

NEWS RELEASE

CRCT's 2Q 2014 distributable income rises 18.7% year-on-year
Distribution per unit increases 8.8%

Singapore, 24 July 2014 – CapitaRetail China Trust Management Limited (CRCTML), the manager of CapitaRetail China Trust (CRCT), announced today that it achieved distributable income of S\$21.3 million for the period from 1 April to 30 June 2014 (2Q 2014), an increase of 18.7% over the S\$17.9 million for 2Q 2013.

Distribution per unit (DPU) for 2Q 2014 was 2.59 cents, an increase of 8.8% from the 2.38 cents for the corresponding period a year ago. Based on an annualised DPU of 10.39 cents and CRCT's closing price of S\$1.58 per unit on 23 July 2014, the annualised distribution yield for 2Q 2014 was 6.6%. Unitholders can expect to receive their DPU for 2Q 2014, along with their DPU for 1Q 2014, totalling 4.99 cents on 25 September 2014.

Mr Victor Liew, Chairman of CRCTML, said, "In the second quarter of 2014, China's economy expanded 7.5% year-on-year and in the first half of the year, the country's retail sales rose by 12.1% year-on-year to RMB12.4 trillion. With the Chinese government's strong commitment to balanced and sustainable long-term growth, CRCT remains upbeat on China's retail sales prospects."

Mr Tony Tan, CEO of CRCTML, said, "For the quarter, our portfolio of malls registered 29.5% growth in net property income (NPI), underpinned by new contributions from the acquisition of CapitaMall Grand Canyon and asset enhancement of CapitaMall Minzhongleyuan. We also recorded robust rental reversions of 24.9%¹ at our multi-tenanted malls and a consistently high occupancy rate of 98.1% across the portfolio. Tenants' sales at our multi-tenanted malls increased 13.6%¹ year-on-year, while shopper traffic grew 5.5%²."

"CapitaMall Minzhongleyuan reopened in May 2014 and retailers and shoppers alike have responded positively to the revamped mall, which now boasts modern facilities such as a weather-proof skylight roof, elevators and free Wi-Fi service, while retaining the charms of a heritage building. As at end-June 2014, CapitaMall Minzhongleyuan achieved a committed occupancy rate of 91.2% with an enhanced tenant mix that includes popular local and foreign brands such as adidas, Caffé Bene, Gong Cha, Hotwind, Innisfree, Starbucks and Studio City Cinema."

¹ Excluding CapitaMall Minzhongleyuan, which was reopened on 1 May 2014 after the completion of asset enhancement works.

² Excluding CapitaMall Minzhongleyuan, which was reopened on 1 May 2014 after the completion of asset enhancement works; and CapitaMall Grand Canyon, which was acquired on 30 December 2013.

“Our other multi-tenanted malls continued to post strong growth, contributing to our higher earnings. These include CapitaMall Xizhimen, CapitaMall Wangjing and CapitaMall Saihan, which registered NPI growth of 10.9%, 14.8% and 22.5%, respectively. Their sustained growth is an outcome of our proactive asset management strategy, which involves regular adjustments to our tenant mix in line with ever-changing consumer needs.”

Distribution Reinvestment Plan

CRCTML has elected to apply the Distribution Reinvestment Plan (DRP) established on 21 March 2013 to the distributions for the first half of 2014. The plan provides unitholders with the opportunity to receive distributions in the form of fully-paid new units in CRCT, instead of cash. Participation in the plan is optional, and unitholders can allocate all or part of their unitholdings if they choose to participate.

Through the DRP, unitholders will be able to increase their holdings in CRCT without incurring brokerage fees, stamp duties (if any) and other related costs. CRCT also benefits from unitholders’ participation in the plan as the cash, which would otherwise have been paid for distributions, can be retained to enlarge its working capital.

To encourage unitholders to participate in this round of DRP, CRCT will offer a 2.0% discount to the volume-weighted average trade price per unit of 10 market days up to the book closure date on 8 August 2014.

Summary of CRCT results

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

	2Q 2014 ¹	2Q 2013	Change %	1H 2014 ¹	1H 2013	Change %
	Actual S\$'000	Actual S\$'000		Actual S\$'000	Actual S\$'000	
Gross revenue	51,014	40,000	27.5	99,158	79,330	25.0
Net property income	34,214	26,413	29.5	66,553	52,281	27.3
Income available for distribution	21,253	17,902	18.7	40,889	35,242	16.0
Distribution per unit (DPU) (cents)						
For the period	2.59	2.38	8.8	4.99	4.69	6.4
Annualised	10.39	9.55	8.8	10.06	9.46	6.3

	2Q 2014 ¹	2Q 2013	Change %	1H 2014 ¹	1H 2013	Change %
	Actual RMB'000	Actual RMB'000		Actual RMB'000	Actual RMB'000	
Gross revenue	249,888	200,036	24.9	481,584	400,697	20.2
Net property income	167,595	132,096	26.9	323,230	264,074	22.4

Footnote:

1. Includes CapitaMall Grand Canyon which was acquired on 30 December 2013.

Revenue and net property income

In RMB terms

Gross revenue was RMB249.9 million, 24.9% higher than 2Q 2013. This was mainly due to the new contribution from CapitaMall Grand Canyon – which accounted for 16.9% of the growth in total gross revenue; higher revenue from CapitaMall Minzhongleyuan – which was reopened in May 2014 after the completion of asset enhancement works; and higher rental growth from the other multi-tenanted malls.

NPI was RMB167.6 million, 26.9% higher than 2Q 2013.

In SGD terms

Gross revenue for 2Q 2014 increased 27.5% year-on-year to S\$51.0 million and NPI rose 29.5% year-on-year to S\$34.2 million. This was mainly due to a stronger RMB against SGD in 2Q 2014 compared to 2Q 2013.

Valuation

As at 30 June 2014, the valuation of CRCT's portfolio was RMB10.4 billion, an increase of 3.7% over the previous valuation conducted in December 2013.

Capital management

CRCT's gearing as at 30 June 2014 was 29.8%, with an interest coverage of 5.5 times and average cost of debt of 3.60%.

About CapitaRetail China Trust (www.capitaretailchina.com)

CRCT is the first and only China shopping mall Real Estate Investment Trust (REIT) in Singapore, with a portfolio of 10 income-producing shopping malls. Listed on the Singapore Exchange Securities Trading Limited 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.

The geographically diversified portfolio of quality shopping malls is located in six of China's cities. The properties are CapitaMall Xizhimen, CapitaMall Wangjing, CapitaMall Grand Canyon, CapitaMall Shuangjing and CapitaMall Anzhen in Beijing; CapitaMall Qibao in Shanghai; CapitaMall Erqi in Zhengzhou, Henan Province; CapitaMall Saihan in Huhhot, Inner Mongolia; CapitaMall Wuhu in Wuhu, Anhui Province; and CapitaMall Minzhongleyuan in Wuhan, Hubei Province. As at 30 June 2014, the total asset size of CRCT is approximately S\$2.2 billion.

All the malls in the portfolio are positioned as one-stop family-oriented shopping, dining and entertainment destinations for the sizeable population catchment areas in which they are located, and are accessible via major transportation routes or access points. A significant portion of the properties' tenancies consists of major international and domestic retailers such as Beijing Hualian Group and Carrefour under master leases or long-term leases, which provide unitholders with stable and sustainable returns. The anchor tenants are complemented by popular specialty brands such as KFC, Paris Baguette, Pizza Hut, Sephora, UNIQLO, Vero Moda, Watsons and ZARA.

CRCT is managed by an external manager, CRCTML, which is an indirect wholly-owned subsidiary of CapitaMalls Asia Limited, one of Asia's largest shopping mall developers, owners and managers.

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