

NEWS RELEASE

CRCT registers 1H 2020 distributable income of S\$37.0 million

Singapore, 29 July 2020 – CapitaLand Retail China Trust Management Limited (CRCTML), the manager of CapitaLand Retail China Trust (CRCT), announced today a net property income (NPI) of RMB328.6 million for the period 1 January to 30 June 2020 (1H 2020), 17.9% lower than 1H 2019.

CRCT's performance in 1H 2020 was impacted mainly by the disruptions to mall operations during China's nationwide lockdown to combat COVID-19, and provision of a broad-based tenant relief package to assist with its tenants' business recovery. NPI in 1H 2020 was also affected by the absence of contribution from CapitaMall Erqi, following the cessation of its master lease in 4Q 2019 and its subsequent divestment in May 2020. The drop in NPI was partially mitigated by new contributions from CapitaMall Yuhuating, CapitaMall Xuefu, and CapitaMall Aidemengdun, which were acquired on 30 August 2019.

For 1H 2020, CRCT retained S\$1.8 million, representing 5.0% of the income available for distribution to Unitholders, in view of near-term market uncertainties. After which, 1H 2020 distributable income was S\$37.0 million, 27.7% lower year-on-year. Distribution per unit (DPU) was 3.02 cents.

CRCT's book closure date is 7 August 2020, and Unitholders can expect to receive their 1H DPU on 28 September 2020.

Mr Tan Tze Woon, CEO of CRCTML, said: "The first country to emerge from COVID-19, China reported a 2Q 2020 GDP growth of 3.2%, reversing a 6.8% contraction in 1Q 2020 as the government stepped up economic stimulus. China's policy focus to support businesses and boost domestic consumption has bode well for the retail sector's recovery. Retail sales for June 2020 declined 1.8% from the same period last year, narrowing by 1 percentage point from May 2020. On the back of improving consumer sentiment and active asset management, CRCT's enlarged portfolio recorded a 25.9% quarter-on-quarter improvement in shopper traffic for 2Q 2020. Tenants' sales for 2Q 2020 increased by 23.7% from 1Q 2020."

"CRCT's portfolio reconstitution of adding new growth drivers has been key in diversifying and stabilising the Trust's performance amidst COVID-19 challenges. The positive contributions from the newly acquired CapitaMall Yuhuating, CapitaMall Xuefu and CapitaMall Aidemengdun in 1H 2020 mitigated the overall impact on CRCT's financials. In 1H 2020, we completed the divestment of CapitaMall Erqi ahead of schedule, unlocking value and improving CRCT's balance sheet further. The timely completion demonstrated strong on the ground execution capabilities by the management team while having to tackle challenges posed by a pandemic. As part of our strategy to create sustainable value for our

portfolio, Yuquan Mall, which is undergoing fit-out works, is targeted to open end of this year. About 70% of leasing commitments have been secured to date. We are also planning asset enhancement initiatives for CapitaMall Yuhuating to extract upside value through optimising anchor space recovery and introducing more lifestyle offerings to cater to the community.”

“With CRCT’s healthy balance sheet and financial capacity, we continue to be on the lookout for accretive acquisitions to strengthen portfolio diversification, expand earning streams and ensure a more robust pipeline of quality, income-producing assets. This is in line with our long-term vision to grow CRCT into a sustainable and resilient China REIT platform.”

Proactive capital management

CRCT has a well distributed debt maturity, with a healthy average term to maturity of 2.75 years. All refinancing requirements in 2020 have been completed. About 80% of CRCT’s total term loans are on fixed interest rates, providing certainty of interest expenses. To mitigate the impact of foreign currency fluctuations, CRCT hedged approximately 64.4% of its undistributed income into Singapore dollars. As at end June 2020, CRCT’s gearing was a healthy 33.6%, well below the new regulatory limit of 50.0%.

Summary of CRCT results^{1,2}

	1H 2020	1H 2019	
	Actual S\$'000	Actual S\$'000	Change %
Gross Revenue ^{3,4}	101,517	111,138	(8.7)
Net Property Income ³	65,278	80,167	(18.6)
Distributable income contribution from joint venture ⁵	4,779	5,113	(6.5)
Income available for distribution to Unitholders	35,298	50,231	(29.7)
Distributable amount to Unitholders (before Capital Distribution) ⁶	37,048	50,231	(26.2)
Capital Distribution ⁷	-	1,000	(100.0)
Distributable amount to Unitholders ⁶	37,048	51,231	(27.7)

Distribution Per Unit (“DPU”) (cents)			
DPU before Capital Distribution	3.02	5.03	(40.0)
DPU after Capital Distribution	3.02	5.13	(41.1)

	1H 2020	1H 2019	
	Actual RMB'000	Actual RMB'000	Change %
Gross Revenue ⁴	510,986	554,500	(7.8)
Net Property Income	328,572	399,973	(17.9)

Footnotes:

- The financial results in 1H 2020 exclude CapitaMall Erqi with effect from 1 June 2020 following the announcement on of the completion of divestment of its entire equity interest in CapitaRetail Henan Zhongzhou Real Estate Co., Ltd. (“Erqi SPV”) which held CapitaMall Erqi on 28 May 2020 and CapitaMall Wuhu which was divested on 1 July 2019.*
- The financial results in 1H 2020 include contributions from CapitaMall Yuhuating, CapitaMall Xuefu and CapitaMall Aidemengdun which were acquired on 30 August 2019.*

3. Average exchange rate for SGD/RMB.

1H 2020	1H 2019	Change %
5.033	4.989	0.9

4. 1H 2020 includes rental relief extended to tenants in view of the COVID-19 situation.

5. This relates to 51% interest in Rock Square.

6. For 1H 2020, CRCT releases \$3.5 million retained in FY 2019 from the compensation received by CapitaMall Erqi, following the exit of its anchor tenant. At the same time, a \$1.8 million is retained from the income available for distribution to Unitholders for general corporate and working capital purposes. The retention represents 5.0% of the income available for distribution to Unitholders.

7. In 1H 2019, 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 13 shopping malls. 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 floor area of approximately 1.0 million 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 (51.0% interest) in Guangzhou; CapitaMall Xinnan in Chengdu; CapitaMall Qibao in Shanghai; CapitaMall Minzhongleyuan in Wuhan; CapitaMall Saihan and Yuquan Mall in Hohhot; CapitaMall Xuefu, CapitaMall Aidemengdun in Harbin and CapitaMall Yuhuating in Changsha. As at 30 June 2020, CRCT's total asset size is S\$3.8 billion, increasing more than fivefold 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 more than 2,100 leases, which include leading brands UNIQLO, Xiaomi, ZARA, Haidilao, Nike, Sephora, Starbucks Coffee and Swarovski.

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.

About CapitaLand Limited (www.capitaland.com)

CapitaLand Limited (CapitaLand) is one of Asia's largest diversified real estate groups. Headquartered and listed in Singapore, it owns and manages a global portfolio worth over S\$131.9 billion as at 31 December 2019. CapitaLand's portfolio spans across diversified real estate classes which includes commercial, retail; business park, industrial and logistics; integrated development, urban development; as well as lodging and residential. With a presence across more than 200 cities in over 30 countries, the Group focuses on Singapore and China as its core markets, while it continues to expand in markets such as India, Vietnam, Australia, Europe and the USA.

CapitaLand has one of the largest real estate investment management businesses globally. It manages seven listed real estate investment trusts (REITs) and business trusts as well as over 20 private funds. Since it pioneered REITs in Singapore with the listing of CapitaLand Mall Trust in 2002, CapitaLand's REITs and business trusts have expanded to include Ascendas Real Estate Investment Trust, CapitaLand Commercial Trust, Ascott Residence Trust, CapitaLand Retail China Trust, Ascendas India Trust and CapitaLand Malaysia Mall Trust.

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