For immediate release

NEWS RELEASE

CRCT's 1Q 2019 net property income rises 10.7% to RMB199 million

Strong performance momentum across core multi-tenanted malls

Singapore, 24 April 2019 **–** CapitaLand Retail China Trust Management Limited (CRCTML), the manager of CapitaLand Retail China Trust (CRCT), today announced that it registered higher net property income (NPI) of RMB198.9 million for the period 1 January to 31 March 2019 (1Q 2019), an increase of 10.7% year-on-year from RMB179.6 million in 1Q 2018. The growth was underpinned by stronger rental growth and lower operating expenses[1].

Core income available for distribution to Unitholders was S$24.9 million, 4.9% higher than 1Q 2018 and 8.2% higher than 4Q 2018, with distributable income from joint venture[2] increasing 115.9% year-on-year. Total distributable amount to Unitholders for 1Q 2019 was S$25.9 million and distribution per unit was 2.59 cents. Based on CRCT's closing price of S$1.51 on 24 April 2019, the annualised distribution yield for 1Q 2019 was 7.0%.

Mr Tan Tze Wooi, CEO of CRCTML, said: "China's economy expanded at an encouraging pace of 6.4% in 1Q 2019, with consumer demand showing signs of improvement. The fiscal stimulus rolled out by the Chinese government, which include business and individual tax cuts, is expected to boost consumer sentiments. These developments bode well for CRCT, which has sustained its growth momentum into the new year through proactive asset management and value enhancement initiatives. In 1Q 2019, CRCT's tenants' sales increased 9.8%[3,4] year-on-year, while shopper traffic grew 14.0%[3]. Portfolio occupancy as at 31 March 2019 remained high, at 97.4%[5]. This strong foundation will anchor CRCT's performance as we forge ahead with our tenant remix strategy to draw more popular concepts."

"To ensure our malls stay attractive, CRCT's leasing strategy is geared towards riding new trends to meet changing consumer demand. Our proactive approach has resulted in resilient occupancy level, as well as growth in tenants' sales and shopper traffic, amidst a competitive environment. We will continue to partner with emerging local and international brands to provide unique and fresh experiences for shoppers. We will also harness synergy from our sponsor's extensive retail network, which has already led to successful collaborations with popular tenants in several of CRCT malls."

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[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 FRS 116 Leases with effect from 1 January 2019.
[2] This refers to CRCT's 51% interest in Rock Square.
[3] Includes only multi-tenanted malls based on 100% ownership.
[4] Excludes tenant sales from Supermarket and Department Store.
[5] Based on all committed leases, excluding CapitaMall Wuhu.

"On the capital management front, we have completed all of CRCT's term loan refinancing requirements for 2019. 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, we have hedged approximately 80% of CRCT's distributable income into Singapore dollars. As part of our proactive portfolio management, we entered into an agreement in 1Q 2019 to divest CRCT's 51% stake in CapitaMall Wuhu to an unrelated third party. The enhanced financial flexibility from the divestment, coupled with CRCT's strong financial position, will enable us to pursue acquisition opportunities to drive new growth and further optimise CRCT's portfolio."

Summary of CRCT results

	1Q 2019	1Q 2018	
	Actual S$'000	**Actual S$'000**	**Change %**
Gross Revenue[1]	55,955	55,367	1.1
Net Property Income[1,2]	39,803	37,184	7.0
Distributable income contribution from joint venture[3]	2,623	1,215	115.9
Income available for distribution to Unitholders	24,866	23,699	4.9
Capital distribution[4]	1,000	3,000	(66.7)
Distributable amount to Unitholders	25,866	26,699	(3.1)
Distribution Per Unit ("DPU") (cents)			
DPU before capital distribution	2.49	2.44	2.0
DPU after capital distribution	2.59	2.75	(5.8)
DPU after capital distribution (annualised)	10.50	10.22[5]	2.7

	1Q 2019	1Q 2018	
	Actual RMB'000	**Actual RMB'000**	**Change %**
Gross Revenue	279,577	267,448	4.5
Net Property Income[2]	198,874	179,617	10.7

Footnotes:
1. *Average exchange rate for SGD/RMB.*

1Q 2019	1Q 2018	Change %
4.996	4.830	3.4

2. *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 FRS 116 Leases with effect from 1 January 2019.*
3. *This relates to 51% interest in Rock Square for 1Q 2019 and for the period from 1 February 2018 to 31 March 2018 for 1Q 2018.*
4. *This relates to the partial distribution of gains from the disposal of CapitaMall Anzhen.*
5. *FY 2018 actual DPU.*

Revenue and net property income

In RMB terms

For 1Q 2019, CRCT registered RMB279.6 million in gross revenue, an increase of 4.5% year-on-year. The increase was due to stronger rental growth from the core multi-tenanted malls, offset mainly by lower revenue in CapitaMall Wuhu, which is currently closed and in the process of being divested to an external party.

In SGD terms

For 1Q 2019, gross revenue was S$56.0 million, 1.1% higher year-on-year. The increase is lower than that in RMB terms due to the stronger SGD against RMB.

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

CapitaLand Retail China Trust (CRCT) (stock code: AU8U) is the first and largest 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 March 2019, CRCT's total asset was S$3.1 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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Analyst contact
Nicole Chen
Senior Manager, Investor Relations
DID: (65) 6713 1648
Email: nicole.chen@capitaland.com

Media contact
Chia Pei Siang
Vice President, Group Communications
DID: (65) 6713 1379
Email: chia.peisiang@capitaland.com

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