

NEWS RELEASE

CRCT's 4Q 2016 net property income increases 6.5%
Driven by first full quarter contribution from CapitaMall Xinnan

Singapore, 26 January 2017 – CapitaLand Retail China Trust Management Limited (CRCTML), the manager of CapitaLand Retail China Trust (CRCT), announced today that it registered net property income (NPI) of RMB169.1 million for the period 1 October to 31 December 2016 (4Q 2016), 6.5% higher than the RMB158.9 million for the corresponding period last year (4Q 2015). The increase was driven mainly by the first full quarter contribution from CapitaMall Xinnan (formerly Galleria, Chengdu), which was acquired on 30 September 2016. NPI for the period 1 January 2016 to 31 December 2016 (FY 2016) was RMB669.8 million, 4.1% higher than the RMB643.5 million for the same period last year (FY 2015).

Distribution per unit (DPU) for 4Q 2016 was 2.37 cents. This brought the total DPU for FY 2016 to 10.05 cents, 5.2% lower than FY 2015. The lower DPU was mainly attributable to a higher property tax provision for Beijing malls due to a change from cost to revenue basis effective 1 July 2016, and a weaker RMB against SGD compared to a year ago. Excluding the impact of the additional tax provision and foreign exchange, DPU would have grown 5.8% year-on-year.

Based on CRCT's closing price of S\$1.42 on 25 January 2017, the distribution yield for FY 2016 was 7.1%. Unitholders can expect to receive their DPU of 2.37 cents for 4Q 2016, along with their DPU of 2.36 cents for 3Q 2016 totalling 4.73 cents, on 23 March 2017. The book closure date is 6 February 2017.

Mr Victor Liew, Chairman of CRCTML, said: "China's economic growth of 6.7% in 2016 was within the target set by the Chinese government. Retail sales recorded a healthy year-on-year increase of 10.4% to RMB33.2 trillion, while annual urban disposable income and expenditure per capita lifted by 5.6% and 5.7% year-on-year respectively. China is now growing from a bigger base at a rate that is still considerably faster than those of most other economies. We remain positive that CRCT's portfolio of family-oriented shopping malls will continue to benefit from China's growing urban population and rising retail sales."

Mr Tony Tan, CEO of CRCTML, said: "FY 2016 signalled CRCT's entry into Chengdu with the acquisition of CapitaMall Xinnan. Following the mall's adoption of the CapitaMall branding on 31 December 2016, shoppers will experience more attractive marketing promotions given the synergy with the five other CapitaLand malls in Chengdu. Efforts to bring in new fashion and accessories brands are on track and leases signed in 4Q 2016 yielded robust rental reversions as high as 34%. We will be further optimising the retail space efficiency to maximise the potential of this well-established mall.

“In Wuhan, the reopening of Zhongshan Avenue and commencement of metro Line 6 have greatly improved CapitaMall Minzhongleyuan’s accessibility. The mall stands to benefit further from the government’s plans to transform Zhongshan Avenue into a lifestyle destination. To tap the area’s growth, we have been refreshing the mall’s tenant mix to widen its appeal and these include popular sportswear brands Nike, Adidas and Onitsuka Tiger, and new dining concepts on Level 3. In addition, China’s leading coworking space operator UrWork has soft opened its new facility at the mall in end December. CapitaMall Minzhongleyuan ended 2016 with an improved committed occupancy of 93.6%.

“Since uplifting its image after a façade makeover, CapitaMall Wangjing has recorded strong tenants’ sales growth of more than 15% in 4Q 2016. Riding on the momentum, we will continue to bring in more innovative concepts, including a coworking facility operated by UrWork to meet the growing demand for coworking space.”

Distribution Reinvestment Plan

CRCTML has elected to apply the Distribution Reinvestment Plan (DRP) established on 21 March 2013 to the distributions for the period from 1 July to 31 December 2016. The plan, which is not mandatory, allows unitholders to receive distributions in the form of fully-paid new units in CRCT, instead of cash. Unitholders can allocate all or part of their unitholdings if they decide to participate.

Through the DRP, unitholders will be able to increase their CRCT holdings 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 as distributions, can be retained to enlarge its working capital.

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 6 February 2017.

Summary of CRCT results

Periods: 1 October to 31 December (4Q) and 1 January to 31 December (FY)

	4Q 2016	4Q 2015	Change %	FY 2016 ¹	FY 2015	Change %
	Actual S\$'000	Actual S\$'000		Actual S\$'000	Actual S\$'000	
Gross revenue ²	56,696	56,238	0.8	214,372	220,334	(2.7)
Net property income ²	34,779	35,294	(1.5)	139,738	141,085	(1.0)
Income available for distribution	20,623	21,848	(5.6)	86,732	89,219	(2.8)
Distribution per unit (DPU) (cents)						
For the period	2.37	2.59	(8.5)	10.05	10.60	(5.2)
Annualised	9.43	10.28	(8.3)	10.05	10.60	(5.2)

	4Q 2016 ¹	4Q 2015	Change %	FY 2016	FY 2015	Change %
	Actual RMB'000	Actual RMB'000		Actual RMB'000	Actual RMB'000	
Gross revenue	275,420	253,268	8.7	1,027,473	1,005,035	2.2
Net property income	169,145	158,888	6.5	669,759	643,547	4.1

Footnotes:

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

Revenue and net property income

In RMB terms

For FY 2016, gross revenue increased RMB22.4 million, or 2.2% over FY 2015. NPI grew RMB26.2 million or 4.1%.

In SGD terms

As a result of a weaker RMB against SGD, the FY 2016 gross revenue of S\$214.4 million was 2.7% lower than FY 2015, while the NPI of S\$139.7 million was 1.0% lower.

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 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 31 December 2016, the total asset size of CRCT is approximately S\$2.8 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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