



# CapitaLand Retail China Trust Financial Results for 1Q 2016

13 April 2016



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# 1Q 2016 Highlights

NPI and Distributable Income grew 6.2% and 4.5% y-o-y respectively

- **Stable performance**

- ✓ NPI in RMB terms grew 6.8% y-o-y to RMB169.4 mil
- ✓ NPI in SGD terms up 6.2% y-o-y to S\$36.7 mil
- ✓ DPU increased 2.7%; annualised distribution yield of 7.5% as at 13 Apr 2016
- ✓ Portfolio occupancy remains high at 94.6%
- ✓ Healthy rental reversion of 7.3%

- **Robust balance sheet and prudent capital management**

- ✓ Cost of borrowings of 3.04%; gearing at 28.7%
- ✓ 74.1% of the borrowings are at fixed rate provide cash flow certainty

# Financial Highlights





# 1Q 2016 Distributable Income Grew 4.5%

	1Q 2016 Actual	1Q 2015 Actual	Change
Gross Revenue (RMB'000)	256,528	250,354	2.5%
NPI (RMB'000)	169,394	158,578	6.8%
NPI (S\$'000)	36,692	34,548	6.2%
Distributable Income (S\$'000)	23,185	22,181	4.5%
DPU (Singapore cents)	2.71	2.64	2.7%
Annualised Distribution Yield (Based on unit price of S\$1.445 on 31 Mar 2016)	7.5%		
Annualised Distribution Yield (Based on unit price of S\$1.455 on 13 Apr 2016)	7.5%		



# Healthy Balance Sheet

As at 31 Mar 2016	S\$'000		
Investment Properties	2,350,338	Net assets attributable to unitholders (S\$'000)	1,428,658
Other Assets	18,515		
Financial Derivatives Assets	11,790		
Cash & Cash Equivalents	98,937	Units In Issue ('000 units)	855,296
<b>Total Assets</b>	<b>2,479,580</b>		
Interest-bearing Borrowings	707,765	Net Asset Value (NAV) per unit	1.67
Deferred Tax Liabilities	230,499		
Financial Derivatives Liabilities	1,965	Adjusted NAV per unit (net of distribution)	1.64
Other Liabilities	87,677		
<b>Total Liabilities</b>	<b>1,027,906</b>		
<b>Non-controlling Interest</b>	<b>23,016</b>		

# Financial Results

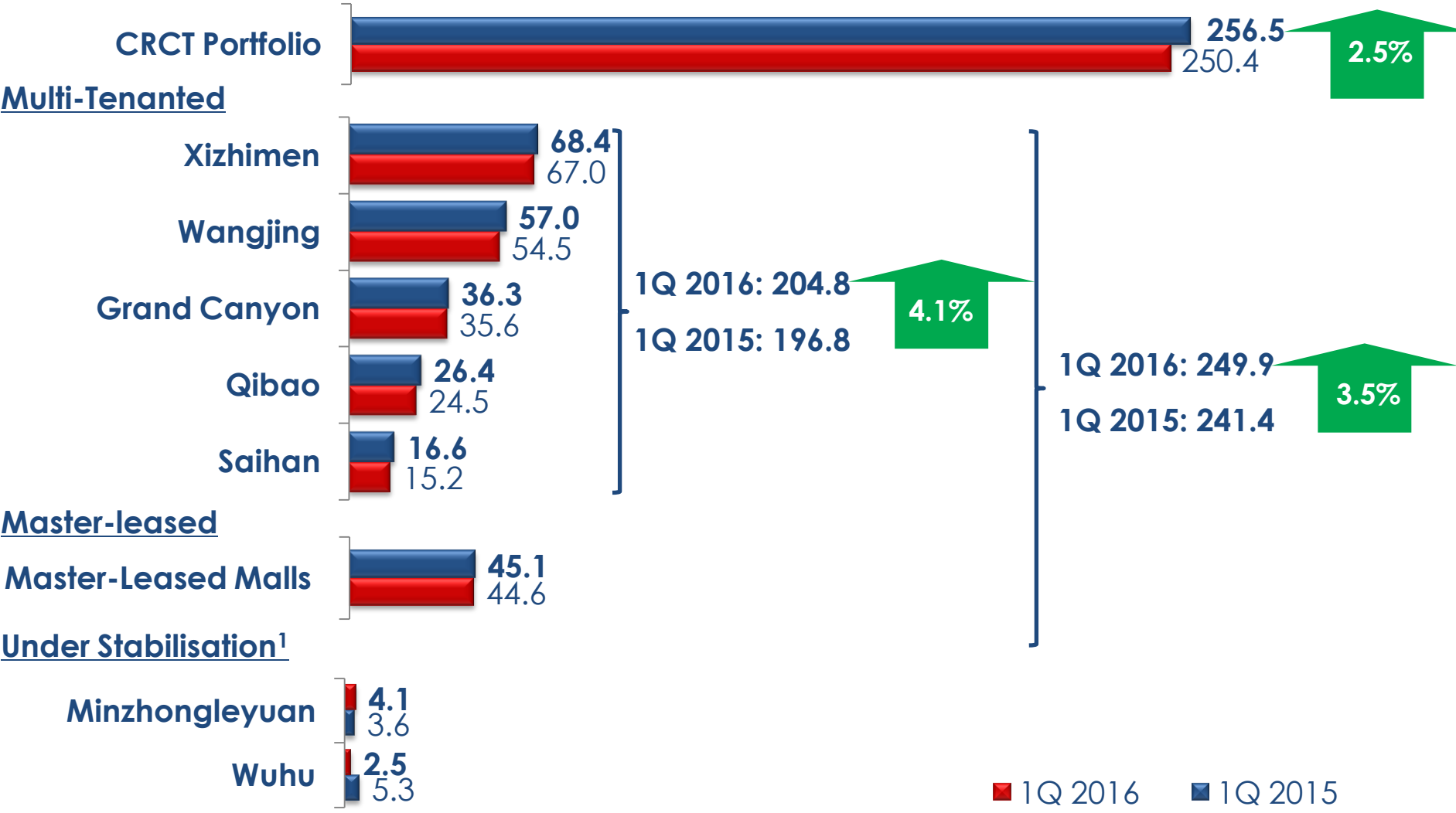






# Property Gross Revenue (in RMB'mil): 1Q 2016 vs 1Q 2015

Excluding malls under stabilisation, Gross Revenue increased 3.5% y-o-y

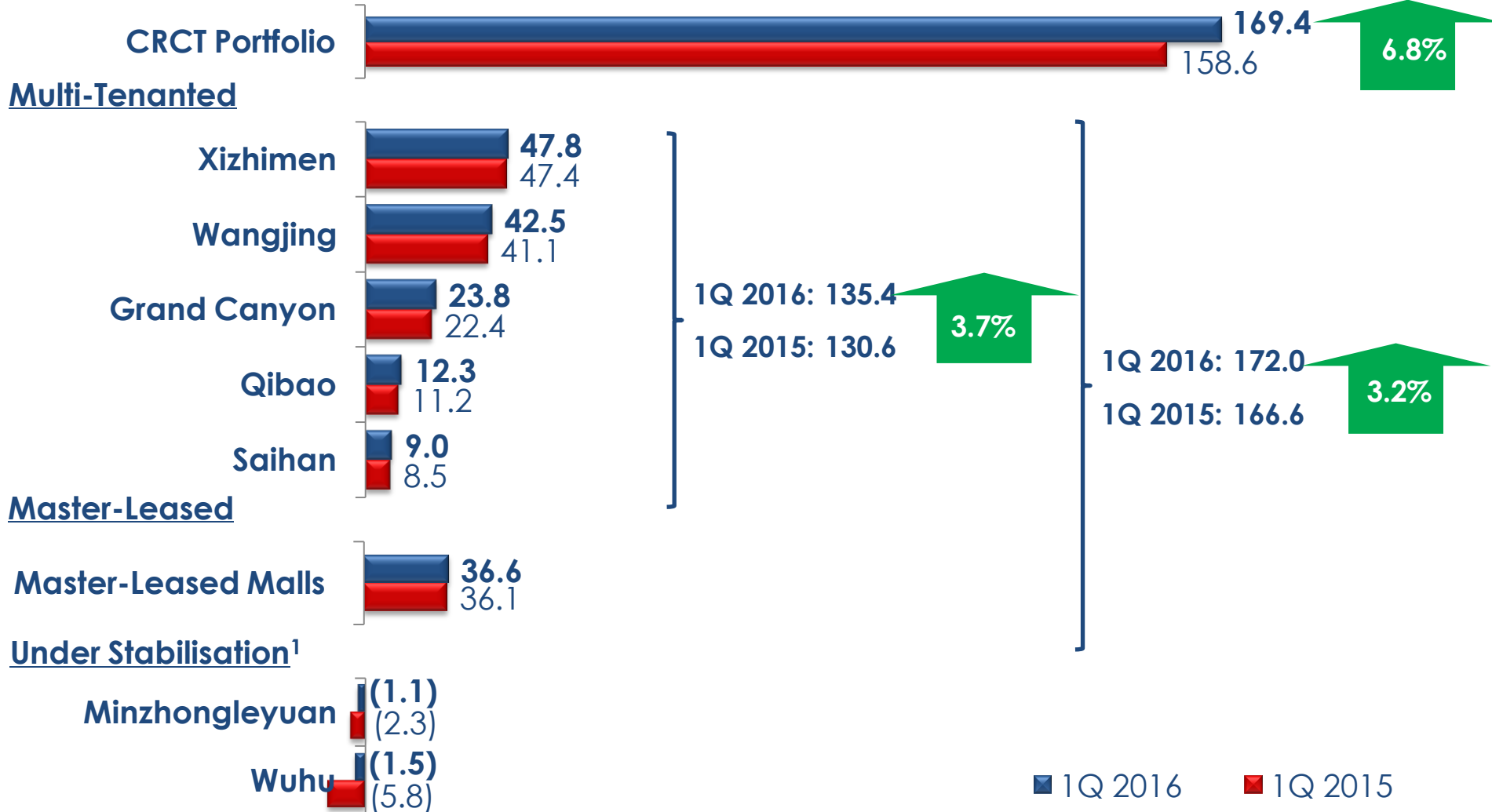


<sup>1</sup> CapitaMall Minzhongleyuan is affected by the road closure at Zhongshan Avenue and CapitaMall Wuhu is currently undergoing trade mix adjustments.



# Net Property Income (in RMB'mil): 1Q 2016 vs 1Q 2015

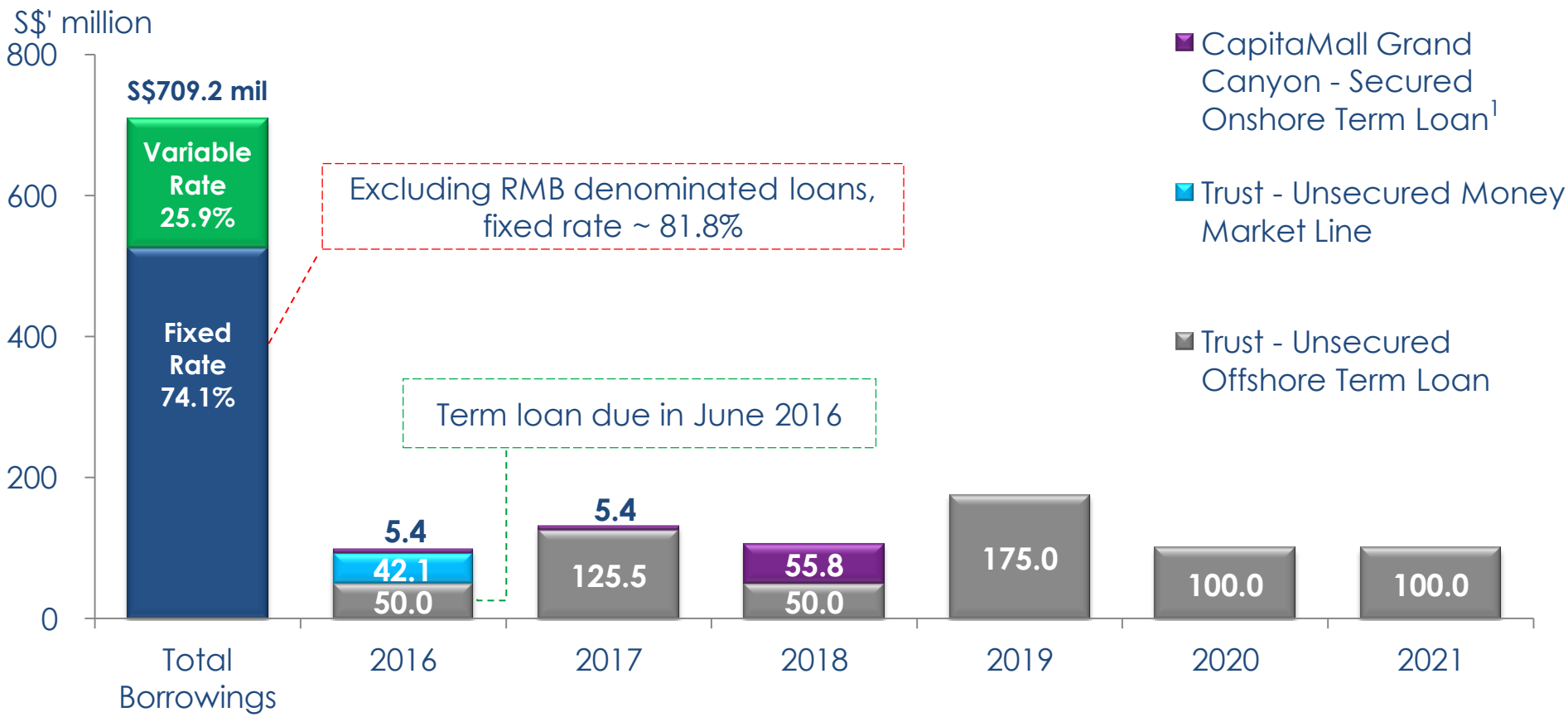
Excluding malls under stabilisation, Net Property Income increased 3.2% y-o-y



<sup>1</sup> CapitaMall Minzhongleyuan is affected by the road closure at Zhongshan Avenue and CapitaMall Wuhu is currently undergoing trade mix adjustments.

# Debt Maturity Profile (31 Mar 2016)

Debt maturity well spread out; Refinanced all loans matured in 1Q 2016



1. Amortisation repayment is S\$5.4 million annually from 2016 to 2018, which will be repaid equally in Jun and Dec each year.



# Key Financial Indicators

## Gearing<sup>1</sup>

**28.7%**

31 Dec 2015: 27.7%

## Average Cost of Debt

**3.04%**

31 Dec 2015: 2.99%

## Average Term to Maturity (Years)<sup>2</sup>

**2.61**

31 Dec 2015: 2.18

## Unencumbered Assets as % of Total Assets<sup>3</sup>

**97.3%**

31 Dec 2015: 96.9%

## Interest Coverage

**6.4x**

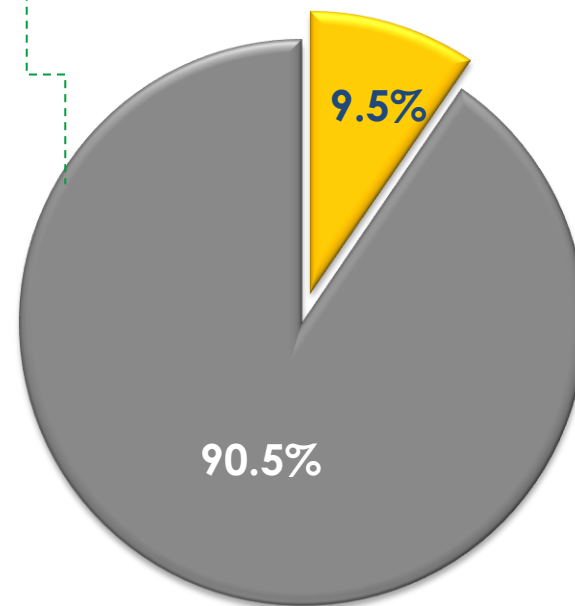
31 Dec 2015: 6.3x

## Net Debt / EBITDA

**5.3x**

31 Dec 2015: 5.4x

As at 31 Mar 2016, CRCT hedged 56.6% of its total non-RMB denominated term loans.



■ RMB denominated loans

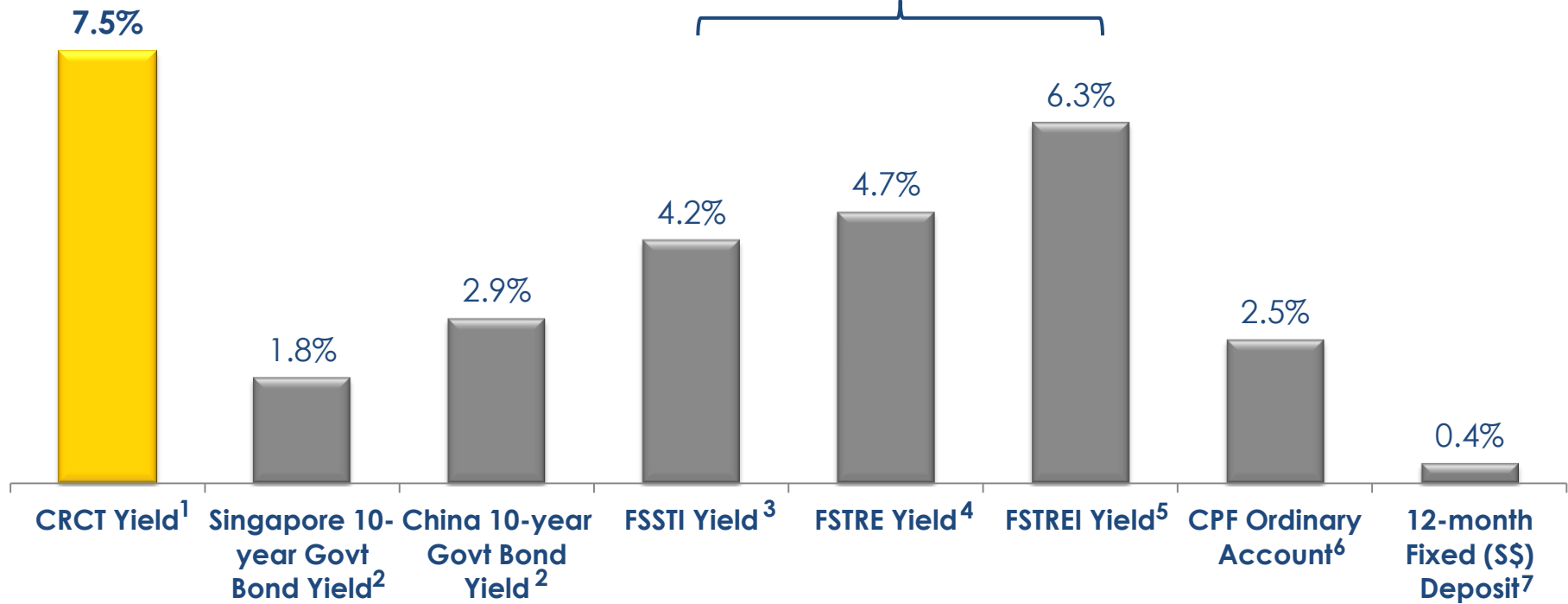
■ SGD denominated loans

1. The higher gearing as at 31 Mar 2016 was mainly due to lower total assets as compared to 31 Dec 2015.
2. The higher average term to maturity was due to the refinancing of the \$50 million term loan which was due in Feb 2016 to Feb 2021 and the conversion of the \$50 million unsecured money market line to \$50 million long-term loan due in Mar 2021.
3. Negative pledge and non-disposal is allowed, subject to a ratio of the market value of the unencumbered assets and the unsecured borrowings of at least 2:1.



# Attractive Yield

Based on historical gross dividend yield of past 12 months



Source: Bloomberg, CRCTML, Central Provident Fund (CPF) Board, Monetary Authority of Singapore.

1. Based on distribution per unit of 10.90¢ for annualised 1Q 2016 and the unit closing price of S\$1.445 on 31 March 2016.
2. Singapore Government 10-year and China Government 10-year bond yields as at 31 March 2016.
3. Average 12-month gross dividend yield of Straits Times Index stocks as at 31 March 2016.
4. Average 12-month gross dividend yield of Straits Times Real Estate Index as at 31 March 2016.
5. Average 12-month gross dividend yield of Straits Times REIT Index as at 31 March 2016.
6. Prevailing CPF-Ordinary Account savings rate.
7. Average 12-month S\$ fixed deposit savings rate as at March 2016.

# Portfolio Update





# Strong Portfolio Occupancy Rate

	31 Mar 15 <sup>1</sup>	30 Jun 15 <sup>1</sup>	30 Sep 15 <sup>1</sup>	31 Dec 15 <sup>1</sup>	31 Mar 16 <sup>1</sup>
<b><u>Multi-Tenanted Malls</u></b>					
CapitaMall Xizhimen	97.8%	97.7%	98.9%	98.0%	97.9%
CapitaMall Wangjing	99.5%	99.3%	99.2%	99.8%	99.2%
CapitaMall Grand Canyon	99.8%	99.3%	99.2%	98.0%	99.0%
CapitaMall Qibao	95.9%	93.6%	94.1%	97.0%	94.6%
CapitaMall Saihan	99.9%	99.7%	99.7%	99.9%	98.9%
<b><u>Master-Leased Malls</u></b>					
CapitaMall Anzhen	100.0%	100.0%	100.0%	100.0%	100.0%
CapitaMall Shuangjing	100.0%	100.0%	100.0%	100.0%	100.0%
CapitaMall Erqi	100.0%	100.0%	100.0%	100.0%	100.0%
<b><u>Malls under Stabilisation</u></b>					
CapitaMall Minzhongleyuan	65.3%	72.4%	73.1%	70.7%	68.1% <sup>2</sup>
CapitaMall Wuhu	67.9%	66.5%	62.3%	65.3%	64.1% <sup>3</sup>
<b>CRCT Portfolio</b>					
	95.1%	95.0%	94.8%	95.1%	94.6%

1. Based on committed leases.

2. CapitaMall Minzhongleyuan is affected by the road closure to facilitate the construction of a new subway line.

3. CapitaMall Wuhu is affected by the ongoing adjustments to achieve optimal trade mix.



# Portfolio Rental Reversion of 7.3% in 1Q 2016

From 1 Jan to 31 Mar 2016

Property	No. of new leases/renewals	Area (sq m)	% of Total Net Lettable Area	Var. over last rental rate <sup>1, 2, 3</sup> (%)
CapitaMall Xizhimen	21	2,217	4.4	9.5
CapitaMall Wangjing	31	2,566	4.8	6.6
CapitaMall Grand Canyon	11	1,885	4.2	7.3
CapitaMall Qibao	16	1,591	3.1	10.5
CapitaMall Saihan	32	2,590	8.4	7.9
CapitaMall Wuhu	1	336	0.9	(75.1) <sup>4</sup>
<b>Total</b>	<b>112</b>	<b>11,186</b>	<b>4.2</b>	<b>7.3<sup>5</sup></b>

1. Excluding gross turnover component, newly created units lease out, short-term renewals (< 1 year), units vacant for >=1 year and pre-terminated leases.
2. Including reconfigured units.
3. Majority of the leases have rental escalation clauses.
4. Negative rental reversion predominantly due to ongoing adjustments to achieve optimal trade mix.
5. Excluding CapitaMall Wuhu, portfolio rental reversion would be 8.1%.





# Renewals Achieved

Year	No. of new leases / renewals	Area (sq m)	% of Total Net Lettable Area	Var. over last rental rate <sup>1, 2, 3</sup> (%)
YTD Mar 2016	112	11,186	4.2	7.3
2015	557	48,024	17.9	8.1
2014	650	44,269	16.5	23.1
2013	586			13.8
2012	687			17.5
2011	480			11.5
2010	451			5.1
2009	321			(2.9)
2008	242			21.8 <sup>4</sup>
2007	165			5.9 <sup>4</sup>

1. Excluded gross turnover component, newly created units lease out, short-term renewals (< 1 year), units vacant for >=1 year and pre-terminated leases.
2. Included reconfigured units.
3. Majority of the leases have rental escalation clauses.
4. Variance over forecast rental rate.



# Portfolio Lease Expiry (By Year)

As at 31 Mar 2016	No. of Leases <sup>1</sup>	Total Rental Income	
		RMB'000	% of total (Mar 2016) <sup>2</sup>
2016	440	13,149	15.9
2017	429	15,940	19.3
2018	180	14,840	18
2019	75	6,754	8.2
2020	37	4,456	5.4
Beyond 2020	58	27,474	33.2
<b>CRCT Portfolio</b>		<b>Weighted average lease term to expiry</b>	
<b>By Total Rent Income</b>		<b>5.9</b>	
<b>By Net Lettable Area</b>		<b>8.1</b>	

1. Based on all committed leases as of 31 Mar 2016.
2. As percentage of total rental income of each mall for the month of Mar 2016.



# Portfolio Lease Expiry Profile for 2016

As at 31 Mar 2016	No. of Leases <sup>1</sup>	Net Lettable Area		Total Rental Income	
		Sq m	% of total (Mar 2016) <sup>2</sup>	RMB'000	% of total (Mar 2016) <sup>3</sup>
CapitaMall Xizhimen	66	4,964	9.9	3,954	17.1
CapitaMall Wangjing	83	4,135	7.7	3,853	22.3
CapitaMall Grand Canyon	76	4,999	11.1	2,437	22.1
CapitaMall Qibao	54	5,124	10.0	1,377	17.2
CapitaMall Saihan	46	2,318	7.5	658	13.8
CapitaMall Minzhongleyuan	97	3,835	16.8	394	33.0
CapitaMall Wuhu	14	2,060	5.5	171	19.4
CapitaMall Shuangjing	4	633	1.2	305	7.5

1. Based on all committed leases as of 31 Mar 2016.

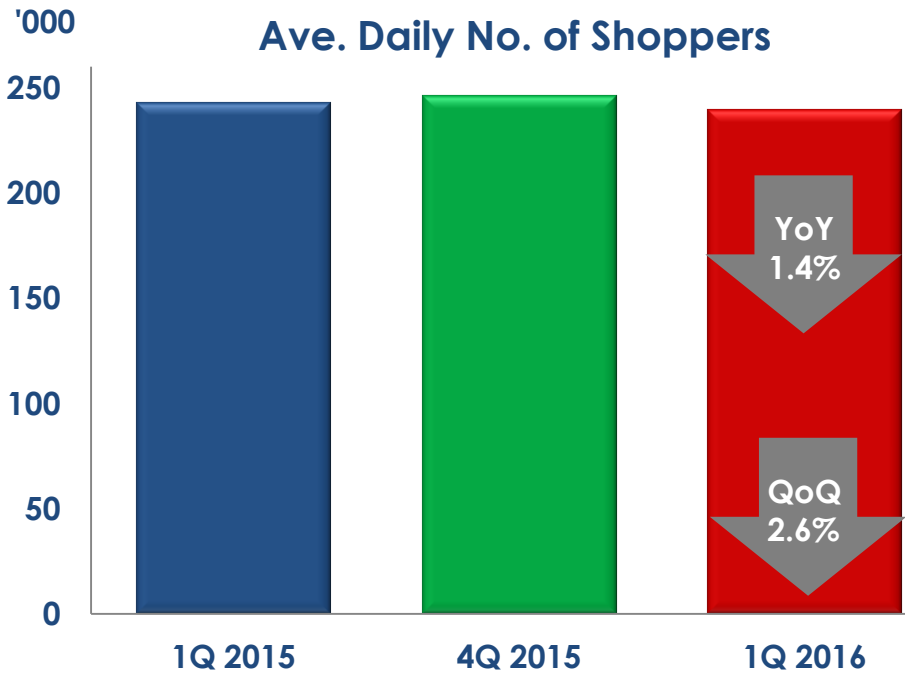
2. As percentage of each mall's total net lettable area as at 31 Mar 2016.

3. As percentage of total rental income of each mall for the month of Mar 2016.

Financial Results for 1Q 2016 \*13 April 2016\*

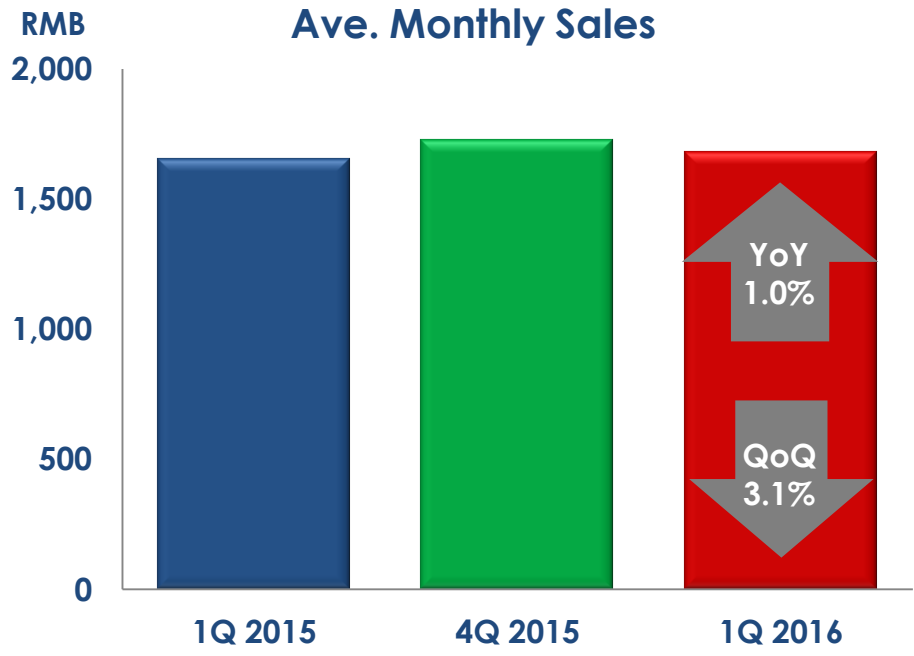
# Portfolio Shopper Traffic & Tenants' Sales

## Shopper Traffic<sup>1</sup> (1Q 2016 vs 1Q 2015 & 4Q 2015)



Excl. Minzhongleyuan & Wuhu  
 ↑ 2.0% YoY  
 ↓ 2.0% QoQ

## Tenants' Sales<sup>1</sup> (1Q 2016 vs 1Q 2015 & 4Q 2015)



Excl. Minzhongleyuan & Wuhu  
 ↑ 3.2% YoY  
 ↓ 3.2% QoQ

1. Including only multi-tenanted malls.

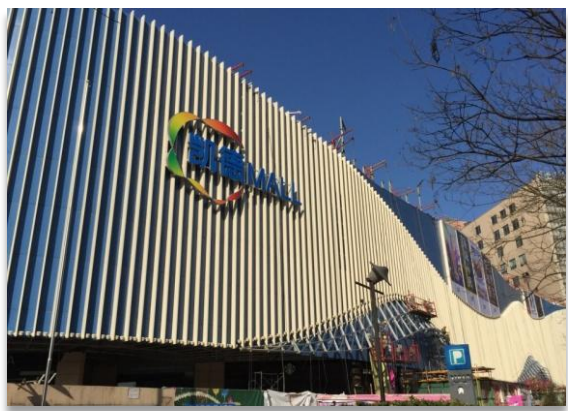
# SEPHORA 丝芙兰

## Proactive Asset Management



# CapitaMall Wangjing's Façade Upgrading

Renovation works on track to complete in 2Q 2016



# CapitaMall Saihan's Façade Rejuvenation

Refresh mall's façade after eight years of operation;  
Commenced renovation works in Mar 2016 and target to complete in 3Q 2016



CapitaMall Saihan's new façade (artist's impression)

# Strong Sales Performance by New Tenants

- **CapitaMall Qibao**

- ✓ Binkeke( 滨可可 ), a trendy young women's fashion brand opened in Jan 2016
- ✓ Achieved strong sales growth of >70%



- **CapitaMall Xizhimen**

- ✓ Jing Ge Steamboat (井格老灶火锅), a popular food and beverage tenant opened in Feb 2016
- ✓ Achieved steady sales growth of >56%







# Refresh Mall Offering through Diversifying Dining Options

- **CapitaMall Grand Canyon**

- ✓ Introduced new dining concept, Chuange Yu Shuijiao (船歌鱼水饺)
- ✓ >76% increase in gross rental
- ✓ Opening in 2Q 2016

- **CapitaMall Xizhimen**

- ✓ Bringing in a popular food and beverage retailer, Citygarden (星怡会)
- ✓ Serves authentic Singapore food
- ✓ Opening in 2Q 2016



CapitaMall Grand Canyon, Chuange Yu Shuijiao (artist's impression)



CapitaMall Xizhimen, Citygarden (artist's impression)

# Moving Forward





# Moving Forward

- **2016's growth target set to be 6.5% to 7.0%; retail sales grew 10.2%\* y-o-y for YTD Feb 2016**
- **The Chinese government will focus on encouraging innovation to drive new growth engines, creating new jobs and ensuring personal income growth**
- **Proactive management of CRCT's portfolio**
  - ✓ Asset Enhancement Initiatives:
    - CapitaMall Saihan's façade upgrading to complete by 3Q 2016
    - CapitaMall Grand Canyon's toilet upgrading to complete by 3Q 2016
  - ✓ Continue to sharpen the competitive advantages of the malls
    - CapitaMall Minzhongleyuan – Grow occupancy with quality tenants and optimise tenant mix
    - CapitaMall Wuhu – Ongoing trade mix adjustment to strengthen its position
  - ✓ Optimise portfolio composition and pursue accretive acquisitions

\* Source: National Bureau of Statistics of China

# Appendix



汉拿山海拔 620m 高地上，  
清新环境中的自然发酵的  
**济州岛青豆**

MANGO

BARCELONA

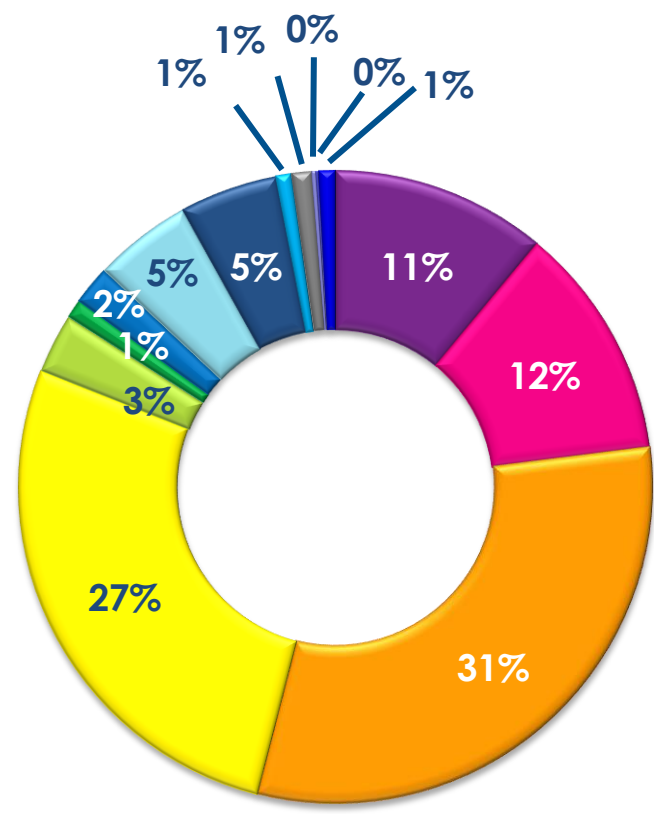
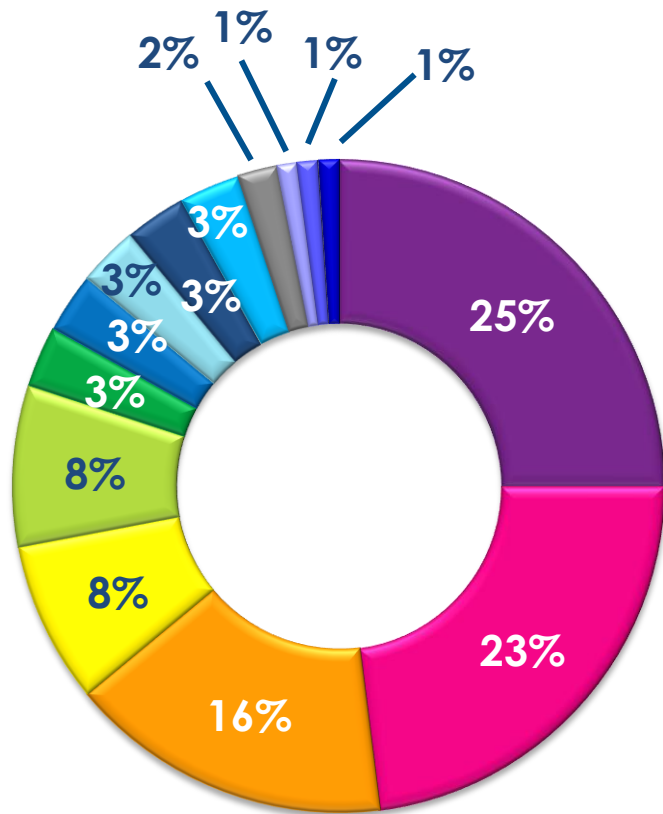
MANGO.COM

# Diversified Trade Mix

By Total Rent<sup>1</sup>

By Net Lettable Area<sup>2</sup>

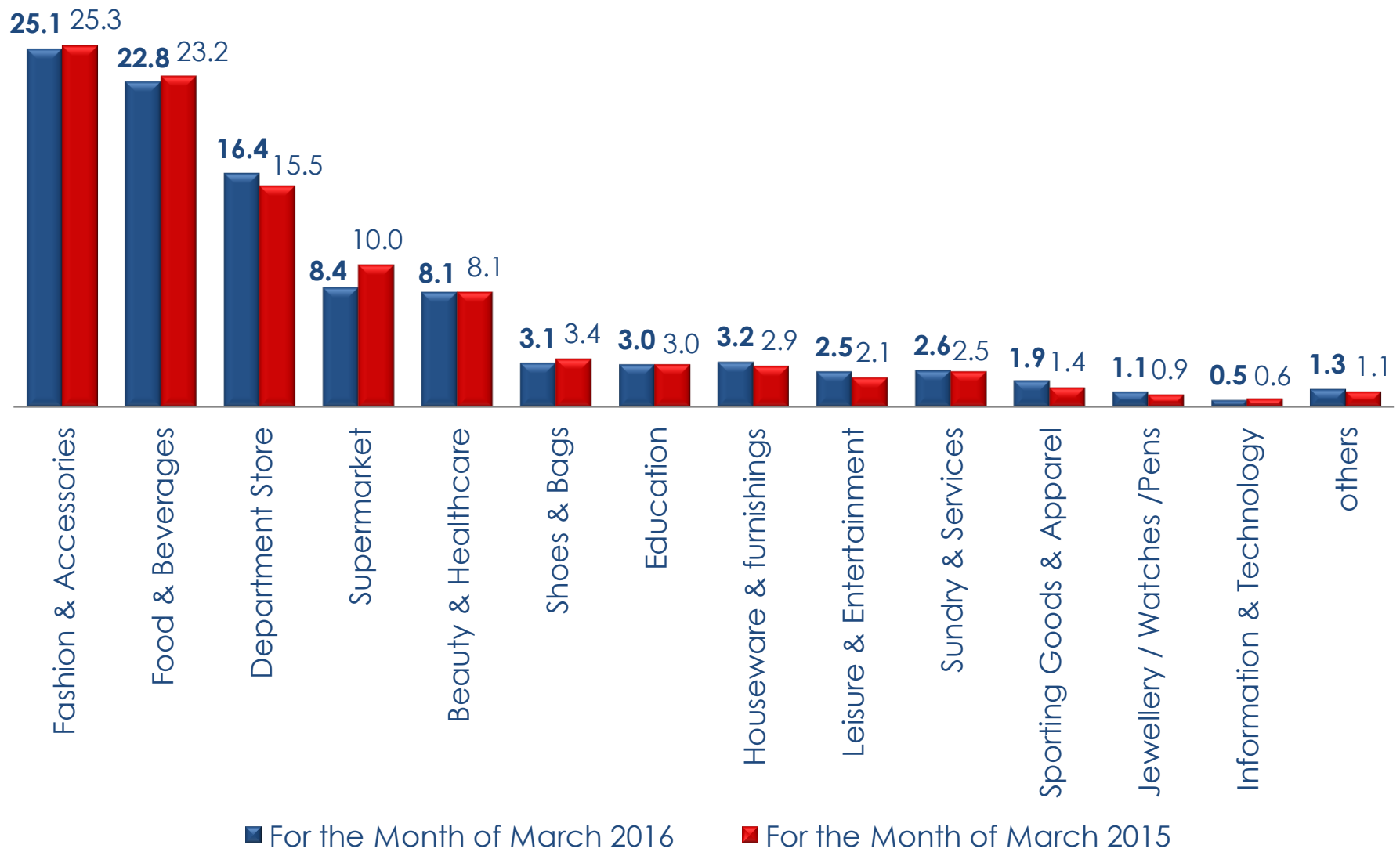
- Fashion & Accessories
- Food & Beverages
- Department Store
- Supermarket
- Beauty & Healthcare
- Shoes & Bags
- Education
- Housewares & Furnishings
- Leisure & Entertainment
- Sundry & Services
- Sporting Goods & Apparel
- Jewellery/ Watches / Pens
- Information & Technology
- Others



1. For the month of Mar 2016.  
 2. Percentage of committed NLA as at 31 Mar 2016.



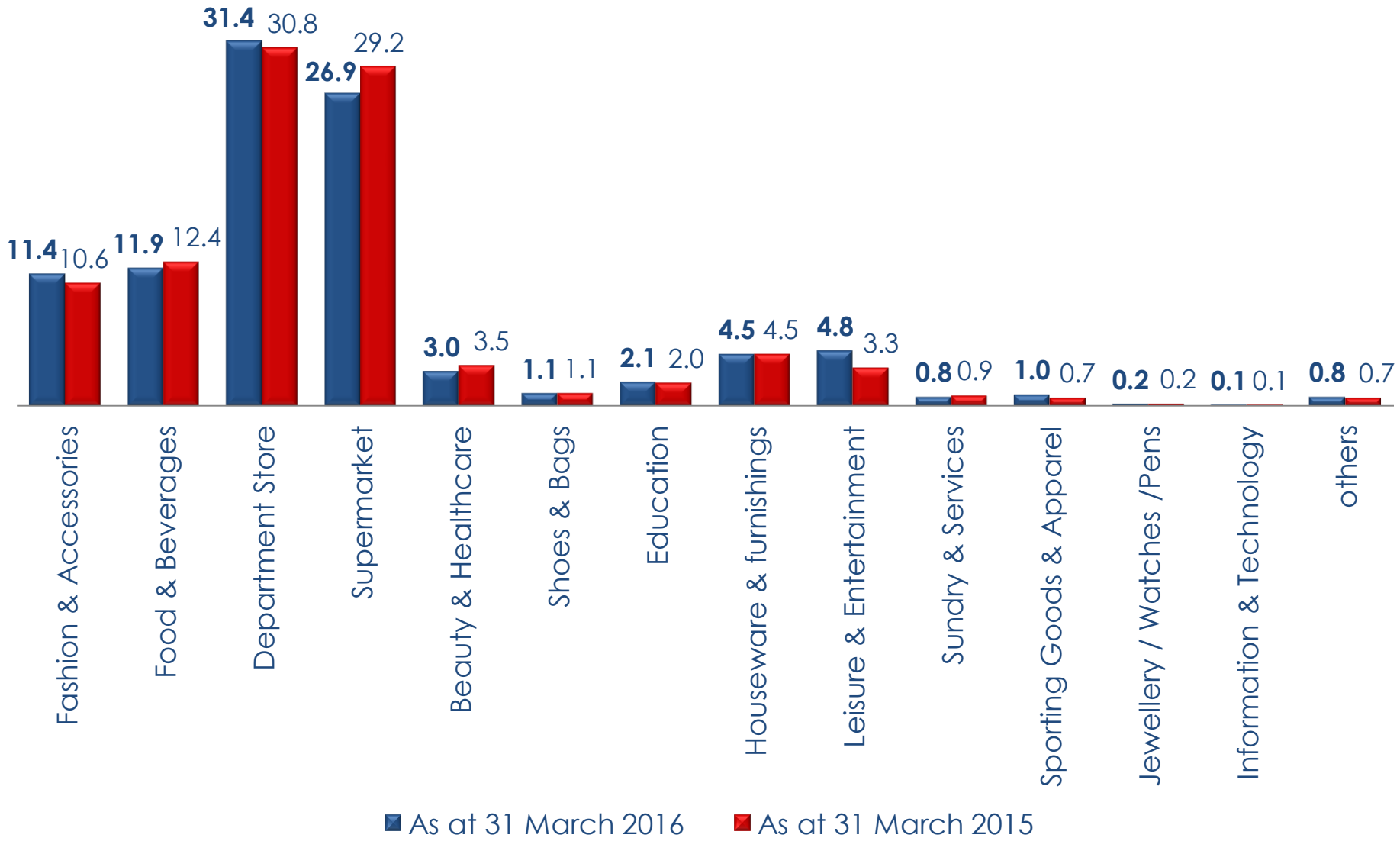
# Trade Mix by Total Rental Income (%)



■ For the Month of March 2016      ■ For the Month of March 2015



# Trade Mix by Committed Net Lettable Area (%)





# Portfolio at a Glance

	CapitaMall Xizhimen 凯德MALL·西直门	CapitaMall Wangjing 凯德MALL·望京	CapitaMall Grand Canyon 凯德MALL·大峡谷	CapitaMall Qibao 凯德七宝购物广场	CapitaMall Saihan 凯德MALL·赛罕	CapitaMall Anzhen 凯德MALL·安贞	CapitaMall Erqi 凯德广场·二七	CapitaMall Shuangjing 凯德MALL·双井	CapitaMall Minzhongleyuan 新民众乐园	CapitaMall Wuhu <sup>1</sup> 凯德广场·芜湖
<b>Location</b>	Beijing	Beijing	Beijing	Shanghai	Hohhot	Beijing	Zhengzhou	Beijing	Wuhan	Wuhu
<b>GFA<sup>2</sup> (sq m)</b>	83,075	83,768	92,918	83,986	41,938	43,443	92,356	49,463	41,717	59,624
<b>GRA<sup>2</sup> (sq m)</b>	83,075	68,010	69,967	72,729	41,938	43,443	92,356	49,463	37,472	45,634
<b>NLA<sup>2</sup> (sq m)</b>	50,176	53,689	44,939	51,142	30,913	43,443	92,356	51,244 <sup>10</sup>	22,777	37,347
<b>Land Use Right Expiry</b>	23 Aug 2044 23 Aug 2054	15 May 2043 15 May 2053	29 Aug 2044 29 Aug 2054	10 Mar 2043 <sup>9</sup>	11 Mar 2041 20 Mar 2041	7 Oct 2034 5 Mar 2042 3 Jun 2042	31 May 2042	10 Jul 2042	30 Jun 2044 <sup>8</sup> 15 Sep 2045	29 May 2044
<b>Valuation<sup>2</sup> (RMB mil)</b>	2,882	2,156	2,020	495	425	995	615	568	535	221
<b>NPI Yield on Valuation<sup>3</sup></b>	6.7%	7.9%	4.7%	10.0%	8.5%	6.9%	6.7%	6.6%	N.M. <sup>4</sup>	N.M. <sup>5</sup>
<b>Number of Leases<sup>2</sup></b>	246	219	170	162	178	2	2	10	197	36
<b>Committed Occupancy<sup>2</sup></b>	97.9%	99.2%	99.0%	94.6%	98.9%	100.0%	100.0%	100.0%	68.1% <sup>6</sup>	64.1% <sup>7</sup>
<b>Shopper Traffic for 1Q 2016 (mil)</b>	9.0	2.6	2.4	3.9	2.3	-	-	-	0.8 <sup>6</sup>	0.8 <sup>7</sup>

- CRCT has a 51.0% interest in CapitaMall Wuhu.
  - As at 31 Mar 2016.
  - NPI yield is based on annualised NPI as at 31 Mar 2016 and valuation as at 31 Dec 2015.
  - CapitaMall Minzhongleyuan's NPI yield is not meaningful as it is affected by the road closure to facilitate the construction of a new subway line.
  - CapitaMall Wuhu's NPI yield is not meaningful as it is affected by the ongoing adjustments to achieve optimal trade mix.
  - CapitaMall Minzhongleyuan is affected by the road closure to facilitate the construction of a new subway line.
  - CapitaMall Wuhu is affected by the ongoing adjustments to achieve optimal trade mix.
  - The conserved building is under a lease from the Wuhan Cultural Bureau.
  - CapitaMall Qibao is indirectly held by CRCT under a master lease which expires in Jan 2024, with the right to renew for a further term of 19 years and 2 months.
  - Included the area zoned for civil defense but is certified for commercial use.
- N.M. – Not meaningful





# Thank You

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