CAPITALAND RETAIL CHINA TRUST
Expansion of Investment Strategy
30 September 2020
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Expansion of Investment Strategy

First and Largest China-Focused REIT Listed in Singapore

CRCT’s Investment Strategy will expand to the following -

“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).”

CRCT will be the dedicated Singapore-listed REIT for CapitaLand Group’s non-lodging China Business with acquisition pipeline access to CapitaLand’s China’s assets.

Better Positioned for Growth

Seize New Opportunities

Bring attractive yields and/or increase capital appreciation potential
Rationale and Benefits of Expanded Investment Strategy

Expand Investment Opportunities

- Larger pool of investment targets may bring attractive yields and/or increased capital appreciation potential
- Ability to grow portfolio and increase long-term returns for Unitholders

Sector, Revenue Stream, Asset and Tenant Diversification

- Diversify revenue stream to build a sector-diversified portfolio
- Gain exposure to a more extensive pool of tenants across the sectors, reducing tenant concentration risk

Enhance Ability to Deliver Stable and Sustainable Distributions to Unitholders

- Addition of different real estate asset classes provide CRCT with a more balanced and stable rental revenue
- More resilient and less susceptible to any adverse changes caused by unforeseeable external events and factors

Key Focus

- Long-term
- Growth
- Diversification
- Resilience
- Sustainable
- Returns

Investable Asset Classes

- Retail
- Business Park
- Commercial
- Logistics
- Industrial
- Data Centre
- Integrated Developments
CRCT Strategy

Key Objectives

1. Disciplined Portfolio Reconstitution - Create Value
   - Increase diversification of revenue stream
   - Expand footprint into targeted cities
   - Engage Sponsor’s pipeline and third-party vendors

2. Disciplined Portfolio Reconstitution - Unlock Value
   - Monetise older assets and acquire newer assets with higher growth potential
   - Decrease exposure to lower growth and non-core malls

3. Drive Organic Growth and Innovative Value Enhancement - Extract Value
   - Drive organic growth through AEI and space optimisation
Proactive Portfolio Reconstitution Efforts

Long-Term Focus of Creating Growth and Resilience

**Future growth phase**
China-focused REIT platform across all asset classes

Capture opportunities in the “New Economy” sectors –
e.g. Business parks, logistics and industrial
Strongly aligned with China’s future economy
Favorable and supportive regulatory environment
Tech-driven and R&D-focused tenants
Resilience and Growth

- **2018**
  - **Acquisition** of 51% of Rock Square
  - CRCT’s first retail mall in Guangzhou

- **2017**
  - **Divestment** of CapitaMall Anzhen
  - Mature master-leased mall

- **2019**
  - **Acquisition** of CapitaMall Xuefu, CapitaMall Aidemengdun and CapitaMall Yuhuating
  - CRCT’s first retail assets in Changsha and Harbin

- **2020**
  - **Divestment** of CapitaMall Erqi
  - Non-core master-leased mall
  - **Acquisition** of CapitaMall Saihan and acquire Yuquan Mall
  - Strategic mall to capture growing market in Hohhot

- **2020**
  - **Divestment** of CapitaMall Wuhu
  - Non-core mall

Expansion of Investment Strategy *30 September 2020*
Track Record of Value Creation

Total Assets Increased more than Fivefold since IPO

Steady Growth in NPI, DI and DPU

Net Property Income ($$ million)

Distributable Income ($$ million)

Capital Distribution
Organic Distributable Income

Joint Venture
CRCT Group

CAGR: 11.9%
DI CAGR: 10.6%
Strong Sponsor Supporting CRCT’s Growth and Diversification

Leverage on CapitaLand’s Established Real Estate Platform

One of Asia’s Largest Diversified Real Estate Groups

- In-depth local market knowledge
- 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

China Investment Portfolio

<table>
<thead>
<tr>
<th>Sector</th>
<th>Retail</th>
<th>Commercial</th>
<th>Integrated Developments</th>
<th>Business Park</th>
<th>Logistics</th>
<th>Industrial</th>
</tr>
</thead>
<tbody>
<tr>
<td>Assets</td>
<td>25</td>
<td>27</td>
<td>22</td>
<td>10</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Note:
1. As of 30 June 2020
Thank you

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Disciplined Capital Management

<table>
<thead>
<tr>
<th>Gearing</th>
<th>33.6%</th>
<th>31 Mar 2020: 35.8%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Average Cost of Debt</td>
<td>2.79%</td>
<td>31 Mar 2020: 2.89%</td>
</tr>
<tr>
<td>Average Term to Maturity</td>
<td>2.75 years</td>
<td>31 Mar 2020: 2.55 years</td>
</tr>
<tr>
<td>Interest Coverage</td>
<td>4.0x</td>
<td>31 Mar 2020: 4.3x</td>
</tr>
<tr>
<td>Unencumbered Assets as % of Total Assets</td>
<td>89.8%</td>
<td>31 Mar 2020: 90.3%</td>
</tr>
<tr>
<td>Available credit facilities</td>
<td>S$393.7 million</td>
<td></td>
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</tbody>
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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. After refinancing 2020 outstanding debt of S$100 million and extending it to 2026, the average term to maturity is 3.22 years.
5. 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.
6. Excludes CRCT’s proportionate share of its Joint Venture assets.
7. Includes S$100.0 million earmarked for refinancing of floating bridge loan due in 2020.
8. 83% of total debt is fixed (excluding the MML and BL which were intended to be short term as well as RMB denominated loans).

Impact on:
<table>
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<tr>
<th>Interest Expense</th>
<th>Assuming 0.1 p.a. increase/(decrease) in interest rate on variable rate borrowings</th>
</tr>
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<tbody>
<tr>
<td>+/- S$ 0.4 million p.a.</td>
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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
Continued Recovery Momentum
For Traffic and Sales on an Enlarged Portfolio Basis

As We Continue to Focus on Tenant Operation and Community Engagement

Total Shopper Traffic
August YoY Recovery
103.4%\(^1\)

Tenant Sales
August YoY Recovery
102.1%\(^1,2\)

Notes:
1. On an enlarged portfolio basis and excludes master-leased malls. On same mall basis (excluding CapitaMall Yuhuating, CapitaMall Xuefu and CapitaMall Aide mengdun):
a. August 2020 Shopper Traffic Recovery: 76.0%
b. August 2020 Tenant Sales Recovery: 77.7%
2. Excludes tenants’ sales from Supermarket and Department Store.

Self-quarantine Measures Employed Across China

2019

2020

Recovery crossed Pre-COVID-19 Levels

Second wave of outbreak in Beijing temporarily hampered recovery
Future-Proofing with Omnichannel Offerings

Leverage on Online Platform to Complement Offerings

Our Focus on Online-Offline Integration Ecosystem Provides a Strong Competitive Advantage

Accelerated Digitalisation Efforts to Capture Sales and Mindshare

✓ Sizeable member base crossing **10 million people**, enables CapitaStar to convert offline customer at a lower cost compared to pure e-commerce players¹

✓ Tap on data analytics to understand consumer behavior and preferences to cater to their evolving lifestyle needs

Growing Interest from Retailers

✓ Over 1,200 retailers were onboarded onto China’s CapitaStar platform YTD¹ with more than 75,000 SKU

✓ Breaking immediate catchment boundaries for tenants with transactions taking place 24/7

Leading digital platform by a Real Estate Player in China and Singapore

Benefit from rising sales outreach and higher turnover

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

Offline Sales accounts for around 75%² retail sales in China

Notes: