

NEWS RELEASE

**CRCT's 4Q 2019 net property income up 25.3% year-on-year**  
***Underpinned by contribution from newly acquired malls***

**Singapore, 7 February 2020** – 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 RMB227.0 million for the period 1 October 2019 to 31 December 2019 (4Q 2019), 25.3% higher than the RMB181.1 million in 4Q 2018. The increase was primarily driven by the first full-quarter contribution from newly acquired CapitaMall Xuefu, CapitaMall Yuhuating and CapitaMall Aidemengdun.

NPI for the period 1 January 2019 to 31 December 2019 (FY 2019) was RMB835.0 million, 15.5% higher than the RMB722.9 million in FY 2018. Boosted by the new acquisitions as well as improved performance of Rock Square, CRCT's distributable amount to unitholders before capital distribution rose 12.6% year-on-year to S\$105.6 million<sup>1</sup> while distribution per unit (DPU) increased 2.1% year-on-year to 9.80 cents<sup>1</sup>. DPU after capital distribution for FY 2019 was 9.90 cents.

Distributable income for 4Q 2019 was S\$28.4 million<sup>1</sup>, an increase of 19.6% from a year ago. DPU for 4Q 2019 was 2.34 cents, which unitholders will receive on 30 March 2020, along with their DPU of 1.27 cents for the period 14 August 2019 to 30 September 2019, totalling 3.61 cents. Based on CRCT's closing price of S\$1.54 on 6 February 2020, the annualised distribution yield for 4Q 2019 was 6.0%. The book closure date is 17 February 2020.

Mr Soh Kim Soon, Chairman of CRCTML, said: "Despite a slowing global economy and trade tensions, China's economy grew 6.1% in 2019. In the same period, retail sales rose 8.0% and urban disposable income per capita increased 7.9%. Entering 2020, CRCT is facing a more uncertain operating environment. With the developing Novel Coronavirus condition in China, we are actively taking measures to manage the situation with guidance from the local authorities. To date, we are encouraged by the series of measures taken by the government to decisively contain the spread of the virus and increased efforts to stabilise the economy. While we expect some short-term impact, we remain positive on China's long-term fundamentals."

Mr Tan Tze Woon, CEO of CRCTML, said: “FY 2019 was a landmark year for CRCT. We made acquisitions of RMB3,768.0 million and divestments of RMB567.1 million in our most active year of portfolio reconstitution to date. During the year, we raised S\$279.4 million in our largest equity fund raising exercise, increased our market capitalisation by 46.0%<sup>2</sup> and delivered 25.3%<sup>3</sup> in total unitholders’ returns. CRCT’s portfolio continued to demonstrate resilience, ending the year with a strong occupancy of 96.7% and positive rental reversion of 6.4%. Tenants’ sales in FY 2019 grew 14.4% year-on-year, while shopper traffic was up 15.2%. Portfolio valuation reached a new high of RMB20.0 billion<sup>4</sup>.”

“In 2020, we will continue to extract, create and unlock value from our portfolio. Yuquan Mall, which we completed acquisition in December 2019, is expected to welcome shoppers in end 2020. Positioned as a new generation one-stop shopping destination with experiential retail concepts, the mall will house edutainment spaces and an indoor sports zone catering to young families. Rock Square, which achieved successive years of double-digit rental reversion, will be an asset that we continue to extract value through asset enhancement initiatives.”

“Sustaining the momentum to optimise our portfolio, we have entered into an agreement on 6 February 2020 to divest CapitaMall Erqi for RMB777.0 million, 20.5% above independent valuation<sup>5</sup>. CapitaMall Erqi is a master-leased mall with limited growth prospects. The divestment is in line with our strategy to unlock value from non-core assets, while reducing CRCT’s exposure to single-tenant assets. The divestment gains and proceeds will further enhance CRCT’s financial capacity to pursue accretive growth opportunities.”

“The extended Spring Festival break and other measures taken to contain the spread of the Novel Coronavirus have affected our business sector. As a long-term business partner of our retailers, we are engaging them closely and will put in place targeted policies to support them through this period.”

CRCT has a well staggered debt maturity. About 80.0% of CRCT’s total term loans is on fixed interest rates, providing certainty of interest expenses. To mitigate the impact of foreign currency fluctuations, CRCT hedged approximately 62.0% of its undistributed income into Singapore dollars. As at end December 2019, CRCT’s gearing was a healthy 36.7%, well below the regulatory limit of 45.0%.

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<sup>1</sup> Partial one-off compensation receivable by CapitaMall Erqi has been retained for general corporate and working capital purposes and excluded from the distributable amount to Unitholders.

<sup>2</sup> Based on 980.5 million Units at unit price of S\$1.36 on 31 December 2018 to 1,209.1 million Units at unit price of S\$1.61 on 31 December 2019.

<sup>3</sup> Based on capital appreciation from unit price of S\$1.36 on 31 December 2018 to S\$1.61 on 31 December 2019, including distributions received and subscription to preferential offering.

<sup>4</sup> CRCT has a 51.0% interest in Rock Square; valuation is presented at 100% basis.

<sup>5</sup> As at 31 December 2019.

## Summary of CRCT results

Periods: 1 October to 31 December (4Q) and 1 January to 31 December (FY)<sup>1,2</sup>

	4Q 2019	4Q 2018	Change %	FY 2019	FY 2018	Change %
	Actual S\$'000	Actual S\$'000		Actual S\$'000	Actual S\$'000	
Gross Revenue <sup>3</sup>	67,563	55,742	21.2	238,185	222,739	6.9
Net Property Income <sup>3,4</sup>	44,099	35,878	22.9	165,371	147,423	12.2
Distributable income contribution from joint ventures <sup>5</sup>	2,648	2,524	4.9	10,696	7,601	40.7
Income available for distribution to Unitholders <sup>6</sup>	33,638	22,984	46.4	110,800	93,741	18.2
Distributable amount to Unitholders (before Capital Distribution) <sup>6</sup>	28,388	22,984	23.5	105,550	93,741	12.6
Capital Distribution <sup>7</sup>	-	750	(100.0)	1,000	6,000	(83.3)
Distributable amount to Unitholders <sup>3</sup>	28,388	23,734	19.6	106,550	99,741	6.8
<b>Distribution Per Unit ("DPU") (cents)</b>						
DPU before Capital Distribution <sup>8</sup>	2.34	2.34	-	9.80	9.60	2.1
DPU after Capital Distribution <sup>8</sup>	2.34	2.42	(3.3)	9.90	10.22	(3.1)

	4Q 2019	4Q 2018	Change %	FY 2019	FY 2018	Change %
	Actual RMB'000	Actual RMB'000		Actual RMB'000	Actual RMB'000	
Gross Revenue	347,165	281,033	23.5	1,202,587	1,092,289	10.1
Net Property Income	226,961	181,070	25.3	834,968	722,948	15.5

### Footnotes:

- The financial results exclude contribution from CapitaMall Wuhu which was divested on 1 July 2019 after its divestment.
- The financial results include contribution from CapitaMall Xuefu, CapitaMall Yuhuating and CapitaMall Aidemengdun which were acquired on 30 August 2019.
- Average exchange rate for SGD/RMB

4Q 2019	4Q 2018	Change %	FY 2019	FY 2018	Change %
5.147	5.047	2.0	5.049	4.904	3.0
- Operating lease rental expenses associated with the lease contracts in CapitaMall Qibao and CapitaMall Minzhongleyuan have been replaced with net changes in fair value of investment properties and interest expense on lease liabilities under the principles of FRS 116 Leases with effect from 1 January 2019.
- This relates to 51% interest in Rock Square for 2019, 4Q 2018 and for period from 1 February 2018 to 31 December 2018 for FY 2018.
- In 4Q 2019 and FY 2019, income available for distribution to Unitholders includes a one-off compensation receivable by CapitaMall Erqi, of which S\$5.3 million is retained for general corporate and working capital purposes that is excluded from the distributable amount to Unitholders.
- Capital distribution arising from the gain from the divestment of the equity interest in the company which held CapitaMall Anzhen.
- Includes 6.29 cents for the period from 1 January 2019 to 13 August 2019, calculated based on 998,517,317 units and 3.61 cents from 14 August 2019 to 31 December 2019, calculated based on enlarged unit base of 1,209,067,206 units after the issuance of 105,043,000 units and 86,871,006 units via private placement on 14 August 2019 and preferential offering issued on 3 September 2019 respectively.

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

CapitaLand Retail China Trust (CRCT) is Singapore's first and largest China shopping mall real estate investment trust (REIT), with a portfolio of 14 shopping malls<sup>6</sup>. It was listed on the Singapore Exchange Securities Trading Limited (SGX-ST) on 8 December 2006. CRCT was 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 are located primarily in China, Hong Kong and Macau.

CRCT's geographically diversified portfolio of quality shopping malls, with a total gross floor area of approximately 1.1 million sq m, is located in nine Chinese cities. The malls are CapitaMall Xizhimen, CapitaMall Wangjing, CapitaMall Grand Canyon and CapitaMall Shuangjing in Beijing; Rock Square (51.0% interest) in Guangzhou; CapitaMall Xinnan in Chengdu; CapitaMall Qibao in Shanghai; CapitaMall Minzhongleyuan in Wuhan; CapitaMall Erqi in Zhengzhou; CapitaMall Saihan<sup>7</sup> and Yuquan Mall in Hohhot; CapitaMall Xuefu, CapitaMall Aidemengdun in Harbin and CapitaMall Yuhuating in Changsha. As at 31 December 2019, CRCT's total asset size is S\$3.8 billion, increasing more than fivefold from the Trust's listing.

CRCT's properties are strategically located in densely populated areas with good connectivity to public transport. The malls are positioned as one-stop family-oriented destinations housing a wide range of lifestyle offerings that cater to varied consumer preferences in shopping, dining and entertainment. CRCT's portfolio comprises a diverse mix of more than 2,400 leases, which include leading brands UNIQLO, Xiaomi, ZARA, Nanjing Impressions, Nike, Sephora, Starbucks Coffee and Sisyphus.

CRCT is managed by CapitaLand Retail China Trust Management Limited, a wholly owned subsidiary of Singapore-listed CapitaLand Limited, one of Asia's largest diversified real estate groups.

**About CapitaLand Limited ([www.capitaland.com](http://www.capitaland.com))**

CapitaLand Limited (CapitaLand) is one of Asia's largest diversified real estate groups. Headquartered and listed in Singapore, it owns and manages a global portfolio worth S\$131.7 billion as at 30 September 2019. CapitaLand's portfolio spans across diversified real estate classes which includes commercial, retail; business park, industrial and logistics; integrated development, urban development; as well as lodging and residential. With a presence across more than 200 cities in over 30 countries, the Group focuses on Singapore and China as its core markets, while it continues to expand in markets such as India, Vietnam, Australia, Europe and the USA.

CapitaLand has one of the largest real estate investment management businesses globally. It manages seven listed real estate investment trusts (REITs) and business trusts as well as over 20 private funds. Since it pioneered REITs in Singapore with the listing of CapitaLand Mall Trust in 2002, CapitaLand's REITs and business trusts have expanded to include Ascendas Real Estate Investment Trust, CapitaLand Commercial Trust, Ascott Residence Trust, CapitaLand Retail China Trust, Ascendas India Trust and CapitaLand Malaysia Mall Trust.

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<sup>6</sup> The announcement of CapitaMall Erqi's divestment was issued on 7 February 2020.

<sup>7</sup> The divestment of CapitaMall Saihan is expected to complete at the end of 2020.

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