



# CAPITALAND RETAIL CHINA TRUST

Financial Results for 1H 2020

29 July 2020

# Disclaimer

This presentation may contain forward-looking statements. 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, availability of real estate properties, competition from other developments or companies, shifts in customer demands, shifts in expected levels of occupancy rate, property rental income, charge out collections, changes in operating expenses (including employee wages, benefits and training, property operating expenses), governmental and public policy changes and the continued availability of financing in the amounts and the terms necessary to support future business.

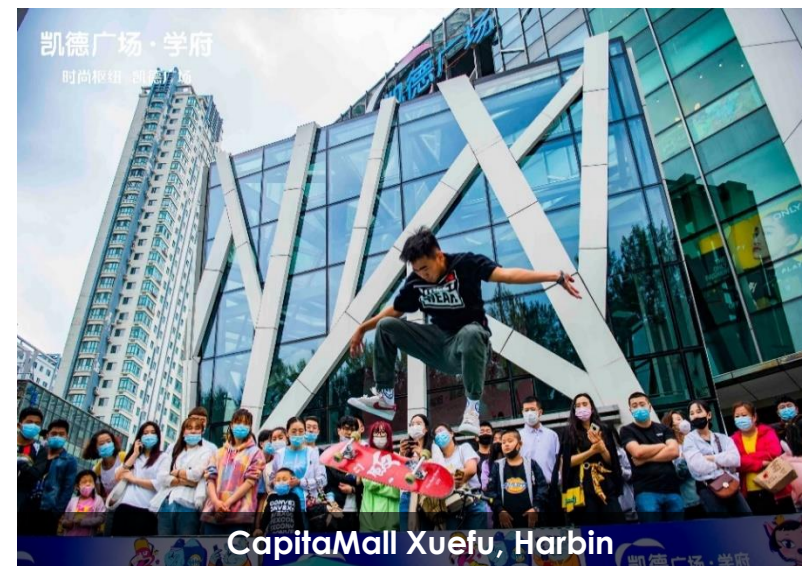
You are cautioned not to place undue reliance on these forward-looking statements, which are based on the current view of management regarding future events. No representation or warranty express or implied is made as to, and no reliance should be placed on, the fairness, accuracy, completeness or correctness of the information or opinions contained in this presentation. Neither CapitaLand Retail China Trust Management Limited ("**Manager**") nor any of its affiliates, advisers or representatives shall have any liability whatsoever (in negligence or otherwise) for any loss howsoever arising, whether directly or indirectly, from any use of, reliance on or distribution of this presentation or its contents or otherwise arising in connection with this presentation.

The past performance of CapitaLand Retail China Trust ("CRCT") is not indicative of future performance. The listing of the units in the CRCT ("**Units**") on the Singapore Exchange Securities Trading Limited (SGX-ST) does not guarantee a liquid market for the Units. The value of the 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 the Units is subject to investment risks, including the possible loss of the principal amount invested. Investors have no right to request that the Manager redeem or purchase their Units while the Units are listed on the SGX-ST. It is intended that holders of Units may only deal in their Units through trading on the SGX-ST.

This presentation is for information only and does not constitute an invitation or offer to acquire, purchase or subscribe for the Units.

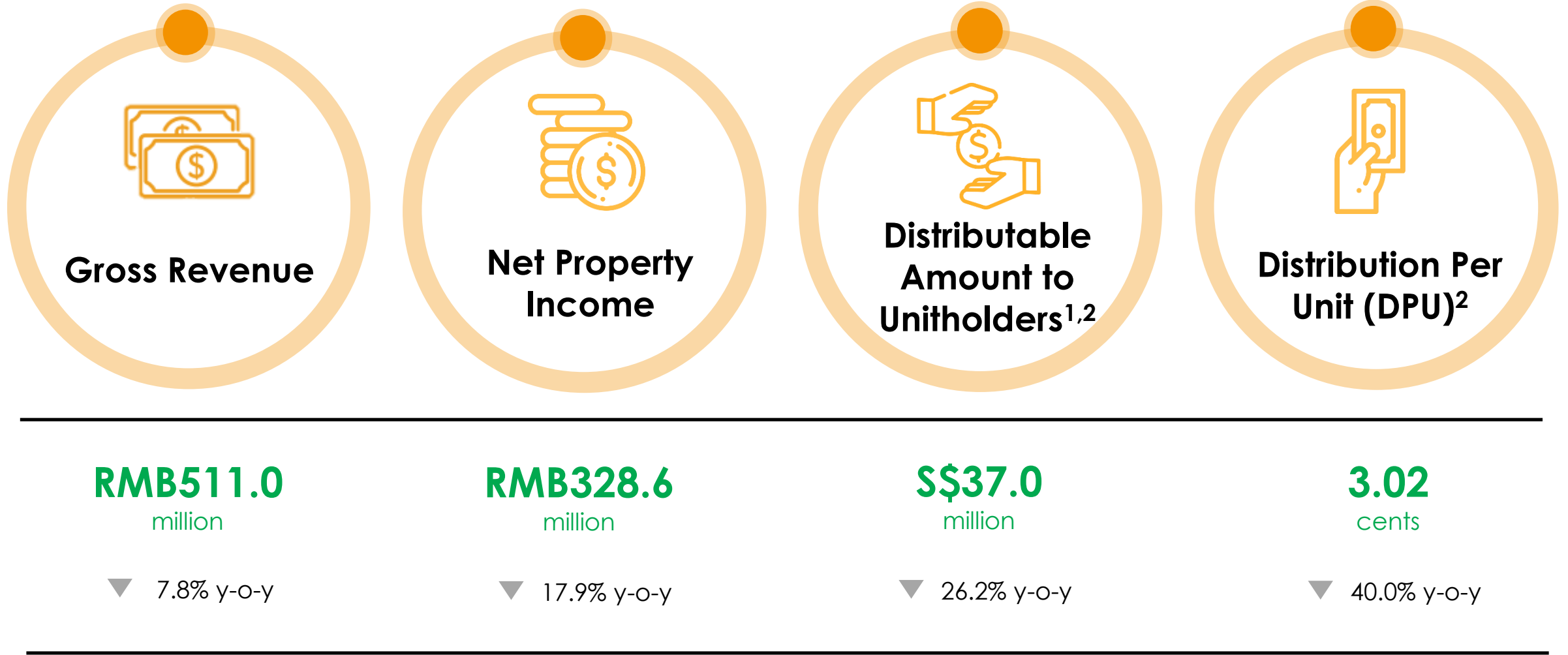
# Contents

- Key Highlights
- Financial Highlights
- Capital Management
- Portfolio Update
- Navigating Through COVID-19
- Looking Ahead
- Appendix



# Key Highlights for 1H 2020

Performance Impacted by COVID-19



Notes:

1. In 1H 2020, CRCT retained \$1.8 million from the income available for distribution to Unitholders for general corporate and working capital purposes. The retention represents 5.0% of the income available for distribution to Unitholders.
2. Before capital distribution.

# Key Highlights

## Portfolio Management

### Portfolio Operating Metrics 2Q 2020



**+23.7%** q-o-q

**-27.4%** y-o-y

Total Tenants' Sales<sup>1,2</sup>



**+25.9%** q-o-q

**-24.7%** y-o-y

Portfolio Shopper Traffic<sup>1</sup>

### Portfolio Operating Metrics 1H 2020



**+0.7%** y-o-y

Rental Reversion<sup>3</sup>



**-35.0%** y-o-y

Total Tenants' Sales<sup>1,2</sup>



**-31.0%** y-o-y

Portfolio Shopper Traffic<sup>1</sup>

Notes:

1. Includes only multi-tenanted malls based on 100% ownership.
2. Excludes tenants' sales from supermarkets and department stores.
3. Refer to slide 20 for 1H 2020 information.

# Key Highlights

## Portfolio and Financial Management

### Portfolio Statistics



**RMB19,386 million**

Portfolio Property Valuation<sup>1</sup>



**389**

Successfully Signed or Renewed Leases



**93.4%**

Portfolio Occupancy as at 30 June 2020<sup>2</sup>

### Financial Management



**82.9%**

Total Debt on Fixed Rates<sup>3,4</sup>



**64.4%**

of Undistributed Income Hedged into SGD<sup>4</sup>



**S\$393.7 million**

Available Credit Facilities<sup>5</sup>

### Portfolio Update



Divested ahead of schedule in May 2020 despite COVID-19 challenges

Divested at **20.5%** above valuation

Proceeds improved CRCT's balance sheet and capital reserves

Notes:

1. As at 31 December 2019. Includes 100% of Rock Square and excludes CapitaMall Erqi as the divestment of the Company holding the mall was completed in May 2020.
2. Based on all committed leases and excluding CapitaMall Minzhongleyuan (property under operational review).
3. Total outstanding debt S\$1,260.8 million. 82.9% of total debt is fixed (excluding the MML and BL which were intended to be short term as well as RMB denominated loans).
4. CRCT's hedging policy is to hedge at least 50% of undistributed income into SGD and at least 80% of total debt to fixed interest rates.
5. Includes S\$100.0 million earmarked for refinancing of floating bridge loan due in 2020.

# Financial Highlights



# 1H 2020

	1H 2020 Actual <sup>1,2</sup>	1H 2019 Actual	Change %
<b>Gross Revenue (RMB'000)</b>	510,986	554,500	(7.8)
<b>NPI (RMB'000)</b>	328,572	399,973	(17.9)
<b>NPI (S\$'000)</b>	65,278	80,167	(18.6)
<b>Distributable Income from Joint Venture (S\$'000)<sup>3</sup></b>	4,779	5,113	(6.5)
<b>Income Available for Distribution to Unitholders (S\$'000)</b>	35,298	50,231	(29.7)
<b>Distributable amount to Unitholders (before Capital Distribution) (S\$'000)<sup>4</sup></b>	37,048	50,231	(26.2)
<b>Capital Distribution (S\$'000)<sup>5</sup></b>	-	1,000	(100.0)
<b>Distributable amount to Unitholders (S\$'000)<sup>4</sup></b>	37,048	51,231	(27.7)
<b>DPU before Capital Distribution (Singapore cents)</b>	3.02	5.03	(40.0)
<b>DPU after Capital Distribution (Singapore cents)</b>	3.02	5.13	(41.1)

Notes:

1. Exclude contribution from CapitaMall Erqi following the divestment of its entire equity interest in CapitaRetail Henan Zhongzhou Real Estate Co., Ltd. which held CapitaMall Erqi on 28 May 2020 and CapitaMall Wuhu which was divested on 1 July 2019.
2. Includes contribution from CapitaMall Yuhuating, CapitaMall Xuefu and CapitaMall Aidemengdun which were acquired on 30 August 2019.
3. This relates to 51% interest in Rock Square.
4. For 1H 2020, CRCT releases \$3.5 million retained in FY 2019 from the compensation received by CapitaMall Erqi, following the exit of its anchor tenant. At the same time, a \$1.8 million is retained from the income available for distribution to Unitholders for general corporate and working capital purposes. The retention represents 5.0% of the income available for distribution to Unitholders.
5. Capital distribution arising from the gain from the divestment of the equity interest in the company which held CapitaMall Anzhen.



# Healthy Balance Sheet

As at 30 June 2020	S\$'000
Non-current assets	3,434,556
Current assets	364,619
<b>Total Assets</b>	<b>3,799,175</b>
Current liabilities	432,715
Non-current liabilities	1,367,320
<b>Total Liabilities</b>	<b>1,800,035</b>
<b>Net Assets/ Unitholders' Fund</b>	<b>1,999,140</b>
<b>Units In Issue ('000 units)</b>	<b>1,222,872</b>

<b>Net Asset Value (NAV) per unit (S\$)</b>	<b>1.63</b>
<b>Adjusted NAV per unit (net of distribution) (S\$)</b>	<b>1.60</b>



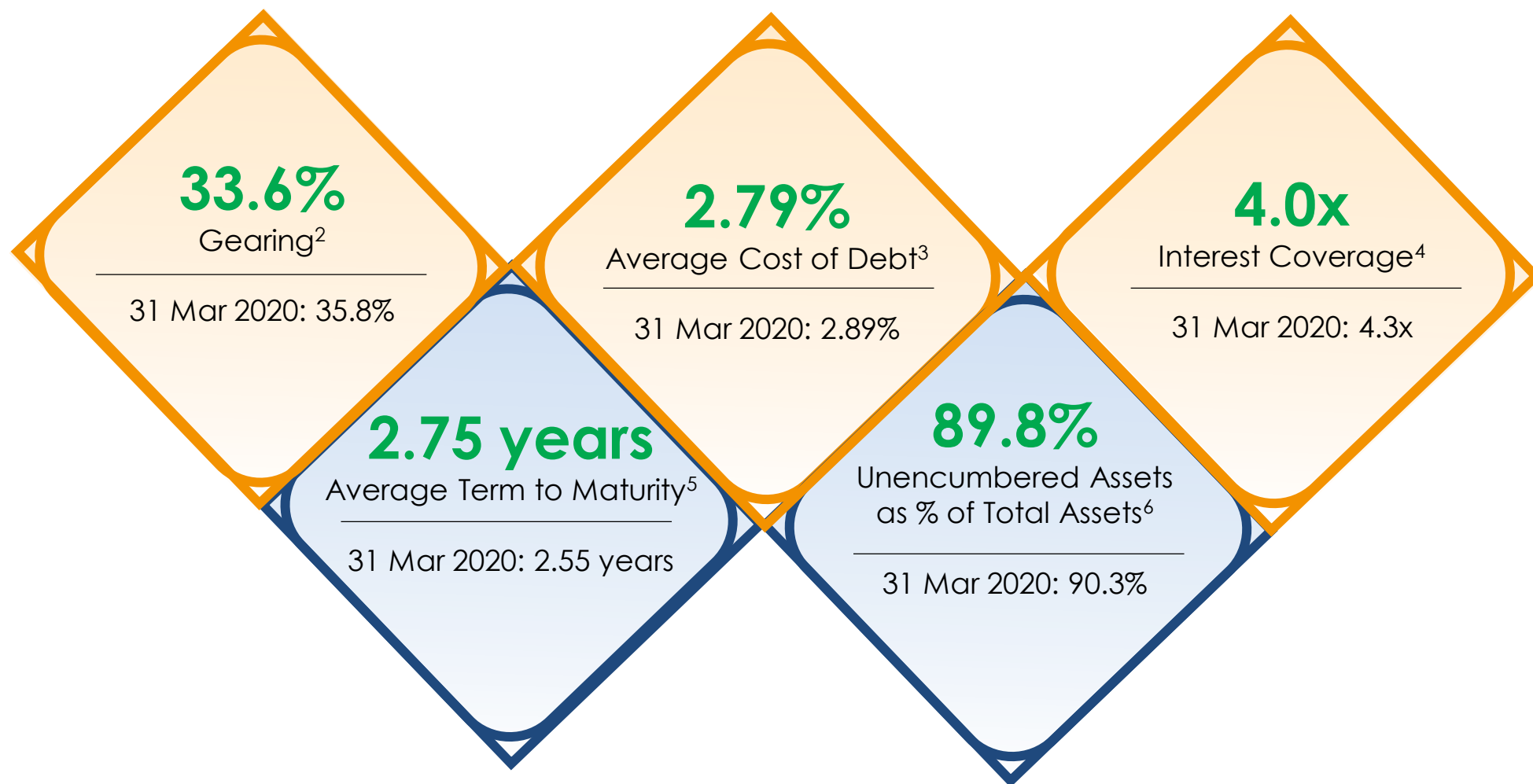
# Distribution Details

<b>Distribution Period</b>	<b>1 January 2020 to 30 June 2020</b>
<b>Distribution Per Unit</b>	<b>3.02 cents</b>
Last Day of Trading on “cum” Basis	5 August 2020, 5.00 pm
Ex-Date	6 August 2020, 9.00 am
Book Closure Date	7 August 2020, 5.00 pm
Announcement of Issue Price (DRP)	11 August 2020
Last Day of Election (DRP)	2 September 2020
<b>Distribution Payment Date</b>	<b>28 September 2020</b>

# Capital Management



# Financial Strength<sup>1</sup> as at 30 June 2020

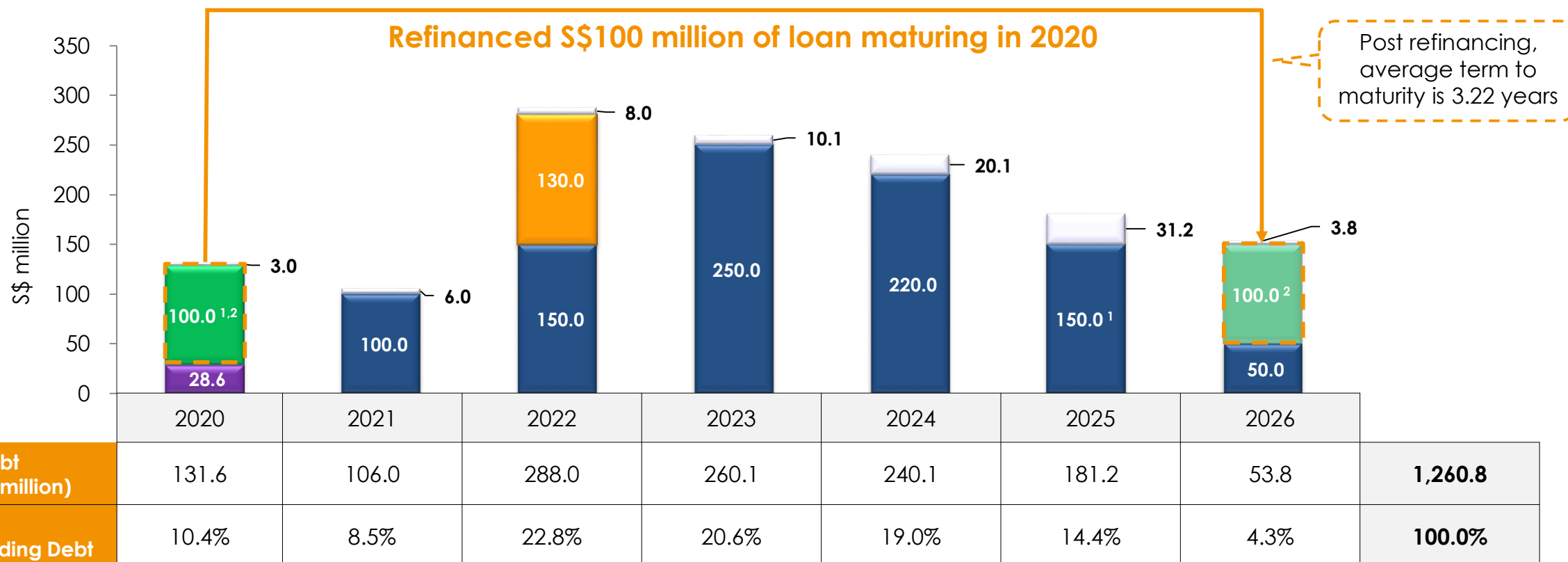


Notes:

1. All key financial indicators exclude the effect of FRS 116 Leases, except for Interest Coverage Ratio.
2. Based on total borrowings over the deposited properties in accordance to Property Funds Appendix (includes CRCT's proportionate share of its Joint Venture's borrowing and deposited property).
3. Ratio of the consolidated YTD 2020 interest expense reflected over weighted average borrowings on balance sheet.
4. Ratio is calculated by dividing the trailing 12 months EBITDA by the trailing 12 months interest expense (includes finance lease interest expenses under FRS 116) in accordance with MAS guidelines.
5. After refinancing 2020 outstanding debt of S\$100 million and extending it to 2026, the average term to maturity is 3.22 years.
6. Excludes CRCT's proportionate share of its Joint Venture assets.

# Prudent Capital Management

## Well-Distributed Debt Maturity Profile (30 Jun 2020)



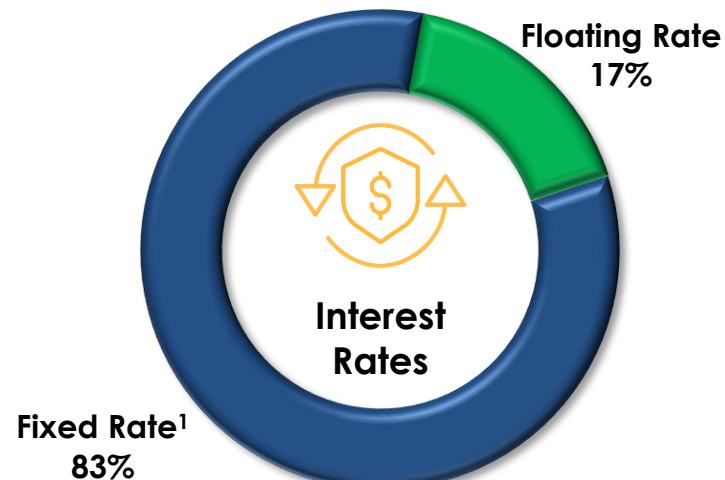
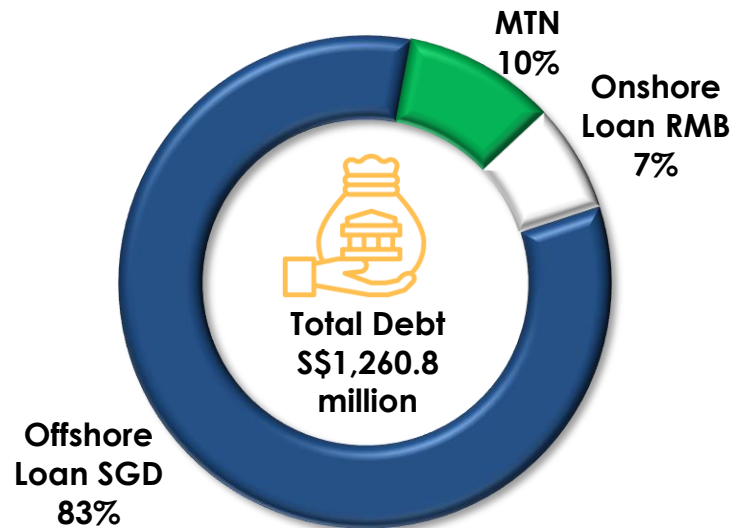
- Unsecured MML
- Secured Onshore RMB Bank Loan
- Notes Issued Under Multicurrency Debt Issuance Programme
- Unsecured Offshore Term Loan
- Floating Bridge Loan

Notes:

1. Relates to acquisition of CapitaMall Yuhuating, CapitaMall Xuefu and CapitaMall Aidemengdun.
2. Refinanced S\$100 million of loans due in 2020 at competitive rates and extended it to 2026.

# Proactive Interest Rate & Forex Management

## Disciplined Financial Management to Mitigate Risk



**MAS raised the leverage limit for S-REIT from 45% to 50%**

- ✓ Debt headroom of S\$800 million to 45% and S\$1.3 billion to 50%
- ✓ Greater financial flexibility for stability and growth

**Adequate liquidity to ride through temporary challenge**

- ✓ Available credit facilities: **S\$393.7 million<sup>2</sup>**
- ✓ Cash on hand: **S\$129.4 million**

Composition of Borrowings	
Offshore Loan SGD	83%
Onshore Loan RMB	7%
MTN	10%

Impact on:	Assuming +0.1% p.a. increase/(decrease) in interest rate on variable rate borrowings
Interest Expense	+ / (-) S\$ 0.4 million p.a.

Notes:

- 83% of total debt is fixed (excluding the MML and BL which were intended to be short term as well as RMB denominated loans).
- Includes S\$100.0 million earmarked for refinancing of floating bridge loan due in 2020.

# Portfolio Update



# Portfolio Occupancy Rate of 93.4%<sup>1</sup>

Investment Property	30-Jun-19	30-Sep-19	31-Dec-19	31-Mar-20	30-Jun-20
<b>Beijing Malls</b>					
CapitaMall Xizhimen	100.0%	99.8%	99.0%	98.4%	<b>92.6%</b>
CapitaMall Wangjing	99.6%	99.4%	98.9%	97.9%	<b>93.4%</b>
CapitaMall Grand Canyon	98.8%	99.0%	97.7%	97.0%	<b>90.1%</b>
CapitaMall Shuangjing	100.0%	100.0%	99.7%	99.7%	<b>98.5%</b>
<b>Sub-total for Beijing Malls</b>	<b>99.6%</b>	<b>99.6%</b>	<b>98.9%</b>	<b>98.3%</b>	<b>93.7%</b>
<b>Non-Beijing Malls</b>					
Rock Square	96.8%	99.0%	99.0%	98.0%	<b>93.8%</b>
CapitaMall Xinnan	98.7%	98.1%	99.4%	98.2%	<b>93.1%</b>
CapitaMall Yuhuating	-	95.6%	98.8%	98.2%	<b>96.5%</b>
CapitaMall Xuefu	-	99.5%	99.9%	99.3%	<b>97.3%</b>
CapitaMall Aidemengdun	-	97.6%	97.4%	96.7%	<b>90.0%</b>
CapitaMall Saihan	99.9%	99.8%	99.8%	99.8%	<b>99.0%</b>
CapitaMall Qibao	95.0%	92.8%	93.5%	87.1%	<b>82.3%</b>
CapitaMall Minzhongleyuan	61.2%	58.4%	55.5%	52.8%	<b>49.1%</b>
<b>Sub-total for Non-Beijing Malls</b>	<b>92.9%</b>	<b>94.8%</b>	<b>95.4%</b>	<b>93.7%</b>	<b>90.2%</b>
<b>Total Portfolio</b>	<b>96.3%</b>	<b>96.6%</b>	<b>96.7%</b>	<b>95.4%</b>	<b>91.5%</b>
<b>Total CRCT Portfolio ex MZLY</b>	<b>98.5%</b>	<b>98.3%</b>	<b>98.5%</b>	<b>97.3%</b>	<b>93.4%</b>

Note:

1. Based on all committed leases and excluding CapitaMall Minzhongleyuan (property under operational review).



# Portfolio Rental Reversion in 1H 2020<sup>1</sup>

From 1 January to 30 June 2020				
Investment Property	No. of new leases/renewals	Area (sq m)	% of Total Net Lettable Area	Var. over last rental rate <sup>2,3</sup>
CapitaMall Xizhimen	50	4,520	8.9%	3.3%
CapitaMall Wangjing	46	2,112	4.1%	(0.6)%
CapitaMall Grand Canyon	18	1,312	2.9%	(23.2)%
Rock Square	19	1,674	3.2%	18.5%
CapitaMall Xinnan	34	2,007	5.5%	(10.2)%
CapitaMall Yuhuating	68	3,253	6.7%	4.8%
CapitaMall Xuefu	109	7,784	12.1%	2.0%
CapitaMall Aidemengdun	16	1,052	3.7%	1.0%
CapitaMall Qibao	25	2,302	4.5%	(14.9)%
CapitaMall Minzhongleyuan	4	314	1.4%	(9.7)%
<b>Total Portfolio</b>	<b>389</b>	<b>26,330</b>	<b>5.8%</b>	<b>0.7%</b>

Notes:

1. Excludes master-leased mall and CapitaMall Saihan.
2. Excludes gross turnover component, newly created units leased, short term renewals (< 1 year) and units vacant for >=1 year.
3. Includes re-configured units.

# Portfolio Lease Expiry Profile

## Lease Expiry Profile for 2020<sup>1</sup>

Investment Property	No. of Leases	% of total Gross Rental Income <sup>2,3</sup>	% of total Net Lettable Area <sup>4</sup>
CapitaMall Xizhimen	90	27.6%	20.1%
CapitaMall Wangjing	72	25.0%	10.5%
CapitaMall Grand Canyon	36	12.1%	5.2%
Rock Square	40	10.7%	6.1%
CapitaMall Xinnan	73	20.6%	16.8%
CapitaMall Yuhuating	98	37.1%	56.1%
CapitaMall Xuefu	148	29.0%	18.1%
CapitaMall Aidemengdun	70	32.3%	21.0%
CapitaMall Qibao	33	19.2%	11.7%
CapitaMall Minzhongleyuan	17	15.7%	10.9%

Notes:

1. Based on committed leases as at 30 June 2020. Excludes CapitaMall Saihan as the mall will be divested in 2H 2020.
2. Excludes gross turnover rent.
3. As a percentage of each respective mall's monthly gross rental income as at 30 June 2020.
4. As a percentage of each respective mall's committed net lettable area as at 30 June 2020.

# Portfolio Lease Expiry Profile

## Lease Expiry Profile By Year<sup>1</sup>

Year	No. of Leases	% of total Gross Rental Income <sup>2,3</sup>
2020	677	22.2%
2021	694	28.0%
2022	282	17.3%
2023	132	10.9%
2024	79	9.3%
Beyond 2024	93	12.3%

Partly contributed by upcoming lease expiry of anchor tenant at CapitaMall Yuhuating

- In discussion with tenant to explore options for space recovery, **unlocking value** in well-located asset

### Weighted Average Lease Expiry (years)

**2.2**

By Gross Rental Income<sup>2</sup>

**3.6**

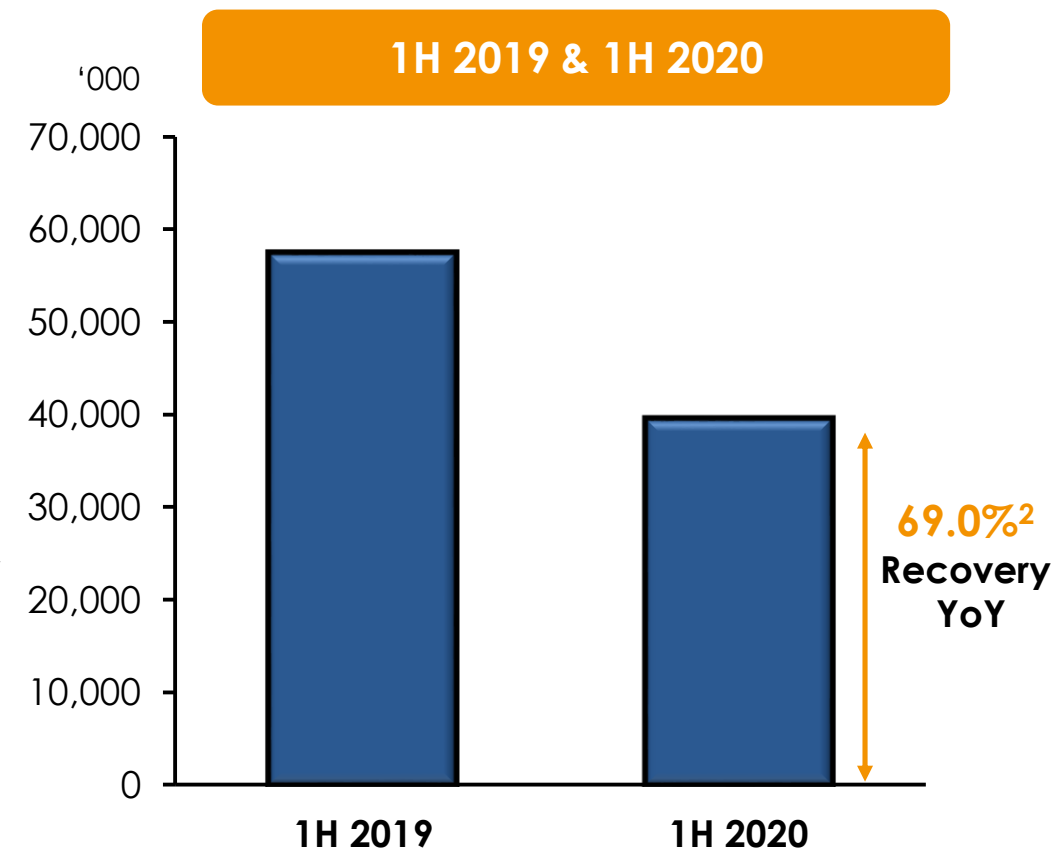
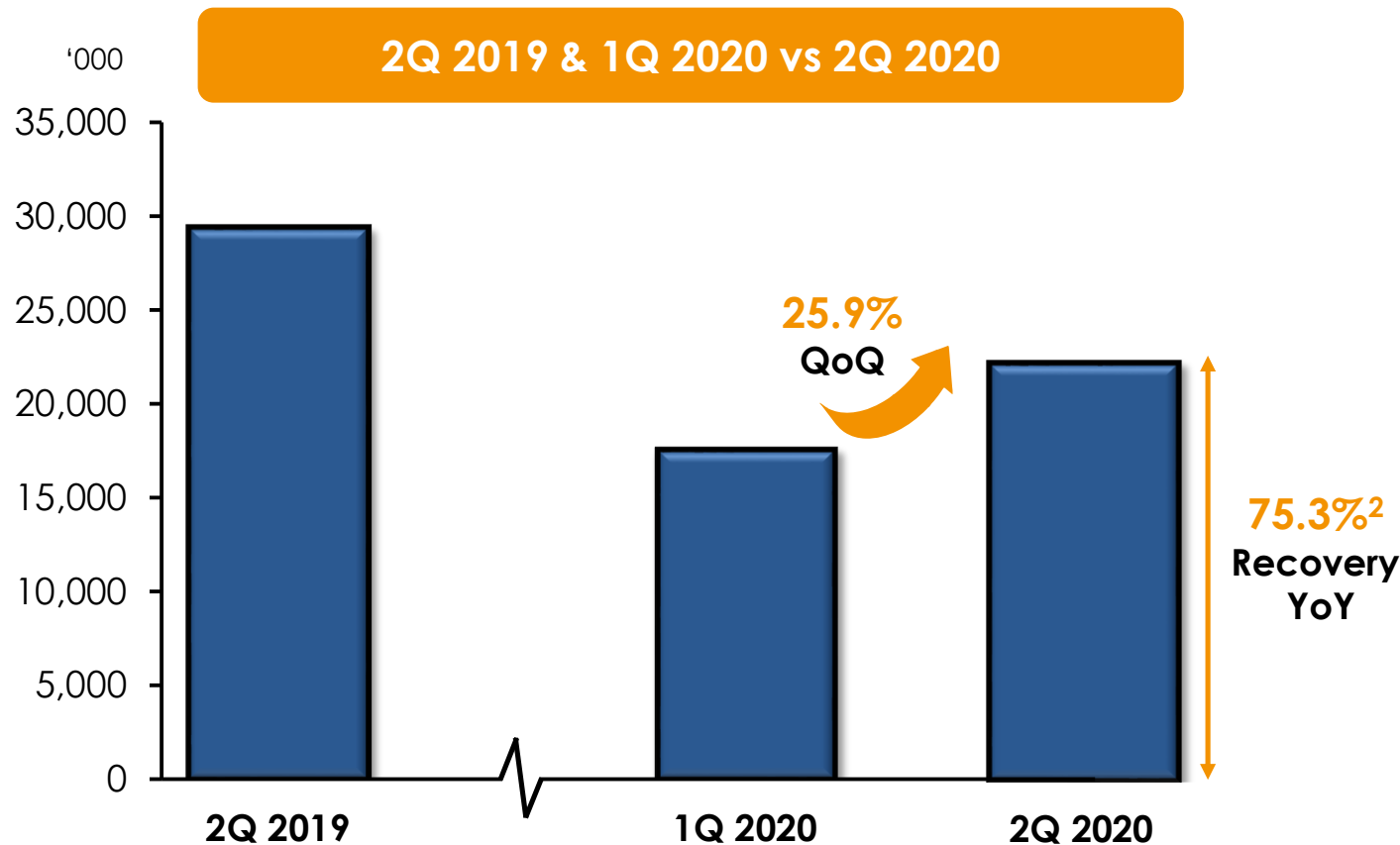
By Net Lettable Area

Notes:

- Based on committed leases as at 30 June 2020. Excludes CapitaMall Saihan as the mall will be divested in 2H 2020.
- Excludes gross turnover rent.
- As a percentage of monthly gross rental income as at 30 June 2020.

# Portfolio Shopper Traffic<sup>1</sup>

Recovery Momentum Continues

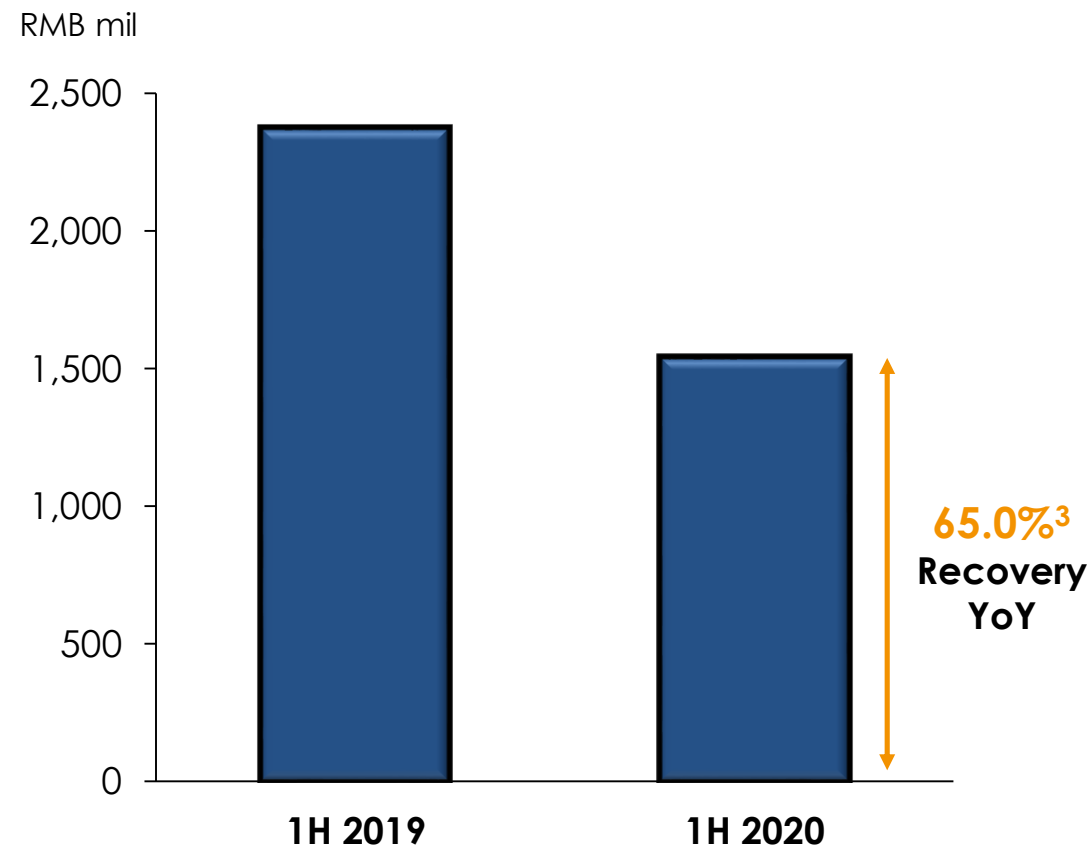
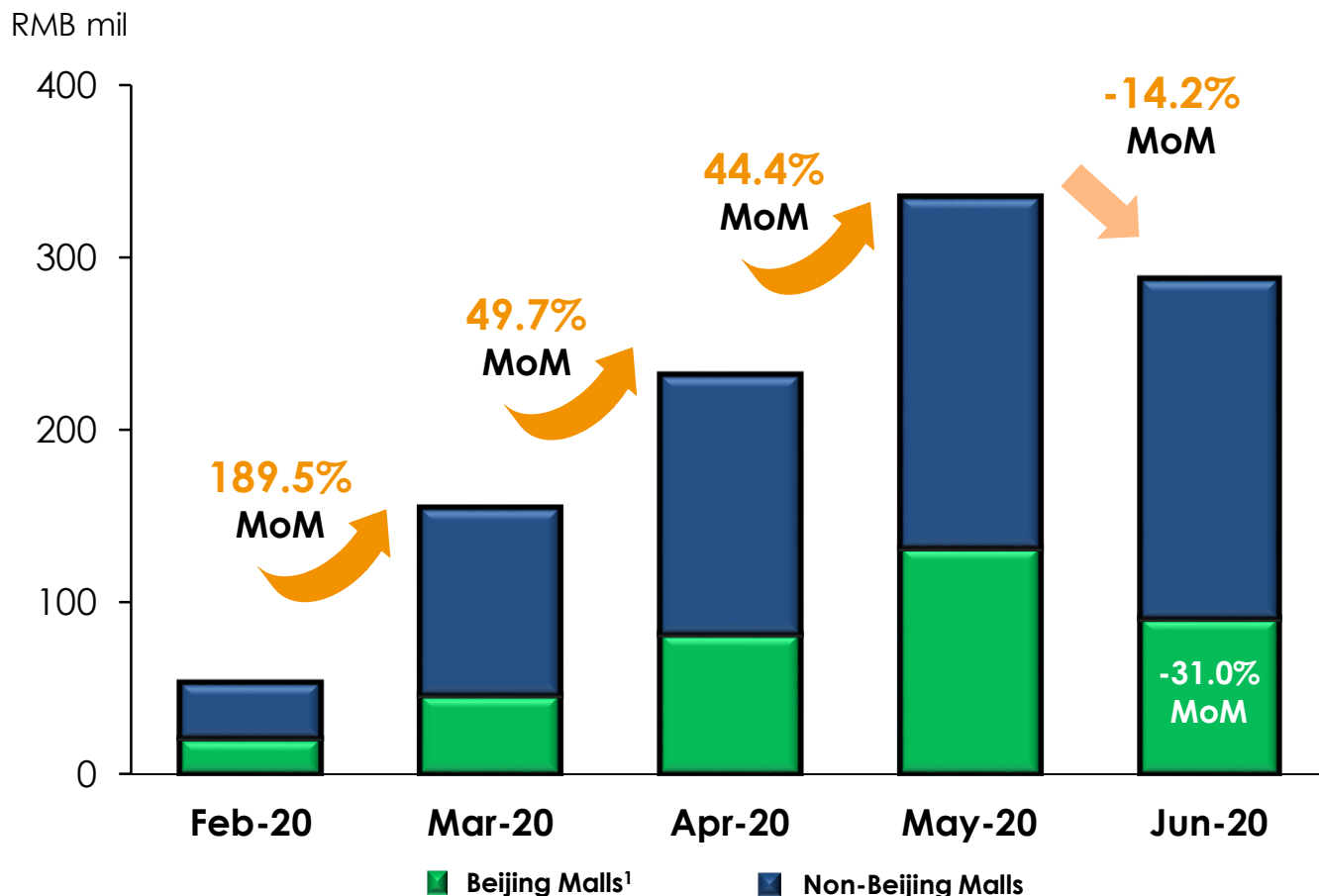


Notes:

- Excludes master-leased mall.
- On same mall basis (excluding CapitaMall Yuhuating, CapitaMall Xuefu and CapitaMall Aidemengdun):
  - 2Q 2020 Shopper Traffic Recovery: 58.5%
  - 1H 2020 Shopper Traffic Recovery: 53.3%

# Portfolio Tenants' Sales<sup>1,2</sup>

Encouraging Signs of Recovery Impacted by Second Wave in Beijing that Soon Abated



Notes:

- Excludes master-leased mall.
- Excludes tenants' sales from Supermarket and Department Store.
- On same portfolio and holding period basis (excluding CapitaMall Yuhuating, CapitaMall Xuefu and CapitaMall Aidemengdun):
  - 2Q 2020 Tenant Sales Recovery: 58.5%
  - 1H 2020 Tenant Sales recovery: 51.8%

# Navigating Through COVID-19



# COVID-19 in China: First In, First Out

## China - Leading the Recovery

### + Decisive Actions Taken by Chinese Government to Contain COVID-19

- China was first to be affected by COVID-19 and therefore further along the road to recovery than other countries<sup>1</sup>
- Government's decisive & coordinated approach allowed the country to swiftly bring virus under control
- Leveraged on technology to contain the spread
  - Established risk rating for cities, counties and districts to monitor hotspots
  - Use QR code-based reporting and tracking system to streamline and digitalise health declaration<sup>2</sup>
- National efforts made to achieve medical breakthrough for COVID-19 vaccine

### + Focus on Stimulating Economy to Spearhead Recovery

- Government unveiled a series of monetary and fiscal policies to stimulate economy from end of February
- Most companies returned to work by late-March, with more than 90% of manufacturing plants starting production and around 60% of employees back in office
- Chinese government earmarked "Six Priorities" at the Two Sessions meetings in May 2020 to focus on employment, basic livelihood, companies, food and energy security, stable supply chains and smooth operation of government
- By July, China reported 2Q 2020 GDP<sup>3</sup> grew by 3.2% year-on-year and 11.5% quarter-on-quarter, becoming the first major economy to achieve positive economic growth from COVID-19<sup>4</sup>.

Notes:

1. Allianz Global Investors, China is positioned to lead Asia's economic recovery from the coronavirus, 10 June 2020.
2. Asia Times, QR codes help China fight virus, 12 May 2020.
3. China Bureau of Statistics.
4. South China Morning Post, China GDP: first major economy to show a recovery from coronavirus damage with 3.2 per cent growth in second quarter, 16 July 2020.

# CRCT Strategy - Response to COVID-19

## Strengthen Relationship with Valued Tenants



### Rolled out Tenant Relief Packages to Support Business Continuity

CapitaLand offered the following rental relief to our tenants in China:

#### Phase 1

- 100% rental relief for CapitaMall Minzhongleyuan for the period from 25 Jan – 13 Feb
- 50% rental relief for all other China malls from 25 Jan – 9 Feb

#### Phase 2

- Introduced targeted rental relief to most affected tenants in addition to the first relief package
- Provided innovative marketing assistance

All in, rental relief of around 1.2 months of equivalent portfolio gross rent was extended in 1H 2020.



### Implement Flexible Leasing Strategies

- Balance between tenant retention, early actions to reposition, as well as securing new desired mix
- Adopt flexible leasing approach to secure optimal tenant mix in the short term

## Drive Cost Efficiencies

### Actively Seek China's Supportive Policies and Streamline Costs:

#### Utilities



- 5% off electricity and water tariffs with gas charged at off-peak rates
- Reduced / suspended Sewage Treatment Fees

#### Subsidies and Taxes



- Financial subsidies and property tax waiver for extending rental relief support

#### Alleviating Financial Burdens



- 50% off HR Social Security Fund Contribution waiver
- Lower borrowing costs for businesses

#### CRCT's OPEX and CAPEX



- Pace non-essential maintenance works
- Optimise marketing expenses with reduction of planned physical events
- Reduce total OPEX and CAPEX by up to 20%
  - To-date, achieved OPEX savings of around 15% from property taxes, HR related expenses and marketing expenses



# CRCT Strategy - Response to COVID-19

Proactive Lease Management to Capture Evolving Retail Trends Post COVID-19

Reposition our Malls and Offerings to be Synergistic with the Preference of Today's Consumers

Introduce more F&B tenants  
with **takeaway concepts**



Introduce **Trending**  
**Emerging** Brands

adidas kids



PERFECT DIARY  
完美日记

Attract & Retain Brands with  
**Strong Following**



# CRCT Strategy – Response to COVID-19

## Leverage on Digitalisation to Complement Offerings

### Accelerated Digitalisation Efforts to Capture Sales and Mindshare



Leading digital platform by a real estate player in China and Singapore



必胜客72元代金券 3000星积分



Fast tracking digitalization journey to establish a new “normal”

- ✓ An integrated online and offline retail player
- ✓ Expansive ecosystem of **10 million members** in China and **more than 1 million** in Singapore
- ✓ Tap on data analytics to understand consumer behavior and preferences to cater to their evolving lifestyle needs

### Burgeoning Interest from Retailers

- More than 1,100 retailers in China have been onboarded on CapitaStar's ecommerce platform, with another 3,000 retailers in the pipeline

Benefit from rising sales outreach and higher turnover

Offline Sales accounts for around **75%<sup>1</sup>** retail sales in China

Dual Capture of China's Offline and Online Retail Sales Growth

Note:

1. China Bureau of Statistics, June 2020.

# CRCT Strategy – Response to COVID-19

## Roll out Innovative Offline and Online Marketing Outreach

### Attracting Shoppers by Organising Interactive and Exciting Thematic Activities

#### Sports and Wellness



Skateboard Activity at CapitaMall Xuefu



Community Come Together Dance and Exercise Festival at CapitaMall Xuefu

#### Family Focused Fun



Kid's Soccer Competition at CapitaMall Saihan

#### Night bazaars

In line with Chinese Government push to promote Night-time economy



Night Carnival at CapitaMall Aidemengdun

### Ride on Latest Social Media Trends to Engage Shoppers

#### Live Streaming of Tenant's Products by China's Top Influencers



CapitaMall Xizhimen



CapitaMall Wangjing

#### Collaborate with tenants to roll out attractive discounts for Community Group-Buying Events



CapitaMall Yuhuang



CapitaMall Aidemengdun



CapitaMall Xinnan

# Looking Ahead



# CRCT Navigating Ahead

## Challenging Near-Term Outlook

### Retail Headwinds in FY 2020



#### OUTLOOK

- Global economic slowdown as well as escalating US and China tensions might impact recovery sentiment
- Consumer sentiments remain cautious on employment concerns



#### TRAFFIC TENANT SALES

- Traffic and tenant sales are not yet back to pre-COVID levels but are expected to improve in 2H 2020



#### SOFT LEASING DEMAND

- Retailers are realigning their business strategies and expansion plans, which would lead to consolidation of store fronts



#### PRESSURE ON OCCUPANCY AND RENT

- Expect transitional vacancy and softer rental rates in the near term

Mitigated by Active Efforts to Strengthen Operations and Portfolio

# CRCT Navigating Ahead

China's Long Term Fundamentals Continue to be Attractive



## PRIMED FOR RECOVERY

- CRCT is well-positioned to benefit from China's push to boost domestic demand and consumption
- Cautiously optimistic on government's pro-business, pro-consumption stimulus



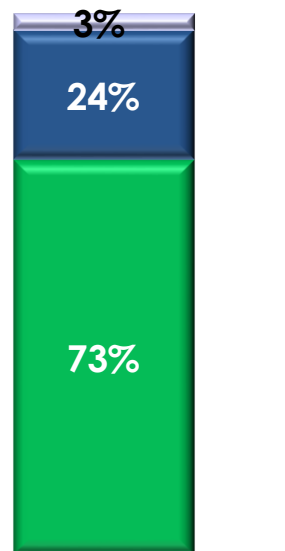
## CRCT's Multi-Prong Strategy to Deliver Value and Growth

- Driving operating synergies and excellence
- Extract value through asset enhancement
- Strategic acquisitions that strengthen income diversity and resilience

# Proactive Portfolio Reconstitution Added Resilience to Portfolio

## Strong Presence in Tier 1 and 2 cities

By NPI

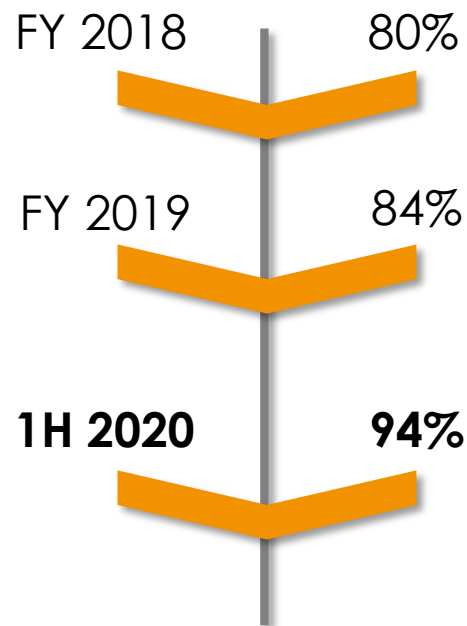


1H 2020<sup>1</sup>

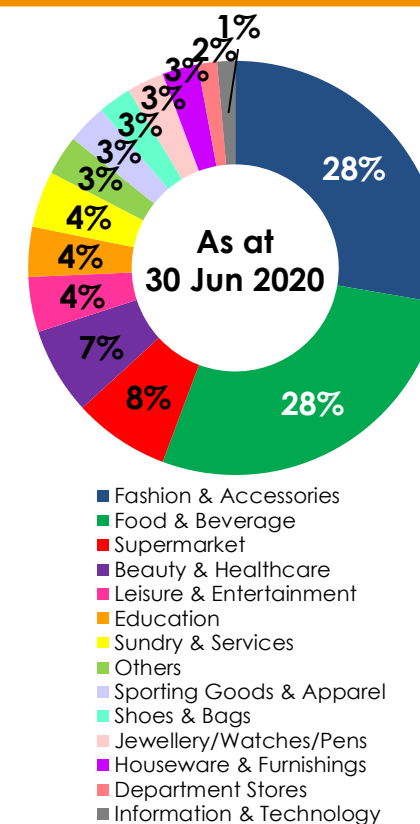
- Tier 1 Cities
- Tier 2 Cities
- Other Provincial Capital Cities

## Higher Proportion of Multi-Tenanted Malls

Exposure to Multi-Tenanted Mall by GRA



## Achieved Diversified Tenant Mix



Note:

1. Includes CRCT's 51.0% interest in Rock Square and excludes the adjustment of FRS 116.

# Future Developments to Drive Organic Growth

2020

## Create Value



2020 onwards

## Extract Value

Features exciting lifestyle activities that promise to invigorate customers



### Nature

Lush indoor gardens and greenery to appeal to shoppers throughout the seasons



### Nurture

Fun family edutainment spaces to build bonds and create memories



### Recreational

Variety of adrenaline-pumping sports for health and wellness enthusiasts

- More than 70%<sup>1</sup> of leasing space have been secured
- Targeted Opening: End of 2020



2020

- Opportunity to reconfigure large space into smaller units to introduce **higher-yielding specialty stores**
  - 77.6%<sup>1</sup> of leases expiring between 2020-2021



2024

- Master-leased agreements expiring by 2024
- Opportunity to transform into multi-tenanted mall

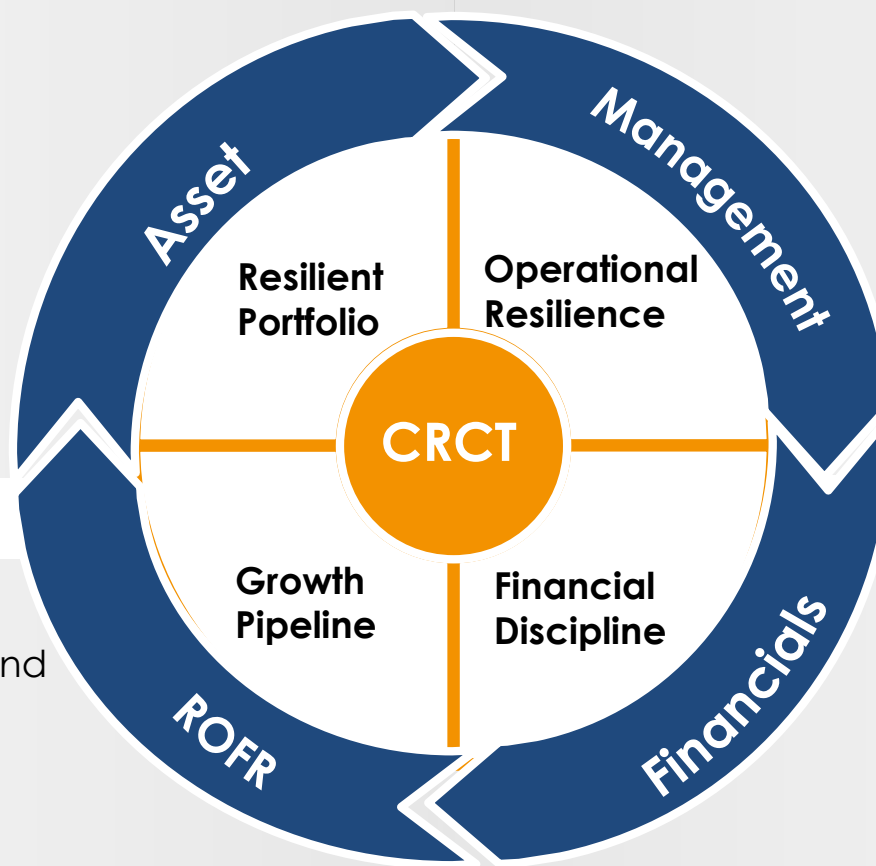
- Paving the way for AEI Opportunities and Redevelopment Potential

Note:  
1. Based on NLA



# Key Attributes of CRCT's Strong Foundation

- **Resilient and quality portfolio** that caters to strong catchment & necessity spending
- **Strategically located** in densely populated areas with good connectivity to public transport
- Geographically diversified with **>90%** of our assets located in **Tier 1 and 2 cities**<sup>1</sup>



- **Experienced ground team** with strong domain knowledge to capture new retail and consumer trends
- **Proactive leasing and customer engagement strategy** by collaborating and partnering new-to-market retailers and brands
- **Renew content and refresh offerings** to enhance mall appeal

- Access to **strong pipeline of high quality assets** held under CapitaLand Group
- **Capital recycling strategy**

- **Prudent cost management**
- Leverage on **overall position of financial and operational strength**

## Well-Positioned to Overcome the Challenges...

Note:

1. By asset value as at 31 December 2019.

# Appendix



# Property Gross Revenue (in RMB'mil):

1H 2020 vs 1H 2019



### Legend

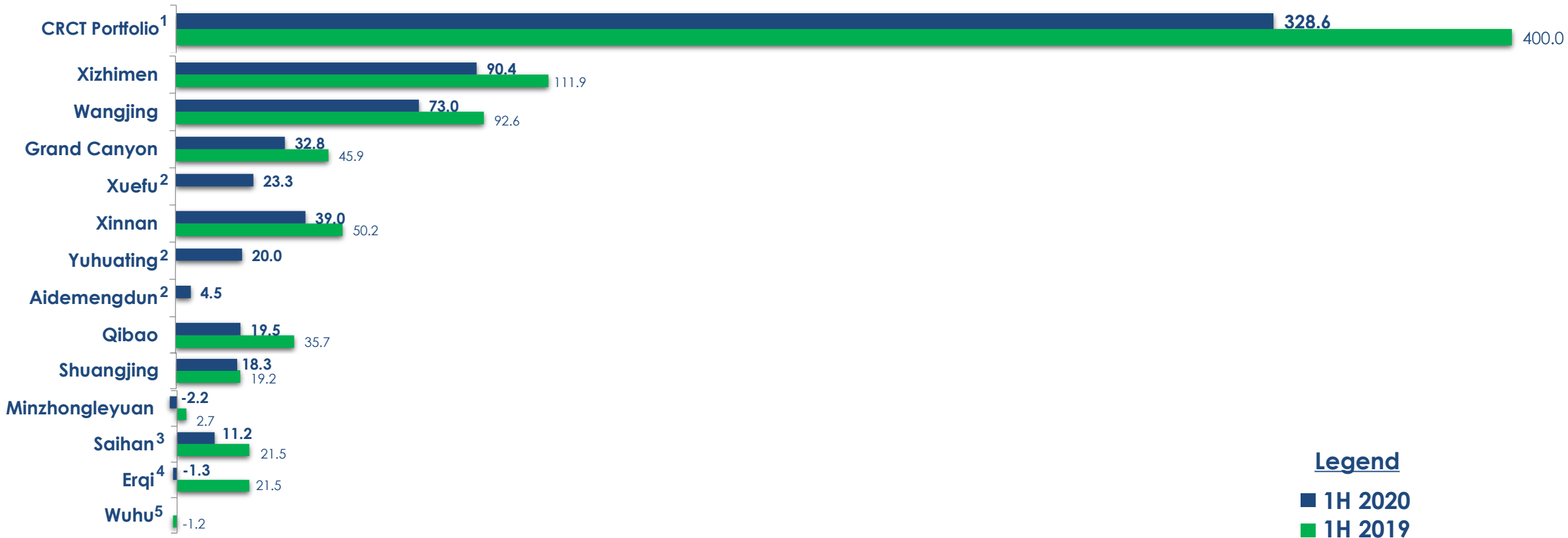
- 1H 2020
- 1H 2019

Notes:

1. All malls are multi-tenanted malls except for CapitaMall Shuangjing and CapitaMall Erqi which are Master-leased malls.
2. The acquisition was completed on 30 August 2019.
3. The mall is still in operation and is classified under assets held for sale.
4. The completion of the divestment of CapitaMall Erqi was announced on 28 May 2020.
5. The completion of the divestment of CapitaMall Wuhu was announced on 10 July 2019.

# Net Property Income (in RMB'mil):

1H 2020 vs 1H 2019



### Legend

■ 1H 2020

■ 1H 2019

Notes:

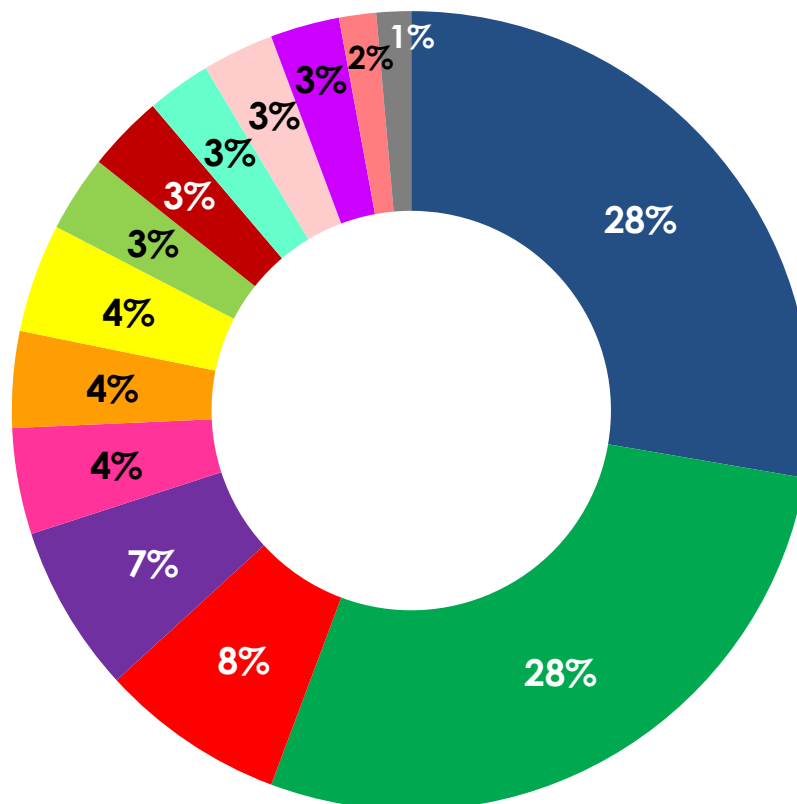
1. All malls are multi-tenanted malls except for CapitaMall Shuangjing and CapitaMall Erqi which are Master-leased malls.
2. The acquisition was completed on 30 August 2019.
3. The mall is still in operation and is classified under assets held for sale.
4. The completion of the divestment of CapitaMall Erqi was announced on 28 May 2020.
5. The completion of the divestment of CapitaMall Wuhu was announced on 10 July 2019.

# Strength in Portfolio Diversification and Quality

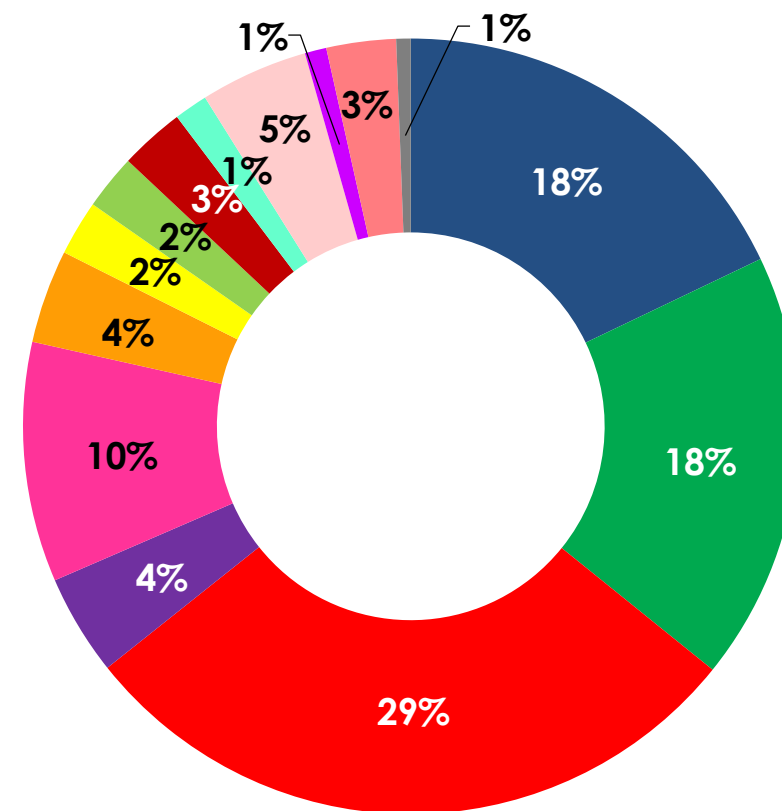
Well-diversified Exposure in >14 Trade Categories Across the Portfolio

- Fashion & Accessories
- Food & Beverage
- Supermarket
- Beauty & Healthcare
- Leisure & Entertainment
- Education
- Sundry & Services
- Others
- Sporting Goods & Apparel
- Shoes & Bags
- Jewellery/Watches/Pens
- Houseware & Furnishings
- Department Stores
- Information & Technology

By Gross Rental Income<sup>1</sup>



By Net Lettable Area<sup>2</sup>



Notes:

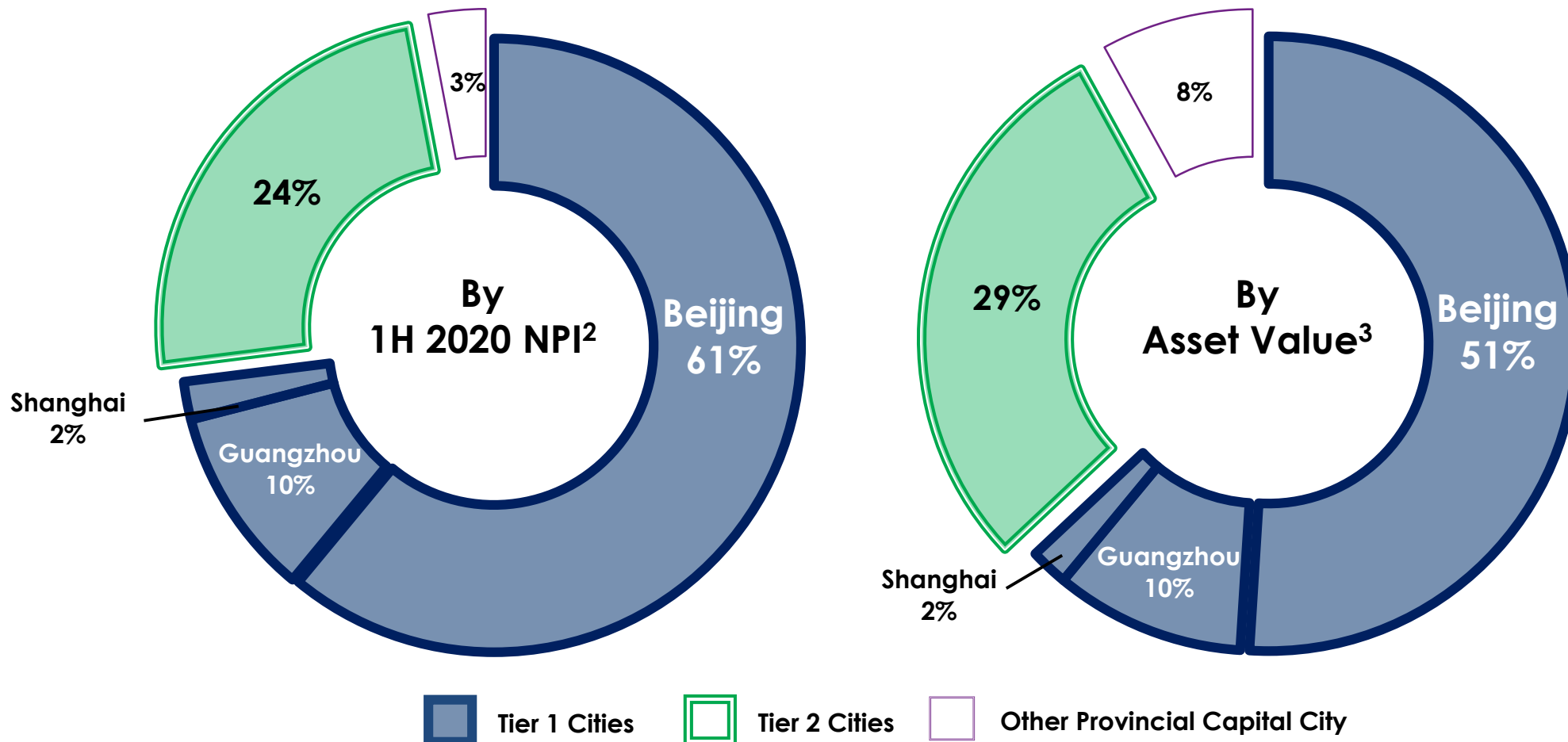
1. Percentage of committed gross rental income as at 30 June 2020, excluding gross turnover rent.

2. Percentage of committed NLA as at 30 June 2020.

Financial Results for 1H 2020 \*29 July 2020\*

# Breakdown of Portfolio Contribution

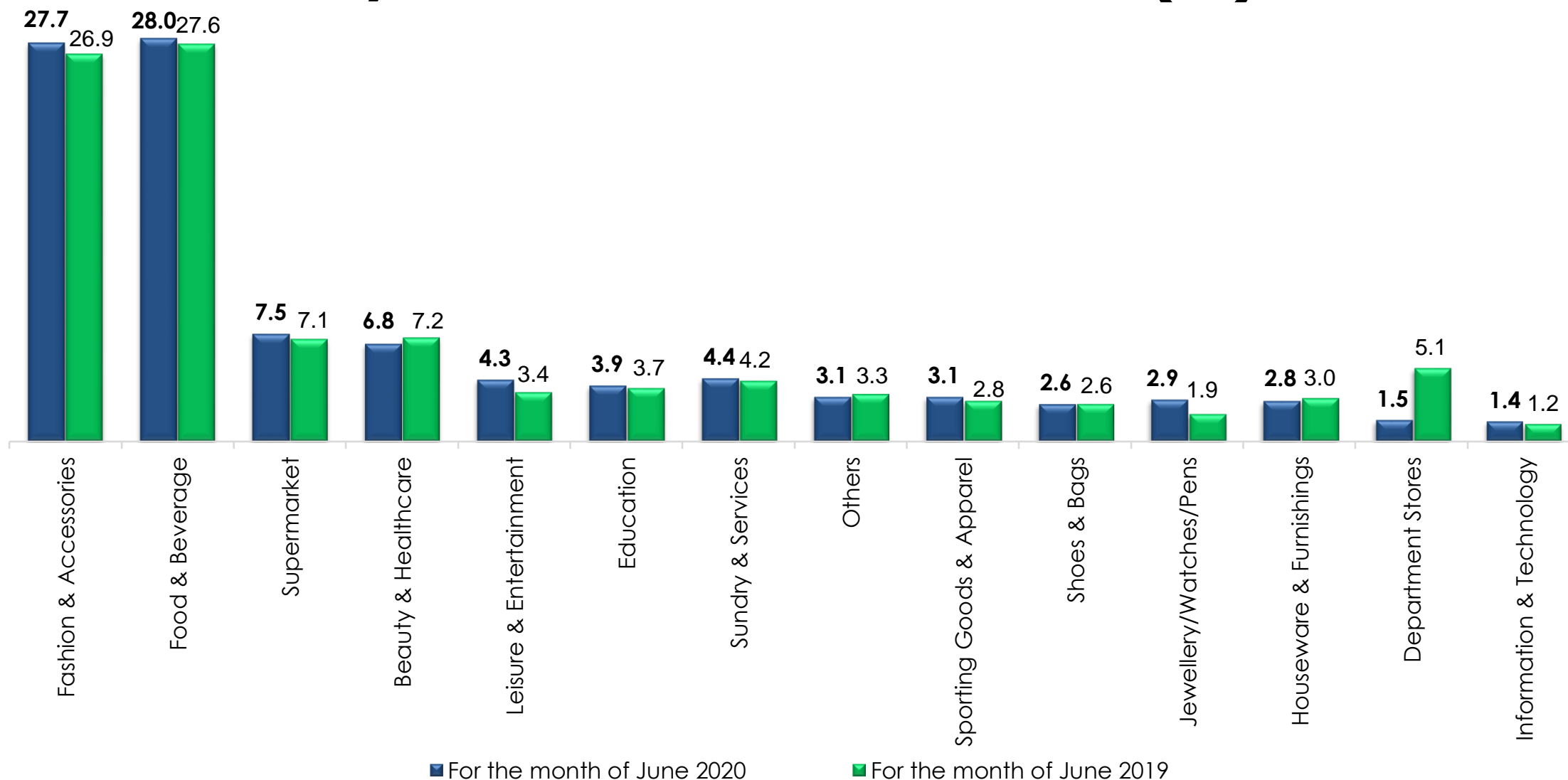
Portfolio Income and Valuation Derived Predominantly from Malls in Tier 1 and Tier 2 Cities<sup>1</sup>



Notes:

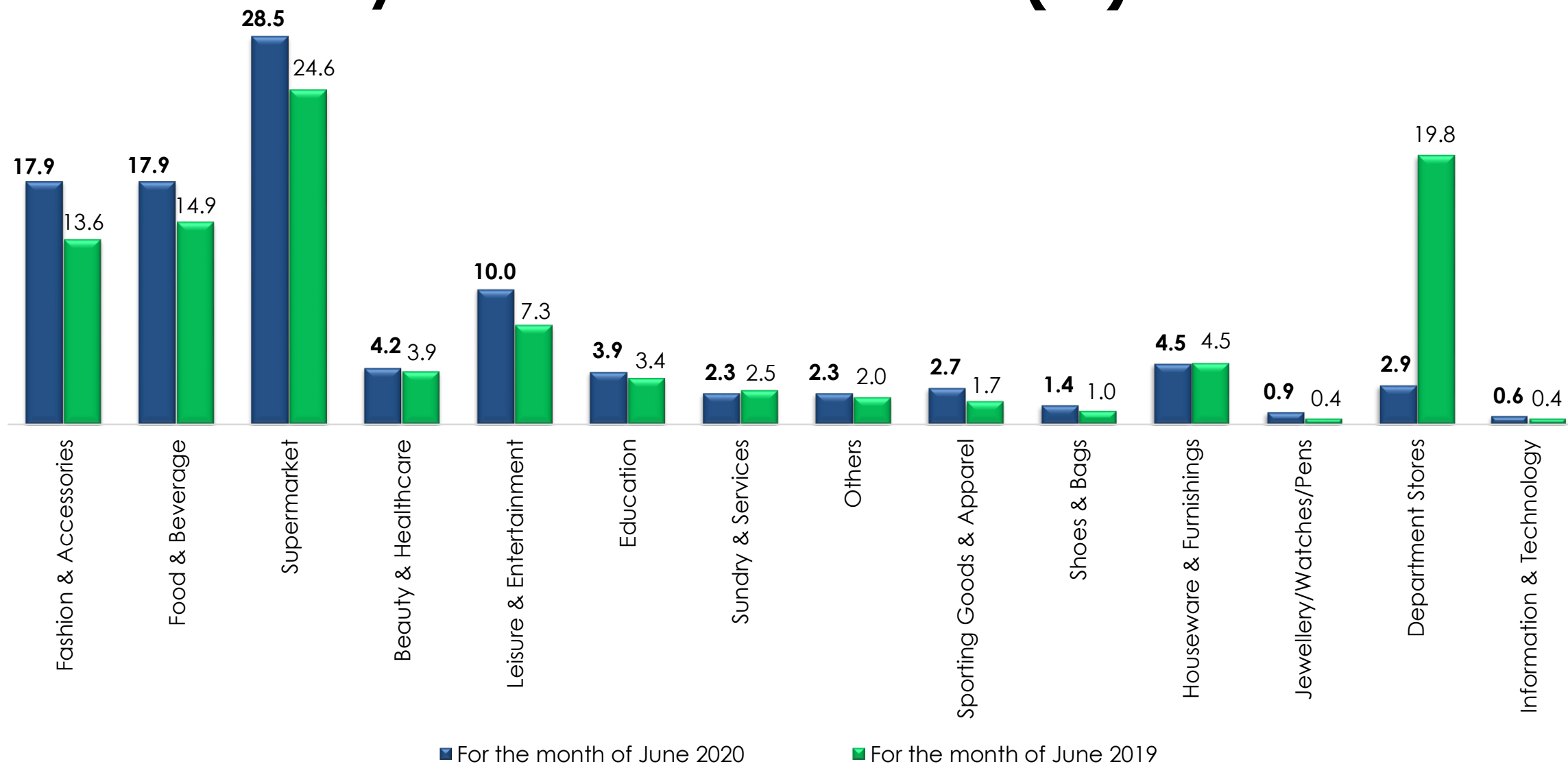
- Includes CRCT's 51.0% interest in Rock Square.
- Excludes the adjustment of FRS 116.
- As at 31 December 2019. Includes 51% of Rock Square and excludes CapitaMall Erqi as the divestment was completed in May. CapitaMall Saihan's valuation is based on the agreed property selling price as it is classified as asset held for sale.

# Trade Mix By Gross Rental Income<sup>1</sup> (%)



Note:  
1. Includes master-leased mall.

# Trade Mix By Net Lettable Area<sup>1</sup> (%)



Note:  
1. Includes master-leased mall.



# City Updates – Beijing

Recovery Progress Impacted by Second Wave of COVID-19 Outbreak



61.8% of NPI<sup>2</sup>



51.3% of AUM<sup>3</sup>

Notes:  
 1. Savills, Market in Minutes, Beijing 1Q 2020, April 2020.  
 2. Based on 1H 2020 NPI.  
 3. Based on valuation as at 31 December 2019.



## City

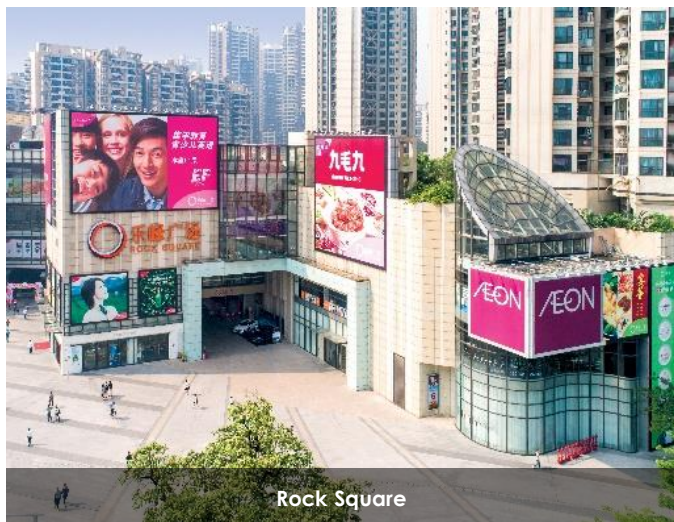
- Across the city, traffic and tenant sales were adversely impacted by tightened lockdown of city
- Most malls in the city were either closed or operated under shortened operating hours; Essential services at CRCT's malls were operating, albeit at shorter operating hours
- 2<sup>nd</sup> wave of outbreak occurred in mid June temporarily slowed recovery process across the city
  - Calibrated measures taken by Beijing helped maintain the normality in most of the city
  - Swift containment of outbreak, with no new cases reported for the first time in 26 days

## CRCT

- All CRCT malls are operating at the usual operating hours; CapitaMall Grand Canyon was temporarily closed for around 19 days to undergo intensive cleaning

# City Updates – Guangzhou

## Improving Retail Outlook



Rock Square



9.7% of NPI<sup>3</sup>



9.9% of AUM<sup>4</sup>

Notes:

1. Savills, Market in Minutes, Guangzhou 1Q 2020, April 2020.
2. C&W, Marketbeat, Guangzhou 2Q 2020.
3. Based on 1H 2020 NPI.
4. Based on valuation as at 31 December 2019.



- **Traffic footfall decreased significantly** due to government mandated city quarantined measures
- **Retailers turned cautious** in their expansion
- **F&B sector was impacted the most** as dine-in services were suspended, followed by the leisure and entertainment sector
- Citywide occupancy rate decreased to 91.4% in 1Q 2020; **Above market occupancy achieved at Rock Square** of 98.1% in 1Q 2020

### City<sup>2</sup>

- More sectors, including kids' entertainment centers and gyms, have reopened
- Cinemas are permitted to resume operations gradually if they meet the government's guidelines

### CRCT

- **Quick recovery at Rock Square** in 2Q 2020
- Achieved rental reversion of 18.5% for 1H 2020

# City Updates – Chengdu

Encouraging Signs of Recovery as Normalcy Returns



11.2% of NPI<sup>3</sup>



9.0% of AUM<sup>4</sup>



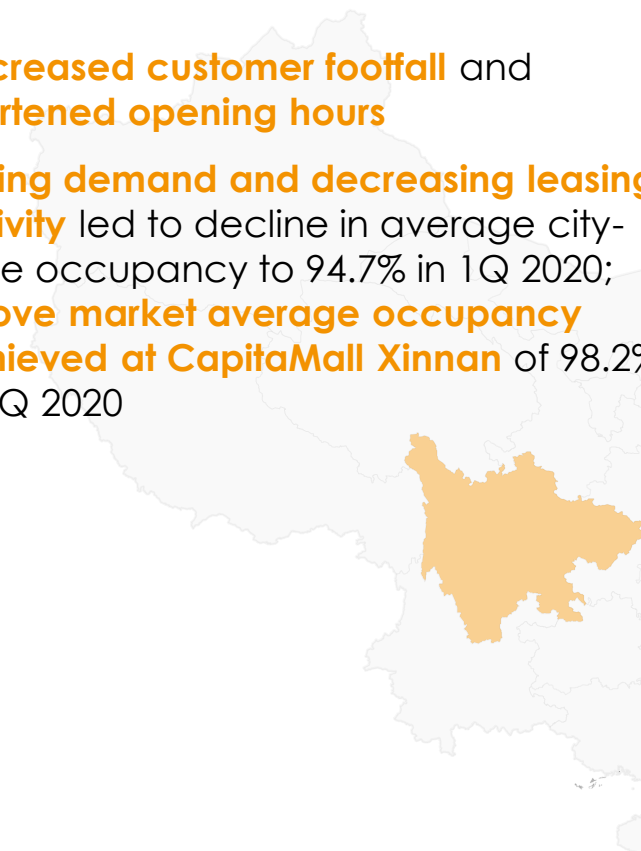
- **Decreased customer footfall** and **shortened opening hours**
- **Falling demand and decreasing leasing activity** led to decline in average city-wide occupancy to 94.7% in 1Q 2020; **Above market average occupancy achieved at CapitaMall Xinnan** of 98.2% in 1Q 2020

### City<sup>2</sup>

- COVID-19 epidemic continued to weaken retail market demand
- City-wide occupancy declined to 88%; as compared to CapitaMall Xinnan at 93.1%

### CRCT

- **Encouraging traffic and tenant sales recovery** registered at CapitaMall Xinnan, reaching around 80% and 70% of pre-COVID-19 levels for the month of June 2020 vs June 2019



Notes:  
 1. Savills, Market in Minutes, Chengdu 1Q 2020, April 2020.  
 2. Savills, Market in Minutes, Chengdu 2Q 2020, July 2020.  
 3. Based on 1H 2020 NPI.  
 4. Based on valuation as at 31 December 2019.

# Portfolio at a Glance<sup>1</sup>

	CapitaMall Xizhimen 凯德MALL·西直门	CapitaMall Wangjing 凯德MALL·望京	CapitaMall Grand Canyon 凯德MALL·大峡谷	CapitaMall Xuefu 凯德广场·学府	Rock Square <sup>2</sup> 乐峰广场
<b>Location</b>	Beijing	Beijing	Beijing	Harbin	Guangzhou
<b>GFA (sq m)</b>	83,075	83,768	92,918	123,811	88,279
<b>GRA (sq m)</b>	83,075	68,010	69,967	104,294	83,591
<b>NLA (sq m)</b>	50,791	51,898	45,513	64,190	53,070
<b>Land Use Right Expiry</b>	23 Aug 2044 23 Aug 2054	15 May 2043 15 May 2053	29 Aug 2044 29 Aug 2054	15 Dec 2045	17 Oct 2045
<b>Valuation (RMB mil)</b>	3,580	2,772	2,125	1,792	3,425
<b>Number of Leases</b>	233	212	154	393	176
<b>Committed Occupancy</b>	92.6%	93.4%	90.1%	97.3%	93.8%

Notes:

1. As at 30 June 2020.

2. CRCT has a 51.0% interest in Rock Square. All information are presented based on 100% ownership.

# Portfolio at a Glance<sup>1</sup>

	CapitaMall Xinnan 凯德广场·新南	CapitaMall Yuhuating 凯德广场·雨花亭	CapitaMall Aidemengdun 凯德广场·埃德蒙顿	CapitaMall Qibao 凯德七宝购物广场
<b>Location</b>	Chengdu	Changsha	Harbin	Shanghai
<b>GFA (sq m)</b>	91,816	75,431	49,040	83,986
<b>GRA (sq m)</b>	53,619	58,575	43,394	72,729
<b>NLA (sq m)</b>	36,573	48,302	28,377	50,599
<b>Land Use Right Expiry</b>	17 Oct 2047	03 Mar 2044	07 Sep 2042	10 Mar 2043 <sup>2</sup>
<b>Valuation (RMB mil)</b>	1,600	760	480	435
<b>Number of Leases</b>	237	229	153	133
<b>Committed Occupancy</b>	93.1%	96.5%	90.0%	82.3%

Notes:

1. As at 30 June 2020.
2. CapitaMall Qibao is indirectly held by CRCT under a master lease which expires in January 2024, with the right to renew for a further term of 19 years and 2 months.

# Portfolio at a Glance<sup>1</sup>

	CapitaMall Minzhongleyuan 凯德新民众乐园	CapitaMall Saihan 凯德MALL·赛罕	Yuquan Mall <sup>2</sup> 凯德广场·诺和木勒	CapitaMall Shuangjing 凯德MALL·双井
<b>Location</b>	Wuhan	Hohhot	Hohhot	Beijing
<b>GFA (sq m)</b>	41,717	41,938	100,047	49,463
<b>GRA (sq m)</b>	41,717	41,938	76,309	49,463
<b>NLA (sq m)</b>	490	460	-	51,193 <sup>3</sup>
<b>Land Use Right Expiry</b>	30 Jun 2044 <sup>4</sup> 15 Sep 2045	11 Mar 2041 20 Mar 2041	26 July 2049	10 Jul 2042
<b>Valuation (RMB mil)</b>	490	460 <sup>5</sup>	857	610
<b>Number of Leases</b>	34	181	-	4
<b>Committed Occupancy</b>	49.1%	99.0%	-	98.5%

Notes:

- As at 30 June 2020.
  - Yuquan Mall is undergoing fitting-out and will not be opened till 2H 2020.
  - Included the area zoned for civil defense but is certified for commercial use.
  - The conserved building is under a lease from the Wuhan Cultural Bureau.
  - Referring to agreed property selling price for CapitaMall Saihan as it is classified as asset held for sale.
- N.A. Not Applicable



# Thank you

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