



CapitaRetail
China Trust

CapitaRetail China Trust Financial Results for 1Q 2014

24 April 2014



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1Q 2014 Highlights

Underpinned by new contribution from CapitaMall Grand Canyon, NPI grew 25.0% and Distributable Income grew 13.2% y-o-y

- **Strong performance supported by robust organic growth and favourable exchange rate. On a same-mall basis:**
 - ✓ Gross revenue in SGD ▲12.7%¹ y-o-y
 - ✓ NPI in SGD ▲14.9%¹ y-o-y
- **With strong organic growth and new contribution from CapitaMall Grand Canyon, DPU ▲9.1% q-o-q**
- **Lowered gearing to 31.8% with extended average term to maturity from 2.38 to 2.46 years**
- **Shopper traffic ▲7.3%¹ and tenants' sales ▲14.3%¹**
- **Strong portfolio rental reversion of 23.0%**

1. Excluding CapitaMall Minzhongleyuan which is currently undergoing asset enhancement works and CapitaMall Grand Canyon which completed acquisition on 30 December 2013.

Financial Highlights





1Q 2014 Distributable Income Grew 13.2%

	1Q 2014 ¹ Actual	1Q 2013 Actual	Change
Gross Revenue (RMB'000)	231,696	200,661	15.5%
NPI (RMB'000)	155,635	131,978	17.9%
NPI (S\$'000)	32,339	25,868	25.0%
Distributable Income (S\$'000)	19,636	17,340	13.2%
DPU (Singapore cents)	2.40	2.31	3.9%
Annualised Distribution Yield (Based on unit price of S\$1.40 on 31 Mar 2014)	7.0%		
Annualised Distribution Yield (Based on unit price of S\$1.46 on 23 Apr 2014)	6.7%		

1. Includes CapitaMall Grand Canyon which was acquired on 30 December 2013.



Healthy Balance Sheet

As at 31 Mar 2014	S\$'000		
Investment Properties	2,078,056	Net assets attributable to unitholders (S\$'000)	1,208,041
Other Assets	19,608		
Financial Derivatives Assets	4,733		
Cash & Cash Equivalents	74,689	Units In Issue ('000 units)	817,957
Total Assets	2,177,086		
Interest-bearing Borrowings	690,687	Net Asset Value (NAV) per unit	1.48
Deferred Tax Liabilities	163,673		
Financial Derivatives Liabilities	1,543	Adjusted NAV per unit (net of distribution)	1.45
Other Liabilities	86,697		
Total Liabilities	942,600		
Non-controlling Interest	26,445		

Financial Results

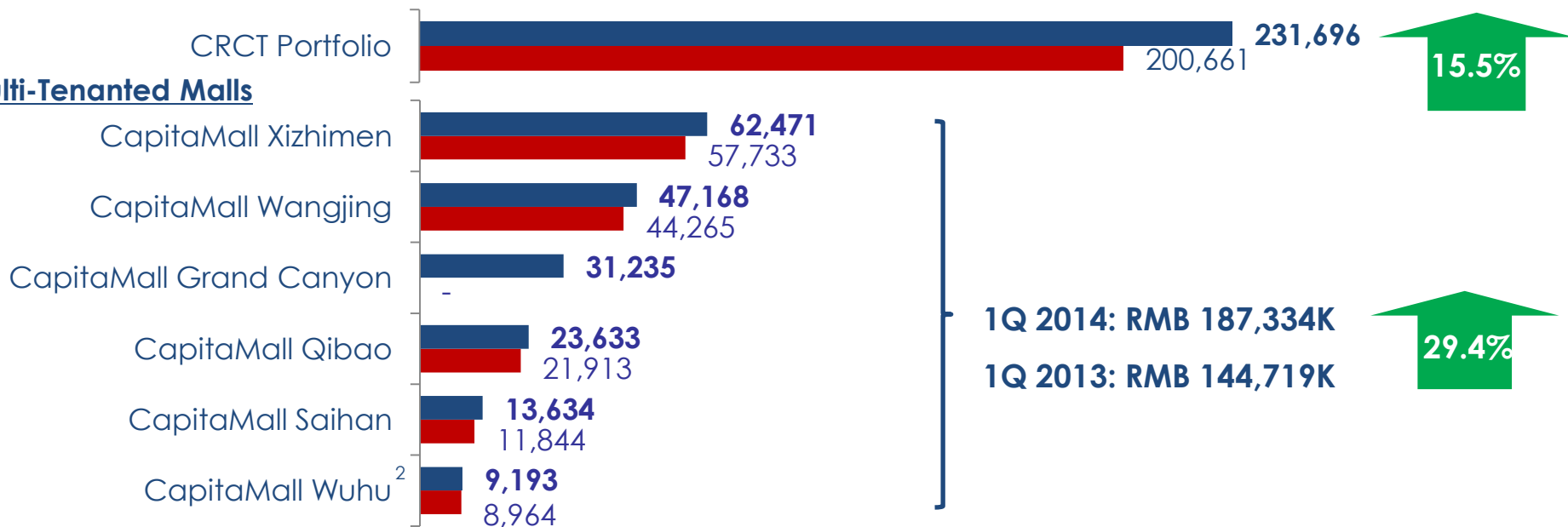




Property Gross Revenue (in RMB'000): 1Q 2014 vs 1Q 2013

On a same-mall basis, Gross Revenue increased by 6.3%¹ y-o-y

Multi-Tenanted Malls



Master-Leased Malls



Asset Enhancement Initiative (AEI) Mall



1. Excluding CapitaMall Minzhongleyuan which is currently undergoing asset enhancement works and CapitaMall Grand Canyon as acquisition was completed on 30 December 2013.

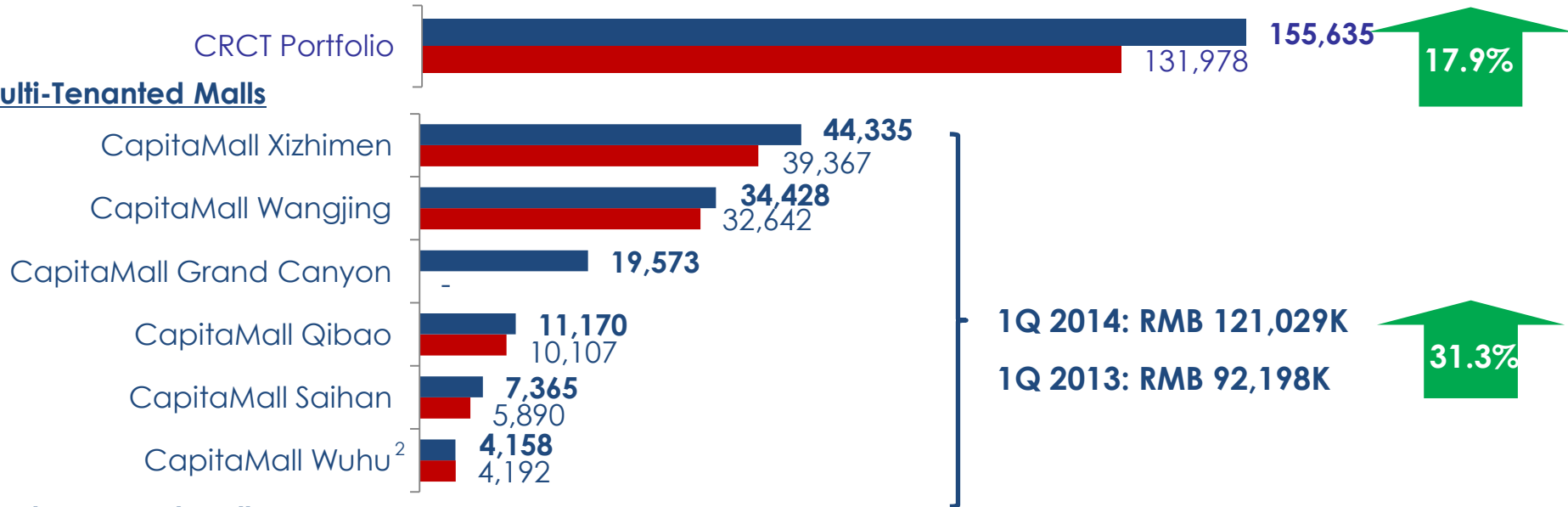
2. CRCT has a 51.0% interest in CapitaMall Wuhu.



Net Property Income (in RMB'000): 1Q 2014 vs 1Q 2013

On a same-mall basis, NPI increased by 8.3%¹ y-o-y

Multi-Tenanted Malls



Master-Leased Malls



Asset Enhancement Initiative (AEI) Mall



■ 1Q 2014

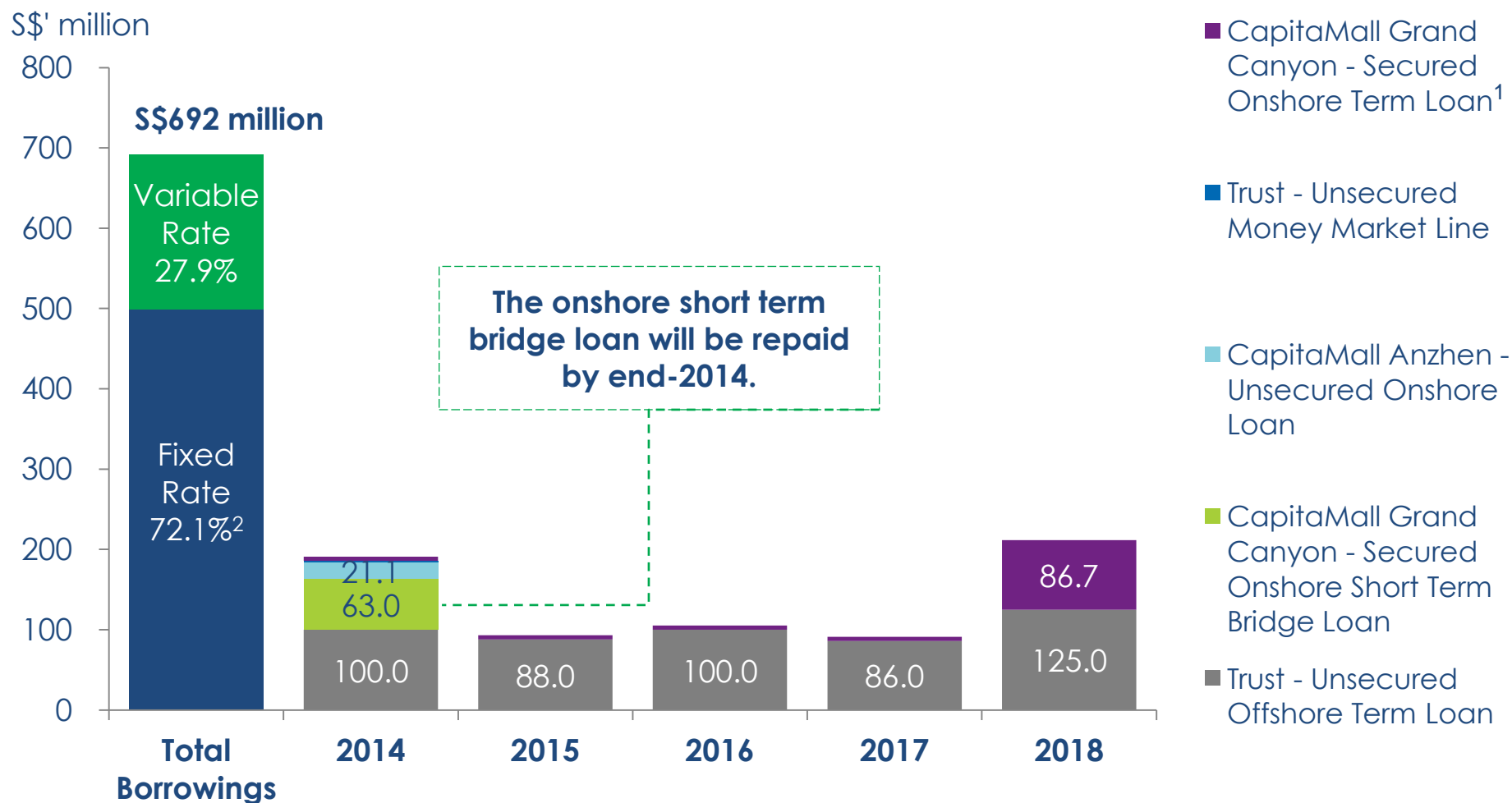
■ 1Q 2013

1. Excluding CapitaMall Minzhongleyuan which is currently undergoing asset enhancement works and CapitaMall Grand Canyon as acquisition was completed on 30 December 2013.

2. CRCT has a 51.0% interest in CapitaMall Wuhu.



Debt Maturity Profile (31 Mar 2014)



1. Amortisation repayment is S\$5.2 million annually from 2014 to 2017.

2. Excluding the onshore debts, fixed rate loans would be 99.7%.



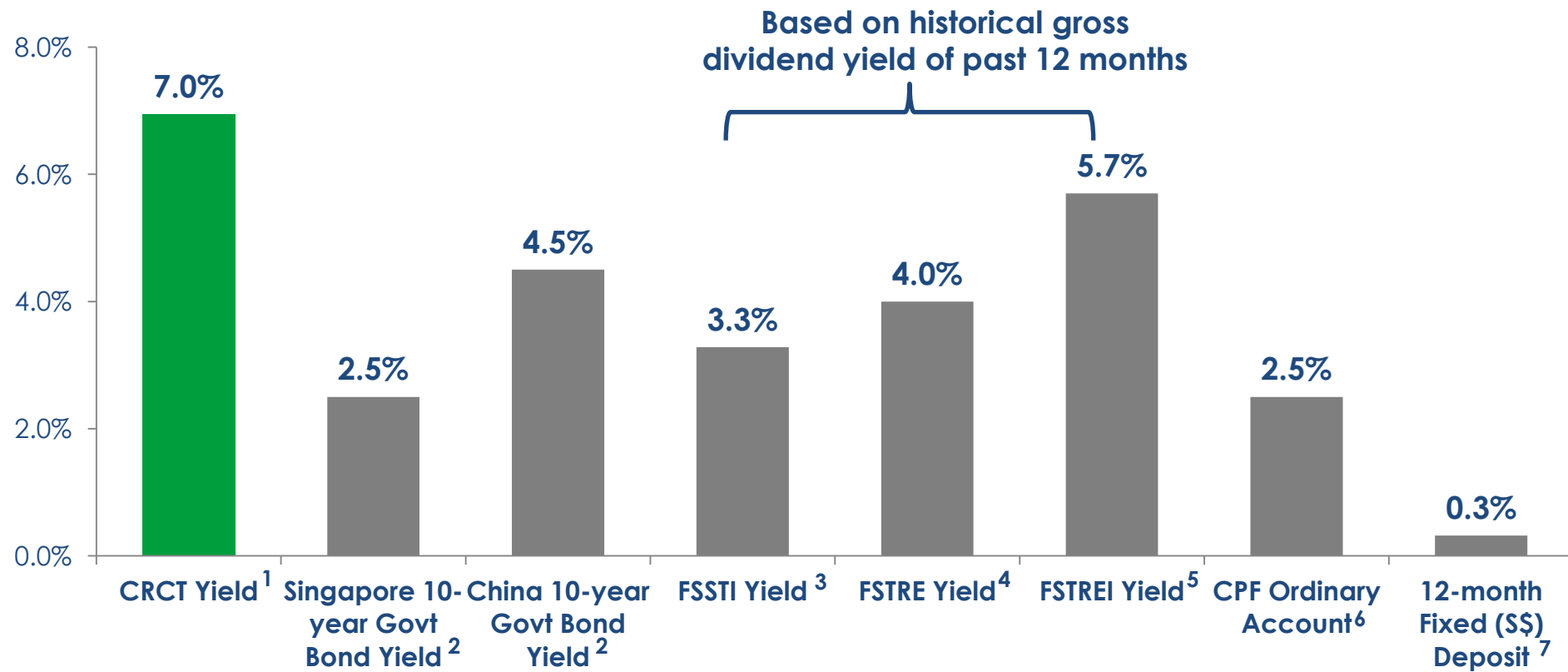
Key Financial Indicators

	1Q 2014	4Q 2013
Unencumbered Assets as % of Total Assets	92.2%	90.1%
Gearing ¹	31.8%	32.6%
Net Debt / EBITDA (Times)	5.7	7.5
Interest Coverage (Times)	5.3	8.1
Average Term to Maturity (Years)	2.46	2.38
Average Cost of Debt ²	3.64%	2.60%

1. The lower gearing for 1Q 2014 was mainly due to lower debt as compared to 4Q 2013.
2. The higher average cost of debt for 1Q 2014 was mainly due to higher finance costs from loans denominated in RMB arising from consolidation of CapitaMall Grand Canyon.



Attractive Distribution Yield



Sources: Bloomberg, CRCTML, CPF Board, Monetary Authority of Singapore

1. Based on annualised distribution per unit of 9.73¢ for 1Q 2014 and the unit closing price of S\$1.40 on 31 March 2014.

2. Singapore Government 10-year and China Government 10-year bond yields as at 31 March 2014.

3. Average 12-month gross dividend yield of Straits Times Index stocks as at 31 March 2014

4. Average 12-month gross dividend yield of Straits Times Real Estate Index as at 31 March 2014.

5. Average 12-month gross dividend yield of Straits Times REIT Index as at 31 March 2014

6. Prevailing CPF-Ordinary Account savings rate.

7. Average 12-month S\$ fixed deposit savings rate as at March 2014.

Portfolio Update





Strong Portfolio Occupancy Rate

	31 Mar 13 ¹	30 Jun 13 ¹	30 Sep 13 ¹	31 Dec 13 ¹	31 Mar 14 ¹
<u>Multi-Tenanted Malls</u>					
CapitaMall Xizhimen	96.0%	98.5%	98.1%	98.3%	95.6%²
CapitaMall Wangjing	99.8%	99.9%	98.9%	99.0%	99.2%
CapitaMall Grand Canyon	N/A	N/A	N/A	95.9%	99.8%
CapitaMall Qibao	97.2%	95.1%	96.6%	97.1%	98.5%
CapitaMall Saihan	97.0%	98.5%	99.9%	99.9%	98.0%³
CapitaMall Wuhu	88.5%	90.4%	89.9%	90.9%	91.1%
<u>Master-Leased Malls</u>					
CapitaMall Anzhen	100%	100.0%	100.0%	100.0%	100.0%
CapitaMall Shuangjing	100%	100.0%	100.0%	100.0%	100.0%
CapitaMall Erqi	100%	100.0%	100.0%	100.0%	100.0%
<u>Asset Enhancement Initiative (AEI) Mall</u>					
CapitaMall Minzhongleyuan⁴	72.1%	65.2%	N/A	N/A	N/A
CRCT Portfolio	96.5%	96.5%	98.3%	98.2%⁵	98.4%⁵

1. Based on committed leases.

2. Reconfiguration of the unit previously occupied by a mini-anchor.

3. Trade mix adjustment at level 3.

4. Excluded CapitaMall Minzhongleyuan as it was undergoing asset enhancement.

5. Included CapitaMall Grand Canyon.



Healthy Portfolio Rental Reversion of 23.0% in 1Q 2014

From 1 January to 31 March 2014		
Property ¹	No. of new leases/renewals	Var. over last rental rate ^{2, 3, 4} (%)
CapitaMall Xizhimen	45	16.6%
CapitaMall Wangjing	27	29.2%
CapitaMall Grand Canyon	14	42.8%
CapitaMall Qibao	21	15.7%
CapitaMall Saihan	33	33.6%
CapitaMall Wuhu	25	7.4%
CRCT Portfolio	165	23.0%
CRCT Portfolio (exclude CapitaMall Grand Canyon)	151	21.1%

1. CapitaMall Minzhongleyuan is excluded as it is undergoing asset enhancement works.
2. Excluding gross turnover component, newly created units lease out, short term renewals < 1 year, units vacant for >=1 year and pre-terminated leases.
3. Included re-configured units.
4. Majority of leases have rental escalation clauses.



Portfolio Lease Expiry (By Year)

As at 31 March 2014	No. of Leases ^{1,3}	Committed Gross Rent ³	
		RMB'000	% of Total (Mar 14 ²)
2014	423	8,885	11.6%
2015	365	16,122	21.0%
2016	186	13,091	17.1%
2017	63	5,947	7.7%
Beyond 2017	102	32,739	42.6%
CRCT Portfolio³		Weighted Average Lease Term to Expiry	
By Committed Gross Rent		7.2 years	
By Net Lettable Area		9.6 years	

1. Based on all committed leases as of 31 March 2014.

2. As percentage of total rental income of each mall for the month of March 2014.

3. Includes CapitaMall Grand Canyon but excludes CapitaMall Minzhongleyuan as it is undergoing asset enhancement.



Portfolio Lease Expiry Profile for 2014

As at 31 March 2014 ³	No. of Leases ¹	Net Lettable Area ³		Committed Gross Rent ³	
		Sq m	% of total ²	RMB'000	% of total (Mar 14) ²
CapitaMall Xizhimen	52	2,479	8.5%	1,596	18.0%
CapitaMall Wangjing	91	6,541	22.4%	3,092	34.8%
CapitaMall Grand Canyon	69	1,884	6.4%	1,172	13.2%
CapitaMall Qibao	50	2,652	9.1%	947	11.0%
CapitaMall Saihan	83	6,049	20.7%	1,152	13.0%
CapitaMall Wuhu	78	9,626	32.9%	899	10.0%

1. Based on all committed leases as of 31 March 2014.

2. As percentage of total gross rentable area/rental income for the month of March 2013.

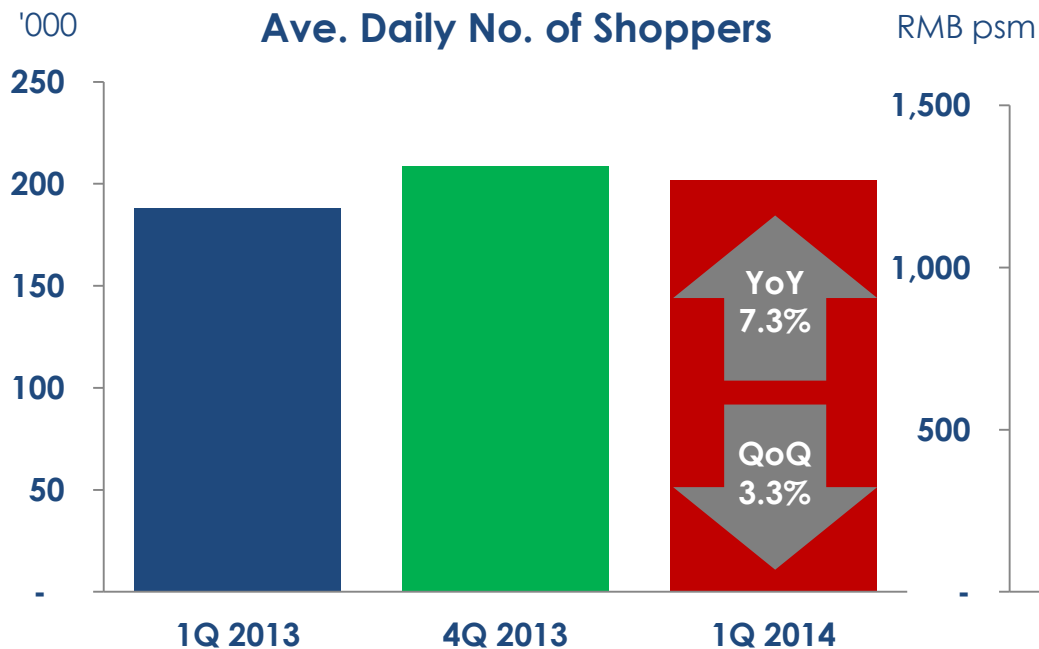
3. CapitaMall Minzhongleyuan is excluded as it is undergoing asset enhancement works.



Portfolio Shopper Traffic & Tenants' Sales

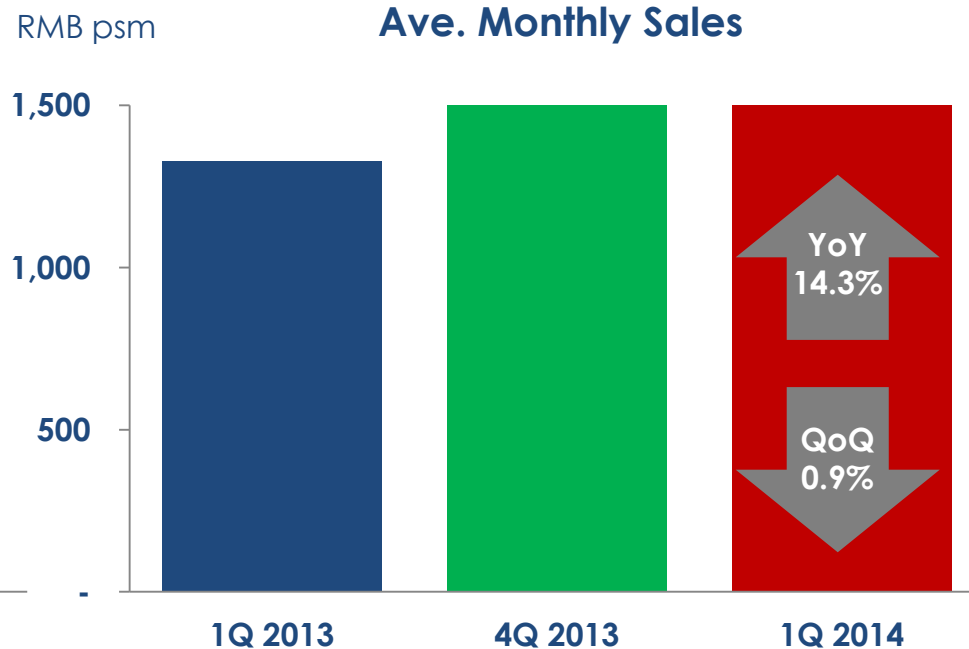
Shopper Traffic¹ (1Q 2014 vs 1Q 2013 & 4Q 2013)

Ave. Daily No. of Shoppers



Tenants' Sales¹ (1Q 2014 vs 1Q 2013 & 4Q 2013)

Ave. Monthly Sales



1. Includes only shoppers at multi-tenanted malls except CapitaMall Minzhongleyuan, which is undergoing asset enhancement works and CapitaMall Grand Canyon as acquisition was completed on 30 December 2013.

CapitaMall Minzhongleyuan – Asset Enhancement Initiative Updates

On track to reopen in 2Q 2014; Committed occupancy rate ~90%



CapitaMall Minzhongleyuan – Asset Enhancement Initiative Updates

- Additional brands committed include Innisfree, Hotwind & Caffé Bene
- Committed gross rental is 11.5% higher than our budget



New weatherproof roof



Renovated corridor



Rejuvenated main atrium

Proactive Asset Management



CapitaMall Xizhimen, Beijing, China

CapitaMall Grand Canyon – Updating Tenant Mix

- **Widened our F&B selections to well-known restaurant chains in L4**
 - ✓ Opening of several well-recognized restaurants like Sunshine Kitchen (汤城小厨), Childhood Villas (童年小筑) & PIAJOLY (聚乐港)
 - ✓ Average rental increased by >35%
- **Diversified trade mix to enhance shopping experience**
 - ✓ Brought in popular sports brands like Li-Ning and strengthened children related trade mix
 - ✓ Average rental increased by ~82%



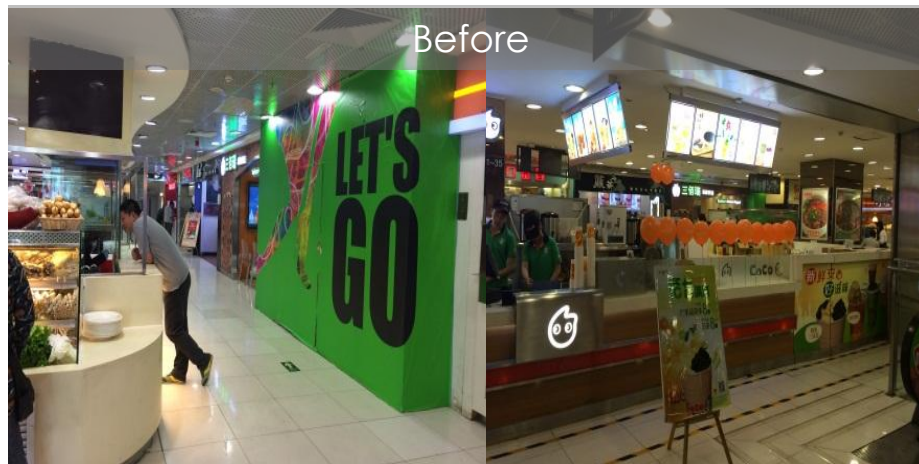
Childhood Villas (童年小筑)



PIAJOLY (聚乐港)



CapitaMall Xizhimen – Strengthening Market Positioning



Before



After

- Strong NPI growth of 19.4% y-o-y to S\$9.2 mil
- Healthy rental reversion of 16.6%
- Replaced local snack shops with popular F&B tenants at B1
 - ✓ New tenants include: Honeymoon Dessert, Meet Fresh, Subway and Uncle Tetsu Cheesecake
 - ✓ Enhanced dining experience with open area sitting and modern interior design with quality finishing
 - ✓ Average gross rent up by ~35%



CapitaMall Wangjing & CapitaMall Saihan

– Enhancing Returns

- **CapitaMall Wangjing – Reconfiguration of area**
 - ✓ Updated the fast fashion tenant and increased rental by 22.6%
 - ✓ Relocated the F&B tenant and divided the space to house popular fashion brands, 6IXTY 8IGHT & odbo COLOURS; rental growth of ~45%
- **CapitaMall Saihan – Update F&B offering**
 - ✓ Popular F&B choice among the younger shopper
 - ✓ Sales psm increased by ~50%.



6IXTY 8IGHT



odbo COLOURS



Happy Lemon

Market Outlook





Market Outlook

- China's economy grew 7.4% in 1Q 2014 & retail sales up 12% y-o-y to RMB6.2 trillion
- FY 2014 GDP growth target at 7.5% and total sales growth at 14.5%
 - ✓ Committed to grow steadily and ensure social stability
- Remains positive on China's long-term outlook and its underlying consumption growth.
- Having built the foundations in 2013, CRCT is confident of delivering strong performance in 2014

* Source: National Bureau of Statistics of China

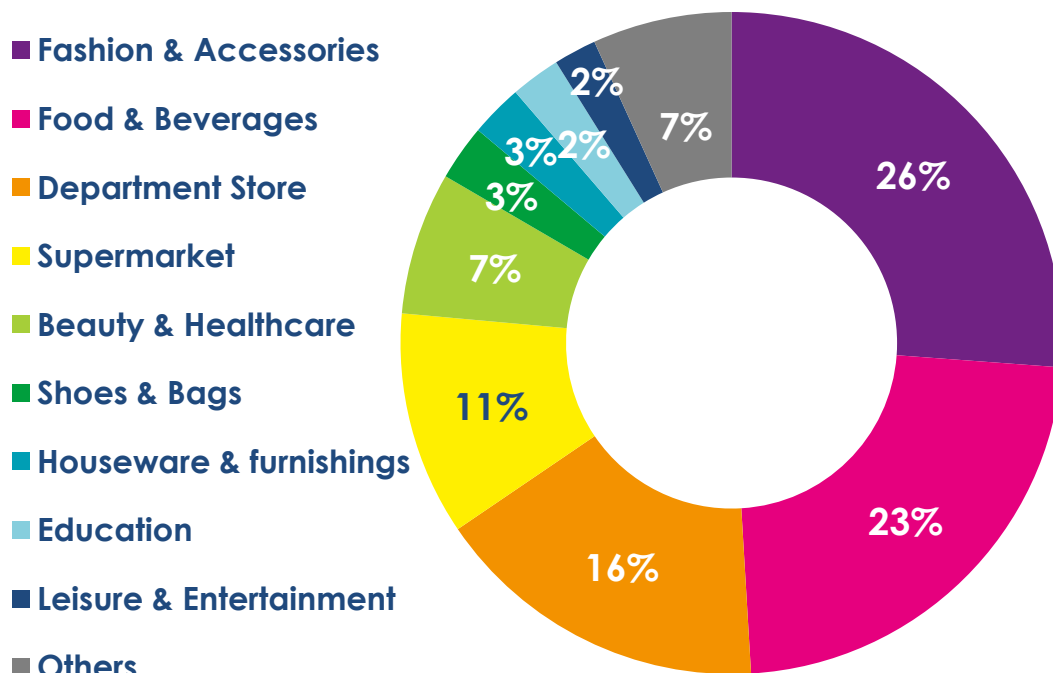
Financial Results for 1Q 2014 *24 April 2014*

Appendix

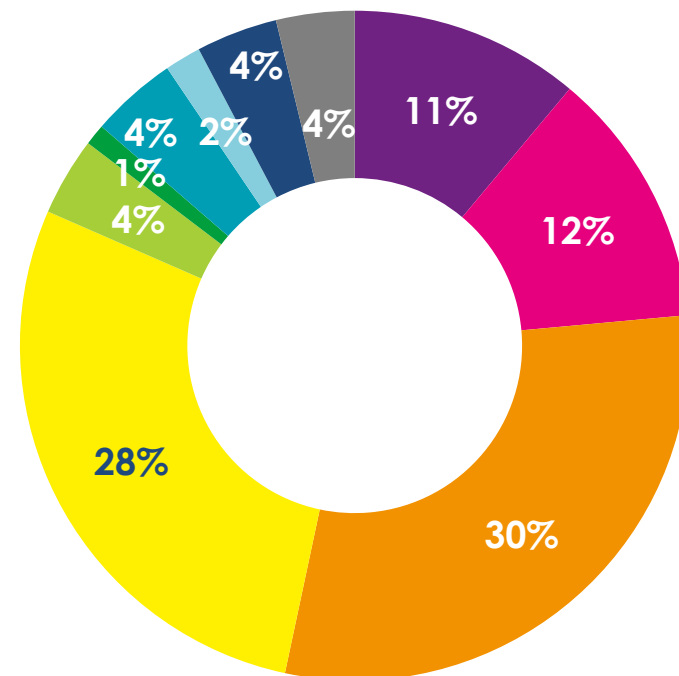


CapitaMall Wangjing, Beijing, China

By Committed Gross Rent^{1,3,4}



By Net Lettable Area^{2,3,4}



1. For the month of Mar 2014.
2. Percentage of committed NLA as at 31 Mar 2014.
3. Includes CapitaMall Grand Canyon but excludes CapitaMall Minzhongleyuan as it is undergoing asset enhancement.
4. As compared to 4Q 2013, the share of F&B's committed gross rent increased due to strong rental reversion, while NLA of F&B remained unchanged.



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 Anzhen 凯德MALL· 安贞	CapitaMall Erqi 凯德广场· 二七	CapitaMall Shuangjing 凯德MALL· 双井	CapitaMall Minzhong leyuan 新民众乐园	CapitaMall Qibao 凯德七宝 购物广场	CapitaMall Saihan 凯德MALL· 赛罕	CapitaMall Wuhu ¹ 凯德广场· 芜湖
Location	Beijing	Beijing	Beijing	Beijing	Zhengzhou	Beijing	Wuhan	Shanghai	Huhhot	Wuhu
GFA² (sq m)	83,075	83,768	96,821	43,443	92,356	49,463	41,717	83,986	41,938	59,624
GRA² (sq m)	83,075	68,010	69,967	43,442	92,356	49,463	38,631	72,729	41,938	45,634
Land Use Right Expiry	23 Aug 2044 23 Aug 2054	15 May 2043 15 May 2053	29-Aug-44	7 Oct 2034 5 Mar 2042 3 Jun 2042	31 May 2042	10 Jul 2042	30 Jun 2044 ⁶ 15 Sep 2045	10 Mar 2043 ⁷	11 Mar 2041 20 Mar 2041	29 May 2044
Valuation (RMB million)	2,600	1,900	1,882 ³	949	590	543	504	472	362	251
NPI Yield on Valuation³	6.9%	7.3%	4.2%	7.1%	7.3%	6.8%	N.M. ⁴	9.6%	8.3%	6.7%
Number of Leases²	267	226	191	2	2	10	N.M. ⁵	167	177	157
Committed Occupancy²	95.6%	99.2%	99.8%	100.0%	100.0%	100.0%	N.M. ⁵	98.5%	98.0%	91.1% ⁵
Shopper Traffic for 1Q 2014 (million)	8.24	2.46	2.3 ⁵	-	-	-	N.M. ⁵	3.28	2.28	1.88

1. CRCT has a 51.0% interest in CapitaMall Wuhu.
2. As at 31 March 2014.
3. NPI yield is based on annualised NPI as at 31 March 2014 and valuation as at 31 December 2013. CapitaMall Grand Canyon's valuation was based on management's valuation as the acquisition of the mall was completed on 30 December 2013.
4. The NPI yield for CapitaMall Minzhongleyuan is not meaningful due to the on-going asset enhancement works.
5. CapitaMall Grand Canyon's acquisition was completed on 30 December 2013 and CapitaMall Minzhongleyuan is undergoing asset enhancement works. Tenancy adjustments on levels 1 and 4 of CapitaMall Wuhu.
6. The conserved building is under a lease from the Wuhan Cultural Bureau.
7. 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.



Thank You

For enquiries from analysts & investors, please contact

(Ms) LENG Tong Yan

Investor Relations

Tel: (65) 6826 5469

Email: leng.tongyan@capitaland.com