

NEWS RELEASE

**CRCT's 2Q 2017 net property income rises 16.3% year-on-year**  
***Driven by contribution from CapitaMall Xinnan***

**Singapore, 27 July 2017** – 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 RMB197.7 million for the period 1 April to 30 June 2017 (2Q 2017), an increase of 16.3% from the RMB169.9 million for the corresponding period last year. The increase was mainly due to the contribution from CapitaMall Xinnan that was acquired on 30 September 2016, partially offset by the additional tax provision for Beijing malls due to a change from cost to revenue basis effective 1 July 2016.

In SGD terms, distributable income for 2Q 2017 was S\$23.3 million, 4.3% higher than a year ago. For the period from 1 January to 30 June 2017 (1H 2017), distributable income was S\$47.7 million, an increase of 4.7% compared to the same period last year. Distribution per unit for 1H 2017 notched up 0.8% to 5.36 Singapore cents. Based on an annualised DPU of 10.81 cents and CRCT's closing price of S\$1.61 per unit on 26 July 2017, the annualised distribution yield for 1H 2017 was 6.7%. Unitholders can expect to receive their DPU for 1H 2017 on 20 September 2017.

Mr Soh Kim Soon, Chairman of CRCTML, said: "China's economy sustained its growth momentum and expanded 6.9% year-on-year in 2Q 2017, the same rate as last quarter. In the first half of the year, urban disposable income and expenditure per capita grew 6.5% and 5.1% year-on-year respectively. In light of the steady progress in China's economy underpinned by strengthening domestic consumption, we remain optimistic about China's long-term retail growth prospects."

Mr Tan Tze Woon, CEO of CRCTML, said: "During the quarter under review, we continued to identify ways to refresh our malls' offerings and attract shoppers. Following UrWork's successful launch at CapitaMall Minzhongleyuan, the leading coworking space operator opened a new facility at CapitaMall Wangjing with a promising take-up rate of about 90% for its space. At CapitaMall Minzhongleyuan, anchor tenant UA Cinemas reopened with more screens and an upgraded viewing experience after a major revamp. CapitaMall Xinnan has signed four popular dining concepts after reconfiguring two former units on Level 4, boosting the same space's rental income by more than 40%. These tenants will commence trading in 3Q 2017. Overall, we registered 7.1% in rental reversions at our multi-tenanted malls for 2Q 2017, while portfolio occupancy as at 30 June 2017 stood at a healthy 96.2%."

Mr Tan added: “As part of portfolio optimisation, we have signed an agreement to unlock the value of CapitaMall Anzhen. Targeted for completion in 4Q 2017, the divestment will boost our financial flexibility to seize new growth opportunities. In addition, we will recover some space from CapitaMall Wangjing’s anchor tenant Beijing Hualian Group (BHG), for conversion into specialty stores to inject more vibrancy to the mall. BHG has also committed to upgrade the department store concept at the mall to widen its appeal to our target shoppers. These moves will concurrently realise the value of a mature master leased asset and enhance the value of a core multi-tenanted asset, thus strengthening CRCT’s portfolio for future growth.”

#### 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 2017. 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 2017.

#### Summary of CRCT results

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

	2Q 2017 <sup>1</sup>	2Q 2016	Change %	1H 2017 <sup>1</sup>	1H 2016	Change %
	Actual S\$’000	Actual S\$’000		Actual S\$’000	Actual S\$’000	
Gross revenue <sup>2</sup>	58,993	51,504	14.5	119,094	107,070	11.2
Net property income <sup>2</sup>	39,971	35,501	12.6	80,274	72,193	11.2
Income available for distribution	23,337	22,374	4.3	47,692	45,559	4.7
<b>Distribution per unit (DPU) (cents)</b>						
For the period	2.62	2.61	0.4	5.36	5.32	0.8
Annualised	10.51	10.50	0.1	10.81	10.70	1.0

	2Q 2017 <sup>1</sup>	2Q 2016	Change %	1H 2017 <sup>1</sup>	1H 2016	Change %
	Actual RMB’000	Actual RMB’000		Actual RMB’000	Actual RMB’000	
Gross revenue	291,530	246,737	18.2	582,395	503,265	15.7
Net property income	197,660	169,937	16.3	392,556	339,331	15.7

*Footnotes:*

1. Includes contribution from CapitaMall Xinnan, which was acquired on 30 September 2016.
2. Average exchange rate for SGD/RMB.

<b>2Q 2017</b>	<b>2Q 2016</b>	<b>Change %</b>	<b>1H 2017</b>	<b>1H 2016</b>	<b>Change %</b>
0.202	0.209	(3.3)	0.204	0.213	(4.2)

Revenue and net property income

In RMB terms

For 1H 2017, gross revenue increased RMB79.1 million, or 15.7% over 1H 2016. This was mainly due to the contribution from CapitaMall Xinnan, which was acquired on 30 September 2016. NPI grew by RMB53.2 million or 15.7% over the corresponding period in 2016.

In SGD terms

Gross revenue for 1H 2017 rose by S\$12.0 million, or 11.2% compared to 1H 2016 due to the stronger SGD against RMB.

**About CapitaLand Retail China Trust ([www.crct.com.sg](http://www.crct.com.sg))**

CRCT is the first 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 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 Xinnan in Chengdu, Sichuan Province; 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 2017, the total asset size of CRCT is approximately S\$2.7 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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The past performance of CapitaLand Retail China Trust ("CRCT") is not indicative of the future performance of CRCT. Similarly, the past performance of the Manager is not indicative of the future performance of the Manager.

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