



CapitaLand China Trust

Proposed Acquisition of Four Prime Logistics Properties in Shanghai, Kunshan, Wuhan and Chengdu

12 October 2021

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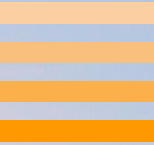
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Transaction Summary and Overview



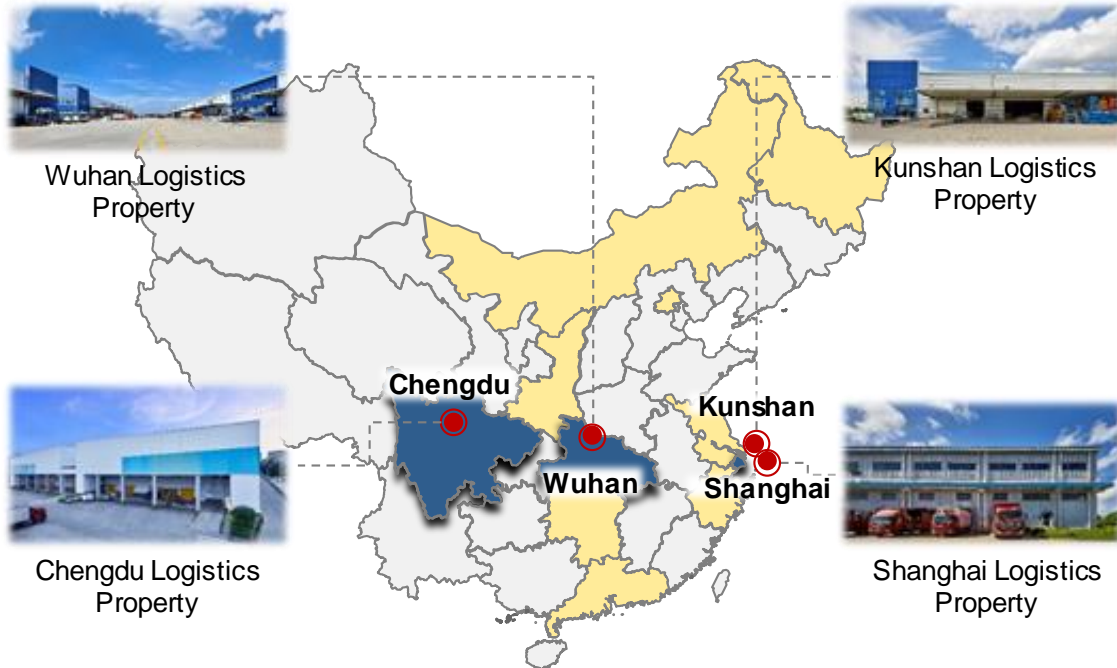
Shanghai Logistics Property

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Transaction summary

Increasing New Economy sector exposure with strategic entry into logistics sector

■ Cities proposed logistics assets are in ■ Existing presence



- ✓ 1st entry into logistics sector
- ✓ Acquisition in line with strategic roadmap to **30% AUM target in New Economy Sectors by 2026**
- ✓ Assets **strategically located** within CapitaLand's five core city clusters⁴
- ✓ Aggregate agreed **property value of RMB1,683.4 million** (vs. aggregate independent valuation of RMB1,694.0 million)
- ✓ To be funded by **bank borrowings and a private placement**
- ✓ The acquisition is expected to be **DPU accretive + 3.5%²**

NPI yield

5.0%¹

DPU accretion

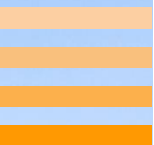
+3.5%²

Occupancy rate

96.3%³

Notes: ¹ Includes rent support and rent free reimbursement; ² The pro forma DPU impact is for illustrative purposes and is prepared based on CLCT's audited consolidated financial statements for the financial year ended 31 December 2020. It is calculated assuming (a) the proposed Acquisition had been completed on 1 January 2020 and CLCT had held and operated the Properties for the financial year ended 31 December 2020; (b) the occupancy rates and committed lease rents of the Properties are as at August 2021 and includes the rent support and rent free reimbursement; (c) the proposed Acquisition is funded by S\$120 million raised from a private placement and the remaining balance by debt; ³ As at 31 Aug 2021; ⁴ The 5 core city clusters under CapitaLand China's strategy are Beijing/Tianjin, Shanghai/Hangzhou/Suzhou/Ningbo, Guangzhou/Shenzhen, Chengdu/Chongqing/Xi'an and Wuhan

Key Investment Merits



Kunshan Logistics Property

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Key investment merits



1

Deepen presence in New Economy asset classes with entry into the logistics sector

2

Strong logistics space demand supported by fast growing China market

3

Strategically located, premium logistics facilities with strong tenant base

4

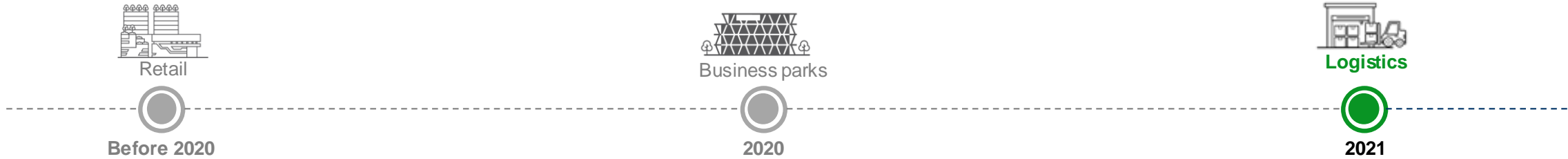
Enhance CLCT's portfolio strength and income diversification

5

Strong NPI growth and DPU accretion

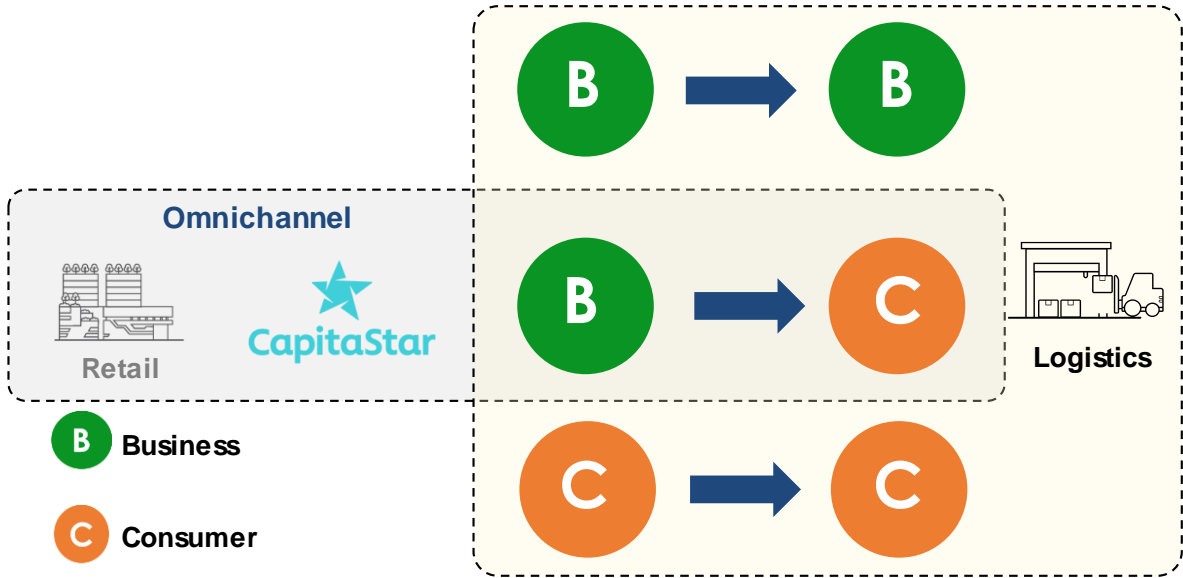
1 Deepen presence in New Economy asset classes with entry into the logistics sector

Executing our near-term strategic roadmap with addition of New Economy asset classes



Expansion into logistics sector enables CLCT to capture a larger pie of China's domestic consumption

- ✓ Opportunity to capture growing domestic consumption across multiple segments
- ✓ Expand outreach to capture growth in B2B and C2C segments
- ✓ Complementary to existing retail business that focuses on B2C segment



2 Strong logistics space demand supported by fast growing China market

Supportive government policies boosting domestic consumption and increasing e-commerce growth

Supportive government policies to grow domestic logistics network

- ✓ “Dual Circulation” strategy to strengthen domestic demand
 - Increasing consumption expenditure as a percentage of GDP
 - Increasing household income and urbanisation to increase middle-income population growth
- ✓ China’s “Global 1-2-3 Logistics Circle” programme to expand and modernise transport and logistics network to improve efficiency and reduce cost

1 day

domestic delivery in China

2 days

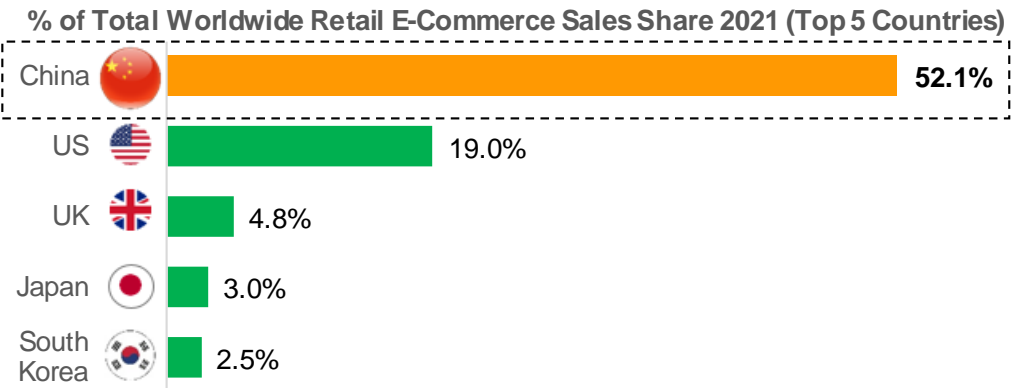
delivery from neighbouring countries

3 days

delivery to major global cities

With demand further driven by accelerating e-commerce growth

- ✓ Largest e-commerce market globally, >2.5 times larger than the e-commerce market in the US



Source: eMarketer. eMarketer has not provided its consent to the inclusion of the information in this presentation and is not liable for such information

- ✓ COVID-19 led acceleration in changing consumer behaviour provides long-term support to China’s e-commerce market potential

Online sales penetration (2020)	4.2% growth from 20.7% to 24.9% ¹ between 2019 and 2020, >2x the average annual growth of ~2% p.a. ¹ from 2015-2019
E-commerce market value (2024)	China’s e-commerce market value projected to grow at 12.4% CAGR ² from 2021-2024 to RMB 19.6 trillion ² in 2024

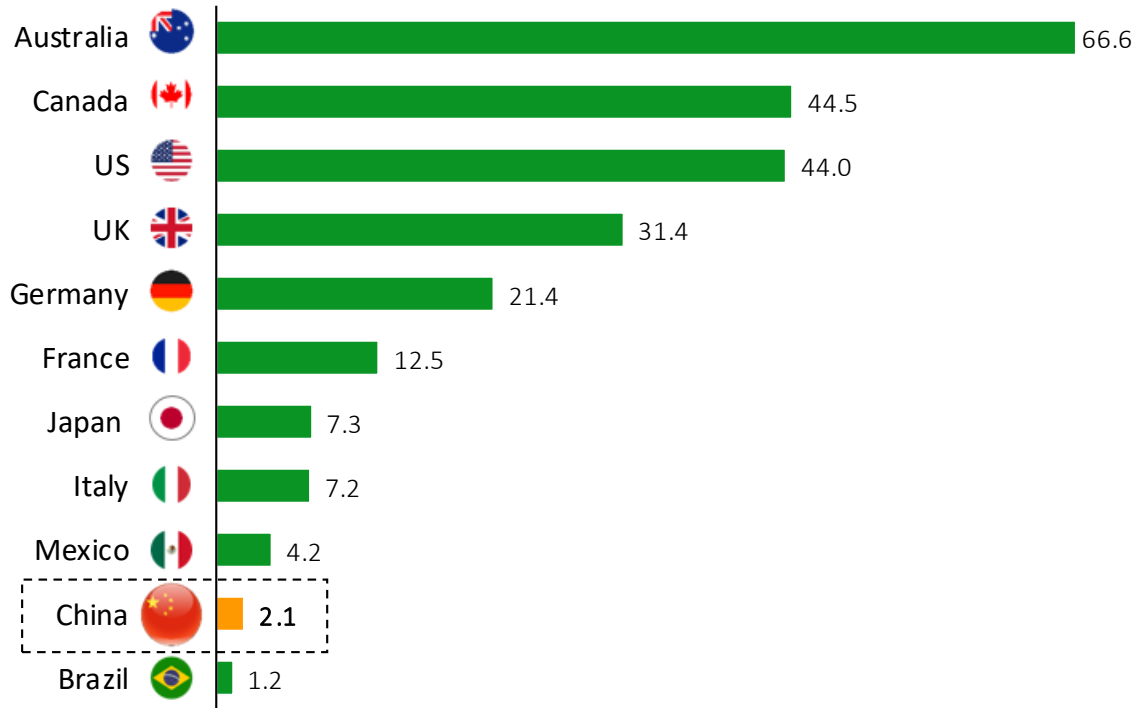
Source: ¹ Forrester. Forrester has not provided its consent to the inclusion of the information in this presentation and is not liable for such information; ² Global Data Banking and Payments Intelligence Centre. Global Data Banking and Payments Intelligence Centre has not provided its consent to the inclusion of the information in this presentation and is not liable for such information

2 Strong logistics space demand supported by fast growing China market (cont'd)

Favourable supply-demand dynamics underpin growth potential for logistics space

Undersupply of logistics properties in China relative to developed nations¹

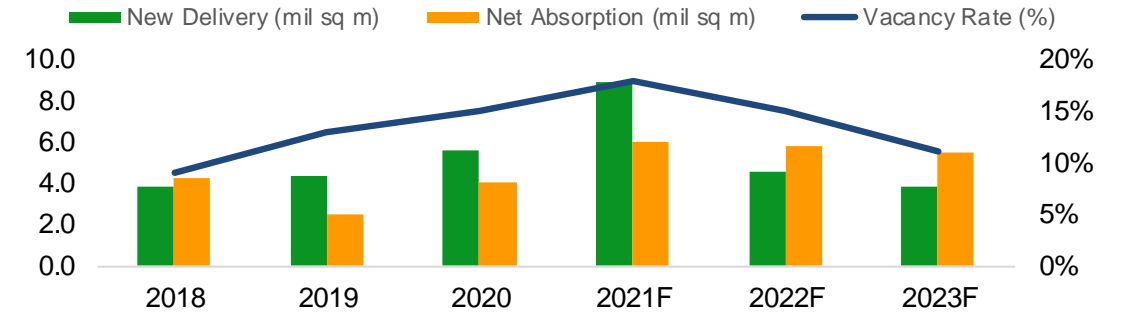
Industrial / logistics stock per capita by Country (sq ft)



Note: ¹ U.S. & Australia include all industrial, the rest of the countries include logistics only; Source: CBRE Research, Oxford Economics, Qianzhan Industry Research, Shanghai Jiao Tong University, 2020. Oxford Economics, Qianzhan Industry Research and Shanghai Jiao Tong University have not provided their consent to the inclusion of the information in this presentation and are not liable for such information

Positive supply-demand dynamics with net absorption to increase by 30% YoY

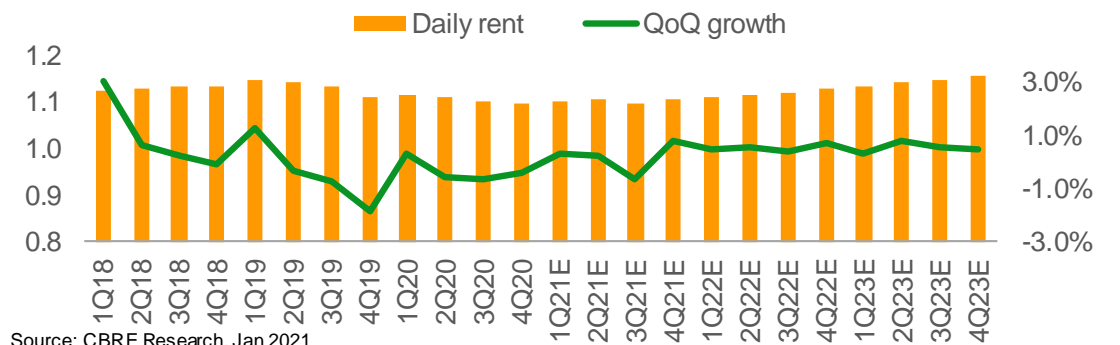
Overall supply, demand and vacancy rate for logistics real estate



Source: CBRE Research, Jan 2021

... leading to strong demand for logistics properties

Daily rent vs growth of logistics assets



Source: CBRE Research, Jan 2021

3 Strategically located, premium logistics facilities with strong tenant base


Well-positioned to capture Eastern, Central and Southwest China's consumption

Shanghai Logistics Property Eastern China



- ✓ <1hr drive to Yangshan International Port and Pudong International Airport
- ✓ Close proximity to established road, rail, air and sea transportation nodes
- ✓ Surrounded by logistics enterprises with convenient access to transport networks

 **19 min** drive to Yangshan International Port

 **44 min** drive to Pudong International Airport




Map of Eastern China

Kunshan Logistics Property Eastern China



- ✓ Ideal distribution centre covering the Yangtze River Delta
- ✓ Within an hour drive radius to Shanghai
- ✓ Multiple transportation options in the area

 **18 min** drive to Kunshan South Railway Station

3

Strategically located, premium logistics facilities with strong tenant base (cont'd)

Well-positioned to capture Eastern, Central and Southwest China's consumption





Map of Central China

Wuhan Logistics Property Central China



- ✓ Located at the east gate of Wuhan
- ✓ Close proximity to the airport, highway network, railway and port

 9 min drive to Wuhan Belt Expressway

 43 min drive to Wuhan Railway Station





Map of Southwest China

Chengdu Logistics Property Southwest China



- ✓ <30min drive to the airport and railway station
- ✓ Caters to many inner / intercity distribution and express delivery centres in Western China

 4 min drive to Chengdu Shuangliu International Airport

 28 min drive to Chengdu East Railway Station

3

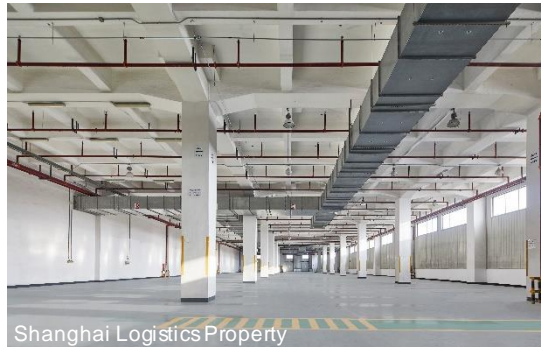
Strategically located, premium logistics facilities with strong tenant base (cont'd)

High-tech specifications to meet a wide range of e-commerce and logistics requirements

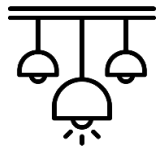
Features within some of the properties include:



Cross and single docking bay that facilitates faster throughput



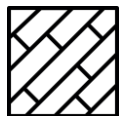
Shanghai Logistics Property



High floor-to-ceiling height approximately 9 m



Kunshan Logistics Property



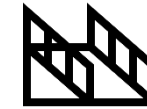
Strong floor loading approximately 3 tons/ sq m



Wuhan Logistics Property



Chengdu Logistics Property



Multi-storey facilities with vehicular ramp access that provides convenient access to every floor



Double side docking bay with lifting platforms



Comprehensive range of ancillary services

3 Strategically located, premium logistics facilities with strong tenant base (cont'd)

Strong tenants within domestic logistics and warehouse, pharmaceuticals, manufacturing and e-commerce space

E-commerce, 37.2%

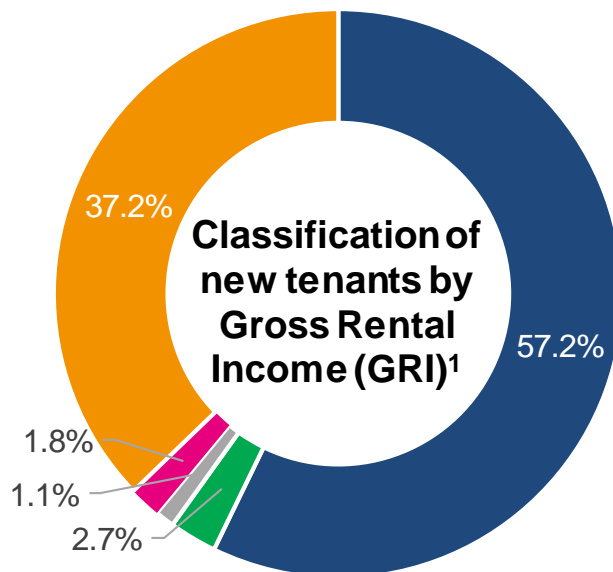
- Largest e-commerce market globally²
- Strong sector growth underpinned by accelerated online sales penetration
- Key tenants include established e-commerce platforms, including a top-3 B2C online retailer

Manufacturing, 1.8%

- Market ranks first worldwide in industrial output
- Preferred destination for global manufacturing facilities

Others, 1.1%

- Tenants providing outsourced services in support of the anchor tenants



Logistics and warehouse, 57.2%

- Domestic players essential for distribution of goods from coastal cities into inland/inner cities
- Strong domestic consumption demand mainly serviced by domestic supply chain providers
- Growth in 3PL business in tandem with expansive growth in e-commerce and manufacturing sectors
- Transport connectivity (to ports, airports and road network), creating tenant stickiness
- Key tenants include domestic market leaders for supply chain solutions and China's leading technology-driven supply chain and logistics supply provider

Pharmaceuticals, 2.7%

- China is one of the largest markets in the world for medicine with an expected 30% market share by 2023³
- Poised to become a global hub of drug innovation in drug development technology

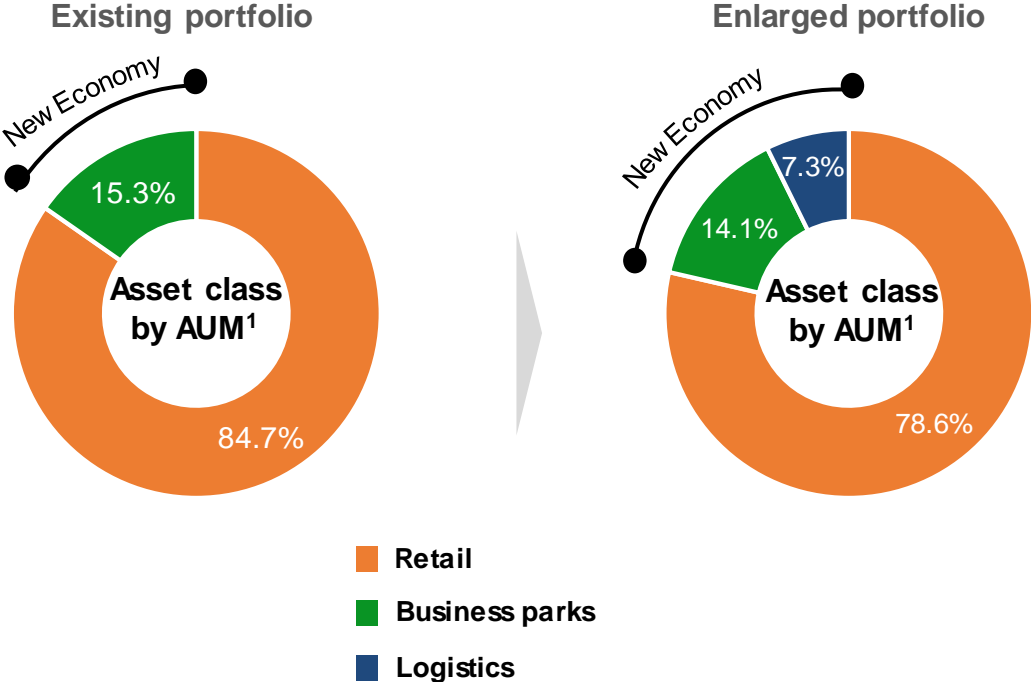
Notes: ¹ As at 31 Aug 2021; ² Source: eMarketer. eMarketer has not provided its consent to the inclusion of the information in this presentation and is not liable for such information; ³ Source: Daxue Consulting. Daxue Consulting has not provided its consent to the inclusion of the information in this presentation and is not liable for such information

4 Enhance CLCT's portfolio strength and income diversification

Increase portfolio diversification by asset class and geography

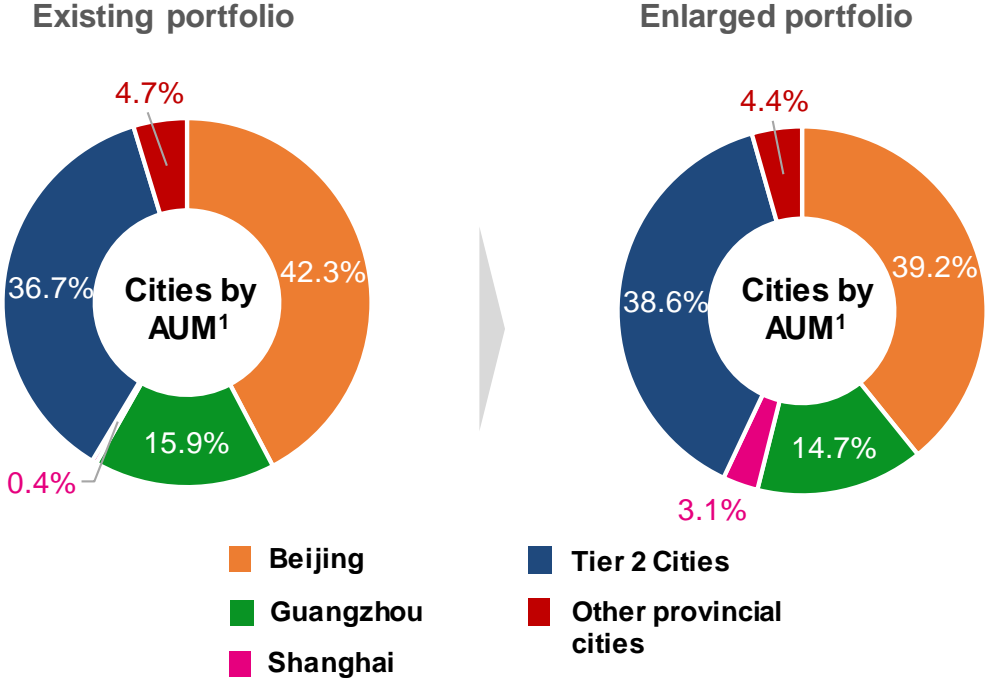
Asset class diversification

✓ Increase exposure in New Economy assets from 15.3% to 21.4%



Geographical diversification

✓ Increase presence in Shanghai and higher growth Tier 2 cities



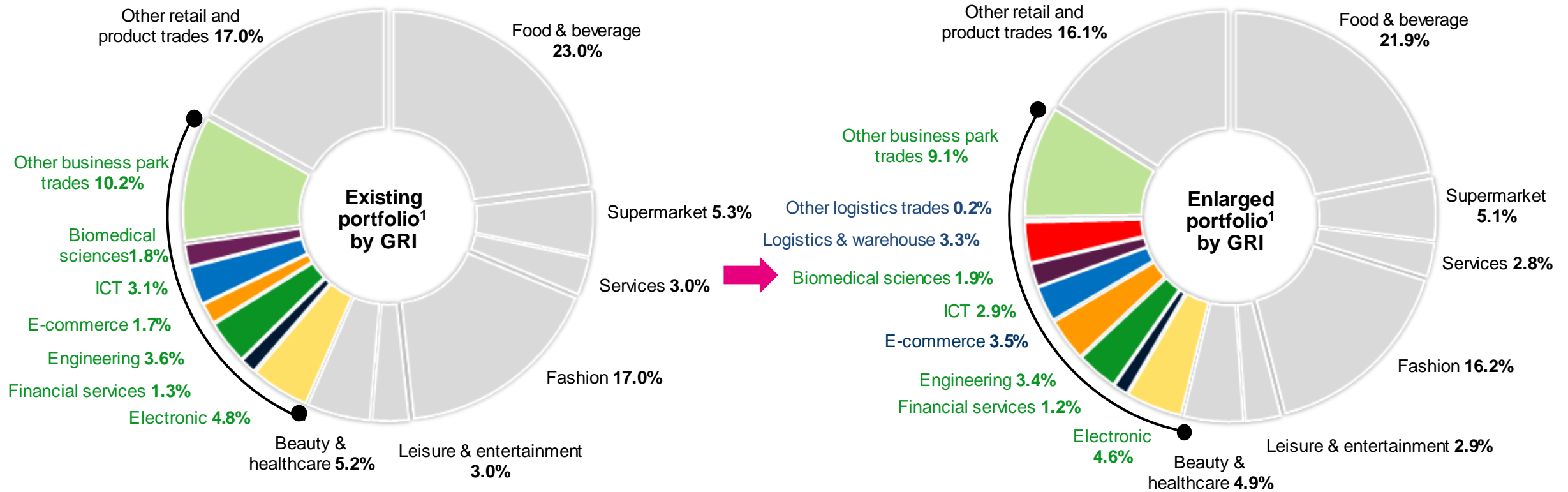
Note: ¹ Existing portfolio AUM is based on valuation as at 31 Dec 2020, includes the agreed property value for the 5 business parks on effective stake basis and excludes CapitaMall Minzhongleyuan and CapitaMall Saihan which were divested. Enlarged portfolio AUM includes existing portfolio AUM and agreed property value for the proposed logistics properties

4

Enhance CLCT's portfolio strength and income diversification (cont'd)

Enhance trade sector mix towards logistics and e-commerce

Increase portfolio exposure to New Economy sectors from 26.5% to 30.1% by GRI



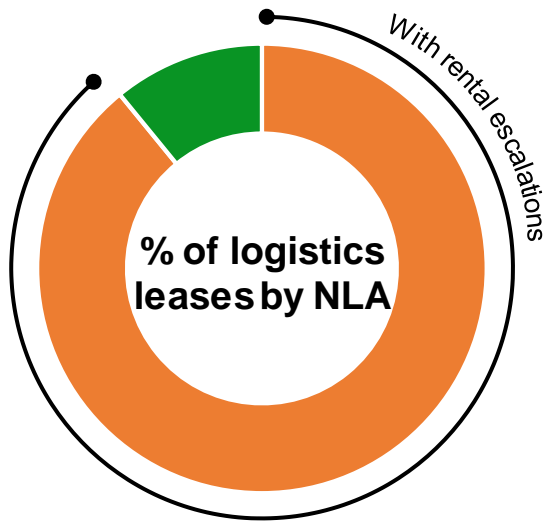
Note: ¹ Existing portfolio as at 30 Jun 2021, includes the retail and business parks portfolio on 100% basis. Enlarged portfolio includes existing portfolio and the proposed logistics properties on 100% basis

4 Enhance CLCT's portfolio strength and income diversification (cont'd)

Improve income stability with favourable lease structures and New Top 10 tenants

>80% of logistics lease¹ have rental escalations embedded in lease

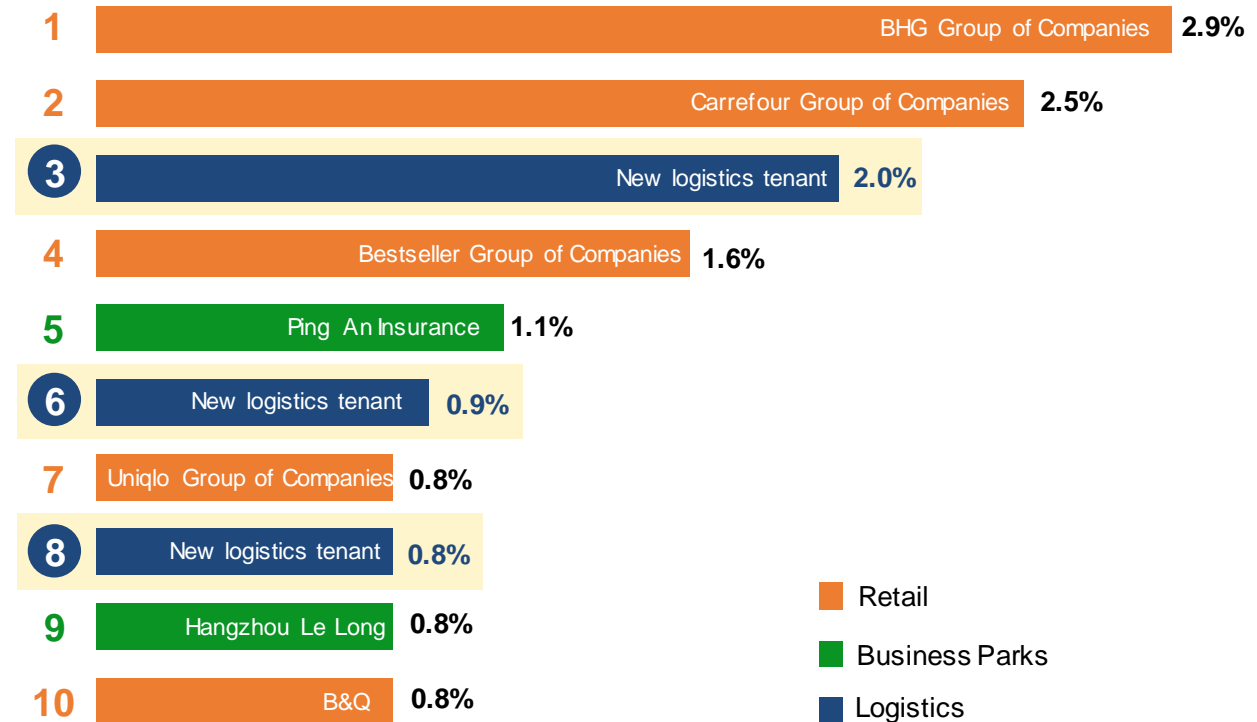
Step up ranging from 3% to 5% per annum



- With rental escalations: >80%
- Without rental escalations: <20%

Enlarged portfolio² top 10 tenants (by Total Rental Income³)

With addition of 3 new logistics tenants, 5 of the top 10 tenants are from New Economy asset classes



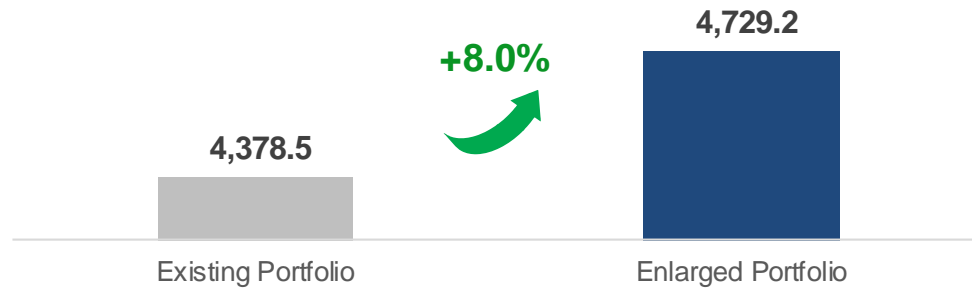
Notes: ¹ By NLA; ² Enlarged portfolio includes existing properties as at 30 Jun 2021 on effective stake basis and proposed logistics properties; ³ Includes both the contractual GRI and the gross turnover rental income (GTO rent) for the month of Jun 2021 to account for pure GTO leases

4

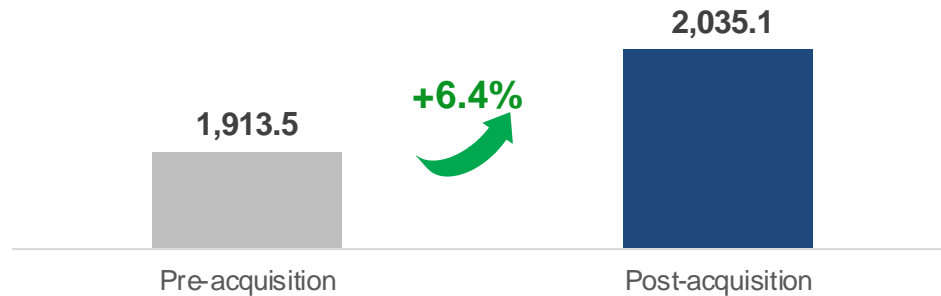
Enhance CLCT's portfolio strength and income diversification (cont'd)

Grow AUM, market capitalisation and lengthen portfolio land duration

Assets Under Management¹ (S\$ million)

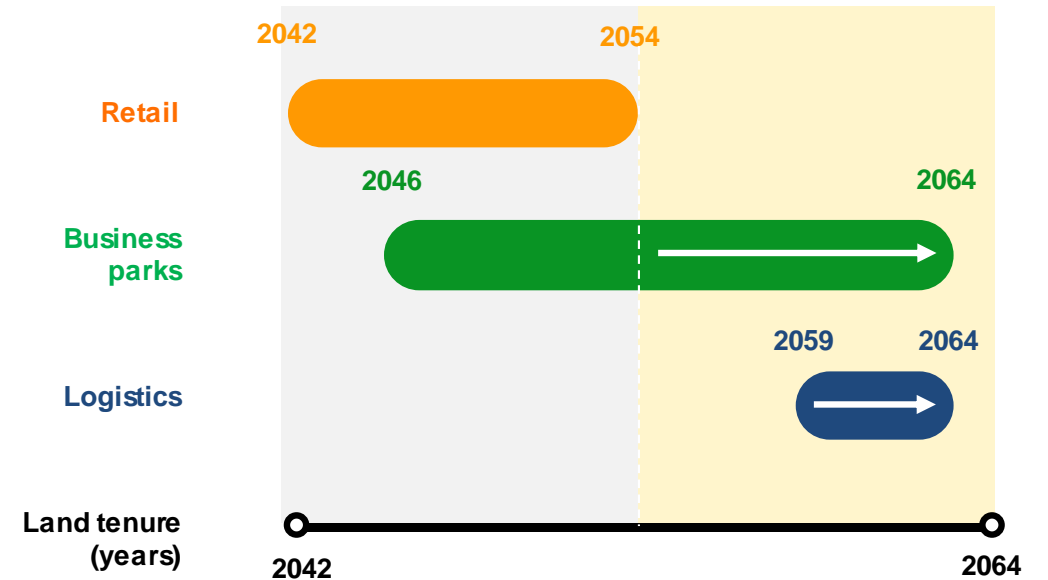


Market capitalisation² (S\$ million)



Extends remaining weighted average land tenure expiry of existing portfolio by 1.94 years³

Land tenure for proposed logistics properties is 50 years at inception, longer than retail at 40 years at inception



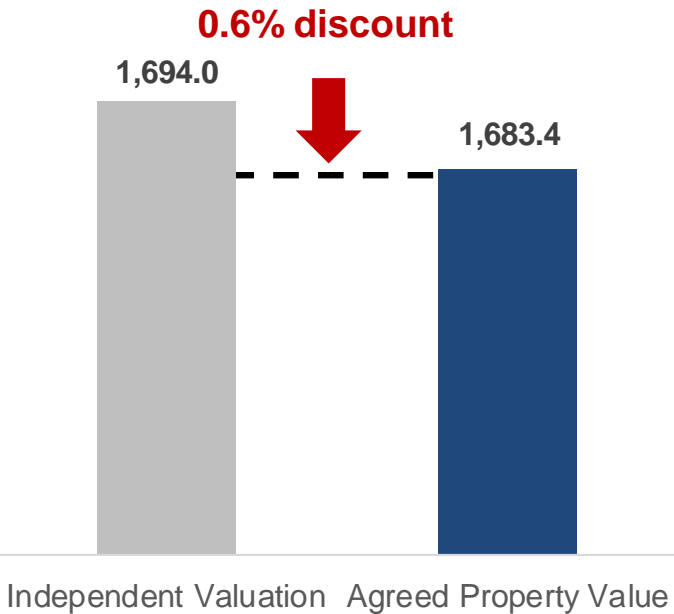
Notes: ¹ Existing portfolio AUM is based on valuation as 31 Dec 2020, includes the agreed property value for the 5 business parks on effective stake basis and excludes CapitaMall Minzhongleyuan and CapitaMall Saihan which were divested. Enlarged portfolio AUM includes existing portfolio AUM and agreed property value for the proposed logistics properties; ² Market Capitalisation as at 11 Oct 2021, assuming S\$120.0 million raised from a private placement and S\$1.6 million management fee paid in units; ³ Weighted by GFA

5

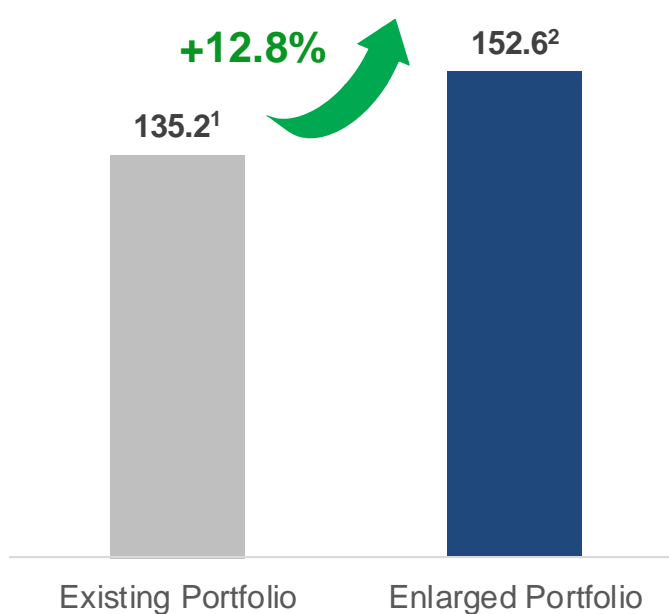
Strong NPI growth and DPU accretion

Positive impact on portfolio with 3.5%³ DPU accretion

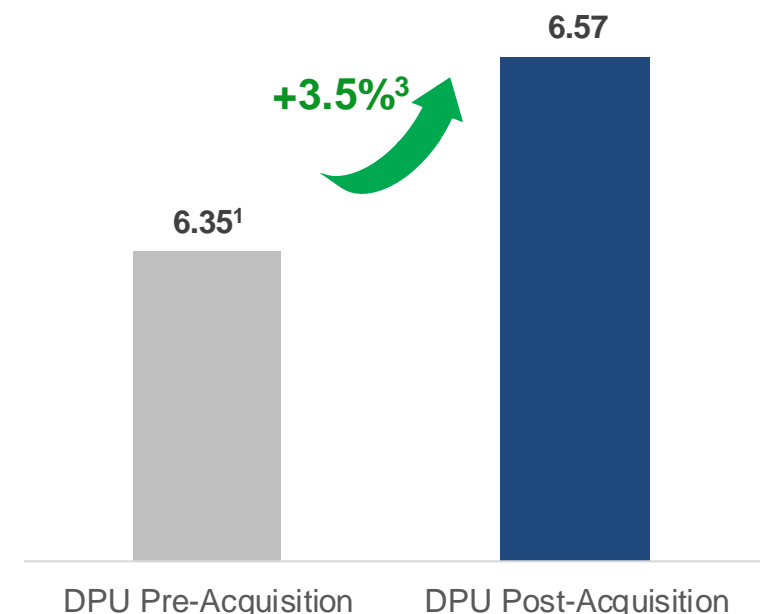
Agreed property value relative to independent valuation (RMB million)



NPI (SGD million)



DPU (S\$ cents)



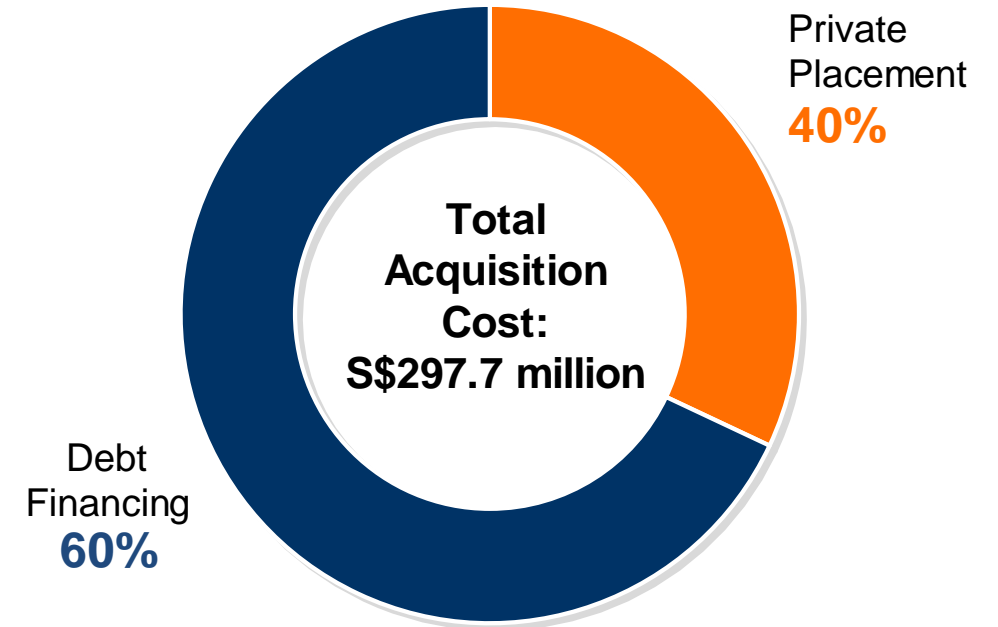
Notes: ¹ Based on the NPI and DPU for the financial year ended 31 Dec 2020; ² Inclusive of rent support and rent free reimbursement; ³ The proforma DPU impact is for illustrative purposes and is prepared based on CLCT's audited consolidated financial statements for the financial year ended 31 December 2020. It is calculated assuming (a) the proposed Acquisition had been completed on 1 January 2020 and CLCT had held and operated the Properties for the financial year ended 31 December 2020; (b) the occupancy rates and committed lease rents of the Properties are as at August 2021 and includes the rent support and rent free reimbursement; (c) the proposed Acquisition is funded by S\$120 million raised from a private placement and the remaining balance by debt.

Total acquisition cost and method of financing

Total acquisition cost¹

Purchase Consideration ²	S\$291.6 million
Acquisition fee payable to the Manager	S\$3.5 million
Other Transaction Costs ³	S\$2.6 million
<hr/>	
Total Acquisition Cost	S\$297.7 million

Method of financing¹



Notes: ¹ FX assumption of S\$1 to RMB4.80; ² The Purchase Consideration is net of the Onshore Loans which CLCT will assume for the Wuhan WFOE, the Kunshan WFOE and the Chengdu WFOE and takes into account that the Shanghai WFOE will be acquired debt-free; ³ Professional and other acquisition-related expenses

Conclusion



Kunshan Logistics Property

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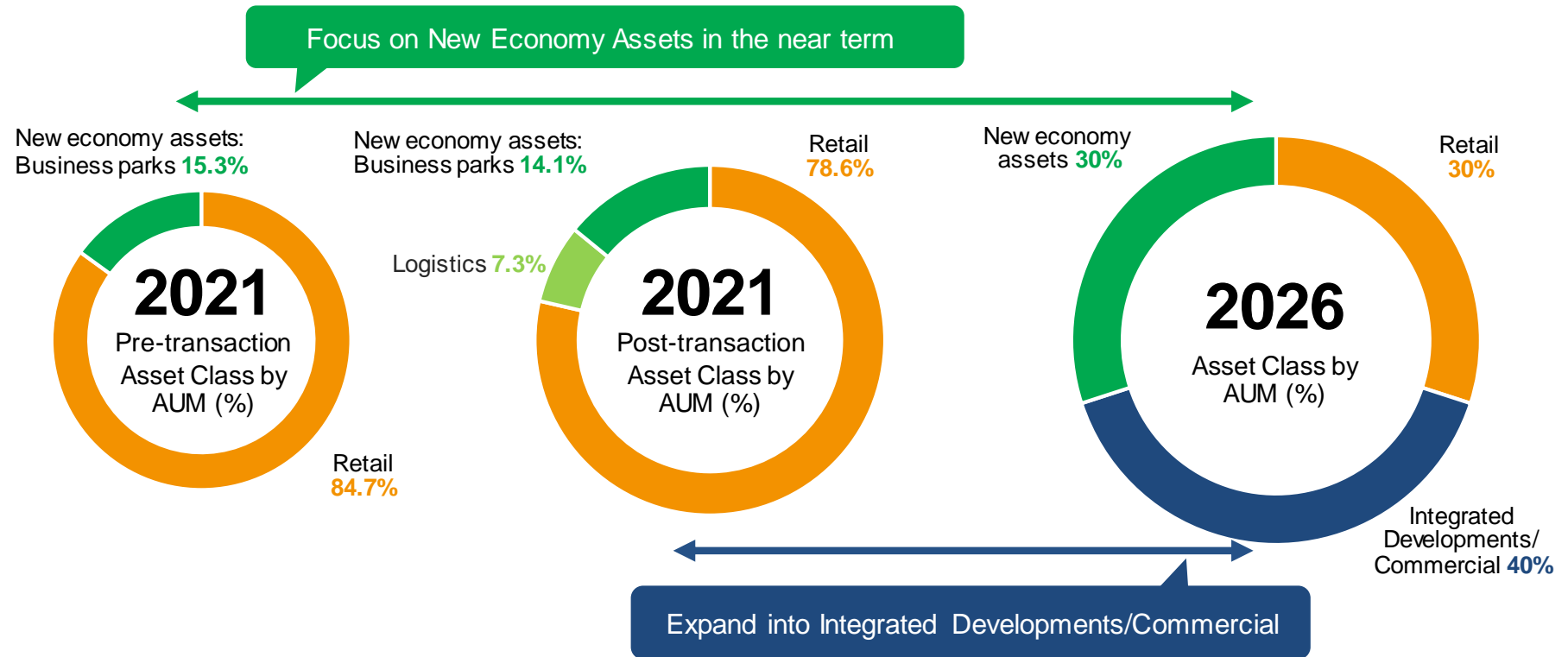
Strengthening portfolio to capture new growth opportunities

Long-term focus on creating growth and resilience in portfolio

Near-term acquisition target

- ✓ **Sizeable and quality** asset and portfolio
- ✓ **In new economy** asset classes
- ✓ Diversify **key city footprint** and align with **China's economic growth plans** to capture consumption-driven, higher-value, service-led economy
- ✓ Leverage **internal Group pipeline** and **source external deal opportunities**

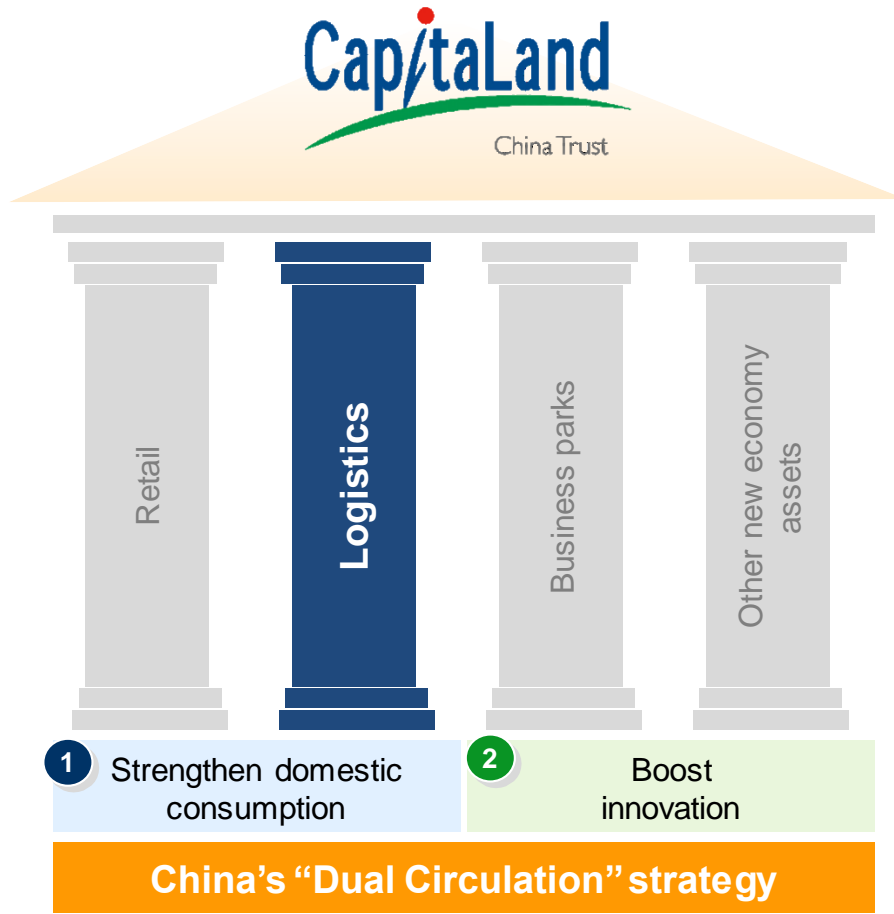
5-Year acquisition growth roadmap



...as we continue to rejuvenate and strengthen our retail assets

Aligning our growth pillars to China's "Dual Circulation" strategy

China 14th 5-yr plan: Towards greater self-sufficiency



1 Strengthen Domestic Consumption

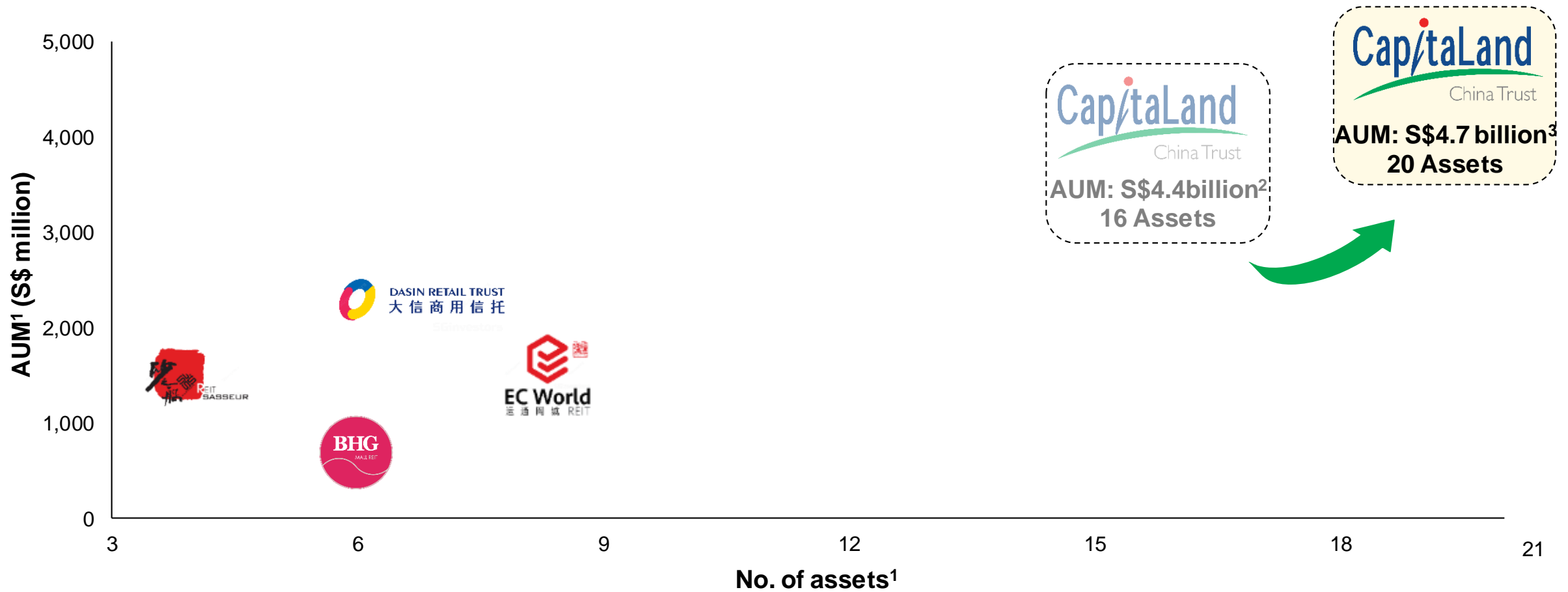
- Identified as the main economic pillar
- **Central Government goals include¹:**
 - ✓ Increasing consumption expenditure as a share of GDP
 - ✓ Increasing household income and upgrading of urbanisation to drive growth of middle-income population

2 Boost Innovation

- Facilitate China's move up global value chains to become a global leader in strategic emerging industries
- **Central Government goals include¹:**
 - ✓ Increasing Research and Development (R&D) spending by 7.0% per annum between now and 2025
 - More tax breaks for selected industries to offset R&D costs
 - ✓ Increasing adoption rate of 5G users to 56%, strengthening digital economy by up to 10% of GDP by 2025

Source: ¹ CBRE, China's 14th five-year plan, Mar 2021

Setting ourselves apart as the largest multi-asset China S-REIT...



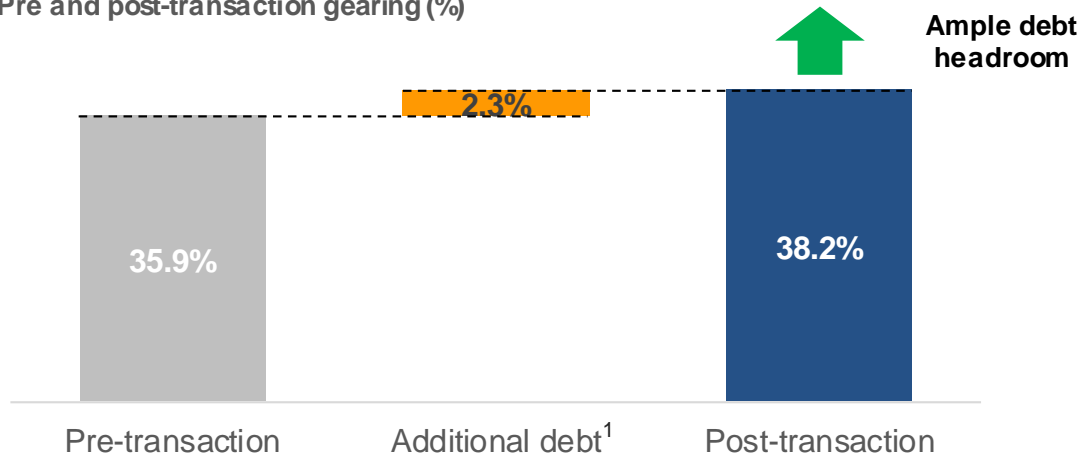
Source: Company filings, Factset

Notes: ¹ As at 30 Jun 2021; ² As at 31 Dec 2020; ³ Existing portfolio AUM is based on valuation as at 31 Dec 2020, includes the agreed property value for the 5 business parks on effective stake basis and excludes CapitaMall Minzhongleyuan and CapitaMall Saihan which were divested. Enlarged portfolio AUM includes existing portfolio AUM and agreed property value for the proposed logistics properties.

... with strong balance sheet and prudent capital management policies

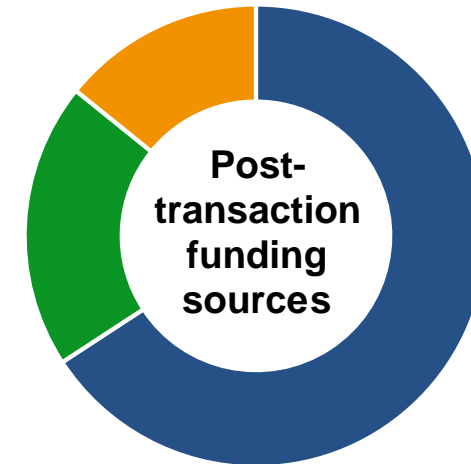
Pro-forma gearing remains healthy post-transaction

Pre and post-transaction gearing (%)



- Strong support from relationship banks
- Diversified funding sources through S\$1 Billion MTN programme with well-staggered tenures
- Strong credit profile² with competitive cost of capital

Diversified funding sources

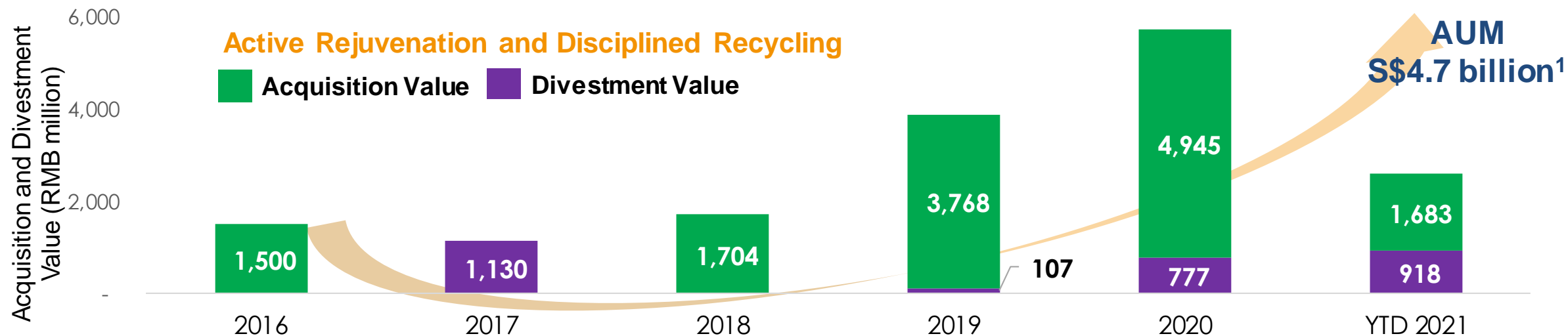


- Offshore loans SGD: 65.8%
- Onshore loans RMB: 20.0%
- MTN: 14.2%

Notes: ¹ Additional debt includes the onshore loan to be assumed for the acquisition; ² Ample debt headroom post transaction from regulatory gearing limit: S\$625 million available headroom to 45% gearing limit; S\$1,197 million available headroom to 50% gearing limit

... to drive CLCT into the next phase of growth

Entering a New Phase: Organic + Acquisitive + Reconstitution Growth



Total
(RMB million)

1,500

1,130

1,704

3,875

5,722

2,601

✓ **Acquired**
CapitaMall
Xinnan

× **Divested**
CapitaMall Anzhen

✓ **Acquired**
51% of Rock
Square

✓ **Acquired** portfolio
of 3 retail assets
✓ **Acquired** Yuquan
Mall²
× **Divested** 51% of
CapitaMall Wuhu

✓ **Acquired** portfolio of
5 Business Parks³
and 49% of Rock
Square
× **Divested** CapitaMall
Erqi

× **Divested** CapitaMall
Minzhongleyuan and
CapitaMall Saihan
✓ **Proposed
Acquisition** of 4
Logistics Properties

Notes: ¹ AUM is based on valuation as at 31 Dec 2020, includes the agreed property value for the 5 business parks on effective stake basis and excludes CapitaMall Minzhongleyuan and CapitaMall Saihan which were divested, and agreed property value for the proposed logistics properties; ² Yuquan Mall has been renamed to CapitaMall Nuohemule. CapitaMall Nuohemule was launched on 20 Dec 2020; ³ Acquired 51% interest in Ascendas Xinsu Portfolio, 100% interest in Ascendas Innovation Towers, 80% interest in Ascendas Innovation Hub, 80% interest in Singapore-Hangzhou Science & Technology Park Phase I And Phase II.

Appendix



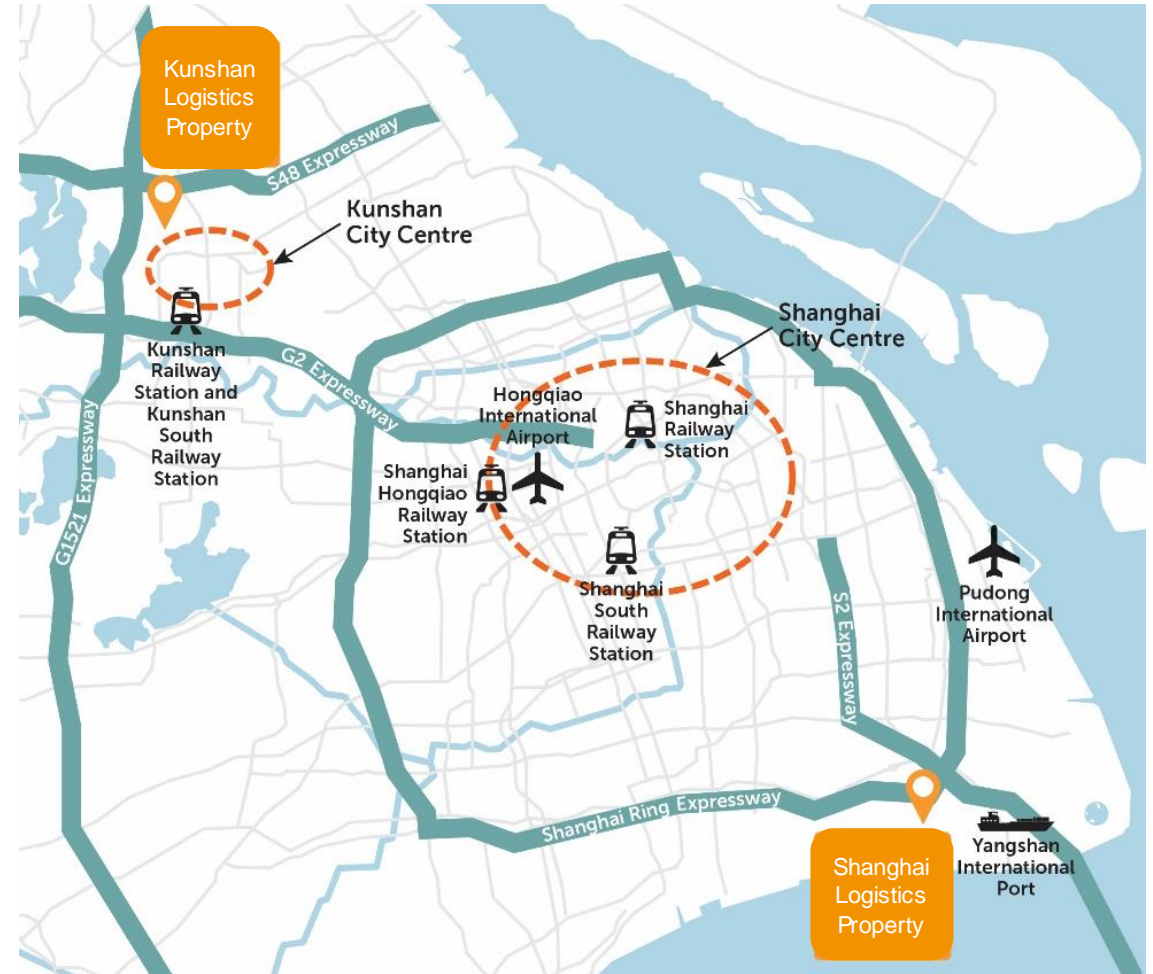
CLCT post proposed acquisition

	Existing portfolio ¹	Enlarged portfolio ²	Change (%)
No. of properties	16	20	+4 properties
No. of cities	10	12	+2 cities
GFA (sq m)	1,686,082	1,951,341	+15.7%
No. of leases	2,931	2,968	+1.3%
Committed occupancy	94.6%	94.9%	+0.3%
Market capitalisation (\$ million)³	1,913.5	2,035.1	+6.4%
Assets under management (\$ million)^{4,5}	4,378.5	4,729.2	+8.0%

Notes: ¹ As at 30 Jun 2021, unless otherwise stated; ² Includes existing properties as at 30 Jun 2021 and proposed logistics properties, unless otherwise stated; ³ Market Capitalisation as at 11 Oct 2021, assuming S\$120.0 million raised from a private placement and S\$1.6 million management fee paid in units; ⁴ Existing portfolio AUM is based on valuation as at 31 Dec 2020, includes the agreed property value for the 5 business parks on effective stake basis and excludes CapitaMall Minzhongleyuan and CapitaMall Saihan which were divested. Enlarged portfolio AUM includes existing portfolio AUM and agreed property value for the proposed logistics properties, ⁵ FX assumption of S\$1 to RMB4.80.

Shanghai Logistics Property

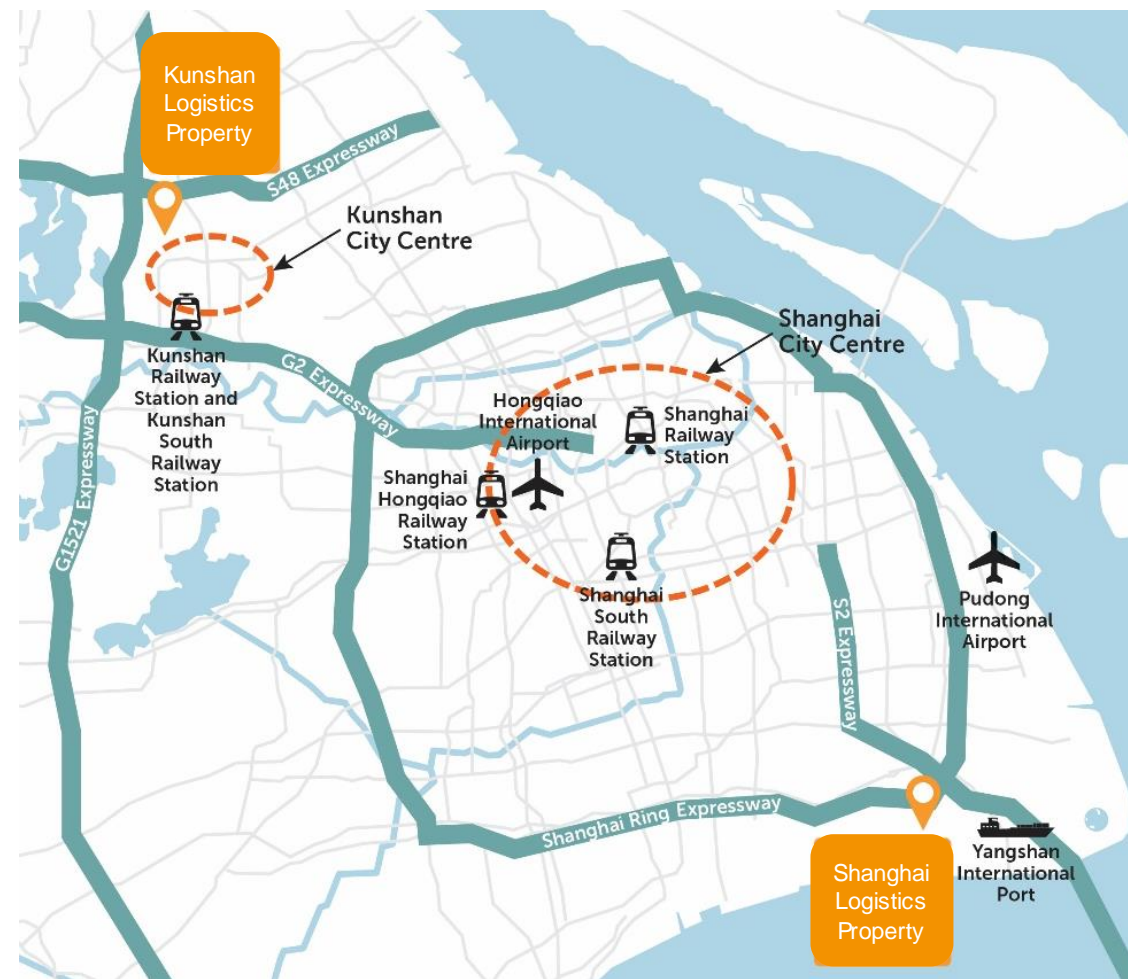
Land Tenure	2059
Building Type	1 double-storey lift warehouse
GFA (sq m)	62,785
Occupancy	98.6%
WALE by GRI (yrs)	2.0
Floor Loading Capacity (psm)	L1: 3.0 tons; L2: 2.8 tons
Ceiling Height	L1: 8.4m; L2: 7.8m
Year of Completion	2010



Note: Map is not drawn to scale

Kunshan Logistics Property

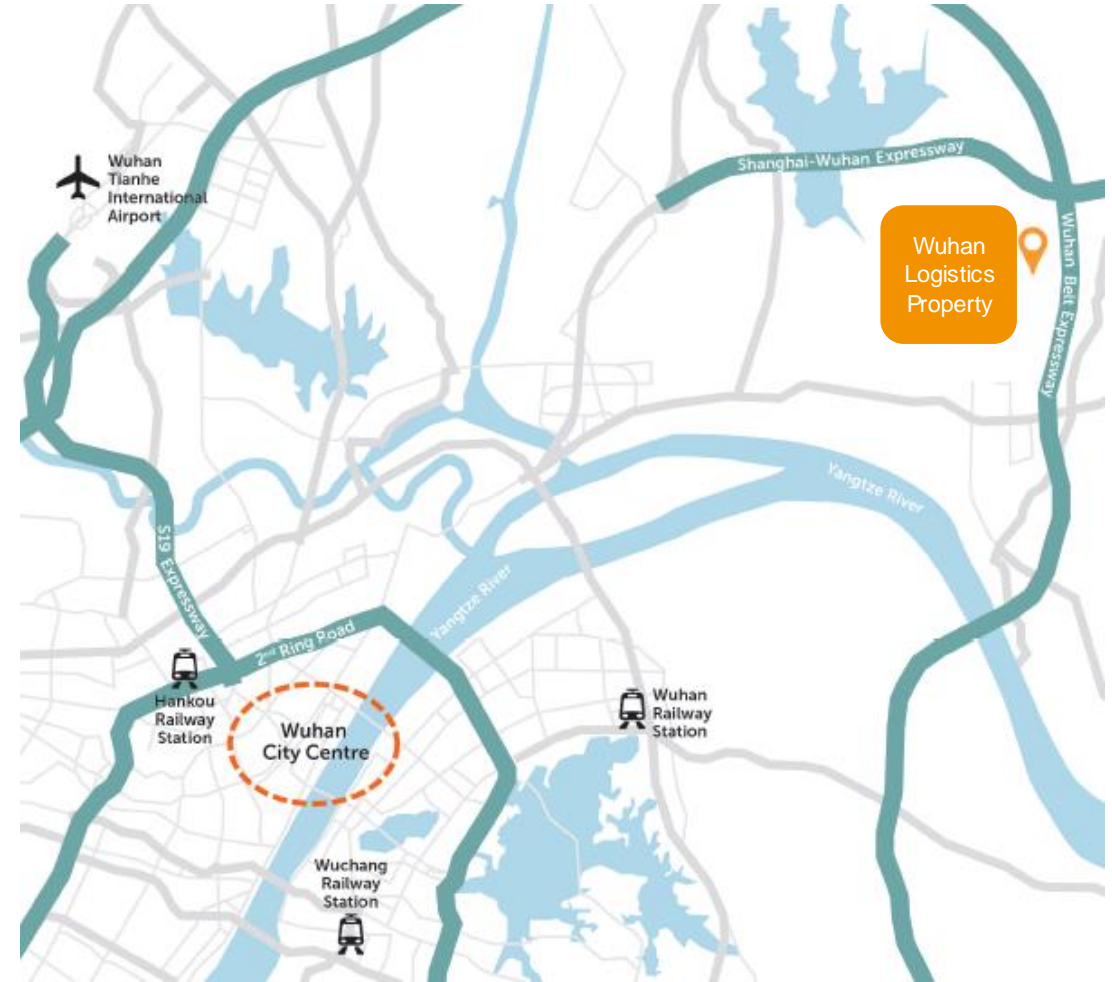
Land Tenure	2064
Building Type	3 single-storey warehouse
GFA (sq m)	43,945
Occupancy	99.4%
WALE by GRI (yrs)	1.8
Floor Loading Capacity (psm)	3.0 tons
Ceiling Height	9.0m
Year of Completion	2017



Note: Map is not drawn to scale

Wuhan Logistics Property

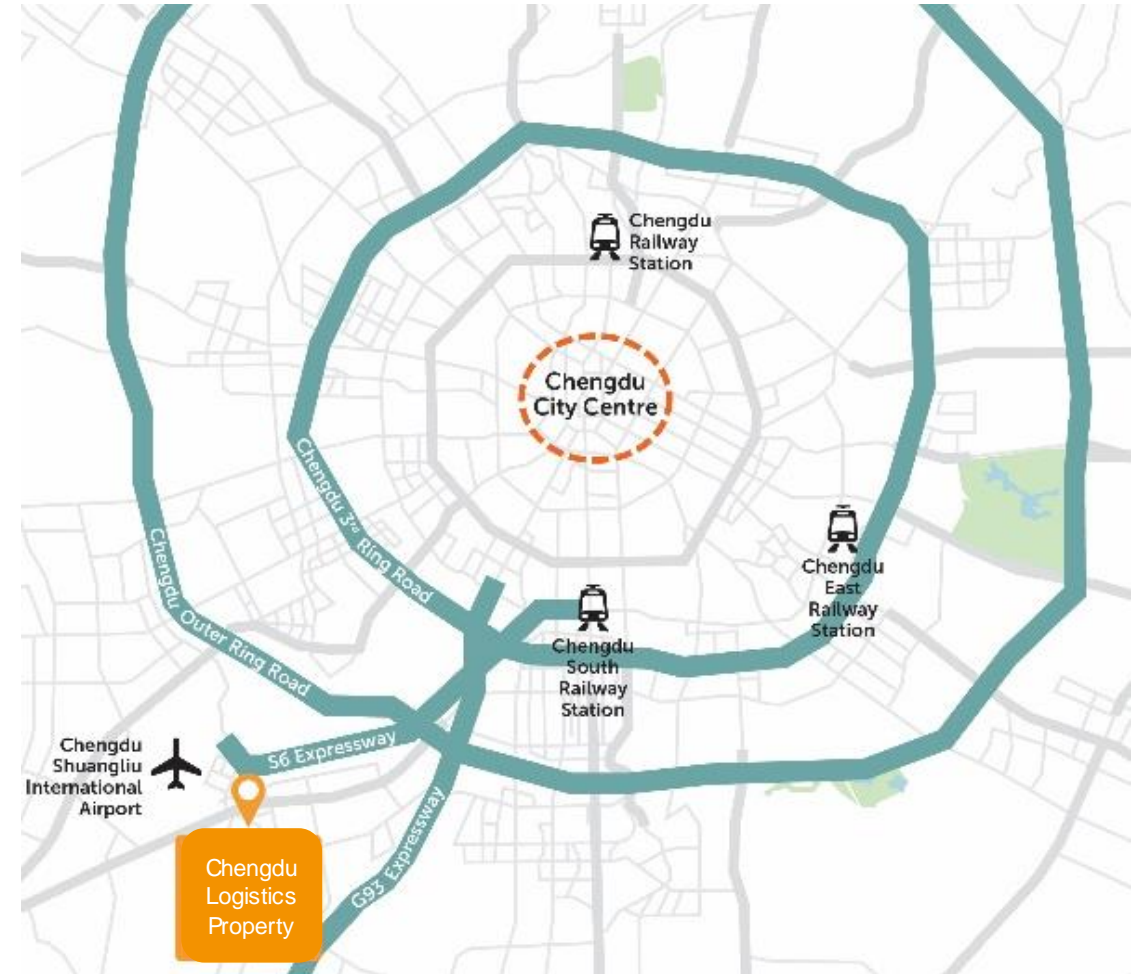
Land Tenure	2064
Building Type	4 single-storey warehouse & other ancillary facilities
GFA (sq m)	86,973
Occupancy	97.6%
WALE by GRI (yrs)	2.4
Floor Loading Capacity (psm)	3.0 tons
Ceiling Height	9.0m
Year of Completion	2018



Note: Map is not drawn to scale

Chengdu Logistics Property

Land Tenure	2062
Building Type	1 single-storey warehouse & 2 double-deck ramp warehouse
GFA (sq m)	71,556
Occupancy	90.5%
WALE by GRI (yrs)	2.1
Floor Loading Capacity (psm)	3.0 tons
Ceiling Height	9.0m
Year of Completion	2016



Note: Map is not drawn to scale



Thank you

For enquiries, please contact: Ms Nicole Chen, Investor Relations
Direct: (65) 6713 1648, Email: nicole.chen@capitaland.com
CapitaLand China Trust Management Limited (<https://www.clct.com.sg>)
168 Robinson Road, #30-01 Capital Tower, Singapore 068912
Tel: (65) 6713 2888, Fax: (65) 6713 2999