

NEWS RELEASE

CRCT's 1H 2016 net property income rises 4.6% year-on-year
Underpinned by continual efforts to refresh tenant mix and
enhance shopping experience

Singapore, 27 July 2016 – CapitaLand Retail China Trust Management Limited (CRCTML), the manager of CapitaLand Retail China Trust (CRCT), announced today that it achieved net property income (NPI) of RMB339.3 million for the period from 1 January to 30 June 2016 (1H 2016), 4.6% higher than the RMB324.4 million for the corresponding period in 2015 (1H 2015).

Distributable income for 1H 2016 notched up 1.0% to S\$45.6 million and distribution per unit was 5.32 cents. Based on an annualised DPU of 10.7 cents and CRCT's closing price of S\$1.61 per unit on 26 July 2016, the annualised distribution yield for 1H 2016 was 6.6%.

For the quarter from 1 April to 30 June 2016 (2Q 2016), CRCT's NPI grew 2.5% to RMB169.9 million. DPU for the quarter was 2.61 cents.

Mr Victor Liew, Chairman of CRCTML, said: "Against a backdrop of global economic uncertainties and weakening demand, China has maintained steady growth by spurring economic activities on its domestic front. Driven mainly by growth in consumption, China's GDP rose 6.7% in the first half of 2016, which is in line with its government's growth target of 6.5% to 7.0% for the year. In the same period, retail sales increased 10.3%. These signs of stabilisation in China's economy reflect the government's commitment to achieve sustainable growth, and we continue to be positive on China's long-term retail growth prospects."

Mr Tony Tan, CEO of CRCTML, said: "In the first half of 2016, our malls registered 4.6% growth in net property income and rental reversion was 5.9%. Portfolio occupancy as at 30 June 2016 remained steady at 94.9%.

"To stand out from the competition, we continued to enhance our malls' attractiveness by introducing popular brands and keeping abreast of the latest consumer trends. For example, CapitaMall Qibao has welcomed FAMIKU, Shanghai's largest virtual reality (VR) experience centre. Measuring about 620 square feet (sq ft), the games arcade features the latest VR entertainment catering to families. Leading Danish jewellery brand PANDORA will also be opening at CapitaMall Xizhimen as the mall boosts its offerings in fashion and accessories to attract an even wider crowd. New F&B brands in our malls include Xiao Niu Niu in CapitaMall Xizhimen and Xing Yang Hainanese Chicken Rice in CapitaMall Qibao, both which are established names that are popular with diners across all age groups.

“As part of our proactive asset management, we have also identified asset enhancement opportunities. CapitaMall Saihan finished upgrading works to its façade in the quarter under review, while CapitaMall Qibao is expected to complete similar upgrading works in the third quarter of this year. Also targeted for completion in the same quarter is the façade upgrading of CapitaMall Wangjing. Such improvement works augment our ongoing efforts to refresh the malls’ tenant mix and attract more shoppers. We will continue to look out for suitable opportunities to uplift the shopping experience and strengthen our malls’ roles as lifestyle destinations in their respective communities.”

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 2016. 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 enhance its financial flexibility.

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 4 August 2016.

Summary of CRCT results

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

	2Q 2016	2Q 2015	Change %	1H 2016	1H 2015	Change %
	Actual S\$’000	Actual S\$’000		Actual S\$’000	Actual S\$’000	
Gross revenue	51,504	54,258	(5.1)	107,070	108,800	(1.6)
Net property income	35,501	36,039	(1.5)	72,193	70,587	2.3
Income available for distribution	22,374	22,936	(2.5)	45,559	45,117	1.0
Distribution per unit (DPU) (cents)						
For the period	2.61	2.73	(4.4)	5.32	5.37	(0.9)
Annualised	10.50	10.95	(4.1)	10.70	10.83	(1.2)

	2Q 2016	2Q 2015	Change %	1H 2016	1H 2015	Change %
	Actual RMB’000	Actual RMB’000		Actual RMB’000	Actual RMB’000	
Gross revenue	246,737	249,601	(1.1)	503,265	499,955	0.7
Net property income	169,937	165,780	2.5	339,331	324,358	4.6

Revenue and net property income

In RMB terms

For 1H 2016, gross revenue increased RMB3.3 million, or 0.7% over 1H 2015. This was mainly due to rental growth from the multi-tenanted malls, and partially offset by lower revenue from CapitaMall Minzhongleyuan and CapitaMall Wuhu which are temporarily affected by road closure and tenancy adjustments respectively.

In SGD terms

As a result of a weaker RMB against SGD, gross revenue for 1H 2016 was S\$107.1 million and NPI grew 2.3% year-on-year.

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

CRCT is the first 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 Anzhen and CapitaMall Shuangjing in Beijing; CapitaMall Qibao in Shanghai; CapitaMall Minzhongleyuan in Wuhan, Hubei Province; CapitaMall Erqi in Zhengzhou, Henan Province; CapitaMall Saihan in Hohhot, Inner Mongolia; and CapitaMall Wuhu in Wuhu, Anhui Province. As at 30 June 2016, the total asset size of CRCT is approximately S\$2.4 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 the Beijing Hualian Group, Carrefour and Wal-Mart 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 BreadTalk, innisfree, KFC, Nanjing Impressions, Nike, Sephora, Starbucks, UNIQLO, Watsons and ZARA.

CRCT is managed by an external manager, CapitaLand Retail China Trust Management Limited, which is 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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