

NEWS RELEASE

CRCT's FY 2018 distributable income up 9.4% year-on-year
Driven by proactive reconstitution strategy

Singapore, 1 February 2019 – CapitaLand Retail China Trust Management Limited (CRCTML), the manager of CapitaLand Retail China Trust (CRCT), announced today that it achieved distributable income of S\$99.7 million for the period 1 January to 31 December 2018 (FY 2018). This represented an increase of 9.4% from the S\$91.1 million in FY 2017. The growth was attributable to newly acquired Rock Square and the improved performance in CRCT's core multi-tenanted malls. Distribution per unit (DPU) for FY 2018 rose 1.2% year-on-year to 10.22 cents on an enlarged unit base¹. Based on CRCT's closing price of S\$1.50 on 31 January 2019, the distribution yield for FY 2018 was 6.8%.

For the period 1 October to 31 December 2018 (4Q 2018), distributable income was S\$23.7 million, 7.7% higher year-on-year. DPU for 4Q 2018 was 2.42 cents, an increase of 2.1% from a year ago. Unitholders will receive their DPU for 4Q 2018, along with their DPU of 2.41 cents for 3Q 2018 totalling 4.83 cents, on 28 March 2019. The book closure date is 13 February 2019.

Mr Soh Kim Soon, Chairman of CRCTML, said: "Notwithstanding uncertainties in the domestic and global economies, China's retail sales rose 9.0% year-on-year to RMB38.1 trillion in 2018. This was underpinned by urban disposable income and expenditure per capita, which increased 7.8% and 6.8% year-on-year respectively. China's more moderate pace of growth is reflective of an economy undergoing transition and its long-term fundamentals remain positive. We are confident that CRCT's quality family-oriented shopping malls will continue to benefit from China's growing middle class and policies implemented to stimulate the economy."

Mr Tan Tze Wui, CEO of CRCTML, said: "CRCT delivered a resilient set of results in FY 2018 on the back of strong operating performance. Portfolio occupancy as at 31 December 2018 was 97.5% and rental reversion was 10.9%. Tenants' sales at our multi-tenanted malls grew 18.8% year-on-year, while shopper traffic was up 19.4%. Further to the acquisition of Rock Square, CRCT's investment property value² surged 17.8% to RMB13,993 million as at 31 December 2018. Through active balance sheet management, we have already completed CRCT's refinancing requirements for 2019 with 80%³ of the total debt on fixed interest rates. As at 31 December 2018, about 80% of CRCT's distributable income were hedged into Singapore dollars to mitigate the impact of foreign currency fluctuations."

¹ CRCT issued 64.4 million new units on 7 December 2017 under a private placement.

² CRCT has 51.0% effective interest in Rock Square and CapitaMall Wuhu.

³ Excludes money market lines.

“CRCT’s growth in FY 2018 underscores our proactive asset management strategy of continually extracting value from both established and newly acquired assets. CapitaMall Wangjing posted a rental reversion of 15.7% after converting 4,700 square metres (sq m) of anchor tenant space on Level 4 to specialty stores. The mall’s Level 8 rental income will rise by around 50% after transforming 500 sq m of common area into leasable space for coworking operator Ucommune. CapitaMall Xinnan netted 17.9% in rental reversion by reconfiguring its Basement 1 space to accommodate more popular brands. Since acquisition, Rock Square has achieved four consecutive quarters of rental reversions above 20% and a double-digit year-on-year increase in average sales per sq m for specialty stores. These positive outcomes will set the foundation for future growth.”

“To further optimise our portfolio, we have entered into a bundle deal in Hohhot with unrelated third parties to divest CapitaMall Saihan and acquire a new mall that is double in size and has a longer balance tenure. Given the new mall’s higher growth potential, CRCT will be in an even stronger position to tap Hohhot’s promising retail growth. The deal is structured to minimise income disruption as the closure and divestment of CapitaMall Saihan will take place after the new mall is operational in 2H 2020. Supported by CRCT’s strong financial position, we will continue to explore suitable acquisition opportunities to grow and rejuvenate our portfolio.”

Summary of CRCT results

Periods: 1 October to 31 December (4Q) and 1 January to 31 December (FY)

	4Q 2018	4Q 2017	Change %	FY 2018	FY 2017 ¹	Change %
	Actual S\$’000	Actual S\$’000		Actual S\$’000	Actual S\$’000	
Gross Revenue ²	55,742	54,107	3.0	222,739	229,190	(2.8) ³
Net Property Income ²	35,878	32,987	8.8	147,423	149,212	(1.2) ³
Distributable income contribution from joint ventures ⁴	2,524	-	100.0	7,601	-	100.0
Distributable amount to Unitholders	23,734	22,035	7.7	99,741	91,136	9.4
Distribution Per Unit (“DPU”) (cents)						
For the period ⁵	2.42	2.37	2.1	10.22	10.10	1.2
Annualised	9.60	9.40	2.1	10.22	10.10	1.2
For Information Only						
DPU (cents) (adjusted with the enlarged Units in issue) ⁶	2.42	2.28	6.1	10.22	9.50	7.6

	4Q 2018	4Q 2017	Change %	FY 2018	FY 2017 ¹	Change %
	Actual RMB’000	Actual RMB’000		Actual RMB’000	Actual RMB’000	
Gross Revenue	281,033	264,810	6.1	1,092,289	1,122,164	(2.7) ³
Net Property Income	181,070	161,441	12.2	722,948	730,567	(1.0) ³

Footnotes:

1. The financial results include CapitaMall Anzhen for period from 1 January 2017 to 30 June 2017. The mall was divested in July 2017.
2. Average exchange rate for SGD/RMB

4Q 2018	4Q 2017	Change %	FY 2018	FY 2017	Change %
5.047	4.894	3.1	4.904	4.896	0.2

3. The drop is due to no contribution from CapitaMall Anzhen (which was divested in July 2017) in FY 2018.
4. This relates to 51% interest in Rock Square for 4Q 2018 and for the period from 1 February 2018 to 31 December 2018.
5. The DPU is calculated on an enlarged unit base through a private placement in which 64,392,000 units were issued on 7 December 2017.
6. Adjusted DPU for 4Q 2017 of 2.28 cents was based on 966.2 million Units and FY 2017 of 9.50 cents was based on 953.1 million Units from 1 January 2017 to 30 June 2017 and 966.2 million Units from 1 July 2017 to 31 December 2017.

About CapitaLand Retail China Trust (www.crct.com.sg)

CapitaLand Retail China Trust (CRCT) (stock code: AU8U) is the first China shopping mall real estate investment trust (REIT) in Singapore, with a portfolio of 11 income-producing shopping malls. Listed on the Singapore Exchange Securities Trading Limited (SGX-ST) on 8 December 2006, it is established with the objective of investing on a long-term basis in a diversified portfolio of income-producing real estate used primarily for retail purposes and located primarily in China, Hong Kong and Macau.

CRCT properties are strategically located in densely populated areas with good connectivity to public transport. The malls are positioned as one-stop family-oriented destinations housing a wide range of lifestyle offerings that cater to varied consumer preferences in shopping, dining to entertainment. As at 31 December 2018, CRCT's portfolio comprised a diverse mix of approximately 1,600 leases, which include leading brands UNIQLO, Xiaomi, ZARA, Nanjing Impressions, Nike, Sephora, Starbucks and Sisyphe. Working closely with these tenants, CRCT malls offer engaging retail experiences that attract more than 114 million shoppers.

CRCT's geographically diversified portfolio of quality shopping malls, with a total gross rentable area of approximately 700,000 sq m, is located in eight Chinese cities. The malls are CapitaMall Xizhimen, CapitaMall Wangjing, CapitaMall Grand Canyon and CapitaMall Shuangjing in Beijing; Rock Square (51% interest) in Guangzhou; CapitaMall Xinnan in Chengdu; CapitaMall Qibao in Shanghai; CapitaMall Minzhongleyuan in Wuhan; CapitaMall Erqi in Zhengzhou; CapitaMall Saihan in Hohhot and CapitaMall Wuhu (51% interest) in Wuhu. As at 31 December 2018, CRCT's total asset was S\$3.0 billion, a fourfold increase from the Trust's listing.

CRCT is managed by CapitaLand Retail China Trust Management Limited, an indirect wholly owned subsidiary of CapitaLand Limited, one of Asia's largest real estate companies headquartered and listed in Singapore.

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The past performance of CapitaLand Retail China Trust ("CRCT") is not indicative of the future performance of CRCT. Similarly, the past performance of the Manager is not indicative of the future performance of the Manager.

The value of units in CRCT ("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 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. It is intended that holders of Units ("Unitholders") may only deal in their Units through trading on 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.

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