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

ANNOUNCEMENT

ANNUAL GENERAL MEETING TO BE HELD ON 21 APRIL 2025
RESPONSES TO SUBSTANTIAL AND RELEVANT QUESTIONS

CapitaLand China Trust Management Limited, as manager of CapitaLand China Trust (the "**Manager**" and "**CLCT**", respectively) would like to thank all unitholders of CLCT ("**Unitholders**") who submitted their questions in advance of our Annual General Meeting ("**AGM**") to be held in a wholly physical format at Marina Bay Sands Expo and Convention Centre, Level 4, Peony Junior Ballroom, 10 Bayfront Avenue, Singapore 018956 at **3.00 p.m. (Singapore Time) on Monday, 21 April 2025.**

We have grouped the frequently asked questions received from Unitholders into a few key topics. These topics include:

1. Operations and Strategy
2. Financials

Please refer to our responses to these substantial and relevant questions in the following pages.

The CEO of the Manager, Mr Chan Kin Leong Gerry, will deliver a presentation to Unitholders at the AGM. Please refer to the 2025 AGM Presentation and all AGM-related documents at: https://investor.clct.com.sg/agm-egm.html. Following the conclusion of the AGM, the voting results of the AGM will be uploaded onto SGXNet and made available on CLCT's website. The minutes of the AGM will be published on CLCT's website on or before 20 May 2025.

BY ORDER OF THE BOARD
CapitaLand China Trust Management Limited
(Registration Number: 200611176D)
As manager of **CapitaLand China Trust**

CHUO CHER SHING
Company Secretary
16 April 2025

Important Notice

The past performance of CapitaLand China Trust ("**CLCT**") is not indicative of future performance. The listing of the units in CLCT ("**Units**") on the Singapore Exchange Securities Trading Limited (the "**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, CapitaLand China Trust Management Limited, as manager of CLCT (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 announcement is for information only and does not constitute an invitation or offer to acquire, purchase or subscribe for the Units.

A. Operations and Strategy	
1.	**How would the United States (US) tariffs affect CLCT's operations?**
	While US tariffs have introduced volatility into the capital markets, their direct, first-order impact on CLCT's operations is minimal. The majority of our tenants do not depend on US-sourced goods and materials, nor do they import from or export to the US, with most focusing on the domestic economy and consumers. We have analysed the impact of the US tariff by asset class below: • **Retail Malls (70.7% of GRI[1]):** Our malls primarily serve China's middle-income consumers and our retailers/tenants have minimal reliance on US imports for their products. • **Business Parks (25.8% of GRI):** These properties support local enterprises and regional markets. Our preliminary assessment indicates that only a very small proportion of the tenants have direct US exposure, and out of these tenants, even fewer are assessed to have more impact. The handful of tenants that might face higher tariff effects are in the manufacturing and R&D sector in the Ascendas Xinsu Portfolio (Ascendas Xinsu). Most of the large industrial tenants expiring in 2025 in Ascendas Xinsu Business Parks have expressed intention to renew their lease upon expiry. • **Logistics Assets (3.5% of GRI):** Three of our four logistics parks focus on domestic distribution. Shanghai Fengxian Logistics Park is situated near Shanghai Yangshan Port, and our master lease tenant handles export activity. However, this tenant has limited exposure to US markets. Having committed to an eight-year lease from December 2024 and invested substantial capital expenditure in the facility, our master tenant is firmly anchored to the facility. Overall, our focus on domestic middle-income consumers and local enterprises ensures that the current US tariff environment has only a limited direct effect on CLCT's performance.
2.	**Could you elaborate on the key factors behind the downward trends in CLCT's Distribution Per Unit (DPU) and Net Asset Value (NAV) over the last five years?**
	The decline in DPU and NAV is attributable to the challenging operating environment as well as the unfavourable interest and foreign exchange movement. **<u>Operating Environment</u>** In 2020, pandemic-related closures and tenant relief affected our retail operations, prompting us to diversify into business parks and logistics parks during Financial Year (FY) 2020 to FY 2021. This move delivered income stability during COVID-19, as evidenced in FY 2022 by a S$19.4 million or 27.4% year-on-year (yoy) increase in the new economy Net Property Income (NPI), which offset the S$15.6 million or 8.7% yoy decline in retail NPI. However, the anticipated rebound following China's reopening in FY 2023 and FY 2024 was dampened by a slowing economy, cautious business sentiment, property-sector uncertainties and geopolitical challenges. Nevertheless, resilient performance at most of our retail malls and successful asset enhancement initiatives at key retail properties improved our overall performance.

[1] As at 31 December 2024 on a 100% basis.

	Interest and foreign exchange impact Unfavourable exchange-rate movements and rising interest rates further compounded these challenges. Between December 2020 and December 2024, the RMB depreciated against the SGD—reaching its lowest level since our 2006 listing—while our cost of debt increased from 2.76% in December 2020 to 3.51% in December 2024, in line with global trends but mitigated by our proactive capital management. Taking these developments into context, the decline in DPU is mainly attributable to lower operating performance, global rise in interest rate and unfavourable foreign exchange movements. Conversely, the decline in NAV is mainly attributable to the exchange rate and valuation impairment.
3.	**What measures are being taken to stabilise and improve DPU and NAV and when will share price recover?**
	Early indications of recovery have emerged following recent Chinese government stimulus measures, although the newly imposed tariffs have dampened sentiment. The resulting market turbulence has contributed to a decline in our share price, mirroring broader movements among Singapore-listed REITs with exposure to the US and China[2]. Recognising that broader economic trends are beyond our control, we are focusing on areas where we can make a tangible impact. Our key priorities for 2025: **Extracting Value through Asset Enhancement Initiatives (AEI)** In the retail segment, we are set to unlock value from underperforming anchor supermarket spaces by converting them into higher-yielding areas with an improved trade mix and enhanced circulation. This process will begin at CapitaMall Wangjing, where an 8,800 sq m older-format space will be transformed into a modern supermarket concept featuring trending retail brands and popular F&B outlets, with completion projected for Q4 2025. Our previous AEIs in 2023 delivered an approximate 14% ROI, and we are confident of achieving similar returns in 2025. **Enhancing Occupancy in Business Parks and Logistics Parks Assets** For our business and logistics park assets, we will drive occupancy through closer tenant engagement, flexible lease terms, and a focus on tenants with limited exposure to the current US tariff environment. **Improving Capital Management to Reduce Financing Costs and Increase Natural Hedging** We plan to increase RMB-denominated financing from 35% at end-2024 to 50% by 2025. This shift will allow us to capitalise on lower interest rates and improve the natural hedging of our RMB assets. Our proactive approach is evidenced by the three-year CNH600 million bond issuance at a coupon of 2.88% per annum on 9 April 2025 – more favourable than the previous CNH400 million bond at 2.90% – which raised our RMB-denominated debt from 35% to 41% by December 2024.

[2] Business Times, 9 April 2025: Trump tariffs spark S-Reits sell-off but analysts say sector remains ‘safe haven’

	We will continue to look at ways to increase our natural hedging, thereby mitigating currency volatility and safeguarding unitholder value. **<u>Portfolio Reconstitution to Strengthen Balance Sheet</u>** We will actively explore the divestment of mature or underperforming assets to strengthen our balance sheet and reconstitute our portfolio towards a more balanced, multi-asset mix. By maintaining our focus on the fundamentals and exercising proactive capital management, we expect our DPU and NAV to improve gradually, potentially paving the way for a share price recovery.
4.	**How has the Sponsor supported CLCT? Can the Sponsor show its support by buying the logistics and new economy assets from CLCT?**
	CLCT has benefited from the strategic and operational support of our Sponsor, CapitaLand Investment Limited (CLI) in the following ways: • **Established presence:** CLI has established a strong presence in China over the past 30 years, underpinned by a proven track record, deep operating expertise and a strong network of tenants and customers. Their highly experienced team is particularly valuable especially in today's volatile environment. • **Property and Tenant Management:** CLCT leverages CLI's expertise to optimise property operations, ensuring stable occupancy and robust revenue streams while exercising cost control. • **AEI**: Capitalising on the Sponsor's ability to extract value from assets, CLI's asset managers identify opportunities and execute AEI projects that deliver additional value. In 2023, CLCT benefited from a blended return on investment of ~14% across the three retail malls that underwent AEIs. • **Strategic Divestment and Investment:** CLI utilises its extensive network to facilitate key transactions entered into by CLCT, such as the recent CapitaMall Shuangjing exit, which achieved an attractive yield of 2.8%. • **Competitive Financing and Fundraising:** Being part of the CapitaLand Group enables CLCT to secure attractive financing terms and consistently provided pro-rata support in previous capital raises. The logistics assets were acquired from third-party vendors, whereas the new economy assets were purchased from our Sponsor. These new economy assets are part of our strategy to pursue innovation-led growth in China and diversify our asset portfolio. We continually monitor all our assets over cycles and will consider divesting non-performing ones if the opportunity arises. In a sponsor REIT structure, the Sponsor's focus is on creating a pipeline of fully mature assets designed for eventual inclusion in the REIT, rather than acquiring and holding these assets directly.
5.	**In the current economic climate, will government stimulus measures in China suppress rental rates and hinder the REIT's near-term performance?**

	China's recent stimulus packages are intended to boost consumer and business confidence, not to provide direct rental subsidies. For example, on 16 March 2025, the government unveiled a comprehensive 30-point plan[3] aimed at shifting the economy towards consumption-driven growth. Some of the measures released thus far include: • Raising household incomes and easing family burdens through childcare subsidies and enhanced support for senior citizens. • Stabilising financial markets via targeted interventions in the stock and property sectors. • Supporting small businesses by ensuring prompt payments. • Stimulating consumption through nationwide civil-servant salary adjustments, issuance of online consumer vouchers, and the "dual upgrade programme" to encourage trade-ins and equipment upgrades. None of these initiatives involve rental support schemes. Consequently, there is no direct downward pressure on rental rates arising from government policy.
6.	**Could you share an update on the performance of CLCT's logistics portfolio since its acquisition in 2021, including any factors that contributed to its valuation changing from S$350 million at purchase to S$272 million as of December 2024?**
	In 2021, CLCT made its maiden acquisition into the logistics parks sector. Between FY 2021 and FY 2022, the valuation of these logistics assets increased from RMB1,694 million to RMB1,704 million. From FY 2023 to FY 2024, however, the logistics assets began facing headwinds from reduced demand, rising supply, and a recalibration of post-pandemic growth assumptions—factors that mirror China's broader logistics landscape, where slower leasing, tenant consolidation, and negative rent reversions pressured valuations. In December 2024, we secured an eight-year master lease with a third-party logistics tenant at Shanghai Fengxian Logistics Park, achieving full occupancy there and mitigating risk. Near or full occupancy was also attained at Kunshan Bacheng and Wuhan Yangluo Logistics Parks, spurred by demand from third-party logistics, smart appliance, and food-sector tenants. Chengdu Shuangliu Logistics Park rose to 90.7% occupancy (+22.9% y-o-y). As at 31 December 2024, overall occupancy for our logistics portfolio had climbed to 97.6% although highly competitive logistics environment led to a -24.5% rent reversion for FY 2024. Despite these occupancy gains, logistics asset valuations declined by 9.9% in RMB terms in 2024. This decline was a result of persistent demand-supply imbalances, weaker rents, and a moderated growth outlook that outweighed the occupancy improvements. In general, while we have mitigated the challenges by the sector with the leases signed, the logistics sector remains highly exposed to trade related risks. It will take some time for the logistics sector to recover and consequently the valuation. We will continue our ongoing efforts to explore portfolio reconstitution opportunities.
7.	**How does the manager maintain investment discipline to ensure CLCT invests in a good acquisition to enhance unitholder value?**

[3] South China Morning Post, 17 March 2025: What is actually in China's new plan to boost consumer spending?

	Prior to each acquisition, CLCT conducts a rigorous due diligence process, including independent valuations, market research and stress tests of potential downside scenarios. While we recognise that any investment involves an analysis of future market performance, we align our assumptions with realistic, peer-reviewed industry benchmarks. Further, CLI has instituted a process for management of investment opportunities. The Group Investment Management Committee (GIMC) comprises the senior management of CLI. Investment proposals are subject to GIMC review, taking into consideration various factors such as risk return profile, availability of financial resources, and regulatory considerations etc. To align management's interests with Unitholders, a substantial portion of senior management's remuneration is tied to the long-term performance of the REIT such as total return and NAV. When fair values are marked down and NPI is negatively impacted, management fees are proportionately reduced, reinforcing our commitment to continually enhance asset performance and Unitholder value.

B. Financials	
8.	**Despite the announced divestment of CapitaMall Shuangjing, CLCT's gearing has risen from 41.5% to 41.9%. Could you clarify the reasons for this increase, and do you foresee further rises in gearing in the near term? Could you elaborate more on this?**
	The completion of the divestment of CapitaMall Shuangjing in January 2024 helped pare down borrowings and improve gearing by about 1.4%. However, our overall gearing still edged up slightly from 41.5% to 41.9%, largely because of the decline in asset valuation as well as the weakening of the RMB. We continuously work to close this gap by repatriating more capital through dividends and capital reduction. We remain steadfast in our goal to maintain a healthy gearing level of around 40%. We intend to conduct proactive portfolio reconstitution by monetising mature or lower-performing assets and channelling the proceeds towards debt reduction and strengthening our balance sheet. This approach helps maintain prudent gearing levels and supports our capital structure going forward. Once our balance sheet is improved, we will explore disciplined acquisitions that align with our strategic goals.
9.	**Is the logistics rent sufficient to cover the financing costs of these logistics park assets?**
	Yes, in FY 2024 the income from the logistics portfolio was able to cover the financing cost of the logistics park assets.
10.	**Please explain the movement behind the total return for the year after taxation line and should it be highlighted?**
	The total return for the year after taxation includes the fair value movement of the investment properties. In 2024, there was a higher negative fair value movement comparing to 2023. The

	negative fair value movement contributed to ~84.8% of the yoy movement in the total return. Additionally, weaker business park and logistics park performance contributed to the decline. DPU and Distributable Income are important metrics, as these represent actual distributions to Unitholders. Beyond Net Income, non-cash adjustments—such as mark-to-market changes—are accounting in nature and do not affect Distributable Income directly. While highlighting total return provides insights into valuation shifts, DPU remains a key focus for Unitholders.