



CapitaLand Retail China Trust

Joint Acquisition Of 100% Interest
In Rock Square In Guangzhou, China
With CapitaLand Limited

28 November 2017



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Contents

- Joint Venture with CapitaLand
- Property Highlights
- Investment Merits
- Financial Effects of Transaction
- Conclusion





Joint Venture With Sponsor

CRCT and CapitaLand Taking Up 51% and 49% Interest Respectively

Property Valuation¹	RMB3,360.0 million² (~S\$688.8 million³)
Agreed Property Value¹	RMB3,340.7 million (~S\$684.8 million³)
Purchase Consideration¹	RMB3,360.7 million⁴ (~S\$ 688.9 million³)
GFA	83,591 sqm⁵
Total net lettable area	53,107 sqm⁶
Target completion date	1Q 2018

Notes:

1. Based on 100% interest.
2. Valuation as at 3 November 2017 by Savills Valuation & Professional Services (S) Pte Ltd.
3. Based on the exchange rate of S\$1 to RMB4.87829.
4. Based on the pro forma adjusted aggregate net asset value of the company and its wholly-owned subsidiary as at 30 June 2017, subject to post-completion adjustments.
5. Excludes car park.
6. As at 30 June 2017.



Strategic Entry Into Another Tier 1 City

Guangzhou Is Part Of CapitaLand's Five Core City Clusters

- Maximises benefits of synergies
 - ✓ Mall management expertise & market knowledge
 - ✓ Extensive leasing network
 - ✓ Cost efficiencies
 - ✓ Strategised cross marketing activities





Leveraging on Sponsor Network

Strong CapitaLand Presence In Guangzhou Across Multiple Asset Classes



- Shopping Mall
- Urban Renewal Project
- Serviced Residences
- Residential Developments

Part Of CapitaLand's Portfolio In Guangzhou

- A. CapitaMall Sky+
- B. Ascott Guangzhou
- C. Ascott IFC Guangzhou
- D. Somerset Riviera Guangzhou
- E. Citadines Lizhiwan Guangzhou
- F. Datansha Redevelopment Project
- G. Dolce Vita



Property Highlights



Rock Square, Guangzhou, China



Overview of Rock Square (乐峰广场), Guangzhou

Location	106-108 Gongye Avenue North, Haizhu District, Guangzhou City, Guangdong Province
Description	A five-storey shopping mall, 3 above-ground levels and 2 basement levels
Opening Date	July 2013
Land Use Expiry	October 2045
Site Area	43,288 sqm
GFA	83,591 sqm ¹
NLA	53,107 sqm ²
Committed Occupancy	96.4% ²
Car Park (B2/B3)	600 lots
Connectivity	Direct link to Shayuan Station on MRT Line 8 and Guangzhou-Foshan Line
Shopper Traffic	24 million in 2016



No. of Leases	159 ²
Key Tenants	AEON, UNIQLO, ZARA, Pull & Bear, Victoria's Secret, Innisfree
Property Valuation	RMB3,360.0 million ³ (~S\$688.8 million)
Agreed Property Value⁴	RMB3,340.7 million (~S\$684.8 million)

Notes:

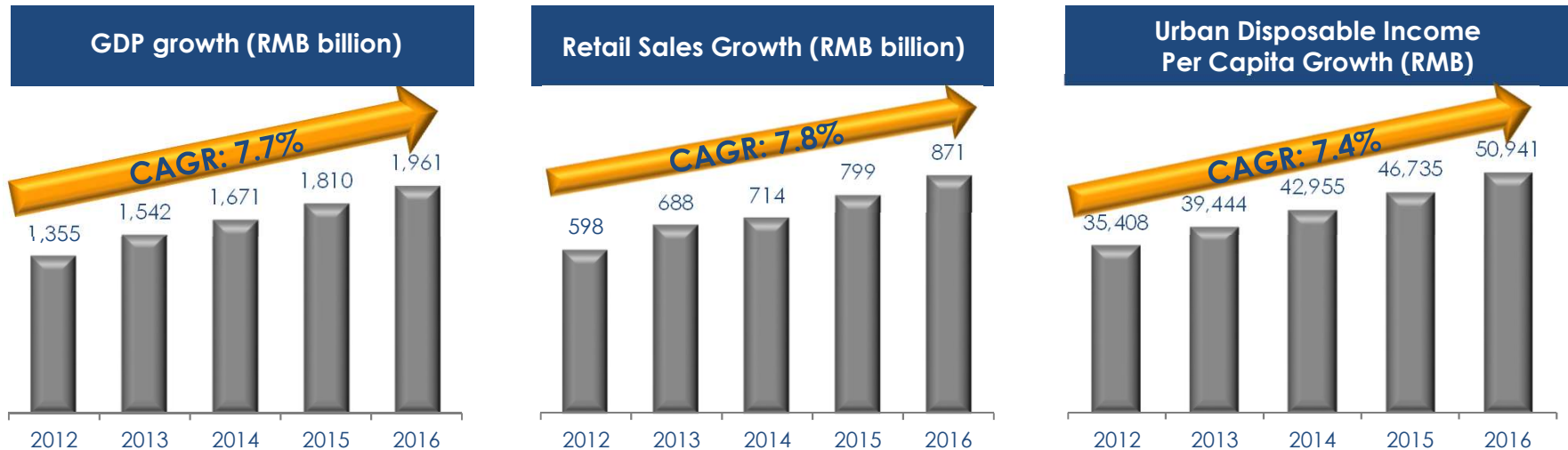
1. Excludes car park.
2. As at 30 June 2017.
3. Valuation as at 3 November 2017 by Savills Valuation & Professional Services (S) Pte Ltd.
4. Based on 100% interest.



Strategic Location in Tier 1 Guangzhou

Strong Economic Fundamentals And Growth Potential

- Robust economic growth in 2016
 - ✓ GDP growth of 8.2%¹, above nation's average of 6.7%²
 - ✓ Retail sales for consumer goods grew 9.0%¹
 - ✓ Urban disposable income per capita grew 9.0% to RMB50,941¹
- Ranks 4th among China's top 20 cities in terms of high-income consumers³
- Disposable income per capita expected to double over the next 15 years³
- Room for international retailer penetration⁴ with continued urbanisation



Notes:

1. Source: Guangzhou Bureau of Statistics.
2. Source: National Statistics of China.
3. Source: Economist Intelligence Unit, The Chinese Consumer.
4. Savills Spotlight, China 20 Retail Cities.



Haizhu District – Vibrant Economic Landscape

Emerging Residential Area For Guangzhou's New Affluent

- Second most populous urban district (>1.6 million)¹ in the city
- Ranks high in terms of disposable income per capita¹ in Guangzhou
- Well-developed transportation network
- Commercial district with vibrant economic activities – home to the Creative Industry Zone, city's landmark Canton Tower and top tertiary institution Sun Yat-sen University



Sun Yat-sen University



Tencent Campus at Creative Industry Zone



Creative Industry Zone

Note:

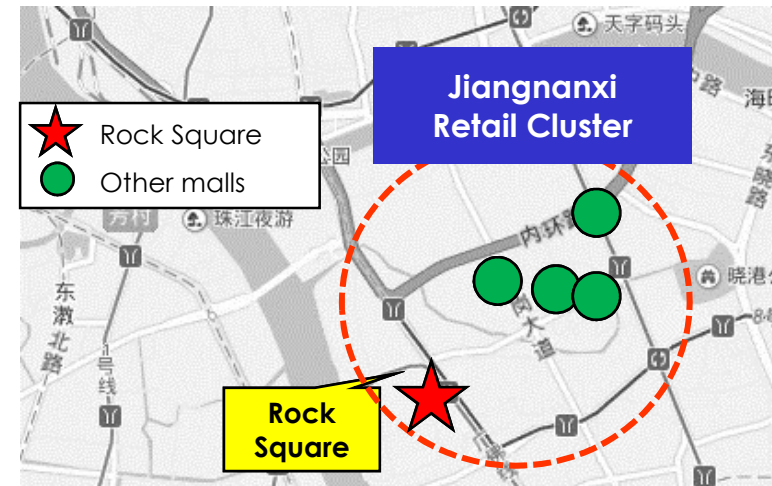
1. Source: Guangzhou Bureau of Statistics.



Dominant Mall In An Affluent Sub-Market

Surrounded By Increasingly Affluent Residential Catchment

- One of the largest malls in Haizhu District
- Popular shopping mall in Jiangnanxi retail cluster
- Appeals to mid- to high-income working adults and families
- 800,000 residential population within 3km radius



Densely Populated Mid- To High-End Residences Within The Mall's Vicinity

Excellent Accessibility

Well-Served By 2 Metro Lines With Multiple Ground Entrances

- Direct connection to Shayuan Station – interchange station for Metro Line 8 and Guangzhou-Foshan (Guangfo) line
- Convenient access to the mall via 1 Metro entrance and 3 ground entrances

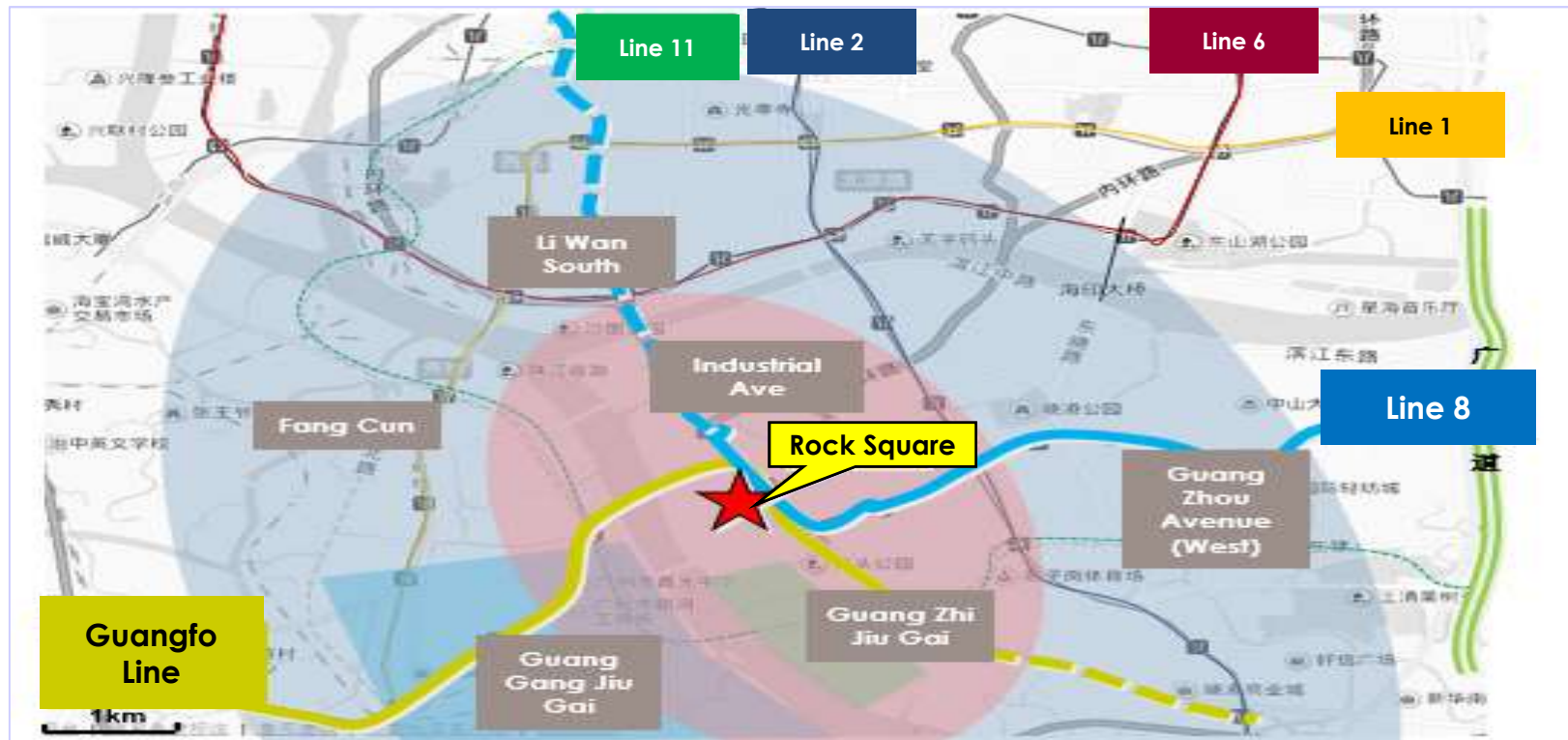




Potential Additional Catchment

Extension Of 2 Major Metro Lines To Boost Traffic

- Potential additional residential catchment with the extension of Metro Line 8 and Guangfo Line, targeted to be completed by 2019



● Existing catchment within 3km

● Potential enlarged catchment upon completion of extended metro lines

--- Extension of Line 8

--- Extension of Guangfo Line



Healthy Operating Mall Performance

- Committed occupancy of 96.4% as at 30 June 2017
- Popular patronage of 24 million footfall in 2016 and healthy tenant sales from quality retailer base
- Good foundation to further value-add and extract growth

Dynamic Mix of Retail Tenants



Investment Merits



Rock Square, Guangzhou, China



Investment Merits

- 1 Exposure To High-Growth Guangzhou
- 2 Proactive Rejuvenation: Portfolio Reconstitution
- 3 Immediate DPU Accretion With Further Upside
- 4 Good Investment Window To Capture Lease Renewal Upside
- 5 Strengthen Portfolio For Long-Term Growth

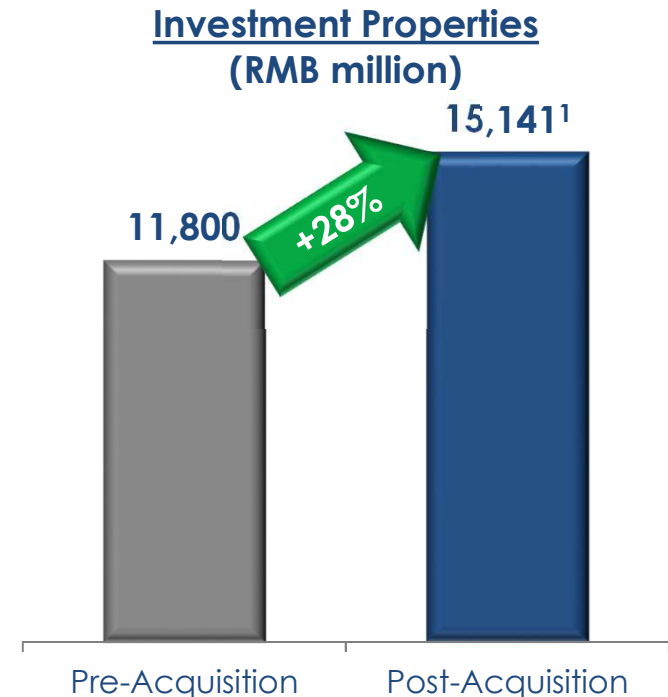
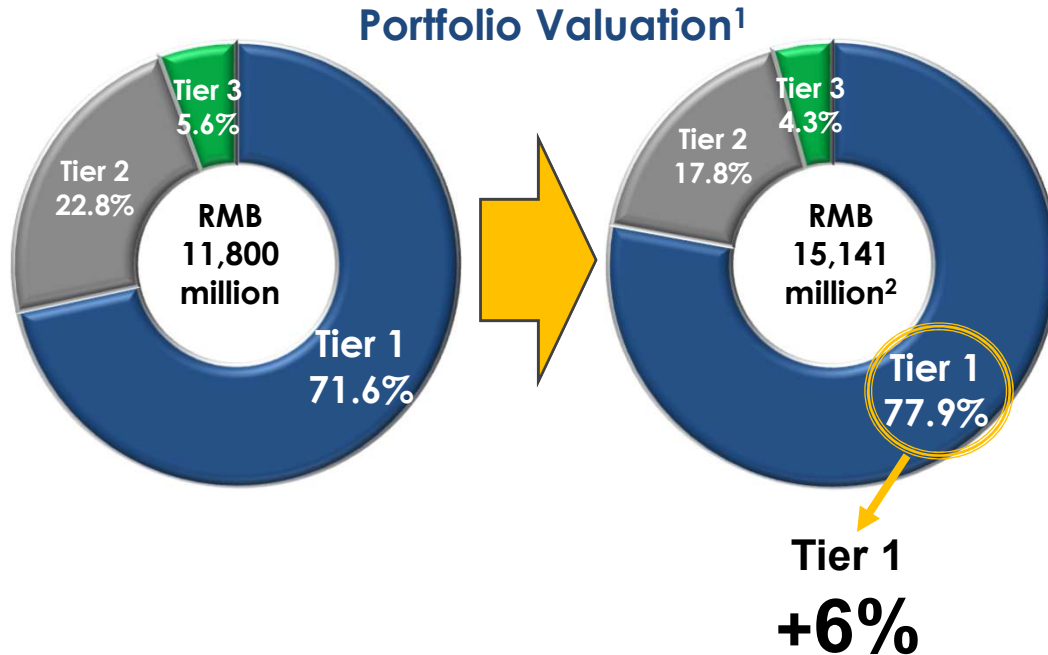


1 Exposure to High-Growth Guangzhou

Strategic Entry Into Another Tier 1 City After Beijing And Shanghai

Increases CRCT's Tier 1 Exposure By 6%

Enlarges CRCT's Portfolio Size¹ By 28%



Note:

1. Based on 100% stake in all CRCT's properties as at 30 June 2017 (excluding CapitaMall Anzhen which was divested). At a 51% interest in Rock Square, CRCT's assets under management will increase by about 14%.

2 Proactive Rejuvenation: Portfolio Reconstitution

Newer Asset With Longer Leasehold And Higher Growth Potential

CapitaMall Anzhen



GFA	43,443 sqm
Lease profile	Master-leased
Number of tenants	2 ¹
Land Use Right Expiry	2034 - 2042



Rock Square



GFA	83,591 sqm ²
Lease Profile	Multi-tenanted
Number of tenants	159 ¹
Land Use Right Expiry	2045

Notes:

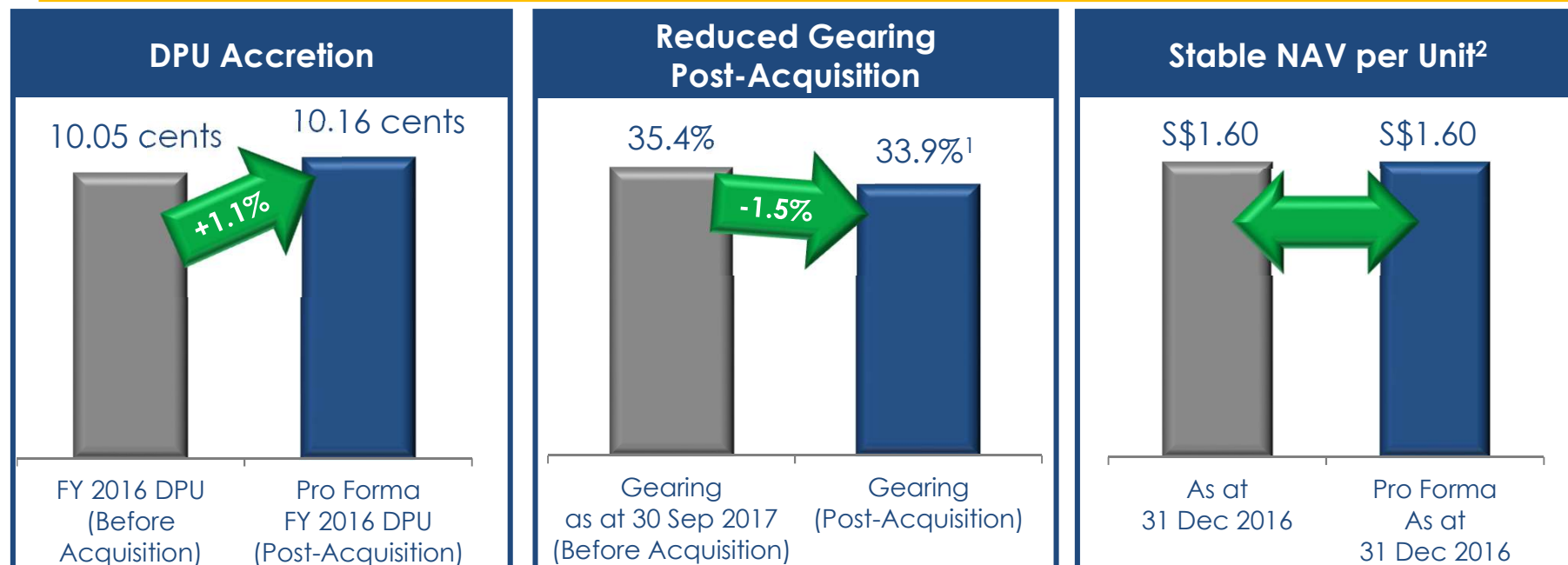
1. As at 30 June 2017.
2. Excludes car park.



3

Immediate DPU Accretion With Further Upside

Positive Impact On Portfolio



- **Immediate DPU accretion with further upside from positive rental reversion and occupancy growth**
- **Gearing reduced following equity fund raising**
- **Increased debt headroom at \$569 million³ post-acquisition provides financial flexibility for future growth**

Notes:

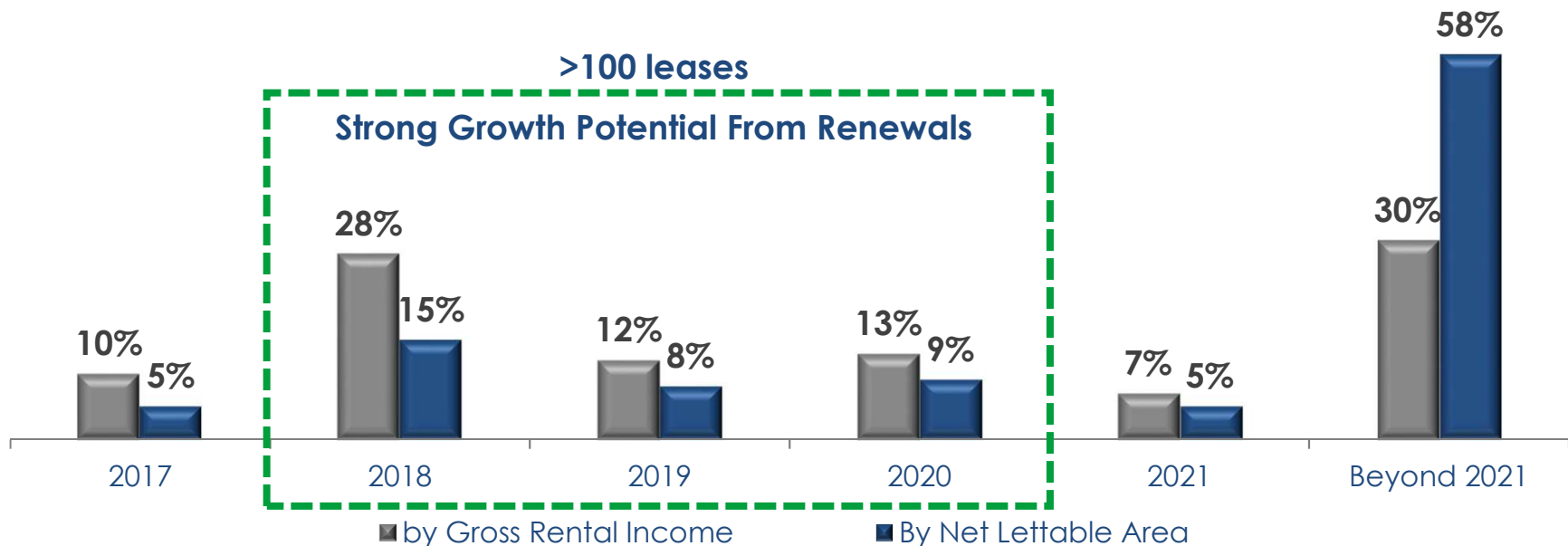
1. Adjusted for repayment of existing loans from Anzhen divestment proceeds.
2. Excluding distributable income for the period from 1 July 2016 to 31 December 2016.
3. Based on regulatory gearing limit of 45%.



4

Good Investment Window To Capture Upside

53% Of Total Rent Or 32% Of NLA Up For Renewal In 2018-2020¹



- >50% of expiring leases by gross rental income due 2018-2020 from higher-yielding trade categories
- Average current passing rent below market
- Strong growth potential from positive rental reversions

Note:

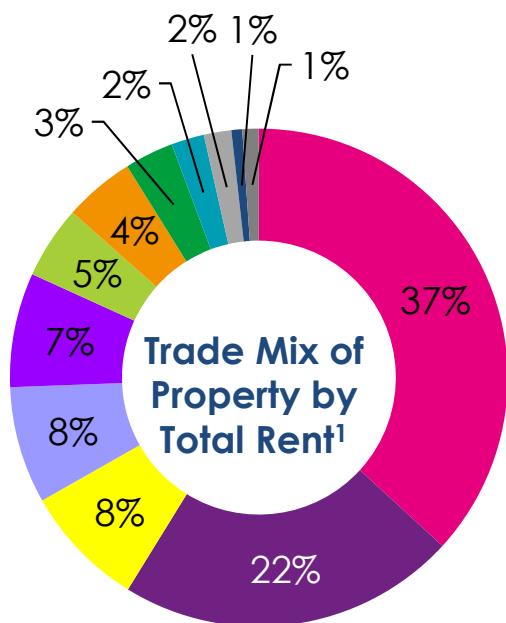
1. As at 30 June 2017.



5

Strengthen Portfolio for Long-Term Growth

Diversified Tenant Mix At Rock Square



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

- Boosts CRCT's diversified tenant base of international and domestic retailers by >10%
- Allows for greater synergy across the portfolio through increased retail offerings

International And Domestic Brands At Rock Square



Note:

1. As at 30 June 2017.

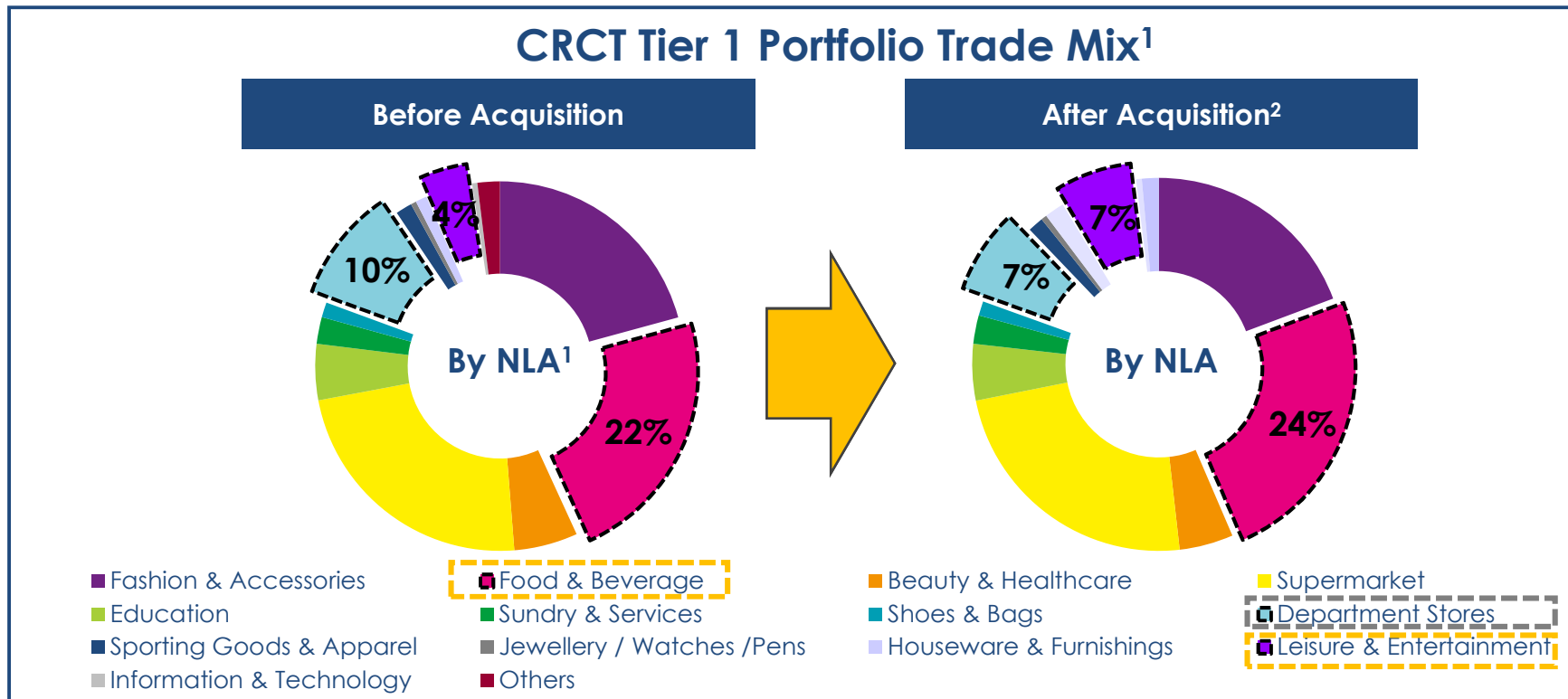


5

Strengthen Portfolio for Long-Term Growth

Boosts Portfolio Resilience

- Focus on experiential trades by strengthening higher-yielding F&B and Leisure & Entertainment
- Further reduce exposure to Department Stores



Notes:

1. Comprises CRCT's Tier 1 stabilised malls.

2. As at 30 September 2017.

3. Based on available data on Rock Square's trade mix as at 30 June 2017.

Financial Effects of the Acquisition



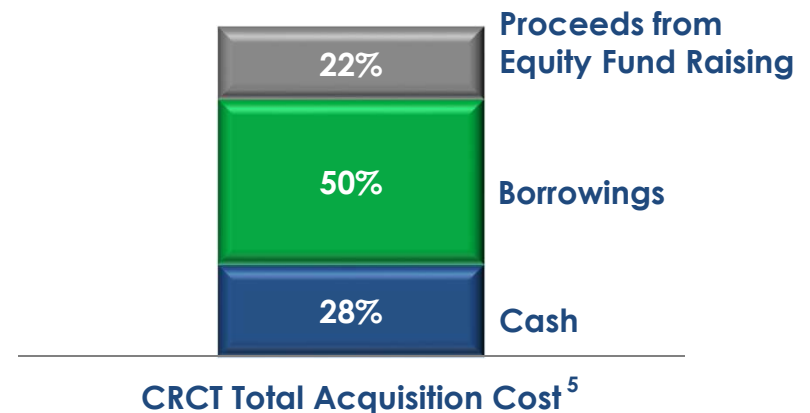
Rock Square, Guangzhou, China

Financing Structure

Optimal Financing Structure Through Internal Resources, Debt and Equity Fund Raising

- Acquisition to be funded by a combination of existing onshore cash, borrowings and proceeds from equity fund raising
- Transaction expected to be completed by 1Q 2018

Funding Requirements	S\$ million ¹
Purchase consideration ²	351.3
Acquisition-related cost ³	1.8
Acquisition fee ⁴	3.5
Total Acquisition Cost⁵	356.6



Notes:

1. Based on exchange rate of S\$1 to RMB4.87829.
2. Based on CRCT's 51% interest in the joint venture.
3. Based on CRCT's 51% proportionate share of the costs incurred by the joint venture.
4. 1.0% of CRCT's proportionate share of the asset price.
5. The estimated total acquisition cost comprises the proportionate stake of estimated purchase consideration. Based on pro forma adjusted aggregate net asset value of the company and its wholly owned subsidiary as at 30 June 2017 (subject to post-completion adjustments).



Pro Forma Financial Effects

Positive Impact On Portfolio

Pro Forma DPU FY 2016	Before Acquisition	Post-Acquisition ¹
Distributable Income (\$\$'000)	86,732	93,563
DPU (cents)	10.05 ²	10.16 ³
Pro Forma NAV ^{4,5}	Before Acquisition	Post-Acquisition
NAV (\$\$'000)	1,390,638	1,470,638
Issued Units	869,679,633 ⁵	920,961,684 ⁶
NAV per Unit (\$\$)	1.60	1.60
Pro Forma Gearing	Before Acquisition	Post-Acquisition
Gearing	35.4% ⁷	33.9% ⁸

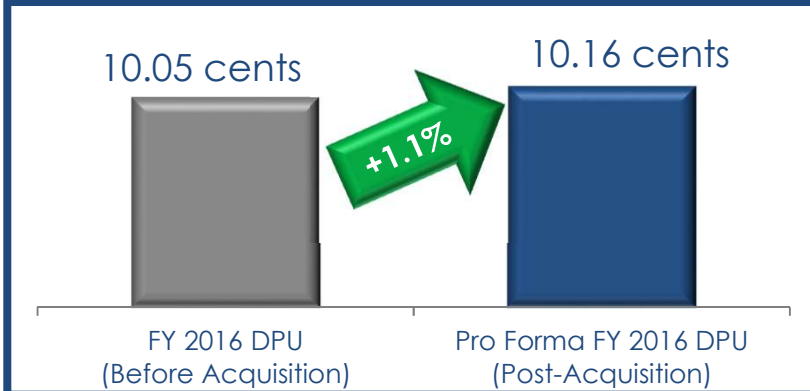
Notes:

1. Based on the annualised NPI of the target company's latest management accounts for the period year ended 30 September 2017.
2. Based on 869,679,633 issued units as at 31 December 2016.
3. Based on the Target Company's latest audited financial results for the year ended FY 2016, the pro forma DPU after acquisition will be 10.07 cents.
4. Excluding distributable income for the period from 1 July 2016 to 31 December 2016.
5. As at 31 December 2016.
6. Based on the assumption that 51,282,051 Units are issued from an equity fund raising exercise.
7. As at 30 September 2017.
8. Adjusted for repayment of existing loans from Anzhen divestment proceeds.

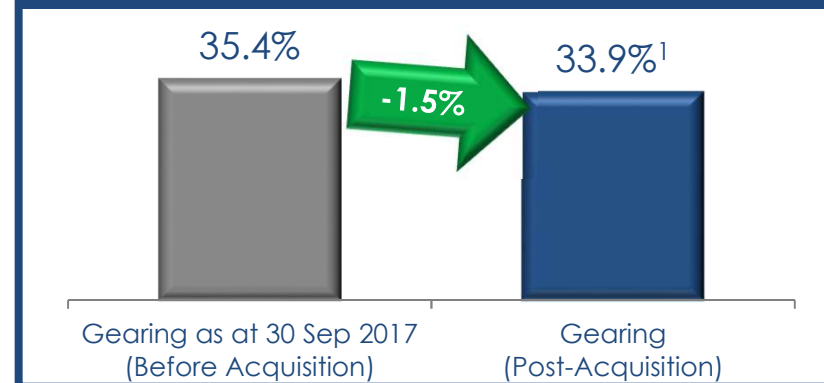


Pro Forma Financial Effects

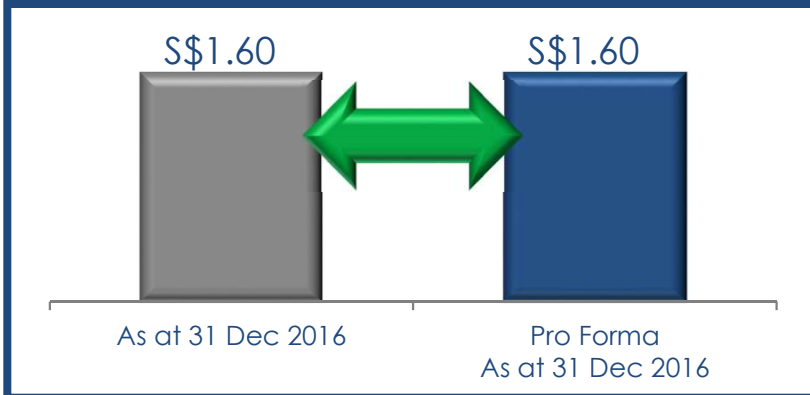
DPU Accretion



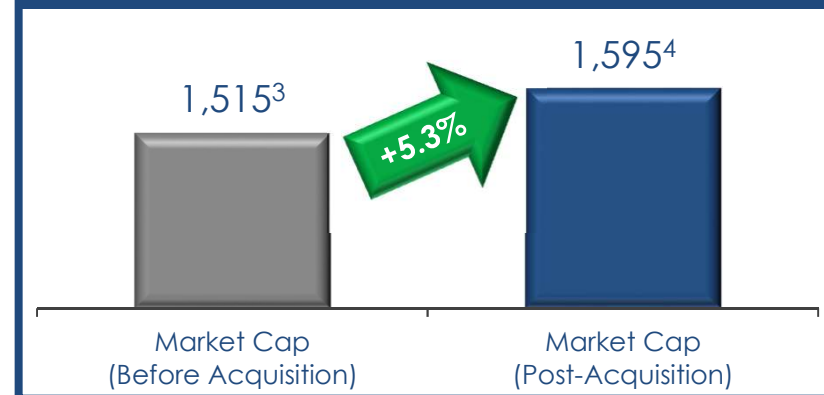
Reduced Gearing



Stable NAV per Unit²



Increase in Market Capitalisation (S\$mil)



Notes:

1. Adjusted for repayment of existing loans from Anzhen divestment proceeds.
2. Excluding distributable income for the period from 1 July 2016 to 31 December 2016.
3. Based on 901.8 million Units in issue and the closing price of S\$1.68 as at 27 November 2017.
4. Based on 901.8 million Units in issue and the closing price of S\$1.68 as at 27 November 2017, and additional gross proceeds pursuant to the equity fund raising of up to approximately S\$80.0 million being raised at the issue price of S\$1.56 per New Unit.

Conclusion

- Strategic expansion by leveraging on Sponsor's network
- Enhances portfolio quality and exposure to high-growth Tier 1 cities
- Attractive acquisition of income-producing mall with upside potential
 - ✓ Excellent connectivity and accessibility
 - ✓ Sizeable and growing affluent catchment
 - ✓ Good investment window to capture lease renewal upside
- Immediate DPU accretion with further upside
- Creates value for Unitholders through proactive portfolio rejuvenation
- Boosts CRCT's total asset value by 28% from RMB11,800 mil to RMB15,141 mil





Thank You

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