CAPITALAND CHINA TRUST
(Constituted in the Republic of Singapore pursuant to a trust deed dated 23 October 2006 (as amended))

ANNOUNCEMENT

PROPOSED ACQUISITION OF COMPANIES WHICH HOLD FOUR LOGISTICS PROPERTIES IN SHANGHAI, KUNSHAN, WUHAN AND CHENGDU

1. INTRODUCTION

1.1 Proposed Transaction

CapitaLand China Trust Management Limited, as manager of CapitaLand China Trust ("**CLCT**", and the manager of CLCT, the "**Manager**"), wishes to announce that HSBC Institutional Trust Services (Singapore) Limited, as trustee of CLCT (the "**Trustee**"), has entered into:

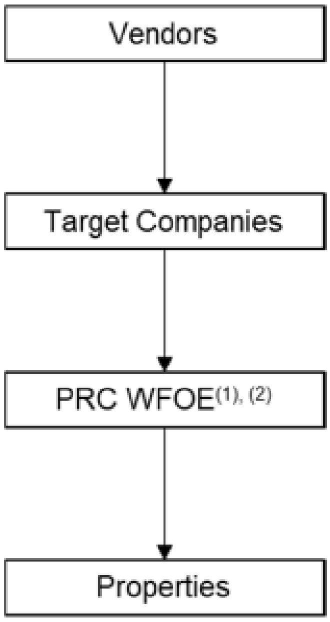
(i) three conditional share purchase agreements with QR Asia Logistics Master Holdco I Pte. Ltd. ("**Vendor I**") to acquire all the issued shares of Wuhan Logistics Pte. Ltd. ("**Wuhan Logistics**", and the acquisition, the "**Wuhan Acquisition**"), ABM KS Investment Pte. Ltd. ("**ABM KSI**", and the acquisition, the "**Kunshan Acquisition"**) and Forum Court Limited ("**Forum Court**", and the acquisition, the "**Chengdu Acquisition"**); and

(ii) a conditional share purchase agreement (the conditional share purchase agreements collectively, the "**Share Purchase Agreements**") with QR Asia Logistics Master Holdco II Pte. Ltd. ("**Vendor II**" and together with Vendor I, the "**Vendors**") to acquire all the issued shares of Hanson Logistics Limited ("**Hanson Logistics**", and the acquisition, the "**Shanghai Acquisition**").

Hanson Logistics, Wuhan Logistics, ABM KSI and Forum Court, shall collectively be referred to herein as the "**Target Companies**" and all the issued shares of the Target Companies to be acquired shall be referred to herein as the "**Sale Shares**".

The Shanghai Acquisition, Wuhan Acquisition, Kunshan Acquisition and the Chengdu Acquisition shall collectively be referred to herein as the "**Acquisitions**".

The Target Companies indirectly own four logistics properties ("**Properties**") located in Shanghai, Kunshan, Wuhan and Chengdu in the People's Republic of China ("**PRC**") and an overview of the ownership structure is set out below.



Note:

(1) "PRC WFOE" means the Shanghai WFOE, the Kunshan WFOE, the Wuhan WFOE and the Chengdu WFOE (each as defined below).
(2) Forum Court has an indirect interest in Chengdu WFOE through Gloryrise (as defined in Appendix A).

Please refer to **Appendix A** for further details on the ownership structure.

Each of the Vendors is not an "interested person" of CLCT for the purposes of the Listing Manual (the "**Listing Manual**") of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") and is not an "interested party" of CLCT for the purposes of Appendix 6 to the Code of Collective Investment Schemes (the "**Property Funds Appendix**").

1.2 Information on the Properties

1.2.1 Shanghai Logistics Property (the "Shanghai Property")

The property is located in the Shanghai Lingang Special City, which is an important node on the Shanghai Coastal Thoroughfare. With access to an integrated network of highways, railways, aviation and port, many logistics enterprises base their inter-city distribution centres within this prime location. The property is easily accessible via Shanghai Ring Expressway (G1503). It is 16km away from the world's largest port, Yangshan Port, and 37km away from Pudong International Airport.

The property is a double-deck warehouse with total Gross Floor Area ("**GFA**") of 62,785 sqm. It is leased to two leading domestic third-party logistics ("**3PL**") players.

Selected key property information is summarised below:

City	Shanghai, PRC
Description	One block of double-storey warehouse, with ancillary offices
Land Tenure	50 years expiring on 20 July 2059
Land Area	63,524 sq m
GFA	62,785 sq m
Gross Leasable Area ("**GLA**")	62,785 sq m
Building Specifications	Clear ceiling height: 1st Floor – 8.4m, 2nd Floor – 7.8m
	Floor Loading: 1st Floor – 3.0 tons per sqm, 2nd Floor – 2.8 tons per sqm
Completion	2010
Committed occupancy (as at August 2021)	98.6%

1.2.2 **Kunshan Logistics Property (the "Kunshan Property")**

The property is located in Kunshan, Jiangsu Province, which is a one-hour drive away from Shanghai. The property is easily accessible via Beijing-Shanghai Expressway (G2), ChangJia Expressway (G1521) and HuYi Expressway (S48). Its prime location is a favourite destination for enterprises to setup their distribution centres to cover the Shanghai and the Yangtze River Delta region.

The property comprises three blocks of single-storey warehouse and other ancillaries, with a total GFA of about 43,945 sqm. It is currently leased to one of China's largest e-commerce giant and another leading domestic 3PL player.

Selected key property information is summarised below:

City	Kunshan, Jiangsu Province, PRC
Description	Three blocks of single-storey warehouses
Land Tenure	50 years expiring 16 June 2064
Land Area	76,175 sq m
GFA	43,945 sq m
GLA	45,090 sq m
Building Specifications	Clear ceiling height: 9.0m
	Floor Loading: 3.0 tons psm
Completion	2017
Committed occupancy (as at August 2021)	99.4%

1.2.3 Wuhan Logistics Property (the "Wuhan Property")

The property is strategically located in Yangluo Economic Development Zone, Wuhan, with the Wuhan Belt Expressway accessible within 15 minutes' drive. It is well-connected to airport, highway network, railway and port in Wuhan.

The property comprises four blocks of single-storey warehouse and ancillaries with total GFA of around 86,973 sqm. The property is currently anchored by one of China's largest e-commerce giant.

Selected key property information is summarised below:

City	Wuhan, Hubei Province, PRC
Description	Four blocks of single-storey warehouses with ancillary facilities
Land Tenure	50 years expiring on 14 July 2064
Land Area	125,821 sq m
GFA	86,973 sq m
GLA	88,165 sq m
Building Specifications	Clear ceiling height: 9.0m
	Floor Loading: 3.0 tons psm
Completion	2018
Committed occupancy (as at August 2021)	97.6%

1.2.4 Chengdu Logistics Property (the "Chengdu Property")

The property is located within Chengdu Airport Logistics Park in Chengdu. It is situated just beside Shuangliu International Airport, one of the busiest airports in the world, and is within close proximity to Chengdu South Railway Station and Chengdu East Railway Station.

The property comprises of a single-storey warehouse and two double-storey ramped warehouses with total GFA of about 71,556 sqm. The property is currently leased to multiple tenants from the logistics and supply chain management and pharmaceutical sectors.

Selected key property information is summarised below:

City	Chengdu, PRC
Description	One block of single-storey warehouse and two blocks of double-storey ramp-up warehouses
Land Tenure	50 years expiring on 25 April 2062
Land Area	77,446 sq m
GFA	71,556 sq m
GLA	66,422 sq m
Building Specifications	Clear ceiling height: 9.0m
	Floor Loading: 3.0 tons psm
Completion	2016

Committed occupancy (as at August 2021)	90.5%

2. PRINCIPAL TERMS AND CONDITIONS OF ACQUISITIONS

2.1 Purchase Consideration and Valuation

The aggregate purchase consideration (the "**Purchase Consideration**") in connection with the Acquisitions comprises:

(i) **Equity Consideration** – based on the adjusted aggregated net asset value ("**NAV**") of the Target Companies as at the date of completion of the Acquisitions ("**Completion**", and the date of Completion, the "**Completion Date**")[1]; and

(ii) **Shareholder Loan Consideration Amount** – based on the outstanding total amount of existing shareholder loans ("**Shareholder Loans Amount**") owed by the Target Companies and Gloryrise to the Vendors. This amount will be paid to the Vendors for novation to the Trustee of the existing shareholder loans extended to the Target Companies and Gloryrise.

The estimated Purchase Consideration payable is approximately US$216.8 million [2] (approximately S$291.6 million[3]) and will be paid by the Trustee to the Vendors in cash.

The Purchase Consideration was negotiated on a willing-buyer and willing-seller basis based on: (i) the adjusted aggregated NAV of the Target Companies, the assets of which consist of (but are not limited to) the Properties with an aggregate agreed value of RMB1,683.4 million (approximately S$350.7 million) (the "**Aggregate Agreed Property Value**"), taking into account the aggregate independent valuation of the Properties of RMB1,694.0 million (approximately S$352.9 million) and (ii) the outstanding Shareholder Loans Amount.

The Manager and the Trustee have commissioned an independent property valuer, CBRE Limited (the "**Independent Valuer**"), to value the Properties. The aggregate open market value of the Properties as at 31 August 2021 is RMB1,694.0 million. The methods used by the Independent Valuer were the discounted cash flow approach and the direct capitalisation approach. The Aggregate Agreed Property Value is at a discount of 0.6% to the aggregate valuation.

Pursuant to the Share Purchase Agreements, a portion of the Purchase Consideration amounting to US$21.7 million (approximately S$29.2 million) shall be paid by the Purchaser as a deposit to the respective Vendors within ten business days from the date of entry of the Share Purchase Agreements[4] (the "**Deposit**").

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1 The existing bank loan owed by the Shanghai WFOE to certain financial institutions will be repaid and discharged on Completion while the existing bank loans owed by the Wuhan WFOE, the Kunshan WFOE and the Chengdu WFOE, amounting to approximately S$73.4 million, will be assumed by CLCT (the existing banks loans collectively, the "**Onshore Loans**"). Accordingly, the Equity 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.

2 Based on the unaudited consolidated balance sheet of the adjusted aggregate NAV of the Target Companies as of 30 June 2021 and subject to post-Completion adjustments. The actual amount of the Purchase Consideration payable to the Vendors will only be determined after the Completion Date.

3 Except where the exchange rate between the Renminbi and the Singapore dollar is expressly stated otherwise, the Renminbi amounts in this announcement have been translated into Singapore dollars based on the exchange rate of S$1 to RMB4.80.

4 As at the date of this Announcement, US$2.6 million (approximately S$3.5 million) of the Deposit has been paid to the Vendors.

The Deposit (with interest accrued thereon) shall be retained by the respective Vendors if any Share Purchase Agreement is terminated by the Vendors due to Completion failing to occur by the long stop date set out in the Share Purchase Agreements due to the Purchaser's breach of the Share Purchase Agreements even though the condition precedents in the Share Purchase Agreements have been satisfied (or waived by the parties) ("**Vendors Break Fee Termination Event**").

The Deposit which has been paid by the Purchaser shall be returned to the Purchaser, free of interest, in the event:

(i) any Share Purchase Agreement is terminated by the Purchaser due to Completion failing to occur by the long stop date set out in the Share Purchase Agreements due to the Vendor's breach of the Share Purchase Agreements even though the condition precedents in the Share Purchase Agreements have been satisfied (or waived by the parties) ("**Purchaser Break Fee Termination Event**"). In the event of a Purchaser Break Fee Termination Event, the Vendor shall further pay a breakup fee in an amount equal to the Deposit to the Purchaser;

(ii) any Share Purchase Agreement is terminated for any reason other than the Vendors Break Fee Termination Event and Purchaser Break Fee Termination Event.

The following table sets out the independent valuation and agreed value of each of the Properties:

Property	**Independent Valuation as at 31 August 2021**(1)	**Agreed Property Value**	**Discount of Agreed Property Value to Independent Valuation (%)**
Shanghai Property	RMB624.0 million (approximately S$130.0 million)	RMB623.7 million (approximately S$129.9 million)	0.0%
Kunshan Property	RMB330.0 million (approximately S$68.7 million)	RMB328.0 million (approximately S$68.4 million)	0.6%
Wuhan Property	RMB383.0 million (approximately S$79.8 million)	RMB379.7 million (approximately S$79.1 million)	0.9%
Chengdu Property	RMB357.0 million (approximately S$74.4 million)	RMB352.0 million (approximately S$73.3 million)	1.4%

Note:

(1) The independent valuations do not take into account the effects of the Rent Support and Rent Free Reimbursement (as defined below).

2.2 Estimated Total Acquisition Cost

The total cost of the Acquisitions (the "**Total Acquisition Cost**") is approximately S$297.7 million, subject to closing adjustments, comprising:

(i) the Purchase Consideration of approximately S$291.6 million[5];

(ii) the acquisition fee of approximately S$3.5 million (the "**Acquisition Fee**") payable in cash to the Manager; and

(iii) the estimated professional and other acquisition-related expenses of approximately S$2.6 million.

2.3 Principal Terms and Conditions of the Share Purchase Agreements

The Share Purchase Agreements contain customary provisions relating to the Acquisitions, including representations and warranties, indemnities and pre-completion covenants regarding the operation of the business, limitations of the Vendors' liabilities and other commercial terms.

The Vendors have made certain representations and warranties, and have also given certain indemnities to the Trustee and its liabilities thereunder are subject to an aggregate maximum liability, minimum threshold claims and limitation periods.

Completion of the Acquisitions is conditional upon, *inter alia*:

(i) the Vendors having obtained an email consent from the relevant lender (the "**Existing Offshore Loan Lender**") to the Vendors in relation to term loan facility agreements between, among others, the Vendors as borrower and the relevant Existing Offshore Loan Lender, the form of which shall be set forth in the relevant Share Purchase Agreement (the "**Existing Offshore Loan Lender Consent**");

(ii) the written consent from the lenders (the "**Existing Onshore Loan Lender**") to the relevant PRC WFOE pursuant to the term loan facility agreements between, among others, the PRC WFOEs as borrower and the relevant Existing Onshore Loan Lender having been duly obtained;

(iii) the concurrent completion under the Share Purchase Agreements having taken place;

(iv) each of the fundamental warranties as set out in the Share Purchase Agreements having remained true and accurate in all respects and not misleading in any respect at Completion;

(v) each of the Vendor's covenants and undertakings set out in the Share Purchase Agreements having been complied with and not breached, except for the ones waived by the Trustee in writing;

(vi) there being no change in legislation or regulation that (i) prohibits the consummation of the transactions contemplated by or in connection with the Share Purchase Agreements; or (ii) forbid the PRC WFOEs from carrying out their current operations and business; and

(vii) there having occurred no material adverse change.

[5] The Onshore Loan owed by the Shanghai WFOE to certain financial institutions will be repaid and discharged on Completion while the Onshore Loans owed by the Wuhan WFOE, the Kunshan WFOE and the Chengdu WFOE, amounting to approximately S$73.4 million, will be assumed by CLCT. Accordingly, the Equity Consideration (and hence, 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.

2.3.1 Rent Support and Rent Free Reimbursement

The Manager has negotiated for the U.S. dollar equivalent of RMB9.6 million (the "**Rent Support and Rent Free Reimbursement**") to be deducted from the amount to be paid by the Trustee to Vendor I on Completion for the Chengdu Acquisition and the Wuhan Acquisition, which is to cover the related vacancy loss and rent free provided to the existing tenants for the Chengdu Property and the Wuhan Property.

The board of directors of the Manager is of the view that the Rent Support and Rent Free Reimbursement applicable to the Chengdu Property and the Wuhan Property is on normal commercial terms and is not prejudicial to the interests of CLCT and holders of units of CLCT ("**Units**", and holders of Units, "**Unitholders**") on the bases that: (i) they allow CLCT to continue to receive market based rental income in relation to certain potential vacant areas and rent free periods granted to existing tenants, and the amount is determined based on comparable market rents in comparable properties in the area where the Chengdu Property and the Wuhan Property are located and (ii) the amount of the Rent Support and Rent Free Reimbursement will be deducted from the amounts payable by the Trustee to Vendor I on Completion.

3. THE RATIONALE FOR THE ACQUISITIONS

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

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

The proposed Acquisitions represent a continuation of CLCT's multi-stage portfolio reconstitution strategy to strengthen its long-term income diversification and resilience through its near-term focus on New Economy asset classes, following CLCT's initial purchase of a portfolio of five business park properties in 2020.

The entry into the logistics sector will complement CLCT's existing retail portfolio. At present, CLCT's omni-channel retailing strategy to provide seamless shopping experience in its retail malls is largely focused on the Business-to-Customer ("**B2C**") segment within China's business ecosystem. The entry into the logistics sector will enable CLCT to capture a larger share of China's domestic consumption, enlarging its presence with expansion into the Business-to-Business ("**B2B**") and Customer-to-Customer ("**C2C**") segments, providing space and fit-out solutions to 3PL providers and e-commerce companies, the key facilitators within the B2B and B2C segments.

3.2 Strong logistics space demand supported by fast growing China market

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

<u>Favourable government policies</u>
The Chinese government has introduced a series of favourable policies and reforms to boost domestic consumption and bolster the development of the logistics sector in China, which will consequentially benefit the logistics property market. The "Dual Circulation" strategy, which is part of China's 14th five-year plan (2021–2025), was introduced to reorient China's economy by prioritising greater domestic consumption while remaining open to international trade. It is expected to boost domestic consumption by (i) increasing consumption expenditure as a percentage of GDP, and

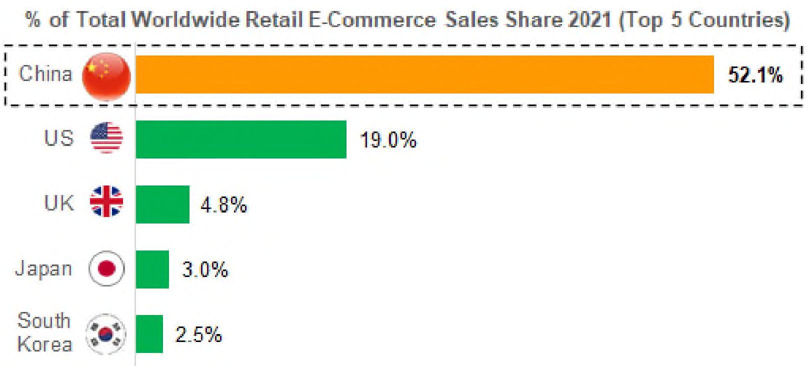
(ii) growing the middle-income population by increasing household income and driving urbanisation.

China's "Global 1-2-3 Logistics Circle", another programme which plans to expand and modernise its transport logistics network, aims to achieve a one-day domestic delivery of goods in China, a two-day delivery from neighbouring countries, and a three-day delivery to major global cities. This programme is expected to improve efficiency and reduce delivery costs, which in turn will drive demand for modern logistics warehouses within key logistics hubs across China.

Accelerating e-commerce growth

Demand for logistics space continues to be driven by accelerating e-commerce growth. China is presently the largest e-commerce market in the world in 2021 with a global market share of 52.1%, over 2.5 times larger than the United States, the 2nd largest e-commerce market with a global market share of 19.0%.

The COVID-19 pandemic has further accelerated the growth in China's e-commerce market, with online sales penetration growing 4.2% from 20.7% to 24.9%[6] between 2019 and 2020, more than double the average annual growth of c.2% per annum[6] from 2015 to 2019. China's e-commerce market value is projected to grow at a compound annual growth rate of 12.4% from 2021 to 2024 to reach RMB 19.6 trillion in 2024[7].



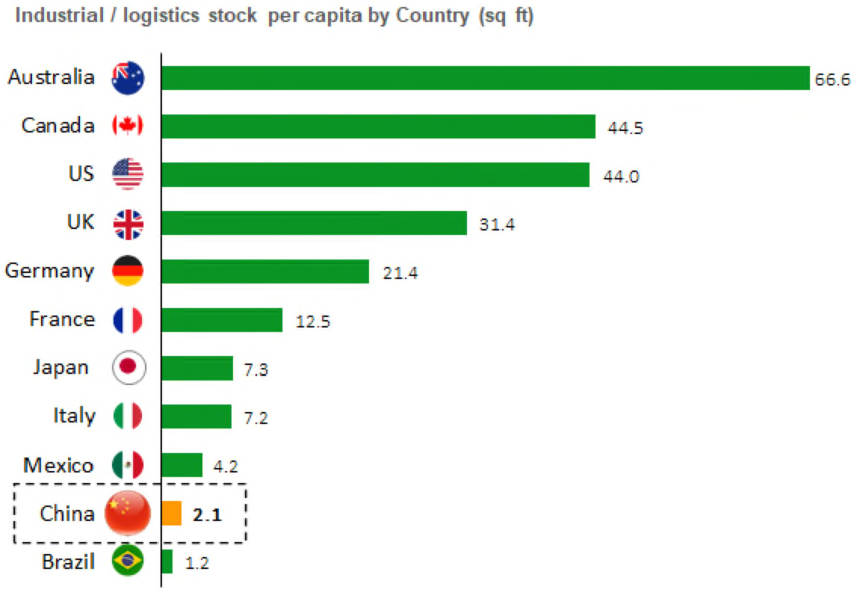
Source: eMarketer[8]

3.2.2 Favourable supply-demand dynamics underpin growth potential for logistics space

There is a relative undersupply of logistics properties in China compared to developed nations[9]. China has a much lower industrial/logistics stock per capita of 2.1 sqft compared to the top countries such as Australia (66.6 sqft), Canada (44.5 sqft) and US (44.0 sqft).

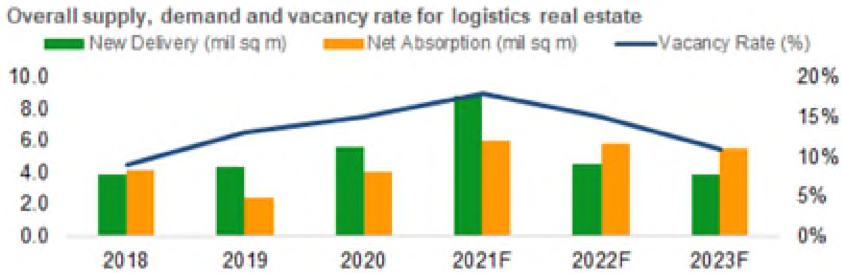
The undersupply is both in terms of quantity and quality as there remains an undersupply of Grade A logistics facilities to support modern logistics operations.

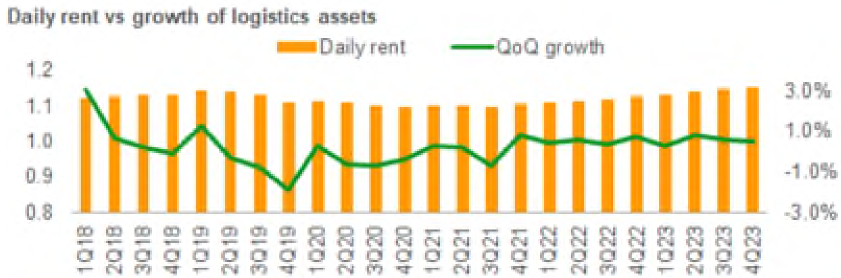
[6] Forrester. Forrester has not provided its consent to the inclusion of the information in this announcement and is not liable for such information.
[7] Global Data Banking and Payments Intelligence Centre. Global Data Banking and Payments Intelligence Centre has not provided its consent to the inclusion of the information in this announcement and is not liable for such information.
[8] eMarketer has not provided its consent to the inclusion of the information in this announcement and is not liable for such information.
[9] U.S. & Australia includes all industrial, the rest of the countries include logistics only.



Source: CBRE Research, Oxford Economics, Qianzhan Industry Research, Shanghai Jiao Tong University, 2020.[10]

Positive supply-demand dynamics underpin the strong demand for logistics properties. With stable new absorption and downward trend of new deliveries, vacancy rates are forecasted to decline from 2021 to 2023, supporting growth in rents.





Source: CBRE Research, Jan 2021

[10] Oxford Economics, Qianzhan Industry Research and Shanghai Jiao Tong University have not provided their consent to the inclusion of the information in this announcement and are not liable for such information.

3.3 Strategically located, premium logistics facilities with strong tenant base

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

The logistics properties in Eastern China are well located in Shanghai and Kunshan. The Shanghai Property is located 19 minutes' drive to Yangshan International Port and 44 minutes' drive to Pudong International Airport. It is also well connected by various transport nodes across road, rail, air and sea, and is surrounded by logistics enterprises, creating a complementary tenant ecosystem. The Kunshan Property is a strategically located distribution centre serving the Yangtze River Delta. It is within an hour's drive radius to Shanghai and 18 minutes' drive to Kunshan South Railway Station, and there are also multiple transportation options in the area.

Map of Eastern China

Located at the east gate of Wuhan in Central China, the Wuhan Property is within close proximity to the airport, highway network, railway and port. It is 9 minutes' drive to the Wuhan Belt Expressway and 43 minutes' drive to Wuhan Railway Station.

The Chengdu Property is located 4 minutes' drive to Chengdu Shuangliu International Airport and 28 minutes' drive to Chengdu East Railway Station. It caters to many inner/intercity distribution and express delivery centres in Western China.

Map of Central China

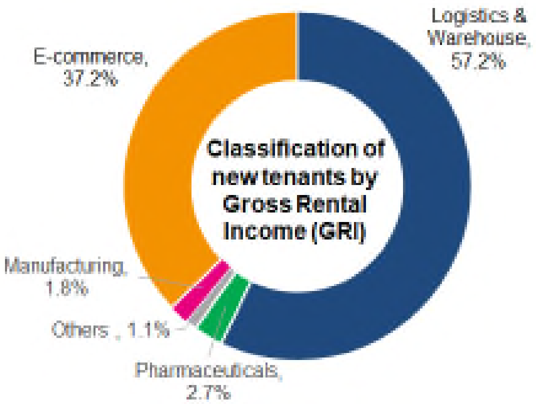
Map of Southwest China

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

The Properties are premium logistics facilities with features that satisfy a wide range of e-commerce and logistics requirements such as multi-storey facilities with vehicular ramp access that provides convenient access to every floor, double side docking bay with lifting platforms and a comprehensive range of ancillary services. The Properties also offer strong floor loading, high floor-to ceiling heights and cross and single docking bay that facilitates faster throughput.

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

The Properties are primarily anchored by strong tenants in attractive trades and industries experiencing rapid growth in China. The key theme connecting these sectors is that they are complementary to the domestic consumption growth story.



57.2% of the new tenants are from the logistics and warehouse segment by Gross Rental Income ("**GRI**")[11]. Domestic players are essential for the distribution of goods from coastal cities into inland/inner cities, servicing China's strong domestic consumption demand. Likewise, the 3PLs are also experiencing high growth in tandem with the e-commerce and manufacturing sectors. Transport connectivity (to ports, airports and road network) creates tenant stickiness that is beneficial to our leasing activity. Key tenants include domestic market leaders for supply chain solutions and China's leading technology-driven supply chain and logistics supply provider.

37.2% of the new tenants are from the e-commerce segment. Key tenants in this segment include established e-commerce platforms, including a top-3 B2C online retailer.

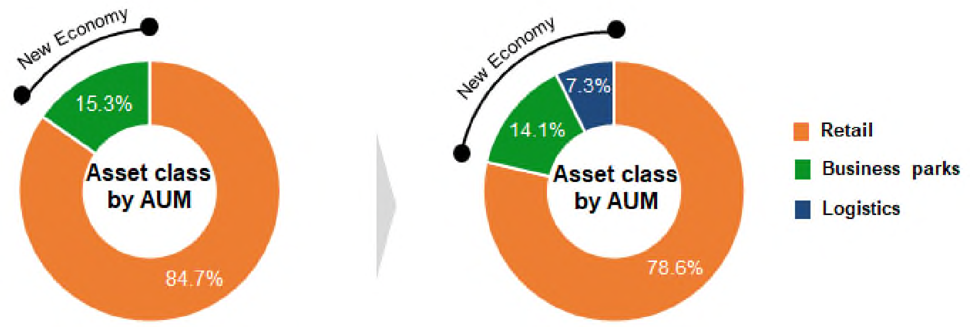
Other notable sectors include (i) pharmaceutical companies (2.7%), for which China is one of the largest markets globally for medicine with a 30% market share by 2023[12] and poised to become a global hub of drug innovation in drug development technology, and (ii) manufacturing (1.8%), for which the market ranks first worldwide in industrial output and is a preferred destination for global manufacturing facilities.

[11] As at 31 Aug 2021.
[12] Daxue Consulting. Daxue Consulting has not provided its consent to the inclusion of the information in this announcement and is not liable for such information.

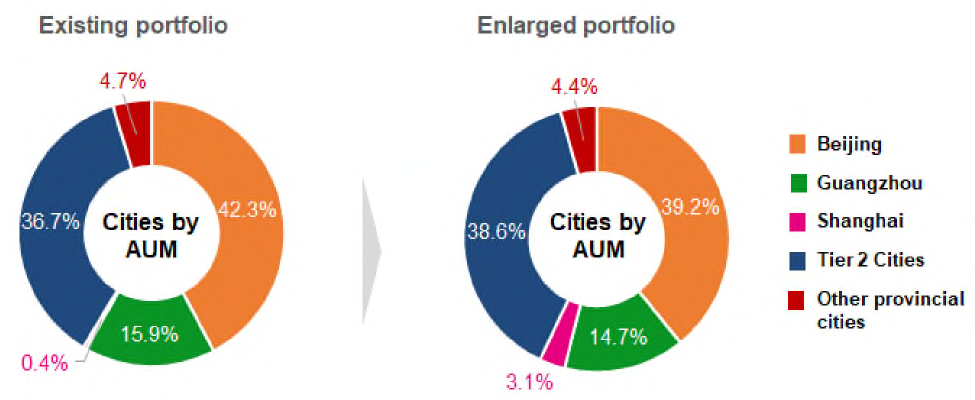
3.4 Enhance CLCT's portfolio strength and income diversification

3.4.1 Increase portfolio diversification by asset class and geography

CLCT will benefit from a diversified enlarged portfolio with increased contribution from New Economy assets from 15.3% to 21.4% in terms of assets under management ("**AUM**")[13].



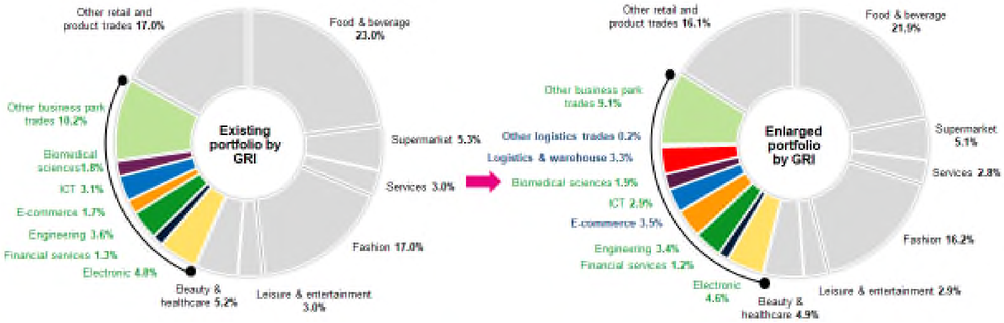
The Acquisitions will increase CLCT's presence in Shanghai and higher-growth Tier-2 cities.



[13] Existing portfolio AUM is based on valuation as 31 December 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 Properties.

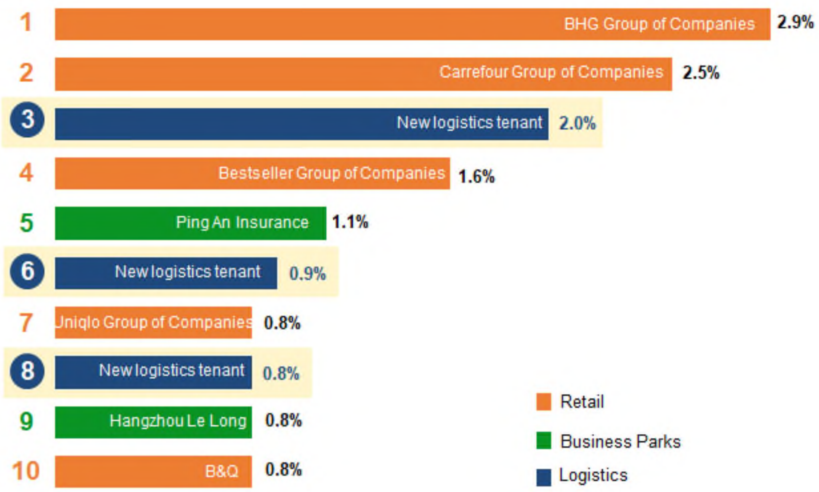
3.4.2 Enhance trade sector mix towards logistics and e-commerce

Portfolio exposure to New Economy sectors is expected to increase from 26.5% to 30.1% by GRI[14].



3.4.3 Improve income stability with favourable lease structures and new top 10 tenants

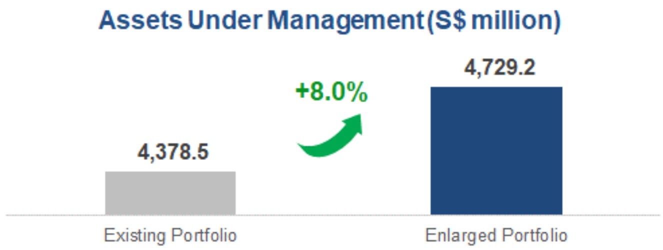
Currently, more than 80% of logistics leases (by net lettable area) have annual rental escalation with step-up provisions ranging from 3% to 5% per annum. The Acquisitions will add 3 new logistics tenants to CLCT's top 10 tenants list. After the Acquisitions, 5 of the top 10 tenants are from New Economy asset classes.



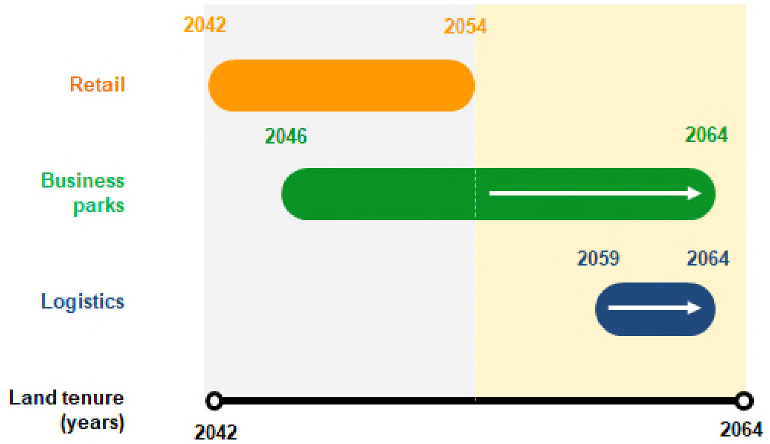
[14] Existing portfolio as at 30 June 2021, includes the retail and business parks portfolio on 100% basis. Enlarged portfolio includes existing portfolio and the Properties on 100% basis.

3.4.4 Grow AUM, market capitalisation and lengthen portfolio land duration

The Acquisitions are expected to increase CLCT's assets under management[15] by 8% from S$4,378.5 million to S$4,729.2 million, while its market capitalisation[16] is expected to increase 6.4% from S$1,913.5 million to S$2,035.1 million.



The remaining weighted average land tenure of the portfolio is also expected to be extended by 1.94 years[17], as the land tenure for the logistics properties is 50 years at inception, longer than the 40 years for retail properties at inception.



[15] Exchange rate assumption of S$1 to RMB4.80. Existing portfolio AUM is based on valuation as 31 December 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 Properties.

[16] Market capitalisation as at 11 October 2021, assuming S$120.0 million raised from the Private Placement and S$1.6 million management fee paid in Units.

[17] Weighted by GFA.

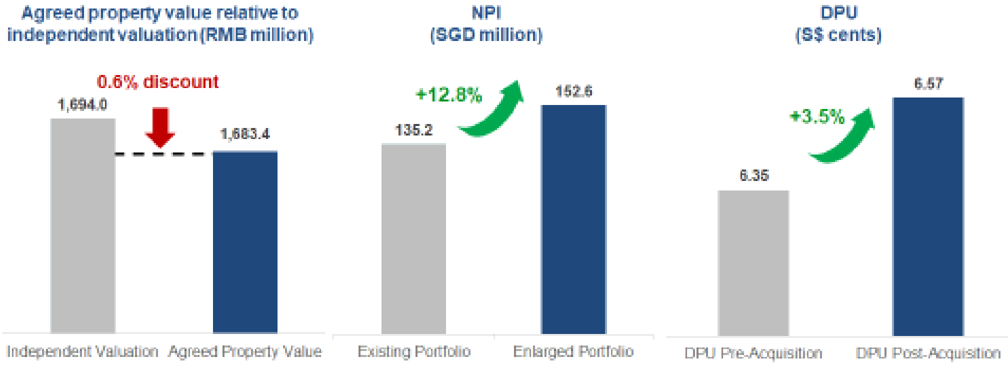
3.5 Strong NPI growth and DPU accretion

The Manager believes that the Acquisitions provide an attractive value proposition for Unitholders with the Acquisitions expected to be accretive and the Aggregate Agreed Property Value at a discount to the aggregate independent valuation.

The Aggregate Agreed Property Value of RMB1,683.4 million represents a discount of 0.6% to CBRE's aggregate independent valuation of RMB1,694.0 million.

The net property income ("**NPI**") of CLCT's portfolio will increase 12.8% from S$135.2[18] million to S$152.6[19] million.

For illustrative purposes, based on the proposed method of financing shown below, the Acquisitions are expected to be distribution per Unit ("**DPU**") accretive on a pro forma basis[20].



4. METHOD OF FINANCING AND FINANCIAL EFFECTS

4.1 Method of Financing

CLCT intends to finance the Total Acquisition Cost with proceeds from a private placement to institutional, accredited and other investors of new Units in CLCT (the "**Private Placement**") and debt financing (See the announcement titled "Launch of Private Placement to raise gross proceeds of no less than S$120.0 million" dated 12 October 2021 for further details of the Private Placement).

[18] Based on the NPI for the financial year ended 31 December 2020.
[19] Inclusive of Rent Support and Rent Free Reimbursement.
[20] Based on the DPU for the financial year ended 31 December 2020. 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 Acquisitions 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 Acquisitions is funded by S$120 million raised from the Private Placement and the remaining balance by debt.

4.2 Pro Forma Financial Effects of the Acquisitions

FOR ILLUSTRATIVE PURPOSES ONLY: The pro forma financial effects of the Acquisitions on the DPU and NAV per Unit presented below are strictly for illustrative purposes and were prepared based on the audited financial statements of CLCT and its subsidiaries ("**CLCT Group**") for the financial year ended 31 December 2020 ("**FY2020**"), taking into account the Aggregate Agreed Property Value as well as the following assumptions:

(i) approximately 103.0 million new Units are issued at the illustrative Unit price of S$1.165 to raise gross proceeds of approximately S$120.0 million;

(ii) the balance of the Total Acquisition Cost is financed by debt; and

(iii) the Manager's management fees, including the base management fee and the performance management fee, will be paid in the form of Units.

4.2.1 Pro Forma DPU

FOR ILLUSTRATIVE PURPOSES ONLY: The pro forma financial effects of the Acquisitions on CLCT's DPU for FY2020, as if the Acquisitions were completed on 1 January 2020 and the CLCT Group held the Sale Shares through to 31 December 2020 are as follows:

	Effects of the Acquisitions	
	Before the Acquisitions	**After the Acquisitions**
Net income (S$'000)	135,196	152,563(2)
Distributable income (S$'000)	79,728	89,385(2)
Issued Units ('000)	1,506,433(1)	1,610,808(3)
DPU (cents)	6.35	6.57(4)
DPU accretion (%)		3.5%

Notes:

(1) Number of Units issued as at 31 December 2020.

(2) The effects of the Acquisitions assume that the occupancy rates and committed lease rents are as at August 2021 and includes Rent Support and Rent Free Reimbursement, and the Acquisitions had been completed on 1 January 2020 and CLCT had held and operated the Properties for the financial year ended 31 December 2020.

(3) Includes the new units issued in connection with the Private Placement, and the new units issuable as payment for the base and performance management fee payable to the Manager, issued at the illustrative issue price of S$1.165 per new Unit.

(4) DPU after acquisition is calculated based on the weighted average Units in FY 2020 with the additional new issued units.

4.2.2 Pro Forma NAV

FOR ILLUSTRATIVE PURPOSES ONLY: The pro forma financial effects of the Acquisitions on CLCT Group's NAV per Unit (excluding the distribution income to Unitholders) as at 31 December 2020, as if the Acquisitions were completed on 31 December 2020, are as follows:

	Effects of the Acquisitions	
	Before the Acquisitions	**After the Acquisitions**
NAV(S$'000)(1)	2,236,548	2,356,548
Issued Units ('000)	1,506,433(2)	1,610,808(3)
NAV per Unit (cents)	1.48	1.46

Notes:

(1) Exclude CLCT's distributable income for the period 26 November 2020 to 31 December 2020, which was paid on 5 March 2021.

(2) Number of Units issued as at 31 December 2020.

(3) Includes the new units issued in connection with the Private Placement, and the new units issuable as payment for the base and performance management fee payable to the Manager, issued at the illustrative issue price of S$1.165 per new Unit.

5. INTERESTS OF DIRECTORS AND CONTROLLING UNITHOLDERS

As at the date of this announcement, certain directors of the Manager (the "**Directors**") collectively hold an aggregate direct and indirect interest in 950,487 Units.

Save as disclosed above and based on information available to the Manager as at the date of this announcement, none of the Directors or the controlling Unitholders has an interest, direct or indirect, in the Acquisitions.

6. OTHER INFORMATION

6.1 Directors' Service Contracts

No person is proposed to be appointed as a director of the Manager in connection with the Acquisitions or any other transactions contemplated in relation to the Acquisitions.

6.2 Disclosure under Rule 1006 of the Listing Manual

Chapter 10 of the Listing Manual classifies transactions by an issuer into (i) non-discloseable transactions, (ii) discloseable transactions, (iii) major transactions and (iv) very substantial acquisitions or reverse takeovers, depending on the size of the relative figures computed on, *inter alia*, the following applicable bases of comparison set out in Rules 1006(b) and 1006(c) of the Listing Manual:

(i) the net profits attributable to the assets acquired, compared with the issuer's net profits; and

(ii) the aggregate value of the consideration given, compared with CLCT's capitalisation.

Rule 1006(d) of the Listing Manual does not apply in relation to the Acquisitions as no Units will be issued as consideration for the Acquisitions.

The relative figures for the Acquisitions using the applicable bases of comparison described above are set out in the table below.

Comparison of	Acquisitions	CLCT Group	Relative figure
Profits (S$ million)	6.9[(1)]	89.9[(2)]	7.7%
Consideration against market capitalisation (S$ million)	291.6[(3)]	1,914.8[(4)]	15.2%

Notes:

(1) Based on the occupancy rates and committed lease rents as at August 2021 and includes Rent Support and Rent Free Reimbursement for a 6-months period.

(2) The figure is based on the unaudited results of the CLCT group for the 6-month period ended 30 June 2021.

(3) The figure represents the estimated Purchase Consideration based on the unaudited consolidated balance sheet of the adjusted aggregate NAV of the Target Companies as of 30 June 2021, which are subject to post-completion adjustments.

(4) The figure is based on the weighted average traded price of S$1.2509 per Unit on the SGX-ST as at 11 October 2021, being the market day immediately preceding the date of the Share Purchase Agreements.

As the relative figures computed on the bases set out above exceed 5.0% but do not exceed 20.0%, the Acquisitions are classified as discloseable transactions under Chapter 10 of the Listing Manual. However, the Manager is of the view that the Acquisitions are in the ordinary course of CLCT's business as (i) the assets to be acquired are part of CLCT's existing principal business and (ii) the Acquisitions are within the investment policy of CLCT and does not change the risk profile of CLCT. As such, the Acquisitions should therefore not be subject to Chapter 10 of the Listing Manual.

6.3 Documents for Inspection

A copy of the valuation reports of the Independent Valuer are available for inspection during normal business hours at the registered office of the Manager[21] at 168 Robinson Road, #30-01 Capital Tower, Singapore 068912 for a period of three months commencing from the date of this announcement.

For more information, please visit CLCT's website at https://www.clct.com.sg/. For enquiries and appointments, please contact the Managers' Investor Relations team at Tel: +65 6713 2888 or email: ask-us@clct.com.sg.

By Order of the Board
CapitaLand China Trust Management Limited
(Registration Number: 200611176D)
As manager of CapitaLand China Trust

Chuo Cher Shing
Company Secretary

12 October 2021

21 Prior appointment with the Manager is required.

Important Notice

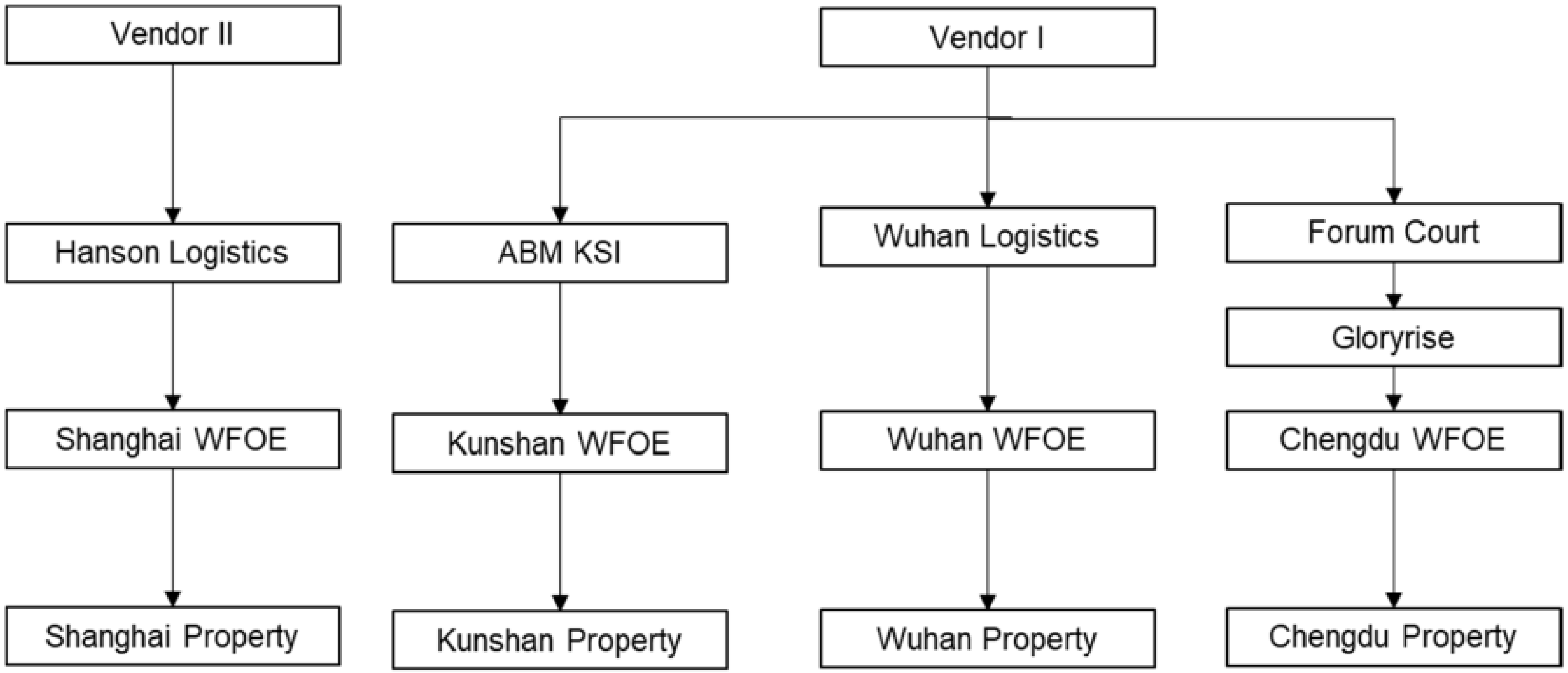
The value of units in CapitaLand China Trust ("**Units**") and the income derived from them may fall as well as rise. Units are not obligations of, deposits in, or guaranteed by, CapitaLand China Trust Management Limited (the "**Manager**"), as manager of CapitaLand China Trust, or any of its affiliates. An investment in Units is subject to investment risks, including the possible loss of the principal amount invested.

Investors have no right to request the Manager to redeem their Units while the Units are listed. It is intended that unitholders may only deal in their Units through trading on the Singapore Exchange Securities Trading Limited (the "**SGX-ST**"). Listing of the Units on the SGX-ST does not guarantee a liquid market for the Units.

The past performance of CapitaLand China Trust is not necessarily indicative of the future performance of CapitaLand China Trust.

This announcement may contain forward-looking statements that involve 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 similar developments, shifts in expected levels of property rental income, changes in operating expenses (including employee wages, benefits and training costs), property expenses and governmental and public policy changes. Investors are cautioned not to place undue reliance on these forward-looking statements, which are based on the Manager's view of future events.

APPENDIX A


Vendor II
Vendor I
Hanson Logistics
ABM KSI
Wuhan Logistics
Forum Court
Gloryrise
Shanghai WFOE
Kunshan WFOE
Wuhan WFOE
Chengdu WFOE
Shanghai Property
Kunshan Property
Wuhan Property
Chengdu Property

Legend

"Vendor II": QR Asia Logistics Master Holdco II Pte. Ltd., a company incorporated in Singapore	**"Wuhan Logistics":** Wuhan Logistics Pte. Ltd., a company incorporated in Singapore
"Hanson Logistics": Hanson Logistics Limited, a company incorporated in Hong Kong	**"Wuhan WFOE":** Wuhan Lin Gang Zenith Logistics Co., Ltd, a company incorporated in PRC
"Shanghai WFOE": Agility Distribution Services LTD., a company incorporated in PRC	**"Wuhan Property":** Wuhan Project located in Wuhan, Hubei Province, PRC
"**Shanghai Property**": Shanghai Project located in Shanghai, PRC	**"Forum Court":** Forum Court Limited, a company incorporated in the British Virgin Islands
"Vendor I": QR Asia Logistics Master Holdco I Pte. Ltd., a company incorporated in Singapore	**"Gloryrise":** Gloryrise Logistics Investment Limited (HK), a company incorporated in Hong Kong
"ABM KSI": ABM KS Investment Pte. Ltd., a company incorporated in Singapore	**"Chengdu WFOE":** Chengdu Xindi Chengyun Logistics Co., Ltd., a company incorporated in PRC
"Kunshan WFOE": Kunshan Jixinxiang Auto Development Co. Ltd., a company incorporated in PRC	**"Chengdu Property":** Chengdu Project located in Chengdu, Sichuan Province, PRC
"**Kunshan Property":** Kunshan Project located in Kunshan, Jiangsu Province, PRC	