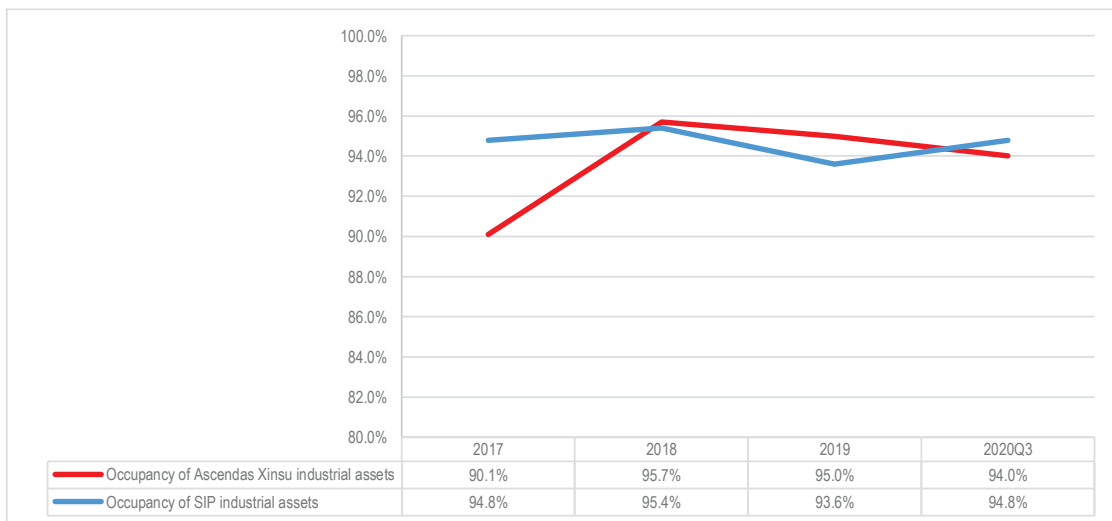


Figure 45 Comparison of Occupancy Rate Among Ascendas Xinsu Portfolio and SIP Industrial Assets (2017-2020Q3)



6.4 SWOT SUMMARY

Strength

- Premium Location: All the assets in Ascendas Xinsu are located in the SIP submarket with both great public transportation and close access to expressways.
- Great Market Performance: All the assets showed great resilience during the Covid-19 pandemic with positive rent reversions and higher occupancy rates.
- CapitaLand's Management: CapitaLand's property management teams and leasing teams have extremely professional conduct which has helped to increase the stickiness of tenants due to close working relationships.

Weakness

- Most of the properties in Xinsu portfolio were completed 20 years ago.
- Xinsu Industrial Square II and Nexteer BTS Phase 1&2 are far away from metro lines

Opportunities

- The Communist Party of China Central Committee and the State Council on jointly issued an outline of the integrated regional development of the Yangtze River Delta and make it a national strategy. As one of the key cities in Yangtze River Delta, Suzhou will attract more high-end companies and top talents, which will accelerate the development of local economy.
- SIP provides the best combination of supportive policies for edge industries and top talents. These policy measures attract many companies and talents to settle down in SIP every year which generates stable demand for both industrial and R&D space.
- Scarcity: CapitaLand is one of the very first developers to have entered Suzhou's business park and industrial market. Given that all levels of government all levels are now promoting upzones on industrial lands, assets own by CapitaLand will become scarcer thus guaranteeing a more stable market performance.

Threats

- By the end of 2023, the new supply of Suzhou business park market is expected to total over 1.5 million sqm. Although the majority of the new business park supply is located in SND and Wuzhong, it may inevitably have an impact on SIP's business park market.

6.5 OUTLOOK

Firstly, properties in Ascendas Xinsu portfolio are all located in SIP submarket, with convenient public transportation and infrastructure.

Secondly, properties in Ascendas Xinsu has better amenities than other properties. For example, Ascendas Xinsu is close to metro lines, shopping malls, hospitals and school. Xinsu North Belt, NIO (popular electric car provider) Delivery Center, and Semi-Detached Factory in EPZ are all near SIP Train Station. Xinsu Industrial Square II and Nexteer BTS Phase 1&2 are close to expressway G2 and Suzhou Middle Ring Road.

Finally, properties in Ascendas Xinsu have a better market performance than the average level in SIP, both in terms of rent and occupancy rate.

We are of the view that the overall outlook for future rental and occupancy rate performance of the Ascendas Xinsu portfolio in the next few years would remain positive due to its prime location, favorable industry environment and premier property management capability.

7. XI'AN MACROECONOMIC OVERVIEW

As one of the world's four ancient capitals of civilization, Xi'an, the capital of Shaanxi Province, is one of China's national central cities and a major centre for business, education and culture. Spanning over 10,000 square kilometres, Xi'an is the largest city in Shaanxi Province, and its primary trade and administration hub serves as an important base for high-tech industries, scientific research, higher education, and national defense science and technology in China. Given its strategic location in Central China and in the Guanzhong-Tianshui Economic Zone, Xi'an has also become a core city of China's "Belt and Road Initiative", which calls for the systematic promotion of comprehensive innovation reforms and experiments.

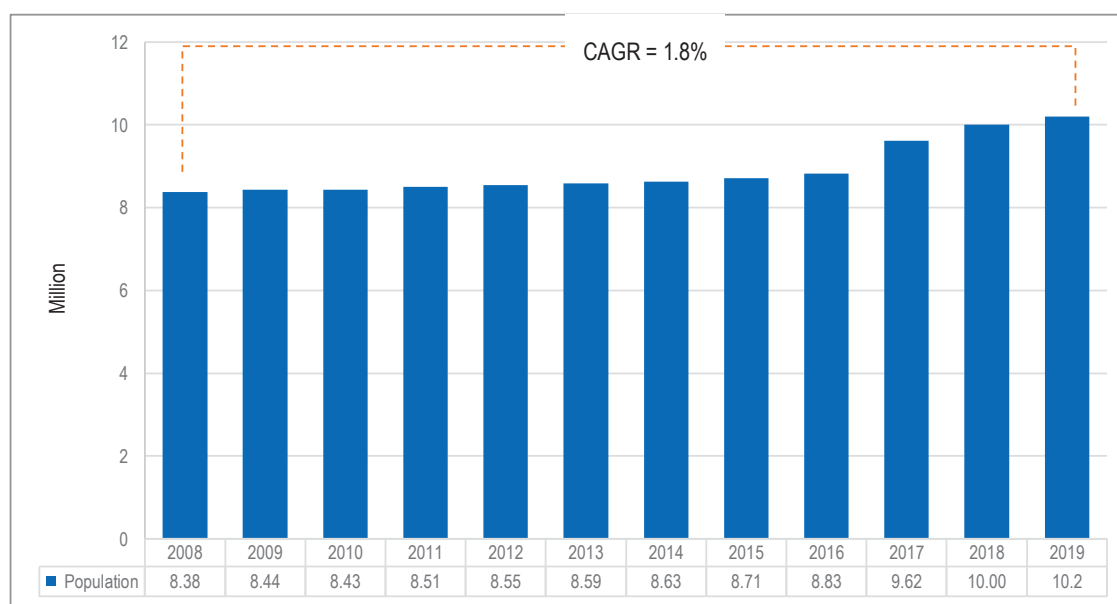
Xi'an has a strong industrial foundation with IT at its core. Up to now, the output value of IT/IC industries and biotechnology has exceeded 550 billion yuan in Xi'an, with "high-tech" unicorns enterprises account for 52.7% of the market's value.

7.1 DEMOGRAPHIC TRENDS

Due to influence of the 2017 New Settlement Policy by the Xi'an government which lifted many prior restrictions on migration, the rate of population growth has skyrocketed. In 2019, the population reached 10.2 million, representing a CAGR of 1.8% between 2008 and 2019, with nearly 75% of the city's residents living in urban districts.

With the high density of tertiary education institutes, and the large number of college students in China, coupled with the inclusion of one of China's five major educational and scientific research centres in the city, Xi'an holds a strategically important role in the country's research and development capability.

Figure 46 Xi'an's Population and Growth Rate (2008-2019)



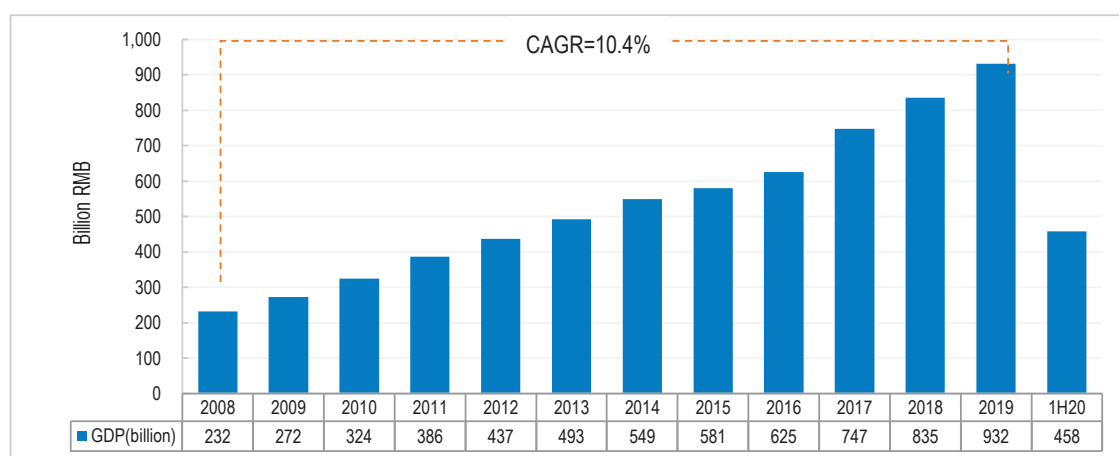
Source: Xi'an Statistics Bureau, Colliers International

7.2 ECONOMIC PERFORMANCE

Xi'an's GDP grew from RMB 232 billion in 2008 and RMB 932 billion in 2019, representing a CAGR of 10.44% over the past decade. The rapid growth of Xi'an's economy has attracted the interest and confidence of global investors and corporations to

Xi'an, raising the profile of the city as an emerging international investment destination and business hub. As at the end of 2019, Xian ranked 24th in terms of urban economic development among China major cities.

Figure 47 Xi'an's GDP and Growth Rate (2008-1H2020)



Source: Xi'an Statistics Bureau, Colliers International

The Xi'an government has targeted five strategic emerging industries – high-tech industry, equipment manufacturing industry, tourism, cultural industry and modern service industry - to stimulate long-term and high-quality economic growth. With a large and diversified economic base, generous government recovery and stimulus programs amid COVID-19 pandemic, the outlook for Xi'an's economy remains very positive.

8. XI'AN BUSINESS PARKS

8.1 MARKET CHARACTERISTICS

The Xi'an business park market includes three major submarkets: Xi'an Hi-Tech Industries Development Zone (XHTIDZ), Xi'an Economic & Technological Development Zone (XETDZ) and Xixian New Area.

XHTIDZ, where the Ascendas Innovation Tower and Ascendas Innovation Hub are located, is Xi'an's prime business park market, with well-established market demand, good connectivity to the CBD and good quality office offering. Established in 1991, XHTIDZ was one of the earliest Chinese science parks at the national level and is regarded as one of the most successful national high-tech zones (ranked 7th in 2019 by the Ministry of Science and Technology). It is also the largest business park market in terms of economic scale in Northern-Western China – with 120,000 enterprises registered mainly from electronics, semiconductors, manufacturing, biomedicine, new energy cars and innovative industries. Prominent institutions and research centres within the vicinity including Northwest University, Xi'an International University, Xi'an University.

Source: Colliers International

XHTIDZ

XTHZ is located in South-West of Xi'an, is currently Xi'an's largest high-technology business park submarket. Over 20 years of development, XTHZ has achieved good performance and has become an important industrial agglomeration zone and sub-city center.

XTHZ is positioned to become a world-class science and technology park, a first-class research and development base and a leading area of emerging industries, forming a leading industrial cluster in the fields of communication, photovoltaic, electronic components, software and service outsourcing. With the operating of Metro Line 6 in 2020, XTHZ will be more attractive to tenants and investors.

8.2 CURRENT TRENDS

In the past three years, preferential policies introduced in Xi'an business park market such as the Talent Introduction Policies and Investment Attracting Policies have been aimed at fostering targeted industrial investment, supporting micro-enterprises, attracting high-end talent and developing environmental protection standards.

As the most mature business park region in Xi'an, XHTIDZ has laid out an established set of preferential policies to spur the growth of end industries and the business park market. The current policies are primarily focused on attracting highly qualified talents and headquarters of enterprises, to widen the pool of human capital and talent available for key tenant industries of the business parks.

8.3 SUPPLY ANALYSIS

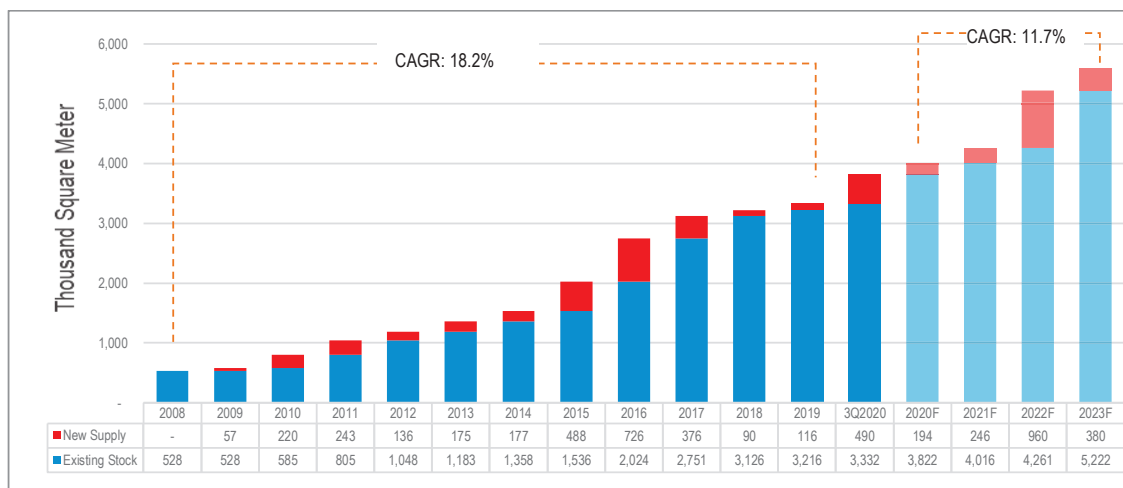
Existing Stock and New Supply (2008-2023F)

Historically, business parks have been an important pillar for the government’s strategy to attract investments into Xi’an, with state-owned platforms being the primary owners of large-scale business parks. The average annual new supply of business parks between 2015 to 2020Q3 was approximately 0.38 million sq m per year.

From 2020Q4 to 2023, the forecasted supply pipeline of business park is estimated to be approximately 1.78 million sq m in Xi’an, with an average annual supply of 0.45 million sq m. The largest new supply of approximately 0.96 million sq m will be delivered in 2022 and entirely concentrated in the three submarkets of XHTIDZ, XEDTZ and Xixian New Area.

As approximately 70% of these new projects are held and developed by the government, these projects involve strict restrictions on both rent and sale procedures. Therefore, the new incoming supply is not expected to negatively impact on existing business park properties.

Figure 49 Xi’an Business Park Market Supply (2008 to 2023F)



Source: Colliers International

8.4 DEMAND ANALYSIS

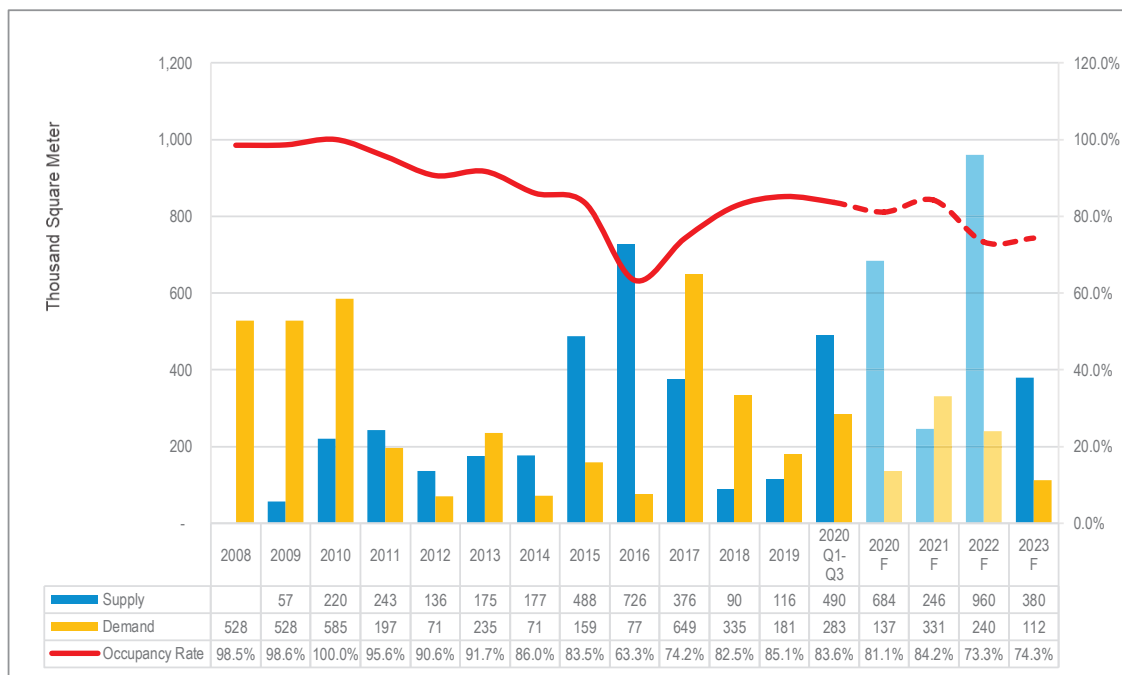
Demand and Occupancy Rate (2008-2023F)

Xi'an's rapid economic growth in key growth industries such as high-technology, software and information services industries have generated significant business park occupier demand in the past years. From 2008 to 2019, the net absorption of business parks averaged 183,000 sq m per year. With stable market demand alongside a gradual decrease of supply, the occupancy rate of business parks in Xi'an has gradually increased to 85.1% in 2019.

With the COVID-19 pandemic effectively under control in China and the Chinese economy recovering faster than anticipated, business park occupiers have begun to resume their relocation and expansion plans since 2020Q2. The occupancy rate has managed to sustain at 83.6% in 2020Q3. The occupancy rate of XHTIDZ, in particular, stood at 84.4%, well above market average level.

As the demand for new firms setting up offices in the city and existing firms expanding their presence is projected to remain strong in Xi'an, the occupancy rate for existing business park properties is expected to remain stable at the current level, for the new supply are mainly government-led and should not affect occupancy rate of existing properties significantly in the short to medium term, with the broader market average at around 74% levels.

Figure 50 Xi'an Business Park Supply, Demand and Occupancy Rate (2008 to 2023F)



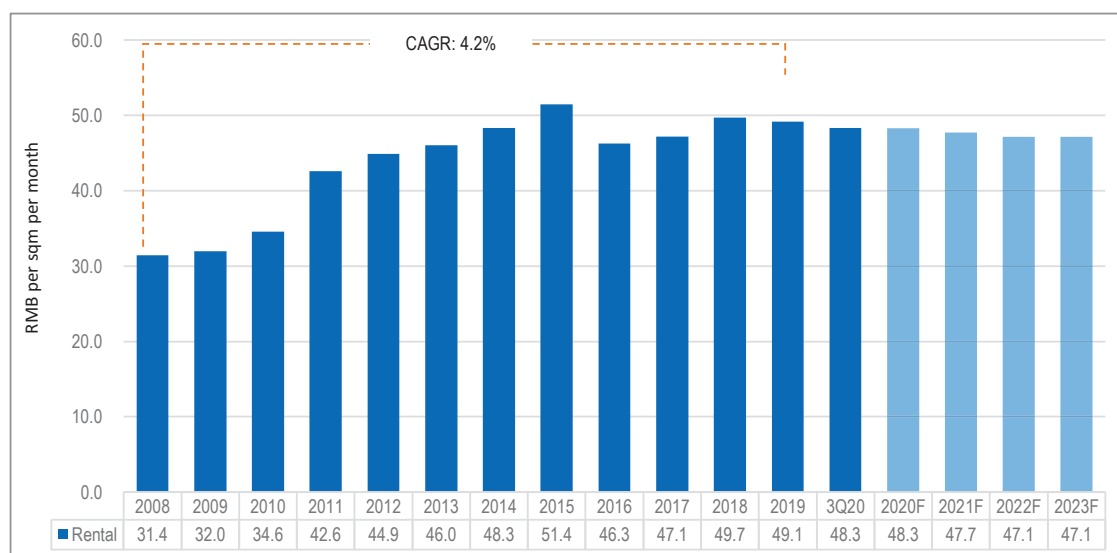
Source: Colliers International

8.5 RENTAL ANALYSIS

Rental growth of Xi'an's business park market has been relatively stable since 2015. As the quality of business park properties improves and Xi'an becomes a more mature business park market, a growing number of tenants are willing to pay higher rents for a convenient location, high-quality office spaces and ancillary facilities. In 2019, while the average market-wide rent was RMB 49.1 psm per month. This flight to quality is expected to mitigate the reduction in the average rental rates of new competing business park projects over the next five years.

In particular, the rents of business park projects vary according to project location, infrastructure, hardware quality and developer reputation. XHTIDZ continues to record a strong performance with an average rent of around RMB 48.3 psm per month by the end of 2020Q3, as it has become an important and well-established industrial agglomeration zone and sub-city centre in Xi'an.

Figure 51 Xi'an Business Park Average Rent and Rental Growth Analysis (2008-2023F)



Source: Colliers International

8.6 INVESTMENT MARKET ANALYSIS

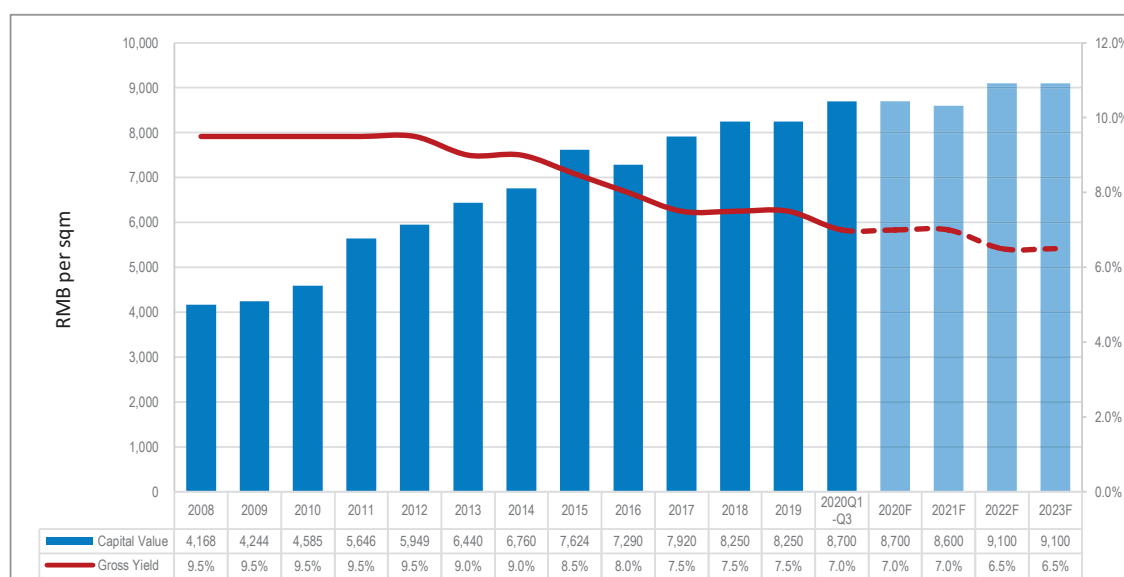
Capital Values and Gross Yield (2008-2023F)

In the past few years, the investment volume in the Xi'an business park market has been limited due to government control and ownership and the relatively recent development of business park projects in the city. Most projects have been delivered over the past few years, and developers still see Xi'an as an emerging business park market with upside potential.

Investment interest is on the rise, particularly from institutional investors looking to deploy capital outside the major tier-1 Chinese cities. The average gross cap rate of Xi'an business park properties stood at about 7%, with some properties yielding a higher gross cap rate of 8% to 10%. As of 2020 Q3, the average capital value of business park properties in Xi'an ranged between RMB 8,500 to 9,000 per sq m. XHTIDZ, in particular, is the most attractive sub-market which commands the highest price per sqm due to high-quality project specifications, high rental level and occupancy rate, ranging from about RMB 9,000 to about 12,500 per sqm as of 2020 Q3.

Since occupier demand in Xi'an business park market is strong and Xi'an is considered an emerging business park market with considerable upside potential, investors are expected to increasingly look to Xi'an's business park properties for attractive property acquisitions. In the next few years, it is expected that the gross yield will remain stable, while the capital values will increase gradually.

Figure 52 Xi'an Business Parks Capital Value and Gross Yield (2008 to 2023F)



Source: Colliers International

Major Investment Transactions

There were no en-bloc sales transaction in Xi'an business market in recent three years. However, due to the stable rental income, the good transport accessibility and high-quality business park properties, there has been growing interest among investors for the Xi'an business park market. XHTIDZ is one of the most attractive areas for investors among the three sub-markets. Investors have confidence in the long-term development of the region and see strong growth and value-add potential in the business park market. In addition, potential disposal of projects in XHTIDZ by key landlords are expected to attract considerable attention in the coming years, potentially resulting in a higher volume of investment transactions in the Xi'an business park market.

Table 8 Capital Value Selected Transactions of Xian Business Parks (2016-2020)

Submarket	Project	Land	Price(RMB/sqm)	Seller	Buyer
XHTIDZ	Digital China Business Park Block 3	Industrial Land	7,500-8,000 (Strata-titled Transaction)	Digital China	n/a
XHTIDZ	Avic Aircraft Building	Industrial Land	2,000-2,500 (Enbloc transaction)*	Avic	XHTIDZ bureau

* XHTIDZ Bureau purchased the whole project as 'construction in progress' hence the relatively low price. The total price is about RMB397 million for 161,749 m², but this price DOES NOT reflect the actual market.

8.7 OUTLOOK

As the primary business and economic centre of Mid-West China, Xi'an developed strong competitive advantages with its large number of university students and graduates and its competitive industries. The city's established industrial structure also provides a strong foundation for the Xi'an business park market. With the continuous improvement of the regional transport infrastructure, the Xi'an business park market is becoming increasingly attractive to both local and international enterprises.

Xi'an has successfully introduced several major projects which were instrumental in attracting and retaining several well-known enterprises in Xi'an, including Geely, Alibaba, Samsung and Amazon. Supported by a stable investment environment, advantageous strategic positioning and strong pool of educated talent, Xi'an will continue to become an increasingly popular destination for many enterprises to set up an office or R&D facility in years to come.

9. ASCENDAS INNOVATION TOWERS

9.1 DESCRIPTION, LOCATION AND ACCESSIBILITY

Ascendas Innovation Towers is in the core area of Xi'an Software Park, one of 4 parks which have obtained both the titles of "National Software Industrial Base" and "National Software Export Base". The Xi'an Software Park has formed 7 advantageous industrial cluster, including industrial application software, embedded software, integrated circuit design and test, Internet of Things, mobile Internet, information technology outsourcing and service, digital publishing, game and animation, and has successfully gathered a batch of influential and distinguished enterprises, including Huawei. This flagship project consists of two 23-storey buildings and a single ancillary building with a total construction area of 120,000 square meters. The height of each storey is 4.5 meters, among the highest in Xi'an market. It is the highest quality business park with fully equipped intelligent management system, to provide customers with shared office, multi-functional conference hall and other supporting facilities, providing a conducive work environment for tenants.

Ascendas Innovation Towers is located in the cross-section of two city main roads Keji 6th Road and West Ring Road. As a new industrial cluster of XHTIDZ, the area is gradually becoming matured. The whole area is full of high-quality projects which are either new-built or developed for several years. Key enterprises such as Huawei R&D Center, Ascendas, GLP and some government-linked companies have settled here already. With the infrastructure in this area improving rapidly, the area is expected to continue attracting healthy level of occupier and investor demand.

The project is close to the West Ring Road, adjacent to underground line 6, which will be completed soon, and well-connected with other transportation systems, which provide good accessibility to the city centre, airport of Xi'an, and Xi'an Railway Station (with estimated travel time of 40 minutes, 40 minutes and 50 minutes respectively). Yuhuaizhai Station Metro Line 3 is also within walking distance to the project.

Figure 53 Location of Ascendas Innovation Tower



Source: Colliers International

9.2 AMENITIES

Though amenities are kind inadequate at this stage, there are number of projects have been planned and coming into construction. There are four schools (three primary school and one middle-high school) in surrounding area and four planned schools under construction and a soon-to-be-completed Shaanxi Provincial Library (new site). As for healthcare facilities, there are only one hospital named Jianqiao Hospital in 1.4 kilometers distance. Currently there are only some small shops around the project and the only large shopping mall is 3 kilometers away. However, there is a large park just next to the Ascendas Innovation Towers, as a great promotion effect on environment beautification.

Figure 54 Amenities of Ascendas Innovation Towers



Source: Colliers International

9.3 REVIEW OF COMPETITIVE ENVIRONMENT

The future competitive development with the greatest potential to impact the performance of Ascendas Innovation Towers is GLP III, which is scheduled to be completed in 2020.

GLP III, as a major competitive project, was predicted to be completed in 2020Q4, which at the moment seems less likely to be delivered on time. Thus, Ascendas Innovation Towers has advantage on entering market time to attract tenants comparing with GLP III. However, before GLP III's completion, it is a great chance to continuously to improve the service, soft environment, such as diverse activities, convenient stores and coffee shops, so as to build up a good market image, keep stable connection with intermediary and consolidate the existing tenants base during this period.

The following chart included competitive properties to Ascendas Innovation Towers based on their relative similarities with respect to location, age/quality/condition and amenities.

Table 9 Competitive Properties to the Ascendas Innovation Towers (2020Q3)

No.	Project	Completion	GFA(sq m)	Rent (RMB / sq m / month)	Occupancy rate (%)
1	Ascendas Innovation Towers 腾飞科汇城	2017	120,000	55.0 – 60.0	89.5%
Existing Project (Latest Asking Rental)					
1	Service Outsourcing Business Park 创业园 瞪羚谷	2007	110,000	37.1	100.0%
2	GLP I-PARK I 环普产业园 I	2013	120,000	57.1	100.0%
3	Digital China Business Park II 神州数码产业园 II	2015	66,505	65.7	98.0%
4	Software New City Phase II 云汇谷	2016	420,000	48.6	90.0%
5	GLP I-PARK II-1 环普产业园 II-1	2016	90,000	62.9	78.0%
6	GLP I-PARK II-2 环普产业园 II-2	2018	90,000	62.9	77.0%
7	Xi'an National Digital Publishing Base I 国家数字出版基地 I	2016	60,000	51.4	98.0%
8	Xi'an National Digital Publishing Base II 国家数字出版基地 II	2017	123,000	51.4	90.0%

Source: Colliers International

The following chart included competitive future supply to Ascendas Innovation Towers based on their relative similarities with respect to location, age/quality/condition and amenities.

Figure 55 Locations of Competitive Projects



Though there are large number of new supplies will come into the market in following years, these projects are basically in a long distance from AIT, except GLP III. The Western China Civil-Military Integration Innovation Valley Phase I and II, Unicorn Base Industrial Park are all locate in XHTIDZ Phase III, where is a relatively new zone and would stay under development for a long time. However, these three projects are expected to be managed by state-owned platforms and unlikely to provide quality services/facilities as compared to privately-owned properties like AIT.

Table 10 Future Competitive Properties to the Ascendas Innovation Towers

Project Name	GFA (sq m)	Completion
环普产业园 III GLP III	174,000	2020
沣东创智云谷 Fengdong Create Manufacturing Cloud Valley	246,000	2021
紫薇中国西部军民融合创新谷 I 期 The Western China Civil-Military Integration Innovation Valley I	160,000	2022
独角兽基地 Unicorn Base Industrial Park	400,000	2022
紫薇中国西部军民融合创新谷 II 期 The Western China Civil-Military Integration Innovation Valley II	200,000	2023

Source: Colliers International

While Samsung already has a location in the New Software Base, it is not very large. Though Samsung has deployed its largest research base among Chinese market in Xi 'an, it is still uncertain whether there will be any further expansion in the future. However, if Samsung plans to expand in New Software Base, we are optimistic that Ascendas Innovation Towers would be an option.

Meanwhile, Huawei has set up its second largest research base in the world on the south side of Ascendas Innovation Towers, with 1,300 employees. This research base is also the origin of the New Software Base, and many surrounding enterprises are from the upstream and downstream of Huawei industry. However, at the present stage, Huawei's research base gradually shows the possibility of space shortage and spillover.

Outperformance of Ascendas Innovation Towers vs business parks in XHTIDZ

At the beginning stage, the rent was not high in order to attract tenants in 2017. With the project gradually get into mature and the occupancy rate rise up., rent rose to almost the same level as XHTIDZ average level and surpassed the average rent of Xi'an market. Due to the high quality of this project, it can be optimistically estimated that the rent and occupancy would still rising.

	2017	2018	2019	2020Q3
Average rent of AIT (RMB/sqm/mth)	49.0 – 59.0	51.0 – 60.0	55.0 – 60.0	55.0 – 60.0
Average rent of XHTIDZ business parks (RMB/sqm/mth)	54.8	55.1	55.1	51.7
Occupancy of AIT	23.0%	60.9%	72.2%	89.5%
Average occupancy of XHTIDZ business parks	83.8%	83.5%	87.8%	84.4%

Figure 56 Comparison of Average Rent among AIT and business parks in XHITDZ

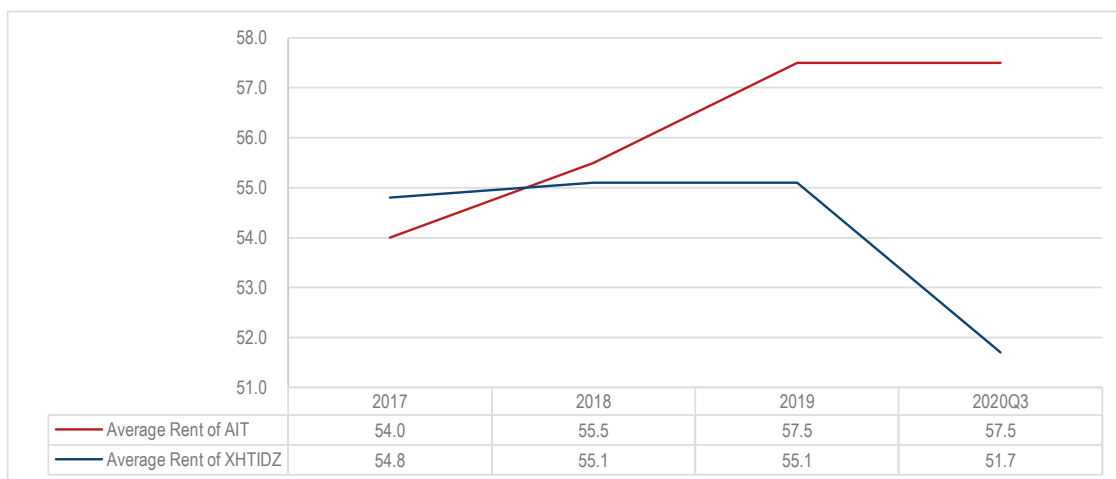
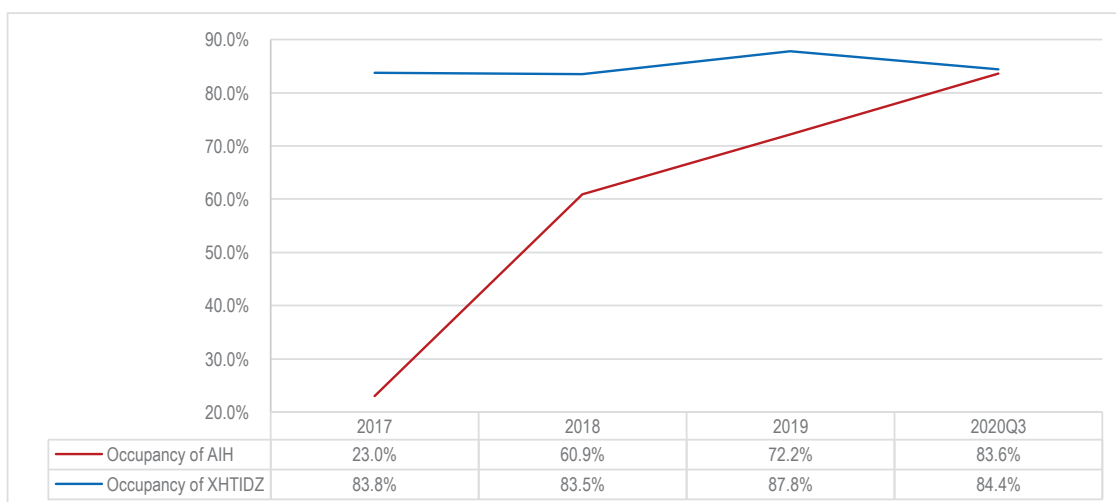


Figure 57 Comparison of Occupancy among AIT and business parks in XHITDZ



9.4 SWOT SUMMARY

Strengths

- The project is close to the West Ring Road, adjacent to the subway and other transportation systems, and the soon-to-be-completed Shaanxi Provincial Library (new site), making it an ideal choice for tenants.
- Ascendas's tenants being mainly high-tech and R&D enterprises, are generally of high quality and have good branding. Such tenants have high stability and leasing ability, which play a very positive role in maintaining project quality and creating office atmosphere. These tenants also tend to concentrate their operations, which may attract for relevant upstream and downstream enterprises and gradually form an industrial chain group.

Weaknesses

- Due to the location of Ascendas Innovation Towers being in a relatively underdeveloped area, many of the facilities and infrastructure are still under construction. At the same time, there is a high concentration of business parks in the project's vicinity, which can lead to competition.

Opportunities

- Ascendas Innovation Towers is located in New Software Base, which has been recognized as the area with the most development potential and promising growth. As the main focus for the development of Xi'an's future business market in the future, this is likely to garner the attention and enthusiasm of many tenants. With the entry of an increasing number of well-known enterprises, the area is likely to receive an increasing amount of attention in the future.

Threats

- While the future development of the area around Ascendas Innovation Towers is promising, its current performance is relatively weaker than other districts in XHTIDZ as the market is still not sufficiently mature. Meanwhile, as a non-government led project, Ascendas Innovation Towers may not receive the full benefits from government policies. Hence, they may appear less compelling as an option when compared to government owned projects.

9.5 OUTLOOK

We are of the view that the overall outlook of future rental and occupancy rate performance for Ascendas Innovation Towers in the next few years would remain positive due to its prime location, favorable industry environment and premier property management capability. Both districts concentrated a critical mass of high-tech industry companies, which play an important role in the development of broader high-tech industry in Xi'an. It has been highly recognized and strongly supported by positive government policies. Hence, Ascendas Innovation Towers possesses high economic vitality and development potential in Xi'an.

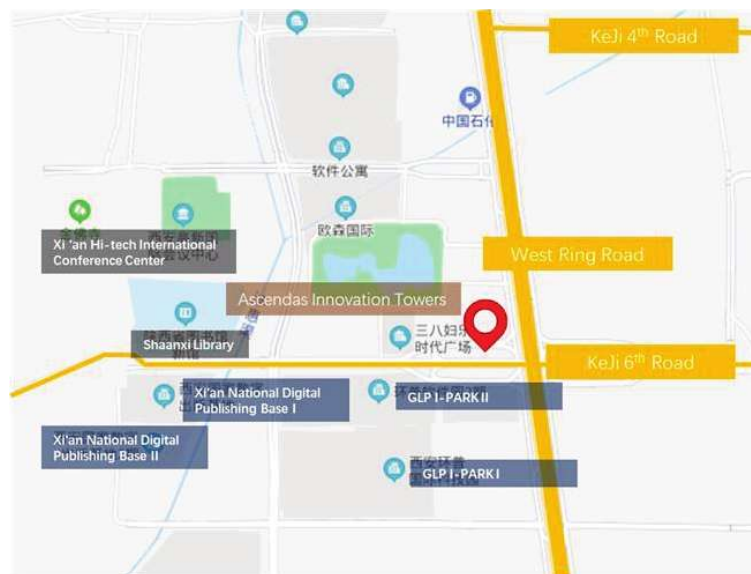
10. ASCENDAS INNOVATION HUB

10.1 DESCRIPTION, LOCATION AND ACCESSIBILITY

Ascendas Innovation Hub is positioned as a high-tech incubator for well-known semiconductor and R&D companies. Each floor of the project covers an area of about 2,920 square meters and of 4 meters height. It has 130 parking spaces and three elevators. The facilities of Ascendas Innovation Hub are superior to other business parks located in Keji Rd District.

Ascendas Innovation Hub is located in the heart of the XHTIDZ, which is the most developed area within the city. The surrounding area of the project is concentrated with high-tech industrial enterprises, and a dynamic and well-establish office environment. In terms of transportation, located in Southwest Xi'an, the project is well-served by public transportation, including 14 bus lines and 1 underground line (line 3) under operation, and by the city's road network. Specifically, Ascendas Innovation Hub is situated 1.2km away from Zhangba North Road Metro Station, which makes it only about 30 minutes and 45 minutes to travel to Xi'an city centre and Xi'an airport respectively. Xi'an Railway Station and Xi'an North Station are also only 40 minutes and 45 minutes away by car respectively.

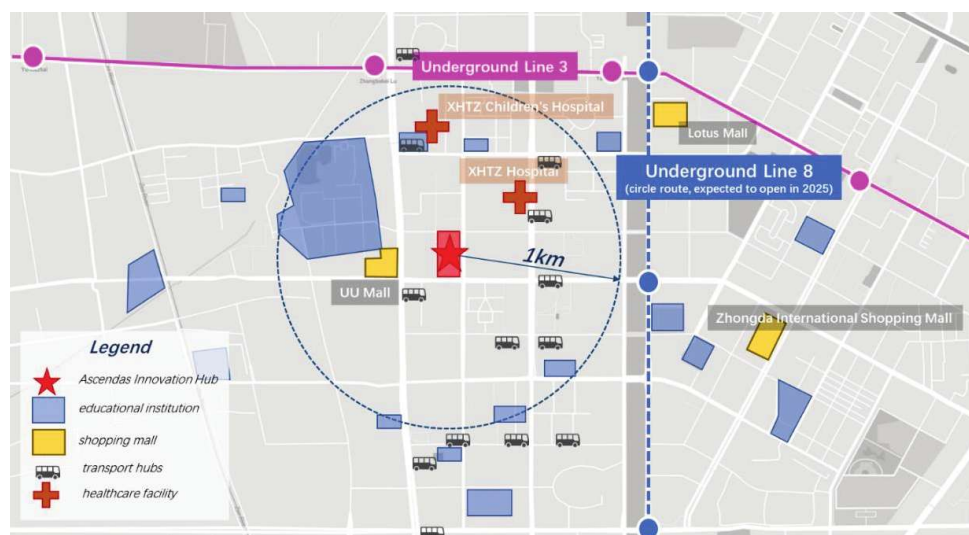
Figure 58 Location of Ascendas Innovation Hub



Source: Colliers International

10.2 AMENITIES

Figure 59 Amenities of Ascendas Innovation Hub



Source: Colliers International

Due to the early start of surrounding's development, the amenities around the project has been well developed and is convenient for living, studying and working. There are two main hospitals within 1 kilometre area of Ascendas Innovation Hub. The area has many healthcare facilities, transportation hubs as well as educational institutions, including three primary schools and one provincial key-level high school.

10.3 REVIEW OF COMPETITIVE ENVIRONMENT

Due to the highly development of Keji Rd, where AIH based, there are no new business parks in this district in following years. New projects predicted to be completed in 2021-2023 are closer and have more competitiveness to Ascendas Innovation Towers which means there would be few influences caused on this project. Thus, the competitiveness is mainly between existing projects.

The following chart included competitive properties to Ascendas Innovation Hub based on their relative similarities with respect to location, age/quality/condition and amenities.

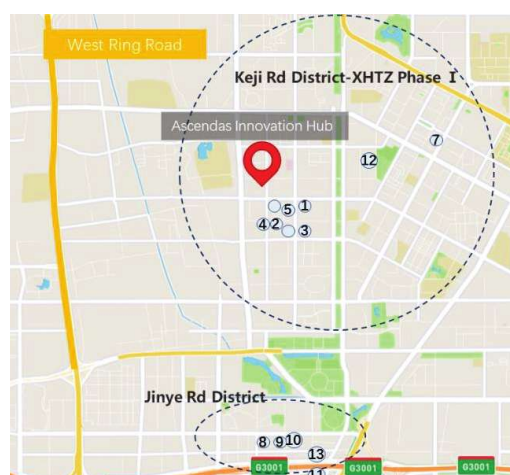
Table 11 Competitive Properties to the Ascendas Innovation Hub (2020Q3)

No.	Project	Completion	GFA(sq m)	Rent (RMB / sq m/ month)	Occupancy rate (%)
	Ascendas Innovation Hub 腾飞创新中心	2006	40,000	67.0 – 72.0	88.6%
Existing Project (Latest Asking Rental)					
1	Xi'an Software Park (Qinfeng) 西安软件园 (秦风阁)	2001	35,000	51.4	100.0%

2	Xi'an Software Park (Taibai)西安软件园 (太白阁)	2003	5,300	51.4	100.0%
3	Xi'an Software Park (Hanyun)西安软件园 (汉韵阁)	2003	21,602	51.4	100.0%
4	Xi'an Software Park (Xiyue) I 西安软件园 (西岳阁) I	2003	11,500	51.4	100.0%
5	Xi'an Software Park (Xiyue) II 西安软件园 (西岳阁) II	2004	29,800	51.4	96.0%
6	Xi'an Software Park (Lingyi Square)西安软 件园 (零壹广场)	2006	60,000	51.4	98.0%
7	Xi'an Electronics & Tech University Park 西 安电子科技大学科技园	2006	45,000	68.6	96.0%
8	Longqi Business Park 龙旗科技园	2007	25,000	71.4	100.0%
9	Xi'an Outsourcing Base I 西安软件园 (服 务外包基地) I	2009	56,700	48.6	100.0%
10	Xi'an Outsourcing Base II 西安软件园 (服 务外包基地) II	2011	97,000	51.4	96.0%
11	ZTE Business Park 中兴产业园	2011	100,000	62.9	98.0%
12	Digital China Business Park I 神州数码产 业园 I	2012	24,850	71.4	100.0%
13	China Invest Corp IT Park 嘉昱大厦	2012	53,128	76.3	95.0%

*Rent and Occupancy rate refers to 2020 Q3.

Figure 60 Locations of Competitive Projects



Outperformance of Ascendas Innovation Hub vs business parks in XHTIDZ

Ascendas Innovation Hub has a great performance among these competitive projects due to the facilities quality, service quality and property management. Rent of Ascendas Innovation Hub stays stable since 2017 and always much higher than the average level of XHTIDZ, as well as the occupancy level. Occupancy has reached 95.5% at the end of 2020Q3.

	2017	2018	2019	2020Q3
Average rent of AIH (RMB/sqm/mth)	64.0 – 69.0	63.0 – 72.0	66.0 – 72.0	67.0 – 72.0
Average rent of XHTIDZ business parks (RMB/sqm/mth)	54.8	55.1	55.1	51.7
Occupancy of AIH	93.3%	89.3%	94.6%	95.5%
Occupancy of XHTIDZ business parks	83.8%	83.5%	87.8%	84.4%

Figure 61 Comparison of Average Rent among AIH and business parks in XHTIDZ

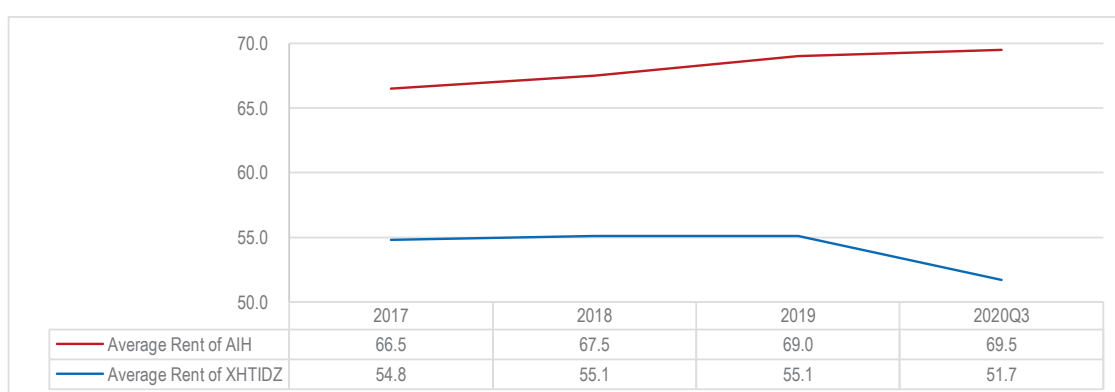
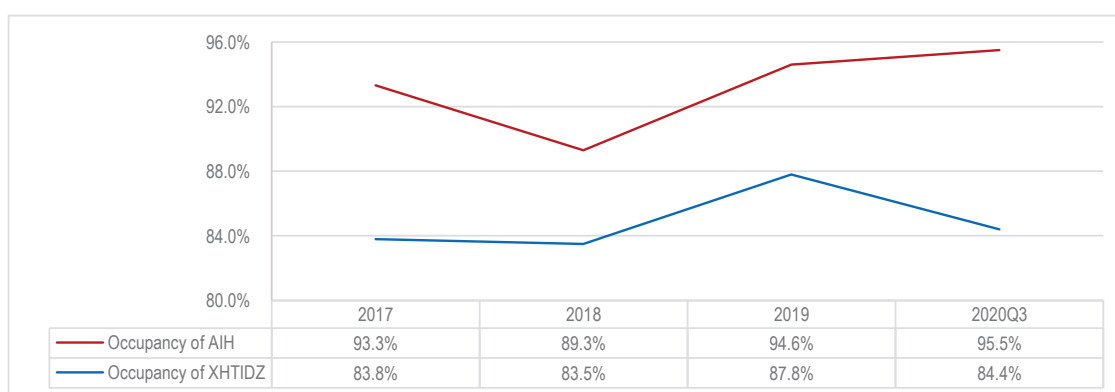


Figure 62 Comparison of Occupancy among AIH and business parks in XHTIDZ



10.4 SWOT SUMMARY

Strengths

- Ascendas Innovation Hub's location offers strong geographical advantage. It is located in Keji Rd District, which can be considered for now as the most developed business parks area. The area is not only rich in amenities, transportations but remains stable market performance.
- The construction of Ascendas Innovation Hub is relatively new compared to other projects within its 1 kilometres area, especially its most competitive projects - Xi'an Software Parks. Thus, the building condition remains an attractive feature to potential tenants who ideas are considering entering this district.

Weaknesses

- The building would be considerably older as new business park projects emerge in the market.

Opportunities

- Government at all levels have been paying constant attention to this area. As the core of the XHTIDZ, the Keji Rd District has been considered as a relatively heated business market location and is one of areas that the government focuses on. The area has formed a great business image of XHTIDZ and in this way might be the first consider option to those corporate champion enterprises.

Threats

- From the perspective of the whole market of XHTIDZ, the region is in the process of rapid upgrading and expanding, there are has been constantly new business parks completed. New areas are emerging, along with the preferential policies and talents attraction terms from the government which may cause great competitive pressure.

10.5 OUTLOOK

We are of view that the overall outlook for future rental and occupancy rate performance of the Ascendas Innovation Hub in the next few years would remain positive due to its prime location, favorable industry environment and premier property management capability. However, due to Ascendas Innovation Hub's location advantages and the high quality of the business park projects, it has always been the first choice for most enterprises to select location, and occupier demand has remained sustained.

11. HANGZHOU MACROECONOMIC OVERVIEW

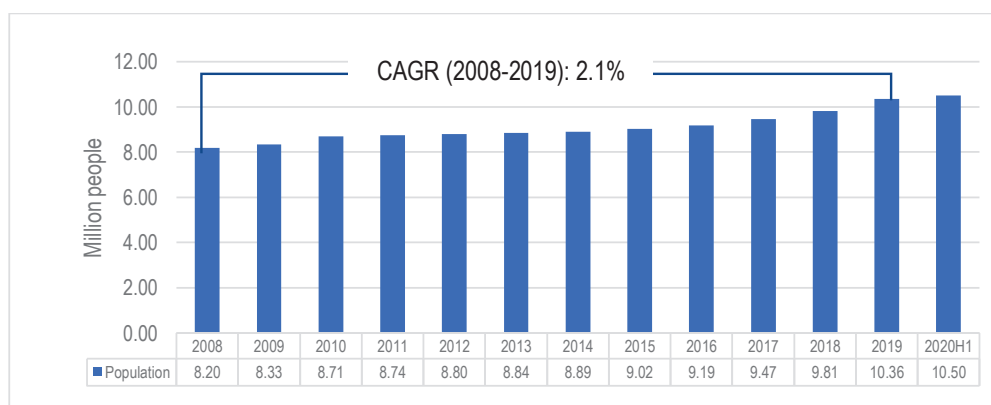
Hangzhou is one of the most mature business park markets in the Yangtze River Delta region and one of the most important high-tech industrial hubs in China. Hangzhou is the capital of Zhejiang Province and the provincial center of economy, culture, science and education, with a total area of 34,585 sq km. It is also an industrial city with major industries such as e-Commerce, information technology, healthcare and financial services. As one of the core cities in the Yangtze River Delta, Hangzhou is the economic powerhouse driving the recent development of the entire Yangtze River Delta region and has with well-developed transportation network and connections to a number of expressways, intercity railways and national highways between the northeast and southeast of China.

11.1 DEMOGRAPHIC TRENDS

In the past five years, Hangzhou's population has continued to grow at a robust rate, reaching 10.36 million as at the end of 2019, representing a CAGR of 2.1% between 2008 and 2019. Its net population inflow totaled 554,000 in 2019, far exceeding other major second-tier cities. With the relaxation of the household policy and the strong drive of the new economy with core Internet giants such as Alibaba and NetEase, Hangzhou has become an attractive destination for talent from across China.

Furthermore, in recent years, Hangzhou has vigorously promoted the policy of "attracting investment and talent", which played a key role in generating significant population and economic growth. For example, the "Notice of the Hangzhou Municipal People's Government on Implementing the Policy Measures for Stabilizing Enterprises and Growth and Promoting the Development of the Real Economy" stated that full-time university graduates who work in Hangzhou and pay social security can settle down in Hangzhou permanently, making inward migration to Hangzhou an attractive proposition for such graduates. The influx of human capital and talent base in Hangzhou has made it an attractive location for the expansion of various key industries that are the main source of demand for business parks.

Figure 63 Hangzhou's Permanent Population and Growth CAGR



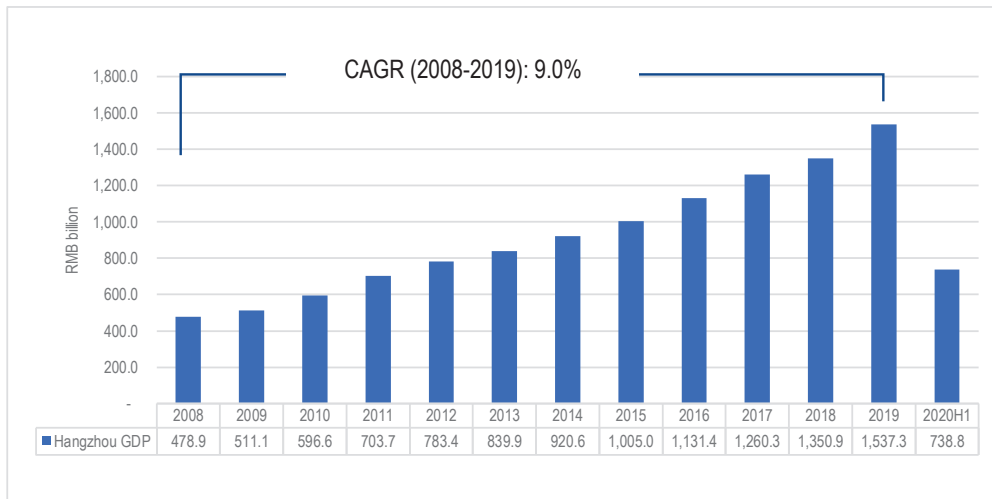
Source: Hangzhou Statistics Bureau, Colliers International, 2020

11.2 ECONOMIC PERFORMANCE

After 2008, Hangzhou's economy ushered in a wave of great development in the Internet era, and its GDP has been rising sharply ever since. The exuberance of Hangzhou's economy and strong growth is mainly driven by e-commerce and the Internet industries. In 2015, Hangzhou set up China's first Cross-border E-commerce Comprehensive Experimental Area and National Independent Innovation Demonstration Area. Since 2015, Hangzhou's GDP growth rate has consistently tracked above the national average

level (average CAGR of 9.0% between 2008 and 2019). As at the end of 2019, Hangzhou's GDP is the largest within the Zhejiang Province, and is ranked 9th among all Chinese cities.

Figure 64 Hangzhou's GDP and Growth CAGR



Source: Hangzhou Statistics Bureau, Colliers International, 2020

According to the Hangzhou Statistics Bureau, the e-commerce, artificial intelligence of Hangzhou's digital economy achieved a value-add of RMB379.5 billion with an increase of 15.1% in 2019. Hangzhou is not only driven by leading companies such as Alibaba and NetEase, but also many start-up companies, which have attracted a large inflow of talent in the digital economy. In turn, this has also created increased demand for specialized business parks spaces such as e-commerce industrial parks and R&D laboratories.

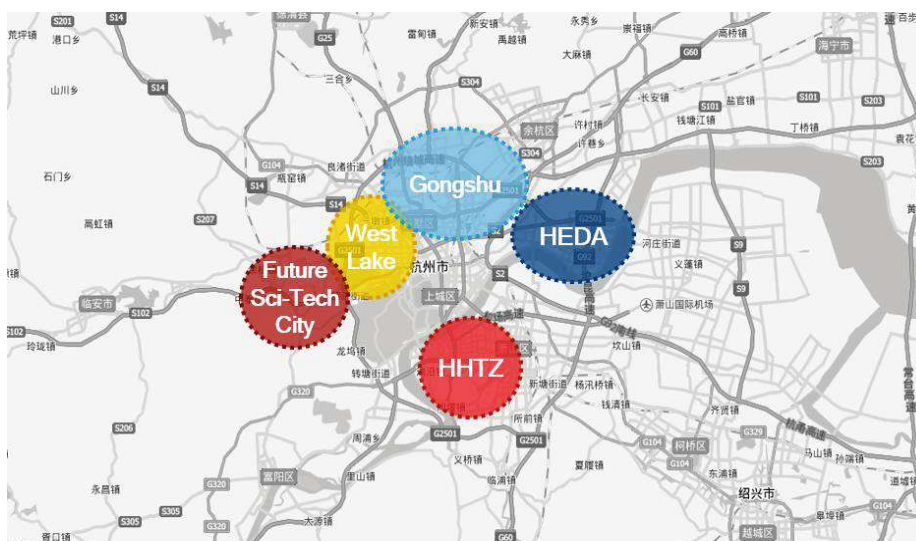
12. HANGZHOU BUSINESS PARKS

12.1 MARKET CHARACTERISTICS

The performance of the Hangzhou business park market has been stable and strong amid growing occupier demand and diversifying occupier segments. Five major business parks, Hangzhou Economic and Technological Development Area (HEDA), Hangzhou Hi-Tech Industrial Development Zone (HHTZ), Gongshu, West Lake and Future Sci-Tech city, constitute the Hangzhou business park market. HEDA, in particular, the area where Singapore-Hangzhou Science and Technology Park is located has gathered high-quality leading enterprises, producing an industry agglomeration effect which has gathered diversified property tenants.

The following map illustrates the approximate location of each business parks markets:

Figure 65 Hangzhou Business Park Districts



Source: Colliers International

HEDA

Established in 1993, Hangzhou Economic & Technological Development Area is the only national economic and technological development zone in China that integrates industrial parks, export processing zones, and tertiary education parks (including the largest in Zhejiang province). Over the decades, it has achieved rapid development where many leading companies and Fortune 500 companies have set up their branches in the area. In April 2019, Hangzhou Economic & Technology Development Area was integrated into the Hangzhou Qiantang New Area as part of an effort to build a world-class intelligent manufacturing industry cluster, with an industry focus on advanced device manufacturing, advanced electronics manufacturing, biomedicine, new energy and new materials.

HEDA has been ranked among the top ten national development zones in the country consecutively for the past three years in the comprehensive evaluation of the investment environment and ranked first among Zhejiang Province's development zones for years. HEDA has also been awarded several prestigious prizes, including the "Best Development Zone for Investment Environment" out of 75 urban development zones in China and "Best Investment Development Zone for Multinational Companies".

HEDA is served by a well-developed transportation infrastructure which includes Xindong Station, Asia's No.1 multi-modal integrated transportation hub, three Metro Lines and the largest Hangzhou Automobile Passenger Transport Center (Jiubao Passenger Transport Center Station) in Zhejiang Province. With Metro Line 8 that will connect to Wenhai South Road Station on Line 1 upon construction completion, the accessibility of HEDA will be further enhanced, thereby promoting future rent growth.

12.2 CURRENT TRENDS

Business parks have been increasingly focused on activities, programs, and measures to support innovation for emerging industries, on the back of favorable government policies.

In 2015, the Hangzhou National Innovation Demonstration Zone (HNTZ) was approved as the 10th national innovation demonstration zone by the State Council and was further expanded to cover a 398.01 sqkm territory in 2016, which also includes the Xiasha Park where the Singapore-Hangzhou Science and Technology Park is located. The information technology industry is being developed as a priority, along with key clusters in electronics, software and information technology services, big data and cloud computing, digital content and network security. In addition, six other industries with unique advantages will also be targeted for rapid development, including high-end equipment manufacturing, health, financial services, cultural creativity, tourism and fashion industries. The rapid development of these core priority industries as a result of the HNTZ will provide the demand for business parks to grow in tandem.

HEDA has also created the only biomedical town in the province, with a planned total area of 3.4 sq km. It has also created an innovation and R&D platform covering the entire product development process for biomedical companies, from incubation, to acceleration, and then to mass manufacturing. At present, the development zone has attracted 480 pharmaceutical companies of various sizes and types – including a number of world-class pharmaceutical companies such as Pfizer and Merck, with an industrial output value of RMB 25 billion in 2017, accounting for approximately 50% of Hangzhou's pharmaceutical industrial output value.

12.3 SUPPLY ANALYSIS

Existing Supply and New Supply (2008-2023F)

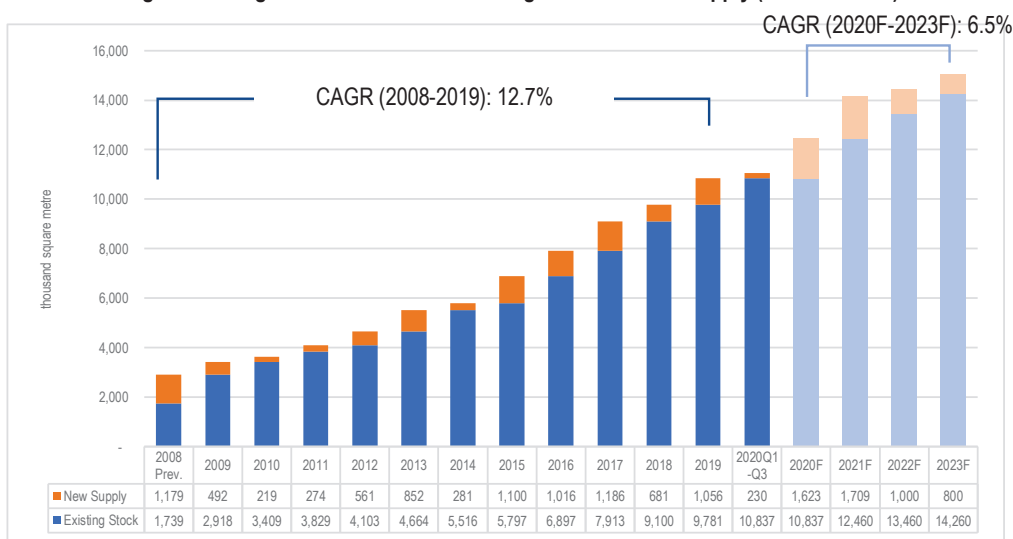
Historically, with substantial government support, there has been a consistent supply of new business park space in Hangzhou. The average annual new supply of business park space is approximately 723,000 sqm over the past decade.

Three new projects were completed in 2020Q1 - the HEDA Medicine Valley Accelerator Phase III in HEDA submarket with 190,000 sqm, the Zhejiang First Hydro & Power Construction Tower and Confirmware Tower in HHTZ submarket with approximately 40,000 sqm in total. As of end-2020Q3, the total stock in Hangzhou business park market increased to 11.1 million sqm. From 2008 to 2019, the total stock in Hangzhou business park market grew at a rapid rate, reaching 10.8 million as at the end of 2019, representing a CAGR of 12.7% between 2008 and 2019.

Between 2021 and 2023, about 3.5 million square meters of business park space are expected to be launched for development in Hangzhou. It is estimated that there would achieve a CAGR of 6.5% from 2020 to 2023. This will include a majority of build-to-rent spaces and some spaces for owner-occupiers, with the majority of new projects to be concentrated in the Future Sci-Tech City and HHTZ submarkets. By the end of 2023, Future Sci-Tech City, HHTZ and Gongshu will be the top three submarkets with the largest business park stocks, each constituting approximately 20% to 25% of total stock in Hangzhou respectively. Colliers also anticipates that new supply will be launched in IoT Town in HHTZ and Yunhe Network Valley in Gongshu.

With a clear industrial development roadmap, creation of the biomedical town and limited supply of high quality business park spaces, HEDA has a relatively attractive value proposition, which sets it apart from other submarkets.

Figure 66 Hangzhou Business Park Existing Stock and New Supply (2008 to 2023F)



Source: Colliers International

12.4 DEMAND ANALYSIS

Net Absorption and Occupancy Rate (2008-2023F)

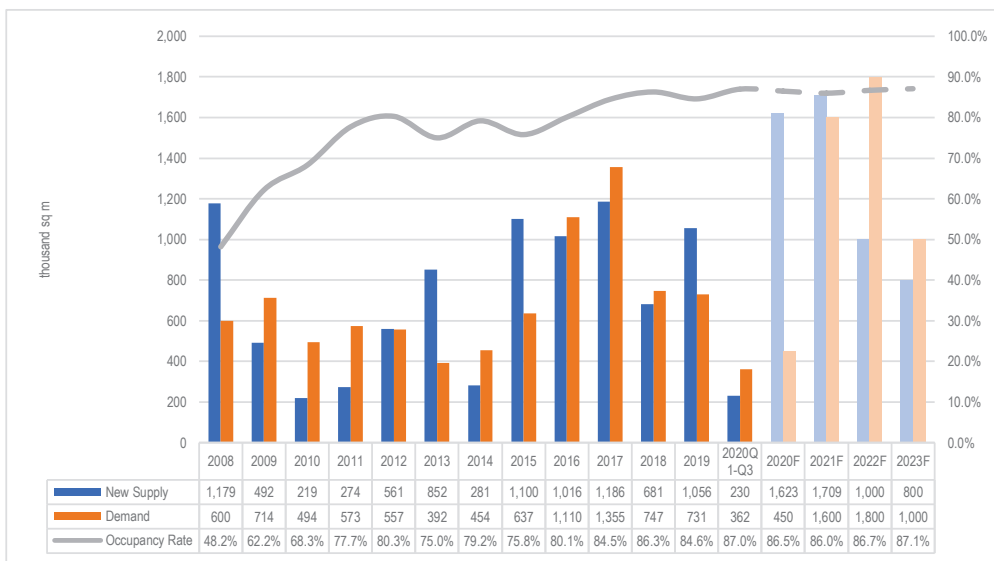
The Hangzhou business park market has greatly benefited from the government's effort to foster strategic emerging industries in recent years, with the majority of occupier demand for business park space being derived from the Internet / IT, electronic technology, pharmaceutical, high-end manufacturing sectors.

Net absorption has remained relatively stable since 2008. As a result of strong demand supported by the rapid development of key growth industries, convenient location and high-quality building specifications, the Hangzhou business park occupancy rate has increased considerably over the past five years, from 75.8% in 2015 to 87.0% by the end of 2020Q3.

With the construction of key projects such as the West Technology & Innovation Corridor, East Intelligent Manufacturing Corridor and Qiantang Ecological Economy Belt, strategic emerging industries are expected to achieve rapid development in Hangzhou. This is likely to provide a catalyst for growing occupier demand for business parks in Hangzhou.

Due to strong and sustained occupier demand in Hangzhou business park market, occupancy rate is expected to remain relatively stable in the short to medium term, at around 86 - 87%.

Figure 67 Hangzhou Business Park New Supply, Demand and Occupancy Rate (2008 to 2023F)



Source: Colliers International

12.5 RENTAL ANALYSIS

Rental and Rental Change CAGR (2008-2023F)

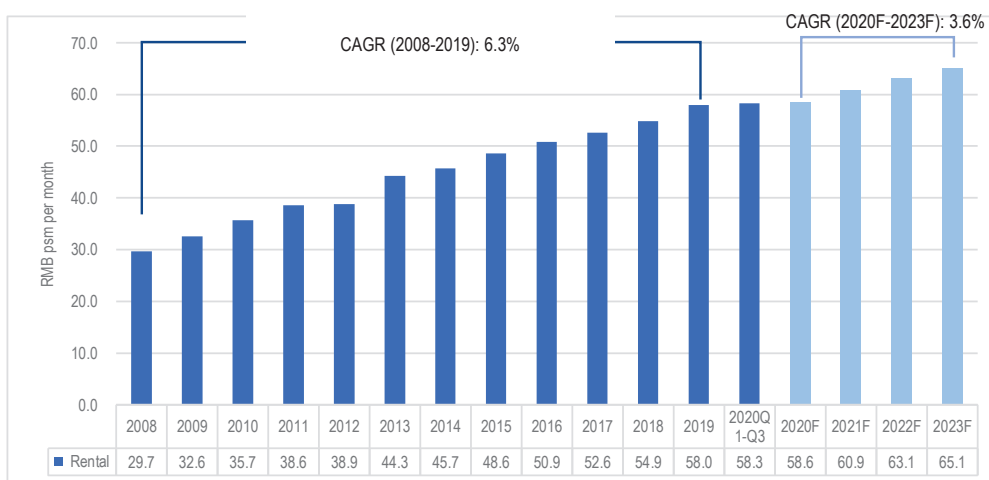
The Hangzhou business park rental performance has greatly benefited from the city's large-scale infrastructure development program over the past few years, which included the construction of new city roads and metro lines. These programs were instrumental in improving intra-city connectivity, by reducing traffic congestion and commuting times within Hangzhou, thereby having a positive impact on the leasing performance of the business park projects. It had been observed that since the commencement of the operations of Metro Line 5 in June 2019, business parks and office spaces nearby began to command higher rents, as tenants were more willing to pay a premium for properties with increased accessibility to excellent transportation infrastructure.

As at end-2019, the average rental of Hangzhou business parks was RMB58 psm per month, with a CAGR of 6.3% between 2008 and 2019.

Business park projects that provide better quality space tend to command a premium in rent, especially those at excellent locations or core areas. Rents also increase rapidly as the city's business park submarkets attract anchor occupiers, consolidate and mature. For example, the rental of HEDA has increased from RMB 38.9 psm per month as at 2018Q1 to RMB48 psm per month as at 2020Q3 due to the clear industrial plan to build a biomedical industrial park.

As a result, rents are expected to grow rapidly from now till 2023. It is expected that by 2023, average market rents of business park spaces in Hangzhou will reach RMB65.1 psm per month, representing a CAGR of 3.6% between 2020 and 2023.

Figure 68 Hangzhou Business Park Average Rental and Rental CAGR (2008 to 2023F)



Source: Colliers International

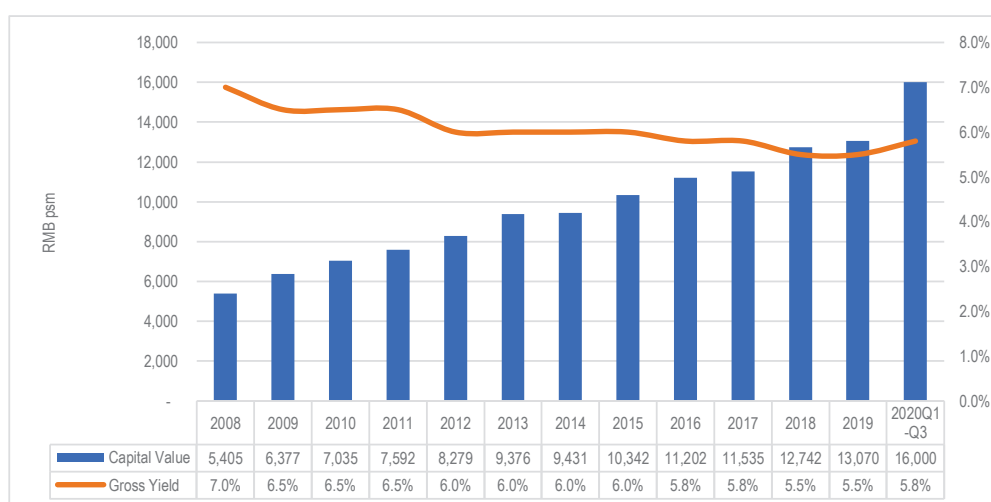
12.6 INVESTMENT MARKET ANALYSIS

As of 2020Q3, the average capital value of Hangzhou business park market was approximately 16,000 RMB/sq m. In HEDA, the average capital value was approximately 14,500 RMB/sq m.

Sales transactions recorded since 4Q17 had a gross yield of about 9.1%, with a net yield of about 5.8%. Demand is expected to remain strong and grow in the long run, especially from key growth sectors such as IT / Internet industry and bio-medicine industries, which will support further upside in the business park rents and capital values.

Given the current economic uncertainty and low interest rate environment, we expect that the gross yields of Hangzhou business park market will remain in the range of 5.5% to 6.5% in the foreseeable future.

Figure 69 Hangzhou Business Park Capital Value and Gross Yield (2008 to 2020Q1-Q3)



Source: Colliers International

Major Sales Transaction of Hangzhou Business Park

The buyers in Hangzhou business park properties were mainly local medium and small enterprises or local individual investors from Zhejiang Province. The majority of transactions were strata-titled properties, with about 300 to 800 sq m of net leasable area and a total price of lower than RMB10 million to evade the risk of individual investment. Only one significant business park transaction was recorded over the past five years.

Table 12 Hangzhou Business Park Major Sales Transactions (2015 to 2020H1)

Purchaser	Seller	Project	Area	GFA (sq m)	Transaction Amount (Million RMB)	Unit Price (RMB psm)	Est. Gross Yield	Date
LongFor	Kailong	Binjiang Intelligence Park	HHTZ	49,000	275	5,612	9.1%	2017 Q4

Source: Colliers International

12.7 OUTLOOK

Going forward, it could be expected that with the rapid development of key growth industries such as IT / Internet industry and bio-medicine industries, the business parks with prime locations, high-quality specifications and outstanding property management will continue performing well for the foreseeable future.

13. SINGAPORE-HANGZHOU SCIENCE AND TECHNOLOGY PARK (SHSTP)

13.1 DESCRIPTION, LOCATION AND ACCESSIBILITY

The Singapore-Hangzhou Science and Technology Park (SHSTP) is located in core area of HEDA, the economic development zone in the main urban area of Hangzhou. It is only 18 kilometers from Hangzhou city center. HEDA has been established for years with a strong regional industrial atmosphere, mature development and extensive supporting facilities.

The property is situated in a prime location, only 500m away from the Hangzhou Bay Ring Expressway and 1km away from Yunshui Station on Metro Line 1. The Hangzhou East Railway Station is also 15km away from the property. It only takes 25 minutes' drive to Xiaoshan International Airport (25km distance) and 40 minutes' drive to Hangzhou city centre.

Figure 70 Regional map of Hangzhou



Source: Colliers International

The accessibility of the project is also very high. It is close to the Wenhai South Road Station of Line 1 and Line 8 where the two lines closely connect the downtown area of Hangzhou and Xiaoshan District.

Figure 71 SHSTP in the Hangzhou city

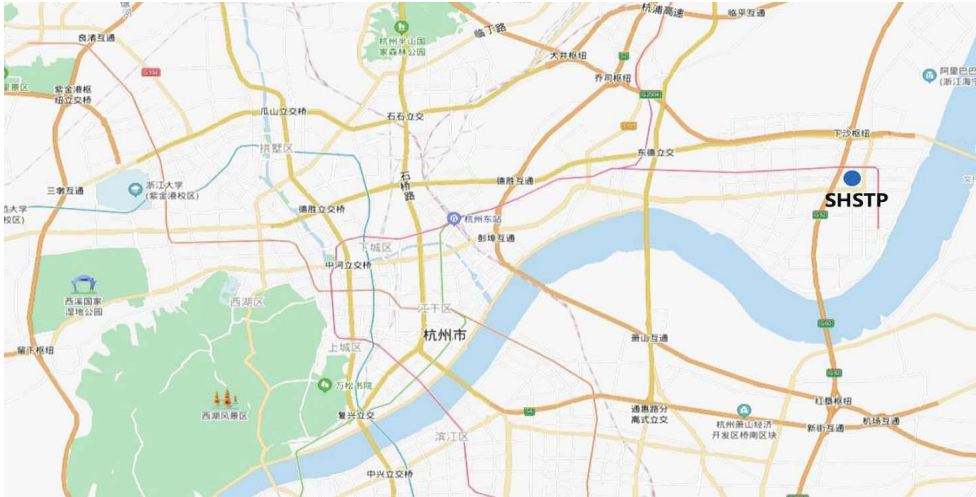


Figure 72 SHSTP location



Source: Colliers International

13.2 AMENITIES

Located in the heart of Hangzhou Economic and Technological Development Zone, the SHSTP is in close proximity to the Xiasha University Town which includes 8 universities and several information technology outsourcing training institutions, providing strong talent support for the tenants in the Science Park.

The property also has a favorable supporting environments with several medium-to-top grade residential communities, one 4-star hotels – Ji Hotel, commercial complexes like Hangzhou Xiasha Outlets, Longfor Times Sands Street, Impression City Shopping Center, Xiasha Powerlong Plaza, chain supermarkets, brand restaurants and Zhejiang Traditional Chinese Medicine Hospital

located in the surrounding area. It is adjacent to Zhejiang's largest university zone with more than 200,000 college students, which provides rich talent resources for many companies in IT services, e-commerce, healthcare and R&D functions.

Figure 73 Map of Amenities around SHSTP



Source: Colliers International

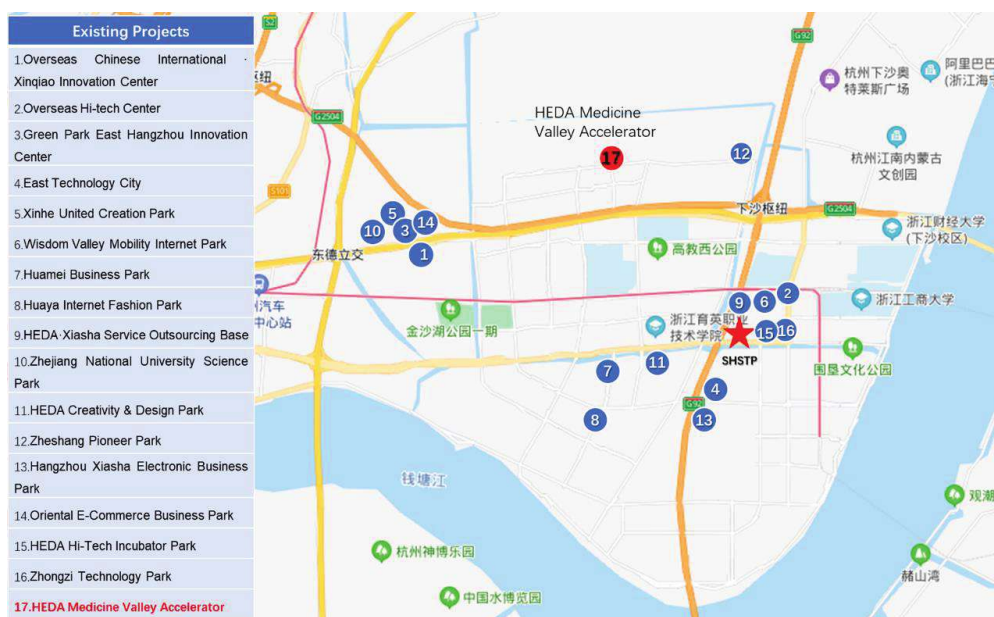
13.3 REVIEW OF COMPETITIVE ENVIRONMENT

While there are many existing projects and a few potential projects in the submarket, the projects in the HEDA have very few competitors in terms of the operator's popularity, total building volume, and tenant scale. SHSTP is located in a mature industrial zone and can easily access the main areas of the city.

The biggest competitor is expected to be HEDA Medicine Valley Accelerator. Phase 3 of the project has entered the market since 2020Q1, and the construction area of Phase 3 has reached 190,000 sqm so far. The total gross area is 284,000 sqm for all three phases. The property has decent quality specifications, and the biomedical tenants have developed well in recent years which fits the overall industrial plan of HEDA.

Despite this, we expect that SHSTP will continue to maintain an excellent market performance by virtue of its location, scale, high-quality building specifications and qualified tenants.

Figure 74 Existing projects around SHSTP



Source: Colliers International

There is no expected new supply around SHSTP in the pipeline. The table below shows a list of competitive properties to SHSTP based on their relative similarities with respect to location, age/quality/condition and amenities.

Table 13 Competitive Properties to SHSTP

Existing and Proposed Competitive Projects	Completion Year	Gross Area (sqm)	Rent (RMB / sqm / month)	Occupancy rate (%)
SHSTP Phase 1 & 2 杭州新加坡科技园一期及二期	2009-2016	232,000	55.0 – 70.0	94%
Existing Project (Latest Asking Rental)				
HEDA Medicine Valley Accelerator Phase III	2020	190,000	44.3	10%
Overseas Chinese International Xinqiao Innovation Center	2019	64,000	68.6	75%
Overseas Hi-tech Center	2019	100,600	45.7	60%
Green Park East Hangzhou Innovation Center	2018	160,000	65.7	72%
HEDA Medicine Valley Accelerator Phase II	2018	57,000	41.4	47%
HEDA Medicine Valley Accelerator Phase I	2017	37,000	41.4	87%
East Technology City	2017	52,386	45.7	94%
Xinhe United Creation Park	2017	180,000	51.4	82%
Wisdom Valley Mobility Internet Park	2016	30,000	48.6	97%
Huamei Business Park	2016	50,000	32.9	94%

Huaya Internet Fashion Park	2015	30,000	47.1	82%
HEDA Xiasha Service Outsourcing Base	2013	30,000	35.7	97%
Zhejiang National University Science Park	2013	80,000	50.0	98%
HEDA Creativity & Design Park	2010	56,000	31.4	93%
Zheshang Pioneer Park	2010	20,400	41.4	97%
Hangzhou Xiasha Electronic Business Park	2010	15,000	37.1	96%
Oriental E-Commerce Business Park	2009	140,000	47.1	96%
HEDA Hi-Tech Incubator Park	2007	155,000	34.3	96%
Zhongzi Technology Park	2006	80,000	48.6	96%

Outperformance of SHSTP vs business parks in HEDA

In regard to market performance, the SHSTP has a range of rents from RMB54.0 to RMB59.0 per month per sqm and RMB44.0 to RMB49.0 per month per sqm for Phase 1 and Phase 2 respectively, compared to the average rent in the HEDA submarket of RMB48.6 per month per sqm. For Phase 1, it has achieved a CAGR of 5.7% from 2017 to 2020Q3. For Phase 2, it has achieved a CAGR of 2.9% from 2017 to 2020Q3.

In view of the occupancy rate, the SHSTP has occupancy rates of 92.4% and 94.8% for Phase 1 and Phase 2 respectively at 2020Q3, which is considerably higher than the adjacent properties. In comparison, the average occupancy rate of the overall HEDA submarket is only 78.2% at 2020Q3. SHSTP Phase 2 has entered the market since 2017, resulting a low occupancy rate of 38.9% in the year. When moving to 2008, it can be seen a sharp increase to 87.6% of occupancy rate indicating that market performance of the project was good, and the project becomes a heat choice among the tenants.

	2017	2018	2019	2020Q3
Average rent of SHSTP Phase 1 (RMB/sqm/mth)	46.0 – 51.0	46.0 – 53.0	50.0 – 57.0	54.0 – 59.0
Average rent of SHSTP Phase 2 (RMB/sqm/mth)	38.0 – 48.0	36.0 – 47.0	41.0 – 48.0	44.0 – 49.0
Average rent of HEDA business parks (RMB/sqm/mth)	37.1	42.6	47.7	48.6
Occupancy of SHSTP Phase 1	87.6%	93.5%	94.3%	92.4%
Occupancy of SHSTP Phase 2	38.9%	87.6%	95.8%	94.8%
Occupancy of HEDA business parks	85.0%	76.6%	79.4%	78.2%

Figure 75 Comparison of Average Rent among SHSTP and HEDA Business Parks (2017-2020Q3)

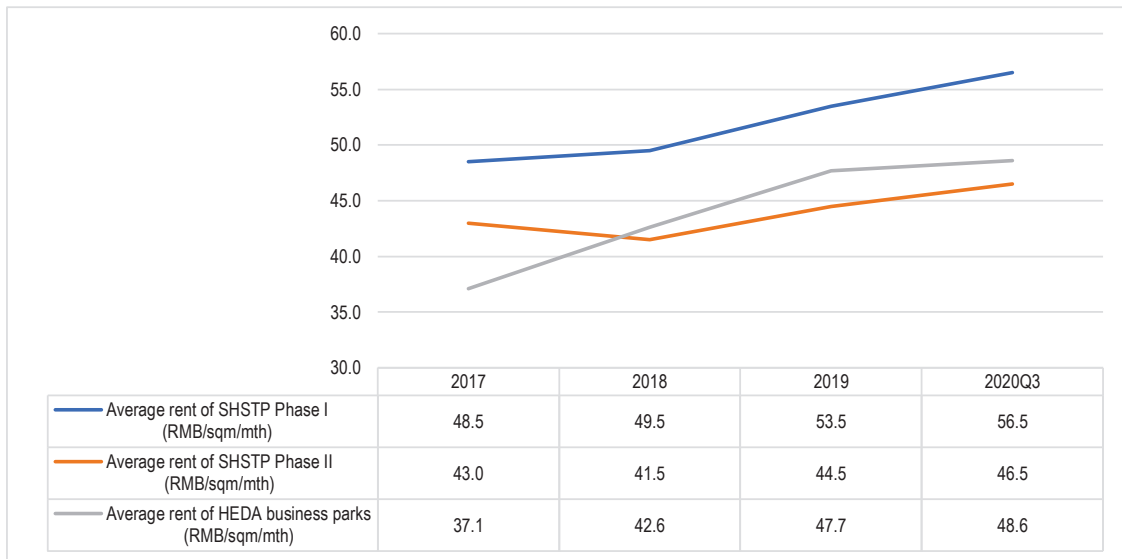
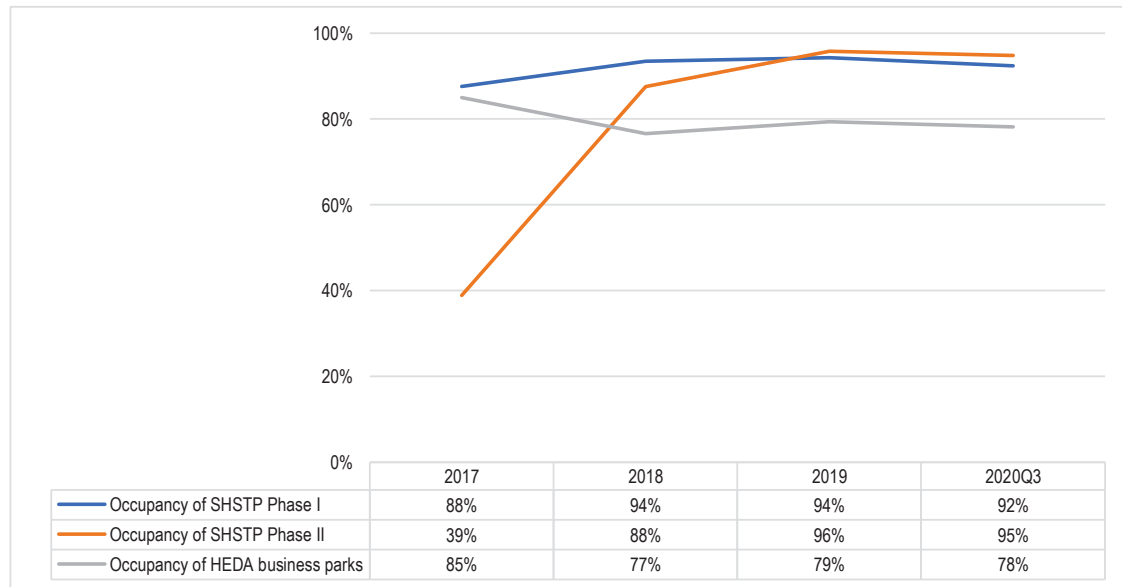


Figure 76 Comparison of Occupancy Rate among SHSTP and HEDA Business Parks (2017-2020Q3)



13.4 SWOT SUMMARY

Strength

- CapitaLand is one of the very first business park developers to have entered HEDA. Premier property management capability, strong reputation of CapitaLand Group and its industrial park brand, Ascendas in Hangzhou, have enabled it to consistently secure high rent and occupancy rates
- Growing asset providing latest type of workspaces. SHSTP Phase 3's completion in 2021 will bring another 180,000 sqm to SHSTP, making it one of the largest business park projects in HEDA
- Prime location with close proximity to the Xiasha University Town which includes 14 universities and 4 information technology outsourcing training institutions, providing strong talent support for the tenants in the Science and Technology Park
- Award-winning digitalized adoption that vastly improved operational efficiency and competitiveness through the use of smart building technologies.
- Favorable supporting environments with 8 undergraduate colleges and universities, several medium-to-top grade residential communities, one 4-star hotel, commercial complexes, chain supermarkets, brand restaurants and 3 hospitals located in the surrounding area.

Weakness

- SHSTP currently lacks the introduction of leading biomedical companies, which has a certain impact on the popularity of the industrial park. Also, SHSTP entered the market earlier compared to other projects, and the properties may require maintenance works.

Opportunities

- Overall desirability of SHSTP would likely be increased if additional high-profile new emerging sectors tenants were to relocate to the area.

Threats

- Notable new business parks developments are expected in coming years that could represent future competition for SHSTP.

13.5 OUTLOOK

We expect SHSTP to still have a good market performance in the future, as summarized as follows:

Firstly, located in the core area of Hangzhou Economic Development Zone, SHSTP has superior location conditions and is adjacent to subway Line1, Line8 and Hangzhou Ring Expressway. Its good accessibility is favored by customers.

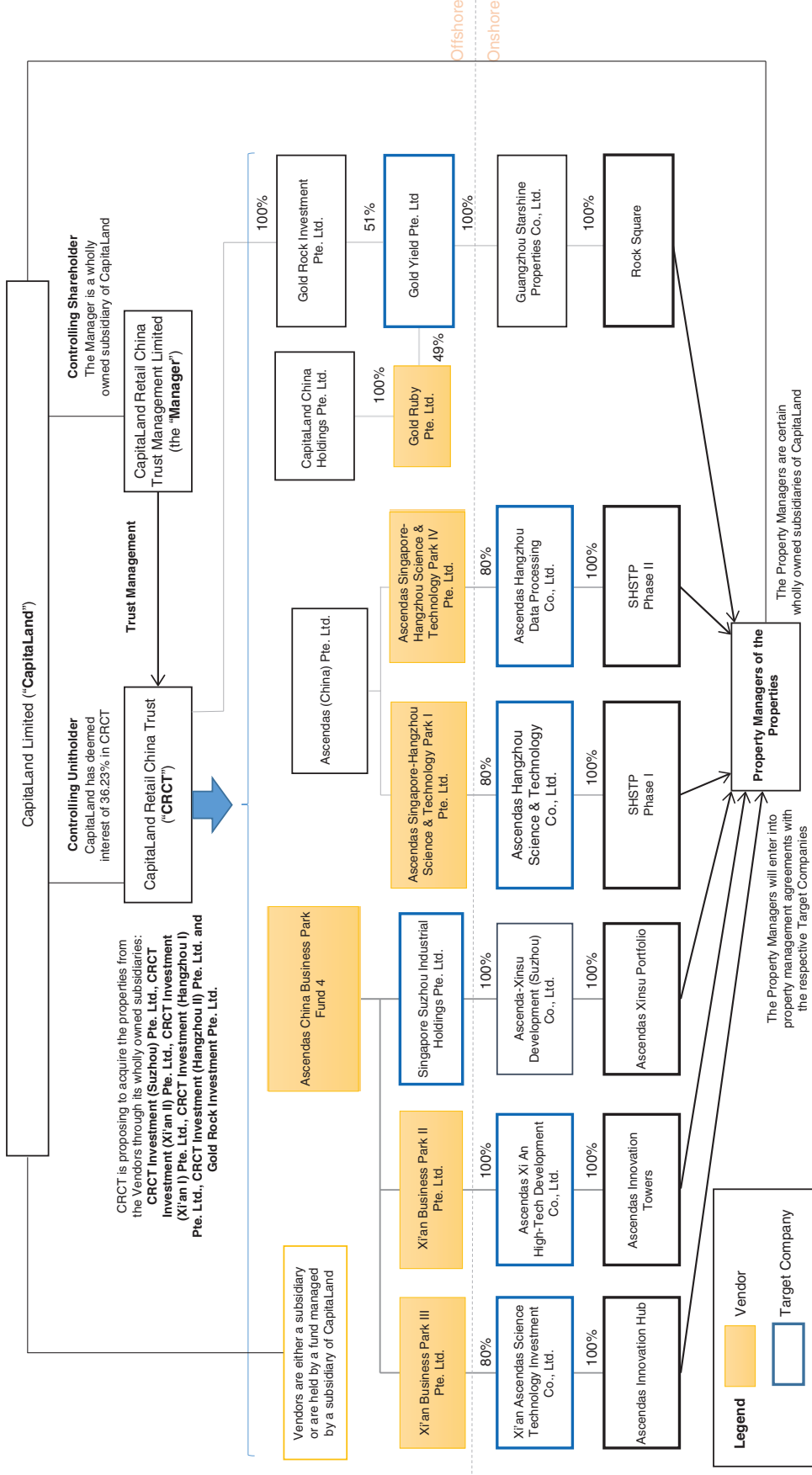
Secondly, there are mature and complete supporting facilities around SHSTP. Tertiary education institutions, shopping malls, hospitals and other facilities provide regional enterprises and employees with resources such as talent transfer and convenient daily life.

Thirdly, the project's own good property quality and operational capabilities are highly recognized by customers.

Lastly, Hangzhou has great potential for urban development in the future. The core cities in the Yangtze River Delta, the upcoming international sports events, and the transportation facilities that are under reconstruction will greatly enhance the attractiveness of Hangzhou.

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RELATIONSHIP BETWEEN INTERESTED PERSONS AND CRCT



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PROCEDURES FOR EXTRAORDINARY GENERAL MEETING

1. Date, Time and Conduct of EGM

Pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020, which was gazetted on 13 April 2020, and the Joint Statement by Accounting and Corporate Regulatory Authority, Monetary Authority of Singapore and Singapore Exchange Regulation in relation to Guidance on the Conduct of General Meetings Amid Evolving COVID-19 Situation issued on 1 October 2020, which set out the alternative arrangements in respect of, *inter alia*, general meetings of real estate investment trusts, the EGM will be convened and held by way of electronic means on Tuesday, 22 December 2020 at 2.30 p.m. (Singapore time).

2. Notice of EGM and Proxy Form

Printed copies of the Notice of EGM and the instrument appointing the Chairman of the EGM as proxy ("**Proxy Form**") will be sent to Unitholders. The Notice of EGM and the Proxy Form will also be made available on CRCT's website at the URL <https://investor.crct.com.sg/agm-egm.html> and on SGX's website at the URL <https://www.sgx.com/securities/company-announcements>.

3. No personal attendance at EGM

Due to the current COVID-19 situation in Singapore, **Unitholders will not be able to attend the EGM in person.**

4. Alternative arrangements for participation at the EGM

Unitholders may participate at the EGM by:

- (i) observing and/or listening to the EGM proceedings via live audio-visual webcast or live audio-only stream;
- (ii) submitting questions in advance of the EGM; and
- (iii) appointing the Chairman of the EGM as proxy to attend, speak and vote on their behalf at the EGM.

Alternative arrangements relating to attendance at the EGM via electronic means (including arrangements by which the EGM can be electronically accessed via live audio-visual webcast or live audio-only stream), submission of questions to the Chairman of the EGM in advance of the EGM, addressing of substantial and relevant questions either before or during the EGM and voting by appointing the Chairman of the EGM as proxy at the EGM, are set out in the Notice of EGM.

5. Key dates/deadlines

The table below sets out the key dates/deadlines for Unitholders to note:

Key Dates	Actions
4 December 2020 (Friday)	Unitholders may begin to pre-register at the URL https://investor.crct.com.sg/agm-egm/ for the live audio-visual webcast or live audio-only stream of the EGM proceedings.
5.00 p.m. on 10 December 2020 (Thursday)	Deadline for CPF/SRS investors who wish to appoint the Chairman of the EGM as proxy to approach their respective CPF agent bank or SRS operator to submit their votes.
2.30 p.m. on 19 December 2020 (Saturday)	Deadline for Unitholders to: <ul style="list-style-type: none">• pre-register for live audio-visual webcast/live audio-only stream of the EGM proceedings;• submit questions relating to the resolution to be tabled for approval at the EGM; and• submit Proxy Forms.
2.30 p.m. on 20 December 2020 (Sunday)	Authenticated Unitholders will receive an email which will contain user ID and password details, as well as instructions on how to access the live audio-visual webcast and a telephone number to access the live audio-only stream of the EGM proceedings (the “ Confirmation Email ”). Unitholders who do not receive the Confirmation Email by 2.30 p.m. on 20 December 2020, but have registered by the 19 December 2020 deadline should contact the Unit Registrar, Boardroom Corporate & Advisory Services Pte. Ltd., for assistance at +65 6536 5355 (during office hours) or email CRCT2020@boardroomlimited.com .
2.30 p.m. on 22 December 2020 (Tuesday)	<ul style="list-style-type: none">• Click on the link in the Confirmation Email and enter the user ID and password to access the live audio-visual webcast of the EGM proceedings; or• Call the toll-free telephone number in the Confirmation Email to access the live audio-only stream of the EGM proceedings.

6. Circular

The Circular dated 4 December 2020 have been published on CRCT’s website, and may be accessed at URL <https://investor.crct.com.sg/agm-egm.html>.

7. Further information

For more information, Unitholders can refer to CRCT’s website at <https://investor.crct.com.sg/agm-egm.html>, or contact the Manager at ask-us@crct.com.sg.

8. Important reminder

In view of the current COVID-19 situation in Singapore, Unitholders are strongly encouraged to submit completed Proxy Forms electronically via email to CRCT2020@boardroomlimited.com.



CAPITALAND RETAIL CHINA TRUST

(Constituted in the Republic of Singapore
pursuant to a trust deed dated 23 October 2006 (as amended))

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an Extraordinary General Meeting (“**EGM**”) of the holders of units of CapitaLand Retail China Trust (“**CRCT**”, and the holders of units in CRCT, “**Unitholders**”) will be convened and held by electronic means on Tuesday, 22 December 2020 at 2.30 p.m. (Singapore time), for the purpose of considering and, if thought fit, passing, with or without modifications, the following resolution (capitalised terms not otherwise defined herein shall bear the meanings ascribed to them in the circular dated 4 December 2020 to Unitholders (the “**Circular**”)):

ORDINARY RESOLUTION

THE PROPOSED ACQUISITION OF THE RESPECTIVE INTERESTS IN THE COMPANIES WHICH HOLD THE ASCENDAS XINSU PORTFOLIO, ASCENDAS INNOVATION TOWERS, ASCENDAS INNOVATION HUB, SINGAPORE-HANGZHOU SCIENCE & TECHNOLOGY PARK PHASE I AND PHASE II AND ROCK SQUARE, AS AN INTERESTED PERSON TRANSACTION (ORDINARY RESOLUTION)

That:

- (i) approval be and is hereby given for the acquisition (“**ACBPF4 Acquisition**”) of the respective interests in the companies which hold (whether directly or indirectly) the Ascendas Xinsu Portfolio, Ascendas Innovation Towers and Ascendas Innovation Hub, in the manner as described in the Circular, from Ascendas China Business Park IV Trustee Pte. Ltd. (in its capacity as trustee of Ascendas China Business Parks Fund 4), Xi’an Business Park II Pte. Ltd. and Xi’an Business Park III Pte. Ltd., respectively, on the terms and conditions set out in the conditional agreement dated 5 November 2020 (the “**ACBPF4 Conditional Agreement**”), and the entry into of the ACBPF4 Conditional Agreement be and is hereby approved and ratified;
- (ii) approval be and is hereby given for the acquisition (“**SHSTP Acquisition**”) of the respective interests in the companies which hold Singapore-Hangzhou Science & Technology Park Phase I and Phase II in the manner as described in the Circular, from Ascendas Singapore-Hangzhou Science & Technology Park I Pte. Ltd. and Ascendas Singapore-Hangzhou Science & Technology Park IV Pte. Ltd., respectively, on the terms and conditions set out in the conditional agreement dated 5 November 2020 (the “**SHSTP Conditional Agreement**”), and the entry into of the SHSTP Conditional Agreement be and is hereby approved and ratified;
- (iii) approval be and is hereby given for the acquisition (“**Rock Square Acquisition**”) of the balance 49.0% interest in the company which indirectly holds Rock Square in the manner as described in the Circular, from Gold Ruby Pte. Ltd., on the terms and conditions set out in the conditional share purchase agreement dated 5 November 2020 (the “**Rock Square SPA**”), and the entry into of the Rock Square SPA be and is hereby approved and ratified;
- (iv) approval be and is hereby given for the payment of all fees and expenses relating to the ACBPF4 Acquisition, the SHSTP Acquisition and the Rock Square Acquisition (collectively, the “**Acquisition**”);

- (v) approval be and is hereby given for the entry by CRCT Investment (Suzhou) Pte. Ltd. into a shareholders' agreement (the "**Xinsu SHA**") with CLC Investment Nine Pte. Ltd., which will hold the balance 49.0% of Singapore Suzhou Industrial Holdings Pte. Ltd. (which in turn indirectly holds the Ascendas Xinsu Portfolio);
- (vi) approval be and is hereby given for certain wholly-owned subsidiaries of CapitaLand Limited (the "**Property Managers**") to manage the Ascendas Xinsu Portfolio, Ascendas Innovation Towers, Ascendas Innovation Hub and Singapore-Hangzhou Science & Technology Park Phase I and Phase II and Rock Square following the completion of the acquisition of these properties pursuant to and in accordance with the terms of the property management agreements entered or to be entered into with the Property Managers (the "**Property Management Agreements**"); and
- (vii) CapitaLand Retail China Trust Management Limited, as the manager of CRCT (the "**Manager**"), any director of the Manager, and HSBC Institutional Trust Services (Singapore) Limited (in its capacity as trustee of CRCT) (the "**Trustee**") be and are hereby severally authorised to complete and do all such acts and things (including executing all such documents as may be required) as the Manager, such director of the Manager or, as the case may be, the Trustee may consider expedient or necessary or in the interests of CRCT to give effect to the Acquisition and the entry into the Xinsu SHA and the Property Management Agreements.

Unitholders are invited to send in their questions relating to the resolution above to the Manager by 2.30 p.m. on 19 December 2020. Please see Note 4 of this Notice of EGM on how Unitholders may submit their questions.

BY ORDER OF THE BOARD
CapitaLand Retail China Trust Management Limited
(Registration Number: 200611176D)
as manager of CapitaLand Retail China Trust

CHUO CHER SHING
Company Secretary

Singapore
4 December 2020

Notes:

1. The EGM is being convened, and will be held, by electronic means pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020. Printed copies of the Circular will **not** be sent to Unitholders. Instead, the Circular will be published electronically on CRCT's website at the URL <https://investor.crct.com.sg/agm-egm.html>. The Circular will also be made available on the SGX website at the URL <https://www.sgx.com/securities/prospectus-circulars-offer-documents>. We sincerely hope that you will join our efforts to reduce costs and increase operational efficiency by embracing electronic communications. However, if you still wish to receive a printed copy of the Circular, please email Boardroom Corporate & Advisory Services Pte. Ltd. at CRCT2020@boardroomlimited.com and provide your full name and address. To receive a printed copy of the Circular before the EGM, please send in your request before 14 December 2020.
2. **Due to the current COVID-19 situation in Singapore, Unitholders will not be able to attend the EGM in person.** Alternative arrangements relating to attendance at the EGM via electronic means (including arrangements by which the meeting can be electronically accessed via live audio-visual webcast or live audio-only stream), submission of questions to the Chairman of the EGM in advance of the EGM, addressing of substantial and relevant questions prior to or during the EGM and voting by appointing the Chairman of the EGM as proxy at the EGM, are set out below and in the accompanying Circular dated 4 December 2020. This circular may be accessed at CRCT's website at the URL <https://investor.crct.com.sg/agm-egm.html> and will also be made available on the SGX website at the URL <https://www.sgx.com/securities/prospectus-circulars-offer-documents>. Any reference to a time of day is made by reference to Singapore time.
3. Unitholders and CPF and SRS investors will be able to observe and/or listen to the EGM proceedings through a live audio-visual webcast or live audio-only stream via their mobile phones, tablets or computers. In order to do so, Unitholders and CPF and SRS investors must pre-register at CRCT's pre-registration website at the URL <https://investor.crct.com.sg/agm-egm/> no later than 2.30 p.m. on 19 December 2020 to enable the Manager to verify their status as Unitholders.

Following the verification, authenticated Unitholders and CPF and SRS investors will receive an email, which will contain user ID and password details as well as instructions on how to access the live audio-visual webcast and live audio-only stream of the EGM proceedings, by 2.30 p.m. on 20 December 2020. Unitholders who do not receive an email by 2.30 p.m. on 20 December 2020 but have registered by the 19 December 2020 deadline should contact CRCT's Unit Registrar, Boardroom Corporate & Advisory Services Pte. Ltd., for assistance at +65 6536 5355 (during office hours) or email CRCT2020@boardroomlimited.com.

4. Unitholders may also submit questions related to the resolution to be tabled for approval at the EGM to the Chairman of the EGM in advance of the EGM. In order to do so, their questions must be submitted in the following manner by 2.30 p.m. on 19 December 2020:
 - (a) if submitted electronically, be submitted via CRCT's pre-registration website at the URL <https://investor.crct.com.sg/agm-egm/>; or
 - (b) if submitted by post, be deposited at the office of CRCT's Unit Registrar, Boardroom Corporate & Advisory Services Pte. Ltd., at 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623.

Unitholders who submit questions by post to the Unit Registrar must provide the following information:

- (1) the Unitholder's full name;
- (2) the Unitholder's NRIC/FIN/Passport number;
- (3) the Unitholder's address; and
- (4) the manner in which the Unitholder holds Units in CRCT (e.g., via CDP, CPF or SRS).

In view of the current COVID-19 situation in Singapore, Unitholders are strongly encouraged to submit their questions via the pre-registration website.

5. The Manager will endeavour to address all substantial and relevant questions, submitted in advance of the EGM, prior to or during the EGM. The Manager will publish the responses to the substantial and relevant questions on CRCT's website and on SGXNET prior to the EGM. The Manager will publish the minutes of the EGM on CRCT's website and on SGXNET.
6. Unitholders will **not** be able to ask questions at the EGM live during the live audio-visual webcast or live audio-only stream, and therefore it is important for Unitholders who wish to ask questions to submit their questions in advance of the EGM.

Unitholders will not be able to vote online on the resolution to be tabled for approval at the EGM. If a Unitholder (whether individual or corporate) wishes to exercise his/her/its voting rights at the EGM, he/she/it must appoint the Chairman of the EGM as his/her/its proxy to attend, speak and vote on his/her/its behalf at the EGM. The instrument appointing the Chairman of the EGM as proxy ("**Proxy Form**") may be accessed at CRCT's website at the URL <https://investor.crct.com.sg/agm-egm.html> and will also be made available on the SGX website at the URL <https://www.sgx.com/securities/company-announcements>.

In appointing the Chairman of the EGM as proxy, a Unitholder must give specific instructions as to voting, or abstention from voting, in respect of a resolution in the Proxy Form, failing which the appointment of the Chairman of the EGM as proxy for that resolution will be treated as invalid.

7. The Proxy Form must be submitted to the Manager c/o the Unit Registrar Boardroom Corporate & Advisory Services Pte. Ltd., in the following manner:
- (a) if submitted by post, be lodged at the registered office of CRCT's Unit Registrar, Boardroom Corporate & Advisory Services Pte. Ltd., 50 Raffles Place #32-01 Singapore Land Tower, Singapore 048623; or
 - (b) if submitted electronically, be submitted via email to CRCT's Unit Registrar, Boardroom Corporate & Advisory Services Pte. Ltd., at CRCT2020@boardroomlimited.com,

in either case, by 2.30 p.m. on 19 December 2020, being 72 hours before the time of the scheduled EGM.

A Unitholder who wishes to submit the Proxy Form by post or via email must first complete and sign the Proxy Form, before submitting it by post to the address provided above, or before scanning and sending it by email to the email address provided above.

In view of the current COVID-19 situation in Singapore, Unitholders are strongly encouraged to submit completed Proxy Forms electronically via email.

Persons who hold Units through a relevant intermediary (as defined below) and who wish to participate in the EGM by (a) observing and/or listening to the EGM proceedings through live audio-visual webcast or live audio-only stream; (b) submitting questions in advance of the EGM; and/or (c) appointing the Chairman of the EGM as proxy to attend, speak and vote on their behalf at the EGM, should contact the relevant intermediary through which they hold such Units as soon as possible in order to make the necessary arrangements for them to participate in the EGM.

In addition, CPF and SRS investors who wish to appoint the Chairman of the EGM as proxy should approach their respective CPF agent bank or SRS operator to submit their votes by 5.00 p.m. on 10 December 2020 (Singapore time), being at least 7 working days before the date of the EGM.

"relevant intermediary" means:

- (i) a banking corporation licensed under the Banking Act, Chapter 19 of Singapore, or a wholly owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds Units in that capacity;
- (ii) a person holding a capital markets services licence to provide custodial services for securities under the Securities and Futures Act, Chapter 289 of Singapore, and who holds Units in that capacity; or
- (iii) the Central Provident Fund Board ("**CPF Board**") established by the Central Provident Fund Act, Chapter 36 of Singapore, in respect of Units purchased under the subsidiary legislation made under that Act providing for the making of investments from the contributions and interest standing to the credit of members of the Central Provident Fund, if the CPF Board holds those Units in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.

8. The Chairman of the EGM, as proxy, need not be a Unitholder.

Due to the constantly evolving COVID-19 situation in Singapore, the Manager may be required to change the arrangements for the EGM at short notice. Unitholders should check CRCT's website at the URL <https://investor.crct.com.sg/agm-egm.html> for the latest updates on the status of the EGM.

Personal Data Privacy:

By submitting an instrument appointing the Chairman of the EGM as proxy to attend, speak and vote at the EGM of CRCT and/or any adjournment thereof, a Unitholder (consents to the collection, use and disclosure of the Unitholder's personal data by the Manager and the Trustee (or their agents or service providers) for the purpose of the processing and administration by the Manager and the Trustee (or their agents or service providers) of the appointment of the Chairman of the EGM as proxy for the EGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the EGM (including any adjournment thereof), and in order for the Manager and the Trustee (or their agents or service providers) to comply with any applicable laws, listing rules, regulations and/or guidelines.

CAPITALAND RETAIL CHINA TRUST

(Constituted in the Republic of Singapore pursuant to a trust deed dated 23 October 2006 (as amended))

PROXY FORM

Extraordinary General Meeting

IMPORTANT:

1. For investors holding units of CapitaLand Retail China Trust (“Units”) through a relevant intermediary and CPF/SRS investors, this Proxy Form is not valid for use and shall be ineffective for all intents and purposes if used or purported to be used by them. Such investors should approach their relevant intermediary as soon as possible to specify voting instructions. CPF and SRS investors who wish to appoint the Chairman of the EGM (as defined below) as proxy should approach their respective CPF agent bank or SRS operator to submit their votes by 5.00 p.m. (Singapore time) on 10 December 2020, being at least 7 working days before the date of the EGM (please see Note 7 of the Notice of EGM for the definition of “relevant intermediary”).
2. The EGM will be held via electronic means.
3. **PLEASE READ THE NOTES TO THE PROXY FORM.**

Personal data privacy

By submitting an instrument appointing the Chairman of the EGM as proxy, the Unitholder (as defined below) accepts and agrees to the personal data privacy terms set out in the Notice of EGM dated 4 December 2020.

I/We _____ (Name),

_____ (NRIC/Passport/Company Registration Number)

of _____ (Address)

being a unitholder/unitholders of CapitaLand Retail China Trust (“CRCT” and unitholders of CRCT, “Unitholders”), hereby appoint the Chairman of the Extraordinary General Meeting of Unitholders (the “EGM”) as my/our proxy to attend, speak and vote for me/us on my/our behalf at the EGM to be convened and held by electronic means on Tuesday, 22 December 2020 at 2.30 p.m. (Singapore time), and at any adjournment thereof.

I/We direct the Chairman of the EGM to vote for or against, or to abstain from voting on, the resolution to be proposed at the EGM as indicated hereunder. In appointing the Chairman of the EGM as proxy, a Unitholder must give specific instructions as to voting, or abstention from voting, in respect of a resolution in the Proxy Form, failing which the appointment of the Chairman of the EGM as proxy for that resolution will be treated as invalid.

No	Ordinary Resolution	For*	Against*	Abstain*
1	To approve the proposed acquisition of the respective interests in the companies which hold Ascendas Xinsu Portfolio, Ascendas Innovation Towers, Ascendas Innovation Hub and Singapore-Hangzhou Science & Technology Park Phase I and Phase II and Rock Square as an interested person transaction.			

*If you wish the Chairman of the EGM as your proxy to cast all your votes “For” or “Against” a resolution, please indicate with a “√” within the relevant box provided. Alternatively, please indicate the number of votes as appropriate. If you wish the Chairman of the EGM as your proxy to abstain from voting on a resolution, please indicate with a “√” in the “Abstain” box provided. Alternatively, please indicate the number of votes that the Chairman of the EGM as your proxy is directed to abstain from voting.

Dated this _____ day of _____ 2020

Total Number of Units Held

Signature(s) of Unitholder(s)/Common Seal of Corporate Unitholder

IMPORTANT: PLEASE READ NOTES TO PROXY FORM ON REVERSE PAGE



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Affix
Postage
Stamp

CapitaLand Retail China Trust Management Limited
(as manager of CapitaLand Retail China Trust)
c/o Boardroom Corporate & Advisory Services Pte. Ltd.
50 Raffles Place
#32-01 Singapore Land Tower
Singapore 048623

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1. **Due to the current COVID-19 situation in Singapore, Unitholders will not be able to attend the EGM in person.** Alternative arrangements relating to attendance at the EGM via electronic means (including arrangements by which the meeting can be electronically accessed via live audio-visual webcast or live audio-only stream), submission of questions to the Chairman of the EGM in advance of the EGM, addressing of substantial and relevant questions at the EGM and voting by appointing the Chairman of the EGM as proxy at the EGM, are set out below and in the accompanying Circular dated 4 December 2020. This circular may be accessed at CRCT's website at the URL <https://investor.crct.com.sg/agm-egm.html>, and will also be made available on the SGX website at the URL <https://www.sgx.com/securities/prospectus-circulars-offer-documents>.
2. CPF and SRS investors who wish to appoint the Chairman of the EGM as proxy should approach their respective CPF agent bank or SRS operator to submit their votes 5.00 p.m. on 10 December 2020 (Singapore time), being at least 7 working days before the date of the EGM.
3. The Chairman of the EGM, as proxy, need not be a Unitholder.
4. The Proxy Form must be submitted to the Manager c/o the Unit Registrar Boardroom Corporate & Advisory Services Pte. Ltd., in the following manner: (a) if submitted by post, be lodged at the registered office of CRCT's Unit Registrar, Boardroom Corporate & Advisory Services Pte. Ltd., 50 Raffles Place #32-01 Singapore Land Tower, Singapore 048623; or (b) if submitted electronically, be submitted via email to CRCT's Unit Registrar at CRCT2020@boardroomlimited.com; in either case, not later than 2.30 p.m. on 19 December 2020 (Singapore time), being 72 hours before the time of the scheduled EGM.

A Unitholder who wishes to submit the Proxy Form by post or email must first complete and sign the Proxy Form, before submitting it by post to the address provided above, or before scanning and sending it by email to the email address provided above.

In view of the current COVID-19 situation in Singapore, Unitholders are strongly encouraged to submit completed Proxy Forms electronically via email.

5. A Unitholder should insert the total number of Units held. If the Unitholder has Units entered against the Unitholder's name in the Depository Register maintained by The Central Depository (Pte) Limited ("CDP"), the Unitholder should insert that number of units. If the Unitholder has Units registered in the Unitholder's name in the Register of Unitholders of CRCT, the unitholder should insert that number of Units. If the Unitholder has Units entered against the Unitholder's name in the said Depository Register and registered in the Unitholder's name in the Register of Unitholders of CRCT, the Unitholder should insert the aggregate number of Units. If no number is inserted, this Proxy Form will be deemed to relate to all the Units held by the unitholder.

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6. The Proxy Form appointing the Chairman of the EGM as proxy must be executed under the hand of the appointor or of his/her attorney duly authorised in writing or if the appointor is a corporation either under the common seal or under the hand of an officer or attorney so authorised.
7. Where the Proxy Form is signed on behalf of the appointor by an attorney or a duly authorised officer, the power of attorney or other authority (if any) under which it is signed, or a duly certified copy of such power of attorney must (failing previous registration with the Manager), if the Proxy Form is submitted by post, be lodged with the Proxy Form, or, if the Proxy Form is submitted electronically via email, be emailed with the Proxy Form, failing which the Proxy Form may be treated as invalid.
8. The Manager and the Trustee shall have the right to reject any Proxy Form which is incomplete, improperly completed or illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified on and/or attached to the Proxy Form (including any related attachment). In addition, in the case of unitholders whose Units are entered against their names in the Depository Register, each of the Manager and the Trustee may reject any Proxy Form if the unitholder, being the appointor, is not shown to have Units entered against the unitholder's name in the Depository Register not less than 72 hours before the time appointed for holding the EGM, as certified by CDP to the Manager.
9. All Unitholders will be bound by the outcome of the EGM regardless of whether they have attended or voted at the EGM.
10. Any reference to a time of the day is made by reference to Singapore time.



CAPITALAND RETAIL CHINA TRUST MANAGEMENT LIMITED

As Manager of CapitaLand Retail China Trust
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