

NEWS RELEASE

CRCT's 2Q 2019 net property income increases 11.5% year-on-year
Boosted by improved performance of core multi-tenanted malls

Singapore, 31 July 2019 – CapitaLand Retail China Trust Management Limited (CRCTML), the manager of CapitaLand Retail China Trust (CRCT), announced today that it achieved a higher net property income¹ (NPI) of RMB201.1 million for the period 1 April 2019 to 30 June 2019 (2Q 2019), an increase of 11.5% from RMB180.4 million for the same period in 2018. For the period 1 January 2019 to 30 June 2019 (1H 2019), NPI¹ grew 11.1% year-on-year to RMB400.0 million. The better performance was attributed to stronger rental growth across CRCT's core multi-tenanted malls and lower operating expenses.

Income available for distribution to Unitholders in 2Q 2019 rose 5.0% year-on-year to S\$25.4 million, of which contribution from Rock Square increased by 23.6% to S\$2.5 million. Distribution per unit (DPU) for the quarter was 2.54 cents. On a comparable basis, core DPU excluding capital distribution was up 2.0% year-on-year, extending the growth of 1Q 2019. Based on CRCT's closing price of S\$1.60 on 30 July 2019, the annualised distribution yield for the quarter was 6.4%.

Mr Tan Tze Wooi, CEO of CRCTML, said: "Despite global market headwinds and trade tensions, China's economy registered steady growth at 6.2% for 2Q 2019, in line with market expectations. The continued rise in national urban disposable income per capita of 8.0% for the first half of 2019 indicates momentum in the increasing spending power of China's middle class, a trend which CRCT malls are well-placed to benefit from."

"Our proactive asset management efforts continue to yield positive results, with 1H 2019 rental reversions averaging 7.5%. New leases signed include popular brands and refreshing concepts that resonated with shoppers and enhanced our malls' appeal as social spaces for families and young shoppers. Our effective leasing strategy has led to increases in shopper traffic and tenants' sales, both of which grew by 6.7% in 1H 2019. Portfolio occupancy as at 30 June 2019 remained strong at 97.0%."

"Our prudent capital management approach has provided financial flexibility to support our expansion. Further to divesting CapitaMall Wuhu², we have reoriented our focus towards our core portfolio centred on Tier 1 and provincial capital cities. In 2Q 2019, we announced our proposed acquisitions³ of CapitaMall Xuefu and CapitaMall Aidemengdun in Harbin and CapitaMall Yuhuating in Changsha. These three quality assets with strong and steady yields

¹ Operating lease rental expenses associated with the lease contracts in CapitaMall Qibao and CapitaMall Minzhongleyuan have been replaced with net changes in fair value of investment properties and interest expense on lease liabilities under the principles of FRS 116 Leases with effect from 1 January 2019.

² The completion of the divestment of CapitaMall Wuhu was announced on 10 July 2019.

³ Refer to announcement dated 11 June 2019.

add immediate strengths to CRCT's portfolio while offering upside from potential asset enhancement initiatives. Their proposed additions are in line with our overall plans to rejuvenate and strengthen CRCT's portfolio mix and will strategically position CRCT to scale up in the long term."

CRCT has completed all term loan refinancing due in 2019 and have early refinanced part of the loans due in 2020. About 80% of CRCT's total term loans is on fixed interest rates, providing certainty of interest expenses. To mitigate the impact of foreign currency fluctuations, CRCT hedged approximately 50% of its distributable income into Singapore dollars. As at end June 2019, CRCT's gearing was a healthy 33.8%, well below the regulatory limit of 45%.

Summary of CRCT results

Periods: 1 April to 30 June (2Q) and 1 January to 30 June (1H)

	2Q 2019	2Q 2018	Change %	1H 2019	1H 2018	Change %
	Actual S\$'000	Actual S\$'000		Actual S\$'000	Actual S\$'000	
Gross Revenue ¹	55,183	56,278	(1.9)	111,138	111,645	(0.5)
Net Property Income ^{1,2}	40,364	37,629	7.3	80,167	74,813	7.2
Distributable income contribution from joint venture ³	2,490	2,015	23.6	5,113	3,230	58.3
Income available for distribution to Unitholders	25,365	24,161	5.0	50,231	47,860	5.0
Capital distribution ⁴	-	1,500	(100.0)	1,000	4,500	(77.8)
Distributable amount to Unitholders	25,365	25,661	(1.2)	51,231	52,360	(2.2)
Distribution Per Unit ("DPU") (cents)						
DPU before capital distribution ⁴	2.54	2.49	2.0	5.03	4.93	2.0
DPU after capital distribution ⁴	2.54	2.64	(3.8)	5.13	5.39	(4.8)

	2Q 2019	2Q 2018	Change %	1H 2019	1H 2018	Change %
	Actual RMB'000	Actual RMB'000		Actual RMB'000	Actual RMB'000	
Gross Revenue	274,923	269,795	1.9	554,500	537,243	3.2
Net Property Income ²	201,099	180,405	11.5	399,973	360,022	11.1

Footnotes:

1. Average exchange rate for SGD/RMB.

2Q 2019	2Q 2018	Change %	1H 2019	1H 2018	Change %
4.982	4.794	3.9	4.989	4.812	3.7

- Operating lease rental expenses associated with the lease contracts in CapitaMall Qibao and CapitaMall Minzhongleyuan have been replaced with net changes in fair value of investment properties and interest expense on lease capabilities under the principles of FRS 116 Leases with effect from 1 January 2019.
- This relates to 51% interest in Rock Square for 2Q 2019, 1H 2019, 2Q 2018 and for the period from 1 February 2018 to 30 June 2018 for 1H 2018.
- Capital distribution arising from the gain from the divestment of the equity interest in the company which held CapitaMall Anzhen.

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

CapitaLand Retail China Trust (CRCT) is Singapore's first and largest China shopping mall real estate investment trust (REIT), with a portfolio of 11 income-producing shopping malls⁴. It was listed on the Singapore Exchange Securities Trading Limited (SGX-ST) on 8 December 2006. CRCT was 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 are located primarily in China, Hong Kong and Macau.

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 30 June 2019, CRCT's total asset size is S\$3.1 billion, a fourfold increase from the Trust's listing.

CRCT's 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 and entertainment. CRCT's portfolio comprises a diverse mix of approximately 1,600 leases, which include leading brands UNIQLO, Xiaomi, ZARA, Nanjing Impressions, Nike, Sephora, Starbucks and Sisyphus.

CRCT is managed by CapitaLand Retail China Trust Management Limited, a wholly owned subsidiary of Singapore-listed CapitaLand Limited, one of Asia's largest diversified real estate groups.

Issued by: CapitaLand Retail China Trust Management Limited (Co. Regn.: 200611176D)

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⁴ Includes CapitaMall Wuhu. The completion of the divestment of CapitaMall Wuhu was announced on 10 July 2019.

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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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