

NEWS RELEASE

**CRCT's 2Q 2018 distributable income rises 10.0% year-on-year
Boosted by maiden full-quarter contribution from Rock Square**

Singapore, 27 July 2018 – CapitaLand Retail China Trust Management Limited (CRCTML), the manager of CapitaLand Retail China Trust (CRCT), announced today that it registered distributable income of S\$25.7 million for the period 1 April to 30 June 2018 (2Q 2018), an increase of 10.0% from S\$23.3 million a year ago. The stronger performance was boosted by the first full-quarter contribution of Rock Square. Distribution per unit (DPU) for 2Q 2018 was 2.64 cents on an enlarged unit base, representing an increase of 0.8% from 2.62 cents in 2Q 2017, and 8.2% higher than 2Q 2017's adjusted DPU of 2.44 cents following CRCT's private placement exercise in December 2017¹.

For the period 1 January to 30 June 2018 (1H 2018), distributable income was S\$52.4 million, an increase of 9.8% compared to the same period last year. DPU edged up 0.6% from a year ago to 5.39 cents. On a comparable unit basis¹, DPU for 1H 2018 would have been 7.8% higher than 1H 2017's adjusted DPU of 5.00 cents.

Based on an annualised DPU of 10.59 cents and CRCT's closing price of S\$1.54 per unit on 26 July 2018, the annualised distribution yield for 2Q 2018 was 6.9%. Unitholders can expect to receive their DPU for 2Q 2018, along with DPU for 1Q 2018, on 20 September 2018.

Mr Tan Tze Wooi, CEO of CRCTML, said: "We are pleased that our portfolio reconstitution efforts and proactive asset management are showing positive results, delivering a double-digit growth for 2Q 2018's distributable income. Rental reversions at our core multi-tenanted malls for the quarter averaged a healthy 10.5%, while portfolio occupancy as at 30 June 2018 was resilient at 97.4%."

"Since acquiring Rock Square on 31 January 2018, we have focused on extracting the lease renewal upside while enhancing the mall's tenant mix. This strategy led to strong rental reversions at Rock Square averaging above 20% for the second consecutive quarter. New entrants in the mall include a digital experience store by Xiaomi and popular beverage store Nayuki Tea. To optimise Rock Square's layout and further expand its offerings, we created over 500 square metres of retail space by converting unutilised space and adding retail kiosks."

"In 2Q 2018, CapitaMall Wangjing completed the transformation of the recovered space on Level 4 with 19 of the 23 new retailers opened as at June 2018. The new retail zone, which offers a strong mix of lifestyle and experiential retail tenants that host crowd-pulling events, is expected to drive footfall and improve sales for the entire floor with positive spillovers for the

¹ CRCT issued 64.4 million new units on 7 December 2018 under a private placement exercise to part-finance the acquisition of Rock Square.

rest of the mall. The early recovery of the former anchor tenant space, executed within timeline and budget, demonstrates our proactive asset management approach to strengthen the appeal of CRCT's malls."

"During the quarter, we early refinanced S\$150 million of loans ahead of maturity in 2019 to lock in favourable rates. In addition, we undertook our maiden issue of S\$130 million medium term notes (MTN) under CRCT's S\$1 billion MTN programme, which was well-received by debt investors. Diversifying our funding sources to the debt capital market is part of our capital management strategy to harness greater financial flexibility for our next phase of growth as we actively source for strategic acquisitions to expand our portfolio. As at end June 2018, CRCT's gearing was a healthy 32.1%, well below the regulatory limit of 45%."

Distribution Reinvestment Plan

CRCTML has elected to apply the Distribution Reinvestment Plan (DRP) established on 21 March 2013 to the distributions for 1H 2018. 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.

Summary of CRCT results

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

	2Q 2018 ¹	2Q 2017	Change %	1H 2018 ¹	1H 2017	Change %
	Actual S\$'000	Actual S\$'000		Actual S\$'000	Actual S\$'000	
Gross Revenue	56,278	58,993	(4.6)	111,645	119,094	(6.3)
Net Property Income	37,629	39,971	(5.9)	74,813	80,274	(6.8)
Distributable income contribution from joint venture ²	2,015	-	100.0	3,230	-	100.0
Distributable amount to Unitholders	25,661	23,337	10.0	52,360	47,692	9.8
Distribution Per Unit ("DPU") (cents)						
For the period ³	2.64	2.62	0.8	5.39	5.36	0.6
Annualised	10.59	10.51	0.8	10.87	10.81	0.6
For Information Only						
DPU (cents) (adjusted with the enlarged units in issue) ⁴	2.64	2.44	8.2	5.39	5.00	7.8

Footnotes:

1. The financial results exclude CapitaMall Anzhen, which was divested with effect from 1 July 2017.
2. This relates to 51% interest in Rock Square for 2Q 2018 and for period from 1 February 2018 to 30 June 2018.
3. 2018 DPU was based on 969.9 million units and 2017 DPU was based on 888.7 million units.
4. Adjusted DPU for 2Q 2017 of 2.44 cents and 1H 2017 of 5.00 cents were based on 953.1 million units including the private placement units issued in December 2017.

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 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 eight of China's cities. The properties are CapitaMall Xizhimen, CapitaMall Wangjing, CapitaMall Grand Canyon, CapitaMall Shuangjing in Beijing; Rock Square in Guangzhou; 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 2018, the total asset size of CRCT is approximately S\$3.0 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 and Carrefour under master leases or long-term leases, which provide CRCT's unitholders with stable and sustainable returns. The anchor tenants are complemented by popular specialty brands such as Adidas, Nanjing Impressions, Nike, Pandora, Sephora, Starbucks, UNIQLO, Xiaomi 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.

The value of units in CRCT ("Units") and the income derived from them may fall as well as rise. Units are not obligations of, deposits in, or guaranteed by, the Manager or any of its affiliates. An investment in Units is subject to investment risks, including the possible loss of the principal amount invested.

Investors have no right to request that the Manager redeem or purchase their Units while the Units are listed. It is intended that holders of Units ("Unitholders") may only deal in their Units through trading on Singapore Exchange Securities Trading Limited (the "SGX-ST"). Listing of the Units on the SGX-ST does not guarantee a liquid market for the Units.

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