

**CAPITALAND RETAIL CHINA TRUST**  
**UNAUDITED FINANCIAL STATEMENTS AND DISTRIBUTION ANNOUNCEMENT**  
**FOR YEAR ENDED 31 DECEMBER 2018**

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**Summary of CRCT Results**

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

	4Q 2018	4Q 2017	Change %	FY 2018	FY 2017 <sup>1</sup>	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) <sup>3</sup>
Net Property Income	181,070	161,441	12.2	722,948	730,567	(1.0) <sup>3</sup>

**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.

**DISTRIBUTION & BOOK CLOSURE DATE**

Distribution	For 1 July 2018 to 31 December 2018
Distribution type	Tax exempt income/Capital distribution
Distribution rate	4.83 cents per Unit
Book closure date	13 February 2019
Payment date	28 March 2019

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**INTRODUCTION**

CapitaLand Retail China Trust (“CRCT”) was constituted as a private trust on 23 October 2006 under a trust deed entered into between CapitaLand Retail China Trust Management Limited (as manager of CRCT) (the “Manager”) and HSBC Institutional Trust Services (Singapore) Limited (as trustee of CRCT) (the “Trustee”), and listed on the Singapore Exchange Securities Trading Limited (“SGX-ST”) on 8 December 2006.

CRCT is a Singapore-based real estate investment trust (“REIT”) constituted with the investment objective of investing on a long-term basis in real estate used primarily for retail purposes and located primarily in China, Hong Kong and Macau.

As at 31 December 2018, CRCT owns and invests in a portfolio of 11 shopping malls located in eight cities in China. The properties are CapitaMall Xizhimen, CapitaMall Wangjing, CapitaMall Grand Canyon and CapitaMall Shuangjing in Beijing; CapitaMall Xinnan in Chengdu; CapitaMall Qibao in Shanghai; CapitaMall Erqi in Zhengzhou; CapitaMall Saihan in Hohhot; CapitaMall Minzhongleyuan in Wuhan; 51% interest in CapitaMall Wuhu in Wuhu and 51% interest in Rock Square (“RS JV”) in Guangzhou.

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1(a)(i) **Statement of total return for the Group (4Q 2018 vs 4Q 2017)**

	<b>Group</b>		
	<b>4Q 2018</b> <b>S\$'000</b>	<b>4Q 2017</b> <b>S\$'000</b>	<b>%</b> <b>Change</b>
Gross rental income	50,172	50,573	(0.8)
Other income <sup>2</sup>	5,570	3,534	57.6
<b>Gross revenue</b>	<b>55,742</b>	<b>54,107</b>	<b>3.0</b>
Land rental	(1,384)	(1,471)	(5.9)
Property related tax	(5,150)	(5,608)	(8.2)
Business tax	(285)	(281)	1.4
Property management fees <sup>3</sup>	(3,351)	(3,308)	1.3
Other property operating expenses <sup>4</sup>	(9,694)	(10,452)	(7.3)
<b>Total property operating expenses</b>	<b>(19,864)</b>	<b>(21,120)</b>	<b>(5.9)</b>
<b>Net property income</b>	<b>35,878</b>	<b>32,987</b>	<b>8.8</b>
Manager's management fees – Base fee	(1,936)	(1,669)	16.0
Manager's management fees – Performance fee	(1,555)	(1,326)	17.3
Trustee's fees	(116)	(104)	11.5
Audit fees	(66)	(101)	(34.7)
Valuation fees	(35)	(50)	(30.0)
Other trust operating expenses <sup>5</sup>	6	(764)	N.M.
Finance income <sup>6</sup>	2,222	1,306	70.1
Foreign exchange gain/(loss) – realised <sup>7</sup>	48	(375)	N.M.
Finance costs	(7,620)	(5,795)	31.5
<b>Net income before share of results of joint ventures</b>	<b>26,826</b>	<b>24,109</b>	<b>11.3</b>
Share of results (net of tax) of joint ventures <sup>8</sup>	1,684	-	100.0
<b>Net income</b>	<b>28,510</b>	<b>24,109</b>	<b>18.3</b>
Change in fair value of investment properties	44,781	28,408	57.6
Change in fair value of financial derivatives	(1,852)	-	100.0
Foreign exchange gain/(loss) – unrealised	24	(991)	N.M.
<b>Total return before taxation</b>	<b>71,463</b>	<b>51,526</b>	<b>38.7</b>
Taxation	(22,523)	(15,892)	41.7
<b>Total return for the period after taxation</b>	<b>48,940</b>	<b>35,634</b>	<b>37.3</b>
<b>Attributable to:</b>			
Unitholders	48,857	36,110	<b>35.3</b>
Non-controlling interest	83	(476)	N.M.
<b>Total return for the period after taxation</b>	<b>48,940</b>	<b>35,634</b>	<b>37.3</b>

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1(a)(i) **Statement of total return for the Group (FY 2018 vs FY 2017)**

	<b>Group</b>		
	<b>FY 2018</b>	<b>FY 2017<sup>1</sup></b>	<b>%</b>
	<b>S\$'000</b>	<b>S\$'000</b>	<b>Change</b>
Gross rental income	206,586	212,859	(2.9)
Other income <sup>2</sup>	16,153	16,331	(1.1)
<b>Gross revenue</b>	<b>222,739</b>	<b>229,190</b>	<b>(2.8)</b>
Land rental	(5,747)	(5,940)	(3.2)
Property related tax	(20,616)	(23,806)	(13.4)
Business tax	(1,207)	(1,234)	(2.2)
Property management fees <sup>3</sup>	(14,136)	(13,880)	1.8
Other property operating expenses <sup>4</sup>	(33,610)	(35,118)	(4.3)
<b>Total property operating expenses</b>	<b>(75,316)</b>	<b>(79,978)</b>	<b>(5.8)</b>
<b>Net property income</b>	<b>147,423</b>	<b>149,212</b>	<b>(1.2)</b>
Manager's management fees – Base fee	(7,690)	(6,973)	10.3
Manager's management fees – Performance fee	(6,383)	(5,948)	7.3
Trustee's fees	(464)	(423)	9.7
Audit fees	(415)	(408)	1.7
Valuation fees	(190)	(202)	(5.9)
Other trust operating expenses <sup>5</sup>	(1,056)	(579)	82.4
Finance income <sup>6</sup>	6,738	2,418	N.M.
Foreign exchange loss – realised <sup>7</sup>	(138)	(636)	(78.3)
Finance costs	(27,167)	(23,465)	15.8
<b>Net income before share of results of joint ventures</b>	<b>110,658</b>	<b>112,996</b>	<b>(2.1)</b>
Share of results (net of tax) of joint ventures <sup>8</sup>	7,249	-	100.0
<b>Net Income</b>	<b>117,907</b>	<b>112,996</b>	<b>4.3</b>
Gain on disposal of subsidiary <sup>9</sup>	-	52,227	(100.0)
Change in fair value of investment properties	68,423	41,457	65.0
Change in fair value of financial derivatives	(1,686)	-	100.0
Foreign exchange (loss)/gain – unrealised	(625)	584	N.M.
<b>Total return before taxation</b>	<b>184,019</b>	<b>207,264</b>	<b>(11.2)</b>
Taxation <sup>10</sup>	(56,549)	(64,214)	(11.9)
<b>Total return for the year after taxation</b>	<b>127,470</b>	<b>143,050</b>	<b>(10.9)</b>
<b>Attributable to:</b>			
Unitholders	128,561	144,696	(11.2)
Non-controlling interest	(1,091)	(1,646)	(33.7)
<b>Total return for the year after taxation</b>	<b>127,470</b>	<b>143,050</b>	<b>(10.9)</b>

*Footnotes:*

1. *Includes contribution from CapitaMall Anzhen for period from 1 January 2017 to 30 June 2017. The mall was divested in July 2017.*
2. *Other income comprises mainly income earned from atrium space, trolley carts and advertisement panels.*
3. *Includes reimbursement of costs to the property manager.*

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4. *Includes items in the table below as part of the other property operating expenses.*

	Group		
	4Q 2018 S\$'000	4Q 2017 S\$'000	% Change
Depreciation and amortisation	(296)	(382)	(22.5)
Write back/(Impairment losses) on trade receivables, net	74	(77)	N.M.
Plant and equipment written off	(97)	(45)	N.M.

	Group		
	FY 2018 S\$'000	FY 2017 S\$'000	% Change
Depreciation and amortisation	(1,282)	(1,727)	(25.8)
Write back/(Impairment losses) on trade receivables, net	120	(131)	N.M.
Plant and equipment written off	(97)	(47)	N.M.

5. *Includes reversal of over provision of other trust operating expenses.*  
6. *Finance income relates mainly to loan to joint venture, interest from bank deposits placed with financial institutions and gain on interest rates swaps ("IRS").*  
7. *Realised foreign exchange relates to gain/(loss) on the repayment of the USD denominated shareholder's loans interest.*  
8. *This relates to the share of results from CRCT's 51% interest in RS JV for 4Q 2018 and for the period from 1 February 2018 to 31 December 2018. Details are as follows:*

	For information only	
	4Q 2018 S\$'000	4Q 2017 S\$'000
Gross revenue	4,976	-
Property operating expenses	(1,453)	-
<b>Net property income</b>	<b>3,523</b>	-
Finance income	82	-
Finance costs	(1,054)	-
Other operating expenses	(607)	-
Change in value of investment property	(260)	-
<b>Share of results (net of tax) of joint ventures</b>	<b>1,684</b>	-

	For information only	
	FY 2018 S\$'000	FY 2017 S\$'000
Gross revenue	17,242	-
Property operating expenses	(5,363)	-
<b>Net property income</b>	<b>11,879</b>	-
Finance income	130	-
Finance costs	(4,186)	-
Other operating expenses	(3,574)	-
Change in value of investment property	3,000	-
<b>Share of results (net of tax) of joint ventures</b>	<b>7,249</b>	-

9. *This relates to gain arising from the disposal of CapitaMall Anzhen in July 2017.*  
10. *Includes under provision of taxation from prior years of \$2.1 million and withholding tax payment of \$14.9 million on disposal of the equity interest in Anzhen SPV in FY 2017.*

N.M. – not meaningful

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1(a)(ii) **Distribution statement for the Group (4Q 2018 vs 4Q 2017)**

	Group		
	4Q 2018 S\$'000	4Q 2017 S\$'000	% Change
<b>Total return for the period attributable to Unitholders before distribution</b>	<b>48,857</b>	<b>36,110</b>	<b>35.3</b>
Distribution adjustments (Note A)	(25,873)	(17,775)	45.6
<b>Income available for distribution to Unitholders</b>	<b>22,984</b>	<b>18,335</b>	<b>25.4</b>
Capital distribution <sup>2</sup>	750	3,700	(79.7)
<b>Distributable amount to Unitholders</b>	<b>23,734</b>	<b>22,035</b>	<b>7.7</b>
Comprises:			
- from operations	(4,379)	18,335	N.M
- from Unitholders' contribution	27,363	-	100.0
	<b>22,984</b>	<b>18,335</b>	<b>25.4</b>
- from capital distribution <sup>2</sup>	750	3,700	(79.7)
<b>Distributable amount to Unitholders</b>	<b>23,734</b>	<b>22,035</b>	<b>7.7</b>
<b>Note A</b>			
<b>Distribution adjustments</b>			
- Manager's management fees (performance component payable in Units)	1,555	1,326	17.3
- Change in fair value of investment properties <sup>3</sup>	(44,798)	(29,153)	53.7
- Change in fair value of financial derivatives	1,852	-	100.0
- Deferred taxation <sup>3</sup>	15,870	9,244	71.7
- Transfer to general reserve	(1,442)	(1,453)	(0.8)
- Unrealised foreign exchange (gain)/loss <sup>3</sup>	(120)	991	N.M.
- Foreign exchange capital loss – realised <sup>4</sup>	-	851	(100.0)
- Other adjustments <sup>3</sup>	370	419	(11.7)
- Adjustment for share of results (net of tax) of joint ventures	840	-	100.0
<b>Net effect of distribution adjustments</b>	<b>(25,873)</b>	<b>(17,775)</b>	<b>45.6</b>

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**1(a)(ii) Distribution statement for the Group (FY 2018 vs FY 2017)**

	Group		
	FY 2018 S\$'000	FY 2017 <sup>1</sup> S\$'000	% Change
<b>Total return for the period attributable to Unitholders before distribution</b>	<b>128,561</b>	<b>144,696</b>	<b>(11.2)</b>
Distribution adjustments (Note A)	(34,820)	(57,260)	(39.2)
<b>Income available for distribution to Unitholders</b>	<b>93,741</b>	<b>87,436</b>	<b>7.2</b>
Capital distribution <sup>2</sup>	6,000	3,700	62.2
<b>Distributable amount to Unitholders</b>	<b>99,741</b>	<b>91,136</b>	<b>9.4</b>
Comprises:			
- from operations	(20,236)	87,436	N.M.
- from Unitholders' contribution	113,977	-	100.0
	<b>93,741</b>	<b>87,436</b>	<b>7.2</b>
- from capital distribution <sup>2</sup>	6,000	3,700	62.2
<b>Distributable amount to Unitholders</b>	<b>99,741</b>	<b>91,136</b>	<b>9.4</b>
<b>Note A</b>			
<b>Distribution adjustments</b>			
- Gain on disposal of subsidiary, net of tax	-	(37,314)	100.0
- Manager's management fees (performance component payable in Units)	6,383	5,995	6.5
- Change in fair value of investment properties <sup>3</sup>	(68,442)	(43,247)	58.3
- Change in fair value of financial derivatives	1,686	-	100.0
- Deferred taxation <sup>3</sup>	29,764	21,129	40.9
- Transfer to general reserve	(6,188)	(6,086)	1.7
- Unrealised foreign exchange loss/(gain) <sup>3</sup>	289	(317)	N.M.
- Foreign exchange capital loss – realised <sup>4</sup>	-	851	(100.0)
- Other adjustments <sup>3</sup>	1,336	1,729	(22.7)
- Adjustments for share of results (net of tax) of joint ventures	352	-	100.0
<b>Net effect of distribution adjustments</b>	<b>(34,820)</b>	<b>(57,260)</b>	<b>(39.2)</b>

N.M. – not meaningful

**Footnotes:**

1. This includes contribution from CapitaMall Anzhen for period from 1 January 2017 to 30 June 2017. The mall was divested in July 2017.
2. This relates to the partial distribution of gains from the disposal of CapitaMall Anzhen.
3. Excludes non-controlling interest's share.
4. This relates to the receipt of sales proceeds from the disposal of CapitaMall Anzhen.



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**1(b)(i) Statement of financial position of the Group as at 31 Dec 2018 vs 31 Dec 2017**

	Group			Trust		
	31 Dec 2018 S\$'000	31 Dec 2017 S\$'000	% Change	31 Dec 2018 S\$'000	31 Dec 2017 S\$'000	% Change
<b>Assets</b>						
Investment properties <sup>1</sup>	2,439,106	2,441,024	(0.1)	-	-	-
Plant and equipment	2,335	2,962	(21.2)	-	-	-
Subsidiaries <sup>3</sup>	-	-	-	1,587,673	1,326,045	19.7
Interest in joint ventures <sup>2</sup>	257,679	-	100.0	-	-	-
Trade and other receivables <sup>4</sup>	108,494	37,131	N.M.	330	25,562	(98.7)
Financial derivatives <sup>5</sup>	1,172	436	N.M.	1,172	436	N.M.
Cash and cash equivalents <sup>6</sup>	173,904	186,515	(6.8)	879	9,630	(90.9)
<b>Total assets</b>	<b>2,982,690</b>	<b>2,668,068</b>	<b>11.8</b>	<b>1,590,054</b>	<b>1,361,673</b>	<b>16.8</b>
<b>Less</b>						
<b>Liabilities</b>						
Trade and other payables	60,983	59,563	2.4	8,525	4,964	71.7
Security deposits	54,599	50,818	7.4	-	-	-
Interest-bearing borrowings <sup>7</sup>	1,038,022	747,507	38.9	1,038,022	747,507	38.9
Financial derivatives <sup>5</sup>	3,022	7,803	(61.3)	3,022	7,803	(61.3)
Deferred tax liabilities	250,652	227,734	10.1	-	-	-
Provision for taxation	3,850	6,555	(41.3)	15	7	N.M.
<b>Total liabilities</b>	<b>1,411,128</b>	<b>1,099,980</b>	<b>28.3</b>	<b>1,049,584</b>	<b>760,281</b>	<b>38.1</b>
<b>Net assets</b>	<b>1,571,562</b>	<b>1,568,088</b>	<b>0.2</b>	<b>540,470</b>	<b>601,392</b>	<b>(10.1)</b>
<b>Represented by:</b>						
Unitholders' funds	1,553,220	1,548,771	0.3	540,470	601,392	(10.1)
Non-controlling interest	18,342	19,317	(5.0)	-	-	-
	<b>1,571,562</b>	<b>1,568,088</b>	<b>0.2</b>	<b>540,470</b>	<b>601,392</b>	<b>(10.1)</b>

*Footnotes:*

- Increase in the fair value of investment properties as at 31 December 2018 was offset by weaker RMB against SGD.*
- This relates to CRCT's 51% interest in RS JV.*
- The increase in subsidiaries as at 31 December 2018 was mainly due to shareholder loan extended to the subsidiary for the acquisition of RS JV.*
- The increase in trade and other receivables as at 31 December 2018 was mainly due to loan extended to joint venture.*
- The financial derivative assets and financial derivative liabilities as at 31 December 2018 mainly relate to the fair value of the interest rate swaps ("IRS") and the foreign currency forwards ("FXF"). The IRS are designated to hedge the variable rate borrowings and FXF are used to hedge RMB cashflows.*
- The decrease was mainly due to the consideration payment of CRCT's investment in 51% interest in RS JV.*
- The interest-bearing borrowings comprise unsecured loans of \$791.2 million, a bridge loan of \$120.0 million and fixed notes of S\$130.0 million issued through its S\$1 billion Multicurrency Debt Issuance Programme (net of transaction costs of \$3.2 million) drawn down by the Trust to partially finance the acquisition of the properties in CRCT and as working capital.*

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**1(b)(ii) Aggregate amount of borrowings and debt securities**

	Group		Trust	
	31 Dec 2018 S\$'000	31 Dec 2017 S\$'000	31 Dec 2018 S\$'000	31 Dec 2017 S\$'000
<b>Unsecured borrowings</b>				
- Amount repayable within one year	161,250	-	161,250	-
- Amount repayable after one year	880,000	750,000	880,000	750,000
	<b>1,041,250</b>	<b>750,000</b>	<b>1,041,250</b>	<b>750,000</b>
Less: Unamortised transaction costs	(3,228)	(2,493)	(3,228)	(2,493)
	<b>1,038,022</b>	<b>747,507</b>	<b>1,038,022</b>	<b>747,507</b>

**1(c)(i) Status on the use of proceeds raised from any offerings pursuant to Chapter 8 and whether the use of proceeds is in accordance with the stated use**

Cash of \$16.0 million was retained from Distribution Reinvestment Plan on 20 September 2018.

Date	Amount retained	Use of proceeds	Amount used
	S\$'million		S\$'million
20-Sep-18	16.0	For repayment of Trust's interest-bearing borrowings, general corporate and working capital purposes	16.0

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1(c)(ii) Statement of Cash Flows (4Q 2018 vs 4Q 2017)

	Group	
	4Q 2018 S\$'000	4Q 2017 S\$'000
<b>Operating activities</b>		
Total return after taxation	48,940	35,634
Adjustments for:		
Finance income	(2,222)	(1,306)
Finance costs	7,620	5,795
Depreciation and amortisation	296	382
Taxation	22,523	15,892
Manager's management fees payable in Units	1,555	1,326
Plant and equipment written off	97	45
Change in fair value of investments properties	(44,781)	(28,408)
Change in fair value of financial derivatives	1,852	-
Share of results (net of tax) of joint ventures	(1,684)	-
(Write back)/Impairment losses on trade receivables, net	(74)	77
<b>Operating income before working capital changes</b>	<b>34,122</b>	<b>29,437</b>
<b>Changes in working capital:</b>		
Trade and other receivables	5,669	1,210
Trade and other payables	6,126	8,645
<b>Cash generated from operating activities</b>	<b>45,917</b>	<b>39,292</b>
Income tax paid	(3,355)	(8,685)
<b>Net cash from operating activities</b>	<b>42,562</b>	<b>30,607</b>
<b>Investing activities</b>		
Interest received	1,078	1,306
Deposit paid for the acquisition of joint ventures <sup>1</sup>	-	(25,525)
Capital expenditure on investment properties	(3,905)	(3,175)
Proceeds from disposal of plant and equipment	7	-
Purchase of plant and equipment	(314)	(109)
<b>Net cash used in investing activities</b>	<b>(3,134)</b>	<b>(27,503)</b>
<b>Financing activities</b>		
Proceeds from issuance of new Units	-	103,800
Distribution to Unitholders <sup>2</sup>	-	(35,261)
Payment of equity issue expenses	-	(1,535)
Proceeds from draw down of interest-bearing borrowings	4,600	-
Repayment of interest-bearing borrowings	(5,400)	(230,200)
Settlement of derivative contracts	152	(82)
Interest paid	(5,096)	(5,562)
<b>Net cash used in financing activities</b>	<b>(5,744)</b>	<b>(168,840)</b>
<b>Increase/(decrease) in cash and cash equivalents</b>	<b>33,684</b>	<b>(165,736)</b>
<b>Cash and cash equivalents at beginning of period</b>	<b>142,385</b>	<b>353,345</b>
<b>Effect on exchange rate changes on cash balances</b>	<b>(2,165)</b>	<b>(1,094)</b>
<b>Cash and cash equivalents at end of period</b>	<b>173,904</b>	<b>186,515</b>

Footnotes:

1. Deposit paid for the joint acquisition of Rock Square pursuant to a call option agreement.
2. Distribution made to Unitholders in 4Q 2017 was for the period from 1 July 2017 to 6 December 2017 which was paid in December 2017.

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1(c)(ii) **Statement of Cash Flows (FY 2018 vs FY 2017)**

	<b>Group</b>	
	<b>FY 2018 S\$'000</b>	<b>FY 2017 S\$'000</b>
<b>Operating activities</b>		
Total return after taxation	127,470	143,050
Adjustments for:		
Finance income	(6,738)	(2,418)
Finance costs	27,167	23,465
Depreciation and amortisation	1,282	1,727
Taxation	56,549	64,214
Manager's management fees payable in Units	6,383	5,995
Plant and equipment written off	97	47
Change in fair value of investment properties	(68,423)	(41,457)
Change in fair value of financial derivatives	1,686	-
Share of results (net of tax) of joint ventures	(7,249)	-
Gain on disposal of subsidiary	-	(52,227)
(Write back)/Impairment losses on trade receivables, net	(120)	131
<b>Operating income before working capital changes</b>	<b>138,104</b>	<b>142,527</b>
<b>Changes in working capital:</b>		
Trade and other receivables	431	(1,247)
Trade and other payables	3,372	2,247
<b>Cash generated from operating activities</b>	<b>141,907</b>	<b>143,527</b>
Income tax paid	(24,145)	(27,267)
<b>Net cash from operating activities</b>	<b>117,762</b>	<b>116,260</b>
<b>Investing activities</b>		
Interest received	2,425	2,418
Deposit paid for the acquisition of joint ventures <sup>1</sup>	-	(25,525)
Proceeds from disposal of subsidiary, net of tax	-	216,754
Capital expenditure on investment properties	(10,642)	(14,146)
Proceeds from disposal of plant and equipment	7	-
Net cash outflow on acquisition of subsidiaries	-	(3,510)
Net cash outflow on acquisition of joint venture	(229,312)	-
Loan to joint venture	(98,128)	-
Purchase of plant and equipment	(758)	(999)
<b>Net cash (used in)/from investing activities</b>	<b>(336,408)</b>	<b>174,992</b>
<b>Financing activities</b>		
Proceeds from issuance of new Units	-	103,800
Distribution to Unitholders <sup>2</sup>	(44,309)	(82,615)
Payment of equity issue expenses	(82)	(1,535)
Payment of financing expenses	(1,850)	(2,005)
Proceeds from draw down of interest-bearing borrowings	590,850	517,900
Repayment of interest-bearing borrowings	(299,600)	(745,969)
Settlement of derivative contracts	(10,881)	(6,246)
Interest paid	(22,458)	(22,132)
<b>Net cash from/(used in) financing activities</b>	<b>211,670</b>	<b>(238,802)</b>
<b>(Decrease)/Increase in cash and cash equivalents</b>	<b>(6,976)</b>	<b>52,450</b>
<b>Cash and cash equivalents at beginning of year</b>	<b>186,515</b>	<b>136,137</b>
<b>Effect on exchange rate changes on cash balances</b>	<b>(5,635)</b>	<b>(2,072)</b>
<b>Cash and cash equivalents at end of year</b>	<b>173,904</b>	<b>186,515</b>

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Footnotes:

1. Deposit paid for the joint acquisition of Rock Square pursuant to a call option agreement.
2. Distribution made to Unitholders in FY 2018 were for the period from 7 December 2017 to 31 December 2017 and 1 January 2018 to 30 June 2018 which were paid in February 2018 and September 2018 respectively.  
 Distribution made to Unitholders in FY 2017 were for the period from 1 July 2016 to 31 December 2016 and 1 January 2017 to 30 June 2017 which were paid in March 2017 and September 2017 respectively.  
 An advanced distribution for the period from 1 July 2017 to 6 December 2017 was paid on 21 December 2017.

**1(d)(i) Statement of Movements in Unitholders' Funds (4Q 2018 vs 4Q 2017)**

	Group		Trust	
	4Q 2018 S\$'000	4Q 2017 S\$'000	4Q 2018 S\$'000	4Q 2017 S\$'000
<b>Unitholders' funds as at beginning of period</b>	<b>1,539,002</b>	<b>1,469,588</b>	<b>548,809</b>	<b>394,003</b>
<b>Operations</b>				
Change in Unitholders' funds resulting from operations before distribution	48,857	36,110	(6,800)	139,771
Transfer to general reserve	(1,442)	(1,453)	-	-
<b>Net increase/(decrease) in net assets resulting from operations</b>	<b>47,415</b>	<b>34,657</b>	<b>(6,800)</b>	<b>139,771</b>
<b>Movements in hedging reserve</b>				
Effective portion of changes in fair value of cash flow hedges	(3,094)	(147)	(3,094)	(147)
<b>Movement in foreign currency translation reserve</b>				
Translation differences from financial statements of foreign operations	(30,139)	(12,970)	-	-
Exchange differences on monetary items forming part of net investment in foreign operations	(2,961)	(7,213)	-	-
Exchange differences on hedges of net investment in foreign operations	-	(4,362)	-	-
<b>Net loss recognised directly in Unitholders' funds</b>	<b>(36,194)</b>	<b>(24,692)</b>	<b>(3,094)</b>	<b>(147)</b>
<b>Movement in general reserve</b>	<b>1,442</b>	<b>1,453</b>	<b>-</b>	<b>-</b>
<b>Unitholders' transactions</b>				
New Units issued <sup>1</sup>	-	103,800	-	103,800
Creation of Units paid/payable to manager				
- Units issued and to be issued as satisfaction of the portion of Manager's management fees payable in Units	1,555	1,326	1,555	1,326
Distribution to Unitholders <sup>2</sup>	-	(35,261)	-	(35,261)
Equity issue expenses <sup>3</sup>	-	(2,100)	-	(2,100)
<b>Net increase in net assets resulting from Unitholders' transactions</b>	<b>1,555</b>	<b>67,765</b>	<b>1,555</b>	<b>67,765</b>
<b>Unitholders' funds as at end of period</b>	<b>1,553,220</b>	<b>1,548,771</b>	<b>540,470</b>	<b>601,392</b>

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**1(d)(i) Statement of Movements in Unitholders' Funds (FY 2018 vs FY 2017)**

	Group		Trust	
	FY 2018 S\$'000	FY 2017 S\$'000	FY 2018 S\$'000	FY 2017 S\$'000
<b>Unitholders' funds as at beginning of year</b>	<b>1,548,771</b>	<b>1,431,811</b>	<b>601,392</b>	<b>489,969</b>
<b>Operations</b>				
Change in Unitholders' funds resulting from operations before distribution	128,561	144,696	(25,882)	90,047
Transfer to general reserve	(6,188)	(6,086)	-	-
<b>Net increase/(decrease) in net assets resulting from operations</b>	<b>122,373</b>	<b>138,610</b>	<b>(25,882)</b>	<b>90,047</b>
<b>Movements in hedging reserve</b>				
Effective portion of changes in fair value of cash flow hedges	2,886	(3,704)	2,886	(3,704)
<b>Movement in foreign currency translation reserve</b>				
Translation differences from financial statements of foreign operations	(77,960)	(6,917)	-	-
Exchange differences on monetary items forming part of net investment in foreign operations	(4,396)	(32,337)	-	-
Exchange differences on hedges of net investment in foreign operations	(6,716)	(9,858)	-	-
<b>Net (loss)/gain recognised directly in Unitholders' funds</b>	<b>(86,186)</b>	<b>(52,816)</b>	<b>2,886</b>	<b>(3,704)</b>
<b>Movement in general reserve</b>	<b>6,188</b>	<b>6,086</b>	-	-
<b>Unitholders' transactions</b>				
New Units issued <sup>1</sup>	-	103,800	-	103,800
Creation of Units payable/paid to manager				
- Units issued and to be issued as satisfaction of the portion of Manager's management fees payable in Units	6,383	5,995	6,383	5,995
Units issued in respect of distribution reinvestment plan	15,991	41,419	15,991	41,419
Distributions to Unitholders <sup>2</sup>	(60,300)	(124,034)	(60,300)	(124,034)
Equity issue expenses <sup>3</sup>	-	(2,100)	-	(2,100)
<b>Net (decrease)/increase in net assets resulting from Unitholders' transactions</b>	<b>(37,926)</b>	<b>25,080</b>	<b>(37,926)</b>	<b>25,080</b>
<b>Unitholders' funds at end of year</b>	<b>1,553,220</b>	<b>1,548,771</b>	<b>540,470</b>	<b>601,392</b>

*Footnotes:*

1. 64,392,000 new Units were issued on 7 December 2017 via a private placement exercise for the purpose to finance investments, acquisitions, capital expenditure, asset enhancement initiatives of the properties and general corporate and working capital.
2. Distribution made to Unitholders in FY 2018 were for the period from 7 December 2017 to 31 December 2017 and 1 January 2018 to 30 June 2018 which were paid in February 2018 and September 2018 respectively. Distribution made to Unitholders in FY 2017 were for the period from 1 July 2016 to 31 December 2016 and 1 January 2017 to 30 June 2017 which were paid in March 2017 and September 2017 respectively. An advanced distribution for the period from 1 July 2017 to 6 December 2017 was paid on 21 December 2017.
3. Included underwriting fees and professional fees paid and payable in connection to the private placement exercise.

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**1(d)(ii) Details of any change in the issued and issuable Units (4Q 2018 vs 4Q 2017)**

	Trust	
	4Q 2018 Units	4Q 2017 Units
<b>Balance as at beginning of period</b>	<b>980,549,136</b>	<b>901,833,901</b>
New Units issued:		
- Issue of new Units in connection with private placement exercise	-	64,392,000
<b>Issued Units as at end of period</b>	<b>980,549,136</b>	<b>966,225,901</b>
New Units to be issued:		
- As payment of manager's management fees <sup>1</sup>	1,440,750	705,318
<b>Total issued and issuable Units as at end of period</b>	<b>981,989,886</b>	<b>966,931,219</b>

*Footnote:*

1. These were the Units of the performance component for 4Q 2018 which will be issued in 1Q 2019 and for 4Q 2017 which was issued in March 2018.

**1(d)(ii) Details of any change in the issued and issuable Units (FY 2018 vs FY 2017)**

	Trust	
	FY 2018 Units	FY 2017 Units
<b>Balance as at beginning of year</b>	<b>966,225,901</b>	<b>869,679,633</b>
New Units issued:		
- Issue of new Units in connection with private placement exercise	-	64,392,000
- As payment of manager's management fees <sup>1</sup>	3,720,617	4,177,316
- As payment of distribution through distribution reinvestment plan	10,602,618	27,976,952
<b>Issued Units as at end of year</b>	<b>980,549,136</b>	<b>966,225,901</b>
New Units to be issued:		
- As payment of manager's management fees <sup>2</sup>	4,671,069	3,720,617
<b>Total issued and issuable Units as at end of year</b>	<b>985,220,205</b>	<b>969,946,518</b>

*Footnotes:*

1. These were the performance component for FY 2017 and FY 2016 which were issued in March 2018 and March 2017 respectively.
2. These were the Units of the performance component for FY 2018 which will be issued in 1Q 2019 and for FY 2017 which was issued in March 2018.

**2 Whether the figures have been audited or reviewed, and in accordance with which auditing standard or practice**

The figures have not been audited nor reviewed by our auditors.

**3 Where the figures have been audited or reviewed, the auditor's report (including any qualifications or emphasis of matter)**

Not applicable.

**4 Whether the same accounting policies and methods of computation as in the issuer's most recent audited annual financial statements have been complied**

Except as disclosed in paragraph 5 below, the Group has applied the same accounting policies and methods of computation in the preparation of the financial statements for the current reporting period as that of the audited financial statements for the year ended 31 December 2017.

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**5 If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what had changed, as well as the reasons for, and the effect of, the change**

The Group has adopted new Financial Reporting Standards in Singapore (“FRSs”) and interpretations effective for the financial period beginning 1 January 2018 as follows:

(i) FRS 115 Revenue from Contracts with Customers

FRS 115 establishes a comprehensive framework for determining whether, how much and when revenue is recognised. It also introduces new cost guidance which requires certain costs of obtaining and fulfilling contracts to be recognised as separate assets when specified criteria are met.

There was no significant impact to the financial statements of the Group. Accordingly, comparative financial information presented in this set of announcement has not been restated.

(ii) FRS 109 Financial Instruments

FRS 109 replaces most of the existing guidance in FRS 39 *Financial Instruments: Recognition and Measurement*. It includes revised guidance on the classification and measurement of financial instruments, a new expected credit loss model for calculating impairment on financial assets, and new general hedge accounting requirements. It also carries forward the guidance on recognition and derecognition of financial instruments from FRS 39.

There was no change in measurement basis arising from the adoption of the new classification and measurement model. In assessing for impairment losses on financial assets, the Group has adopted the simplified approach and recorded lifetime expected losses on all trade receivables using the expected credit loss model.

There was no significant impact to the financial statements of the Group. Accordingly, the Group did not recognise any adjustments to the opening unitholders’ funds on 1 January 2018.

The Group’s existing hedges that are designated in effective hedging relationships continue to qualify for hedge accounting under FRS 109.

**6 Earnings per Unit (“EPU”) and distribution per Unit (“DPU”) for the financial period/year**

	Group	
	4Q 2018	4Q 2017
<b>Earnings per Unit (“EPU”)</b>		
Basic EPU <sup>1</sup>	4.98¢	3.93¢
Weighted average number of Units in issue	980,599,908	919,372,169
Diluted EPU <sup>2</sup>	4.96¢	3.91¢
Weighted average number of Units outstanding	985,220,205	923,052,344
Number of Units in issue at end of period	980,549,136	966,225,901
<b>Distribution per Unit (“DPU”)<sup>3</sup></b>		
Based on the number of Units in issue at end of period	2.42¢ <sup>4</sup>	2.37¢ <sup>4</sup>



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	Group	
	FY 2018	FY 2017
<b>Earnings per Unit (“EPU”)</b>		
Basic EPU <sup>1</sup>	13.22¢	16.21¢
Weighted average number of Units in issue	972,339,679	892,868,912
Diluted EPU <sup>2</sup>	13.16¢	16.14¢
Weighted average number of Units outstanding	976,997,950	896,579,335
Number of Units in issue at end of year	980,549,136	966,225,901
<b>Distribution per Unit (“DPU”)<sup>3</sup></b>		
Based on the number of Units in issue at end of year	10.22¢ <sup>4</sup>	10.10¢ <sup>4</sup>

*Footnotes:*

- EPU is calculated based on total return after tax and non-controlling interest, and weighted average number of Units as at the end of each period/year.*
- Diluted EPU is calculated based on total return after tax and non-controlling interest, and weighted average number of Units outstanding during the period/year, adjusted for the effects of all dilutive potential Units arising from issuance of Units for performance component of manager’s management fees.*
- DPU is calculated based on the number of Units as at the end of each period/year.*
- Includes partial distribution of the gains from the disposal of Anzhen SPV.*

**7 Net asset value (“NAV”) and net tangible asset (“NTA”) backing per Unit based on issued Units at the end of the year**

	Group		Trust	
	31 Dec 2018	31 Dec 2017	31 Dec 2018	31 Dec 2017
<b>NAV/NTA per Unit</b>	\$1.58	\$1.60	\$0.55	\$0.62
<b>Adjusted NAV per Unit (excluding distributable income)</b>	\$1.54	\$1.59	\$0.50	\$0.61

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**8 Review of the performance**

**8(i) Breakdown of Gross Revenue – Actual**

	<b>4Q 2018</b>	<b>4Q 2017</b>	<b>%</b>	<b>4Q 2018</b>	<b>4Q 2017</b>	<b>%</b>
	<b>RMB'000</b>	<b>RMB'000</b>	<b>Change</b>	<b>S\$'000</b>	<b>S\$'000</b>	<b>Change</b>
<b><u>Multi-Tenanted Malls</u></b>						
CapitaMall Xizhimen	75,961	70,342	8.0	15,067	14,372	4.8
CapitaMall Wangjing	58,471	55,345	5.6	11,585	11,309	2.4
CapitaMall Grand Canyon	33,628	32,550	3.3	6,667	6,651	0.2
CapitaMall Xinnan	34,474	32,903	4.8	6,834	6,723	1.7
CapitaMall Qibao	26,134	25,548	2.3	5,184	5,220	(0.7)
CapitaMall Saihan	16,696	16,041	4.1	3,308	3,277	0.9
<b>Subtotal</b>	<b>245,364</b>	<b>232,729</b>	<b>5.4</b>	<b>48,645</b>	<b>47,552</b>	<b>2.3</b>
<b><u>Malls under Stabilisation</u></b>						
CapitaMall Minzhongleyuan <sup>1</sup>	5,972	6,077	(1.7)	1,185	1,241	(4.5)
CapitaMall Wuhu <sup>2</sup>	6,015	2,177	N.M.	1,221	445	N.M.
<b>Total multi-tenanted malls</b>	<b>257,351</b>	<b>240,983</b>	<b>6.8</b>	<b>51,051</b>	<b>49,238</b>	<b>3.7</b>
<b><u>Master-Leased Malls</u></b>						
CapitaMall Erqi	12,491	12,368	1.0	2,475	2,527	(2.1)
CapitaMall Shuangjing	11,191	11,459	(2.3)	2,216	2,342	(5.4)
<b>Total master-leased malls</b>	<b>23,682</b>	<b>23,827</b>	<b>(0.6)</b>	<b>4,691</b>	<b>4,869</b>	<b>(3.7)</b>
<b>Total Gross Revenue</b>	<b>281,033</b>	<b>264,810</b>	<b>6.1</b>	<b>55,742</b>	<b>54,107</b>	<b>3.0</b>

**8(ii) Breakdown of Net Property Income – Actual**

	<b>4Q 2018</b>	<b>4Q 2017</b>	<b>%</b>	<b>4Q 2018</b>	<b>4Q 2017</b>	<b>%</b>
	<b>RMB'000</b>	<b>RMB'000</b>	<b>Change</b>	<b>S\$'000</b>	<b>S\$'000</b>	<b>Change</b>
<b><u>Multi-Tenanted Malls</u></b>						
CapitaMall Xizhimen	52,087	48,739	6.9	10,319	9,958	3.6
CapitaMall Wangjing	39,728	37,947	4.7	7,857	7,753	1.3
CapitaMall Grand Canyon	21,597	17,165	25.8	4,275	3,508	21.9
CapitaMall Xinnan	22,430	21,557	4.0	4,434	4,404	0.7
CapitaMall Qibao	11,289	10,555	7.0	2,232	2,157	3.5
CapitaMall Saihan <sup>3</sup>	8,993	9,832	(8.5)	1,777	2,009	(11.5)
<b>Subtotal</b>	<b>156,124</b>	<b>145,795</b>	<b>7.1</b>	<b>30,894</b>	<b>29,789</b>	<b>3.7</b>
<b><u>Malls under Stabilisation</u></b>						
CapitaMall Minzhongleyuan <sup>1</sup>	41	(2,435)	N.M.	5	(497)	N.M.
CapitaMall Wuhu <sup>2</sup>	5,221	(1,686)	N.M.	1,081	(345)	N.M.
<b>Total multi-tenanted malls</b>	<b>161,386</b>	<b>141,674</b>	<b>13.9</b>	<b>31,980</b>	<b>28,947</b>	<b>10.5</b>
<b><u>Master-Leased Malls</u></b>						
CapitaMall Erqi	10,671	10,582	0.8	2,114	2,163	(2.3)
CapitaMall Shuangjing	9,013	9,185	(1.9)	1,784	1,877	(5.0)
<b>Total master-leased malls</b>	<b>19,684</b>	<b>19,767</b>	<b>(0.4)</b>	<b>3,898</b>	<b>4,040</b>	<b>(3.5)</b>
<b>Total Net Property Income</b>	<b>181,070</b>	<b>161,441</b>	<b>12.2</b>	<b>35,878</b>	<b>32,987</b>	<b>8.8</b>

*N.M. – not meaningful*

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*Footnotes:*

1. *Impacted by ongoing tenant mix adjustments.*
2. *CapitaMall Wuhu is closed, following the exit of its anchor tenant.*
3. *Due to one-off compensation received from the government in 4Q 2017 in connection with subway construction.*

**4Q 2018 vs 4Q 2017**

In RMB terms, gross revenue in 4Q 2018 increased by RMB16.2 million, or 6.1% higher than 4Q 2017. The increase was mainly due to stronger rental growth from the multi-tenanted malls. CapitaMall Wuhu received a one-off compensation, following the exit of its anchor tenant. In SGD terms, gross revenue in 4Q 2018 increased by \$1.6 million, or 3.0%. The increase is lower than that in RMB terms due to the stronger SGD against RMB.

Property expenses in 4Q 2018 was \$1.3 million, or 5.9% lower than 4Q 2017 mainly due to the lower operating expenses in CapitaMall Wuhu, following its closure.

Management fees payable to the manager were \$0.5 million higher than 4Q 2018 mainly due to higher deposited properties and net property income arising from the acquisition of the 51% interest in RS JV in January 2018.

Finance income earned in 4Q 2018 was \$0.9 million higher than 4Q 2017 mainly due to interest earned from loan to joint venture.

Finance costs in 4Q 2018 was \$1.8 million higher than 4Q 2017. This was mainly due to the additional loans drawn down to finance the acquisition of RS JV in January 2018.

Share of results (net of tax) from joint ventures relates to the contribution from RS JV which was acquired in January 2018.

Taxation in 4Q 2018 increased by \$6.6 million as compared to 4Q 2017. The higher taxation arose mainly from deferred tax liabilities on higher fair value of the investment properties.

**FY 2018 vs FY 2017**

In RMB terms, gross revenue for FY 2018 decreased by RMB29.9 million, or 2.7% lower than FY 2017. The decrease was mainly due to no contribution from CapitaMall Anzhen which was divested in July 2017. CapitaMall Grand Canyon was impacted by lower atrium revenue in FY 2018 and a one-off government subsidy received in prior year. CapitaMall Minzhongleyuan was undergoing tenant mix adjustments and occupancy levels had not yet stabilised. These were partially offset by the growth in revenue from the rest of the multi-tenanted malls.

Property expenses for FY 2018 was \$4.7 million, or 5.8% lower than FY 2017 mainly due to CapitaMall Anzhen which was divested in July 2017.

Management fees payable to the manager were \$1.2 million higher than FY 2017 mainly due to higher deposited properties and net property income arising from the acquisition of the 51% interest in RS JV in January 2018.

Finance income earned in FY 2018 was \$4.3 million higher than FY 2017 mainly due to interest earned from loan to joint venture.

Finance costs in FY 2018 was \$3.7 million higher than FY 2017. This was mainly due to the additional loans drawn down to finance the acquisition of RS JV on 31 January 2018, and partially offset by the finance cost savings from the repayment of RMB denominated interest borrowing in June 2017.

Share of results (net of tax) from joint ventures relates to the contribution from RS JV which was acquired on 31 January 2018.

Taxation in FY 2018 decreased by \$7.7 million as compared to FY 2017. The lower taxation in FY 2018 was mainly due to withholding tax paid on the gain on disposal of CapitaMall Anzhen in FY 2017.

**9 Variance between the forecast or prospectus statement (if disclosed previously) and the actual results**

CRCT has not disclosed any forecast to the market.

**10 Commentary on the competitive conditions of the industry in which the Trust and its investees operates and any known factors or events that may affect the Trust and its investees in the next reporting period and the next 12 months**

Given the tight financial conditions and impact from US-imposed trade tariffs, China's economic data eased towards the end of 2018. The country's 2018 GDP came in at 6.6% year-on-year. National retail sales of consumer goods increased 9.0% year-on-year to RMB38.1 trillion, while national urban disposable income and expenditure per capita grew 7.8% and 6.8% respectively for 2018<sup>1</sup>.

Retail space rose to 1.15 million sqm in 3Q 2018 as indoor theme parks emerged as a new driver of retail leasing demand. Electric vehicle companies also drove demand with the opening of new showrooms at various shopping centres, and ecommerce platforms maintained their trend of launching brick and mortar stores. Even with the increase in retail space, overall vacancy rates continued to improve, decreasing 0.5 percentage points quarter-on-quarter to 6.5%<sup>2</sup>.

As the US and China attempt to resolve their trade issues, top policy makers in China have confirmed that more monetary and fiscal support will be implemented in 2019. The support is likely to take the form of policy rate cuts, credit growth stimulation, infrastructure and property investment and tax cuts.<sup>3</sup> For instance, the Chinese government announced reform measures of its individual income tax system by increasing the threshold for personal income tax exemption from 3,500 yuan to 5,000 yuan per month in October 2018. To further lower the tax burden and support consumption, the State Council announced special individual income tax deductions in areas such as children's education, continuing education, mortgage loans, rents and elderly care that will come into effect on Jan 1, 2019.<sup>4</sup> With the Chinese government announcing its intentions to adopt more proactive policies<sup>5</sup> to stimulate the economy and domestic consumption, CRCT could stand to benefit through its portfolio of strategically located malls.

**Beijing Retail Market Update**

For 9M 2018, Beijing's GDP growth rate came in at 6.7% year-on-year. Over the same period, urban disposable income and expenditure per capita increased 8.9% and 6.7% year-on-year respectively. Retail sales grew 3.0% year-on-year<sup>6</sup> for the first 11 months of 2018.

The overall retail landscape in Beijing remained favourable in 3Q 2018, boosted in-part by the summer vacation months and robust leasing demand<sup>7</sup>, particularly in the high footfall generating F&B and fashion categories. Domestic retailers led the expansion drive, accounting for almost 60% of total leasing demand. In 3Q 2018, there was a quarter-on-quarter increase in the city-wide shopping mall average occupancy rates by 0.2 percentage points to 93.3%, which helped to boost corresponding city-wide shopping mall first floor rents by 1.2% quarter-on-quarter and 2.7% year-on-year, respectively, to RMB 940.7 psm. In 4Q 2018, only one new mall (Longfor Paradise Walk – Fangshan) was launched, adding a total GFA of 110,000 sqm. Two additional mid-to-high end shopping mall projects, including CapitaMall Tiangongyuan, debuted before the end of 2018, adding a total GFA of 326,000 sqm<sup>7</sup>.

Shaped by urban planning policies such as the "Catalogue of Prohibitions and Restrictions on New Industries in Beijing (2018 Edition)", the central area of Beijing will see minimal land supply for retail sectors. Most of the new projects will be located outside of the Fourth Ring Road and in suburban areas<sup>8</sup>.

For 2019, new supply of 630,000 sqm have been forecasted but the supply will be mainly located in suburban areas. Overall vacancy rates is expected to rise to 4%, however as most of new stock will be situated in suburban areas outside the Fifth ring road, overall rent will decrease by 1% year-on-year in 2019<sup>8</sup>.

**Shanghai Retail Market Update**

For 9M 2018, Shanghai's GDP grew 6.6% year-on-year. Urban disposable income per capita rose 8.9% year-on-year while expenditure per capita increased 8.3% year-on-year during the period. For the first 11 months of 2018, retail sales grew 7.9% year-on-year<sup>9</sup>.

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<sup>1</sup> China National Bureau of Statistics

<sup>2</sup> CBRE, Marketview, China, 3Q 2018

<sup>3</sup> Bloomberg, China Pledges More Stimulus in 2019 as Economy Seeks Bottom, 21 December 2018

<sup>4</sup> China Daily, China Unveils Special Individual Income Tax Deductions, 23 December 2018

<sup>5</sup> South China Morning Post, China proposes new personal tax perks to cut cost of housing, education and health care, 20 October 2018

<sup>6</sup> Beijing Bureau of Statistics

<sup>7</sup> Savills, Briefing, Retail Sector, Beijing, October 2018

<sup>8</sup> Colliers Quarterly, Beijing, Retail, 3Q 2018, 9 November 2018

<sup>9</sup> Shanghai Bureau of Statistics

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Shanghai remained highly competitive as shopping centres introduced new brands in the form of first-stores, flagship stores, and new concept stores to appeal to Shanghai consumer's high standards. Overall vacancy rates in the city decreased 0.2 percentage point quarter-on-quarter in 3Q 2018 to 6.4% in non-prime retail areas while average first floor rent space increased 0.4 percentage points quarter-on-quarter. During the same period, two new projects were launched, including CapitaLand's LuOne in Huangpu district, contributing a total of 206,000 sqm in total retail GFA<sup>10</sup>.

**Guangzhou Retail Market Update**

In 9M 2018, Guangzhou's economy grew 6.3%, while urban disposable income increased 8.3% year-on-year respectively. For the first 11 months of 2018, retail sales rose 7.5% year-on-year<sup>11</sup>.

Similar to 2Q 2018, no new supply came on board in 3Q 2018. Retail property demand in Guangzhou remained stable with F&B and children sectors sustaining demand as first-floor average rent increased in both prime and non-prime areas by 0.7% and 1.9% quarter-on-quarter, respectively. However, vacancy rates ticked up 0.7 percentage points quarter-on-quarter to 6.0% for the period, mainly driven by an increase in vacancy rates in non-prime areas in the city. Three new projects contributing a total of 350,000 sqm are expected to be launched in the near future, and could potentially increase vacancy rates marginally<sup>12</sup>.

**Chengdu Retail Market Update**

For 9M 2018, Chengdu's GDP rose 8.1% while urban disposable income and expenditure per capita grew 8.4% and 9.0% year-on-year respectively. Retail sales for the city remained at the double-digit growth band with a 10.0% year-on-year pace for the first 11 months of 2018<sup>13</sup>.

No new malls were launched in 3Q 2018. Retail space demand stayed robust with a net absorption of 18,912 sqm, resulting in city-wide vacancy rates decreasing 0.3 percentage points quarter-on-quarter and city-wide average first-floor shopping mall rent increasing 0.2% quarter-on-quarter. In 4Q 2018, two new malls adding 330,000 sqm in retail space were slated to commence operations. Given Chengdu's attractiveness as a tech start-up city and supportive entrepreneurship culture, more famous brands continue to see value propositions and open in the city, which should aid retail demand in remaining resilient<sup>14</sup>.

**Wuhan Retail Market Update**

In 9M 2018, Wuhan's GDP grew 8.3% year-on-year while urban disposable income for the period increased 9.2%. Retail sales grew 10.1% year-on-year for the first 11 months of the year<sup>15</sup>.

In 3Q 2018, Wuhan saw one new addition, Gendale Plaza, in the non-prime area to bring total stock above 6 million sq m. Retail and F&B brands such as Tom Ford, Superdry were the main source of retail space demand in Wuhan. Although vacancy rates inched higher by 0.5 percentage points quarter-on-quarter to 3.8% in 3Q 2018, average first floor rental increased slightly by 0.1 percentage points due to ongoing renovations and upgrading initiatives of some brands in prime submarkets. A number of projects were expected to open in 4Q 2018, including Oceanwide Urban Plaza PH2<sup>16</sup>.

**11 Distribution**

**11(a) Current Financial Period**

Any distribution declared for the current financial period?	Yes.
Name of distribution	: Distribution for 1 July 2018 to 31 December 2018
Distribution type	: Tax exempt income/Capital distribution
Distribution rate	: 4.83 cents per Unit
Par value of Units	: Not meaningful

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<sup>10</sup> Savillis, Briefing, Retail Sector, Shanghai, November 2018

<sup>11</sup> Guangzhou Bureau of Statistics

<sup>12</sup> Savillis, Briefing, Retail Sector, Guangzhou, October 2018

<sup>13</sup> Chengdu Bureau of Statistics

<sup>14</sup> Savillis, Briefing, Retail Sector, Chengdu, October 2018

<sup>15</sup> Wuhan Bureau of Statistics

<sup>16</sup> CBRE Marketview, China, 3Q 2018

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Tax rate : Tax exempt income distribution is exempt from Singapore income tax in the hands of all Unitholders. No tax will be deducted from such distribution.

Capital distribution represents a return of capital to Unitholders for Singapore income tax purpose. The amount of capital distribution will reduce the cost of CRCT Units for Singapore income tax purposes. For Unitholders who are liable to Singapore income tax on profits from sale of CRCT Units, the reduced cost base of their CRCT Units will be used to calculate the taxable trading gains when the CRCT Units are disposed off.

Remark : The tax exempt income/capital distribution from 1 July 2018 to 31 December 2018 is expected to be funded from borrowings at the Trust level as well as internal cash flow from operations.

**11(b) Corresponding period of the preceding financial period**

Any distributions declared for the corresponding period of the immediate preceding financial period? Yes.

Name of distribution : Distribution for 7 December 2017 to 31 December 2017<sup>1</sup>

Distribution type : Tax exempt income/Capital distribution

Distribution rate : 0.83 cents per Unit

Par value of Units : Not meaningful

*Footnote:*

1. Advanced distribution of 3.91 cents per Unit for the period from 1 July 2017 to 6 December 2017 comprised of tax exempt distribution was paid in December 2017. The total distribution for the period from 1 July 2017 to 31 December 2017 was 4.74 cents per Unit.

11(c) Date payable : 28 March 2019

11(d) Book closure date : 13 February 2019

**12 If no distribution has been declared/recommended, a statement to that effect**

Not applicable.

**13 If the Group has obtained a general mandate from Unitholders for Interested Person Transactions ("IPT"), the aggregate value of such transactions as required under Rule 920 (1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect**

The Group has not obtained a general mandate from Unitholders for IPT.

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**14 Segmental Results**

**14(i) Total gross revenue – Actual**

	<b>FY 2018</b>	<b>FY 2017</b>	<b>%</b>	<b>FY 2018</b>	<b>FY 2017</b>	<b>%</b>
	<b>RMB'000</b>	<b>RMB'000</b>	<b>Change</b>	<b>S\$'000</b>	<b>S\$'000</b>	<b>Change</b>
<b><u>Multi-Tenanted Malls</u></b>						
CapitaMall Xizhimen	294,697	287,911	2.4	60,094	58,800	2.2
CapitaMall Wangjing	233,715	224,505	4.1	47,659	45,851	3.9
CapitaMall Grand Canyon	131,941	144,612	(8.8)	26,905	29,534	(8.9)
CapitaMall Xinnan	135,716	131,053	3.6	27,675	26,765	3.4
CapitaMall Qibao	101,218	99,631	1.6	20,640	20,348	1.4
CapitaMall Saihan	66,843	64,061	4.3	13,631	13,083	4.2
<b>Subtotal</b>	<b>964,130</b>	<b>951,773</b>	<b>1.3</b>	<b>196,604</b>	<b>194,381</b>	<b>1.1</b>
<b><u>Malls under Stabilisation</u></b>						
CapitaMall Minzhongleyuan <sup>1</sup>	22,960	26,638	(13.8)	4,682	5,440	(13.9)
CapitaMall Wuhu <sup>2</sup>	9,448	8,732	8.2	1,927	1,783	8.1
<b>Total multi-tenanted malls</b>	<b>996,538</b>	<b>987,143</b>	<b>1.0</b>	<b>203,213</b>	<b>201,604</b>	<b>0.8</b>
<b><u>Master-Leased Malls</u></b>						
CapitaMall Anzhen <sup>3</sup>	-	39,849	(100.0)	-	8,149	(100.0)
CapitaMall Erqi	50,024	49,397	1.3	10,201	10,088	1.1
CapitaMall Shuangjing	45,727	45,775	(0.1)	9,325	9,349	(0.3)
<b>Total master-leased malls</b>	<b>95,751</b>	<b>135,021</b>	<b>(29.1)</b>	<b>19,526</b>	<b>27,586</b>	<b>(29.2)</b>
<b>Total Gross Revenue</b>	<b>1,092,289</b>	<b>1,122,164</b>	<b>(2.7)</b>	<b>222,739</b>	<b>229,190</b>	<b>(2.8)</b>

**14(ii) Net Property Income – Actual**

	<b>FY 2018</b>	<b>FY 2017</b>	<b>%</b>	<b>FY 2018</b>	<b>FY 2017</b>	<b>%</b>
	<b>RMB'000</b>	<b>RMB'000</b>	<b>Change</b>	<b>S\$'000</b>	<b>S\$'000</b>	<b>Change</b>
<b><u>Multi-Tenanted Malls</u></b>						
CapitaMall Xizhimen	208,865	200,779	4.0	42,592	41,005	3.9
CapitaMall Wangjing	166,182	158,465	4.9	33,888	32,363	4.7
CapitaMall Grand Canyon	88,463	91,029	(2.8)	18,039	18,591	(3.0)
CapitaMall Xinnan	94,417	89,738	5.2	19,253	18,327	5.1
CapitaMall Qibao	47,591	45,506	4.6	9,705	9,294	4.4
CapitaMall Saihan	38,585	38,730	(0.4)	7,868	7,910	(0.5)
<b>Subtotal</b>	<b>644,103</b>	<b>624,247</b>	<b>3.2</b>	<b>131,345</b>	<b>127,490</b>	<b>3.0</b>
<b><u>Malls under Stabilisation</u></b>						
CapitaMall Minzhongleyuan <sup>1</sup>	1,925	1,286	49.7	393	263	49.4
CapitaMall Wuhu <sup>2</sup>	(2,727)	(6,724)	59.4	(556)	(1,374)	59.5
<b>Total multi-tenanted malls</b>	<b>643,301</b>	<b>618,809</b>	<b>4.0</b>	<b>131,182</b>	<b>126,379</b>	<b>3.8</b>
<b><u>Master-Leased Malls</u></b>						
CapitaMall Anzhen <sup>3</sup>	-	32,813	(100.0)	-	6,710	(100.0)
CapitaMall Erqi	42,798	42,177	1.5	8,727	8,614	1.3
CapitaMall Shuangjing	36,849	36,768	0.2	7,514	7,509	0.1
<b>Total master-leased malls</b>	<b>79,647</b>	<b>111,758</b>	<b>(28.7)</b>	<b>16,241</b>	<b>22,833</b>	<b>(28.9)</b>
<b>Total Net Property Income</b>	<b>722,948</b>	<b>730,567</b>	<b>(1.0)</b>	<b>147,423</b>	<b>149,212</b>	<b>(1.2)</b>

*N.M. – not meaningful*

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*Footnotes:*

1. Impacted by ongoing tenant mix adjustments.
2. CapitaMall Wuhu is closed, following the exit of its anchor tenant.
3. The financial results include CapitaMall Anzhen for period from 1 January 2017 to 30 June 2017. The mall was divested in July 2017.

**15 In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments**

Please refer to paragraph 8 and 14 on the review.

**16 A breakdown of sales as follows: -**

	<b>Group</b>		
	<b>FY 2018 S\$'000</b>	<b>FY 2017 S\$'000</b>	<b>% Change</b>
16(a) Gross revenue reported for first half year	111,645	119,094	(6.3)
16(b) Net income after tax and NCI for first half year	60,149	52,424	14.7
16(c) Gross revenue reported for second half year	111,094	110,096	0.9
16(d) Net income after tax and NCI for second half year	68,412	92,272	(25.9)

**17 A breakdown of the total distributions for the current year and the previous year: -**

	<b>FY 2018 S\$'000</b>	<b>FY 2017 S\$'000</b>
In respect of period:		
1 Jan 18 – 30 Jun 18	52,360	-
1 Jul 18 – 31 Dec 18	47,381	-
1 Jan 17 – 30 Jun 17	-	47,692
1 Jul 17 – 6 Dec 17	-	35,333
7 Dec 17 – 31 Dec 17	-	8,111
Total distributions to Unitholders	<b>99,741</b>	<b>91,136</b>

**18 Confirmation pursuant to Rule 720(1) of the Listing Manual**

The Manager confirms that it has procured undertakings from all its Directors and Executive Officers in the format set out in Appendix 7.7 of the Listing Manual of the Singapore Exchange Securities Limited (the "Listing Manual"), as required by Rule 720(1) of the Listing Manual.



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**19 Disclosure of person occupying a managerial position or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder.**

Pursuant to Rule 704(13) of the Listing Manual of the Singapore Exchange Securities Trading Limited, CapitaLand China Trust Management Limited (the "Company"), being the manager of CapitaLand Retail China Trust ("CRCT"), confirms that there is no person occupying a managerial position in the Company or in any of CRCT's principal subsidiaries who is a relative of a director, chief executive officer, substantial shareholder of the Company or substantial Unitholder of CRCT.

This release 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 other companies and venues for the sale/distribution of goods and services, shifts in customer demands, customers and partners, changes in operating expenses, including employee wages, benefits and training, governmental and public policy changes and the continued availability of financing in the amounts and the terms necessary to support future business. You are cautioned not to place undue reliance on these forward looking statements, which are based on current view of management on future events.

BY ORDER OF THE BOARD  
CAPITALAND RETAIL CHINA TRUST MANAGEMENT LIMITED  
(Company registration no. 200611176D)  
(as Manager of CapitaLand Retail China Trust)

Chuo Cher Shing  
Company Secretary  
1 February 2019