



CapitaLand Retail China Trust

Financial Results for 1Q 2018

26 April 2018



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1Q 2018 Key Highlights

Gross Revenue¹

In RMB terms

RMB267.4

million

▼ 8.1% y-o-y

Net Property Income¹

In RMB terms

RMB179.6

million

▼ 7.8% y-o-y



+12.8%

Rental Reversion⁴



94.9%

Portfolio Occupancy

As at 31 March 2018

Distributable Income²

(\$ million)

\$26.7

million

▲ 9.6% y-o-y

Distribution Per Unit³

(\$ cents)

2.75

cents

▲ 0.4% y-o-y



+2.1% y-o-y

Tenants' Sales



+7.7% y-o-y

Shopper Traffic

Notes:

1. The financial results exclude CapitaMall Anzhen which was divested with effect from 1 July 2017.
2. Includes distributable income contribution from 51% interest in Rock Square which is accounted for as a joint venture.
3. 1Q 2018 DPU was based on 969.9 million Units and 1Q 2017 DPU was based on 888.7 million Units.
4. Based on all committed leases as of 31 March 2018.



1Q 2018 Key Highlights

Rock Square – Quality Growth Driver

- Improved occupancy to 97.1%
- Encouraging rental reversion rate of >20%
- Upgraded manned carpark booths to electronic parking system
- Tangible savings in operational costs by leveraging on synergies with Sponsor

Proactive Capital Management

- No refinancing requirements in 2018
- Early-refinancing of S\$400 million loans due 2019 underway
- With 80% of total debt on fixed rates, interest rate volatility is mitigated

Financial Highlights





1Q 2018 Distributable Income Up 9.6% Y-o-Y

	1Q 2018 Actual	1Q 2017 Actual	Change
Gross Revenue (RMB'000)	267,448	290,865	-8.1% ¹
NPI (RMB'000)	179,617	194,896	-7.8% ¹
NPI (S\$'000)	37,184	40,303	-7.7% ¹
Distributable Income From Joint Venture² (S\$'000)	1,215	-	N.M.
Distributable Income (S\$'000)	26,699 ³	24,355	9.6%
DPU (Singapore cents)⁴	2.75 ³	2.74	0.4%
Annualised Distribution Yield (Based on unit price of S\$1.58 on 29 Mar 2018)	7.1%		
Annualised Distribution Yield (Based on unit price of S\$1.55 on 26 Apr 2018)	7.2%		

Notes:

1. Due to the loss of contribution from CapitaMall Anzhen following its divestment with effect from 1 July 2017.
2. This relates to CRCT's 51% interest in Rock Square from 1 February 2018 to 31 March 2018.
3. Includes capital distribution from a portion of the gain from the disposal of Anzhen SPV.
4. 1Q 2018 DPU was based on 969.9 million Units and 1Q 2017 DPU was based on 888.7 million Units.



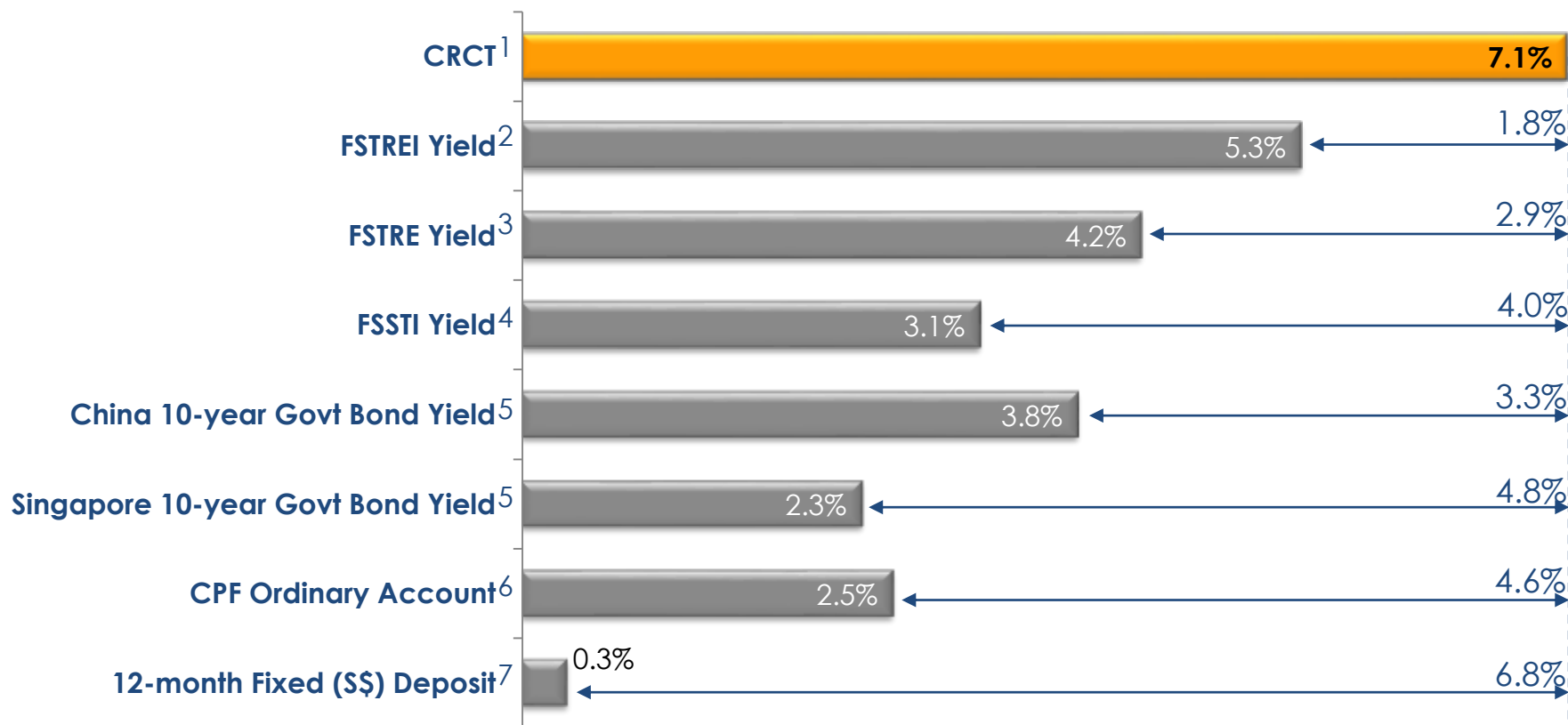
Healthy Balance Sheet

As at 31 Mar 2018	S\$'000
Investment Properties	2,505,029
Interest In Joint Venture	265,259
Other Assets	116,292
Financial Derivatives Assets	2,219
Cash & Cash Equivalents	103,317
Total Assets	2,992,116
Interest-bearing Borrowings	997,535
Deferred Tax Liabilities	236,935
Financial Derivatives Liabilities	835
Other Liabilities	117,286
Total Liabilities	1,352,591
Non-controlling Interest	20,484

Net Assets Attributable To Unitholders (S\$'000)	1,619,041
Units In Issue ('000 units)	969,947
Net Asset Value (NAV) per unit	1.67
Adjusted NAV per unit (net of distribution)	1.64



Attractive Yield Vs Comparative Investment Instruments



Notes:

1. Based on annualised 1Q 2018 distribution per unit of 11.15¢ and the unit closing price of S\$1.58 on 29 March 2018.
2. Average 12-month gross dividend yield of Straits Times REIT Index as at 29 March 2018.
3. Average 12-month gross dividend yield of Straits Times Real Estate Index as at 29 March 2018.
4. Average 12-month gross dividend yield of Straits Times Index stocks as at 29 March 2018.
5. Singapore Government 10-year and China Government 10-year bond yields as at 29 March 2018.
6. Prevailing CPF-Ordinary Account savings rate.
7. Average 12-month S\$ fixed deposit savings rate as at March 2018.

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

Capital Management





Key Financial Indicators as at 31 Mar 2018

32.5%¹

Gearing

31 Dec 2017: 28.4%

2.51%

Average Cost of Debt

31 Dec 2017: 2.48%

2.54 years

Average Term to Maturity

31 Dec 2017: 3.37 years

100.0%²

Unencumbered Assets
as % of Total Assets

31 Dec 2017: 100.0%

6.3x

Interest Coverage

31 Dec 2017: 5.8x

6.7x

Net Debt / EBITDA

31 Dec 2017: 5.5x

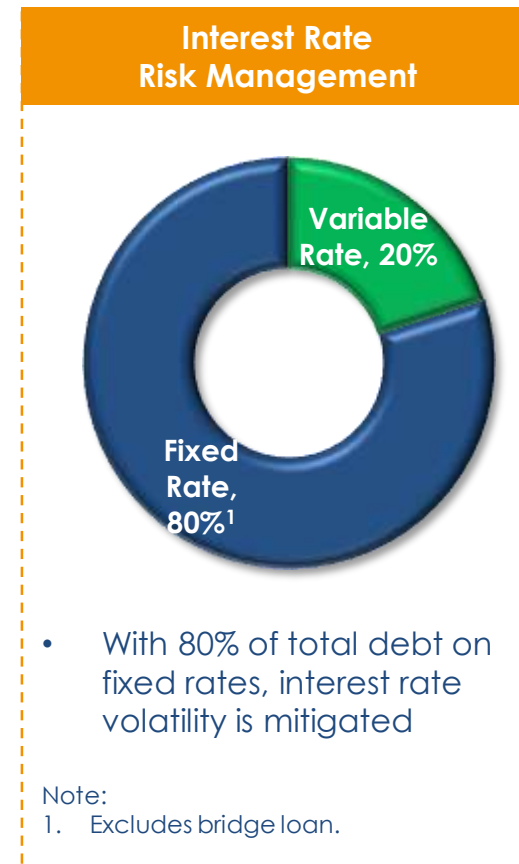
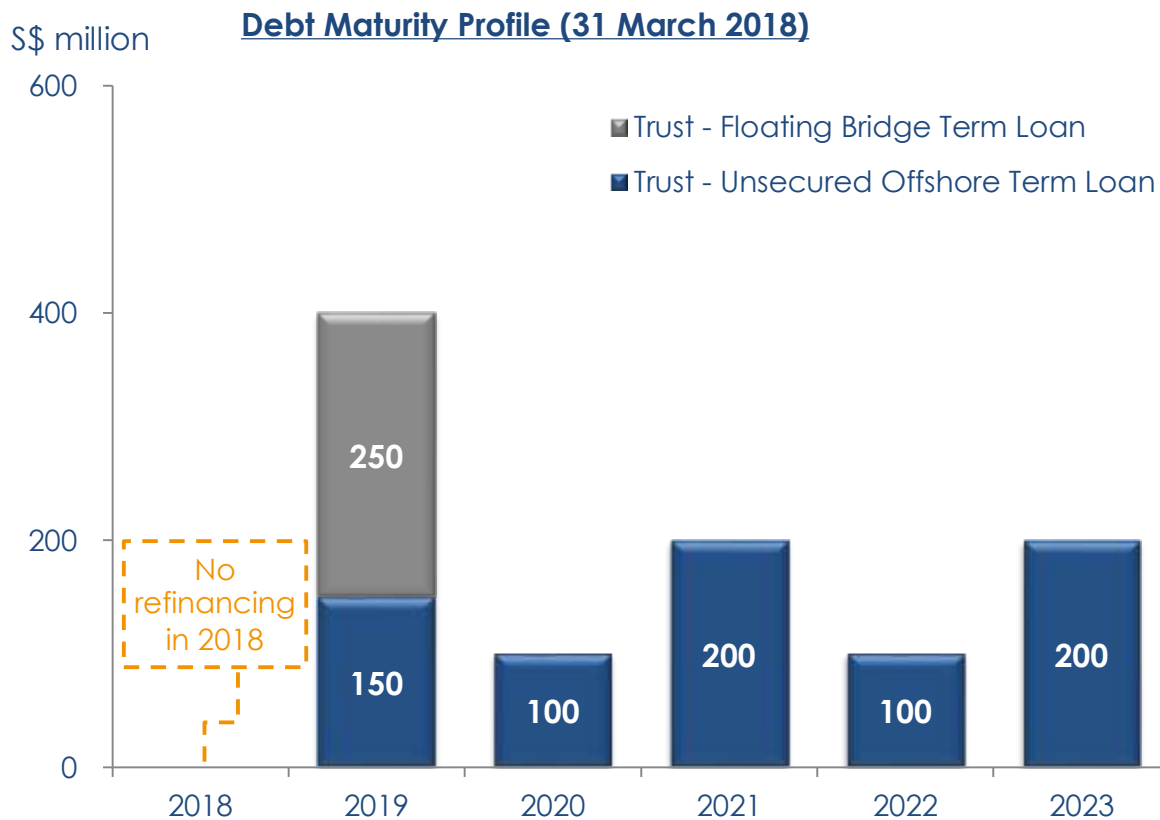
Notes:

1. Higher gearing due to the additional loan drawn down to fund the acquisition of Rock Square.
2. 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.



Well-Spread Debt Maturity Profile

Early-Refinancing of Loans Due 2019 Underway



Total Debt (S\$ million)	-	400	100	200	100	200
% of Outstanding Debt	-%	40%	10%	20%	10%	20%

Portfolio Update





Strong Portfolio Occupancy Rate of 95%¹

	31 Mar 17	30 Jun 17	30 Sep 17	31 Dec 17	31 Mar 18
<u>Multi-Tenanted Malls</u>					
CapitaMall Xizhimen	98.0%	99.4%	97.4%	98.2%	98.9%
CapitaMall Wangjing	99.5%	99.2%	99.2%	98.4%	99.0%
CapitaMall Grand Canyon	98.7%	99.7%	98.5%	98.5%	97.8%
CapitaMall Xinnan	99.6%	99.0%	99.1%	99.0%	98.1%
CapitaMall Qibao	93.0%	92.4%	95.0%	94.6%	97.7%
CapitaMall Saihan	100.0%	100.0%	99.9%	99.9%	99.9%
Rock Square ²	-	-	-	-	97.1%
<u>Master Leased Malls</u>					
CapitaMall Shuangjing	100.0%	100.0%	100.0%	100.0%	100.0%
CapitaMall Erqi	100.0%	100.0%	100.0%	100.0%	100.0%
<u>Malls under Stabilisation</u>					
CapitaMall Minzhongleyuan	92.6%	82.9%	78.4%	78.0%	77.1%
CapitaMall Wuhu	65.7%	70.6%	71.6%	69.7%	56.6% ³
CRCT Portfolio	96.2%	96.2%	95.6%	95.4%	94.9% ⁴

Notes:

1. Based on committed leases.
2. The occupancy for Rock Square was 96.3% in January 2018 before the completion of the handover in February 2018.
3. CapitaMall Wuhu is in transition for partial closure.
4. Excluding CapitaMall Wuhu, the committed portfolio occupancy would be 97.8%.



Portfolio Rental Reversion in 1Q 2018

From 1 Jan to 31 Mar 2018

Property	No. of new leases/renewals	Area (sq m)	% of Total Net Lettable Area	Var. over last rental rate ^{1,2,3}
CapitaMall Xizhimen	21	2,085	4.1%	4.2%
CapitaMall Wangjing	29	2,904	5.6%	43.3% ⁴
CapitaMall Grand Canyon	14	1,029	2.3%	1.0%
CapitaMall Xinnan	7	107	0.3%	3.0%
CapitaMall Qibao	9	1,391	2.7%	(11.2)% ⁵
CapitaMall Saihan	3	318	1.0%	9.2%
CapitaMall Minzhongleyuan	39	1,972	8.4%	(15.1)% ⁶
Rock Square	4	500	0.9%	23.4%
Total	126	10,306	2.7%	12.8%

Notes:

1. Excludes gross turnover component, newly created units leased, short term renewals (< 1 year), units vacant for >=1 year and pre-terminated leases.
2. Includes re-configured units.
3. Majority of leases have rental escalation clauses.
4. Includes AEI on Level 4 following the recovery of anchor department store space.
5. Due to tenancy adjustments to improve the mall's occupancy and introduce popular F&B offerings.
6. Mainly due to two leases in the experiential trade category. Excluding these two leases, the rental reversion would be 0.5%.



Portfolio Lease Expiry Profile for 2018

As at 31 Mar 2018	No. of Leases ¹	Net Lettable Area		Total Rental Income	
		Sq m	% of total (Mar 2018) ²	RMB'000	% of total (Mar 2018) ³
CapitaMall Xizhimen	127	11,125	22.1%	8,924	35.1%
CapitaMall Wangjing	96	7,378	14.5%	5,822	29.8%
CapitaMall Grand Canyon	47	5,604	12.5%	2,415	22.6%
CapitaMall Xinnan	70	6,823	19.2%	2,744	25.0%
CapitaMall Qibao	70	6,447	12.9%	2,142	25.0%
CapitaMall Saihan	124	7,806	25.2%	2,456	46.7%
CapitaMall Minzhongleyuan	82	8,766	48.5%	795	37.4%
CapitaMall Shuangjing	2	507	1.0%	303	7.5%
Rock Square	74	7,934	15.7%	3,634	28.0%

Notes:

1. Based on all committed leases as of 31 March 2018. Excludes CapitaMall Wuhu due to its transition to partial closure.
2. As a percentage of each mall's total net lettable area as at 31 March 2018.
3. As a percentage of total rental income of each mall for the month of March 2018.



Portfolio Lease Expiry (By Year)

As at 31 Mar 2018	No. of Leases ^{1,2}	Total Rental Income	
		RMB'000	% of total (Mar 2018) ³
2018	692	29,236	28.1%
2019	425	23,691	22.8%
2020	225	17,478	16.8%
2021	81	7,836	7.5%
2022	47	5,043	4.8%
Beyond 2022	68	20,743	19.9%
CRCT Portfolio		Weighted average lease term to expiry	
By Total Rent Income		2.8	
By Net Lettable Area		5.5	

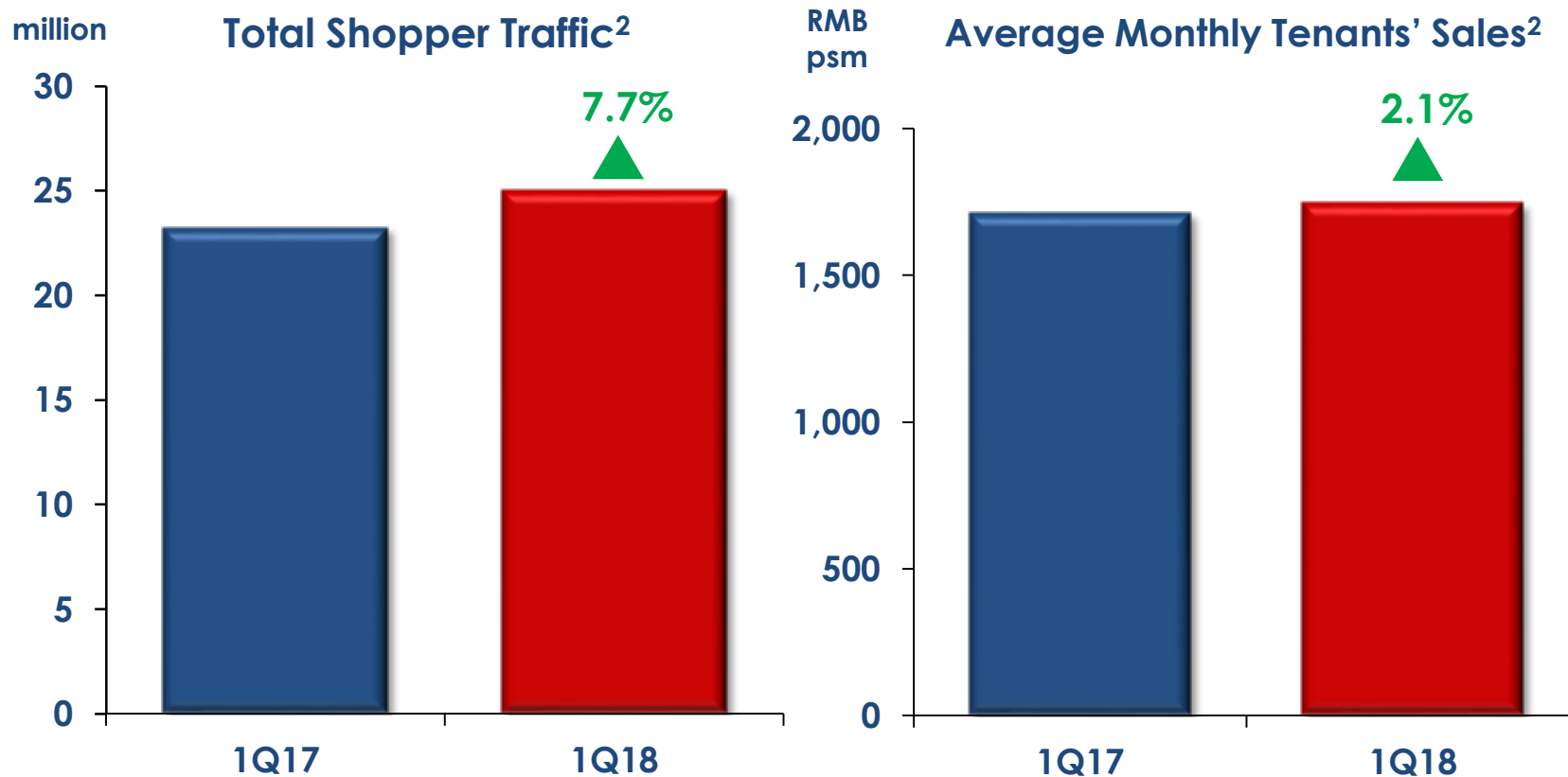
Notes:

1. Based on all committed leases as of 31 March 2018.
2. Only Walmart is included for CapitaMall Wuhu as the mall is in transition for partial closure.
3. As a percentage of total rental income of each mall for the month of March 2018.



Portfolio Shopper Traffic and Tenants' Sales¹

1Q 2018 vs 1Q 2017



Notes:

- 1. Excludes the master-leased malls.
- 2. Includes Rock Square's figures from 1 February 2018.

Proactive Asset Management

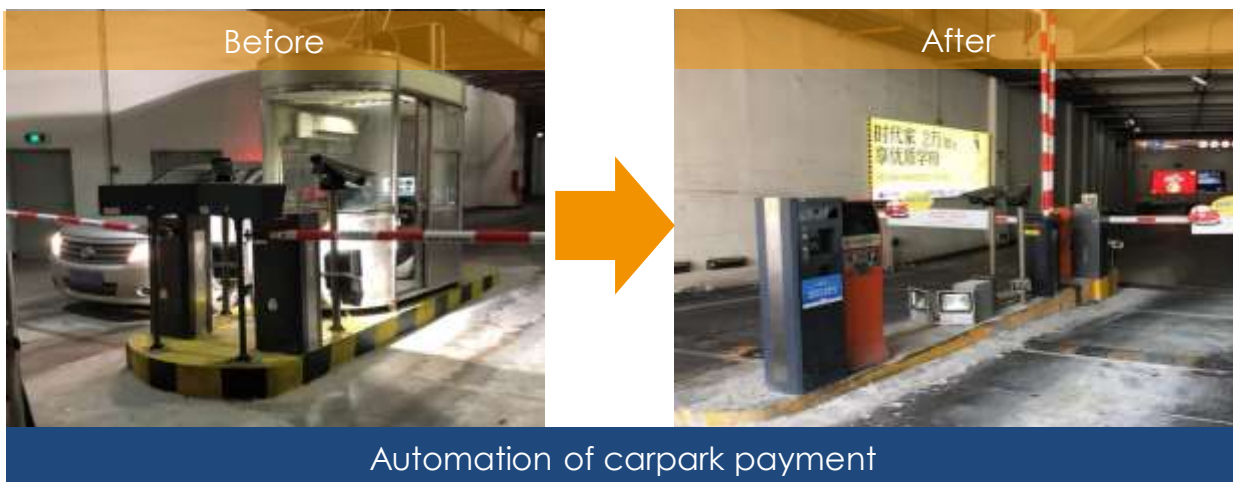




Rock Square: Smooth Integration Post-Takeover

Improved Occupancy And Encouraging Rental Reversion Since Takeover

- Improved occupancy to 97.1%
- Renewed 11% of the leases due 2018 at an encouraging rental reversion of >20%
- Upgraded manned carpark payment booth to electronic payment system
- Tangible savings in operational costs by leveraging on synergies with Sponsor
- Continue to focus on enhancing mall's retail offerings



97.1%

Occupancy¹

30 Jun 2017: 96.4%

>20%

Rental Reversion²

Notes:

1. As at 31 March 2018.

2. Based on leases committed as at 31 March 2018.

CapitaMall Wangjing AEI: On Schedule

Featuring >20 Lifestyle Retail & Gourmet Specialty Stores

- On schedule to commence trading from 2Q 2018
- Rental income for recovered space almost doubled
- Estimated Return on Investment (ROI) of >30%

Rental income
almost

Doubled

Estimated ROI:

>30%



Cooking Studio



Lifestyle Retail



Nail Salon



Retail



Retail

Riding On Emergence of Integrated Retail

New Convenience Store Concept, Bianlifeng, At CapitaMall Grand Canyon

- **Multi-dimensional Online-and-Offline experience**
 - ✓ Unmanned store, with click-and-collect service and delivery options
 - ✓ QR code and manual code-scanning
 - ✓ Check-out via App or self-service cash register
- **Provides 24-hour convenience for surrounding office and residential communities**



Bianlifeng opened at CapitaMall Grand Canyon in February 2018



Bianlifeng's app user interface



New-to-Market Brands And Experiential Retail Concepts

New-to-Market



China's first standalone C&A Kids Store opened at CapitaMall Xinnan

Differentiated Retail Concept



Wuhan's first indoor counter strike gaming centre opened at CapitaMall Minzhongleyuan

Popular Boutique Gourmet Offerings



Boutique bakery P.Plus Bakery Club opened at CapitaMall Xinnan



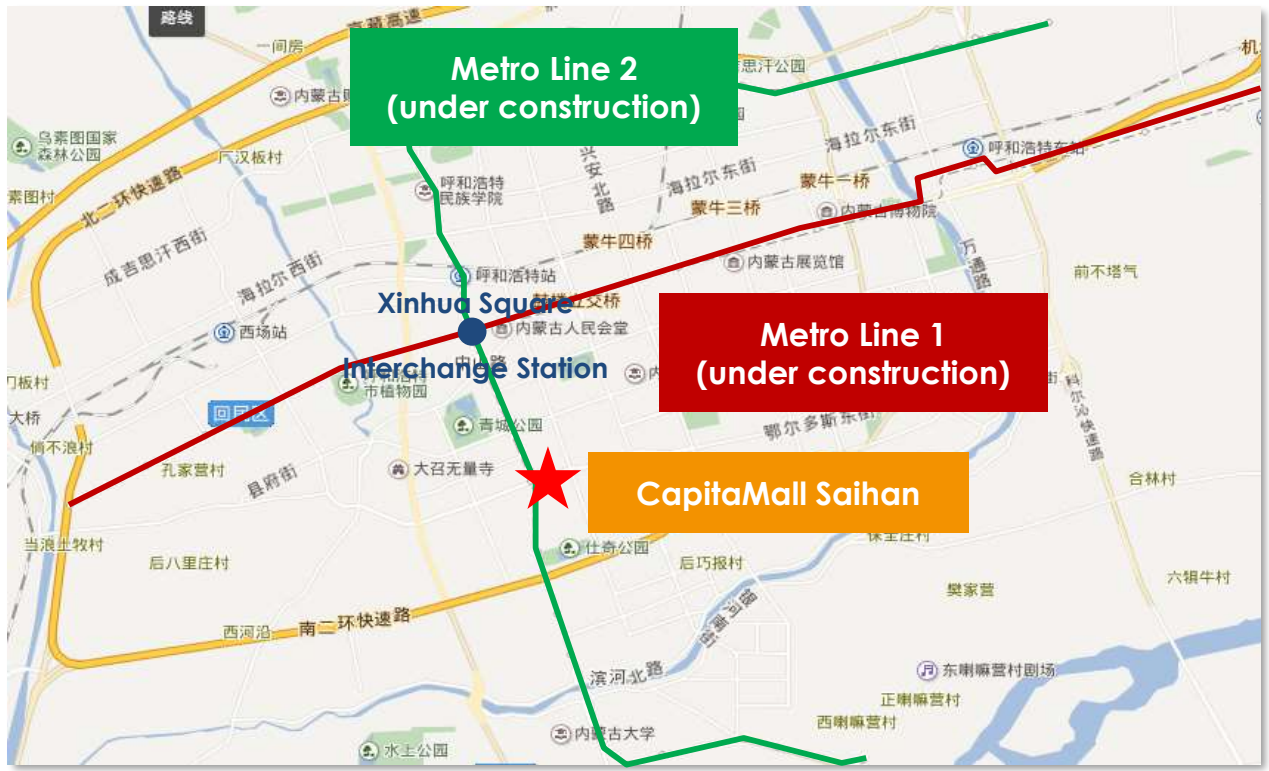
Popular coffee joint Greybox Coffee opened at CapitaMall Wangjing



CapitaMall Saihan: Improved Accessibility With Upcoming Metro Lines By 2020

Construction On Metro Lines 1 And 2 Commenced

- **Improved Accessibility:**
 - ✓ Future station serving metro Line 2 will be located next to the mall
 - ✓ 3 stations away from the interchange station for metro lines 1 and 2
- **Potential catchment enlarged with new metro lines**



- **Line 1**
Connects western and eastern areas of Hohhot to the city centre
- **Line 2**
Connects the southern and eastern areas of Hohhot to the city centre



Outlook





Looking Forward

Well-Placed for Rising Consumption In China

- Sound economic growth in 1Q 2018
 - ✓ GDP and retail sales growth of 6.8% and 9.8% respectively
 - ✓ Growth in urban disposable income per capita and urban expenditure per capita by 6.6% and 5.7% respectively
- Continued urbanisation – 58.5% of population in 2017

Embracing New Retail Trends

- Evolving with increasingly discerning shoppers' needs by incorporating "New Retail" online-and-offline concepts
- Tap on digital initiatives including social media app collaborations and influencers in our shopper engagement outreach

Strengthen Quality Of Portfolio

- Rock Square –Strengthen mall's dominance with enhanced retail offerings
- Ongoing tenant adjustments and asset enhancements
- Continue to seek acquisition opportunities

Note:

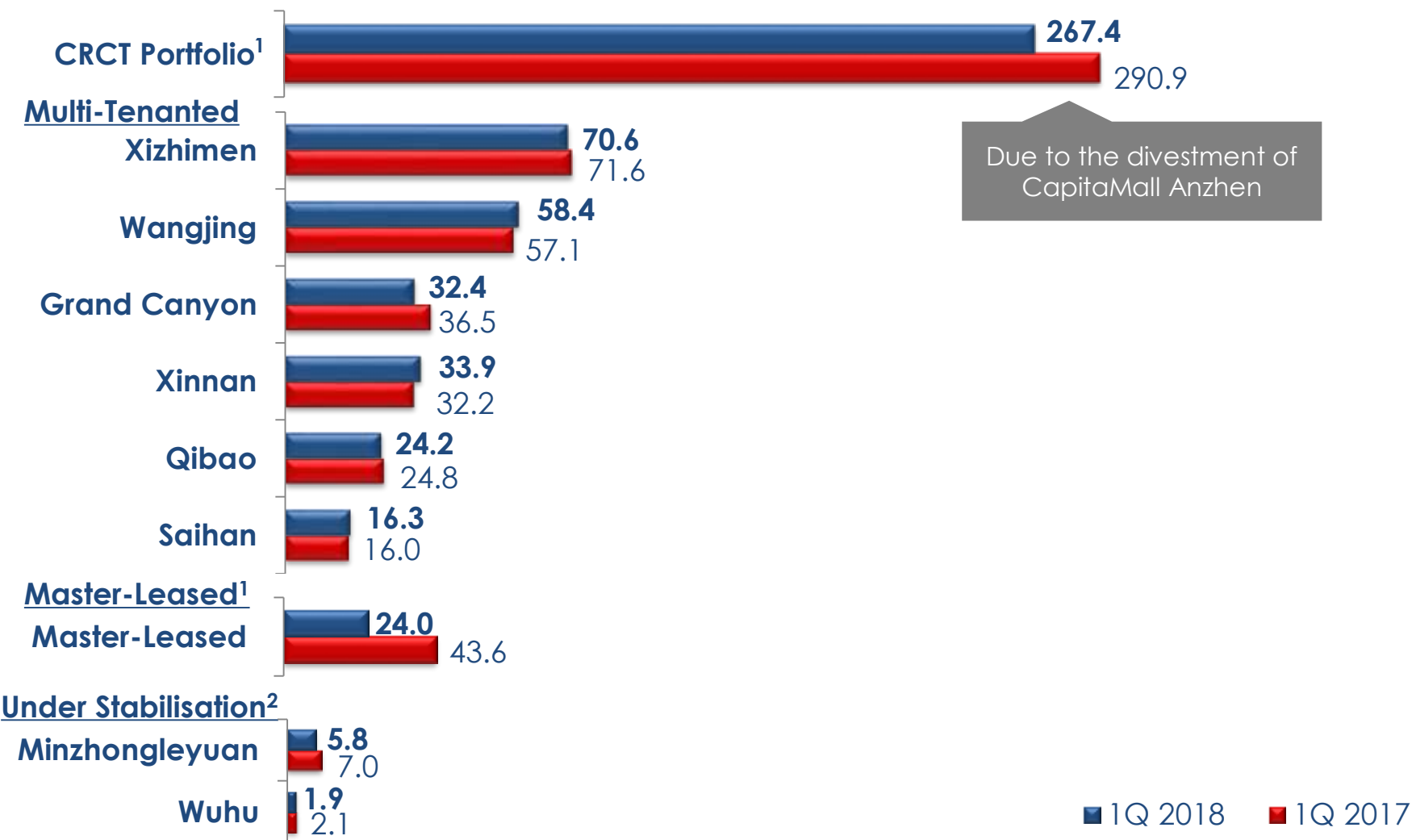
1. Source: National Bureau of Statistics of China

Appendix





Property Gross Revenue (in RMB'mil): 1Q 2018 vs 1Q 2017

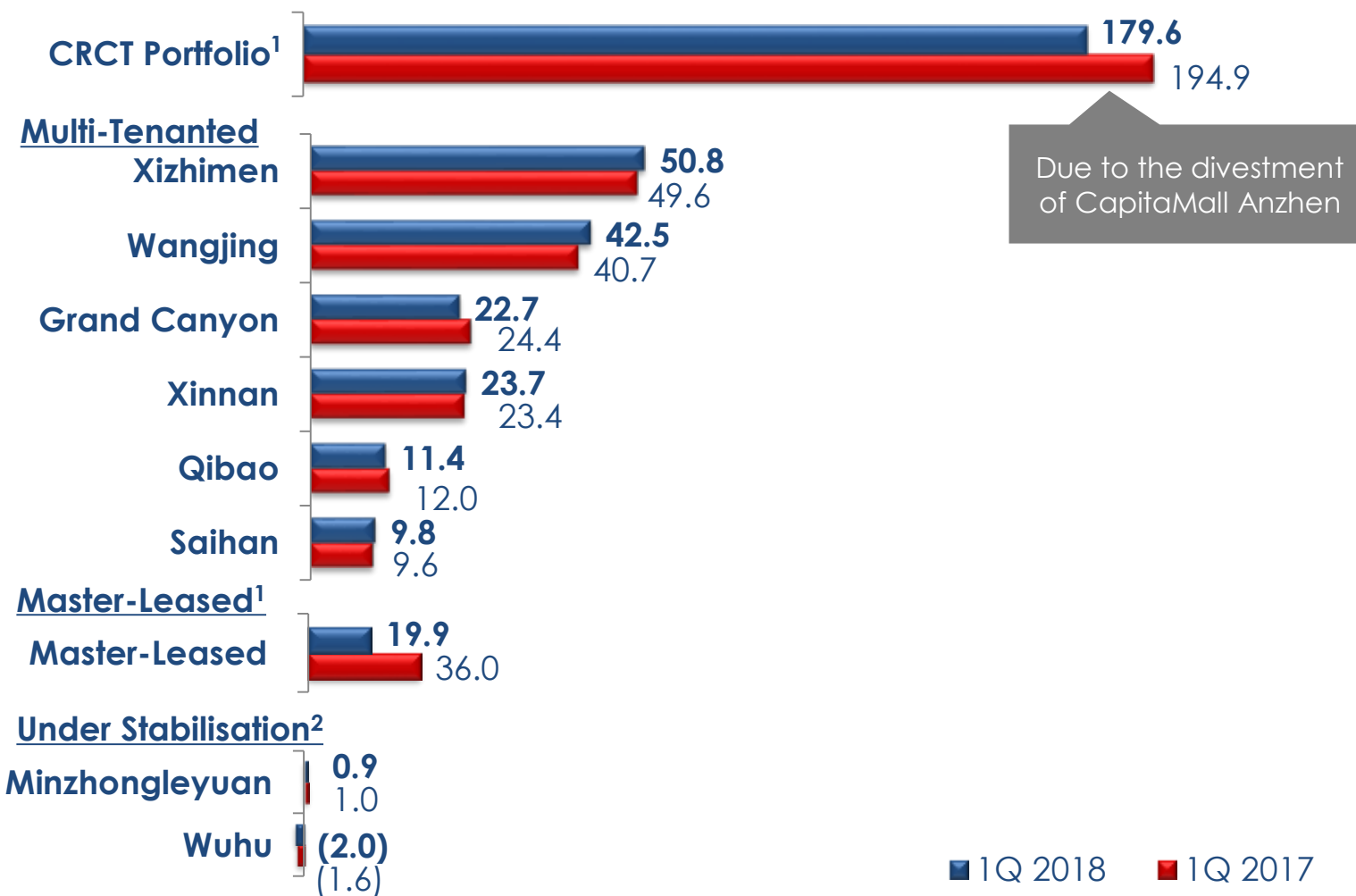


Notes:

1. Excludes CapitaMall Anzhen following its divestment with effect from 1 July 2017.
2. Impacted by ongoing tenant mix adjustments.



Net Property Income (in RMB'mil): 1Q 2018 vs 1Q 2017



Notes:

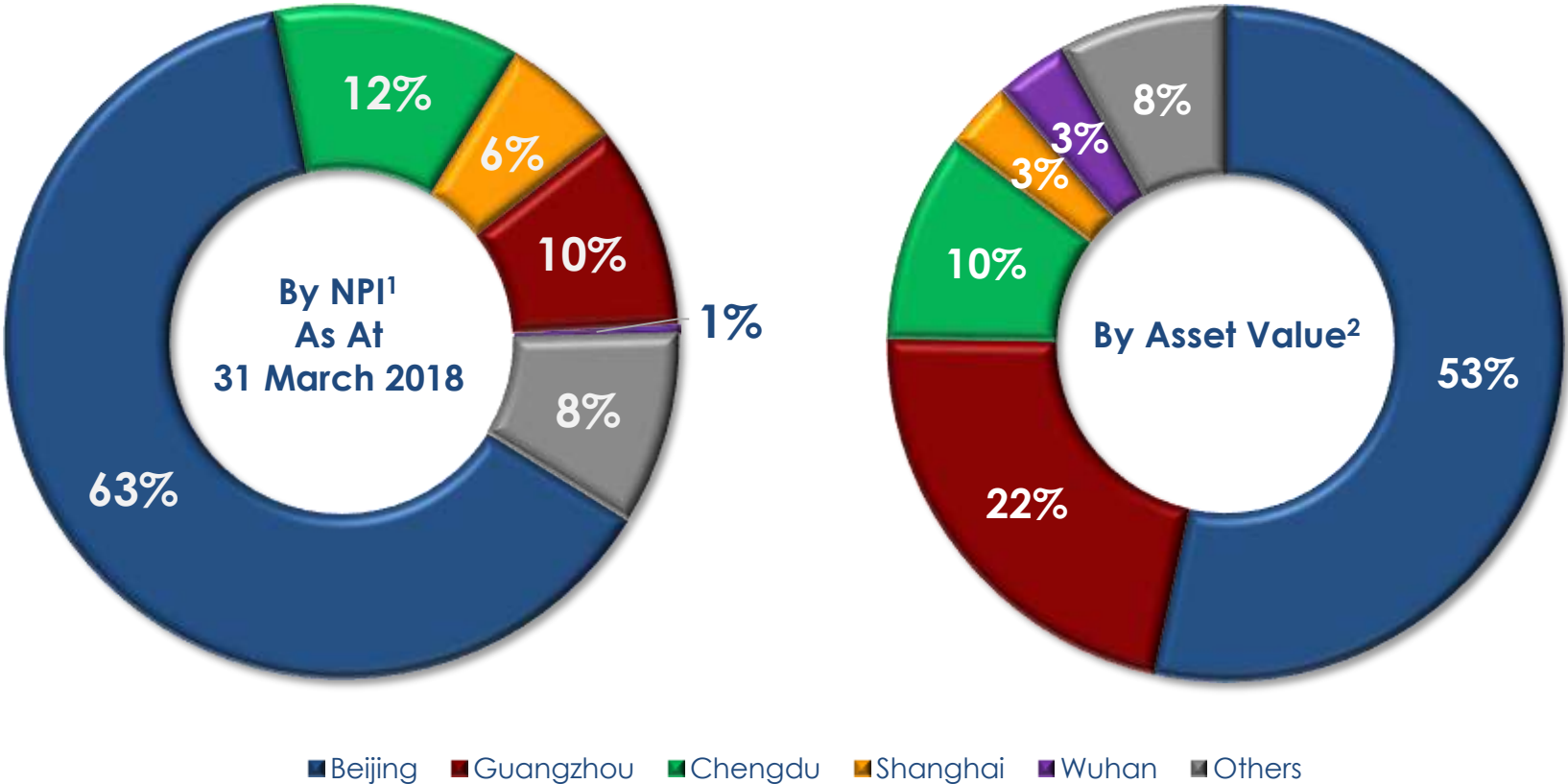
1. Excludes CapitaMall Anzhen following its divestment with effect from 1 July 2017.

2. Impacted by ongoing tenant mix adjustments.



Breakdown Of Portfolio Contribution

Portfolio Income Is Derived Largely From Dominant Malls In Tier 1 And 2 Cities

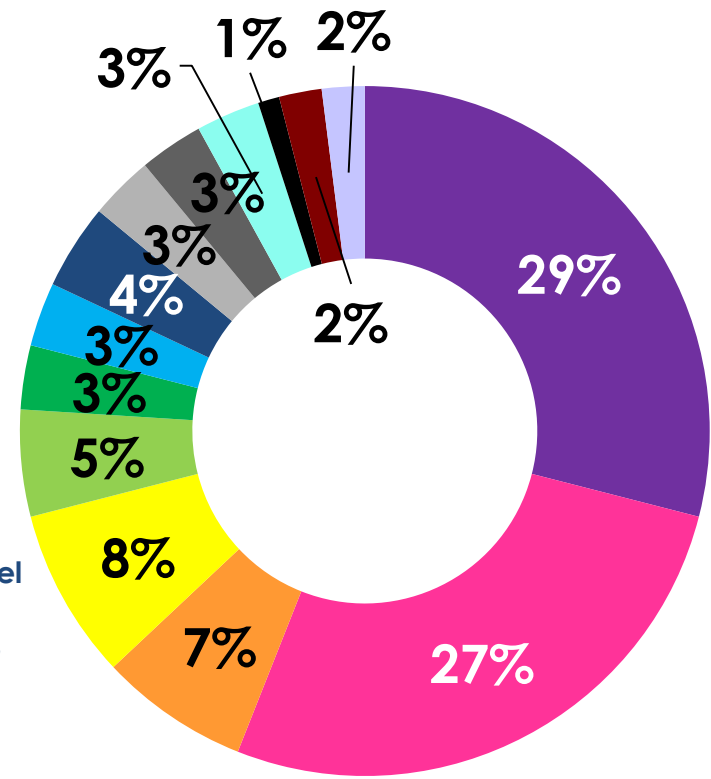


Notes:
 1. Includes the NPI of Rock Square which is based on 100% interest.
 2. Based on the valuation of the investment properties as at 31 December 2017 at 100% interest.

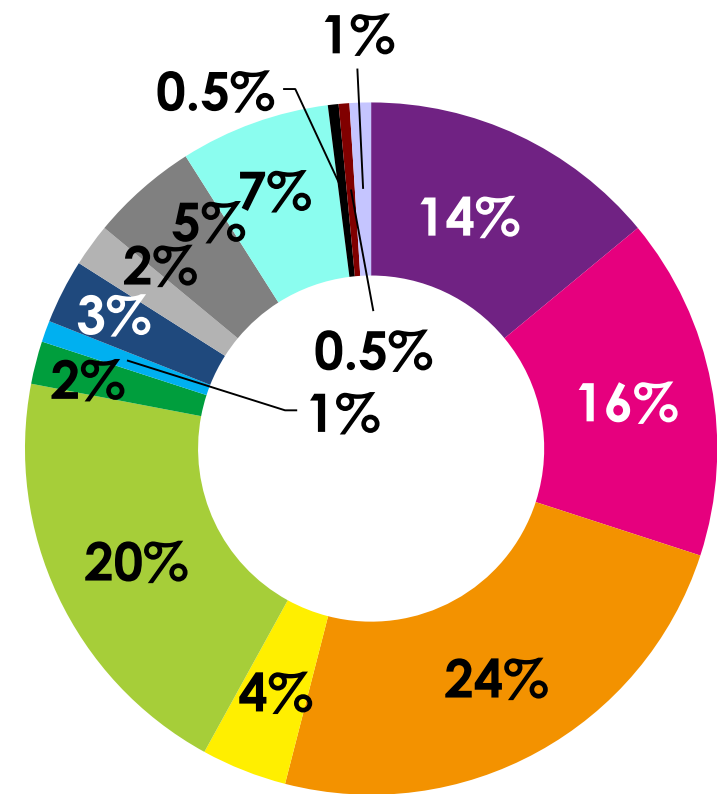


Diversified Trade Mix

By Total Rent^{1,2}



By Net Lettable Area^{1,3}

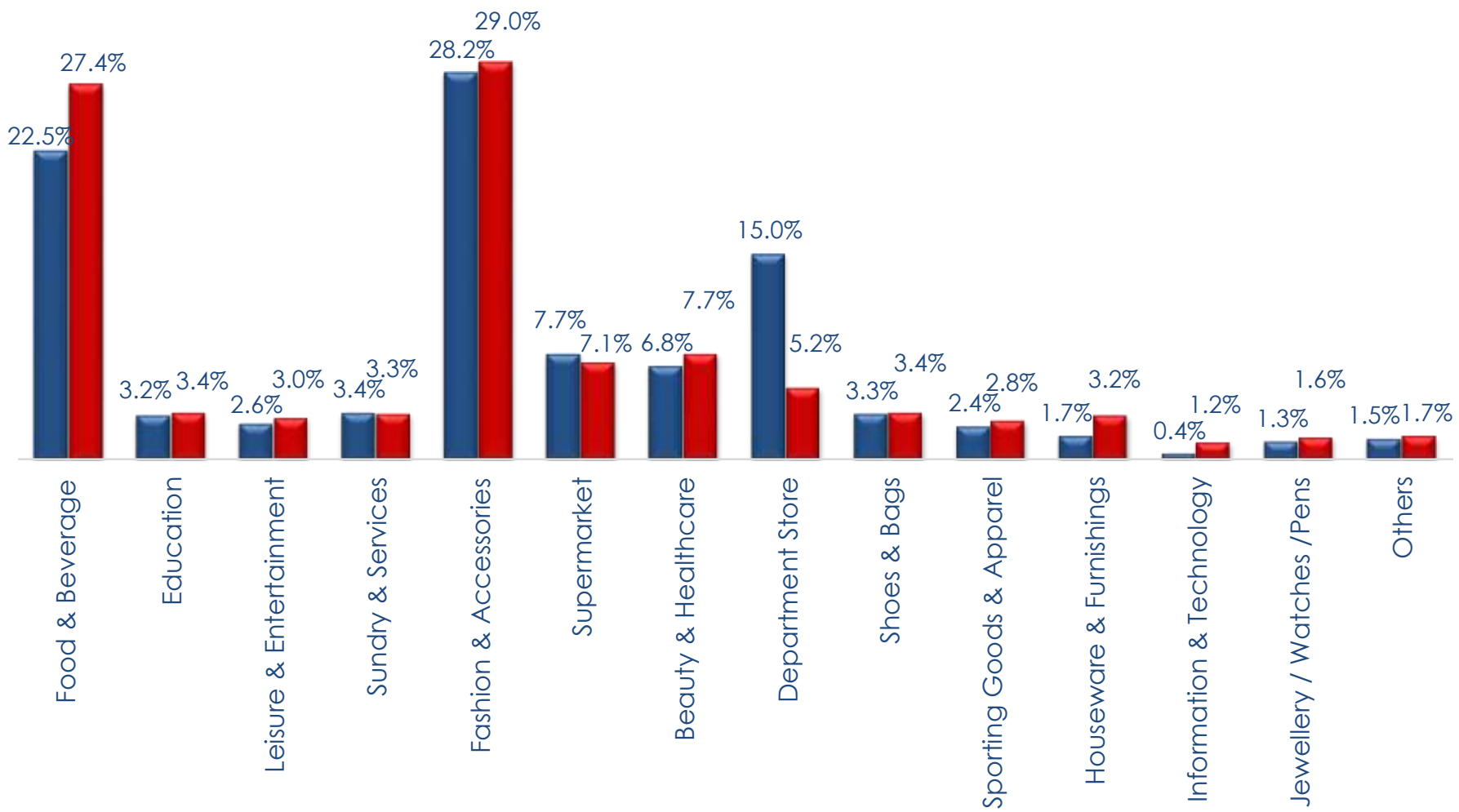


- Fashion
- Food & Beverage
- Supermarket
- Beauty & Healthcare
- Department Stores
- Sundry & Services
- Shoes & Bags
- Education
- Sporting Goods & Apparel
- Houseware & Furnishings
- Leisure & Entertainment
- Information & Technology
- Jewellery / Watches / Pens
- Others

Notes:
 1. Includes master-leased malls.
 2. For the month of March 2018.
 3. Percentage of committed NLA as at 31 March 2018.



Trade Mix By Total Rental Income¹ (%)



■ For the month of March 2017

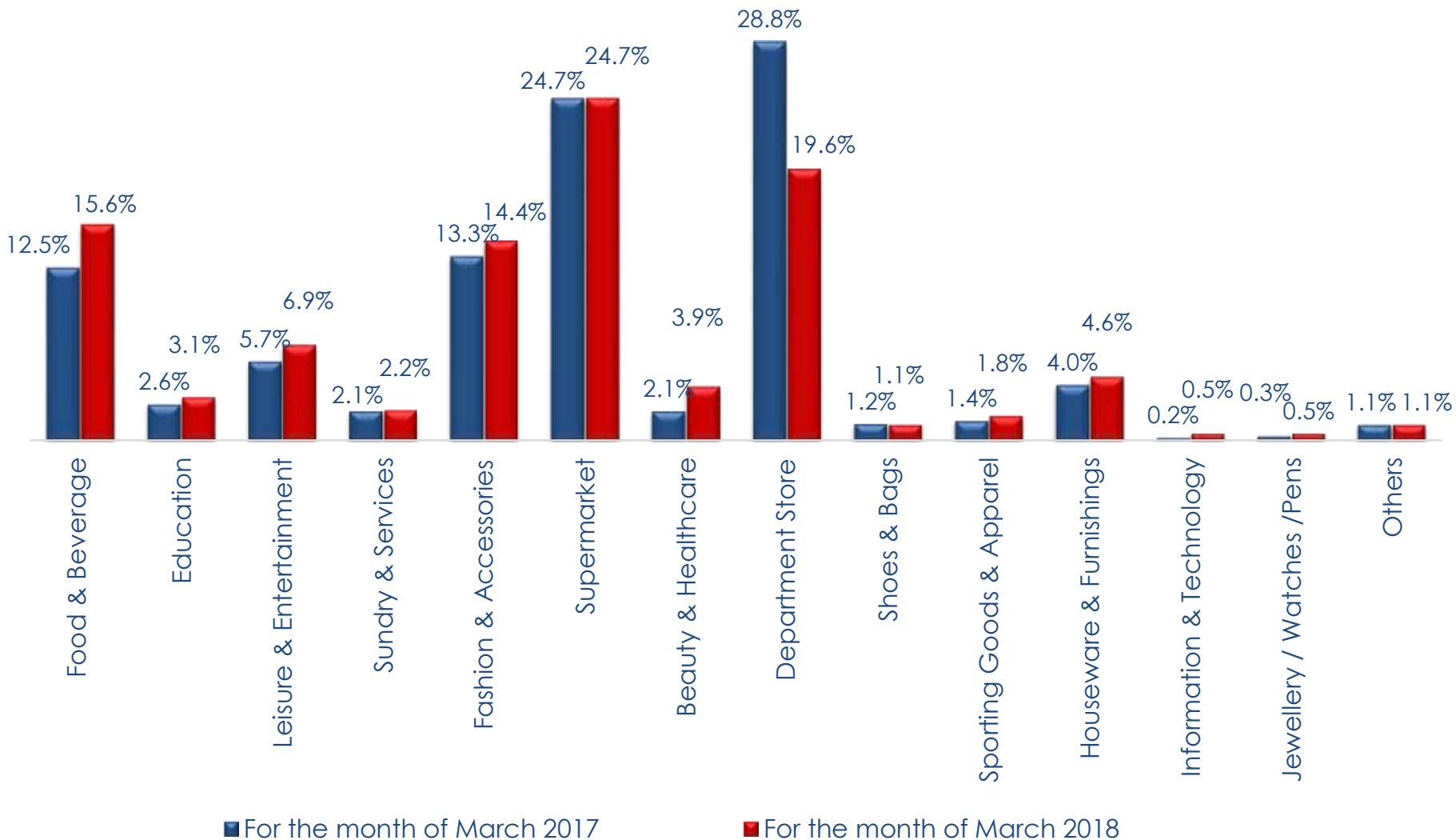
■ For the month of March 2018

Note:

1. Includes master-leased malls.



Trade Mix By Committed Net Lettable Area¹ (%)



Note:

1. Includes master-leased malls.



Portfolio At A Glance

(Multi-Tenanted Malls)

	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 Xinnan 凯德广场· 新南	CapitaMall Qibao 凯德七宝 购物广场	CapitaMall Saihan 凯德MALL· 赛罕	Rock Square ¹ 乐峰广场
Location	Beijing	Beijing	Beijing	Chengdu	Shanghai	Hohhot	Guangzhou
GFA² (sq m)	83,075	83,768	92,918	91,816	83,986	41,938	88,279
GRA² (sq m)	83,075	68,010	69,967	53,619	72,729	41,938	83,591
NLA² (sq m)	50,437	51,464	45,598	36,063	51,248	31,063	52,981
Land Use Right Expiry	23 Aug 2044 23 Aug 2054	15 May 2043 15 May 2053	29 Aug 2044 29 Aug 2054	17 Oct 2047	10 Mar 2043 ⁴	11 Mar 2041 20 Mar 2041	17 Oct 2045
Valuation (RMB mil)	3,075	2,375	2,090	1,536	495	456	3,341 ⁵
NPI Yield on Valuation³	6.7%	7.3%	4.4%	6.3%	9.3%	8.7%	3.6%
Number of Leases²	262	246	156	222	179	199	161
Committed Occupancy²	98.9%	99.0%	97.8%	98.1%	97.7%	99.9%	97.1%
Shopper Traffic for YTD March (mil)	7.9	2.9	2.1	2.1	3.1	2.2	3.5 ⁶

Notes:

1. CRCT has a 51.0% interest in Rock Square.
2. As at 31 March 2018.
3. NPI yield is based on annualised YTD March 2018 NPI and valuation as at 31 December 2017. Rock Square's NPI yield is based on the annualised NPI for the period from 1 February 2018 to 31 March 2018 and agreed purchase price.
4. CapitaMall Qibao is indirectly held by CRCT under a master lease which expires in January 2024, with the right to renew for a further term of 19 years and 2 months.
5. Based on the agreed purchase price for the acquisition of Rock Square that was completed on 31 January 2018.
6. Based on 2 months of shopper traffic as Rock Square was acquired on 31 January 2018.



Portfolio At A Glance

(Malls Under Stabilisation and Master-Leased Malls)

	Malls Under Stabilisation		Master-Leased Malls	
	CapitaMall Minzhongleyuan 新民众乐园	CapitaMall Wuhu ¹ 凯德广场·芜湖	CapitaMall Erqi 凯德广场·二七	CapitaMall Shuangjing 凯德MALL·双井
Location	Wuhan	Wuhu	Zhengzhou	Beijing
GFA ² (sq m)	41,717	59,624	92,356	49,463
GRA ² (sq m)	37,472	45,634	92,356	49,463
NLA ² (sq m)	23,498	35,859	92,356	51,193 ⁶
Land Use Right Expiry	30 Jun 2044 ⁴ 15 Sep 2045	29 May 2044	31 May 2042	10 Jul 2042
Valuation ² (RMB mil)	528	193	638	583
NPI Yield on Valuation ³	0.7% ⁵	N.M.	6.8%	6.4%
Number of Leases ²	125	N.M.	2	9
Committed Occupancy ²	77.1% ⁵	56.6%	100.0%	100.0%
Shopper Traffic for YTD Mar (mil)	0.9 ⁵	0.5	NA	NA

Notes:

1. CRCT has a 51.0% interest in CapitaMall Wuhu. CapitaMall Wuhu's NPI yield and number of leases are not meaningful as it is transitioning towards partial closure.
 2. As at 31 March 2018.
 3. NPI yield is based on annualised YTD Mar 2018 NPI and valuation as at 31 December 2017.
 4. The conserved building is under a lease from the Wuhan Cultural Bureau.
 5. CapitaMall Minzhongleyuan was impacted by ongoing tenancy adjustments.
 6. Included the area zoned for civil defense but is certified for commercial use.
- N.M. – Not meaningful



Thank You

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