



**CapitaRetail China Trust Management Limited**

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To: Unitholders of CapitaRetail China Trust

## **CAPITARETAIL CHINA TRUST REPORT TO UNITHOLDERS 2008**

We are pleased to enclose the CapitaRetail China Trust Report To Unitholders 2008 ("CRCT Report 2008")<sup>1</sup>.

For and on behalf of  
CapitaRetail China Trust Management Limited  
As manager of CapitaRetail China Trust

A handwritten signature in black ink, appearing to read "Kannan Malini".

Kannan Malini  
Company Secretary

<sup>1</sup> With reference to the directors' fees for the financial year 2008 ("FY2008") reflected on page 31 of CRCT Report 2008, Mr Dilhan Pillay Sandrasegara, a Non-Executive Independent Director of CapitaRetail China Trust Management Limited, has voluntarily waived his entitlement to directors' fees for FY2008 of S\$51,000 comprising S\$36,000 for acting as a member of the Board and S\$15,000 for acting as a member of the Audit Committee.

# THE SPIRIT OF ENTERPRISE

CAPITARETAIL CHINA TRUST  
REPORT TO UNITHOLDERS 2008



## The Spirit of Enterprise

An enterprising spirit and a creative mind are powerful tools. Their synergy has fashioned the great inventions of this world. Inventions by the Chinese were imbued with a fervour that fuelled their minds and sparked their imagination to enrich human civilisation through the ages.

Their legacy inspires us, and amid these challenging times, we are guided by a similar synergy of entrepreneurial drive and creativity in fulfilling our goals and vision.



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Any discrepancies in the tables and charts between the listed figures and totals thereof are due to rounding. Where applicable, figures and percentages are rounded to one decimal place.

Cover photo: Wangjing Mall in Beijing

## VISION

A sustainable and resilient real estate investment trust (REIT) with a quality and professionally managed portfolio of retail real estate across China.

## MISSION

To deliver sustainable income growth to our unitholders and add value to the community and stakeholders by enhancing organic growth through proactive asset management, creating new value through innovative asset enhancement strategies, and capitalising on yield-accretive acquisitions growth that is supported by a secured and proprietary pipeline.

## **CAPITARETAIL CHINA TRUST** **FIRST PURE-PLAY CHINA RETAIL** **REAL ESTATE INVESTMENT TRUST IN SINGAPORE**

Listed on Singapore Exchange Securities Trading Limited (SGX-ST) on 8 December 2006, CapitaRetail China Trust (CRCT) is the first pure-play China retail REIT in Singapore. 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 in the People's Republic of China (China), Hong Kong and Macau.

CRCT's portfolio of eight retail mall properties is located in China's five key cities. The properties are Xizhimen Mall, Wangjing Mall, Jiulong Mall and Anzhen Mall in Beijing, Qibao Mall in Shanghai, Zhengzhou Mall in Zhengzhou, Henan Province, Saihan Mall in Huhhot, Inner Mongolia, and Xinwu Mall in Wuhu, Anhui Province.

All the malls in the portfolio are uniquely 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' tenants consists of major international and domestic retailers such as Wal-Mart, Carrefour and the Beijing Hualian Group under master or long-term leases, which provide CRCT unitholders (Unitholders) with stable and sustainable returns. The anchor tenants are complemented by popular specialty brands such as Vero Moda, Esprit, Watsons, KFC, Pizza Hut, BreadTalk etc.

CRCT is managed by an external manager, CapitaRetail China Trust Management Limited (CRCTML or the Manager), which is an indirect wholly-owned subsidiary of CapitaLand Limited (CapitaLand), one of the largest listed real estate companies in Asia.



Xizhimen Mall, Beijing



Wangjing Mall, Beijing



Jiulong Mall, Beijing



Anzhen Mall, Beijing



Qibao Mall, Shanghai



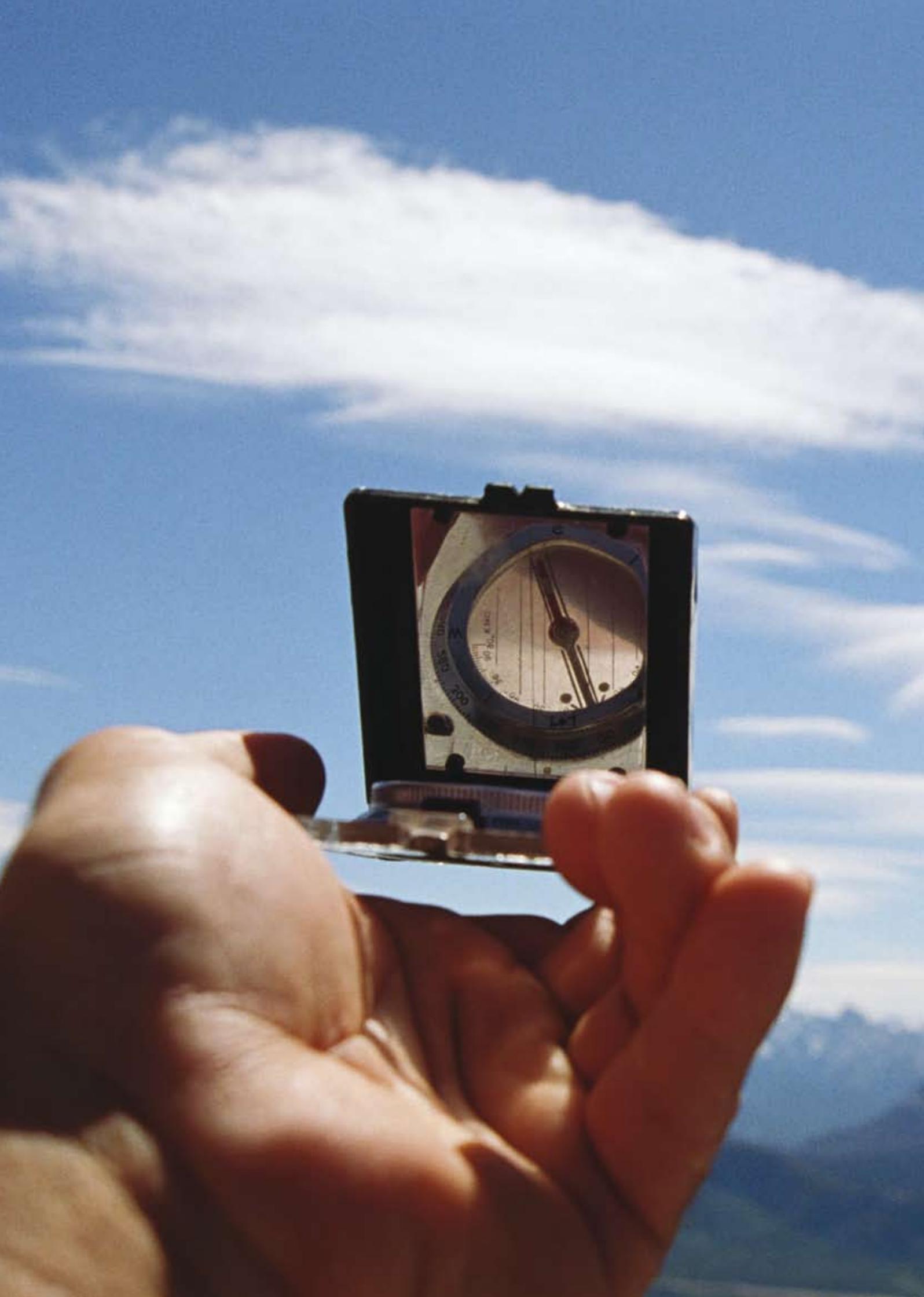
Zhengzhou Mall, Zhengzhou,  
Henan Province



Saihan Mall, Huhhot,  
Inner Mongolia



Xinwu Mall, Wuhu,  
Anhui Province



**Compass:** Estimated to be first made during the Warring States Period (475 - 221 B.C.) The first person recorded to have used the compass as a navigational aid was Zheng He (1371 - 1435) from the Yunnan province who made seven ocean voyages between 1405 and 1433.

## CHARTING THE COURSE

Clarity of direction is crucial in navigating the web of opportunities in a sprawling market like China. As the first pure-play retail REIT focusing on China, we have been very clear from the outset about the quality of real estate we would pursue and have mapped out our growth accordingly.



Mr Victor Liew Cheng San  
Chairman  
廖青山先生  
董事长

Mr Wee Hui Kan  
Chief Executive Officer  
王会干先生  
总裁

On behalf of the Board of Directors of CRCTML, we are pleased to present the Report to Unitholders for CRCT for the financial year from 1 January 2008 to 31 December 2008 (FY 2008).

## ENTERING OUR THIRD YEAR

The public listing of CRCT in December 2006 followed by the year 2007 marked the taking root of our long-term vision for CRCT to be a sustainable and resilient REIT with a portfolio of quality and professionally managed retail real estate across China. Over the course of 2008, we continued to ink our trail in the country, while consolidating our strengths and equipping ourselves for the challenges ahead.

Great inventions are founded on two tenets – an enterprising spirit and a creative mind. Amid these challenging times, we are guided by a similar synergy of entrepreneurial drive and creativity in achieving our goals and vision for CRCT as we enter our third year.

## CHARTING OUR COURSE AMID A MORE SOMBRE ECONOMIC OUTLOOK FOR CHINA IN 2009

China's Gross Domestic Product (GDP) growth in 2008 slowed to 9%<sup>1</sup> as the global financial crisis ensued. This figure is well below the 13%<sup>1</sup> growth registered for 2007 and is the lowest since 2001. Growth of the economy dropped drastically in the fourth quarter of 2008 as industrial output fell amid reduced foreign demand. Growth of retail sales however, stayed rather resilient, registering only a slight drop from 23%<sup>1</sup> in July 2008 to 19%<sup>1</sup> in December 2008.

The World Bank has projected the Chinese economy to grow at 7.5%<sup>2</sup> in 2009, which would be the slowest pace of growth in the last decade. To boost the economy, the Chinese government has rolled out a RMB4 trillion stimulus package to be spent on new railways, environmental protection projects, post-Sichuan earthquake reconstruction, as well as government-subsidised housing projects and other infrastructural projects. The Chinese central bank has also substantially cut deposit and lending rates of financial institutions, and lowered the reserve ratios.

The stimulus measures are put in place to help the economy to regain some growth momentum in the second half of 2009. China aims to be the first nation to recover from the global financial crisis and the Chinese government is expected to introduce more measures to boost domestic demand and turn around the economic slowdown.

## OUR 2008 DPU GREW 12.1% YEAR-ON-YEAR

CRCT's distributable income for FY 2008 grew 43.4% from the previous financial year to reach S\$45.9 million. This translates into a distribution per unit (DPU) of 7.53 cents, an increase of 12.1% from the previous year.

Portfolio gross revenue and net property income (NPI) in FY 2008 rose 51.6% and 49.3% from the previous year to S\$108.9 million and S\$69.5 million respectively. Special mention must be made for Qibao Mall which registered a sharp turnaround from a NPI deficit of RMB4.8 million in the previous year to a positive NPI of RMB16.2 million in FY 2008. Our proactive management efforts for the mall had paid off.

1. Source: The People's Republic of China National Bureau of Statistics.

2. Source: The World Bank China Quarterly November 2008.



The strong growth in FY 2008 portfolio revenue and income is largely attributed to the acquisition of Xizhimen Mall Phase I on 5 February 2008, as well as occupancy and rental growth at the rest of the malls.

CRCT's total asset size grew 63.7% year-on-year to reach S\$1.3 billion as at 31 December 2008, which was largely contributed by the acquisition of Xizhimen Mall Phase I, while the asset values of the remaining properties held steady.

#### **WE MAINTAIN OUR PROACTIVE STANCE IN CAPITAL MANAGEMENT**

Despite the global financial and credit crunch bearing down on us, we successfully refinanced our US\$105.0 million loan facility which matured on 21 November 2008. The loan was refinanced in Singapore dollars at a favourable interest rate within our forecast<sup>3</sup>. The next major debt refinancing for CRCT is not due until 2010.

CRCT's gearing of 32.8% and interest cover of 6.9 times as at 31 December 2008 were at healthy levels, and we will continue with our proactive stance in capital management in 2009.

69.6% of CRCT's borrowings were locked in at fixed rates, with the average cost of debt at 2.6% as at 31 December 2008. With the lowering of interest rates by the Chinese central bank since the end of 2008 and possibly a further easing of the interest rates in 2009, we expect onshore Renminbi-denominated loans to become more attractive vis-à-vis offshore loans for which borrowing costs have escalated as the global credit crisis deepened. Though we do not have any major debt refinancing this year, we are closely monitoring this trend and exploring the options for refinancing our offshore debt that matures in 2010.

#### **OCCUPANCY RATES AND TENANTS' SALES STAYED RESILIENT IN 2008**

Committed occupancies of CRCT portfolio grew from 95.6% to 97.7% year-on-year<sup>4</sup>. New leases and renewals in FY 2008 were committed at rents 21.8%<sup>5</sup> above our forecast<sup>3</sup>.

Comparable portfolio shopper traffic<sup>6</sup> and tenants' sales<sup>7</sup> stayed resilient in the year. Year-on-year, the combined shopper traffic at Wangjing Mall, Qibao Mall and Xinwu Mall grew 1.9% or 0.5 million, while average monthly sales of between RMB706 and RMB790 per

3. As stated in CRCT Offer Information Statement (OIS) to Unitholders dated 25 January 2008, together with the accompanying assumptions.

4. Based on committed leases as at 31 December 2007 and 31 December 2008 respectively and CRCT's 51.0% ownership interest of Xinwu Mall.

5. Of which, 3.9% was contributed by new leases at newly created lettable area.

6. Excludes Anzhen Mall, Zhengzhou Mall and Jiulong Mall which do not have traffic counters, Saihan Mall which underwent extensive asset enhancement works between September 2007 and September 2008, and Xizhimen Mall Phase I which opened on 15 September 2007.

7. Includes only specialty tenants with complete gross turnover information at Wangjing Mall, Qibao Mall and Xinwu Mall throughout FY 2008. Excludes tenants from Xizhimen Mall Phase I which was acquired on 5 February 2008, and tenants from Saihan Mall Phase I which re-opened on 12 September 2008.

# LETTER TO UNITHOLDERS

square metre of gross rentable area (GRA) were achieved in all four quarters of 2008.

We embarked on our first asset enhancement works at Saihan Mall in September 2007. The first phase of works on Levels 1 to 3 was completed and re-opened on 12 September 2008. The completed works included the relocation of the popular fresh goods section of Beijing Hualian Supermarket from Level 1 to Level 3 to release prime retail space on Level 1 for specialty tenants. Retail space formerly occupied by Beijing Hualian Department Store on Levels 1 to 3 was also recovered, reconfigured and leased to new specialty tenants.

Phase 2 of the enhancement works is currently in progress on Level 4 of the mall and we target to complete it by the end of 2009. Active organisation of events and activities to drive shopper traffic and tenants sales to the newly-opened mall will be our key focus in 2009.

## SUCCESSFUL ACQUISITION OF XIZHIMEN MALL

We successfully completed our first acquisition, Xizhimen Mall Phase 1, from CapitaRetail China Incubator Fund on 5 February 2008 at a purchase price of S\$336.0 million. We also exercised the rights to purchase Xizhimen Mall Phase 2 from Beijing Finance Street Construction Development Co. Ltd on 29 September 2008 at a purchase price of S\$32.7 million.

Phase 2, at 9,217 sq m of GRA, is the extension of the mall's Basement 1 which connects to the adjacent subway and railway stations. 55.9% of the GRA has been committed. We expect to complete the acquisition by the end of March 2009 and progressively open Phase 2 by the end of 2009.

With the enhanced connectivity to the adjacent public transport nodes, we expect Xizhimen Mall to enjoy a higher footfall when Phase 2 is opened. The mall will also be able to provide for a wider array of offerings, and this will further strengthen the mall's positioning as a one-stop shopping, dining and entertainment destination in Beijing.

CRCT continues to enjoy the rights of first refusal to purchase assets held by CapitaLand-sponsored private funds, CapitaRetail China Development Fund and Fund II, CapitaRetail China Incubator Fund, as well as CapitaLand Retail Limited, the retail real estate business unit of CapitaLand.

Apart from our secured and proprietary pipeline, we will also identify and evaluate prospects presented by other third-party vendors. Property acquisitions will always be carefully evaluated in the long-term interests of Unitholders. We will focus on properties with strong growth and asset enhancement potential, which could thus enhance CRCT's distribution yield.

## WE REMAIN OPTIMISTIC OF THE LONG-TERM GROWTH POTENTIAL OF CHINA'S RETAIL MARKET

Although China is not spared from the global economic downturn and would have a more sombre economic outlook in 2009, it has the wherewithal and will to be among the first in the world to recover from this turbulence.

A large proportion of our tenants are mass-market retailers selling basic necessities. This will provide some resilience to our portfolio and income. In 2009, we will seek to maintain occupancy levels at our malls, work closely with tenants to drive shopper traffic and sales, and fine-tune our tenancy-mix in keeping with shoppers' demand for value purchases during the downturn.

Meanwhile, we also witness the reshaping of the Singapore REITs landscape in the last 12 months during which the global financial crisis and economic uncertainties have affected various REITs with respect to capital management, liquidity or accretive acquisitions. Nonetheless, we remain optimistic of the long-term growth potential of China's retail

market as we strive to deliver a stable and sustainable distribution to Unitholders.

## ACKNOWLEDGEMENTS

We would like to thank our Board of Directors, business partners, customers, tenants, shoppers and staff for their invaluable contributions in 2008. We would especially like to thank Mr Hsuan Owyang and Mr Pua Seck Guan, who stepped down from the Board with effect from 1 January 2009 and 1 November 2008 respectively, for their contributions and guidance. We wish both of them well in their future endeavours.

We would also like to thank Mr Lim Beng Chee who stepped down from his role as the CEO of CRCTML on 1 October 2008. He continues to contribute in his capacity as a Non-Executive Director of the Board.

Lastly, we thank you, our Unitholders, for your trust in us, and we look forward to your continued support in 2009.

**Victor Liew Cheng San**  
Chairman

**Wee Hui Kan**  
Chief Executive Officer

12 March 2009

我们谨代表嘉茂中国信托管理有限公司董事会向各单位持有人呈上嘉茂中国信托2008财务年度（2008年1月1日至2008年12月31日）报告。

## 迈入第三个年头

自2006年12月上市以来，嘉茂中国信托（CRCT）一直秉承品质卓越，管理专业的理念，以在中国打造兼具活力及韧性的房地产投资信托基金为长期目标，我们在2007年的努力，为这一长期目标的实现奠定了坚实的基础。2008年，在继续扩展CRCT在中国业务的同时，我们也在蓄势待发，以迎接未来的挑战。

伟大的发明永远离不开开拓进取的精神和创意无限的思想。在这充满挑战性的时代，我们在相似的进取动力和创新思想的引领下，迈入了CRCT的第三个年头，同时也更加坚定地向着我们长期的目标及愿景前行。

## 2009年经济前景不明朗 我们积极调整策略

随着全球金融危机的爆发，2008年中国国内生产总值（GDP）的增长速度放慢至9%<sup>1</sup>，这远低于2007年的13%<sup>1</sup>的增长率，也创下了自2001年以来最低的GDP增长率。由于境外需求的锐减以及国内工业总产值的下降，导致2008年第4季度中国经济增速迅速下滑。然而，国内零售行业的增速则保持一定的韧性，相比2008年7月23%<sup>1</sup>的行业增长率，12月的数据仅小幅下降至19%<sup>1</sup>。

根据世界银行的预测，2009年中国经济增长率为7.5%<sup>2</sup>，这将是近10年来中国经济增长的低谷。为了刺激经济增长，中国政府已制定了一项总额为4万亿人民币的经济刺激方案，用于新铁路、环境保护工程项目、四川灾区震后重建以及政府补贴住房和其它基础设施项目的建设。与此同时，中国央行也在大幅度降低金融机构的存、贷款利率及存款准备金率。

这些刺激举措将有助于中国经济在2009年下半年重新获得增长动力。中国正努力成为第一个摆脱全球金融危机的国家，为此，中国政府将有望采取更多刺激内需的措施来扭转目前低靡的经济状况。

## 2008年每单位收益分红同比增长12.1%

2008财年，CRCT的可支配收益达到4,590万新元，较2007年同比增长了43.4%。相应地，CRCT的每单位收益分红为7.53新分，较去年增长了12.1%。

2008财年，CRCT投资组合的总收入和营业利润分别为1.089亿新元和6,950万新元，较去年分别增长了51.5%和49.3%。值得一提的是，

在2007年营业利润还亏损480万元人民币的嘉茂购物广场·七宝，在2008年实现扭亏为盈，并取得了1,620万元人民币的营业利润。我们对该商场积极的管理措施收到了成效。

2008财年，CRCT投资组合总收入及营业利润的增长，很大程度上要归因于我们在2008年2月5日对嘉茂购物中心·西直门一期的收购，此外，其它物业承租率的提高及租金的增长也有力地推动了CRCT收入水平的增长。

截至2008年12月31日，CRCT的总资产规模约为13亿新元，较去年增长了63.7%。资产规模的提升主要源自我们对嘉茂购物中心·西直门一期的收购。投资组合内其它物业的价值则保持相对的稳定。

## 积极稳健的资本运营策略

尽管面对全球金融及信贷紧缩的压力，我们依然成功地对在2008年11月21日到期的1.05亿美元贷款进行了再融资。该笔贷款的再融资是按照一个较为优惠的利率以新元完成的，这也与我们此前的预期<sup>3</sup>相符。CRCT在2010年前将不再需要进行较大规模的债务再融资。

截至2008年12月31日，CRCT的资产负债率为32.8%，利息保障倍数为6.9倍，均处于健康的水平。2009年我们将继续采取积极主动的资本运营策略。

截至2008年12月31日，CRCT的平均债务成本为2.6%，其中69.6%的贷款是以固定利率计息的。由于中国央行在2008年年末开始降息，且这一趋势将很有可能在2009年延续，我们预计境外贷款的成本将随全球信贷危机的加深而不断攀升，而境内人民币贷款将会变得更有吸引力。虽然2009年我们没有较大规模的债务再融资项目，但我们仍将密切关注以上趋势的变化情况，为在2010年到期的境外贷款寻求再融资解决方案。

## 承租率及商户销售稳中有升

2008年度，CRCT投资组合的承租率为97.7%，较去年的95.6%有所提升<sup>4</sup>。2008年达成的新签租约和续签租约的金额比我们的预期<sup>3</sup>高出了21.8%<sup>5</sup>。

可比较物业的客流量<sup>6</sup>和商户销售额<sup>7</sup>在2008年保持了平稳的增长态势。嘉茂购物中心·望京、嘉茂购物广场·七宝和嘉信茂广场·新芜的年总客流量较去年增长了50万人次或1.9%，可出租面积的月均销售额在2008年的4个季度里，基本都保持在每平方米706元至790元人民币之间。

1. 来源：中华人民共和国国家统计局

2. 来源：《世界银行中国季刊》2008年11月

3. 详见CRCT于2008年1月25日发布的《招股信息声明》及所附的假设。

4. 基于2007年12月31日和2008年12月31日分别签订的租约，及CRCT拥有嘉茂购物中心·新芜51.0%的股份。

5. 其中3.9%是来自在新开发的租赁区域中所获得的新租约。

6. 不包括没有流量计数器的安贞华联商厦、郑州华联商厦、九龙商厦及于2007年9月至2008年9月间进行大面积资产改良工程的嘉茂购物中心·赛罕及2007年9月15日开业的嘉茂购物中心·西直门一期。

7. 只包括在嘉茂购物中心·望京、嘉茂购物中心·七宝、嘉茂购物中心·新芜具备2008年度完整销售信息的商户。不包括于2008年2月5日购得的嘉茂购物中心·西直门一期商户以及在2008年9月12日重新开业的嘉茂购物中心·赛罕一期商户。

2007年9月，我们在嘉茂购物中心·赛罕展开了首个资产改良工程。第一期一至三层的工程业已完成，并于2008年9月12日正式开业。完成的改造包括将北京华联超市人气较旺的生鲜商品从一层移至三层，将一层的零售黄金铺位让与专卖店商户。此前被北京华联百货租用的一至三层零售铺位也已被收回，经过重新改造出租给专卖店商户。

二期改良工程目前正在该购物中心的四层进行，预计将于2009年年底前完成。2009年，我们工作的重点将是在新开业的购物中心积极地组织各类活动和集会，以增加客流量和商户的销售额。

### 成功并购嘉茂购物中心·西直门

2008年2月5日，我们成功地以3.36亿新元的价格从凯德中国商用孵化基金收购了嘉茂购物中心·西直门一期。同年9月29日，我们再次行使购买权，以3,270万新元的价格向北京金融街建设开发有限公司购得了嘉茂购物中心·西直门二期。

嘉茂购物中心·西直门二期的可出租面积为9,217平方米，是该购物中心地下一层的延伸，二期的建成将使购物中心与周边的地铁及火车站直接连通。目前，嘉茂购物中心·西直门二期55.9%的可出租面积已获承租。我们预计于2009年3月底前完成对二期的收购，并在2009年年底前逐步完成二期的开业。

由于更紧密地与周边的公共交通节点连接，嘉茂购物中心·西直门二期开业后，我们预计购物中心的客流量将会有较大幅度的提升。另外，随着购物中心业态组合的不断丰富，也将进一步强化其作为北京地区集购物、餐饮和娱乐的一站式商城的定位。

CRCT将继续享有对嘉德置地集团设立的私募基金、凯德中国商用开发基金和基金II、凯德中国商用孵化基金以及嘉德置地集团的零售商业地产业务单元—嘉德商用产业的资产的优先购置权。

除了我们已锁定的自有收购渠道外，我们也会关注并评估来自其他第三方卖家的收购机会。对资产进行仔细评估时，我们将充分考虑单位持有人的长远利益，继续重点关注那些可以提高CRCT收益分红率、具备增值优化潜力及良好增长前景的资产。

### 我们对中国商业零售市场的长期增长前景保持乐观

尽管中国也遭受到了全球经济滑坡的影响，国内2009年的经济前景将不容乐观，但是中国具备足够的意志及实力成为率先摆脱这场危机的国家之一。

在我们的购物中心，销售日用必需品的商户占整个商场业态的比重较大，这也将有利于CRCT投资组合收益的稳定。2009年，我们将努力保持投资组合的承租率水平，与各商户通力合作，以吸引顾客并提高销售额。同时，我们还将不断的调整购物中心的业态组合，以满足消费者在经济不景气时期追求较高购物性价比的需求。

在过去的12个月里，我们也见证了新加坡房地产投资信托基金市场版图的重组，由于全球金融危机和经济形势的不稳定，一些房地产投资信托基金在资本管理、流动性和增值收购等方面受到一定的影响。尽管如此，我们仍然对中国零售商业市场长期的增长前景保持乐观，并会一如既往地为单位持有人提供稳定和可持续的收益。

### 鸣谢

在此我们要感谢我们的董事会、商业合作伙伴、客户、租户、消费者和员工，感谢他们在2008年的卓越贡献。我们要特别感谢董事会的欧阳燹先生和潘锡源先生的贡献和指导。他们分别于2009年1月1日和2008年11月1日卸任。我们衷心地祝愿他们未来事事如意。

我们还要感谢于2008年10月1日卸任嘉茂中国信托管理有限公司总裁一职的林明志先生，他将继续以非执行董事的身份为董事会服务。

最后，我们要由衷的感谢单位持有人对我们的信任，并期待在2009年继续得到你们的支持。

廖青山

董事长

王会干

总裁

2009年3月12日

The revamped Saihan Mall was re-opened on 12 September 2008 after the completion of its first phase of asset enhancement works on Levels 1 to 3.



**Ink:** The Chinese invented and perfected “Indian Ink” which was originally designed for blacking surfaces of stone-carved hieroglyphics. By 1200 B.C. ink has become widely used in China.

## **HIGHLIGHTING KEY DEVELOPMENTS**

Over the course of 2008, we continued to ink our trail in one of the most vibrant retail markets in the world, while consolidating our gains and equipping ourselves for the challenges ahead.







**16 JANUARY 2008**

CRCT's distributable income and DPU for the fourth quarter of 2007 was S\$8.6 million and 1.80 cents respectively. For the financial year ended 31 December 2007, CRCT recorded a distributable income of S\$32.0 million and a DPU of 6.72 cents.

**25 JANUARY 2008**

CRCT announced the issuance of 138.2 million new units (Units) at a price of S\$1.36 per Unit to institutional and other investors through a private placement and to retail investors in Singapore via Automated Teller Machines (ATM). The S\$188.0 million gross proceeds would part finance the acquisition of Xizhimen Mall Phase I.

The private placement was fully subscribed by investors within 30 minutes of its launch.

**26 JANUARY 2008**

The offering of new Units to retail investors via ATMs was fully taken up.

**5 FEBRUARY 2008**

CRCT successfully completed the acquisition of Xizhimen Mall Phase I.

The 138.2 million new Units commenced trading on SGX-ST.

**24 APRIL 2008**

CRCT recorded a distributable income of S\$8.8 million and a DPU of 1.55 cents for the first quarter of 2008.

**1 JUNE 2008**

CRCTML appointed Mr Lui Chong Chee, CEO of CapitaLand Financial Limited, as a Non-Executive Director of the Board.

**1 JULY 2008**

CRCTML appointed Mr Wee Hui Kan as its Deputy CEO.

**30 JULY 2008**

CRCT recorded a distributable income of S\$10.5 million and a DPU of 1.70 cents for the second quarter of 2008.



#### 29 SEPTEMBER 2008

CRCT exercised the rights to acquire Xizhimen Mall Basement 1 extension, Xizhimen Mall Phase 2, at a purchase price of S\$32.7 million.

#### 1 OCTOBER 2008

CRCTML's CEO, Mr Lim Beng Chee, resigned to assume his appointment as Chief Executive Officer of CapitaMall Trust Management Limited, the manager of CapitaMall Trust. Concurrently, Mr Lim resigned from his appointment as an Executive Director of the Board to assume his appointment as a Non-Executive Director.

CRCTML appointed its Deputy CEO, Mr Wee Hui Kan, as its CEO and Executive Director of the Board.

#### 29 OCTOBER 2008

CRCT recorded a distributable income of S\$12.4 million and a DPU of 2.01 cents for the third quarter of 2008.

#### 1 NOVEMBER 2008

Mr Pua Seck Guan resigned from his appointment as the Non-Executive Director of the Board.

#### 23 DECEMBER 2008

CRCTML announced the resignation of Mr Hsuan Owyang from his appointment as the Chairman, Non-Executive Independent Director and member of the Corporate Disclosure Committee of the Board with effect from 1 January 2009.

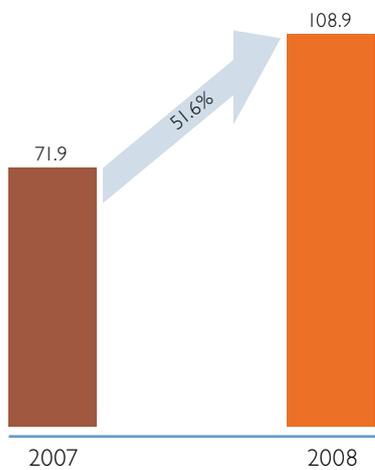
CRCTML announced the appointment of Mr Victor Liew Cheng San as the Chairman, Non-Executive Independent Director and member of the Corporate Disclosure Committee of the Board with effect from 1 January 2009. Mr Liew was a Non-Executive Independent Director and Chairman of the Audit Committee of the Board.

CRCTML announced the appointment of Non-Executive Independent Director of the Board, Mr Dilhan Pillay Sandrasegara, as Chairman of the Board's Audit Committee with effect from 1 January 2009. Mr Sandrasegara was a member of the Audit Committee.

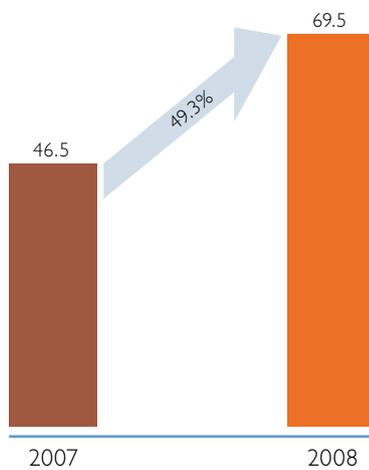
# FINANCIAL HIGHLIGHTS

## Key Financial Information

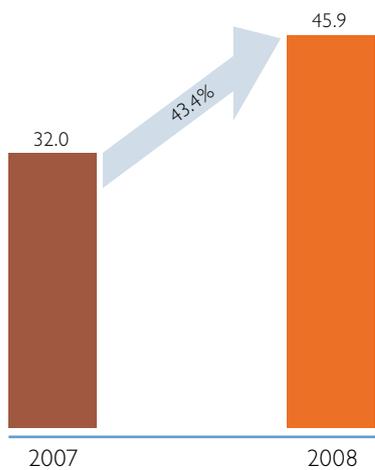
**Gross Revenue (\$ million)**



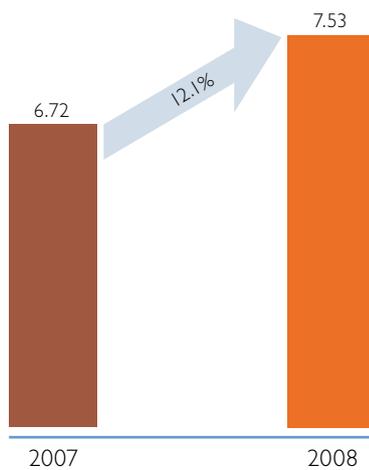
**Net Property Income (\$ million)**



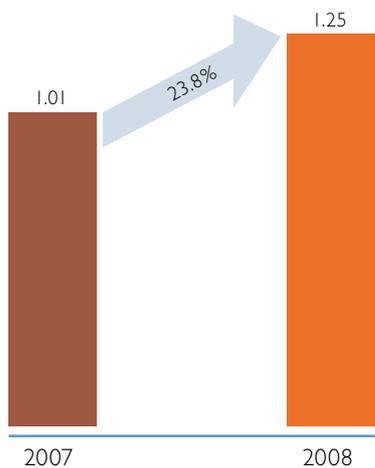
**Distributable Income (\$ million)**



**Distribution Per Unit (cents)**



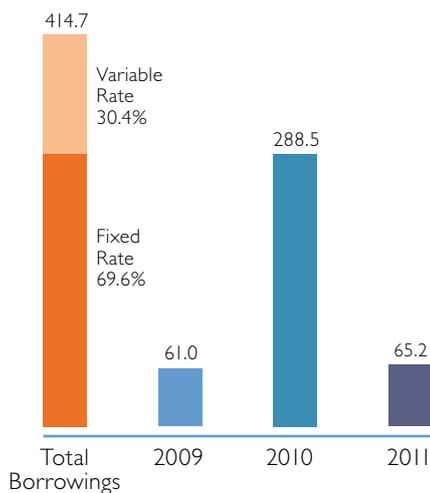
**Net Asset Value Per Unit (\$)**



## Summary of Financial Results

|                             | FY 2008 <sup>1</sup> | FY 2007 <sup>2</sup> | Variance |
|-----------------------------|----------------------|----------------------|----------|
| Gross Revenue ('000)        | RMB537,568           | RMB362,897           | 48.1%    |
| Net Property Income ('000)  | RMB342,841           | RMB234,912           | 45.9%    |
| Gross Revenue ('000)        | S\$108,924           | S\$71,855            | 51.6%    |
| Net Property Income ('000)  | S\$69,466            | S\$46,514            | 49.3%    |
| Distributable Income ('000) | S\$45,862            | S\$31,988            | 43.4%    |
| Distribution Per Unit       | 7.53¢                | 6.72¢                | 12.1%    |
| Distribution Yield          | 12.6% <sup>3</sup>   | 3.1% <sup>4</sup>    | 9.5%     |

## Debt Maturity Profile (S\$ million) (as at 31 December 2008)



- Short-term S\$ unsecured floating rate money market facility
- Two-year S\$ unsecured fixed rate trust term loan facility
- Five-year RMB secured floating rate term loan

## Financial Derivatives (as at 31 December 2008)

|   |                  |
|---|------------------|
| Net Fair Value of Financial Derivatives <sup>5</sup>                          | S\$2.7 million   |
| Net Assets Attributable to Unitholders  | S\$772.6 million |
| Proportion of Financial Derivatives to Net Assets Attributable to Unitholders | 0.3%             |
| Proportion of Notional Amount of Financial Derivatives to Total Borrowings    | 69.6%            |

1. The financial year from 1 January 2008 to 31 December 2008.

2. The financial year from 1 January 2007 to 31 December 2007.

3. Based on closing unit price of S\$0.60 as at 31 December 2008.

4. Based on closing unit price of S\$2.15 as at 31 December 2007.

5. Financial derivatives include non-deliverable cross-currency interest rate swap and interest rate swaps which CRCT has entered into as a form of hedging against the underlying foreign currency and interest rate risks.

## FINANCIAL HIGHLIGHTS

|  | FY 2008 <sup>1</sup>      | FY 2007 <sup>2</sup>    |
|--|---------------------------|-------------------------|
| <b>Balance Sheet as at 31 December</b>         |                           |                         |
| Total Assets ('000)                            | S\$1,325,683              | S\$809,835              |
| Total Deposited Properties <sup>3</sup> ('000) | S\$1,282,534              | S\$779,377              |
| Net Assets Attributable to Unitholders ('000)  | S\$772,564                | S\$483,155              |
| Total Borrowings ('000)                        | S\$414,701                | S\$231,811              |
| Market Capitalisation (million)                | S\$371                    | S\$1,023                |
| Net Asset Value Per Unit                       | S\$1.25                   | S\$1.01                 |
| Portfolio Property Valuation ('000)            | S\$1,253,790 <sup>4</sup> | S\$722,883 <sup>5</sup> |
| <b>Financial Ratios as at 31 December</b>      |                           |                         |
| Earnings Per Unit                              | 6.40¢                     | 7.50¢                   |
| Distribution Per Unit                          | 7.53¢                     | 6.72¢                   |
| Net Tangible Assets Per Unit                   | S\$1.25                   | S\$1.01                 |
| Gearing Ratio <sup>6</sup>                     | 32.8%                     | 30.7%                   |
| Interest Cover                                 | 6.9 times                 | 5.5 times               |
| Management Expense Ratio <sup>7</sup>          | 1.0%                      | 1.3%                    |

1. The financial year from 1 January 2008 to 31 December 2008.

2. The financial year from 1 January 2007 to 31 December 2007.

3. All the assets of CRCT (or proportional share if CRCT owns less than 100% of a Barbados Company as defined in the CRCT Prospectus dated 29 November 2006 (CRCT Prospectus) and/or a Project Company (as defined in the CRCT Prospectus)) including the properties and all the authorised investment of CRCT for the time being held or deemed to be held upon the trusts under the trust deed dated 23 October 2006 as amended by the First Supplemental Deed dated 8 November 2006 (collectively, the Trust Deed), and excluding income to be distributed after year end.

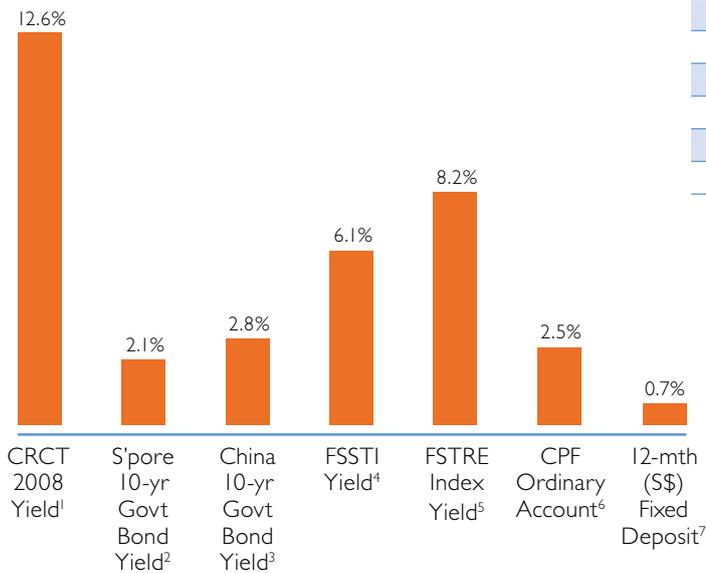
4. Based on valuation carried out on 1 December 2008 and capital expenditure incurred during the period from 1 January 2008 to 31 December 2008. Independent valuations of Wangjing Mall, Jiulong Mall, Anzhen Mall, Qibao Mall, Zhengzhou Mall, Saihan Mall and Xinwu Mall were undertaken by Knight Frank Petty Limited (Knight Frank) and independent valuation of Xizhimen Mall was undertaken by CB Richard Ellis (Pte) Ltd (CB Richard Ellis).

5. Based on valuation carried out on 30 September 2007 and capital expenditure incurred during the period from 1 October 2007 to 31 December 2007. Independent valuations of Wangjing Mall, Jiulong Mall, Anzhen Mall, Qibao Mall, Zhengzhou Mall, Saihan Mall and Xinwu Mall were undertaken by CB Richard Ellis.

6. This includes expected contractual net cash outflows on settlement date of the financial derivatives.

7. Refers to the expenses of CRCT excluding property expenses and interest expense but including performance component of CRCTML's management fees, expressed as a percentage of weighted average net assets.

## Comparative Yields (as at 31 December 2008)



## CRCT Trading Data in 2008

|  |                     |
|--|---------------------|
| Highest Trading Unit Price             | S\$2.13             |
| Lowest Trading Unit Price              | S\$0.41             |
| Average Closing Unit Price             | S\$1.14             |
| Closing Unit Price on 2 January 2008   | S\$2.11             |
| Closing Unit Price on 31 December 2008 | S\$0.60             |
| Turnover                               | 338.3 million Units |

Source: Bloomberg, CRCTML, CPF Board

1. Based on the actual DPU of 7.53 cents for the period 1 January 2008 to 31 December 2008 and the year end closing unit price of S\$0.60 on 31 December 2008.
2. Singapore Government 10-year bond yield as at 31 December 2008.
3. China Government 10-year bond yield as at 31 December 2008.
4. Average 12-month gross dividend yield of FSSTI stocks as at 31 December 2008.
5. Average 12-month gross dividend yield of FSTRE Index stocks as at 31 December 2008.
6. Prevailing CPF-Ordinary Account savings rate as at 31 December 2008.
7. Average SGD 12-month fixed deposit savings rate as at 31 December 2008.

## CRCT Monthly Performance



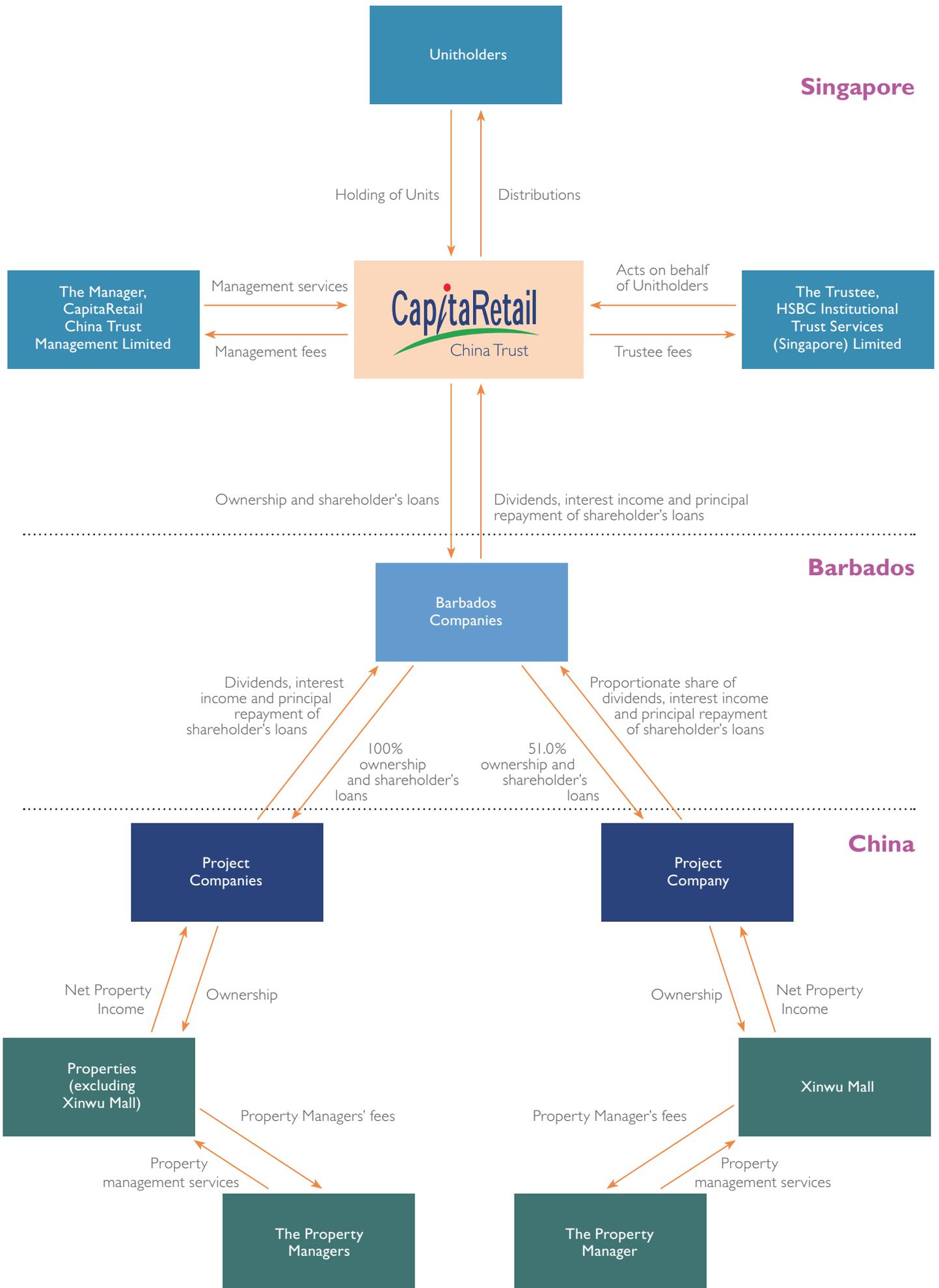
**Chopsticks:** It was recorded in Liji (The Book of Rites) that chopsticks were used in the Shang Dynasty (1600 – 1100 B.C.). By 500 A.D., chopsticks had spread from China to countries such as Korea, Vietnam and Japan.

## WORKING IN UNISON

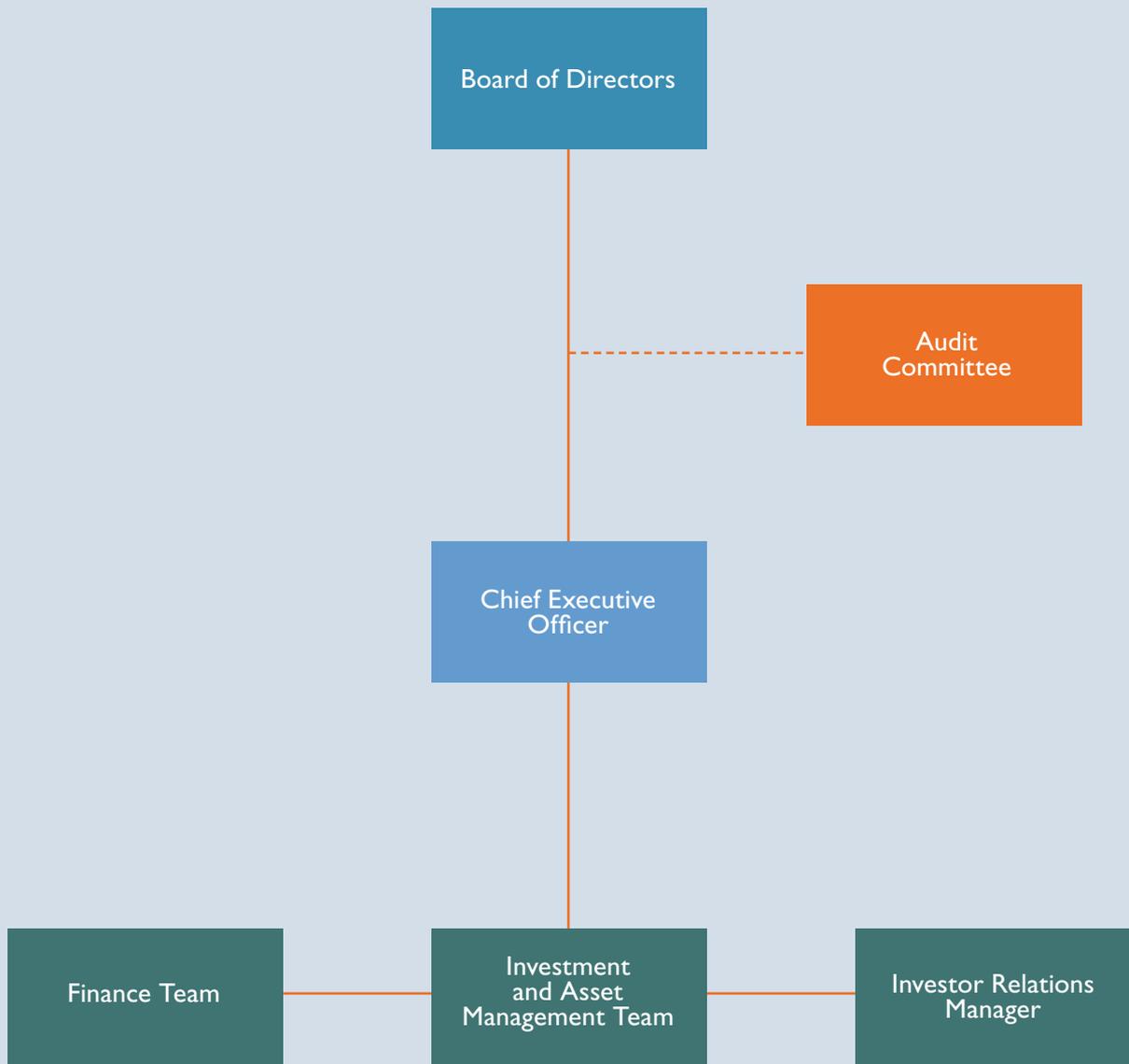
We have in place a talented management team driving the company's growth, coupled with uncompromising standards of accountability and corporate governance to give our Unitholders the utmost confidence in our future.



# TRUST STRUCTURE



CapitaRetail China Trust Management Limited





Left to right: Mr Lui Chong Chee, Mr Kee Teck Koon, Ms Chew Gek Khim, Mr Liew Mun Leong, Mr Victor Liew Cheng San, Mr Wee Hui Kan, Mr Lim Beng Chee, Mr Dilhan Pillay Sandrasegara, Mr Olivier Lim Tse Ghow

### **Mr Victor Liew Cheng San**

#### **Chairman and Non-Executive Independent Director**

Mr Victor Liew Cheng San was appointed as a Non-Executive Independent Director on 31 October 2006 and was subsequently appointed as the Chairman on the Board of CRCTML on 1 January 2009. Mr Liew is also a Member of CRCTML's Audit Committee and Corporate Disclosure Committee.

Mr Liew is the Chairman of Fullerton Fund Management Company Ltd, and serves as Director on various boards both within and outside Singapore. Previously, he spent 30 years in the financial sector before retiring as Head of Global Markets and a member of the Management Committee of a major local bank. He also served as Chairman of the Singapore International Monetary Exchange Ltd and a board member of the Singapore Exchange Ltd.

Mr Liew is a graduate from the University of Singapore with a Bachelor of Social Sciences with Honours.

### **Mr Liew Mun Leong**

#### **Deputy Chairman & Non-Executive Director**

Mr Liew Mun Leong was appointed as the Deputy Chairman as well as a Non-Executive Director on the Board of CRCTML on 31 October 2006. Mr Liew is also the Chairman of CRCTML's Executive Committee and a Member of CRCTML's Corporate Disclosure Committee.

Mr Liew is President and CEO of CapitaLand Group. He joined the Pidemco Land Board as Director on 1 January 1997. Pidemco Land merged with DBS Land to form CapitaLand in November 2000. Mr Liew continued to serve on the CapitaLand Board and was last re-elected as Director at CapitaLand's Annual General Meeting on 27 April 2007. He also serves on CapitaLand's Investment Committee, Nominating Committee, Corporate Disclosure Committee and Finance and Budget Committee.

Mr Liew is Chairman of CapitaLand Residential Singapore Pte Ltd, CapitaLand China Holdings Pte Ltd, CapitaLand Commercial Limited,

CapitaLand Retail Limited, CapitaLand Financial Limited and CapitaLand ILEC Pte. Ltd. He is Deputy Chairman of The Ascott Group Limited as well as the Deputy Chairman of CapitaMall Trust Management Limited (the manager of CapitaMall Trust listed on the SGX-ST), CapitaCommercial Trust Management Limited (the manager of CapitaCommercial Trust listed on the SGX-ST) and Ascott Residence Trust Management Limited (the manager of Ascott Residence Trust listed on the SGX-ST). He is a Director of CapitaLand Hope Foundation, CapitaLand Group's philanthropic arm. Mr Liew also chairs the Civil Aviation Authority of Singapore.

In 2006, Mr Liew was named Outstanding CEO of the Year in the Singapore Business Awards. In 2007, he was conferred CEO of the Year award (for firms with market value of S\$500 million or more) in The Business Times' Singapore Corporate Awards. In 2008, Mr Liew was named Asia's Best Executive of 2008 (Singapore) by Asiamoney and Best CEO in Asia (Property) by Institutional Investor.

Mr Liew graduated from the University of Singapore with a Civil Engineering degree and is a registered professional civil engineer.

### **Mr Dilhan Pillay Sandrasegara**

#### **Non-Executive Independent Director**

Mr Dilhan Pillay Sandrasegara was appointed as a Non-Executive Independent Director on the Board of CRCTML on 31 October 2006. Mr Sandrasegara is also the Chairman of CRCTML's Audit Committee.

Mr Sandrasegara is the Managing Partner of WongPartnership LLP. He has 20 years of experience in the legal services sector. He is a Trustee of the Singapore Management University as well as a member of the Advisory Board of its Law School, a Council Member of the Law Society of Singapore and a Board Member of the Accounting and Corporate Regulatory Authority of Singapore. In addition, he is also a Director of Alexandra Health Pte. Ltd., Babcock & Brown Global Investments Limited, Banyan Tree Holdings Limited, Changi Airports International Pte Ltd, Hup Soon Global Corporation Limited, MOH Holdings Pte Ltd, SMRT Corporation Limited and SPI (Australia) Assets Pty Ltd.

Mr Sandrasegara serves as a member of the Resource Panel of the Singapore Government Parliamentary Committee on Home Affairs and Law and the Steering Committee for Review of the Companies Act appointed by the Minister of Finance to undertake a complete review of the Singapore Companies Act.

Mr Sandrasegara graduated from the National University of Singapore and attended the University of Cambridge, United Kingdom, on a Cambridge ODA Scholarship, where he obtained a Master of Law. He is admitted to the Singapore Bar and was also admitted as a Solicitor in England and Wales.

**Ms Chew Gek Khim**  
**Non-Executive Independent Director**

Ms Chew Gek Khim was appointed as a Non-Executive Independent Director on the Board of CRCTML on 31 October 2006. Ms Chew is also a Member of CRCTML's Audit Committee.

Ms Chew is currently the Executive Chairman of the Tecity Group, Chairman of The Straits Trading Company Limited and Deputy Chairman of the Tan Chin Tuan Foundation in Singapore and Tan Sri Tan Foundation in Malaysia. In addition, she is also the Chairman of the National Environment Agency and a member of the Singapore Totalisator Board. She is a lawyer by training and practised at local law firm, Drew & Napier LLC, prior to joining the Tecity Group.

Ms Chew is a graduate of the National University of Singapore with a Bachelor of Law (Honours) degree.

**Mr Kee Teck Koon**  
**Non-Executive Director**

Mr Kee Teck Koon was appointed as a Non-Executive Director on the Board of CRCTML on 31 October 2006. Mr Kee is also a Member of CRCTML's Executive and Corporate Disclosure Committees.

Mr Kee is the Chief Investment Officer of CapitaLand. He is also a Non-Executive Director of CapitaMall Trust Management Limited and CapitaCommercial Trust Management Limited.

Between April 2003 and February 2007, Mr Kee was responsible for overseeing CapitaLand Group's financial, commercial and retail businesses. Prior to that, he was Managing Director and CEO of The Ascott Group Limited from November 2000 to April 2003. Mr Kee has held senior management appointments with several other organisations. He started his career in 1979 with the Singapore Armed Forces and the Ministry of Defence where he remained until 1991.

Mr Kee holds a Master of Arts in Engineering Science from the University of Oxford, United Kingdom.

**Mr Olivier Lim Tse Ghow**  
**Non-Executive Director**

Mr Olivier Lim Tse Ghow was appointed as a Non-Executive Director on the Board of CRCTML on 31 October 2006. Mr Lim is also a Member of CRCTML's Audit, Executive and Corporate Disclosure Committees.

Mr Lim is the Group Chief Financial Officer of CapitaLand. He is also a Non-Executive Director of CapitaMall Trust Management Limited, CapitaCommercial Trust Management Limited and Australand Holdings Limited and a Director of The Ascott Group Limited.

Prior to joining CapitaLand, he was Director and Head of the Real Estate Unit, Corporate Banking in Citibank Singapore. He has more than 19 years of work experience in diverse areas including corporate banking, investment banking, corporate finance and real estate financial products.

In 2007, Mr Lim was named Chief Financial Officer of the Year (for firms with market value of S\$500 million or more) in The Business Times' Singapore Corporate Awards.

Mr Lim holds a First Class Honours degree in Civil Engineering from the Imperial College of Science, Technology and Medicine, United Kingdom.

**Mr Lui Chong Chee**  
**Non-Executive Director**

Mr Lui Chong Chee was appointed as a Non-Executive Director on the Board of CRCTML on 1 June 2008.

Mr Lui is the CEO of CapitaLand Financial Limited. He is Chairman of Australand Holdings Limited and a Non-Executive Director of CapitaMall Trust Management Limited, CapitaCommercial Trust Management Limited and Ascott Residence Trust Management Limited. Mr Lui previously held various positions within the CapitaLand Group, including Chief Financial Officer of CapitaLand and Chief Executive Officer of CapitaLand Residential Limited. Prior to joining CapitaLand, Mr Lui was the Managing Director of Citigroup Investment Bank (Singapore) Limited.

Mr Lui holds a Master of Business Administration in Finance and International Economics as well as a Bachelor of Science in Business Administration (Magna Cum Laude) from New York University, United States.

**Mr Lim Beng Chee**  
**Non-Executive Director**

Mr Lim Beng Chee previously served in the capacity of Executive Director between 23 August 2006 and 30 September 2008 and subsequently became a Non-Executive Director on the Board of CRCTML on 1 October 2008. Mr Lim is also a Member of CRCTML's Executive Committee.

Mr Lim is the CEO of CapitaLand Retail Limited and CapitaMall Trust Management Limited. He has more than nine years of real estate investment and asset management experience. He previously held positions within the CapitaLand Group, including CEO of CRCTML, Deputy CEO of CapitaLand Retail Limited and Deputy CEO of CapitaMall Trust Management Limited.

Earlier, Mr Lim was part of the team sponsored by CapitaLand to operate and create property funds such as CapitaLand China Residential Fund and CapitaRetail Japan Fund, CapitaRetail China Incubator Fund and CapitaRetail China Development Funds. He also played an instrumental role in the creation and listing of CRCT.

Mr Lim holds a Master of Business Administration (Accountancy) from the Nanyang Technological University of Singapore and a Bachelor of Arts in Physics (Honours) from the University of Oxford, United Kingdom.

**Mr Wee Hui Kan**  
**CEO & Executive Director**

Mr Wee Hui Kan is the CEO and was appointed as an Executive Director on the Board of CRCTML on 1 October 2008. Mr Wee is also a member of CRCTML's Executive Committee.

Concurrently, Mr Wee is the Managing Director for the Fund Manager of CapitaLand China Residential Fund. Mr Wee has more than 14 years of real estate investment and asset management experience. Previously, he was the Deputy CEO of CRCTML and General Manager for CapitaLand China Holdings Pte Ltd.

Mr Wee holds a Master of Business Administration (Accountancy) from the Nanyang Technological University of Singapore and a Bachelor of Engineering (Honours) from the National University of Singapore.

# TRUST MANAGEMENT TEAM

## CHIEF EXECUTIVE OFFICER

### Mr Wee Hui Kan

Refer to the description under the section on "The Board of Directors".

## INVESTMENT AND ASSET MANAGEMENT TEAM

The Investment and Asset Management Team is based in Singapore and China. They are responsible for identifying and evaluating potential acquisitions and investments, as well as formulating business and enhancement plans for CRCT's assets. They work closely with the property managers as well as the shopping malls' centre management to ensure that the plans are diligently implemented.

### Mr Goh Soon Yong

#### Head, Investment and Asset Management

Soon Yong is based in China and is responsible for formulating business plans for CRCT's assets with a view to maximise the income of CRCT via proactive asset management. He has over 20 years of real estate experience, ranging from public housing estate management, town council property management and business development and was previously the General Manager of Raffles City Shanghai. He holds a Master of Science in Real Estate Management and Bachelor of Science in Estate Management (Honours) from the National University of Singapore.

## Investment and Asset Management Team Members

### China

#### Mr Tan Tze Wooi

Tze Wooi has over 10 years of financial experience in real estate corporate banking, credit and auditing. He was an Investment and Asset Manager for CapitaLand Retail Limited before joining CRCTML. He is a Chartered Financial Analyst and holds a Bachelor of Accountancy (Honours) from the Nanyang Technological University of Singapore.

#### Mr Michael Chen Rui Wei

Michael has over four years of real estate investment and asset management experience. Prior to joining CRCTML, he was an Investment and Asset Manager at CapitaLand Retail Limited. He holds a Bachelor of Business Management (cum laude) majoring in Finance from the Singapore Management University.

### Singapore

#### Ms Yap May Li

May Li has over 10 years of experience in real estate and financial analysis. She was part of the investment team in CapitaLand Retail Limited responsible for structuring private and listed retail property funds. She is a Chartered Financial Analyst and holds a Bachelor of Business Administration (Honours) from the National University of Singapore.

## FUND ANALYST

The Fund Analyst is responsible for developing and maintaining financial and asset models to analyse the performance of CRCT at the property level, as well as preparing asset reports on the assets.

### Ms Chen Xin

Chen Xin has over four years of experience in China's real estate industry, in particular, in investment analysis and market research. She holds a Master of Science in Estate Management from the National University of Singapore and a Bachelor of Science in Urban and Regional Planning from the Beijing University, China.

## FINANCE TEAM

The Finance Team is responsible for all finance-related functions, including the preparation of statutory accounts, budgeting, sourcing and management of funds, management of treasury and tax affairs, compliance, liaison with external audit, and all other finance-related matters.

### Mr Tony Tan Tee Hieong

#### Head, Finance

Tony has over 16 years of regional experience in treasury, finance and risk management. Prior to joining CRCTML, Tony was the Asia-Pacific Treasurer for a leading home furnishing retailer and wholesaler. He holds a Master of Business Administration (Distinction) from the Manchester Business School, United Kingdom, and a Bachelor of Accountancy from the National University of Singapore.

## Finance Team Members

### Mr Norman Lim Kwee Seng

Norman has over 13 years of experience in treasury management. He holds a Bachelor of Business Administration from the National University of Singapore.

### Mr Lee Hui Yeow

Hui Yeow has over 10 years of finance, accounting and audit experience. He holds a Bachelor of Accountancy (First Class Honours) from the University of Wales College of Cardiff, United Kingdom and is a Fellow of the Association of Chartered Certified Accountants.

### Mr Ho Shung Yee

Shung Yee has over 10 years of finance, accounting and audit experience. He holds a Master of Business Administration and Bachelor of Accountancy (Merit) from the Nanyang Technological University of Singapore.

### Ms Joanne Tan Siew Bee

Joanne has over eight years of finance and accounting experience. She holds a professional degree with the Association of Chartered Certified Accountants and is a member of the Certified Public Accountants Singapore.

## INVESTOR RELATIONS MANAGER

The Investor Relations Manager is responsible for maintaining transparent communications with Unitholders, potential investors, analysts and the media through communication channels such as the Report to Unitholders, press releases, presentations, roadshows, and CRCT's website.

### Ms Shirlene Sim Yen Tze

Shirlene has over eight years of real estate related experience, ranging from real estate research, urban planning, marketing communications and branding. She holds a Bachelor of Science in Economics (First Class Honours) from the London School of Economics and Political Science, United Kingdom.

## OUR ROLE

Our primary role as the Manager is to set the strategic direction of CRCT and make recommendations to HSBC Institutional Trust Services (Singapore) Limited, in its capacity as trustee of CRCT (Trustee), on the acquisition, divestment or enhancement of the assets of CRCT in accordance with its stated investment strategy. The research, evaluation and analysis required for this purpose is co-ordinated and carried out by us as the Manager. We are also responsible for the risk management of CRCT.

As the Manager, we have general powers of management over the assets of CRCT. Our primary responsibility is to manage the assets and liabilities of CRCT for the benefit of Unitholders. We do this with a focus on generating rental income and, where appropriate, increasing CRCT's assets over time so as to enhance the returns from the investments, and ultimately the distributions and total return to Unitholders. Our internal review procedures encompass pro-active measures for avoiding situations of conflict and potential conflict of interest, including prioritising the interests of Unitholders over the Manager's and ensuring that applicable laws and regulations are complied with, so that Unitholders' interests are best served at all times.

Our other functions and responsibilities as the Manager include:

- Using our best endeavours to carry on and conduct CRCT's business in a proper and efficient manner and to conduct all transactions with, or on behalf of, CRCT at arm's length.
- Preparing property plans on an annual basis for review by our Directors, including proposals and forecasts on net income, capital expenditure, sales and valuations, explanation of major variances to previous forecasts, written commentary on key issues and underlying assumptions on rental rates, occupancy costs and any other relevant assumptions. These plans explain the performance of CRCT's assets.
- Ensuring compliance with relevant laws and regulations, including the Listing Manual of the SGX-ST (Listing Manual), the Code on Collective Investment Schemes (CIS Code) issued by the Monetary Authority of Singapore (MAS) and the tax rulings issued by the Inland Revenue Authority of Singapore on the taxation of CRCT and its Unitholders.
- Attending to all regular communications with Unitholders.
- Supervising the property managers, CapitaLand SZITIC (Shenzhen) Property Management Co., Ltd. (formerly known as CapitaLand SZITIC Management & Consulting (Shenzhen) Co. Ltd.), CapitaLand Hualian Management & Consulting (Beijing) Co., Ltd. (formerly known as CapitaLand Hualian Management & Consulting (Shenzhen) Co., Ltd.) and CapitaRetail (Shanghai) Management & Consulting Co., Ltd., which perform the day-to-day property management functions (including leasing, accounting, marketing, promotion, coordination, project management and property management) for the CRCT malls namely, Wangjing Mall, Qibao Mall, Xinwu Mall, Saihan Mall, Anzhen Mall, Jiulong Mall, Zhengzhou Mall and Xizhimen Mall pursuant to the property management agreements signed for each mall.

CRCT, constituted as a trust, is externally managed by the Manager. The Manager appoints experienced and well-qualified management to run its day-to-day operations. All Directors and employees of the Manager are remunerated by the Manager and not CRCT.

CRCTML is appointed as the Manager of CRCT in accordance with the terms of the Trust Deed. The Trust Deed outlines certain circumstances under which the Manager can be removed, by

notice in writing given by the Trustee, in favour of a corporation appointed by the Trustee upon the occurrence of certain events, including by a resolution passed by a simple majority of Unitholders present and voting at a meeting of Unitholders duly convened and held in accordance with the provisions of the Trust Deed.

## OUR CORPORATE GOVERNANCE CULTURE

Strong corporate governance has always been our priority as the Manager. We recognise that an effective corporate governance culture is critical to our performance and, consequently, to the success of CRCT. As such, corporate governance will always be at the top of our agenda.

We are committed to high standards of corporate governance and transparency in our management of CRCT, and operate in the spirit of the Code of Corporate Governance 2005 (Code) in the discharge of our responsibilities as the Manager in our dealings with Unitholders and other stakeholders. The following paragraphs describe our corporate governance policies and practices in 2008 as the Manager, with specific references to the Code. They encompass proactive measures adopted by us for avoiding situations of conflict and potential conflict of interest, including prioritising the interests of Unitholders over the Manager's and ensuring that applicable laws and regulations are complied with. For ease of reference, the relevant provisions of the Code under discussion are identified in italics.

### (A) BOARD MATTERS

#### **The Board's Conduct of Affairs**

*Principle 1: Every company should be headed by an effective Board to lead and control the company. The Board works with Management to achieve this and the Management remains accountable to the Board.*

The Board of Directors of the Manager (Board) is responsible for the overall management and governance of the Manager and CRCT. Board members have a duty to act in good faith, with due diligence and care in the best interests and for the benefit of Unitholders.

The Board provides leadership to the Manager, sets strategic directions and oversees competent management of CRCT, including the provision of necessary financial and human resources to meet its objectives. The Board establishes goals for the Manager and monitors the achievement of these goals. It ensures that proper and effective controls are in place to assess and manage business risk, and compliance with applicable laws. It also sets the disclosure and transparency standards for CRCT and ensures that obligations to Unitholders and other stakeholders are understood and met.

Each Director must act honestly, with due care and diligence and in the best interests of Unitholders. This obligation ties in with the Manager's prime responsibility in managing the assets and liabilities of CRCT for the benefit of Unitholders. Decisions are taken objectively in the interests of CRCT. The Manager has adopted guidelines, details of which are set out on page 33 for Interested Party Transactions (as defined herein) and dealing with conflicts of interest.

The Board meets regularly to discuss and review the Manager's key activities, including its business strategies and policies for CRCT. Board meetings are scheduled in advance, and are held at least once every quarter, to deliberate on the strategic policies of CRCT, including any significant acquisitions and disposals, review the annual budget, review the performance of the business, review the financial performance of the Manager and CRCT and approve the release of the quarterly and full-year results. The Board also reviews the risks to the assets of CRCT and acts upon any comments from the auditors of CRCT.

Additional Board meetings are held, where necessary, to address significant transactions or issues. The Articles of Association of the Manager permit Board meetings to be held by way of teleconference and video conference.

In the discharge of its functions, the Board is supported by specialty Board committees that provide independent oversight of the Manager, and which also serve to ensure that there are appropriate checks and balances. These Board committees are the Audit Committee, Executive Committee and Corporate Disclosure Committee. Each of these Board committees operate under delegated authority from the Board. Other committees may be formed as dictated by business imperatives and/or to promote operational efficiency.

The number of Board and committee meetings held in the year, as well as the attendance of their membership, are set out on page 30.

Information on the Audit Committee can be found in the section "Audit Committee" below. The Executive Committee oversees the day-to-day activities of the Manager on behalf of the Board including, to:

- Approve or make recommendations to the Board on new investments, acquisitions, financing offers and banking facilities.
- Approve or make recommendations to the Board on divestments and write-offs of property assets/equity stakes.
- Approve specific budgets for capital expenditure for development projects, acquisitions and enhancements/upgrading of properties.
- Review management reports and operating budgets.
- Award contracts for development projects.
- Recommend changes to the financial limits for investment, etc.
- Report to the Board on decisions made by the Executive Committee.
- Perform such other functions as varied or delegated by the Board.

The members of the Executive Committee also meet informally during the course of the year.

The Corporate Disclosure Committee reviews corporate disclosure matters relating to CRCT, including announcements to the SGX-ST, and pursues best practices in terms of transparency.

The Board has adopted a set of internal controls which sets out approval limits for, amongst others, capital expenditure, new investments and divestments, operating of bank accounts, bank borrowings and cheque signatories' arrangements at Board level. Apart from matters that specifically require the Board's approval – such as the issue of new Units, income distributions and other returns to Unitholders – the Board approves transactions exceeding certain threshold limits, while delegating authority for transactions below those limits to Board committees. Appropriate delegation of authority and approval sub-limits are also provided at the Manager's level to facilitate operational efficiency.

The Manager issues formal letters upon appointment of new Directors. Newly appointed Directors are briefed on the business activities of CRCT, its strategic directions and policies, the regulatory environment in which CRCT operates, the

Manager's corporate governance practices, and their statutory and other duties and responsibilities as Directors. Directors are routinely updated on developments and changes in the operating environment, including revisions to accounting standards, and laws and regulations affecting the Manager and/or CRCT. Directors are also encouraged to participate in industry conferences, seminars or any training programme in connection with their duties.

### Board Composition and Guidance

**Principle 2: There should be a strong and independent element on the Board, which is able to exercise objective judgement on corporate affairs independently, in particular, from Management. No individual or small group of individuals should be allowed to dominate the Board's decision-making.**

Currently, the Board consists of nine Directors, of whom three are Independent Non-Executive Directors.

The majority of the Board members are non-executive with one-third of the Board being independent. Non-Executive Directors actively participate in setting and developing strategies and goals for the Manager, and reviewing and assessing the Manager's performance. This enables the Manager to benefit from their external and objective perspective of issues that are brought before the Board. It also enables the Board to interact and work with the Manager through a healthy exchange of ideas and views to help shape the strategic process. Coupled with a clear separation of the roles of the Chairman and the Chief Executive Officer, this provides a healthy professional relationship between the Board and the Manager with clarity of roles and robust deliberation on the business activities of CRCT.

A Director is considered independent if he has no relationship with the Manager or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of the Director's independent business judgment in the best interests of CRCT. The Chairman of the Board, Mr Victor Liew Cheng San, Ms Chew Gek Khim and Mr Dilhan Pillay Sandrasegara are considered to be Independent Directors.

The Board is of the view that its current composition comprises persons who, as a group, provide the necessary core competencies and that the current Board size is appropriate, taking into consideration the nature and scope of CRCT's operations.

The profiles of the Directors are set out on pages 24 and 25 of this Report to Unitholders.

### Chairman and Chief Executive Officer

**Principle 3: There should be clear division of responsibilities at the top of the company – the working of the Board and the executive responsibility of the company's business – which will ensure a balance of power and authority, such that no one individual represents a considerable concentration of power.**

The roles of Chairman and Chief Executive Officer are separate and the positions are held by two separate persons. This is to ensure an appropriate balance of power, increased accountability and greater capacity of the Board for independent decision making. The division of responsibilities between the Chairman and the Chief Executive Officer facilitates effective oversight and a clear segregation of duties. The Chairman and the Chief Executive Officer are not related to each other.

The Chairman leads the Board to ensure the effectiveness on all aspects of its role and sets its agenda. He ensures that the members of the Board receive accurate, clear and timely information, facilitates the contribution of Non-Executive Directors, encourages constructive relations between Executive Directors, Non-Executive Directors and the Manager, ensures effective communication with Unitholders and promotes a high standard of corporate governance.

The Chairman also ensures that the Board works together with the Manager with integrity, competency and moral authority, and engages the Manager in constructive debate on strategy, business operations and enterprise risks.

The Chief Executive Officer has full executive responsibilities over the business directions and operational decisions of managing CRCT.

### Board Membership and Board Performance

**Principle 4: There should be a formal and transparent process for the appointment of new directors to the Board.**

**Principle 5: There should be a formal assessment of the effectiveness of the Board as a whole and the contribution by each director to the effectiveness of the Board.**

As the Manager is not itself a listed entity, the Manager does not consider it necessary for the Board to establish a nominating committee as it believes that the performance of the Manager, and hence, its Board, is reflected in the long-term success of CRCT. Thus, the Board performs the functions that such a committee would otherwise perform, namely, it administers nominations to the Board, reviews the structure, size and composition of the Board, and reviews the independence of Board members. Directors of the Manager are not subject to periodic retirement by rotation.

The composition of the Board is reviewed regularly to ensure that the Board has the appropriate size and mix of expertise and experience. In particular, the Manager strives to ensure the Board as a whole has the requisite blend of background, experience and knowledge in business, finance and management skills critical to CRCT's businesses, and that each Director with his special contribution brings to the Board an independent and objective perspective to enable balanced and well-considered decisions to be made. A Director with multiple board representations is expected to ensure that sufficient attention is given to the affairs of the Manager and CRCT.

The composition of the Board, including the selection of candidates for new appointments to the Board as part of the Board's renewal process, is determined using the following principles:

- The Chairman of the Board should be an Independent Non-Executive Director.
- The Board should comprise Directors with a broad range of commercial experience, including expertise in funds management, the property industry and in the banking and legal fields.
- At least one-third of the Board should comprise Independent Directors.

The selection of candidates takes into account various factors including the current and mid-term needs and goals of CRCT, and hence, the Manager, as well as the relevant expertise of the candidates and their potential contributions. Candidates may be put forward or sought through contacts and recommendations.

The independence of each Director is reviewed upon appointment, and thereafter annually, by the Board.

Reviews of Board performance as appropriate are informal. Renewal or replacement of Board members do not necessarily reflect their contributions to date, but may be driven by the need to position and shape the Board in line with the medium-term needs of CRCT and its business.

The financial indicators, set out in the Code as guides for the evaluation of the Board and its Directors, are in the Manager's opinion more of a measurement of the Manager's performance and therefore less applicable to Directors. In any case, such financial indicators provide a snapshot of CRCT's performance, and do not fully measure the sustainable long-term wealth and value creation of CRCT. The Manager believes that Board performance and that of individual Board members would perhaps be better reflected in, and evidenced by, proper guidance, diligent oversight and able leadership, and the support that it lends to the Manager in steering CRCT in the appropriate direction, and the long-term performance of CRCT whether under favourable or challenging market conditions. This is ultimately reflected in safeguarding the interests of CRCT and maximising Unitholders' value.

Contributions by an individual Board member can also take other forms, including providing objective perspectives of issues, facilitating business opportunities and strategic relationships, and accessibility to the Manager outside of a formal environment of Board and/or Board committee meetings.

The matrix of Board members' participation and attendance record at meetings of the Board and the specialty Board committees during the financial year is provided below. This also reflects a Board member's additional responsibilities and special focus on the respective Board committees.

**BOARD AND BOARD COMMITTEES****Composition**

Four Board meetings were held in 2008. The tables contain the attendance record of Directors at Board meetings and committee meetings during the year, and details of their memberships in the Board and committees.

| Board Members              | Audit Committee | Executive Committee | Corporate Disclosure Committee |
|----------------------------|-----------------|---------------------|--------------------------------|
| Hsuan Owyang*              | –               | –                   | M                              |
| Liew Mun Leong             | –               | C                   | M                              |
| Victor Liew Cheng San      | C               | –                   | –                              |
| Chew Gek Khim              | M               | –                   | –                              |
| Dilhan Pillay Sandrasegara | M               | –                   | –                              |
| Kee Teck Koon              | –               | M                   | M                              |
| Olivier Lim Tse Ghow       | M               | M                   | M                              |
| Pua Seck Guan**            | –               | M                   | –                              |
| Lui Chong Chee***          | –               | –                   | –                              |
| Lim Beng Chee              | –               | M                   | –                              |
| Wee Hui Kan****            | –               | M                   | –                              |

KEY: C – Chairman, M – Member

\* Resigned with effect from 1 January 2009

\*\* Resigned with effect from 1 November 2008

\*\*\* Appointed with effect from 1 June 2008

\*\*\*\* Appointed with effect from 1 October 2008

**Meeting Attendance**

| Board Members              | Board No. of Meetings Held: 4 | Audit Committee No. of Meetings Held: 4 |
|----------------------------|-------------------------------|---|
| Hsuan Owyang*              | 4                             | –                                       |
| Liew Mun Leong             | 2                             | –                                       |
| Victor Liew Cheng San      | 4                             | 4                                       |
| Chew Gek Khim              | 3                             | 4                                       |
| Dilhan Pillay Sandrasegara | 1                             | 1                                       |
| Kee Teck Koon              | 3                             | –                                       |
| Olivier Lim Tse Ghow       | 4                             | 3                                       |
| Pua Seck Guan**            | 4                             | –                                       |
| Lui Chong Chee***          | 2                             | –                                       |
| Lim Beng Chee              | 4                             | –                                       |
| Wee Hui Kan****            | 1                             | –                                       |

\* Resigned with effect from 1 January 2009

\*\* Resigned with effect from 1 November 2008

\*\*\* Appointed with effect from 1 June 2008

\*\*\*\* Appointed with effect from 1 October 2008

**Access to Information and Accountability**

**Principle 6:** In order to fulfil their responsibilities, Board members should be provided with complete, adequate and timely information prior to board meetings and on an ongoing basis.

**Principle 10:** The Board should present a balanced and understandable assessment of the company's performance, position and prospects.

The Manager provides the Board with complete and adequate information in a timely manner. This is done through regular updates on financial results, market trends and business developments. Changes to regulations, policies and accounting standards are also monitored closely. To keep pace with regulatory changes, where these changes have an important and significant bearing on CRCT and its disclosure obligations, the Directors are briefed by the Manager during Board meetings, at specially convened sessions or via circulation of Board papers. Information provided to the Board include explanatory background relating to matters to be brought before the Board, budgets, forecasts and management accounts. In relation to budgets, any material variance between projections and actual results are disclosed and explained.

The Secretary of the Manager works with the Chairman and the Manager to ensure that Board papers and agenda are provided to each Director in advance of Board meetings so that they can familiarise themselves with the matters prior to the Board meetings. Senior executives who can provide additional insights into matters to be discussed are requested to also attend the Board meetings so as to be at hand to answer questions. Board meetings are usually half-a-day affairs and include presentations by senior executives, external consultants and experts on strategic issues relating to specific business areas.

The Board has separate and independent access to the Manager's senior management and the Secretary, and vice versa. The Secretary will give the Board the necessary assistance and is also responsible for assisting the Chairman in ensuring that Board procedures are followed and that the applicable laws and regulations are complied with. Under the direction of the Chairman, the Secretary's responsibilities include ensuring good information flows within the Board and its committees and between senior management and Non-Executive Directors as well as facilitating orientation and assisting with professional development as required. The Secretary attends Board meetings and committee meetings to take minutes. The appointment and removal of the Secretary is a matter reserved for the Board.

Where necessary, the Manager will, upon the request of Directors (whether as a group or individually), provide them with independent professional advice, at the Manager's expense, to enable them to discharge their duties. The Secretary assists the Directors in obtaining such advice.

The Manager has implemented quarterly financial reporting for CRCT since inception. Financial results and other price sensitive public announcements are presented in a balanced and understandable assessment of CRCT's performance, position and prospects. The Manager also provides the Directors with management accounts on a monthly basis to enable Directors to keep abreast of CRCT's financial performance, position and prospects.

**(B) REMUNERATION MATTERS****Procedures for Developing Remuneration Policies**

*Principle 7: There should be a formal and transparent procedure for developing policy on executive remuneration and for fixing the remuneration packages of individual Directors. No Director should be involved in deciding his own remuneration.*

**Level and Mix of Remuneration**

*Principle 8: The level of remuneration should be appropriate to attract, retain and motivate the Directors needed to run the company successfully but companies should avoid paying more than is necessary for this purpose. A significant proportion of Executive Directors' remuneration should be structured so as to link rewards to corporate and individual performance.*

**Disclosure on Remuneration**

*Principle 9: Each company should provide clear disclosure of its remuneration policy, level and mix of remuneration, and the procedure for setting remuneration in the company's annual report. It should provide disclosure in relation to its remunerative policies to enable investors to understand the link between remuneration paid to Directors and key executives, and performance.*

The remuneration of Directors and staff of the Manager is paid by the Manager, and not by CRCT.

The Manager adopts the remuneration policies and practices of its holding company, CapitaLand, which has a remuneration committee that determines and recommends to the CapitaLand board of directors, the framework of remuneration, terms of engagement, compensation and benefits for senior executives of CapitaLand, which include the Chief Executive Officer of the Manager and members of its senior management team. It is hence not necessary for the Manager to have a remuneration committee.

Since CRCT does not bear the remuneration of the Manager's Board and staff, the Manager does not consider it necessary to include a report on remuneration of its Directors (other than as set out below) and its key executives.

The remuneration of Directors for the year ended 31 December 2008 is shown in the table below. The Chief Executive Officer and representatives of CapitaLand on the Board of the Manager do not receive directors' fees. Non-Executive Directors have no service contracts with the Manager. They receive a basic fee, an additional fee for serving on any of the committees and an attendance fee for participation in meetings of the Board and any of the committees, project meetings and verification meetings. In determining the quantum of such fees, factors such as frequency of meetings, time spent and responsibilities of Directors are taken into account. The Chairman and members of the Audit Committee receive additional fees to take into account the nature of their responsibilities and the greater frequency of meetings.

| Board Members              | FY 2008 <sup>1</sup><br>Director's Fees <sup>3</sup> | FY 2007 <sup>2</sup><br>Director's Fees <sup>3</sup> |
|----------------------------|--|--|
| Hsuan Owyang*              | S\$70,000  | S\$70,000  |
| Liew Mun Leong             | –  | –  |
| Victor Liew Cheng San      | S\$36,000  | S\$36,000  |
| Chew Gek Khim              | S\$36,000  | S\$36,000  |
| Dilhan Pillay Sandrasegara | S\$36,000  | S\$36,000  |
| Kee Teck Koon              | –  | –  |
| Olivier Lim Tse Ghow       | –  | –  |
| Pua Seck Guan**            | –  | –  |
| Lui Chong Chee***          | –  | –  |
| Lim Beng Chee              | –  | –  |
| Wee Hui Kan****            | –  | –  |

\* Resigned with effect from 1 January 2009

\*\* Resigned with effect from 1 November 2008

\*\*\* Appointed with effect from 1 June 2008

\*\*\*\* Appointed with effect from 1 October 2008

1. For the financial year from 1 January 2008 to 31 December 2008.

2. For the financial year from 1 January 2007 to 31 December 2007.

3. For Audit Committee, additional fees of S\$27,000 for chairman and S\$15,000 for each member. For Corporate Disclosure and Executive Committees, additional fees of S\$13,000 for chairman and S\$8,000 for each member. Additional fees of S\$2,000 (local director) and S\$5,000 (foreign director) per meeting attendance. Additional fees of S\$1,700 per meeting attendance via teleconference or videoconference.

**(C) ACCOUNTABILITY AND AUDIT****Audit Committee**

*Principle 11: The Board should establish an Audit Committee with written terms of reference which clearly set out its authority and duties.*

The Audit Committee is established by the Board from among the Directors of the Manager and comprises four members, all non-executive, the majority of whom (including the Chairman of the Audit Committee) are independent.

The Manager is of the view that the Audit Committee members have the relevant expertise to discharge the functions of an Audit Committee.

The Audit Committee has a set of terms of reference defining its scope of authority which includes, in relation to its management of CRCT:

- Monitoring and evaluating the effectiveness of the Manager's internal control process (including financial, operational and compliance controls and risk management policies and systems) through reviewing internal and external audit reports to ensure that where deficiencies in internal controls have been identified, appropriate and prompt remedial action is taken by the Manager.
- Reviewing the quality and reliability of information prepared for inclusion in the financial reports and approving the financial statements and the audit report before recommending to the Board for approval.

- Reviewing the adequacy and effectiveness of the internal audit function.
- Reviewing transactions between an 'interested person' (as defined in Chapter 9 of the Listing Manual) and/or an 'interested party' (as defined in the Property Funds Guidelines of the CIS Code) and CRCT (Interested Party Transactions).
- Reviewing the appointment and re-appointment of auditors (including remuneration and terms of engagement) before recommending them to the Board for approval and reviewing the adequacy of existing audits in respect of cost, scope and performance.
- Reviewing the scope and results of the audit and its cost effectiveness, and the independence and objectivity of the external auditors and non-audit services provided by the external auditors and confirming that they would not, in the Audit Committee's opinion, impair the independence of the auditors.
- Monitoring the procedures in place to ensure compliance with applicable legislation, the Listing Manual and the Property Funds Guidelines.

The Audit Committee is authorised to investigate any matters within its terms of reference. The Audit Committee has full access to and co-operation of the Manager and the internal auditors and has full discretion to invite any Executive Director or officer to attend its meetings. The internal auditors and CRCT's external auditors, have unrestricted access to the Audit Committee. Reasonable resources have been made available to the Audit Committee to enable it to discharge its duties.

The Audit Committee meets CRCT's external auditors together with the internal auditors, without the presence of the Manager, at least annually.

In its review of the audited financial statements for the financial year ended 2008, the Audit Committee discussed with the Manager and external auditors the accounting principles that were applied. Based on the review and discussions with the Manager and the external auditors, the Audit Committee is of the view that the financial statements are fairly presented, and conform to generally accepted accounting principles in all material aspects.

The Audit Committee has also conducted a review of all non-audit services provided by the external auditors during the financial year and is satisfied that the nature and extent of such services will not prejudice the independence and objectivity of the external auditors.

Audit Committee meetings are generally held after the end of every quarter of every financial year. Four Audit Committee meetings were held during the year.

### Internal Controls

**Principle 12: The Board should ensure that Management maintains a sound system of internal controls to safeguard the shareholders' investments and the company's assets.**

### Internal Audit

**Principle 13: The company should establish an internal audit function that is independent of the activities it audits.**

The Audit Committee reviews, at least once a year, the effectiveness of the Manager's material internal controls, including financial, operational and compliance controls, and risk management, taking into account recommendations from CRCT's external auditors and internal auditors. Material non-compliance and internal control weaknesses noted during the audit are reported to the Audit Committee. The Board is satisfied that the Manager's internal controls are adequate.

The Manager has in place an internal audit function supported by CapitaLand's Internal Audit Department (CLIA) in relation to CRCT since inception. A majority of the CLIA staff are members of the Singapore branch of the Institute of Internal Auditors, Inc. (IIA), which has its headquarters in the United States. CLIA subscribes to, and is guided by, the Standards for the Professional Practice of Internal Auditing developed by the IIA and has incorporated these standards into its audit practices.

The standards set by the IIA cover requirements in respect of the following:

- Independence.
- Professional proficiency.
- Scope of work.
- Performance of audit work.
- Management of the Internal Audit Department.

To ensure that the internal audits are performed by competent professionals, CLIA recruits and employs suitably qualified staff.

In order that their technical knowledge remains current and relevant, CLIA identifies and provides training and development opportunities to its staff. The internal audit function provided by CLIA has incorporated the auditing standards developed by the IIA into its audit practices and meets with the standards set by the IIA.

CLIA is headed by a senior manager, who reports directly to the Audit Committee on audit matters, and to the Chief Executive Officer of the Manager on administrative matters. The Audit Committee reviews the internal audit reports and activities on an on-going basis. The Audit Committee also reviews and approves the annual internal audit plan with respect to CRCT. The Audit Committee is of the view that the internal audit department is adequately resourced to perform its functions and have, to the best of its ability, maintained its independence from the activities that it audits.

**(D) COMMUNICATION WITH UNITHOLDERS**

*Principle 14: Companies should engage in regular, effective and fair communication with shareholders.*

*Principle 15: Companies should encourage greater shareholder participation at AGMs, and allow shareholders the opportunity to communicate their views on various matters affecting the company.*

The Listing Manual requires that a listed entity discloses to the market matters that could, or might be expected to, have a material effect on the price of the entity's securities. In line with CRCT's disclosure obligations, the Board's policy is to inform Unitholders, in a timely manner, of all major developments that impact CRCT. During the year, a continuous disclosure process was in place to ensure that compliance with such obligations was constantly adhered to.

CRCT believes that it should engage in regular, effective, unbiased and transparent communication with Unitholders. The Manager communicates information on CRCT to Unitholders and the investing community through announcements that are released to the SGX-ST via SGXNET. Such announcements include the quarterly results, material transactions, and other developments relating to the CRCT requiring disclosure under the corporate disclosure policy of the SGX-ST. Communication channels with Unitholders are also made accessible via:

- Media and analysts' briefings.
- One-on-one/group meetings or conference calls, investor luncheons, local/overseas roadshows and conferences.
- Reports to Unitholders.
- Press releases on major developments of CRCT.
- Notices of, and explanatory memoranda for, Extraordinary General Meetings (EGM).
- CRCT's website at [www.capitaretailchina.com](http://www.capitaretailchina.com).

With a majority of Units held by institutional investors, the Manager considers meetings with local and foreign fund managers an integral part of investor relations.

During the year under review, the Manager met with institutional investors from Singapore, Hong Kong, Japan, United Kingdom, United States, various European countries and Australia. These meetings and roadshows with investors enabled the Manager to update potential and current Unitholders on CRCT's significant developments and its medium to long-term strategies. The Manager also participates in various local and overseas conferences as part of its efforts to build interest in CRCT. The Manager will continue to pursue opportunities to educate and keep retail investors informed of the latest developments in CRCT, through relevant seminars and conferences.

Unitholders and potential stakeholders have 24-hour access to CRCT's website for information on CRCT's major developments, property descriptions, announcements and other corporate information. Real-time information on CRCT's unit price is also made available on the website. In addition, the public can pose questions via a dedicated 'Ask Us' email address, and have their queries addressed accordingly. Also available on the website is an archive of CRCT's announcements, press releases, Reports to Unitholders and operational details. The latest information is posted on the website as soon as it is released on the SGX-ST and the media.

All Unitholders are sent a copy of the CRCT Report to Unitholders. As and when an EGM of the Unitholders is to be held, each Unitholder is sent a copy of a circular to Unitholders which contains details of the matters to be proposed for Unitholders' consideration and approval. The notice of EGM which sets out all items of business to be transacted at the EGM, is also announced on SGXNET and advertised in the newspapers.

Members of the Board, the Manager's senior management and the external auditors of CRCT are in attendance at EGMs, and Unitholders are given the opportunity to air their views and ask questions regarding the matters to be tabled at the EGM. Resolutions put to the EGMs are separate unless they are interdependent and linked, and the reasons and material implications are explained. A Unitholder is allowed to appoint one or two proxies to attend and vote at EGMs meetings in his/her stead.

**(E) ADDITIONAL INFORMATION****DEALINGS WITH RELATED PARTIES****Review Procedures For Interested Party Transactions**

In general, the Manager has established internal control procedures to ensure that all Interested Party Transactions are undertaken on an arm's length basis and on normal commercial terms, which are generally no more favourable than those extended to unrelated third parties. In respect of such transactions, the Manager would have to demonstrate to the Audit Committee that the transactions are undertaken on normal commercial terms which may include obtaining (where practicable) quotations from parties unrelated to the Manager, or obtaining valuations from independent valuers (in accordance with the Property Funds Guidelines).

In addition, the following procedures will be followed:

- Transactions (either individually or as part of a series or if aggregated with other transactions involving the same interested party during the same financial year) equal to or exceeding S\$100,000 in value, but below 5.0% of CRCT's net tangible assets, will be subject to review and approval by the Audit Committee.
- Transactions (either individually or as part of a series or if aggregated with other transactions involving the same interested party during the same financial year) equal to or exceeding 5.0% of CRCT's net tangible assets will be reviewed and approved by the Audit Committee which may as it deems fit request advice on the transaction from independent sources or advisors, including the obtaining of valuations from professional valuers. Further, under the Listing Manual and the Property Funds Guidelines, such transactions would have to be approved by the Unitholders of CRCT at a meeting of Unitholders.
- Audit Committee's approval shall only be given if the transactions are on arm's length commercial terms and consistent with similar types of transactions undertaken by the Trustee, with third parties which are unrelated to the Manager.

Where matters concerning CRCT relate to transactions entered into, or to be entered into, by the Trustee for and on behalf of CRCT with an interested party of the Manager, the Trustee is required to ensure that such transactions are conducted on normal commercial terms, will not be prejudicial to the interest of CRCT and the Unitholders, and in accordance with the applicable requirements of the Property Funds Guidelines and/or the Listing Manual relating to the transaction in question. Further, the Trustee has the ultimate discretion under the Trust Deed to decide whether to enter into a transaction involving an interested party of the Manager. If the Trustee is to sign any contract with an interested party of the Manager, the Trustee will review the contract to ensure that it complies with applicable requirements relating to interested party transactions in the Property Funds Guidelines (as may be amended from time to time) and the provisions of the Listing Manual relating to interested person transactions (as may be amended from time to time) as well as other guidelines as may from time to time be prescribed by the MAS and the SGX-ST or other relevant authority to apply to REITs.

## Role Of The Audit Committee For Interested Party Transactions

All Interested Party Transactions are subject to regular periodic reviews by the Audit Committee.

The Manager's internal control procedures are intended to ensure that Interested Party Transactions are conducted at arm's length and on normal commercial terms and are not prejudicial to Unitholders' interests. The Manager maintains a register to record all Interested Party Transactions which are entered into by CRCT (and the basis, including the quotations obtained to support such basis, on which they are entered into). The Manager then incorporates into its internal audit plan a review of all Interested Party Transactions entered into by CRCT. The Audit Committee reviews the internal audit reports to ascertain that the guidelines and procedures established to monitor Interested Party Transactions have been complied with. In addition, the Trustee will also review such audit reports to ascertain that the Property Funds Guidelines have been complied with.

The Audit Committee periodically reviews Interested Party Transactions to ensure compliance with the internal control procedures and the relevant provisions of the Listing Manual and the Property Funds Guidelines. The review includes the examination of the nature of the transaction and its supporting documents or such other data deemed necessary by the Audit Committee.

If a member of the Audit Committee has an interest in a transaction, he is to abstain from participating in the review and approval process in relation to that transaction.

Details of all Interested Party Transactions (equal to or exceeding S\$100,000 each in value) entered into by CRCT during the financial year are disclosed on page 114 of this Report to Unitholders.

## Dealings With Conflicts Of Interest

The following procedures have been established to deal with potential conflicts of interest which the Manager (including its Directors, executive officers and employees) may encounter in managing CRCT:

- The Manager will be a dedicated manager to CRCT and will not manage any other REIT or be involved in any other real property business.
- All executive officers of the Manager will be employed by the Manager.
- All resolutions at meetings of the Board of Directors of the Manager in relation to matters concerning CRCT must be decided by a majority vote of the Directors, including at least one Independent Director.
- In respect of matters in which CapitaLand and/or its subsidiaries have an interest, direct or indirect, any nominees appointed by CapitaLand and/or its subsidiaries to the Board will abstain from voting.

- If the Manager is required to decide whether or not to take any action against any person in relation to any breach of any agreement entered into by the Trustee for and on behalf of CRCT with an affiliate of the Manager, the Manager shall be obliged to consult with a reputable law firm (acceptable to the Trustee) which shall provide legal advice on the matter. If the said law firm is of the opinion that the Trustee, on behalf of CRCT, has a prima facie case against the party allegedly in breach under such agreements, the Manager is obliged to pursue the appropriate remedies under such agreements. The Directors of the Manager will have a duty to ensure that the Manager complies with the aforesaid.

Notwithstanding the foregoing, the Manager shall inform the Trustee as soon as it becomes aware of any breach of any agreement entered into by the Trustee for and on behalf of CRCT with an affiliate of the Manager, and the Trustee may take such action as it deems necessary to protect the rights of Unitholders and/or which is in the interests of Unitholders. Any decision by the Manager not to take action against an affiliate of the Manager shall not constitute a waiver of the Trustee's right to take such action as it deems fit against such affiliate.

- At least one-third of the Board shall comprise Independent Directors.

The Directors of the Manager are under a fiduciary duty to CRCT to act in its best interests in relation to decisions affecting CRCT when they are voting as members of the Board. In addition, the Directors and executive officers of the Manager are expected to act with integrity and honesty at all times.

Additionally, CRCT has been granted rights of first refusal by CapitaRetail China Development Fund and Fund II, CapitaRetail China Incubator Fund and CapitaLand Retail Limited over any proposed sale of any shares or equity interests in properties owned by CapitaRetail China Development Fund and Fund II, CapitaRetail China Incubator Fund and CapitaLand Retail Limited in China.

Under the Trust Deed, in respect of voting rights where the Manager would face a conflict between its own interest and that of the Unitholders, the Manager shall cause such voting rights to be exercised according to the discretion of the Trustee.

## RISK ASSESSMENT AND MANAGEMENT OF BUSINESS RISK

Effective risk management is a fundamental part of CRCT's business strategy. Recognising and managing risk is central to the business and to protecting Unitholders' interests and value. CRCT operates within overall guidelines and specific parameters set by the Board. Each transaction is comprehensively analysed to understand the risk involved. Responsibility for managing risk lies initially with the business unit concerned, working within the overall strategy outlined by the Board.

The Manager's focus on risk management recognises that risk management is, prima facie, an issue for the Manager. The risk management framework supports this focus but provides a structured context for those personnel to undertake a half-yearly review of the past performance of, and to profile the current and future risks facing, their areas of responsibility.

This risk information is consolidated and used as key input into the corporate strategy sessions attended by the Manager and the property managers. Such sessions are held regularly to review CRCT's strategic direction in detail, and include specific focus on the identification of key business and financial risks which could prevent CRCT from achieving its objectives. The Manager is then required to ensure that appropriate controls are in place to effectively manage those risks, and such risks and controls are monitored by the Board on a regular basis. The internal audit plan is developed in conjunction with the risk management programme and is focused on ensuring the operation of internal controls and assessing the effectiveness and efficiency of the control environment.

The Board generally meets quarterly, or more often if necessary, to review the financial performance of the Manager and CRCT against a previously approved budget. The Board also reviews the risks to the assets of CRCT and acts upon any comments by the auditors of CRCT. In assessing business risk, the Board considers the economic environment and the property industry risk. The Board and its Executive Committee review and approve all investment decisions. The Manager meets regularly to review the operations of the Manager and CRCT and discuss continuous disclosure issues.

The Manager has determined that significant risk for CRCT will most likely arise when making property investment decisions. Accordingly, the Manager has established procedures to be followed when making such decisions. In accordance with this policy, the Board requires comprehensive due diligence to be carried out in relation to the proposed investment and a suitable determination is made as to whether the anticipated return on a particular investment is appropriate, having regard to the level of risk. In addition, the Board requires that each major proposal submitted to the Board for decision is accompanied by a comprehensive risk assessment and, where required, the Manager's proposed mitigation strategies.

#### **DEALINGS IN SECURITIES**

The Manager has voluntarily issued guidelines to its Directors and employees which prohibit them from dealing in CRCT units while in possession of material unpublished price-sensitive information and during the period commencing from (i) two weeks before the release of CRCT's quarterly results and (ii) one month before the release of CRCT's full-year results to the date of the release of the relevant results to the SGX-ST. Under these guidelines, Directors and employees have been directed to refrain from dealing in CRCT units on short-term considerations. They are also made aware of the applicability of the insider trading laws at all times.

#### **WHISTLE-BLOWING**

The Audit Committee has put in place procedures to provide employees of the Manager with well-defined and accessible channels to report on suspected fraud, corruption, dishonest practices or other similar matters relating to CRCT and the Manager, and for the independent investigation of any reports by employees and appropriate follow-up action. The aim of the whistle-blowing policy is to encourage the reporting of such matters in good faith, with the confidence that employees making such reports will be treated fairly, and to the extent possible, be protected from reprisal. On an ongoing basis, the whistle-blowing policy is covered during staff training to promote fraud awareness.



**Chinese Chess:** There is evidence to suggest that the earliest chess game was invented in 204 – 203 B.C. by a Chinese military leader.

## **STRATEGIES TO DELIVER**

Our strategic platform of organic growth, asset enhancements and yield-accretive acquisitions has enabled us to make all the right moves at the right time. It also entails devoting considerable resources to developing our staff, nurturing relations with our stakeholders and the welfare of the communities we operate in.



## INTEGRATED RETAIL REAL ESTATE BUSINESS PLATFORM

CRCT enjoys access to CapitaLand's integrated retail and capital management platform which combines CapitaLand's retail capabilities and strategic partnerships with local partners and fund management capabilities to optimise and enhance the assets, as well as to source, execute and integrate real estate acquisitions.



**As the Manager, we seek to drive continued growth of CRCT through the following three-pronged strategy:**

### 1. ENHANCING ORGANIC GROWTH THROUGH PROACTIVE ASSET MANAGEMENT

Most of our leases provide for an annual step-up in the base rent and for rent to be payable on the basis of the higher of either base rent or a percentage of tenants' gross sales turnover, thereby providing stability and potential upside in rental income.

Apart from organic growth through rental income, we work closely with the mall managers to identify improvements to the malls' retail offerings and tenant mix, and carry out marketing and promotional initiatives to drive shopper traffic and tenants' sales.

### 2. CREATING NEW VALUE THROUGH INNOVATIVE ASSET ENHANCEMENT STRATEGIES

We also actively explore innovative asset enhancement initiatives to improve the returns of our malls. These initiatives include the reconfiguration of retail units or floor plates to achieve better efficiency and higher rental potential, retro-fitting and refurbishing the malls to maintain their appeal to tenants and shoppers.

### 3. CAPITALISING ON YIELD-ACCRETIVE ACQUISITIONS GROWTH MODEL SUPPORTED BY A SECURED AND PROPRIETARY PIPELINE

We are always identifying and evaluating yield-accretive acquisition opportunities from our secured and proprietary pipeline, and other third-party vendors.

CRCT is provided with long-term growth potential from its rights of first refusal to purchase assets held by CapitaLand-sponsored private funds, CapitaRetail China Development Fund and Fund II, CapitaRetail China Incubator Fund, as well as CapitaLand Retail Limited, the retail real estate business unit of CapitaLand.

In evaluating acquisition opportunities, we will focus on properties with strong growth and asset enhancement potential, which could thus enhance CRCT's distribution yield.



*Bi-monthly boot camps are held to instill a greater appreciation of the company's values, business, operations and core competencies in our newly-hired managers.*

Beyond bringing in talents to join the company, our human resource development strategy focuses on bringing out the best in them. We offer our staff exciting learning opportunities, invest in their growth and work with them to develop careers that are right for them and right for the business.

We work closely with CapitaLand Institute of Management and Business (CLIMB), CapitaLand's training school, to provide our people with a wide range of professional and personal development curriculum, including internal and external training on communication, innovation, and business management.

Key to our talent development initiatives as well are in-house training programmes, such as the Assistant Centre Manager (ACM) Programme and On-the-Job-Training (OJT). The ACM programme prepares centre management designates for leadership and management functions at the malls, while OJT offers shift workers the opportunity to upgrade and enhance their skills when at work. Both programmes adopt a systematic and practical approach in imparting technical and soft skills to our staff. Our China staff are also sent on study trips to Singapore for learning workshops and mall visits conducted by experienced mall managers in Singapore.

Bi-monthly boot camps for newly-hired managers were introduced in 2008. The boot camp is a comprehensive five to eight-day orientation programme which aims to instill a greater appreciation of the company's values, business, operations and core competencies in our staff. Training is also carried out during quarterly review meetings attended by key managers at our China head office in Beijing.

Our senior management staff are also enrolled in executive development programmes, such as the CapitaLand Leadership Development Programme facilitated by both CapitaLand's senior management and leading professors from the Chicago Graduate School of Business.

To broaden employees' knowledge, exposure and acquisition of new skills, we regularly identify staff for inter-mall, inter-functional and inter-city transfer opportunities. Regular staff communication sessions by senior management are also conducted throughout the year as part of our commitment to engage staff in an open platform to share strategic business thrusts, as well as to exchange ideas and suggestions between ranks.

As the Manager, we believe in regular, effective, unbiased and transparent communication with our Unitholders, potential investors, analysts and the media. We communicate information on CRCT to Unitholders and the investing community through announcements that are released to the SGX-ST via its website, SGXNET. Such announcements include CRCT's quarterly results, material transactions, and other developments relating to CRCT.

Other than SGXNET, our communication channels with stakeholders include:

- Media and analysts' briefings;
- One-on-one/group meetings or conference calls with investors, local/overseas roadshows and conferences;
- Reports to Unitholders;
- Press releases on major developments of CRCT;
- Notices of, and explanatory memoranda for, EGM; and
- CRCT's website at [www.capitaretailchina.com](http://www.capitaretailchina.com).

We regularly meet with institutional investors from Singapore, Hong Kong, Japan, United Kingdom, United States, Europe and Australia. These meetings enable us to update on CRCT's significant developments and our medium to long-term strategies. We also take part in various local and overseas conferences as part of efforts to build interest in CRCT.

We also pursue opportunities to educate and keep retail investors informed of the latest developments in CRCT. In August 2008, we participated in INVESTFAIR, an exhibition and seminar organized in Singapore for retail investors to learn and be educated on the latest financial products and listed companies.

Individual and group mall tours are also arranged for investors who are travelling to the cities where our malls are located. The visits to the malls offer investors a first-hand experience of our malls' operations and for them to have a greater appreciation of the long-term growth potential of CRCT.

All Unitholders and potential stakeholders enjoy 24-hour access to CRCT's website for information on CRCT's major developments, property descriptions, announcements and other corporate information. Real-time information on CRCT's unit price is also available on the website. In addition, the public can pose questions via a dedicated 'Ask Us' email address, and have their queries addressed accordingly. Also available on the website is an archive of CRCT's announcements, press releases, Reports to Unitholders and operational details. The latest information is posted on the website as soon as it is released to SGX-ST and the media. We also provide an email alert service such that registered participants can promptly receive our latest press releases and announcements via email.

### FINANCIAL CALENDAR 2009 – 2010 (TENTATIVE)

#### April 2009

2009 First Quarter Results Announcement

#### July 2009

2009 Second Quarter Results Announcement

#### September 2009

2009 First Half Distribution to Unitholders

#### October 2009

2009 Third Quarter Results Announcement

#### January 2010

2009 Full Year Results Announcement

#### March 2010

2009 Second Half Distribution to Unitholders

### ANALYST COVERAGE

DBS Vickers Securities  
Daiwa Institute of Research  
J.P. Morgan  
Macquarie Research  
Merrill Lynch  
*As at February 2009*

### UNITHOLDER ENQUIRIES

If you have any enquiries or would like to find out more about CRCT, please contact:

#### The Manager

*Ms Shirlene Sim*  
*Investor Relations Manager*  
Tel: (65) 6536 1188  
Fax: (65) 6536 3884  
Email: [ask-us@capitaretailchina.com](mailto:ask-us@capitaretailchina.com)  
Website: [www.capitaretailchina.com](http://www.capitaretailchina.com)

#### The Unitholder Registrar Boardroom Limited

3 Church Street  
#08-01 Samsung Hub  
Singapore 049483  
Tel: (65) 6536 5355  
Fax: (65) 6536 1360  
Website: [www.boardroomlimited.com](http://www.boardroomlimited.com)

For depository-related matters such as change of details pertaining to Unitholders' investment records, please contact:

#### The Central Depository (Pte) Limited

4 Shenton Way  
#02-01 SGX Centre 2  
Singapore 068807  
Tel: (65) 6535 7511  
Fax: (65) 6535 0775  
Email: [cdp@sgx.com](mailto:cdp@sgx.com)  
Website: [www.cdp.com.sg](http://www.cdp.com.sg)



60 disabled children were invited to Xizhimen Mall to learn how a mall is managed while having fun.

As the Manager for CRCT, we commit ourselves to being a responsible corporate citizen by actively pursuing green practices at our malls, and promoting community and charity causes.

Xizhimen Mall, Wangjing Mall, Jiulong Mall, Qibao Mall, Saihan Mall and Xinwu Mall received the ISO 14000 and 9001 certifications in December 2008 and February 2009 respectively. The ISO 9001 and 14000 are international quality management standards which help companies minimise the negative impact of their businesses to the environment. The ISO certifications thus reaffirm our commitment and support towards the Chinese government's focus on a strategy of sustainable development in the course of China's economic progress.

The May 2008 Sichuan earthquake was one of the most catastrophic disasters in China's recent history. Our staff took it upon themselves to organise donation drives and charity events to support the redevelopment and rehabilitation of the areas destroyed by the earthquake. Nearly RMB100,000 was raised through the events held at Xizhimen Mall, Wangjing Mall, Qibao Mall and Xinwu Mall.

The CapitaLand's PEEK (**P**roviding **E**ducational **E**xposure for **K**ids) Programme, first launched in Singapore in 2007, kicked off in China at Xizhimen Mall in October 2008. 60 children from the Beijing Disabled Persons Rehabilitation Service & Guidance Centre had fun learning about what goes on behind the scenes in running a mall, and the mall's eco-friendly initiatives. The children also picked up tips on how to look after their own safety in public places.

Following the success of the "Pink Ribbon Campaign" in 2007, Wangjing Mall continued to pledge its support for the event in 2008 which aims to raise awareness of the preventive measures for breast cancer among the residents in the neighborhood.

In November 2008, the newly re-opened Saihan Mall launched an education outreach programme whereby select underprivileged students in Huhhot, Inner Mongolia, were granted tuition fees subsidies and internship opportunities at the mall.

Xizhimen Mall and Wangjing Mall were also part of CapitaLand Retail Limited's Building For Our Future Programme in December 2008. Donations were pledged to the China Charity Federation for every shopper who spent above RMB50 at the two malls.

As part of our ongoing initiatives to reduce, reuse and recycle, starting from this year, we are delivering to all Unitholders a digital format of CRCT Report to Unitholders in a CD-ROM instead of a print copy. The digital format of the Report to Unitholders is also available on our corporate website at [www.capitaretailchina.com](http://www.capitaretailchina.com).

This green initiative promotes our intention to minimise paper wastage, reduce our carbon footprint and the energy consumed for purposes of printing and distribution, thereby protecting our environment.





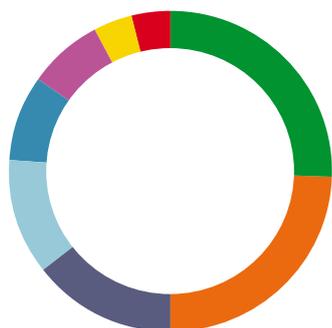
**Porcelain:** Archeological discoveries dated the invention of porcelain to be around 1600 B.C. during the Shang Dynasty. By the Sung Dynasty (960 - 1279) porcelain had reached the height of its artistry.

## **WELL-ROUNDED PERFORMANCE**

Mindful of our stewardship of Unitholders' trust, we leave no aspect of our operations to chance. Thus we consistently aim to deliver a well-rounded performance.

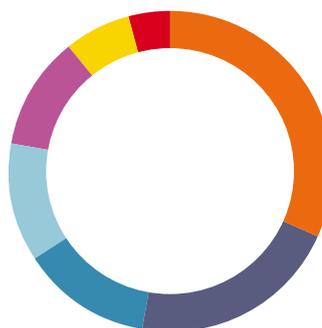
# FINANCIAL REVIEW

**Gross Revenue by Property  
FY 2008<sup>1</sup>**



|   |                            |       |
|---|----------------------------|-------|
| ● | Xizhimen Mall <sup>3</sup> | 25.8% |
| ● | Wangjing Mall              | 24.4% |
| ● | Anzhen Mall                | 14.3% |
| ● | Qibao Mall                 | 11.7% |
| ● | Zhengzhou Mall             | 8.8%  |
| ● | Jiulong Mall               | 7.4%  |
| ● | Saihan Mall                | 3.9%  |
| ● | Xinwu Mall                 | 3.7%  |

**Gross Revenue by Property  
FY 2007<sup>2</sup>**



|   |                |       |
|---|----------------|-------|
| ● | Wangjing Mall  | 31.9% |
| ● | Anzhen Mall    | 21.0% |
| ● | Zhengzhou Mall | 13.1% |
| ● | Qibao Mall     | 12.0% |
| ● | Jiulong Mall   | 11.2% |
| ● | Saihan Mall    | 6.7%  |
| ● | Xinwu Mall     | 4.1%  |

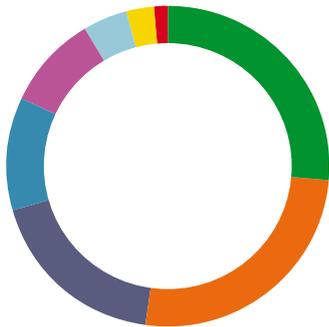
Gross revenue for FY 2008 grew 51.6% to reach S\$108.9 million. The strong growth is largely attributed to the acquisition of Xizhimen Mall Phase 1 in February 2008, as well as occupancy and rental growth at the rest of the malls in CRCT's portfolio.

**Gross Revenue by Property**

|                            | FY 2008 <sup>1</sup> |                | FY 2007 <sup>2</sup> |                |
|----------------------------|----------------------|----------------|----------------------|----------------|
|                            | S\$'000              | RMB'000        | S\$'000              | RMB'000        |
| Xizhimen Mall <sup>3</sup> | 28,102               | 138,691        | –                    | –              |
| Wangjing Mall              | 26,532               | 130,937        | 22,878               | 115,543        |
| Anzhen Mall                | 15,579               | 76,888         | 15,073               | 76,128         |
| Qibao Mall                 | 12,697               | 62,663         | 8,656                | 43,711         |
| Zhengzhou Mall             | 9,624                | 47,500         | 9,416                | 47,555         |
| Jiulong Mall               | 8,104                | 39,996         | 8,058                | 40,695         |
| Saihan Mall                | 4,285                | 21,150         | 4,811                | 24,300         |
| Xinwu Mall                 | 4,001                | 19,743         | 2,963                | 14,965         |
| <b>Total</b>               | <b>108,924</b>       | <b>537,568</b> | <b>71,855</b>        | <b>362,897</b> |

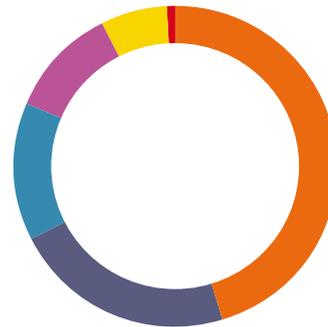
1. The financial year from 1 January 2008 to 31 December 2008.
2. The financial year from 1 January 2007 to 31 December 2007.
3. Xizhimen Mall Phase 1 was acquired on 5 February 2008.

**NPI by Property  
FY 2008<sup>1</sup>**



|   |                            |       |
|---|----------------------------|-------|
| ● | Xizhimen Mall <sup>3</sup> | 26.7% |
| ● | Wangjing Mall              | 25.7% |
| ● | Anzhen Mall                | 18.4% |
| ● | Zhengzhou Mall             | 11.3% |
| ● | Jiulong Mall               | 9.3%  |
| ● | Qibao Mall                 | 4.7%  |
| ● | Saihan Mall                | 2.6%  |
| ● | Xinwu Mall                 | 1.3%  |

**NPI by Property  
FY 2007<sup>2</sup>**



|   |                |       |
|---|----------------|-------|
| ● | Wangjing Mall  | 35.5% |
| ● | Anzhen Mall    | 26.3% |
| ● | Zhengzhou Mall | 16.3% |
| ● | Jiulong Mall   | 13.3% |
| ● | Saihan Mall    | 7.8%  |
| ● | Xinwu Mall     | 0.8%  |

Qibao Mall is excluded from the computation.

NPI for FY 2008 grew 49.3% to reach S\$69.5 million. The strong growth is largely attributed to the acquisition of Xizhimen Mall Phase I in February 2008 and occupancy growth at the other malls. NPI for Saihan Mall registered a drop from FY 2007 as a result of its extensive asset enhancement works between September 2007 and September 2008.

**NPI by Property**

|                            | FY 2008 <sup>1</sup> |                | FY 2007 <sup>2</sup> |                |
|----------------------------|----------------------|----------------|----------------------|----------------|
|                            | S\$'000              | RMB'000        | S\$'000              | RMB'000        |
| Xizhimen Mall <sup>3</sup> | 18,510               | 91,355         | –                    | –              |
| Wangjing Mall              | 17,824               | 87,965         | 16,871               | 85,208         |
| Anzhen Mall                | 12,748               | 62,920         | 12,478               | 63,021         |
| Zhengzhou Mall             | 7,862                | 38,801         | 7,718                | 38,982         |
| Jiulong Mall               | 6,473                | 31,944         | 6,290                | 31,770         |
| Qibao Mall                 | 3,283                | 16,204         | (946)                | (4,787)        |
| Saihan Mall                | 1,837                | 9,068          | 3,717                | 18,773         |
| Xinwu Mall                 | 929                  | 4,584          | 386                  | 1,948          |
| <b>Total</b>               | <b>69,466</b>        | <b>342,841</b> | <b>46,514</b>        | <b>234,915</b> |

1. The financial year from 1 January 2008 to 31 December 2008.  
 2. The financial year from 1 January 2007 to 31 December 2007.  
 3. Xizhimen Mall Phase I was acquired on 5 February 2008.

## DEPOSITED PROPERTY

CRCT's total deposited property as at 31 December 2008 was S\$1,282.5 million. The deposited property was based on CRCT's 100% interests in Anzhen Mall, Jiulong Mall, Xizhimen Mall, Wangjing Mall, Qibao Mall, Saihan Mall, Zhengzhou Mall and 51.0% ownership interest in Xinwu Mall and exclude income to be distributed to Unitholders after year end.

### Valuation and Property Yield of Portfolio

|                            | Valuation<br>2008 <sup>1</sup><br>RMB Million | Valuation<br>2007 <sup>2</sup><br>RMB Million | Valuation 2008<br>(in per sq m of GRA)<br>RMB | Property Yield<br>FY 2008 <sup>3</sup> | Valuation<br>2008 <sup>1</sup><br>S\$ Million | Valuation<br>2007 <sup>2</sup><br>S\$ Million |
|----------------------------|---|---|---|--|---|---|
| Xizhimen Mall <sup>4</sup> | 1,898 <sup>5</sup>                            | –   | 22,847  | 5.9% <sup>6</sup>                      | 419.5   | –   |
| Wangjing Mall              | 1,220   | 1,193   | 18,074  | 7.2%                                   | 269.6   | 233.6   |
| Anzhen Mall                | 826   | 791   | 19,014  | 7.6%                                   | 182.6   | 154.9   |
| Zhengzhou Mall             | 517   | 466   | 5,598   | 7.5%                                   | 114.3   | 91.3  |
| Jiulong Mall               | 450   | 432   | 9,086   | 7.1%                                   | 99.5  | 84.6  |
| Saihan Mall                | 299   | 316   | 7,130   | 3.0%                                   | 66.1  | 61.9  |
| Xinwu Mall                 | 131   | 130   | 2,871   | 3.5%                                   | 29.0  | 25.4  |
| Qibao Mall                 | 332   | 320   | 4,565   | 4.9%                                   | 73.4  | 62.7  |
| <b>Total</b>               | <b>5,673</b>                                  | <b>3,648</b>                                  | <b>–</b>                                      | <b>6.4%</b>                            | <b>1,253.8</b>                                | <b>714.4</b>                                  |

S\$'000

|  |           |
|--|-----------|
| Investment Properties<br>as at 31 December 2008    | 1,253,790 |
| Deficit on Revaluation<br>for FY 2008 <sup>3</sup> | (812)     |

1. The valuation for Xizhimen Mall was conducted by CB Richard Ellis while valuations for other properties were conducted by Knight Frank as at 1 December 2008.

2. The valuations were conducted by CB Richard Ellis as at 30 September 2007.

3. The financial year from 1 January 2008 to 31 December 2008.

4. Xizhimen Mall Phase 1 was acquired on 5 February 2008.

5. Includes Xizhimen Mall Phase 2 which CRCT exercised the right to purchase on 29 September 2008.

6. Based on the annualised NPI from Xizhimen Mall Phase 1. Xizhimen Mall Phase 2 was not operational in 2008.

**Committed Occupancy Rates**

|                                   | As at<br>31 Dec 2008 <sup>1</sup> | As at<br>31 Dec 2007 <sup>1</sup> |
|-----------------------------------|-----------------------------------|-----------------------------------|
| Xizhimen Mall <sup>2</sup>        | 96.7%                             | –                                 |
| Wangjing Mall                     | 99.8%                             | 99.2%                             |
| Jiulong Mall                      | 100%                              | 100%                              |
| Anzhen Mall                       | 100%                              | 100%                              |
| Qibao Mall                        | 91.6%                             | 81.1%                             |
| Zhengzhou Mall                    | 100%                              | 100%                              |
| Saihan Mall <sup>3</sup>          | 99.3% <sup>4</sup>                | –                                 |
| Xinwu Mall                        | 93.3%                             | 95.5%                             |
| <b>CRCT Portfolio<sup>5</sup></b> | <b>97.7%</b>                      | <b>95.6%</b>                      |

**Shopper Traffic**

|                            | Shopper Traffic<br>2008<br>(Million) | Shopper Traffic<br>2007<br>(Million) |
|----------------------------|--------------------------------------|--------------------------------------|
| Xizhimen Mall <sup>1</sup> | 12.1                                 | –                                    |
| Wangjing Mall              | 7.6                                  | 7.4                                  |
| Qibao Mall                 | 9.3                                  | 8.7                                  |
| Xinwu Mall                 | 10.6                                 | 10.9                                 |

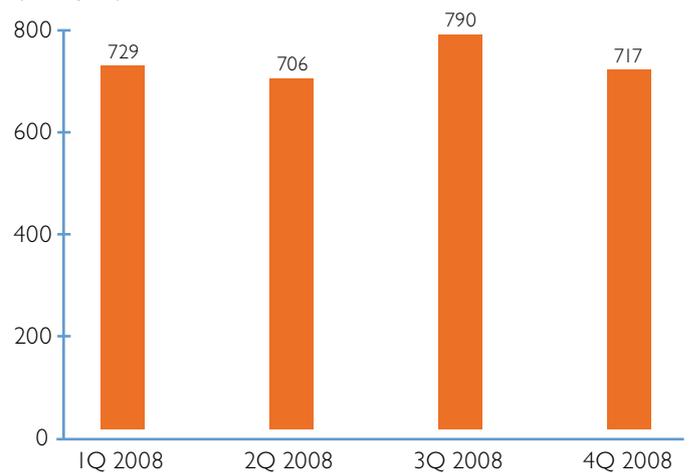
Anzhen Mall, Jiulong Mall and Zhengzhou Mall do not have traffic counters. Saihan Mall underwent extensive asset enhancement works between September 2007 and September 2008.

1. Xizhimen Mall Phase I was opened on 15 September 2007.

1. Based on committed leases.
2. Xizhimen Mall Phase I was acquired on 5 February 2008.
3. Saihan Mall underwent extensive asset enhancement works between September 2007 and September 2008.
4. Based on area ready for occupation at Saihan Mall Phase I.
5. Based on CRCT's 51.0% ownership interest of Xinwu Mall.

**Same-Store Sales in 2008**

Average Monthly Sales (RMB psm)



Includes only specialty tenants with complete gross turnover information at Wangjing Mall, Qibao Mall and Xinwu Mall throughout the financial year 1 January 2008 to 31 December 2008. Excludes tenants from Xizhimen Mall Phase I which was acquired on 5 February 2008 and tenants from Saihan Mall Phase I which re-opened on 12 September 2008.

## New Leases and Renewals

|                         | No. of New Leases/<br>Renewals in FY 2008 <sup>1</sup> | Net Incremental<br>Monthly Rental vs Forecast <sup>2</sup><br>RMB '000 | Variance Over<br>Forecast <sup>2</sup> |
|-------------------------|--|--|--|
| Xizhimen Mall           | 74   | 416  | 18.6%                                  |
| Wangjing Mall           | 66   | 233  | 20.1%                                  |
| Jiulong Mall            | 1  | 11   | 7.0%                                   |
| Qibao Mall              | 60   | 410  | 26.7%                                  |
| Xinwu Mall <sup>3</sup> | 41   | 70 <sup>4</sup>  | 50.0% <sup>4</sup>                     |
| <b>CRCT Portfolio</b>   | <b>242<sup>5</sup></b>                                 | <b>1,140<sup>4</sup></b>   | <b>21.8%<sup>4</sup></b>               |

1. The financial year from 1 January 2008 to 31 December 2008.

2. Based on the forecast together with the accompanying assumptions as shown in the CRCT OIS.

3. Excluding 11 new leases and renewals at Xinwu Mall which rents are payable on a percentage of turnover only.

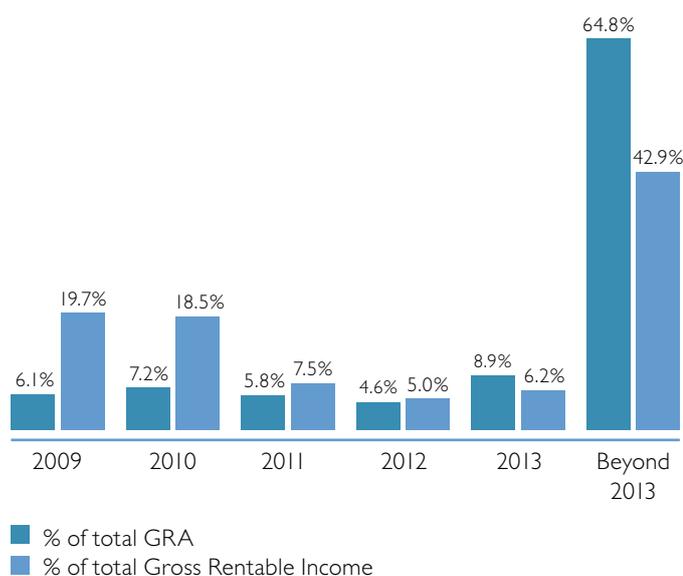
4. Based on CRCT's 51.0% ownership interest in Xinwu Mall.

5. Including 46 new leases at newly created area which contributed 3.9% to the positive variance.

## LEASES EXPIRY PROFILE

Anzhen Mall, Zhengzhou Mall and the majority of the GRA of Jiulong Mall are let out under master leases. The master leases are long-term with a typical tenure of 20 years which help to ensure stable cash flows. For tenants which are not under master leases, the typical lease term is 15 to 20 years for anchor tenants, five to seven years for mini-anchor tenants and up to three years for specialty tenants.

### Portfolio Lease Expiry Profile (as at 31 December 2008)



**Lease Expiry Profile for 2009 by Mall**  
(as at 31 December 2008)

|                         | No. of Committed Leases | sq m   | GRA        |         | Gross Rental Income/mth |  |
|-------------------------|-------------------------|--------|------------|---------|-------------------------|--|
|                         |                         |        | % of Total | RMB'000 | % of Total <sup>1</sup> |  |
| Xizhimen Mall           | 69                      | 4,598  | 6.2%       | 1,922   | 14.9%                   |  |
| Wangjing Mall           | 131                     | 11,478 | 17.0%      | 5,031   | 45.8%                   |  |
| Jiulong Mall            | 1                       | 660    | 1.3%       | 165     | 5.0%                    |  |
| Anzhen Mall             | 0                       | 0      | 0.0%       | 0       | 0.0%                    |  |
| Qibao Mall              | 54                      | 3,963  | 5.4%       | 1,039   | 19.0%                   |  |
| Zhengzhou Mall          | 0                       | 0      | 0.0%       | 0       | 0.0%                    |  |
| Saihan Mall             | 73                      | 4,344  | 14.2%      | 603     | 31.7%                   |  |
| Xinwu Mall <sup>2</sup> | 82                      | 5,603  | 11.4%      | 541     | 31.9%                   |  |

1. As percentage of total gross rental income for the month of December 2008.

2. Based on CRCT's 51.0% ownership interest of Xinwu Mall.

**Weighted Average Lease Expiry by Mall**  
(as at 31 December 2008)

|                         | Weight Expiry<br>(By Gross<br>Rental Income)<br>Years | Weight Expiry<br>(By GRA)<br>Years |
|-------------------------|---|------------------------------------|
| Xizhimen Mall           | 3.1   | 5.2                                |
| Wangjing Mall           | 5.1   | 10.4                               |
| Jiulong Mall            | 14.4  | 15.0                               |
| Anzhen Mall             | 16.6  | 16.6                               |
| Qibao Mall              | 3.5   | 7.0                                |
| Zhengzhou Mall          | 17.8  | 17.8                               |
| Saihan Mall             | 7.2   | 11.7                               |
| Xinwu Mall <sup>1</sup> | 4.6   | 7.6                                |
| <b>CRCT Portfolio</b>   | <b>7.8</b>  | <b>11.7</b>                        |

1. Based on CRCT's 51.0% ownership interest in Xinwu Mall.

# OPERATIONS REVIEW

## TURNOVER RENT

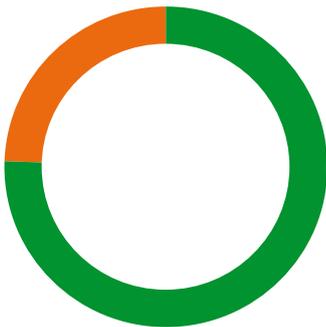
CRCT's favourable lease structure helps to provide Unitholders with a stable and growing rental cash flow.

Most of the leases for the anchor tenants, mini-anchors and specialty tenants have an annual step-up in the base rent. In addition, most of the leases also contain provisions for rent to be payable at the applicable base rent or at a percentage of sales turnover, whichever is higher.

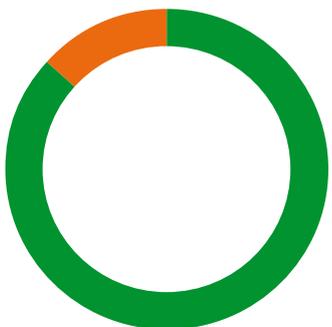
In order to ensure timeliness, accuracy and accountability in the calculation of turnover rent, there is in place a Point of Sales (POS) system at Xizhimen Mall, Wangjing Mall, Qibao Mall and Saihan Mall, and central cashier systems at Saihan Mall and Xinwu Mall which record the amount of sales achieved by the tenants.

The long-term master leases over Anzhen Mall, Zhengzhou Mall and Jiulong Mall contain provisions for upside in rental revenues through step-ups in the base rent, with the master leases over Anzhen Mall and Zhengzhou Mall providing for an additional potential upside through a percentage of tenants' sales turnover if the turnover exceeds an agreed threshold.

**% of Committed Leases with Turnover Rent Provisions (by total GRA) (as at 31 December 2008)**



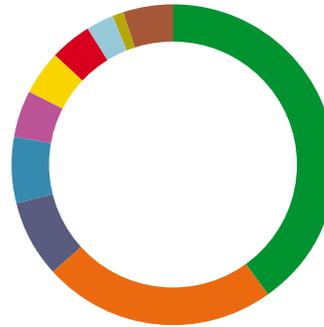
**% of Committed Leases with Turnover Rent Provisions (by Gross Rental Income) (for the month of December 2008)**



## TRADE SECTOR ANALYSIS

As at 31 December 2008, the portfolio has a total of 740 committed leases.

**Trade Sector Analysis by GRA (as at 31 December 2008)**



|                          |       |
|--------------------------|-------|
| Department Store         | 40.2% |
| Supermarket              | 23.3% |
| Food & Beverages         | 7.8%  |
| Fashion & Accessories    | 6.5%  |
| Houseware & Furnishings  | 4.9%  |
| Leisure & Entertainment  | 4.4%  |
| Beauty & Health Related  | 4.1%  |
| Sporting Goods & Apparel | 2.8%  |
| Shoes & Bags             | 1.2%  |
| Others                   | 4.8%  |

**Trade Sector Analysis by Gross Rental Income (for the month of December 2008)**



|                          |       |
|--------------------------|-------|
| Department Store         | 26.7% |
| Fashion & Accessories    | 20.2% |
| Food & Beverages         | 14.8% |
| Supermarket              | 9.3%  |
| Beauty & Health Related  | 6.0%  |
| Shoes & Bags             | 3.9%  |
| Sporting Goods & Apparel | 3.5%  |
| Houseware & Furnishings  | 3.2%  |
| Leisure & Entertainment  | 2.5%  |
| Others                   | 9.9%  |

**TOP 10 TENANTS**

The portfolio's largest tenant is Beijing Hualian Group. Beijing Hualian Group operates the Beijing Hualian Department Store and Beijing Hualian Supermarket as master lessees at Anzhen Mall and Zhengzhou Mall, and as anchor tenant at Wangjing Mall. Beijing Hualian Supermarket is an anchor tenant at Saihan Mall and Xizhimen Mall.

**Top 10 Tenants**

**(based on percentage of Gross Rental Income excluding turnover rent in the month of December 2008)<sup>1</sup>**

| Tenant                       | Brand Names   | Trade Sector               | Lease Expiry <sup>2</sup>  | GRA sq m | % Committed GRA | % Gross Rental Income (excluding turnover rent) <sup>1</sup> |
|------------------------------|---|----------------------------|--|----------|-----------------|--|
| 北京华联集团投资控股有限公司               | Beijing Hualian Department Store                        | Department Store           | Mar 2024<br>Jul 2025   | 194,000  | 43.8%           | 29.2%  |
|                              | Beijing Hualian Supermarket                             | Supermarket                | Oct 2026<br>Nov 2026<br>Sep 2028   |          |                 |  |
| 上海联家超市有限公司 <sup>3</sup>      | Carrefour   | Supermarket                | Jan 2024   | 51,998   | 11.8%           | 5.3%   |
| 北京家乐福商业有限公司 <sup>3</sup>     |   |                            | Mar 2024   |          |                 |  |
| 上海颐盛商贸有限公司 <sup>3</sup>      | Sport 100   | Sporting Goods and Apparel | Jun 2011   | 19,005   | 4.3%            | 3.8%   |
| 上海运动宝体育用品商业有限公司 <sup>3</sup> | Colour Jeans  | Fashion & Accessories      | Aug 2011<br>Sep 2012<br>Jan 2013   |          |                 |  |
| 绫致时装(天津)有限公司                 | Only<br>Jack & Jones<br>Vero Moda                       | Fashion & Accessories      | Apr 2009<br>Jul 2009<br>Oct 2010<br>Nov 2011<br>Nov 2012                         | 5,153    | 1.2%            | 3.1%   |
| 北京百安居装饰建材有限公司                | B&Q   | Houseware & Furnishings    | Apr 2024   | 17,429   | 3.9%            | 2.4%   |
| 北京兴宇班尼路服装服饰有限公司              | Ebase<br>阿童木<br>Calvin Klein Jeans<br>Kentex<br>In-Base | Fashion & Accessories      | Jul 2009<br>Oct 2012   | 1,434    | 0.3%            | 1.2%   |
| 北京肯德基有限公司 <sup>3</sup>       | Pizza Hut   | Food & Beverages           | Jul 2016   | 3,027    | 0.7%            | 1.2%   |
| 上海肯德基有限公司 <sup>3</sup>       | KFC   |                            | Apr 2017   |          |                 |  |
| 南京肯德基有限公司 <sup>3</sup>       |   |                            | Sep 2017   |          |                 |  |
| 天津肯德基有限公司 <sup>3</sup>       |   |                            | Sep 2018   |          |                 |  |
| 北京必胜客比萨饼有限公司 <sup>3</sup>    |   |                            |  |          |                 |  |
| 上海国美电器有限公司                   | Gome  | Electrical & Electronics   | May 2017   | 4,286    | 1.0%            | 1.2%   |
| 北京大食代餐饮有限公司 <sup>3</sup>     | Da Shi Dai (大食代)  | Food & Beverages           | Jul 2009   | 3,529    | 0.8%            | 0.9%   |
| 北京星物语餐饮管理有限公司 <sup>3</sup>   | Bread Talk  |                            | Sep 2011<br>Jan 2013   |          |                 |  |
| 北京为之味餐饮有限公司                  | 云贵川美食<br>“川成元”麻辣香锅<br>姑姑宴<br>夹拣成厨麻辣烫<br>过桥米线<br>麻辣烫     | Food & Beverages           | Oct 2009<br>Jan 2010<br>Dec 2010<br>Jan 2011<br>Apr 2011<br>Nov 2011<br>Dec 2011 | 1,428    | 0.3%            | 0.9%   |

1. For leases structured on base rent only or base rent plus a percentage of gross sales turnover whichever is higher. Where the structure is a percentage of gross sales turnover or base rent plus a percentage of gross sales turnover, monthly gross rental income is calculated based on actual rent payable in the month of December 2008.

2. Some of the tenants have signed more than one tenancy agreement and this has resulted in more than one lease expiry date for such tenants.

3. Under the same group of companies respectively.

## PORTFOLIO AT A GLANCE

|   | Xizhimen Mall<br>嘉茂购物中心·西直门   | Wangjing Mall<br>嘉茂购物中心·望京  | Jiulong Mall<br>九龙商厦  | Anzhen Mall<br>安贞华联商厦  |
|---|---|---|---|--|
| Address   | No. 1 Xizhimenwai Avenue, Xicheng District, Beijing<br>北京市西城区西直门外大街1号       | No. 33 Guangshun North Street, Blk 213 & 215, Changyang District, Beijing<br>北京市朝阳区广顺北大街33号院213, 215号 | No. 31 Guangqu Road, Chaoyang District, Beijing<br>北京市朝阳区广渠路31号 | Section 5 No. 4 of Anzhen Xi Li, Chaoyang District, Beijing<br>北京市朝阳区安贞西里五区4号楼 |
| GFA (sq m) (as at 31 December 2008)                                 | 83,074 <sup>1</sup>   | 82,634  | 49,526  | 43,442   |
| GRA (sq m) (as at 31 December 2008)                                 | 83,074 <sup>1</sup>   | 67,500  | 49,526  | 43,442   |
| Number of Leases (as at 31 December 2008)                           | 190   | 181   | 6   | 1  |
| Land Use Right Expiry   | 23 August 2044<br>23 August 2054  | 15 May 2043<br>15 May 2053  | 10 July 2042  | 7 October 2034<br>5 March 2042<br>3 June 2042                                  |
| Market Valuation <sup>3</sup> (as at 1 December 2008) (RMB Million) | 1,898 <sup>1</sup>  | 1,220   | 450   | 826  |
| Purchase Price (RMB Million)  | 1,700 <sup>1</sup>  | 1,102.0 <sup>4</sup>  | 414.0 <sup>4</sup>  | 772.0 <sup>4</sup>   |
| Acquisition Date <sup>5</sup>                                       | Phase I - 5 February 2008   | 1 December 2006 <sup>6</sup>  | 1 December 2006   | 8 November 2006  |
| Committed Occupancy Rate (as at 31 December 2008)                   | 96.7%   | 99.8%   | 100%  | 100%   |
| Shopper Traffic for 2008 <sup>8</sup> (Million)                     | 12.1  | 7.6   | –   | –  |
| Major Tenants   | Colour Jeans<br>Sport 100<br>Beijing Hualian Supermarket<br>AiKu<br>Sephora | Beijing Hualian Group<br>Sport 100<br>PartyLand KTV<br>IT<br>Xihu Spring Restaurant                   | Carrefour<br>B&Q  | Beijing Hualian Group  |
| Gross Revenue for 2008 (RMB Million)                                | 138.7 <sup>9</sup>  | 130.9   | 40.0  | 76.9   |
| NPI for 2008 (RMB Million)  | 91.4 <sup>9</sup>   | 88.0  | 32.0  | 63.0   |

1. Includes Xizhimen Mall Phase 2 which CRCT exercised its right to purchase on 29 September 2008.

2. Qibao Mall is indirectly held by CRCT under a master lease with Shanghai Jin Qiu (Group) Co., Ltd, the legal owner of Qibao Mall. The master lease expires in January 2024, with the right to renew for a further term of 19 years and two months. Accordingly, the land use right is owned by the legal owner.

3. Independent valuations of Wangjing Mall, Jiulong Mall, Anzhen Mall, Qibao Mall, Zhengzhou Mall, Saihan Mall and Xinwu Mall were undertaken by Knight Frank and independent valuation of Xizhimen Mall was undertaken by CB Richard Ellis.

4. Based on independent valuation report by CB Richard Ellis dated 30 September 2006. The valuation was determined using the capitalisation approach, discounted cash flow analysis and direct comparison.

5. Refers to the completion of the acquisition of the special purpose vehicles which own the properties.

6. During the year, CRCT obtained ownership of Wangjing Mall after the legal title of Wangjing Mall was issued to CapitaRetail Beijing Wangjing Real Estate Co. Ltd., a CRCT wholly-owned special purpose company which holds Wangjing Mall. Prior to that, CRCT only had contractual rights to the rental income in respect of Wangjing Mall as described in the CRCT Prospectus.

7. Based on area ready for occupation at Saihan Mall Phase I.

8. Jiulong Mall, Anzhen Mall and Zhengzhou Mall do not have traffic counters. Saihan Mall underwent extensive asset enhancement works between September 2007 and September 2008.

9. For the period from 5 February 2008 to 31 December 2008.

| Qibao Mall<br>嘉茂购物广场·七宝  | Zhengzhou Mall<br>郑州华联商厦  | Saihan Mall<br>嘉茂购物中心·赛罕   | Xinwu Mall<br>嘉信茂广场·新芜  |   |
|--|---|--|---|---|
| No. 3655 Qi Xin Road,<br>Minhang District, Shanghai<br>上海市闵行区七莘路3655号        | No. 3 Minzhu Road,<br>Erqi District, Zhengzhou,<br>Henan Province<br>河南省郑州市二七区民主路3号 | No. 32 Ordos Street,<br>Saihan District,<br>Huhhot, Inner Mongolia<br>Autonomous Region<br>内蒙古自治区呼和浩特市赛罕区<br>鄂尔多斯大街32号 | No. 79 Zhongshan<br>North Road, Xinwu District,<br>Wuhu, Anhui Province<br>安徽省芜湖市新芜区中山北路<br>79号 | Address   |
| 83,986   | 92,356  | 41,938   | 59,624  | GFA (sq m)<br>(as at 31<br>December 2008)                                 |
| 72,729   | 92,356  | 41,938   | 45,634  | GRA (sq m)<br>(as at 31<br>December 2008)                                 |
| 132  | 1   | 109  | 120   | Number of Leases<br>(as at 31 December 2008)                              |
| 10 March 2043 <sup>2</sup>   | 31 May 2042   | 11 March 2041<br>20 March 2041   | 29 May 2044   | Land Use Right Expiry   |
| 332  | 517   | 299  | 131   | Market Valuation <sup>3</sup><br>(as at 1 December 2008)<br>(RMB Million) |
| 264.0 <sup>4</sup>   | 454.0 <sup>4</sup>  | 315.0 <sup>4</sup>   | 130.0 <sup>4</sup>  | Purchase Price<br>(RMB Million)   |
| 8 November 2006  | 1 December 2006   | 1 December 2006  | 8 November 2006   | Acquisition Date <sup>5</sup>   |
| 91.6%  | 100%  | 99.3% <sup>7</sup>   | 93.3%   | Committed<br>Occupancy Rate<br>(as at 31 December 2008)                   |
| 9.3  | –   | –  | 10.6  | Shopper Traffic<br>for 2008 <sup>8</sup><br>(Million)                     |
| Gome<br>Carrefour<br>Sport 100<br>Powerhouse Gym<br>Giordano/Giordano Junior | Beijing Hualian Group   | Beijing Hualian Supermarket<br>KFC<br>马克华菲<br>天力游戏厅<br>好来宝   | Wal-Mart<br>Tango KTV<br>KFC<br>来来永和豆浆<br>蓝波湾国际撞球会所   | Major Tenants   |
| 62.7   | 47.5  | 21.2   | 19.7  | Gross Revenue for 2008<br>(RMB Million)                                   |
| 16.2   | 38.8  | 9.1  | 4.6   | NPI for 2008<br>(RMB Million)   |





# XIZHIMEN MALL

No. 1 Xizhimenwai Avenue,  
Xicheng District, Beijing

嘉茂购物中心 · 西直门  
北京市西城区西直门外大街1号



Xizhimen Mall, a seven-level retail podium of an integrated mixed-use development, is strategically located at Xizhimen transportation hub, one of only two inter-modal transportation hubs in Beijing. The mall is well-served by Beijing's subway Line 2, Line 13 and future Line 4, as well as the national rail and bus interchange.

Due to its strategic location and excellent public transport accessibility, Xizhimen Mall is well-supported by a large shopper catchment encompassing the high flow of daily commuters passing through the transportation hub, as well as middle-class residents, students and working population in the nearby Beijing Finance Street, the city's financial district, as well as universities and high-technology zones of Zhongguancun District.

CRCT successfully completed the acquisition of Xizhimen Mall Phase 1 at a purchase price of S\$336 million on 5 February 2008. CRCT also exercised the rights to acquire Xizhimen Mall Phase 2 on 29 September 2008 at a purchase price of S\$32.7 million. The acquisition is targeted to be concluded by the end of March 2009.

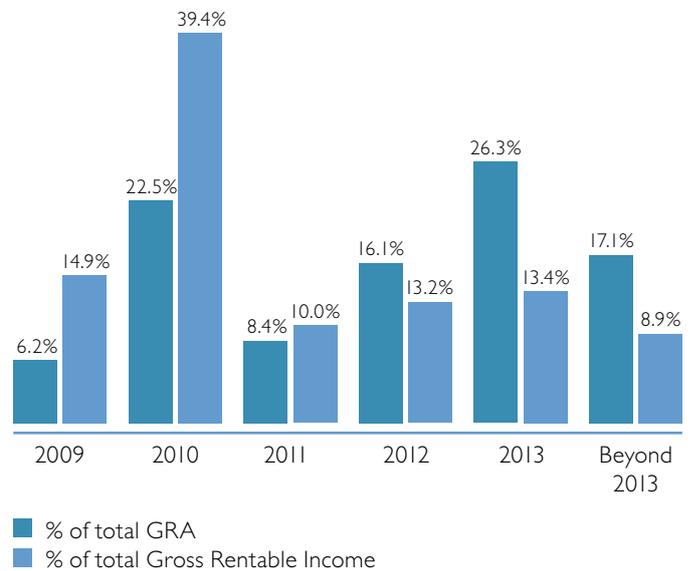
Xizhimen Mall Phase 2, at 9,217 sq m of GRA, is the extension of the mall's existing Basement 1, which offers direct connectivity to the adjacent subway and railway stations. We anticipate Xizhimen Mall to enjoy a higher footfall after the progressive opening of the extension by the end of 2009, and its positioning as a one-stop shopping, dining and entertainment destination in Beijing further strengthened.



**Xizhimen Mall Property Information**

|  |                                  |
|--|----------------------------------|
| GRA (sq m)<br>(as at 31 December 2008)                       | 83,074 <sup>1</sup>              |
| Number of Leases<br>(as at 31 December 2008)                 | 190                              |
| Land Use Right Expiry  | 23 August 2044<br>23 August 2054 |
| Market Valuation<br>(as at 1 December 2008)<br>(RMB Million) | 1,898 <sup>1</sup>               |
| Committed Occupancy Rate<br>(as at 31 December 2008)         | 96.7%                            |
| Shopper Traffic for 2008<br>(Million)                        | 12.1                             |
| Gross Revenue for 2008<br>(RMB Million)                      | 138.7 <sup>2</sup>               |
| NPI for 2008<br>(RMB Million)                                | 91.4 <sup>2</sup>                |

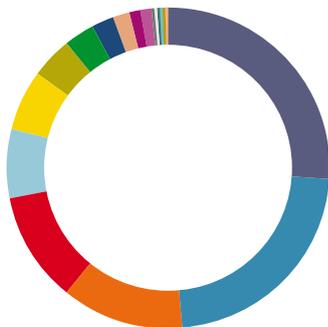
**Lease Expiry Profile  
(as at 31 December 2008)**



1. Includes Xizhimen Mall Phase 2 which CRCT exercised the rights to purchase on 29 September 2008.

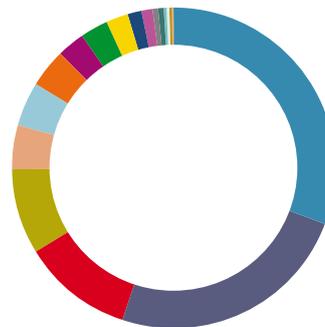
2. For the period from 5 February 2008 to 31 December 2008.

**Trade Sector Analysis by GRA  
(as at 31 December 2008)**



|                           |       |
|---------------------------|-------|
| Food & Beverages          | 26.6% |
| Fashion & Accessories     | 22.5% |
| Supermarket               | 12.3% |
| Beauty & Health Related   | 10.9% |
| Sporting Goods & Apparel  | 7.0%  |
| Leisure and Entertainment | 6.3%  |
| Shoes & Bags              | 4.2%  |
| Education                 | 3.0%  |
| Kids                      | 1.9%  |
| Jewellery/Watches/Pens    | 1.7%  |
| Sundry & Services         | 1.3%  |
| Houseware & Furnishings   | 1.0%  |
| Arts & Crafts             | 0.4%  |
| Electrical & Electronics  | 0.3%  |
| Books & Stationery        | 0.2%  |
| Gifts & Souvenirs         | 0.2%  |
| Toys & Hobbies            | 0.1%  |
| Warehouse                 | 0.1%  |

**Trade Sector Analysis by Gross Rental Income  
(for the month of December 2008)**



|                           |       |
|---------------------------|-------|
| Fashion & Accessories     | 31.0% |
| Food & Beverages          | 24.5% |
| Beauty & Health Related   | 11.1% |
| Shoes & Bags              | 8.4%  |
| Jewellery/Watches/Pens    | 4.6%  |
| Sporting Goods & Apparel  | 4.4%  |
| Supermarket               | 3.8%  |
| Sundry & Services         | 2.9%  |
| Education                 | 2.7%  |
| Leisure and Entertainment | 2.3%  |
| Kids                      | 1.4%  |
| Houseware & Furnishings   | 1.1%  |
| Arts & Crafts             | 0.5%  |
| Books & Stationery        | 0.5%  |
| Gifts & Souvenirs         | 0.4%  |
| Electrical & Electronics  | 0.3%  |
| Toys & Hobbies            | 0.1%  |
| Warehouse                 | 0.02% |





# WANGJING MALL

No. 33 Guangshun North Street, Blk 213 & 215,  
Chaoyang District, Beijing

嘉茂购物中心 · 望京  
北京市朝阳区广顺北大街33号院213号, 215号



Opened in July 2006, Wangjing Mall is prominently located in the densely populated Wangjing residential suburb, which is approximately 13 km north-east of Beijing's Central Business District.

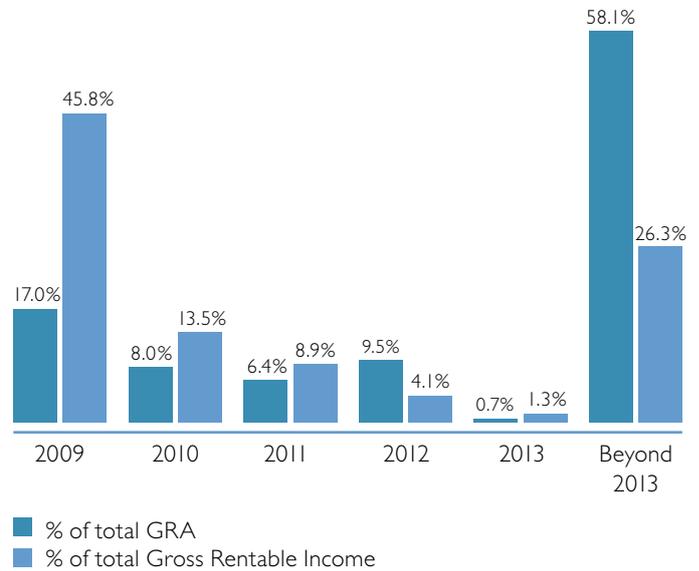
The mall can be conveniently accessed by key highways such as the airport expressway, Jingcheng Expressway and the Fourth and Fifth Ring Roads. It is well-served by numerous bus routes and is in close proximity to Wangjingxi train station.



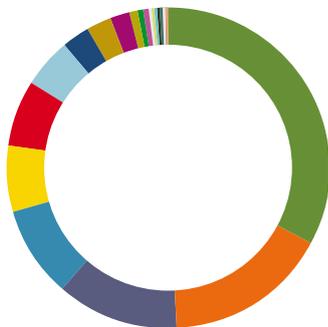
Wangjing Mall Property Information

|  |                            |
|--|----------------------------|
| GRA (sq m)<br>(as at 31 December 2008)                       | 67,500                     |
| Number of Leases<br>(as at 31 December 2008)                 | 181                        |
| Land Use Right Expiry  | 15 May 2043<br>15 May 2053 |
| Market Valuation<br>(as at 1 December 2008)<br>(RMB Million) | 1,220                      |
| Committed Occupancy Rate<br>(as at 31 December 2008)         | 99.8%                      |
| Shopper Traffic for 2008<br>(Million)                        | 7.6                        |
| Gross Revenue for 2008<br>(RMB Million)                      | 130.9                      |
| NPI for 2008<br>(RMB Million)                                | 88.0                       |

Lease Expiry Profile  
(as at 31 December 2008)

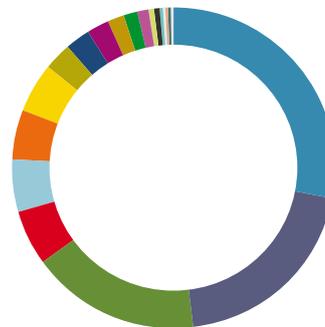


Trade Sector Analysis by GRA  
(as at 31 December 2008)



|                          |       |
|--------------------------|-------|
| Department Store         | 34.3% |
| Supermarket              | 16.6% |
| Food & Beverages         | 12.4% |
| Fashion & Accessories    | 9.2%  |
| Leisure & Entertainment  | 6.9%  |
| Beauty & Health Related  | 6.8%  |
| Sporting Goods & Apparel | 5.0%  |
| Kids                     | 2.9%  |
| Toys & Hobbies           | 1.1%  |
| Sundry & Services        | 1.0%  |
| Shoes & Bags             | 0.9%  |
| Education                | 0.9%  |
| Houseware & Furnishings  | 0.7%  |
| Electrical & Electronics | 0.3%  |
| Lifestyle                | 0.3%  |
| Gifts & Souvenirs        | 0.2%  |
| Information Technology   | 0.1%  |
| Books & Stationery       | 0.1%  |
| Music & Video            | 0.1%  |
| Jewellery/Watches/Pens   | 0.05% |

Trade Sector Analysis by Gross Rental Income  
(for the month of December 2008)



|                            |       |
|----------------------------|-------|
| Fashion & Accessories      | 28.3% |
| Food & Beverages           | 20.0% |
| Department Store           | 16.8% |
| Beauty & Health Related    | 5.6%  |
| Sporting Goods & Apparel   | 5.3%  |
| Supermarket                | 5.1%  |
| Leisure & Entertainment    | 4.9%  |
| Shoes & Bags               | 2.7%  |
| Kids                       | 2.6%  |
| Sundry & Services          | 2.3%  |
| Toys & Hobbies             | 1.6%  |
| Education                  | 1.3%  |
| Houseware & Furnishings    | 1.1%  |
| Lifestyle                  | 0.7%  |
| Information Technology     | 0.6%  |
| Gifts & Souvenirs          | 0.4%  |
| Electrical & Electronics   | 0.3%  |
| Jewellery / Watches / Pens | 0.2%  |
| Books & Stationery         | 0.2%  |
| Music & Video              | 0.1%  |

# ESPRIT

买满送好礼, 双倍积分

满500元

- ★ 赠嘉茂时尚卡包
- ★ 获赠成为嘉茂会员
- ★ 获赠300点积分
- ★ 获赠多款好礼

双倍积分



REBETHA 1C

1

2

## CASIO CASIO



I am Baby



# QIBAO MALL

No. 3655 Qi Xin Road,  
Minhang District, Shanghai

嘉茂购物广场·七宝  
上海市闵行区七莘路3655号



Qibao Mall is located in Minhang district, a growing mid-to-high-end residential locality to the west of Shanghai Central Business District.

The mall is positioned as a one-stop family shopping destination, providing shopping, dining, entertainment options and services for the middle-class residents living in the vicinity.



**Qibao Mall Property Information**

|  |                            |
|--|----------------------------|
| GRA (sq m)<br>(as at 31 December 2008)                       | 72,729                     |
| Number of Leases<br>(as at 31 December 2008)                 | 132                        |
| Land Use Right Expiry  | 10 March 2043 <sup>1</sup> |
| Market Valuation<br>(as at 1 December 2008)<br>(RMB Million) | 332                        |
| Committed Occupancy Rate<br>(as at 31 December 2008)         | 91.6%                      |
| Shopper Traffic for 2008<br>(Million)                        | 9.3                        |
| Gross Revenue for 2008<br>(RMB Million)                      | 62.7                       |
| NPI for 2008<br>(RMB Million)                                | 16.2                       |

**Lease Expiry Profile  
(as at 31 December 2008)**



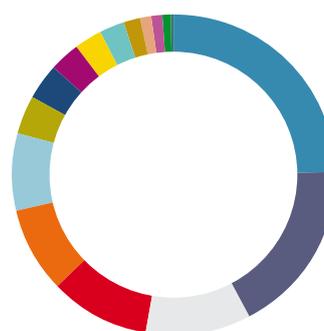
<sup>1</sup> Qibao Mall is indirectly held by CRCT under a master lease with Shanghai Jin Qiu (Group) Co., Ltd, the legal owner of Qibao Mall. The master lease expires in January 2024, with the right to renew for a further term of 19 years and two months. Accordingly, the land use right is owned by the legal owner.

**Trade Sector Analysis by GRA  
(as at 31 December 2008)**



|                          |       |
|--------------------------|-------|
| Supermarket              | 31.3% |
| Beauty & Health Related  | 12.5% |
| Food & Beverages         | 12.3% |
| Sporting Goods & Apparel | 10.3% |
| Fashion & Accessories    | 7.3%  |
| Leisure & Entertainment  | 7.0%  |
| Electrical & Electronics | 6.7%  |
| Kids                     | 5.0%  |
| Sundry & Services        | 1.9%  |
| Toys & Hobbies           | 1.8%  |
| Shoes & Bags             | 1.0%  |
| Education                | 1.0%  |
| Gifts & Souvenirs        | 0.6%  |
| Houseware & Furnishings  | 0.6%  |
| Books & Stationery       | 0.5%  |
| Jewellery/Watches/Pens   | 0.3%  |

**Trade Sector Analysis by Gross Rental Income  
(for the month of December 2008)**



|                          |       |
|--------------------------|-------|
| Fashion & Accessories    | 24.9% |
| Food & Beverages         | 17.5% |
| Electrical & Electronics | 10.5% |
| Beauty & Health Related  | 10.2% |
| Supermarket              | 8.4%  |
| Sporting Goods & Apparel | 7.9%  |
| Shoes & Bags             | 3.9%  |
| Kids                     | 3.5%  |
| Sundry & Services        | 3.1%  |
| Leisure & Entertainment  | 2.7%  |
| Gifts & Souvenirs        | 2.6%  |
| Toys & Hobbies           | 1.6%  |
| Jewellery/Watches/Pens   | 1.3%  |
| Houseware & Furnishings  | 1.1%  |
| Education                | 0.8%  |
| Books & Stationery       | 0.1%  |





# XINWU MALL

No. 79 Zhongshan North Road,  
Xinwu District, Wuhu, Anhui Province

**嘉信茂广场·新芜**  
安徽省芜湖市新芜区中山北路79号



Xinwu Mall is located approximately one km north of Wuhu's Central Business District, close to Fenghuang Food Street and Zhongshan Road Shopping Street, both among the most popular locations in the city.

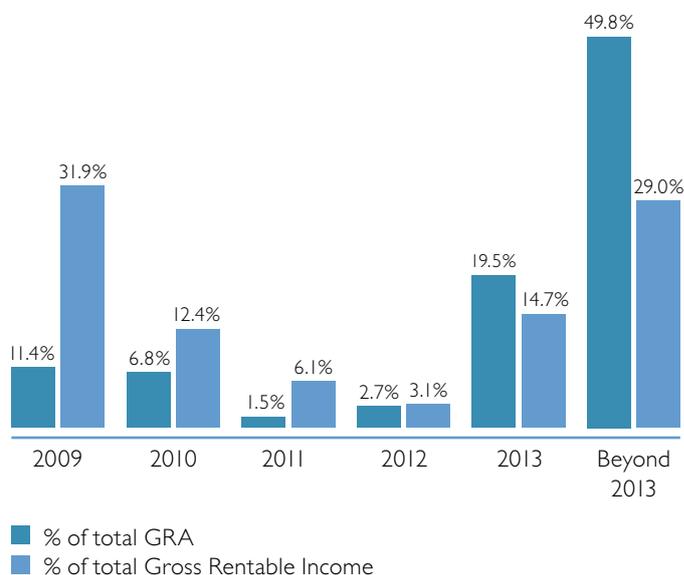
Opened in December 2005, the mall's main target market is the densely populated local residential catchment in its vicinity.



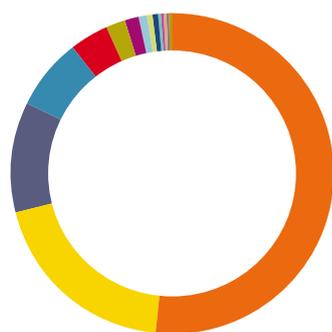
**Xinwu Mall Property Information**

|  |             |
|--|-------------|
| GRA (sq m)<br>(as at 31 December 2008)                       | 45,634      |
| Number of Leases<br>(as at 31 December 2008)                 | 120         |
| Land Use Right Expiry  | 29 May 2044 |
| Market Valuation<br>(as at 1 December 2008)<br>(RMB Million) | 131         |
| Committed Occupancy Rate<br>(as at 31 December 2008)         | 93.3%       |
| Shopper Traffic for 2008<br>(Million)                        | 10.6        |
| Gross Revenue for 2008<br>(RMB Million)                      | 19.7        |
| NPI for 2008<br>(RMB Million)                                | 4.6         |

**Lease Expiry Profile  
(as at 31 December 2008)**

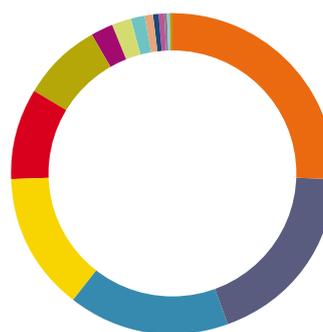


**Trade Sector Analysis by GRA  
(as at 31 December 2008)**



|                          |       |
|--------------------------|-------|
| Supermarket              | 52.3% |
| Leisure & Entertainment  | 19.5% |
| Food & Beverages         | 11.0% |
| Fashion & Accessories    | 7.2%  |
| Beauty & Health Related  | 3.8%  |
| Shoes & Bags             | 2.2%  |
| Sundry & Services        | 1.3%  |
| Sporting Goods & Apparel | 0.8%  |
| Lifestyle                | 0.5%  |
| Kids                     | 0.5%  |
| Gifts & Souvenirs        | 0.3%  |
| Houseware & Furnishings  | 0.3%  |
| Jewellery/Watches/Pens   | 0.2%  |
| Arts & Crafts            | 0.03% |
| Toys & Hobbies           | 0.02% |

**Trade Sector Analysis by Gross Rental Income  
(for the month of December 2008)**



|                          |       |
|--------------------------|-------|
| Supermarket              | 26.0% |
| Food & Beverages         | 19.0% |
| Fashion & Accessories    | 16.1% |
| Leisure & Entertainment  | 13.9% |
| Beauty & Health Related  | 9.1%  |
| Shoes & Bags             | 8.3%  |
| Sundry & Services        | 2.1%  |
| Lifestyle                | 2.0%  |
| Gifts & Souvenirs        | 1.2%  |
| Jewellery/Watches/Pens   | 0.9%  |
| Kids                     | 0.6%  |
| Houseware & Furnishings  | 0.5%  |
| Arts & Crafts            | 0.2%  |
| Sporting Goods & Apparel | 0.2%  |
| Toys & Hobbies           | 0.1%  |



宝典眼镜



# SAIHAN MALL

No. 32 Ordos Street, Saihan District,  
Huhhot, Inner Mongolia Autonomous Region

嘉茂购物中心 · 赛罕

内蒙古自治区呼和浩特市赛罕区鄂尔多斯大街32号



Saihan Mall, located near the heart of Huhhot's main retail cluster belt, is easily accessible via the city's major road transportation networks.

Phase 1 of the asset enhancement works at Saihan Mall began in September 2007. The popular fresh goods section of Beijing Hualian Supermarket was relocated from Level 1 to Level 3, so as to release prime retail space on Level 1 for specialty tenants. Retail space formerly occupied by Beijing Hualian Department Store on Levels 1, 2 and 3 was also recovered, reconfigured and leased to specialty tenants. Levels 1 to 3 were re-opened on 12 September 2008.

Phase 2 of the mall's enhancement works on Level 4 is in progress and is expected to be completed by the end of 2009.

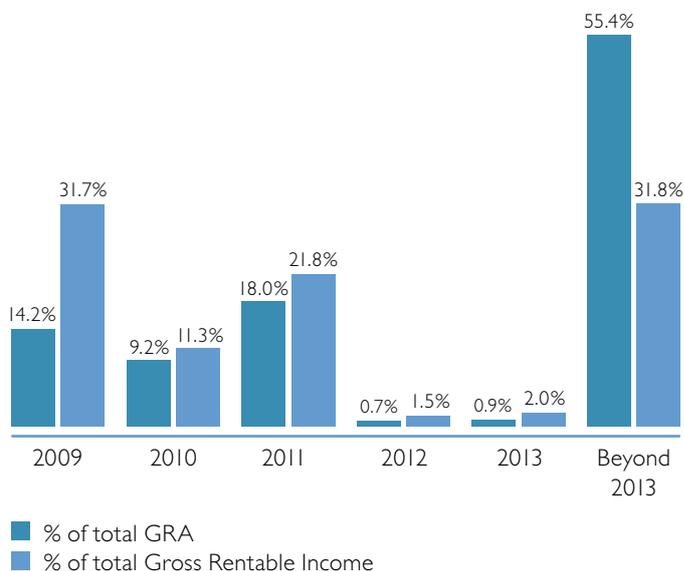


**Saihan Mall Property Information**

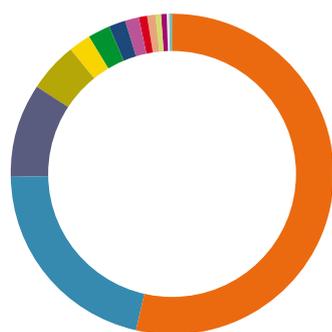
|  |                                |
|--|--------------------------------|
| GRA (sq m)<br>(as at 31 December 2008)                       | 41,938                         |
| Number of Leases<br>(as at 31 December 2008)                 | 109                            |
| Land Use Right Expiry  | 11 March 2041<br>20 March 2041 |
| Market Valuation<br>(as at 1 December 2008)<br>(RMB Million) | 299                            |
| Committed Occupancy Rate<br>(as at 31 December 2008)         | 99.3% <sup>1</sup>             |
| Gross Revenue for 2008<br>(RMB Million)                      | 21.2                           |
| NPI for 2008<br>(RMB Million)                                | 9.1                            |

1. Based on area ready for occupation at Saihan Mall Phase I.

**Lease Expiry Profile  
(as at 31 December 2008)**

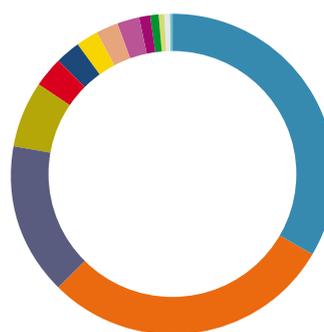


**Trade Sector Analysis by GRA  
(as at 31 December 2008)**



|                          |       |
|--------------------------|-------|
| Supermarket              | 54.0% |
| Fashion & Accessories    | 21.0% |
| Food & Beverages         | 9.5%  |
| Shoes & Bags             | 5.0%  |
| Leisure & Entertainment  | 2.4%  |
| Education                | 2.0%  |
| Kids                     | 1.9%  |
| Houseware & Furnishings  | 1.2%  |
| Beauty & Health Related  | 1.0%  |
| Jewellery/Watches/Pens   | 0.8%  |
| Lifestyle                | 0.6%  |
| Sundry & Services        | 0.4%  |
| Electrical & Electronics | 0.1%  |
| Gifts & Souvenirs        | 0.1%  |

**Trade Sector Analysis by Gross Rental Income  
(for the month of December 2008)**



|                          |       |
|--------------------------|-------|
| Fashion & Accessories    | 33.6% |
| Supermarket              | 29.2% |
| Food & Beverages         | 15.3% |
| Shoes & Bags             | 6.5%  |
| Beauty & Health Related  | 3.0%  |
| Kids                     | 2.6%  |
| Leisure & Entertainment  | 2.3%  |
| Jewellery/Watches/Pens   | 2.2%  |
| Houseware & Furnishings  | 2.1%  |
| Sundry & Services        | 1.1%  |
| Education                | 1.0%  |
| Lifestyle                | 0.6%  |
| Electrical & Electronics | 0.4%  |
| Gifts & Souvenirs        | 0.2%  |

# JIULONG MALL

No. 31 Guangqu Road,  
Chaoyang District, Beijing

九龙商厦  
北京市朝阳区广渠路31号

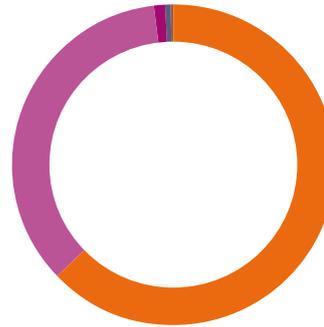


Jiulong Mall is a four-level retail mall in the Chaoyang District of Beijing, in close proximity to Beijing's Central Business District. It is well-served by bus routes and is located close to two subway stations, Guomao and Dawanglu. The mall has a strong supermarket anchor, drawing significant shopper traffic from the nearby Central Business District workers and neighbouring residential areas.

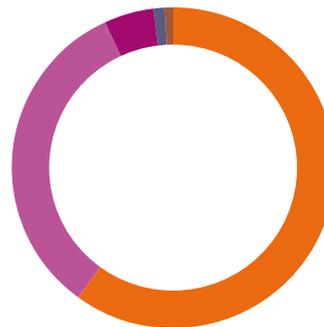
### Jiulong Mall Property Information

|  |              |
|--|--------------|
| GRA (sq m)<br>(as at 31 December 2008)                       | 49,526       |
| Number of Leases<br>(as at 31 December 2008)                 | 6            |
| Land Use Right Expiry  | 10 July 2042 |
| Market Valuation<br>(as at 1 December 2008)<br>(RMB Million) | 450          |
| Committed Occupancy Rate<br>(as at 31 December 2008)         | 100%         |
| Gross Revenue for 2008<br>(RMB Million)                      | 40.0         |
| NPI for 2008<br>(RMB Million)                                | 32.0         |

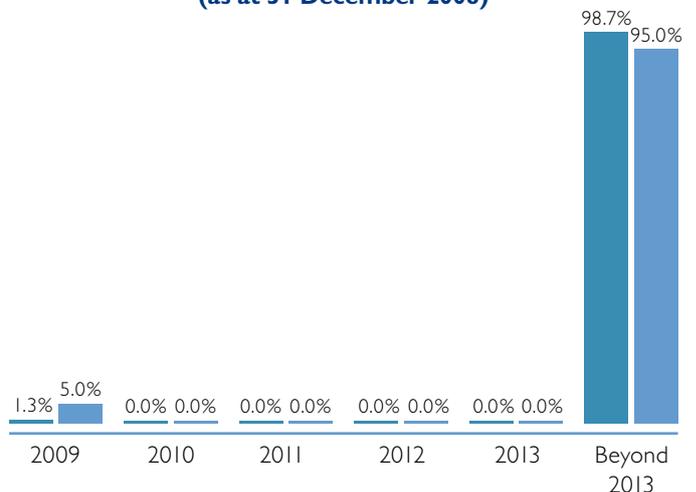
### Trade Sector Analysis by GRA (as at 31 December 2008)



### Trade Sector Analysis by Gross Rental Income (for the month of December 2008)



### Lease Expiry Profile (as at 31 December 2008)



■ % of total GRA  
■ % of total Gross Rentable Income

# ANZHEN MALL

Section 5 No. 4 of Anzhen Xi Li,  
Chaoyang District, Beijing

## 安贞华联商厦

北京市朝阳区安贞西里五区4号楼



Anzhen Mall is a six-level retail mall located approximately 11 km north-west of Beijing's Central Business District. The mall is adjacent to the North Third Ring Road and a major bus terminal. The area is densely populated and is situated to the south of the Olympics Village.

The mall is master-leased to the Beijing Hualian Group. It has built its reputation to be among the best shopping outlets in the area, and is well-established among the locals as their basic necessity shopping destination, thus attracting recurring shopper traffic from the surrounding catchments.

### Anzhen Mall Property Information

|  |   |
|--|---|
| GRA (sq m)<br>(as at 31 December 2008)                       | 43,442  |
| Number of Leases<br>(as at 31 December 2008)                 | 1   |
| Land Use Right Expiry  | 7 October 2034<br>5 March 2042<br>3 June 2042 |
| Market Valuation<br>(as at 1 December 2008)<br>(RMB Million) | 826   |
| Committed Occupancy Rate<br>(as at 31 December 2008)         | 100%  |
| Gross Revenue for 2008<br>(RMB Million)                      | 76.9  |
| NPI for 2008<br>(RMB Million)                                | 63.0  |

# ZHENGZHOU MALL

No. 3 Minzhu Road,  
Erqi District, Zhengzhou, Henan Province

## 郑州华联商厦

河南省郑州市二七区民主路3号



Zhengzhou Mall is a seven-level retail mall at the heart of Zhengzhou's prime retail district, the Erqi District. The entire mall is master-leased to the Beijing Hualian Group. Given its strategic location in the heart of Zhengzhou's Central Business District, the mall attracts residents, office workers as well as visitors from around the province.

### Zhengzhou Mall Property Information

|  |             |
|--|-------------|
| GRA (sq m)<br>(as at 31 December 2008)                       | 92,356      |
| Number of Leases<br>(as at 31 December 2008)                 | 1           |
| Land Use Right Expiry  | 31 May 2042 |
| Market Valuation<br>(as at 1 December 2008)<br>(RMB Million) | 517         |
| Committed Occupancy Rate<br>(as at 31 December 2008)         | 100%        |
| Gross Revenue for 2008<br>(RMB Million)                      | 47.5        |
| NPI for 2008<br>(RMB Million)                                | 38.8        |

**Abacus:** The abacus is estimated to be invented by the Chinese around 600 B.C. It is also the oldest known calculating device in the history of mankind.

## ADDING THE NUMBERS

We are pleased to present the full set of figures for our performance in FY 2008 for your analysis and consideration.





## **FINANCIAL STATEMENTS**

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NOTES TO THE FINANCIAL STATEMENTS **89**

HSBC Institutional Trust Services (Singapore) Limited (the "Trustee") is under a duty to take into custody and hold the assets of CapitaRetail China Trust (the "Trust") held by it or through its subsidiaries (the "Group") in trust for the holders ("Unitholders") of units in the Trust (the "units"). In accordance with the Securities and Futures Act, Chapter 289 of Singapore, its subsidiary legislation and the Code on Collective Investment Schemes (the "CIS Code") and the Listing Manual (collectively referred to as the "laws and regulations"), the Trustee shall monitor the activities of CapitaRetail China Trust Management Limited (the "Manager") for compliance with the limitations imposed on the investment and borrowing powers as set out in the trust deed dated 23 October 2006 as amended by the First Supplemental Deed dated 8 November 2006 (collectively the "Trust Deed") between the Manager and the Trustee in each annual accounting period and report thereon to Unitholders in an annual report which shall contain the matters prescribed by the laws and regulations as well as the recommendations of Statement of Recommended Accounting Practice 7 "Reporting Framework for Unit Trusts" issued by the Institute of the Certified Public Accountants of Singapore and the provisions of the Trust Deed.

To the best knowledge of the Trustee, the Manager has, in all material respects, managed the Group during the period covered by these financial statements, set out on pages 82 to 111, comprising the

balance sheets, statements of total return, distribution statements and statements of changes in net assets attributable to Unitholders of the Group and of the Trust, the portfolio statement and cash flow statement of the Group and a summary of significant accounting policies and other explanatory notes, in accordance with the limitations imposed on the investment and borrowing powers set out in the Trust Deed, laws and regulations and otherwise in accordance with the provisions of the Trust Deed.

**For and on behalf of the Trustee,  
HSBC Institutional Trust Services (Singapore) Limited**



**JOHANNES VAN VERRE**

DIRECTOR

Singapore  
24 February 2009

## STATEMENT BY THE MANAGER

In the opinion of the directors of CapitaRetail China Trust Management Limited, the accompanying financial statements set out on pages 82 to 111 comprising the balance sheets, statements of total return, distribution statements and statements of changes in net assets attributable to Unitholders of the Group and of the Trust, the portfolio statement and cash flow statement of the Group and a summary of significant accounting policies and other explanatory notes, are drawn up so as to present fairly, in all material respects, the financial position of the Group and of the Trust and the portfolio of the Group as at 31 December 2008, the total return, distributable income and changes in net assets attributable to Unitholders of the Group and of the Trust and cash flows of the Group for the year ended on that date in accordance with the recommendations of Statement of Recommended Accounting Practice 7 "Reporting Framework for Unit Trusts" issued by the Institute of Certified Public Accountants of Singapore and the provisions of the Trust Deed. At

the date of this statement, there are reasonable grounds to believe that the Group will be able to meet its financial obligations as and when they materialise.

**For and on behalf of the Manager,  
CapitaRetail China Trust Management Limited**



**WEE HUI KAN**

DIRECTOR

Singapore

24 February 2009

We have audited the accompanying financial statements of CapitaRetail China Trust (the "Trust") and its subsidiaries (collectively the "Group"), which comprise the balance sheets of the Trust and the Group and the portfolio statement of the Group as at 31 December 2008, the statements of total return, distribution statements and statements of changes in net assets attributable to Unitholders of the Trust and of the Group and the cash flow statement of the Group for the year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 82 to 111.

**MANAGER'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS**

The Manager of the Trust is responsible for the preparation and fair presentation of these financial statements in accordance with the recommendations of Statement of Recommended Accounting Practice 7 "Reporting Framework for Unit Trusts" issued by the Institute of Certified Public Accountants of Singapore. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

**AUDITORS' RESPONSIBILITY**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Singapore Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor

considers internal control relevant to the Trust's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Trust's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Manager of the Trust as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**OPINION**

In our opinion, the financial statements of the Group and the balance sheet, statement of total return, distribution statement and statement of changes in net assets attributable to Unitholders of the Trust, present fairly, in all material respects, the financial position of the Group and the Trust and the portfolio of the Group as at 31 December 2008, the total return, distributable income, and changes in net assets attributable to Unitholders of the Group and the Trust and cash flows of the Group for the year then ended in accordance with the recommendations of Statement of Recommended Accounting Practice 7 "Reporting Framework for Unit Trusts" issued by the Institute of Certified Public Accountants of Singapore.

**KPMG LLP****PUBLIC ACCOUNTANTS AND  
CERTIFIED PUBLIC ACCOUNTANTS**

Singapore

24 February 2009

# BALANCE SHEETS

As at 31 December 2008

|  | Note | GROUP            |                | TRUST          |                |
|--|------|------------------|----------------|----------------|----------------|
|  |      | 2008<br>\$'000   | 2007<br>\$'000 | 2008<br>\$'000 | 2007<br>\$'000 |
| <b>Assets</b>  |      |                  |                |                |                |
| Investment properties  | 3    | 1,253,790        | 722,883        | –              | –              |
| Plant and equipment  | 4    | 3,752            | 1,673          | –              | –              |
| Interests in subsidiaries  | 5    | –                | –              | 945,096        | 590,799        |
| Trade and other receivables                                      | 6    | 13,154           | 18,109         | 1,076          | 813            |
| Financial derivatives  | 10   | 3,677            | –              | 3,677          | –              |
| Cash and cash equivalents  | 7    | 51,310           | 67,170         | 7,960          | 18,656         |
|  |      | <b>1,325,683</b> | <b>809,835</b> | <b>957,809</b> | <b>610,268</b> |
| <b>Less:</b>   |      |                  |                |                |                |
| <b>Liabilities</b>   |      |                  |                |                |                |
| Trade and other payables   | 8    | 65,065           | 42,168         | 4,866          | 1,910          |
| Security deposits  |      | 20,162           | 8,284          | –              | –              |
| Interest-bearing borrowings                                      | 9    | 414,701          | 231,811        | 349,503        | 171,104        |
| Financial derivatives  | 10   | 966              | 11,331         | 966            | 11,331         |
| Deferred tax liabilities   | 11   | 31,718           | 19,300         | –              | –              |
| Provision for taxation   |      | 3,887            | 243            | 199            | –              |
|  |      | <b>536,499</b>   | <b>313,137</b> | <b>355,534</b> | <b>184,345</b> |
|  |      | <b>789,184</b>   | <b>496,698</b> | <b>602,275</b> | <b>425,923</b> |
| Represented by:  |      |                  |                |                |                |
| Net assets attributable to Unitholders                           | 12   | 772,564          | 483,155        | 602,275        | 425,923        |
| Minority interest  |      | 16,620           | 13,543         | –              | –              |
|  |      | <b>789,184</b>   | <b>496,698</b> | <b>602,275</b> | <b>425,923</b> |
| <b>Units in issue ('000)</b>                                     | 13   | <b>619,046</b>   | <b>476,147</b> | <b>619,046</b> | <b>476,147</b> |
| <b>Net asset value per unit attributable to Unitholders (\$)</b> |      | <b>1.25</b>      | <b>1.01</b>    | <b>0.97</b>    | <b>0.89</b>    |

The accompanying notes form an integral part of these financial statements.

# STATEMENTS OF TOTAL RETURN

Year ended 31 December 2008

|   | Note | GROUP                              |  | TRUST                              |  |
|---|------|------------------------------------|--|------------------------------------|--|
|   |      | Year ended<br>31/12/2008<br>\$'000 | Period from<br>23/10/2006 to<br>31/12/2007<br>\$'000 | Year ended<br>31/12/2008<br>\$'000 | Period from<br>23/10/2006 to<br>31/12/2007<br>\$'000 |
| Gross rental income   |      | 104,918                            | 76,196   | –                                  | –  |
| Other income  |      | 4,006                              | 1,998  | –                                  | –  |
| <b>Gross revenue</b>  |      | <b>108,924</b>                     | <b>78,194</b>  | <b>–</b>                           | <b>–</b>   |
| Land rental   |      | (4,393)                            | (4,875)  | –                                  | –  |
| Property related tax  |      | (7,779)                            | (4,273)  | –                                  | –  |
| Business tax  |      | (5,484)                            | (3,884)  | –                                  | –  |
| Property management fees  |      | (3,975)                            | (2,894)  | –                                  | –  |
| Other property operating expenses   | 15   | (17,827)                           | (13,335)   | –                                  | –  |
| <b>Total property operating expenses</b>  |      | <b>(39,458)</b>                    | <b>(29,261)</b>                                      | <b>–</b>                           | <b>–</b>   |
| <b>Net property income</b>  |      | <b>69,466</b>                      | <b>48,933</b>  | <b>–</b>                           | <b>–</b>   |
| Manager's management fees   | 16   | (5,777)                            | (4,309)  | (5,777)                            | (4,309)  |
| Trustee's fee   |      | (229)                              | (209)  | (229)                              | (209)  |
| Other trust operating expenses  | 17   | (1,871)                            | (1,783)  | (1,529)                            | (640)  |
| Interest income   | 18   | 807                                | 2,732  | 25,121                             | 25,929   |
| Foreign exchange loss – realised  |      | (542)                              | (1,091)  | (487)                              | (385)  |
| Finance costs   |      | (8,934)                            | (8,002)  | (1,865)                            | (3,255)  |
| <b>Total return before change in fair value of<br/>financial derivatives, investment properties<br/>and unrealised foreign exchange gain/(loss)</b> |      | <b>52,920</b>                      | <b>36,271</b>  | <b>15,234</b>                      | <b>17,131</b>  |
| Change in fair value of financial derivatives   | 19   | –                                  | (1,667)  | (8,023)                            | (10,543)   |
| Change in fair value of cash flow hedge<br>transferred to the statement of total return<br>from hedging reserve                                     |      | (93)                               | –  | (93)                               | –  |
| Change in fair value of investment properties   | 3    | (812)                              | 49,251   | –                                  | –  |
| Unrealised foreign exchange gain/(loss)   |      | 2,750                              | (429)  | 17,009                             | (20,282)   |
| <b>Total return for the year/<br/>period before taxation</b>  |      | <b>54,765</b>                      | <b>83,426</b>  | <b>24,127</b>                      | <b>(13,694)</b>                                      |
| Taxation  | 20   | (15,842)                           | (26,785)   | (199)                              | –  |
| <b>Total return for the year/<br/>period after taxation</b>   |      | <b>38,923</b>                      | <b>56,641</b>  | <b>23,928</b>                      | <b>(13,694)</b>                                      |
| Minority interest   |      | (267)                              | 155  | –                                  | –  |
| <b>Total return for the year/<br/>period attributable to<br/>Unitholders before distribution</b>  |      | <b>38,656</b>                      | <b>56,796</b>  | <b>23,928</b>                      | <b>(13,694)</b>                                      |
| <b>Earnings per unit (cents)</b>  | 21   |                                    |  |                                    |  |
| – Basic   |      | 6.40                               | 11.94  |                                    |  |
| – Diluted   |      | 6.40                               | 11.94  |                                    |  |

The accompanying notes form an integral part of these financial statements.

# DISTRIBUTION STATEMENTS

Year ended 31 December 2008

|  | Note | GROUP                              |  | TRUST                              |  |
|--|------|------------------------------------|--|------------------------------------|--|
|  |      | Year ended<br>31/12/2008<br>\$'000 | Period from<br>23/10/2006 to<br>31/12/2007<br>\$'000 | Year ended<br>31/12/2008<br>\$'000 | Period from<br>23/10/2006 to<br>31/12/2007<br>\$'000 |
| <b>Amount available for distribution to Unitholders at beginning of the year/period</b>                |      | <b>16,735</b>                      | –  | <b>16,735</b>                      | –  |
| Total return for the year/period attributable to Unitholders before distribution                       |      | 38,656                             | 56,796   | 23,928                             | (13,694)   |
| Distribution adjustments   | A    | 7,206                              | (24,508)   | 21,934                             | 45,982   |
| Income for the year/period for distribution to Unitholders   | B    | 45,862                             | 32,288   | 45,862                             | 32,288   |
| <b>Amount available for distribution to Unitholders</b>  |      | <b>62,597</b>                      | <b>32,288</b>  | <b>62,597</b>                      | <b>32,288</b>  |
| <b>Distribution to Unitholders during the year:</b>  |      |                                    |  |                                    |  |
| – Distribution of 3.27 cents per unit for the period from 23 October 2006 to 30 June 2007              |      | –                                  | (15,553)   | –                                  | (15,553)   |
| – Distribution of 4.04 cents per unit for the period from 1 July 2007 to 4 February 2008               |      | (19,236)                           | –  | (19,236)                           | –  |
| – Distribution of 2.72 cents per unit for the period from 5 February 2008 to 30 June 2008              |      | (16,796)                           | –  | (16,796)                           | –  |
|  |      | <b>(36,032)</b>                    | <b>(15,553)</b>                                      | <b>(36,032)</b>                    | <b>(15,553)</b>                                      |
| <b>Amount available for distribution to Unitholders at end of the year/period</b>                      |      | <b>26,565</b>                      | <b>16,735</b>  | <b>26,565</b>                      | <b>16,735</b>  |
| <b>Note A – Distribution adjustments</b>   |      |                                    |  |                                    |  |
| <b>Distribution adjustment items:</b>  |      |                                    |  |                                    |  |
| – Asset management fees (performance component paid and payable in units as Manager's management fees) |      | 2,779                              | 1,957  | 2,779                              | 1,957  |
| – Change in fair value of financial derivatives  |      | –                                  | 1,667  | 8,023                              | 10,543   |
| – Change in fair value of investment properties  |      | 812                                | (49,251)   | –                                  | –  |
| – Deferred taxation  |      | 5,937                              | 20,712   | –                                  | –  |
| – Transfer to general reserve  |      | (228)                              | (232)  | –                                  | –  |
| – Unrealised foreign exchange (gain)/loss  |      | (2,750)                            | 429  | (17,009)                           | 20,282   |
| – Other adjustments  |      | 656                                | 210  | –                                  | –  |
| – Net overseas income not distributed to the Trust   |      | –                                  | –  | 28,141                             | 13,200   |
| <b>Net effect of distribution adjustments</b>  |      | <b>7,206</b>                       | <b>(24,508)</b>                                      | <b>21,934</b>                      | <b>45,982</b>  |
| <b>Note B – Income for the year/period for distribution to Unitholders</b>                             |      |                                    |  |                                    |  |
| <b>Comprises:</b>  |      |                                    |  |                                    |  |
| – from operations  |      | 17,814                             | 19,088   | 17,814                             | 19,088   |
| – from Unitholders' contribution   |      | 28,048                             | 13,200   | 28,048                             | 13,200   |
| <b>Total Unitholders' distribution</b>   | 14   | <b>45,862</b>                      | <b>32,288</b>  | <b>45,862</b>                      | <b>32,288</b>  |

The accompanying notes form an integral part of these financial statements.

# STATEMENTS OF CHANGES IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS

Year ended 31 December 2008

|  | Note | GROUP                              |  | TRUST                              |  |
|--|------|------------------------------------|--|------------------------------------|--|
|  |      | Year ended<br>31/12/2008<br>\$'000 | Period from<br>23/10/2006 to<br>31/12/2007<br>\$'000 | Year ended<br>31/12/2008<br>\$'000 | Period from<br>23/10/2006 to<br>31/12/2007<br>\$'000 |
| <b>Operations</b>  |      |                                    |  |                                    |  |
| Net assets attributable to Unitholders as at beginning of the year/period                                |      | 483,155                            | –  | 425,923                            | –  |
| Change in net assets attributable to Unitholders resulting from operations before distribution           |      | 38,656                             | 56,796   | 23,928                             | (13,694)   |
| Transfer to general reserve  |      | (228)                              | (232)  | –                                  | –  |
| <b>Net increase/(decrease) in net assets resulting from operations</b>                                   |      | <b>38,428</b>                      | <b>56,564</b>  | <b>23,928</b>                      | <b>(13,694)</b>                                      |
| <b>Movements in hedging reserve</b>  |      |                                    |  |                                    |  |
| Effective portion of change in fair value of cash flow hedges  |      | (165)                              | (788)  | (165)                              | (788)  |
| Change in fair value of cash flow hedge transferred to the statement of total return                     |      | 93                                 | –  | 93                                 | –  |
| <b>Movements in foreign currency translation reserve</b>   |      |                                    |  |                                    |  |
| Translation differences from financial statements of foreign operations                                  |      | 44,931                             | (7,217)  | –                                  | –  |
| Foreign exchange differences on monetary items forming part of net investment in foreign operations      |      | 61,423                             | 2,835  | –                                  | –  |
| Exchange differences on hedge of net investment in foreign operations                                    |      | (8,025)                            | (8,876)  | –                                  | –  |
| <b>Net gain/(loss) recognised directly in net assets attributable to Unitholders</b>                     |      | <b>98,257</b>                      | <b>(14,046)</b>                                      | <b>(72)</b>                        | <b>(788)</b>   |
| <b>Movement in general reserve</b>   |      | <b>228</b>                         | <b>232</b>   | <b>–</b>                           | <b>–</b>   |
| <b>Unitholders' transactions</b>   |      |                                    |  |                                    |  |
| Proceeds from issuance of new units  |      | 188,001                            | 466,594  | 188,001                            | 466,594  |
| Creation of units paid/payable to the manager  |      |                                    |  |                                    |  |
| – Units issued in respect of acquisition fees  |      | 3,360                              | –  | 3,360                              | –  |
| – Units issued and to be issued as satisfaction of the portion of asset management fees payable in units |      | 2,779                              | 1,957  | 2,779                              | 1,957  |
| Distribution to Unitholders  |      | (36,032)                           | (15,553)   | (36,032)                           | (15,553)   |
| Issue expenses   | 22   | (5,612)                            | (12,593)   | (5,612)                            | (12,593)   |
| <b>Net increase in net assets resulting from Unitholders' transactions</b>                               |      | <b>152,496</b>                     | <b>440,405</b>                                       | <b>152,496</b>                     | <b>440,405</b>                                       |
| <b>Net assets attributable to Unitholders as at end of year/period</b>                                   |      | <b>772,564</b>                     | <b>483,155</b>                                       | <b>602,275</b>                     | <b>425,923</b>                                       |

The accompanying notes form an integral part of these financial statements.

# PORTFOLIO STATEMENT

As at 31 December 2008

| Group | Description of leasehold property                  | Location   | Term of lease (years) | Remaining term of lease (years) | Valuation |           | Valuation |           | Percentage of net assets attributable to Unitholders |        |
|-------|--|--|-----------------------|---------------------------------|-----------|-----------|-----------|-----------|--|--------|
|       |  |  |                       |                                 | 2008      | 2007      | 2008      | 2007      | 2008   | 2007   |
|       |  |  |                       |                                 | RMB'000   | RMB'000   | \$'000    | \$'000    | %  | %      |
|       | Wangjing Mall                                      | No. 33 Guangshun North Street, Blk 213 & 215, Chaoyang District, Beijing       | 38 – 48               | 35 – 45                         | 1,220,000 | 1,193,000 | 269,632   | 233,625   | 34.9   | 48.3   |
|       | Jiulong Mall                                       | No. 31 Guangqu Road, Chaoyang District, Beijing                                | 40                    | 34                              | 450,000   | 432,000   | 99,455    | 84,599    | 12.9   | 17.5   |
|       | Anzhen Mall  | Section 5 No. 4 of Anzhen Xi Li, Chaoyang District, Beijing                    | 29 – 37               | 26 – 34                         | 826,000   | 791,000   | 182,554   | 154,901   | 23.6   | 32.0   |
|       | Qibao Mall <sup>(1)</sup>                          | No. 3655, Qi Xin Road, Minhang District, Shanghai                              | 39                    | 35                              | 332,000   | 320,000   | 73,375    | 62,666    | 9.5  | 13.0   |
|       | Zhengzhou Mall                                     | No. 3 Minzhu Road, Erqi District, Zhengzhou, Henan Province                    | 38                    | 34                              | 517,000   | 466,000   | 114,263   | 91,257    | 14.8   | 18.9   |
|       | Saihan Mall  | No. 32 Ordos Street, Saihan District, Huhhot, Inner Mongolia Autonomous Region | 35                    | 33                              | 299,000   | 316,000   | 66,082    | 61,882    | 8.6  | 12.8   |
|       | Xinwu Mall   | No. 79 Zhongshan North Road, Xinwu District, Wuhu, Anhui Province              | 40                    | 36                              | 131,000   | 130,000   | 28,952    | 25,458    | 3.7  | 5.3    |
|       | Xizhimen Mall <sup>(2)</sup>                       | No. 1, Xizhimenwai Avenue, Xicheng District, Beijing                           | 40–50                 | 36–46                           | 1,898,000 | –         | 419,477   | –         | 54.3   | –      |
|       | Investment properties, at valuation <sup>(3)</sup> |  |                       |                                 | 5,673,000 | 3,648,000 | 1,253,790 | 714,388   | 162.3  | 147.8  |
|       | Capital expenditure <sup>(4)</sup>                 |  |                       |                                 |           |           | –         | 8,495     | –  | 1.8    |
|       | Investment properties                              |  |                       |                                 |           |           | 1,253,790 | 722,883   | 162.3  | 149.6  |
|       | Other assets and liabilities (net)                 |  |                       |                                 |           |           | (464,606) | (226,185) | (60.1)   | (46.8) |
|       |  |  |                       |                                 |           |           | 789,184   | 496,698   | 102.2  | 102.8  |
|       | Net assets attributable to minority interest       |  |                       |                                 |           |           | (16,620)  | (13,543)  | (2.2)  | (2.8)  |
|       | Net assets attributable to Unitholders             |  |                       |                                 |           |           | 772,564   | 483,155   | 100.0  | 100.0  |

Note:

- Qibao Mall is held under a master lease by CapitaRetail Dragon Mall (Shanghai) Co., Ltd, a subsidiary of CapitaRetail China Investments (B) Alpha Pte. Ltd. The master lease was entered with Shanghai Jin Qiu (Group) Co., Ltd ("Jin Qiu"), the legal owner of Qibao Mall and expires in January 2024, with the right to renew for a further term of 19 years and two months from January 2024 at the option of the Group. Accordingly, the land use rights is held by Jin Qiu.
- This includes Xizhimen Mall Phase I and II. Phase I was acquired in February 2008 while the acquisition of Phase II is expected to be legally completed by March 2009. The Group expects to obtain the property title to Phase II by end of 2009.
- On 1 December 2008, independent valuations of Wangjing Mall, Jiulong Mall, Anzhen Mall, Qibao Mall, Zhengzhou Mall, Saihan Mall and Xinwu Mall were undertaken by Knight Frank Petty Limited and Xizhimen Mall was undertaken by CB Richard Ellis (Pte) Ltd. The Manager of the Trust believes that the independent valuers have appropriate professional qualification and recent experience in the location and category of the properties being valued. The valuations were based on capitalisation and discounted cash flow approaches. The direct comparison method is used as a check against the derived values.  
The valuations adopted were RMB1,220 million, RMB450 million, RMB826 million, RMB332 million, RMB517 million, RMB299 million, RMB131 million and RMB1,898 million for Wangjing Mall, Jiulong Mall, Anzhen Mall, Qibao Mall, Zhengzhou Mall, Saihan Mall, Xinwu Mall and Xizhimen Mall respectively. The net change in fair values of the properties has been taken to the Group's statement of total return. These are commercial properties leased to external tenants to earn rental income.
- No capital expenditures were incurred during the period from 2 December 2008 to 31 December 2008.

The accompanying notes form an integral part of these financial statements.

# CONSOLIDATED CASH FLOW STATEMENT

Year ended 31 December 2008

|  | Note   | GROUP                              |  |
|--|--------|------------------------------------|--|
|  |        | Year ended<br>31/12/2008<br>\$'000 | Period from<br>23/10/2006 to<br>31/12/2007<br>\$'000 |
| <b>Operating activities</b>  |        |                                    |  |
| Total return for the year/period after taxation  |        | 38,923                             | 56,641   |
| Adjustments for:   |        |                                    |  |
| Interest income  |        | (807)                              | (2,732)  |
| Interest expense   |        | 8,934                              | 8,002  |
| Depreciation and amortisation  |        | 659                                | 412  |
| Impairment losses on trade receivables   |        | 198                                | 464  |
| Taxation   |        | 15,842                             | 26,785   |
| Asset management fee paid and payable in units   | A(i)   | 2,779                              | 1,957  |
| Gain on disposal of plant and equipment  |        | (13)                               | –  |
| Change in fair value of financial derivatives  |        | –                                  | 1,667  |
| Change in fair value of cash flow hedge transferred<br>to the statement of total return from hedging reserve |        | 93                                 | –  |
| Change in fair value of investment properties  |        | 812                                | (49,251)   |
| <b>Operating income before working capital changes</b>   |        | <b>67,420</b>                      | <b>43,945</b>  |
| <b>Changes in working capital:</b>   |        |                                    |  |
| Trade and other receivables  |        | 8,550                              | (17,418)   |
| Trade and other payables   |        | (18,278)                           | (231)  |
| <b>Cash generated from operating activities</b>  |        | <b>57,692</b>                      | <b>26,296</b>  |
| Income tax paid  |        | (2,560)                            | (3,094)  |
| <b>Cash flows from operating activities</b>  |        | <b>55,132</b>                      | <b>23,202</b>  |
| <b>Investing activities</b>  |        |                                    |  |
| Proceeds from disposal of plant and equipment  |        | 92                                 | –  |
| Interest received  |        | 807                                | 2,734  |
| Net cash outflows on purchase of investment property   | A(ii)  | (19,825)                           | (127,974)  |
| Capital expenditure on investment properties   | A(iii) | (42,453)                           | (15,669)   |
| Net cash outflows on acquisition of assets   | B      | (253,395)                          | (415,887)  |
| Purchase of plant and equipment  |        | (867)                              | (902)  |
| <b>Cash flows used in investing activities</b>   |        | <b>(315,641)</b>                   | <b>(557,698)</b>                                     |
| <b>Financing activities</b>  |        |                                    |  |
| Proceeds from issuance of new units  |        | 188,001                            | 466,594  |
| Distribution to Unitholders  |        | (36,032)                           | (15,553)   |
| Payment of issue and financing expenses  |        | (4,522)                            | (12,627)   |
| Proceeds from draw down of interest-bearing liabilities  |        | 179,000                            | 179,456  |
| Repayment of interest-bearing liabilities  |        | (61,347)                           | (7,833)  |
| Settlement of derivative contracts   |        | (21,570)                           | –  |
| Interest paid  |        | (5,850)                            | (8,371)  |
| <b>Cash flows from financing activities</b>  |        | <b>237,680</b>                     | <b>601,666</b>                                       |
| <b>(Decrease)/increase in cash and cash equivalents</b>  |        | <b>(22,829)</b>                    | <b>67,170</b>  |
| Cash and cash equivalents at beginning of year/period  |        | 67,170                             | –  |
| Effect of foreign exchange rate changes on cash balances   |        | 6,969                              | –  |
| <b>Cash and cash equivalents at end of year/period</b>   | 7      | <b>51,310</b>                      | <b>67,170</b>  |

The accompanying notes form an integral part of these financial statements.

# CONSOLIDATED CASH FLOW STATEMENT

Year ended 31 December 2008

Notes:

**(A) Significant non-cash transactions**

- (i) \$2.0 million (2007: \$1.5 million) of performance component of the Manager's management fee was paid during the year through the issue of 2,191,988 units (2007: 516,796 units). The remaining \$0.8 million (2007: \$0.5 million) will be paid through the issue of 1,432,100 new units (2007: 223,824 units) subsequent to the year end.
- (ii) In 2008, the Group incurred \$36.1 million (2007: \$128.0 million) to purchase investment property, of which \$19.8 million (2007: \$128.0 million) has been paid.
- (iii) The Group incurred \$29.6 million (2007: \$30.6 million) during the year to enhance its investment properties, of which \$27.5 million (2007: \$15.7 million) has been paid. The unpaid amount in 2007 of \$14.9 million was fully paid during the year.

**(B) Net cash outflows on acquisition of assets**

Net cash outflows on acquisition of assets are provided below:

|   | Year ended<br>31/12/2008<br>\$'000 | Period from<br>23/10/2006 to<br>31/12/2007<br>\$'000 |
|---|------------------------------------|--|
| Investment properties (including acquisition charges)   | 335,401                            | 524,219  |
| Cash  | 5,610                              | 91,184   |
| Other assets  | 8,971                              | 5,745  |
| Interest-bearing borrowings                             | (49,663)                           | (70,305)   |
| Other liabilities                                       | (41,314)                           | (43,772)   |
| <b>Net identifiable assets and liabilities acquired</b> | <b>259,005</b>                     | <b>507,071</b>                                       |
| Cash consideration paid                                 | 259,005                            | 507,071  |
| Cash acquired   | (5,610)                            | (91,184)   |
| <b>Net cash outflow</b>                                 | <b>253,395</b>                     | <b>415,887</b>                                       |

The accompanying notes form an integral part of these financial statements.

These notes form an integral part of the financial statements.

The financial statements were authorised for issue by the Manager and the Trustee on 24 February 2009.

## I GENERAL

CapitaRetail China Trust (the "Trust") is a Singapore-domiciled unit trust constituted pursuant to the trust deed dated 23 October 2006 as amended by the First Supplemental Deed dated 8 November 2006 (collectively the "Trust Deed") between CapitaRetail China Trust Management Limited (the "Manager") and HSBC Institutional Trust Services (Singapore) Limited (the "Trustee"). The Trust Deed is governed by the laws of the Republic of Singapore. The Trustee is under a duty to take into custody and hold the assets of the Trust held by it or through its subsidiaries (collectively the "Group") in trust for the holders ("Unitholders") of units in the Trust (the "units").

The Trust was formally admitted to the Official List of the Singapore Exchange Securities Trading Limited ("SGX-ST") on 8 December 2006 (the "Listing Date") and was included under the Central Provident Fund ("CPF") Investment Scheme on 8 December 2006.

The financial statements for 2008 is for the year ended 31 December 2008. The financial statements for 2007 was for the period from 23 October 2006 (date of constitution) to 31 December 2007.

The principal activities of the Trust are those relating to investment in a diversified portfolio of income-producing properties located primarily in the People's Republic of China ("China"), Hong Kong and Macau and used primarily for retail purposes.

The principal activities of the subsidiaries are those of investment holding of properties located in China and used for retail purposes.

The Group has entered into several service agreements in relation to the management of the Trust and its property operations. The fee structures for these services are as follows:

### (a) Trustee's fees

Pursuant to the Trust Deed, the Trustee's fee shall not exceed 0.03% per annum of the value of all the assets of the Group ("Deposited Property"), subject to a minimum of \$15,000 per month, excluding out of pocket expenses and GST. The Trust will also pay the Trustee a one-time inception fee of \$25,000. The Trustee's fee will be subject to review three years from the Listing Date.

### (b) Manager's management fees

The Manager is entitled under the Trust Deed to the following management fees:

- a base fee of 0.25% per annum of the value of the deposited property;
- a performance fee of 4.0% per annum of the net property income in the relevant financial year (calculated before accounting for the performance fee in that financial year); and
- an authorised investment management fee of 0.5% per annum of the value of authorised investments which are not real estate. Where such authorised investment is an interest in a property fund (either a real estate investment trust or private property fund) wholly managed by a wholly-owned subsidiary of CapitalLand Limited, no authorised investment management fee shall be payable in relation to such authorised investment.

The Manager may elect to receive the management fees in cash or units or a combination of cash and/or units (as it may in its sole discretion determine).

### (c) Property management fees

Under the property management agreements in respect of each property, the property managers will provide lease management services, property tax services and marketing co-ordination services in relation to that property. The property managers are entitled to the following fees:

- 2.0% per annum of the gross revenue;
- 2.0% per annum of the net property income; and
- 0.5% per annum of the net property income in lieu of leasing commissions otherwise payable to the property managers and/or third party agents.

### (d) Acquisition fee

For any authorised investment acquired from time to time by the Trustee on behalf of the Trust, the acquisition fee payable to the Manager shall be:

- up to 1.5% of the purchase price in the case of any authorised investment (as defined in the Trust Deed) acquired by the Trust for less than \$200 million; and
- 1.0% of the purchase price in the case of any authorised investment acquired by the Trust for \$200 million or more.

The acquisition fee payable in respect of any authorised investment acquired from time to time by the Trustee on behalf of the Trust from CapitaRetail China Development Fund I and II, CapitaRetail China Incubator Fund or CapitaLand Retail Limited shall be 1.0% of the purchase price paid by the Trust.

No acquisition fee was payable for the acquisition of the initial property portfolio of the Trust.

The acquisition fee is payable to the Manager in the form of cash and/or units (as the Manager may elect) at the prevailing market price provided that in respect of any acquisition of real estate assets from interested parties, such a fee should, if required by the applicable laws, rules and/or regulations, be in the form of units issued by the Trust at prevailing market price(s) and subject to such transfer restrictions as may be imposed.

Any payment to third party agents or brokers in connection with the acquisition of any authorised investments for the Trust shall be paid by the Manager to such persons out of the deposited property of the Trust or the assets of the relevant special purpose vehicle, and not out of the acquisition fee received or to be received by the Manager.

### (e) Divestment Fee

The Manager is entitled to receive a divestment fee of 0.5% of the sale price of any authorised investment disposed directly or indirectly by the Trust, prorated if applicable to the proportion of the Trust's interest.

The divestment fee is payable to the Manager in the form of cash and/or units (as the Manager may elect) at the prevailing market price provided that in respect of any divestment of real estate assets to interested parties, such a fee should, if required by the applicable laws, rules and/or regulations, be in the form of units issued by the Trust at prevailing market price(s) and subject to such transfer restrictions as may be imposed.

Any payment to third party agents or brokers in connection with the divestment of any authorised investments for the Trust shall be paid by the Manager to such persons out of the deposited property of the Trust or the assets of the relevant special purpose vehicle, and not out of the divestment fee received or to be received by the Manager.

## 2 SIGNIFICANT ACCOUNTING POLICIES

### (a) Basis of preparation

The financial statements have been prepared in accordance with the Statement of Recommended Accounting Practice (RAP) 7 "Reporting Framework for Unit Trusts" issued by the Institute of Certified Public Accountants of Singapore, and the applicable requirements of the Code on Collective Investment Schemes (the "CIS Code") issued by the Monetary Authority of Singapore ("MAS") and the provisions of the Trust Deed. RAP 7 requires that accounting policies adopted should generally comply with the principles relating to recognition and measurement of the Singapore Financial Reporting Standards ("FRS").

The financial statements are presented in Singapore dollars and rounded to the nearest thousand, unless otherwise stated; and is prepared on the historical cost basis, except as set out in the accounting policies below.

The preparation of financial statements in conformity with RAP 7 requires the Manager to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying amounts of assets and liabilities that are not readily apparent from other sources.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and any future periods affected.

Significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amount recognised in the financial statements are described in the following notes:

- Note 3 – Valuation of investment properties
- Note 26 – Valuation of financial instruments

The accounting policies set out below have been applied consistently by the Trust and the Group to all periods in these financial statements.

### (b) Functional currency

Items included in the financial statements of each entity in the Group are measured using the currency that best reflects the economic substance of the underlying events and circumstances relevant to that entity (the "functional currency"). The consolidated financial statements of the Group are presented in Singapore dollars, which is the functional currency of the Trust.

### (c) Consolidation

#### Subsidiaries

Subsidiaries are companies controlled by the Trust. Control exists when the Trust has the power, directly or indirectly, to govern the financial and operating policies of a company so as to obtain benefits from its activities. In assessing control, potential voting rights presently exercisable are taken into account. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

The Group's acquisition of subsidiaries are primarily accounted for as acquisitions of assets as the subsidiaries are special purpose vehicles established for the sole purpose of holding assets.

#### Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income or expenses arising from intragroup transactions, are eliminated in preparing the consolidated financial statements. Unrealised gains arising from transactions with equity accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

#### Accounting for subsidiaries by the Trust

Investments in subsidiaries are stated in the Trust's balance sheet at cost less accumulated impairment losses.

### (d) Foreign currencies

#### Foreign currency transactions

Transactions in foreign currencies are translated at the foreign exchange rates ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated at the foreign exchange rates ruling at that date. Non-monetary assets and liabilities measured at cost in a foreign currency are translated using foreign exchange rates at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated at the foreign exchange rates ruling at the date on which the fair value was determined.

Foreign currency differences arising on retranslation are recognised in the statement of total return, except for differences arising on the retranslation of monetary items that in substance form part of the Group's net investment in a foreign operation (see below) and financial derivatives designated as hedges of the net investment in a foreign operation (see Note 2(g)).

#### Foreign operations

The assets and liabilities of foreign operations are translated to Singapore dollars at exchange rates prevailing at the reporting date. The income and expenses of foreign operations are translated to Singapore dollars at exchange rates prevailing at the dates of the transactions. Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the exchange rate prevailing at the reporting date.

Foreign currency differences are recognised in the foreign currency translation reserve. When a foreign operation is disposed of, in part or in full, the relevant amount is transferred to the statement of total return.

#### Net investment in a foreign operation

Exchange differences arising from monetary items that in substance form part of the Trust's net investment in a foreign operation are recognised in the Trust's statement of total return. Such exchange differences are reclassified to foreign currency translation reserve in the consolidated financial statements. When the hedged net investment is disposed of, the cumulative amount in the foreign currency translation reserve is transferred to the statement of total return as an adjustment to the gain or loss arising on disposal.

**2 SIGNIFICANT ACCOUNTING POLICIES (Cont'd)**

**(e) Investment properties**

Investment properties are stated at initial cost on acquisition, and at valuation thereafter. The cost of a purchased property comprises its purchase price and any directly attributable expenditure. Transaction cost shall be included in the initial measurements. Valuations are determined in accordance with the Trust Deed, which requires the investment properties to be valued by independent registered valuers at least once a year, in accordance with the CIS Code issued by the MAS.

Any increase or decrease on revaluation is credited or charged to the statement of total return as a net change in fair value of the investment properties.

When an investment property is disposed of, the resulting gain or loss recognised in the statement of total return is the difference between the net disposal proceeds and the carrying amount of the property.

Investment properties are not depreciated. The properties are subject to continued maintenance and regularly revalued on the basis set out above.

**(f) Plant and equipment**

Plant and equipment are stated at cost less accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the asset.

When parts of an item of plant and equipment have different useful lives, they are accounted for as separate items (major components) of plant and equipment.

The cost of replacing part of an item of plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group and its cost can be measured reliably. The cost of the day-to-day servicing of plant and equipment are recognised in the statement of total return as incurred.

Depreciation is provided on a straight-line basis so as to write off items of plant and equipment, and major components that are accounted for separately, over their estimated useful lives as follows:

|   |           |
|---|-----------|
| Furniture, fittings and plant and equipment | – 5 years |
| Computers                                   | – 5 years |
| Motor vehicles                              | – 5 years |

Gains or losses arising from the retirement or disposal of plant and equipment are determined as the difference between the estimated net disposal proceeds and the carrying amount of the asset and are recognised in the statement of total return on the date of retirement or disposal.

Depreciation methods, useful lives and residual values are reviewed, and adjusted as appropriate, at each reporting date.

**(g) Financial instruments**

**Non-derivative financial instruments**

Non-derivative financial instruments comprise trade and other receivables, cash and cash equivalents, security deposits, interest-bearing borrowings, and trade and other payables. Cash and cash equivalents comprise cash balances and bank deposits.

Non-derivative financial instruments are recognised initially at fair value plus, for instruments not at fair value through total return, any directly attributable transaction costs. Subsequent to initial recognition, non-derivative financial instruments are measured at amortised cost using the effective interest method less any impairment losses.

A financial instrument is recognised if the Group becomes a party to the contractual provisions of the instrument. Financial assets are derecognised if the Group's contractual rights to the cash flows from the financial assets expire or if the Group transfers the financial asset to another party without retaining control or transfers substantially all the risks and rewards of the asset. Regular way purchases and sales of financial assets are accounted for at trade date, i.e., the date that the Group commits itself to purchase or sell the asset. Financial liabilities are derecognised if the Group's obligations specified in the contract expire or are discharged or cancelled.

**Derivative financial instruments and hedging activities**

The Group holds derivative financial instruments to hedge its foreign currency and interest rate risk exposures. Embedded derivatives are separated from the host contract and accounted for separately if the economic characteristics and risks of the host contract and the embedded derivative are not closely related, a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative, and the combined instrument is not measured at fair value through total return.

Derivatives are recognised initially at fair value; attributable transaction costs are recognised in the statement of total return when incurred. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are accounted for as described below.

**Cash flow hedges**

Changes in the fair value of the derivative hedging instrument designated as a cash flow hedge are recognised directly in the hedging reserve to the extent that the hedge is effective. To the extent that the hedge is ineffective, changes in fair value are recognised in the statement of total return.

If the hedging instrument no longer meets the criteria for hedge accounting, expires or is sold, terminated or exercised, hedge accounting is discontinued prospectively. The cumulative gain or loss previously recognised in the hedging reserve remains there until the forecast transaction occurs. When the hedged item is a non-financial asset, the amount recognised in the hedging reserve is transferred to the carrying amount of the asset when it is recognised. In other cases, the amount recognised in the hedging reserve is transferred to the statement of total return in the same period that the hedged item affects profit or loss.

## 2 SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

### (g) Financial instruments (Cont'd)

#### Hedge of net investment in a foreign operation

Foreign currency differences arising on the retranslation of a financial liability designated as a hedge of a net investment in a foreign operation are recognised in the Trust's statement of total return. On consolidation, such differences are recognised directly, as part of foreign currency translation reserve, to the extent that the hedge is effective. To the extent that the hedge is ineffective, such differences are recognised in the statement of total return. When the hedged net investment is disposed of, the cumulative amount in the foreign currency translation reserve attributable to that investment is transferred to the statement of total return as an adjustment to the gain or loss on disposal.

#### Impairment of financial assets

A financial asset is assessed at each reporting date to determine whether there is any objective evidence that it is impaired. A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount, and the present value of the estimated future cash flows discounted at the original effective interest rate.

Individually significant financial assets are tested for impairment on an individual basis. The remaining financial assets are assessed collectively in groups that share similar credit risk characteristics.

All impairment losses are recognised in the statement of total return.

Impairment losses in respect of financial assets measured at amortised cost are reversed to the statement of total return, if the subsequent increase in fair value can be related objectively to an event occurring after the impairment loss was recognised.

### (h) Impairment – non-financial assets

The carrying amounts of the Group's non-financial assets, other than investment properties and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the assets' recoverable amounts are estimated.

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its estimated recoverable amount. A cash-generating unit is the smallest identifiable asset group that generates cash flows that largely are independent from other assets and groups. Impairment losses are recognised in the statement of total return unless it reverses a previous revaluation, credited to net assets attributable to Unitholders, in which case it is charged to net assets attributable to Unitholders. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of the other assets in the unit (group of units) on a pro rata basis.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or cash-generating unit. An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

### (i) Net assets attributable to Unitholders

Net assets attributable to Unitholders represents the Unitholders' residual interest in the Group's and the Trust's net assets upon termination.

Expenses incurred in connection with the issuance of units in the Trust are deducted directly against the net assets attributable to Unitholders.

### (j) Employee benefits

#### (i) Defined contribution plans

Obligations for contributions to defined contribution pension plans are recognised as an expense in the statement of total return as incurred.

#### (ii) Short-term benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided.

A provision is recognised for the amount expected to be paid under short-term cash bonus or profits sharing plans if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

### (k) Revenue recognition

#### (i) Rental income from operating leases

Rental income receivable under operating leases is recognised on a straight-line basis over the term of the lease, except where an alternative basis is more representative of the pattern of benefits to be derived from the leased assets. Lease incentives granted are recognised as an integral part of the total rental to be received. Contingent rentals, which include gross turnover rental, are recognised as income in the accounting period on a receipt basis. No contingent rental is recognised if there are uncertainties due to the possible return of the amounts received.

#### (ii) Interest income

Interest income is accrued using the effective interest method.

2 SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(l) Expenses

(i) Property expenses

Property expenses are recognised on an accrual basis.

(ii) Manager's management fees, property management fees and trustee's fees

These are recognised on an accrual basis based on the applicable formula stipulated in Note 1.

(iii) Finance costs

Finance costs comprise interest expense on borrowings and expense incurred in connection with borrowings are recognised in the statement of total return, using the effective interest method over the period of the borrowings.

(m) Taxation

Taxation on the returns for the year comprises current and deferred tax. Income tax is recognised in the statement of total return except to the extent that it relates to items directly related to the net assets attributable to Unitholders, in which case it is recognised in the net assets attributable to Unitholders.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the balance sheet date.

Deferred tax is recognised using the balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for the following temporary differences: the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit, and differences relating to investments in subsidiaries to the extent that it is probable that they will not reverse in the foreseeable future. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the unused tax losses and credits can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefits will be realised.

Except for the tax exemption as described below, income earned by the Trust will be subject to Singapore income tax at the trustee level at the prevailing corporate tax rate.

The Trust is exempt from Singapore income tax under Section 13(12) of the Singapore Income Tax Act on the following income:

- (a) dividends; and
- (b) interest on shareholder's loans,

payable by its subsidiaries in Barbados out of underlying rental income derived from the investment properties in China.

This exemption is granted subject to certain conditions, including the condition that the Trustee is a tax resident of Singapore.

The tax exemption also applies to dividends payable by these subsidiaries out of gains, if any, derived from the disposal of their shares in the subsidiaries in China.

(n) Segment reporting

A segment is a distinguishable component of the Group that is engaged either in providing products or services (business segment), or in providing products or services within a particular economic environment (geographical segment), which is subject to risks and rewards that are different from those of other segments.

Segment information has not been presented as all of the Group's investment properties are used primarily for retail purposes and are located in China.

# NOTES TO THE FINANCIAL STATEMENTS

## 3 INVESTMENT PROPERTIES

|                                      | GROUP          |                |
|--------------------------------------|----------------|----------------|
|                                      | 2008<br>\$'000 | 2007<br>\$'000 |
| At beginning of year/period          | 722,883        | –              |
| Acquisition of investment properties | 371,531        | 652,193        |
| Expenditure capitalised              | 29,612         | 30,631         |
|                                      | 1,124,026      | 682,824        |
| (Deficit)/Surplus on revaluation     | (812)          | 49,251         |
| Translation difference               | 130,576        | (9,192)        |
| At end of year/period                | 1,253,790      | 722,883        |

An investment property of the Group with carrying value of RMB826.0 million (\$182.6 million) (2007: RMB791.0 million (\$154.9 million)), is pledged as security to a bank for banking facility to a subsidiary.

Investment properties are stated at fair value based on valuations performed by independent professional valuers. In determining the fair value, the valuers have used valuation methods which involve certain estimates. The Manager is of the view that the valuation methods and estimates are reflective of the current market condition. The key assumptions used to determine the fair value of investment properties include market-corroborated capitalisation yield, terminal yield and discount rate.

The fair values are based on current open market values, being the estimated amount for which a property could be exchanged on the date of the valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion.

## 4 PLANT AND EQUIPMENT

| Group                                      | Furniture,<br>fittings and<br>plant and<br>equipment<br>\$'000 | Computers<br>\$'000 | Motor<br>vehicles<br>\$'000 | Total<br>\$'000 |
|--|--|---------------------|-----------------------------|-----------------|
| <b>Cost</b>                                |  |                     |                             |                 |
| At 23 October 2006 (date of incorporation) | –  | –                   | –                           | –               |
| Assets acquired                            | 88   | 1,038               | 43                          | 1,169           |
| Additions                                  | 180  | 683                 | 39                          | 902             |
| At 31 December 2007                        | 268  | 1,721               | 82                          | 2,071           |
| Assets acquired                            | 535  | 857                 | –                           | 1,392           |
| Additions                                  | 76   | 791                 | –                           | 867             |
| Disposals                                  | (6)  | (25)                | (93)                        | (124)           |
| Translation difference on consolidation    | 204  | 520                 | 11                          | 735             |
| At 31 December 2008                        | 1,077  | 3,864               | –                           | 4,941           |
| <b>Less: Accumulated depreciation</b>      |  |                     |                             |                 |
| At 23 October 2006 (date of incorporation) | –  | –                   | –                           | –               |
| Charge for the period                      | 33   | 349                 | 16                          | 398             |
| At 31 December 2007                        | 33   | 349                 | 16                          | 398             |
| Charge for the year                        | 115  | 494                 | 9                           | 618             |
| Disposal during the year                   | (4)  | (13)                | (28)                        | (45)            |
| Translation difference on consolidation    | 9  | 206                 | 3                           | 218             |
| At 31 December 2008                        | 153  | 1,036               | –                           | 1,189           |
| <b>Carrying amount</b>                     |  |                     |                             |                 |
| At 31 December 2007                        | 235  | 1,372               | 66                          | 1,673           |
| At 31 December 2008                        | 924  | 2,828               | –                           | 3,752           |

## 5 INTERESTS IN SUBSIDIARIES

|   | 2008<br>\$'000 | TRUST<br>2007<br>\$'000 |
|---|----------------|-------------------------|
| (a) Unquoted equity, at cost            | 322,902        | 246,284                 |
| (b) Loans to subsidiaries               | 607,798        | 330,749                 |
| Non-trade amounts due from subsidiaries | 14,396         | 13,766                  |
|   | 622,194        | 344,515                 |
|   | 945,096        | 590,799                 |

(a) Details of the subsidiaries are as follows:

| Name of subsidiaries  | Principal activities | Place of incorporation/<br>business | Effective equity held by the Group |           |
|---|----------------------|-------------------------------------|------------------------------------|-----------|
|   |                      |                                     | 2008<br>%                          | 2007<br>% |
| <b>(i) Direct subsidiaries</b>  |                      |                                     |                                    |           |
| * CapitaRetail China Investments (B) Pte. Ltd.                            | Investment holding   | Barbados                            | 100                                | 100       |
| * CapitaRetail China Investments (B) Alpha Pte. Ltd.                      | Investment holding   | Barbados                            | 100                                | 100       |
| * CapitaRetail China Investments (B) Beta Pte. Ltd.                       | Investment holding   | Barbados                            | 100                                | –         |
| * CapitaRetail China Investments (B) Gamma Pte. Ltd.                      | Investment holding   | Barbados                            | 100                                | 100       |
| ** CapitaRetail China Investments (BVI) Alpha Limited                     | Investment holding   | British Virgin Islands              | 100                                | 100       |
| <b>(ii) Indirect subsidiaries</b>   |                      |                                     |                                    |           |
| <b>Subsidiary of CapitaRetail China Investments (B) Pte. Ltd</b>          |                      |                                     |                                    |           |
| * CapitaRetail Beijing Wangjing Real Estate Co., Ltd.                     | Property investment  | China                               | 100                                | 100       |
| <b>Subsidiaries of CapitaRetail China Investments (B) Alpha Pte. Ltd.</b> |                      |                                     |                                    |           |
| * CapitaRetail Beijing Anzhen Real Estate Co., Ltd.                       | Property investment  | China                               | 100                                | 100       |
| * CapitaRetail Dragon Mall (Shanghai) Co., Ltd.                           | Property investment  | China                               | 100                                | 100       |
| * CapitaRetail Beijing Shuangjing Real Estate Co., Ltd.                   | Property investment  | China                               | 100                                | 100       |

## NOTES TO THE FINANCIAL STATEMENTS

### 5 INTERESTS IN SUBSIDIARIES (Cont'd)

(a) Details of the subsidiaries are as follows (Cont'd):

| Name of subsidiaries  | Principal activities | Place of incorporation/<br>business | Effective equity held by the Group |           |
|---|----------------------|-------------------------------------|------------------------------------|-----------|
|   |                      |                                     | 2008<br>%                          | 2007<br>% |
| <b>(ii) Indirect subsidiaries</b>   |                      |                                     |                                    |           |
| <b>Subsidiaries of CapitaRetail China Investments (B) Alpha Pte. Ltd.</b>   |                      |                                     |                                    |           |
| * CapitaRetail Henan Zhongzhou Real Estate Co., Ltd.<br>(Previously known as Beijing Hualian Plaza (Henan) Co., Ltd.) | Property investment  | China                               | 100                                | 100       |
| * Huaxin Saihan Huhhot Real Estate Co., Ltd.  | Property investment  | China                               | 100                                | 100       |
| <b>Subsidiary of CapitaRetail China Investments (B) Beta Pte. Ltd.</b>  |                      |                                     |                                    |           |
| * CapitaRetail Beijing Xizhimen Real Estate Co., Ltd.   | Property investment  | China                               | 100                                | –         |
| <b>Subsidiary of CapitaRetail China Investments (B) Gamma Pte. Ltd.</b>   |                      |                                     |                                    |           |
| * Wuhu SZITIC Commercial Property Co., Ltd.   | Property investment  | China                               | 51                                 | 51        |
| <b>Subsidiary of CapitaRetail China Investments (BVI) Alpha Limited</b>   |                      |                                     |                                    |           |
| * CapitaRetail China Investments V1 (HK) Limited  | Investment holding   | Hong Kong                           | 100                                | 100       |
| * CapitaRetail China Investments V2 (HK) Limited  | Investment holding   | Hong Kong                           | 100                                | 100       |

\* Audited by other member firms of KPMG international

\*\* This subsidiary is not required to be audited by the laws of the country of incorporation

(b) The loans and non-trade amounts due from subsidiaries are unsecured and settlement is neither planned nor likely to occur in the foreseeable future. As the amounts are, in substance, a part of the Trust's net investments in the subsidiaries, they are stated at cost. Most of the loans to subsidiaries bear interest referenced against the People's Bank of China base lending rate and reprices on a semi-annual basis.

6 TRADE AND OTHER RECEIVABLES

|                   | GROUP          |                | TRUST          |                |
|-------------------|----------------|----------------|----------------|----------------|
|                   | 2008<br>\$'000 | 2007<br>\$'000 | 2008<br>\$'000 | 2007<br>\$'000 |
| Trade receivables | 6,905          | 5,589          | –              | –              |
| Impairment losses | (344)          | (464)          | –              | –              |
|                   | 6,561          | 5,125          | –              | –              |
| Deposits          | 1,472          | 1,154          | –              | –              |
| Prepayments       | 593            | 1,163          | –              | 7              |
| Other receivables | 4,528          | 10,667         | 1,076          | 806            |
|                   | 13,154         | 18,109         | 1,076          | 813            |

Concentration of credit risk relating to trade receivables is limited due to the Group's many varied tenants located in several states in China and the credit policy of obtaining security deposits from tenants for leasing the Group's investment properties. These tenants comprise retailers engaged in a wide variety of consumer trades. The Group's historical experience in the collection of accounts receivable falls within the recorded allowances. Due to these factors, management believes that no additional credit risk beyond the amounts provided for collection losses is inherent in the Group's trade receivables.

Other receivables in 2007 included a refundable deposit of \$7.8 million relating to the purchase of additional floor area in an existing mall which was refunded during the year.

The maximum exposure to credit risk for trade receivables at the reporting date (by geographical area in China) is:

|                | GROUP          |                |
|----------------|----------------|----------------|
|                | 2008<br>\$'000 | 2007<br>\$'000 |
| Inner Mongolia | 3,166          | 2,935          |
| Beijing        | 1,951          | 229            |
| Shanghai       | 1,278          | 1,695          |
| Others         | 166            | 266            |
|                | 6,561          | 5,125          |

**Impairment losses**

The ageing of trade receivables at the reporting date is:

|                             | GROSS          |                | IMPAIRMENT<br>LOSSES |                |
|-----------------------------|----------------|----------------|----------------------|----------------|
|                             | 2008<br>\$'000 | 2007<br>\$'000 | 2008<br>\$'000       | 2007<br>\$'000 |
| <b>Group</b>                |                |                |                      |                |
| Not past due                | 1,066          | 457            | –                    | –              |
| Past due 31 – 60 days       | 1,466          | 662            | –                    | 29             |
| Past due 61 – 90 days       | 753            | 556            | 6                    | 25             |
| Past due 91 – 120 days      | 802            | 763            | 33                   | 24             |
| More than 120 days past due | 2,818          | 3,151          | 305                  | 386            |
|                             | 6,905          | 5,589          | 344                  | 464            |

The change in impairment loss in respect of trade receivables during the year is as follows:

|                             | Note | GROUP          |                |
|-----------------------------|------|----------------|----------------|
|                             |      | 2008<br>\$'000 | 2007<br>\$'000 |
| At beginning of year/period |      | 464            | –              |
| Allowance made              | 15   | 198            | 464            |
| Allowance utilised          |      | (416)          | –              |
| Exchange translation        |      | 98             | –              |
| At end of year/period       |      | 344            | 464            |

The majority of trade receivables neither past due nor impaired are mainly from tenants that have a good credit record with the Group.

## NOTES TO THE FINANCIAL STATEMENTS

### 7 CASH AND CASH EQUIVALENTS

|  | GROUP          |                | TRUST          |                |
|--|----------------|----------------|----------------|----------------|
|  | 2008<br>\$'000 | 2007<br>\$'000 | 2008<br>\$'000 | 2007<br>\$'000 |
| Cash at banks and in hand                  | 43,685         | 38,678         | 2,930          | 309            |
| Fixed deposits with financial institutions | 7,625          | 28,492         | 5,030          | 18,347         |
|  | 51,310         | 67,170         | 7,960          | 18,656         |

The weighted average effective interest rates per annum relating to cash and cash equivalents at the balance sheet date for the Group and the Trust are 1.6% and 1.8% (2007: 2.5% and 3.5%) respectively. Interest rates reprice at intervals ranging from daily to every three months.

### 8 TRADE AND OTHER PAYABLES

|   | GROUP          |                | TRUST          |                |
|---|----------------|----------------|----------------|----------------|
|   | 2008<br>\$'000 | 2007<br>\$'000 | 2008<br>\$'000 | 2007<br>\$'000 |
| Trade payables and accrued operating expenses | 18,056         | 9,773          | 3,685          | 1,233          |
| Accrued development expenditure               | 32,138         | 25,267         | –              | –              |
| Amounts due to related parties (trade)        | 1,665          | 1,578          | 824            | 487            |
| Deposits and advances                         | 7,979          | 1,879          | –              | –              |
| Interest payable                              | 1,266          | 391            | 357            | 190            |
| Other payables                                | 3,961          | 3,280          | –              | –              |
|   | 65,065         | 42,168         | 4,866          | 1,910          |

Included in trade payables and accrued operating expenses are amounts due to the Property Managers and the Trustee of \$7.0 million (2007: \$2.9 million) and \$0.1 million (2007: \$0.1 million) respectively. Included in amounts due to related parties is an amount due to the Manager of \$0.8 million (2007: \$0.5 million).

Included in prior year's accrued development expenditure was an amount of \$1.2 million due to a related corporation of the Trust.

### 9 INTEREST-BEARING BORROWINGS

|                                     | Note | GROUP          |                | TRUST          |                |
|-------------------------------------|------|----------------|----------------|----------------|----------------|
|                                     |      | 2008<br>\$'000 | 2007<br>\$'000 | 2008<br>\$'000 | 2007<br>\$'000 |
| Unsecured term loans                | (a)  | 349,503        | 171,224        | 349,503        | 171,224        |
| Secured term loans                  | (b)  | 65,198         | 60,707         | –              | –              |
|                                     |      | 414,701        | 231,931        | 349,503        | 171,224        |
| Less: Unamortised transaction costs |      | –              | (120)          | –              | (120)          |
|                                     |      | 414,701        | 231,811        | 349,503        | 171,104        |

(a) Unsecured term loans comprise S\$288.5 million unsecured two-year floating rate trust term loan facility (the "Trust Term Loan Facility") and \$61.0 million floating rate money market facility. Both facilities have negative pledge covenants which requires the Trust, amongst others:

- (i) not to, without the prior written consent of the lender; create or have outstanding any mortgage, pledge, lien, hypothecation, assignment or any other encumbrance whatsoever on or over the Group's interest in any of the investment properties, except for Anzhen Mall;
- (ii) in the event of a sale of any of the investment properties, to repay an amount equal to the proportion of the market value of the investment property sold to the total market value of the investment properties as determined by the lender based on the latest annual valuation reports of the investment properties;
- (iii) not to provide any guarantee for any other entities except for secured borrowings for new investment properties acquired with existing mortgages; and
- (iv) refinancing for Anzhen Mall has to be on unsecured basis.

The Trust Term Loan Facility will be repayable in full at maturity, although the Trust has the option to make prepayments without prepayment fees.

(b) The RMB term loan is secured by a legal mortgage over Anzhen Mall, bears interest referenced against the People's Bank of China base lending rate and reprices on a semi-annual basis.

The loan is repayable in full at maturity on 30 June 2011. However, the subsidiary has the option to make early prepayments without prepayment fees.

9 INTEREST-BEARING BORROWINGS (Cont'd)

Terms and debt repayment schedule

Terms and conditions of the outstanding loans and borrowings are as follows:

|   | Nominal<br>interest rate<br>per annum<br>% | Year of<br>maturity | Face<br>value<br>\$'000 | Carrying<br>amount<br>\$'000 |
|---|--|---------------------|-------------------------|------------------------------|
| <b>2008</b>   |  |                     |                         |                              |
| <b>Group</b>  |  |                     |                         |                              |
| S\$ unsecured floating rate trust term loan facility  | 1.73 – 2.64                                | 2010                | 288,503                 | 288,503                      |
| RMB secured term loan                                 | 6.24 – 6.97                                | 2011                | 65,198                  | 65,198                       |
| S\$ unsecured floating rate money market facility     | 1.53 – 3.06                                | 2009                | 61,000                  | 61,000                       |
|   |  |                     | 414,701                 | 414,701                      |
| <b>Trust</b>  |  |                     |                         |                              |
| S\$ unsecured floating rate trust term loan facility  | 1.73 – 2.64                                | 2010                | 288,503                 | 288,503                      |
| S\$ unsecured floating rate money market facility     | 1.53 – 3.06                                | 2009                | 61,000                  | 61,000                       |
|   |  |                     | 349,503                 | 349,503                      |
| <b>2007</b>   |  |                     |                         |                              |
| <b>Group</b>  |  |                     |                         |                              |
| US\$ unsecured floating rate trust term loan facility | 1.11 – 1.82                                | 2008                | 152,124                 | 152,004                      |
| RMB secured term loan                                 | 5.51 – 6.24                                | 2011                | 60,707                  | 60,707                       |
| S\$ unsecured floating rate money market facility     | 2.73 – 3.38                                | 2008                | 19,100                  | 19,100                       |
|   |  |                     | 231,931                 | 231,811                      |
| <b>Trust</b>  |  |                     |                         |                              |
| US\$ unsecured floating rate trust term loan facility | 1.11 – 1.82                                | 2008                | 152,124                 | 152,004                      |
| S\$ unsecured floating rate money market facility     | 2.73 – 3.38                                | 2008                | 19,100                  | 19,100                       |
|   |  |                     | 171,224                 | 171,104                      |

The following are the expected contractual undiscounted cash outflows of financial liabilities including interest payments and excluding the impact of netting agreements:

|   | Carrying<br>amount<br>\$'000 | Contractual<br>cash flows<br>\$'000 | Cash flows                 |                                  |
|---|------------------------------|-------------------------------------|----------------------------|----------------------------------|
|   |                              |                                     | Within<br>1 year<br>\$'000 | Within<br>2 to 5 years<br>\$'000 |
| <b>2008</b>   |                              |                                     |                            |                                  |
| <b>Group</b>  |                              |                                     |                            |                                  |
| S\$ unsecured floating rate trust term loan facility  | 288,503                      | (298,407)                           | (2,943)                    | (295,464)                        |
| RMB secured term loan                                 | 65,198                       | (73,592)                            | (4,197)                    | (69,395)                         |
| S\$ unsecured floating rate money market facility     | 61,000                       | (61,815)                            | (61,815)                   | –                                |
| Trade and other payables (Note 8)                     | 65,065                       | (65,065)                            | (65,065)                   | –                                |
| Security deposits                                     | 20,162                       | (20,162)                            | (4,365)                    | (15,797)                         |
|   | 499,928                      | (519,041)                           | (138,385)                  | (380,656)                        |
| <b>Trust</b>  |                              |                                     |                            |                                  |
| S\$ unsecured floating rate trust term loan facility  | 288,503                      | (298,407)                           | (2,943)                    | (295,464)                        |
| S\$ unsecured floating rate money market facility     | 61,000                       | (61,815)                            | (61,815)                   | –                                |
| Trade and other payables (Note 8)                     | 4,866                        | (4,866)                             | (4,866)                    | –                                |
|   | 354,369                      | (365,088)                           | (69,624)                   | (295,464)                        |
| <b>2007</b>   |                              |                                     |                            |                                  |
| <b>Group</b>  |                              |                                     |                            |                                  |
| US\$ unsecured floating rate trust term loan facility | 152,004                      | (160,004)                           | (160,004)                  | –                                |
| RMB secured term loan                                 | 60,707                       | (74,970)                            | (7,017)                    | (67,953)                         |
| S\$ unsecured floating rate money market facility     | 19,100                       | (19,174)                            | (19,174)                   | –                                |
| Trade and other payables (Note 8)                     | 42,168                       | (42,168)                            | (42,168)                   | –                                |
| Security deposits                                     | 8,284                        | (8,284)                             | (1,461)                    | (6,823)                          |
|   | 282,263                      | (304,600)                           | (229,824)                  | (74,776)                         |
| <b>Trust</b>  |                              |                                     |                            |                                  |
| US\$ unsecured floating rate trust term loan facility | 152,004                      | (160,004)                           | (160,004)                  | –                                |
| S\$ unsecured floating rate money market facility     | 19,100                       | (19,174)                            | (19,174)                   | –                                |
| Trade and other payables (Note 8)                     | 1,910                        | (1,910)                             | (1,910)                    | –                                |
|   | 173,014                      | (181,088)                           | (181,088)                  | –                                |

# NOTES TO THE FINANCIAL STATEMENTS

## 10 FINANCIAL DERIVATIVES

|                                   | GROUP AND TRUST |                |
|-----------------------------------|-----------------|----------------|
|                                   | 2008<br>\$'000  | 2007<br>\$'000 |
| Financial derivatives assets      | 3,677           | –              |
| Financial derivatives liabilities | (966)           | (11,331)       |

The following are the expected contractual undiscounted cash inflows/(outflows) of financial derivatives including interest payments:

| Group and Trust                                   | Carrying<br>amount<br>\$'000 | Contractual<br>cash flows<br>\$'000 | CASH FLOWS                 |                                  |
|---|------------------------------|-------------------------------------|----------------------------|----------------------------------|
|   |                              |                                     | Within<br>1 year<br>\$'000 | Within<br>2 to 5 years<br>\$'000 |
| <b>2008</b>                                       |                              |                                     |                            |                                  |
| Non deliverable cross-currency interest rate swap | 3,677                        | 12,330                              | 5,769                      | 6,561                            |
| Interest rate swaps                               | (966)                        | (3,541)                             | (854)                      | (2,687)                          |
|   | 2,711                        | 8,789                               | 4,915                      | 3,874                            |
| <b>2007</b>                                       |                              |                                     |                            |                                  |
| Non deliverable cross-currency interest rate swap | (11,331)                     | (5,331)                             | (5,331)                    | –                                |

## 11 DEFERRED TAX LIABILITIES

Deferred tax liabilities and assets are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred taxes relate to the same taxation authority. Movements in deferred tax assets and liabilities (prior to offsetting of balances) during the financial period are as follows:

| Group                           | At 23                     | Acquisition<br>of assets<br>\$'000 | Charged to   | At 31                      | Acquisition<br>of assets<br>\$'000 | Charged to   | Translation<br>difference<br>\$'000 | At 31                      |
|---------------------------------|---------------------------|------------------------------------|--|----------------------------|------------------------------------|--|-------------------------------------|----------------------------|
|                                 | October<br>2006<br>\$'000 |                                    | statement<br>of total<br>return<br>(Note 20)<br>\$'000 | December<br>2007<br>\$'000 |                                    | statement<br>of total<br>return<br>(Note 20)<br>\$'000 |                                     | December<br>2008<br>\$'000 |
| <b>Deferred tax assets</b>      |                           |                                    |  |                            |                                    |  |                                     |                            |
| Investment properties           | –                         | (5,333)                            | 5,333  | –                          | –                                  | –  | –                                   | –                          |
| <b>Deferred tax liabilities</b> |                           |                                    |  |                            |                                    |  |                                     |                            |
| Investment properties           | –                         | 3,921                              | 15,379   | 19,300                     | 376                                | 5,937  | 6,105                               | 31,718                     |
| Total                           | –                         | (1,412)                            | 20,712   | 19,300                     | 376                                | 5,937  | 6,105                               | 31,718                     |

Deferred tax assets have not been recognised in respect of the following items because it is not probable that future taxable profit will be available against which the Group can utilise the benefits therefrom:

|            | GROUP          |                |
|------------|----------------|----------------|
|            | 2008<br>\$'000 | 2007<br>\$'000 |
| Tax losses | 19,744         | 5,413          |

The tax losses are subject to agreement by the tax authorities and compliance with tax regulations in the country in which the subsidiaries operate.

12 NET ASSETS ATTRIBUTABLE TO UNITHOLDERS

|                                      | Note | GROUP          |                | TRUST          |                |
|--------------------------------------|------|----------------|----------------|----------------|----------------|
|                                      |      | 2008<br>\$'000 | 2007<br>\$'000 | 2008<br>\$'000 | 2007<br>\$'000 |
| Net assets resulting from operations |      | 94,992         | 56,564         | 10,234         | (13,694)       |
| Hedging reserve                      | (a)  | (860)          | (788)          | (860)          | (788)          |
| Foreign currency translation reserve | (b)  | 85,071         | (13,258)       | –              | –              |
| Unitholders' transactions            |      | 592,901        | 440,405        | 592,901        | 440,405        |
| General reserve                      | (c)  | 460            | 232            | –              | –              |
|                                      |      | <u>772,564</u> | <u>483,155</u> | <u>602,275</u> | <u>425,923</u> |

- (a) The hedging reserve comprises the effective portion of the cumulative net change in the fair value of cash flow hedging instruments relating to forecast hedged transactions.
- (b) The foreign currency translation reserve comprises:
- (i) foreign exchange differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from the functional currency of the Trust;
  - (ii) the gains or losses on financial instruments used to hedge the Group's net investment in foreign operations that are determined to be effective hedges; and
  - (iii) the foreign exchange differences on monetary items which form part of the Group's net investment in foreign operations, provided certain conditions are met.
- (c) General reserve  
The subsidiaries incorporated in China are required to transfer 10% of their profits after taxation, as determined under the accounting principles and relevant financial regulations of China, to the general reserve until the reserve balance reaches 50% of registered capital. The transfer to this reserve must be made before the distribution of dividends to shareholders.

General reserve can be used to make good previous years' losses, if any, and may be converted to contributions in proportion to the existing interests of the shareholders, provided that the balance after such conversion is not less than 25% of the registered capital.

13 UNITS IN ISSUE

|  | 2008<br>No. of units | 2007<br>No. of units |
|--|----------------------|----------------------|
| At beginning of year/period                              | 476,147,309          | –                    |
| <b>New units issued:</b>                                 |                      |                      |
| – for contributions from placements to Unitholders       | 138,236,000          | 475,630,513          |
| – as payment of acquisition fees                         | 2,470,588            | –                    |
| – as payment of Manager's management fees                | 2,191,988            | 516,796              |
| Issued units as at end of year/period                    | <u>619,045,885</u>   | <u>476,147,309</u>   |
| <b>New units to be issued:</b>                           |                      |                      |
| – as payment of Manager's management fees                | 1,432,100            | 223,824              |
| Total issued and issuable units as at end of year/period | <u>620,477,985</u>   | <u>476,371,133</u>   |

Units issued during the financial year ended 31 December 2008 are as follows:

- (i) On 5 February 2008, the Trust issued 138,236,000 units at an issue price of \$1.36 per unit to finance the acquisition of Xizhimen Mall;
- (ii) On 15 February 2008, the Trust issued 2,470,588 new units at an issue price of \$1.36 per unit as payment of the related acquisition fees of Xizhimen Mall;
- (iii) On 15 February 2008, the Trust issued 223,824 new units at an issue price of \$2.0815 per unit as payment of the performance component of the management fee for the period from 1 October 2007 to 31 December 2007;
- (iv) On 15 May 2008, the Trust issued 440,152 new units at an issue price of \$1.3016 per unit as payment of the performance component of the management fee for the period from 1 January 2008 to 31 March 2008;
- (v) On 29 September 2008, the Trust issued 508,037 new units at an issue price of \$1.3038 per unit as payment of the performance component of the management fee for the period from 1 April 2008 to 30 June 2008; and
- (vi) On 17 November 2008, the Trust issued 1,019,975 new units at an issue price of \$0.7115 per unit as payment of the performance component of the management fee for the period from 1 July 2008 to 30 September 2008.

## 13 UNITS IN ISSUE (Cont'd)

Units issued during the financial period ended 31 December 2007 are as follows:

- (a) On 8 November 2006, the Trust issued 475,630,513 new units at an issue price of \$0.981 per unit;
- (b) On 14 September 2007, the Trust issued 174,786 and 165,457 new units at an issue price of \$3.0004 and \$3.0066 per unit respectively as payment of the performance component of the management fee for the period from 23 October 2006 to 30 June 2007; and
- (c) On 31 October 2007, the Trust issued 176,553 new units at an issue price of \$2.6599 per unit as payment of the performance component of the management fee for the period from 1 July 2007 to 30 September 2007.

The issue prices relating to (ii) to (vi) and (b) to (c) were determined based on the volume weighted average traded price for all trades done on SGX-ST in the ordinary course of trading for 10 business days immediately preceding the respective date of issue of new units.

Each unit in the Trust represents an undivided interest in the Trust. The rights and interests of Unitholders are contained in the Trust Deed and include the right to:

- one vote per unit at meetings of the Trust;
- receive income and other distributions attributable to the units held;
- participate in the termination of the Trust by receiving a share of all net cash proceeds derived from the realisation of the assets of the Trust less any liabilities, in accordance with their proportionate interests in the Trust. However, a Unitholder has no equitable or proprietary interest in the underlying assets of the Trust and is not entitled to the transfer to it of any assets (or part thereof) or any estate or interest in any asset (or part thereof) of the Trust; and
- attend all Unitholders' meetings. The Trustee or the Manager may (and the Manager shall at the request in writing of not less than 50 Unitholders or one-tenth in number of Unitholders, whichever is lesser) at any time convene a meeting of Unitholders in accordance with the provisions of the Trust Deed.

The restrictions of a Unitholder include the following:

- a Unitholder's right is limited to the right to require due administration of the Trust in accordance with the provisions of the Trust Deed; and
- a Unitholder has no right to request the Manager to redeem his units while the units are listed on the SGX-ST.

A Unitholder's liability is limited to the amount paid or payable for any unit in the Trust. The provisions of the Trust Deed provide that no Unitholder will be personally liable to indemnify the Trustee or any creditor of the Trustee in the event that the liabilities of the Trust exceed its assets.

## 14 TOTAL UNITHOLDERS' DISTRIBUTION

Unitholders' distribution for the period is accounted for as distribution from operations and distribution from Unitholders' contributions:

### (a) Distribution from operations

This refers to distribution made by the Trust that is represented by income received or receivable during the financial period, as the case may be, net of expenses. Such income comprises mainly the following:

- dividend from subsidiaries in Barbados paid out of dividends declared by the subsidiaries in China;
- dividend from subsidiaries in Barbados paid out of net interest income earned by subsidiaries in Barbados on shareholders' loans extended to subsidiaries in China; and
- interest income earned by the Trust on shareholders' loans extended to subsidiaries in Barbados.

The above income originates from profits and income derived by the subsidiaries in China in respect of the current financial period.

### (b) Distribution from Unitholders' contributions

This refers to the amount of distribution made by the Trust for the financial period where the underlying cash is not, or may not be, received or receivable as income by the Trust during that period. Such distribution comprises mainly the following:

- profits from operations arising from the investment properties which are declared as dividend income after the financial period, as the case may be, and accordingly also received as dividends by the Trust after that period;
- profits from operations arising from the investment properties which cannot be declared as dividends;
- adjustment for depreciation expenses of the investment properties; and
- adjustments for trust expenses that are paid in units, foreign currency differences attributable to net investment hedges undertaken by the Trust and certain unrealised expenses.

### Income for distribution to Unitholders at end of the year

Distributions are made on a semi-annual basis, with the amount calculated as at 30 June and 31 December each year for the six-month period ending on each of the said dates. In accordance with the provisions of the Trust Deed, the Manager is required to pay distributions within 90 days of the end of each distribution period. Distributions, when paid, will be in Singapore dollars.

Distributions for the period from 1 January 2008 to 4 February 2008 and 5 February 2008 to 30 June 2008 had been paid on 24 March 2008 and 25 September 2008 respectively. Distributions for the period from 1 July 2008 to 31 December 2008 will be paid within 90 days of the end of the distribution period, in accordance with the provisions of the Trust Deed.

## 15 OTHER PROPERTY OPERATING EXPENSES

|  | Note | GROUP                              |  |
|--|------|------------------------------------|--|
|  |      | Year ended<br>31/12/2008<br>\$'000 | Period from<br>23/10/2006 to<br>31/12/2007<br>\$'000 |
| Utilities  |      | 5,553                              | 3,575  |
| Advertising and promotion  |      | 2,827                              | 3,394  |
| Maintenance  |      | 4,541                              | 2,914  |
| Staff costs  |      | 2,966                              | 1,826  |
| Depreciation of plant and equipment                                | 4    | 618                                | 398  |
| Impairment losses on trade receivables                             | 6    | 198                                | 464  |
| Amortisation of deferred expenditure included in other receivables |      | 41                                 | 14   |
| Bad debts written off  |      | –                                  | 179  |
| Others   |      | 1,083                              | 571  |
|  |      | 17,827                             | 13,335   |

Included in staff costs are contribution to defined contribution plans of \$0.7 million (2007: \$0.3 million).

## 16 MANAGER'S MANAGEMENT FEES

Manager's management fees comprise base fee of \$3.0 million (2007: \$2.3 million) and performance fee of \$2.8 million (2007: \$2.0 million). The Manager has elected to receive all the performance fee in the form of units. \$2 million of performance component of the Manager's management fee was paid during the year through the issue of 2,191,988 units. The remaining amount of \$0.8 million will be paid through the issue of 1,432,100 new units.

## 17 OTHER TRUST OPERATING EXPENSES

|                   | GROUP                              |  | TRUST                              |  |
|-------------------|------------------------------------|--|------------------------------------|--|
|                   | Year ended<br>31/12/2008<br>\$'000 | Period from<br>23/10/2006 to<br>31/12/2007<br>\$'000 | Year ended<br>31/12/2008<br>\$'000 | Period from<br>23/10/2006 to<br>31/12/2007<br>\$'000 |
| Audit fees        | 349                                | 335  | 136                                | 90   |
| Professional fees | 715                                | 743  | 606                                | 207  |
| Others            | 807                                | 705  | 787                                | 343  |
|                   | 1,871                              | 1,783  | 1,529                              | 640  |

## 18 INTEREST INCOME

|                          | GROUP                              |  | TRUST                              |  |
|--------------------------|------------------------------------|--|------------------------------------|--|
|                          | Year ended<br>31/12/2008<br>\$'000 | Period from<br>23/10/2006 to<br>31/12/2007<br>\$'000 | Year ended<br>31/12/2008<br>\$'000 | Period from<br>23/10/2006 to<br>31/12/2007<br>\$'000 |
| Interest income:         |                                    |  |                                    |  |
| – financial institutions | 807                                | 2,732  | 280                                | 1,780  |
| – subsidiaries           | –                                  | –  | 24,841                             | 24,149   |
|                          | 807                                | 2,732  | 25,121                             | 25,929   |

## 19 CHANGE IN FAIR VALUE OF FINANCIAL DERIVATIVES

|   | GROUP                              |  | TRUST                              |  |
|---|------------------------------------|--|------------------------------------|--|
|   | Year ended<br>31/12/2008<br>\$'000 | Period from<br>23/10/2006 to<br>31/12/2007<br>\$'000 | Year ended<br>31/12/2008<br>\$'000 | Period from<br>23/10/2006 to<br>31/12/2007<br>\$'000 |
| <b>Recognised in the statement of total return</b>                  |                                    |  |                                    |  |
| Fair value change of financial derivatives                          | –                                  | –  | 8,023                              | 10,543   |
| Ineffective portion of change in fair value of net investment hedge | –                                  | 1,667  | –                                  | –  |

# NOTES TO THE FINANCIAL STATEMENTS

## 20 TAXATION

|   | Note | GROUP                              |  | TRUST                              |  |
|---|------|------------------------------------|--|------------------------------------|--|
|   |      | Year ended<br>31/12/2008<br>\$'000 | Period from<br>23/10/2006 to<br>31/12/2007<br>\$'000 | Year ended<br>31/12/2008<br>\$'000 | Period from<br>23/10/2006 to<br>31/12/2007<br>\$'000 |
| <b>Current taxation</b>                                       |      |                                    |  |                                    |  |
| Current year/period   |      | 9,583                              | 6,073  | 49                                 | –  |
| Under provided in prior period                                |      | 322                                | –  | 150                                | –  |
|   |      | 9,905                              | 6,073  | 199                                | –  |
| <b>Deferred taxation</b>                                      |      |                                    |  |                                    |  |
| Origination of temporary differences                          | 11   | 5,937                              | 20,712   | –                                  | –  |
| Income tax expense  |      | 15,842                             | 26,785   | 199                                | –  |
| <b>Reconciliation of effective tax rate</b>                   |      |                                    |  |                                    |  |
| Total return for the year/<br>period before taxation          |      | 54,765                             | 83,426   | 24,127                             | (13,694)   |
| Tax calculated using Singapore tax rate<br>of 18% (2007: 18%) |      | 9,858                              | 15,017   | 4,343                              | (2,465)  |
| Adjustments:  |      |                                    |  |                                    |  |
| Effect of different tax rates in foreign jurisdictions        |      | (3,663)                            | 791  | –                                  | –  |
| Income not subject to tax                                     |      | –                                  | –  | (5,249)                            | (4,347)  |
| Expenses not deductible for tax purposes                      |      | 885                                | 6,483  | 885                                | 6,483  |
| Tax losses not recognised                                     |      | 4,936                              | 1,353  | –                                  | –  |
| Tax losses not allowed to be carried forward                  |      | 70                                 | 329  | 70                                 | 329  |
| Foreign tax suffered  |      | 3,434                              | 2,812  | –                                  | –  |
| Under provided in prior period                                |      | 322                                | –  | 150                                | –  |
|   |      | 15,842                             | 26,785   | 199                                | –  |

## 21 EARNINGS PER UNIT

The calculation of basic earnings per unit is based on weighted average number of units during the year and total return for the year after taxation and minority interests before distribution.

|  | GROUP                              |  |
|--|------------------------------------|--|
|  | Year ended<br>31/12/2008<br>\$'000 | Period from<br>23/10/2006 to<br>31/12/2007<br>\$'000 |
| Total return for the year/period after taxation and minority interests before distribution | 38,656                             | 56,796   |

|   | TRUST                              |                                    |
|---|------------------------------------|------------------------------------|
|   | Number<br>of units<br>2008<br>'000 | Number<br>of units<br>2007<br>'000 |
| Issue units at beginning of year/period                                     | 476,147                            | –                                  |
| Effect of creation of new units:  |                                    |                                    |
| – Placements to Unitholders   | 127,184                            | 475,630                            |
| – Manager's management fees paid/payable in units                           | 729                                | 106                                |
| Weighted average numbers of issued and issuable units at end of year/period | 604,060                            | 475,736                            |

Diluted earnings per unit is the same as the basic earnings per unit as there are no dilutive instruments in issue during the year.

22 ISSUE EXPENSES

|                                      | GROUP AND TRUST                    |  |
|--------------------------------------|------------------------------------|--|
|                                      | Year ended<br>31/12/2008<br>\$'000 | Period from<br>23/10/2006 to<br>31/12/2007<br>\$'000 |
| Underwriting and selling commissions | 2,256                              | 6,274  |
| Professional fees                    | 1,856                              | 3,327  |
| Miscellaneous expenses               | 1,500                              | 2,992  |
|                                      | 5,612                              | 12,593   |

These expenses are deducted directly against the net assets attributable to Unitholders. Included in professional fees are non-audit fees paid/payable to the auditors of the Trust of \$0.1 million in connection to issuance of units (2007: \$0.3 million for acting as independent reporting accountants and other work performed in connection with the listing of the Trust and issuance of units).

23 RELATED PARTY TRANSACTIONS

For the purposes of these financial statements, parties are considered to be related to the Group if the Group has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group and the party are subject to common significant influence. Related parties may be individuals or other entities. The Manager and Property Managers, being CapitaLand SZITIC Management & Consulting (Shenzhen) Co., Ltd, CapitaLand Hualian Management & Consulting (Shenzhen) Co., Ltd and CapitaRetail Shanghai Management & Consulting Co., Ltd, are indirect wholly-owned subsidiaries of a substantial Unitholder of the Trust.

In the normal course of the operations of the Trust, the Manager's management fees and the Trustee's fees have been paid or are payable to the Manager and Trustee respectively.

During the financial year, other than those disclosed elsewhere in the financial statements, there were the following significant related party transactions, which were carried out in the normal course of business on arm's length commercial terms:

|   | GROUP                              |  | TRUST                              |  |
|---|------------------------------------|--|------------------------------------|--|
|   | Year ended<br>31/12/2008<br>\$'000 | Period from<br>23/10/2006 to<br>31/12/2007<br>\$'000 | Year ended<br>31/12/2008<br>\$'000 | Period from<br>23/10/2006 to<br>31/12/2007<br>\$'000 |
| Acquisition of net assets from related corporations of the Manager                            | 259,005                            | 507,071  | 259,005                            | 507,071  |
| Asset enhancement works and consultancy fees paid/payable to related companies of the Manager | –                                  | 767  | –                                  | –  |

24 FINANCIAL RATIOS

|  | GROUP     |           |
|--|-----------|-----------|
|  | 2008<br>% | 2007<br>% |
| Ratio of expenses to average net asset value <sup>(1)</sup>    |           |           |
| – including performance component of Manager's management fees | 1.13      | 1.29      |
| – excluding performance component of Manager's management fees | 0.73      | 0.89      |
| Portfolio turnover rate <sup>(2)</sup>                         | –         | –         |

Notes:

1. The annualised ratio is computed in accordance with guidelines of the Investment Management Association of Singapore. The expenses used in the computation relate to expenses at the Group level, excluding property related expenses and borrowing costs.
2. The annualised ratio is computed based on the lesser of purchases or sales of underlying investment properties of the Group expressed as a percentage of weighted average net asset value.

## 25 COMMITMENTS

### (a) Capital commitments

|                                     | GROUP     |           |
|-------------------------------------|-----------|-----------|
|                                     | 2008<br>% | 2007<br>% |
| Payable:                            |           |           |
| – contracted but not provided for   | 3,043     | 18,137    |
| – authorised but not contracted for | –         | 2,422     |
|                                     | 3,043     | 20,559    |

### (b) The Group leases out its investment properties. Non-cancellable operating lease rentals are receivable as follows:

|                                   | GROUP     |           |
|-----------------------------------|-----------|-----------|
|                                   | 2008<br>% | 2007<br>% |
| Receivable:                       |           |           |
| – within 1 year                   | 90,918    | 67,892    |
| – after 1 year but within 5 years | 235,776   | 189,412   |
| – after 5 years                   | 527,596   | 501,735   |
|                                   | 854,290   | 759,039   |

## 26 CAPITAL AND FINANCIAL RISK MANAGEMENT

### Capital management

The Group's objectives when managing capital is to optimise Unitholders' value through the mix of available capital sources which include debt and equity instruments whilst complying with statutory and constitutional capital and distribution requirements, maintaining gearing and interest service coverage ratios within approved limits. As a key part of the Group's overall strategy, the Board of the Manager reviews the Group and the Trust's debt and capital management cum financing policy regularly so as to optimise the Group and the Trust's funding structure. The Board also monitor the Group and the Trust's exposure to various risk elements by closely adhering to clearly established management policies and procedures.

The Group is subject to the aggregate leverage limit as defined in the Property Fund Guidelines of the CIS Code. The CIS Code stipulates that the total borrowings and deferred payments (together the "Aggregate Leverage") of a property fund should not exceed 35.0% of its deposited property except that the Aggregate Leverage of a property fund may exceed 35.0% of its deposited property (up to a maximum of 60.0%) if a credit rating of the property fund from Fitch Inc., Moody's or Standard and Poor's is obtained and disclosed to the public. The Group's aggregate leverage limit did not exceed 35.0% during the year, and was 32.8% as at 31 December 2008.

There were no changes in the Group's approach to capital management during the financial year.

### Financial risk management

#### Overview

The Group's returns are primarily from net operating income and capital appreciation of its assets. However, these returns are exposed to financial risks including credit, liquidity, interest rate and foreign currency risks.

Financial risk management is integral to the whole business of the Group. The Group adopts an integrated approach to manage the financial risks arising in the normal course of the Group's business. The Group has written risk management policies and guidelines, and established processes to monitor and manage significant exposures. Risk management policies and processes are reviewed regularly to reflect changes in market conditions and the Group's activities.

The Group adheres to standardised accounting and financial policies and exercises effective controls over the financial affairs of its subsidiaries. This is achieved by ensuring group-wide adherence to a comprehensive set of guidelines covering contracts, policies and procedures and other requirements. Adequate measures are in place to ensure that the reliability and integrity of financial information compiled from subsidiaries are kept intact.

#### Credit risk

While it is necessary to assume a certain level of customer credit risks to remain competitive in China, the Group has established credit limits for customers and monitors their balances on an ongoing basis. Risks associated with credit limits are reflected in the level of security deposits and bank guarantees placed as collateral in respect of the leases. Appropriate risk mitigating actions are in place to manage trade receivables.

The Group establishes an allowance for impairment that represents its estimate of incurred losses in respect of trade and other receivables. The main components of this allowance are a specific loss component that relates to individually significant exposures, and a collective loss component established for groups of similar assets in respect of losses that have been incurred but not yet identified. The collective loss allowance is determined based on historical data of payment statistics for similar financial assets.

The allowance account in respect of trade and other receivables is used to record impairment losses unless the Group is satisfied that no recovery of the amount owing is possible. At that point, the financial asset is considered irrecoverable and the amount charged to the allowance account is written off against the carrying amount of the impaired financial asset.

Cash and fixed deposits are placed with banks and financial institutions which are regulated.

26 FINANCIAL RISK MANAGEMENT (Cont'd)

Liquidity risk

The Group monitors its liquidity risk and maintains a level of cash and cash equivalents deemed adequate by management to finance the Group's operations and to mitigate the effects of fluctuations in cash flows. Typically the Group ensures that it has sufficient cash on demand to meet expected operational expenses for a reasonable period, including the servicing of financial obligations.

In addition, the Group maintains the following debt facilities:

- the RMB350.0 million five-year secured term loan facility.
- the \$288.5 million, two-year trust term loan facility.
- the \$61.0 million money market facility.

As at 31 December 2008, the Group has fully drawn down on the two-year trust term loan facility and the \$61.0 million on the money market facility. The Group has also drawn down RMB295.0 million of the five-year secured term loan facility.

The Group also monitors and observes the Property Funds Guidelines issued by MAS concerning limits on total borrowings.

Interest rate risk

The Manager adopts a proactive interest rate management policy to manage the risk associated with changes in interest rates on the Group's loan facilities while also seeking to ensure that the ongoing cost of debt remains competitive.

At 31 December 2008, the Group has a non-deliverable cross-currency interest rate swap ("NDS") and interest rate swaps ("IRS") with notional contract amount of S\$88.0 million and S\$200.5 million respectively. The Group pays a fixed rate interest and receives a variable rate equal to the SOR on the notional contract amount. The Group classifies the IRS and the interest component of the NDS as cash flow hedges to hedge the exposure to changes in the variability of interest rate fluctuations. The term loans and the NDS and IRS have the same terms and conditions.

Taking into consideration the global financial markets turmoil, the Manager has proactively seek to minimise the level of interest rate risk by locking the majority of the Group's borrowings at fixed rates. As at 31 December 2008, the Group has locked in approximately 69.6% of its borrowings at fixed rates.

Sensitivity analysis

The net change in fair value of the interest component of NDS and IRS as at 31 December 2008 of \$0.1 million (2007: \$0.8 million), representing the effective portion of the cash flow hedge, has been recognised directly in the hedging reserve.

A change of 100 basis point\* ("bp") in interest rate on the NDS and IRS (accounted for as a cash flow hedge) at the reporting date as at 31 December 2008 would increase/(decrease) net assets attributable to Unitholders by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency rates, remain constant.

|   | NET ASSETS ATTRIBUTABLE TO UNITHOLDERS |                               |
|---|--|-------------------------------|
|   | 100 bp increase<br>\$'million          | 100 bp decrease<br>\$'million |
| <b>Group</b>                                      |  |                               |
| <b>2008</b>                                       |  |                               |
| Non-deliverable cross-currency interest rate swap | 1.6                                    | (1.6)                         |
| Interest rate swaps                               | (0.2)                                  | 0.2                           |
|   | 1.4                                    | (1.4)                         |
| <b>2007</b>                                       |  |                               |
| Non-deliverable cross-currency interest rate swap | 0.6                                    | (0.6)                         |

\* 100 basis point is equivalent to 1 percentage point

26 FINANCIAL RISK MANAGEMENT (Cont'd)

Foreign currency risk

The Group is exposed to foreign currency risk on cash holdings and operating expenses that are denominated in a currency other than the respective functional currencies of Group entities. The currency giving rise to this risk is primarily the United States dollar.

As the Trust intends to be a long term investor in China, the Manager has taken a view not to hedge the RMB equity exposure arising from its investments in China unless certain risks are specifically identified. The Manager's strategy is to achieve a natural hedge through local RMB financing and any non-RMB denominated loan will be hedged into RMB where possible to protect the going concern of the Trust in the event of large currency fluctuation. However, the Manager will hedge the RMB cash flow from operations if it is determined with certainty that they are to be remitted back to Singapore for distribution purposes.

The Group's and Trust's exposures to foreign currency are as follows:

|                             | US DOLLAR       |                 |
|-----------------------------|-----------------|-----------------|
|                             | Group<br>\$'000 | Trust<br>\$'000 |
| <b>2008</b>                 |                 |                 |
| Cash and cash equivalents   | 3,475           | 986             |
| Trade and other payables    | (1,306)         | –               |
|                             | 2,169           | 986             |
| <b>2007</b>                 |                 |                 |
| Cash and cash equivalents   | 20,444          | 18,508          |
| Interest-bearing borrowings | (152,004)       | (152,004)       |
| Financial derivatives       | (11,331)        | (11,331)        |
| Trade and other payables    | (172)           | (172)           |
|                             | (143,063)       | (144,999)       |

Sensitivity analysis

A 10% strengthening of Singapore dollar against the US dollar at the reporting date would increase/(decrease) total return after tax by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant.

|             | Group<br>STATEMENT OF<br>TOTAL RETURN<br>\$'million | Trust<br>STATEMENT OF<br>TOTAL RETURN<br>\$'million |
|-------------|---|---|
| <b>2008</b> |   |   |
| US dollar   | (0.2)   | (0.1)   |
| <b>2007</b> |   |   |
| US dollar   | 11.7  | 11.9  |

A 10% weakening of Singapore dollar against the US dollar would have had the equal but opposite effect on the US dollar to the amounts shown above, on the basis that all other variables remain constant.

Hedge of net investment in foreign operation

The Group's \$88.0 million two-year trust term loan facility and the cross currency component of the NDS are designated as a hedge of the Group's net investment in one of its subsidiaries in China. The net investment hedge will cease in 2010.

26 FINANCIAL RISK MANAGEMENT (Cont'd)

Foreign currency risk (Cont'd)

Sensitivity analysis

The net change in fair value of the net investment hedge comprised the effective portion of \$3.6 million (2007: \$8.9 million) which was recognised in the foreign currency translation reserve.

For the cross currency component of the NDS (accounted for as a net investment hedge), a change of 10% in foreign exchange rate at the reporting date would increase/(decrease) net assets attributable to Unitholders and the total return after tax as at 31 December 2008 by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant.

| Group   | NET ASSETS ATTRIBUTABLE<br>TO UNITHOLDERS |                               | STATEMENT OF<br>TOTAL RETURN  |                               |
|---|---|-------------------------------|-------------------------------|-------------------------------|
|   | 10%<br>increase<br>\$'million             | 10%<br>decrease<br>\$'million | 10%<br>increase<br>\$'million | 10%<br>decrease<br>\$'million |
| <b>2008</b>                                       |   |                               |                               |                               |
| Non-deliverable cross-currency interest rate swap | (6.3)                                     | 7.7                           | –                             | –                             |
| <b>2007</b>                                       |   |                               |                               |                               |
| Non-deliverable cross-currency interest rate swap | 12.5                                      | (14.5)                        | 1.7                           | 1.7                           |

Estimation of fair value

The following summarises the significant methods and assumptions used in estimating the fair values of financial instruments of the Group and Trust.

Financial derivatives

The fair value of NDS and IRS are based on their listed market price, if available. If a listed market price is not available, fair value is estimated by discounting the difference between the contractual forward price and the current forward price for the residual period to maturity of the contract using a risk-free interest rate (based on government bonds).

Non-derivative financial liabilities

Fair value, which is determined for disclosure purposes, is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the reporting date.

## 26 FINANCIAL RISK MANAGEMENT (Cont'd)

### Foreign currency risk (Cont'd)

#### Other financial assets and liabilities

The carrying amounts of financial assets and liabilities with a maturity of less than one year (including trade and other receivables, cash and cash equivalents, trade and other payables and security deposits) are assumed to approximate their fair values because of the short period to maturity. All other financial assets and liabilities are discounted to determine their fair values.

#### Interest rates used in determining fair values

The interest rates used to discount estimated cash flows, where applicable, are based on the government yield curve as at 31 December 2008 plus an adequate constant credit spread, and are as follows:

|                             | 2008<br>% p.a. | GROUP<br>2007<br>% p.a. |
|-----------------------------|----------------|-------------------------|
| Financial derivatives       | 1.69–3.93      | 0.61                    |
| Interest-bearing borrowings | 1.53–6.97      | 5.12                    |

The aggregate net fair values of recognised financial assets and liabilities which are not carried at fair value in the balance sheets as at 31 December 2007 are presented in the following table:

|                             | Carrying<br>amount<br>\$'000 | GROUP<br>Fair<br>value<br>\$'000 |
|-----------------------------|------------------------------|----------------------------------|
| Interest-bearing borrowings | 231,811                      | 232,412                          |
|                             |                              | (601)                            |

The carrying values of financial assets and liabilities closely approximate their fair values as at 31 December 2008.

## 27 SUBSEQUENT EVENT

Subsequent to the balance sheet date, the Manager declared a distribution of \$26,527,000 to Unitholders in respect of the period from 1 July 2008 to 31 December 2008.

## 28 NEW ACCOUNTING STANDARDS AND INTERPRETATIONS NOT YET ADOPTED

The Group has not applied the following accounting standards (including its consequential amendments) and interpretations that have been issued as of the balance sheet date but are not yet effective:

- FRS 1 (revised 2008) *Presentation of Financial Statements*
- FRS 23 (revised 2007) *Borrowing Costs*
- Amendments to FRS 32 *Financial Instruments: Presentation* and FRS 1 *Presentation of Financial Statements – Puttable Financial Instruments and Obligations Arising on Liquidation*
- Amendments to FRS 39 *Financial Instruments: Recognition and Measurement – Eligible Hedged Items*
- Amendments to FRS 101 *First-time Adoption of Financial Reporting Standards* and FRS 27 *Consolidated and Separate Financial Statements – Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate*
- Amendments to FRS 102 *Share-based Payment – Vesting Conditions and Cancellations*
- FRS 108 *Operating Segments*
- Improvements to FRSs 2008
- INT FRS 113 *Customer Loyalty Programmes*
- INT FRS 116 *Hedges of a Net Investment in a Foreign Operation*

## 28 NEW ACCOUNTING STANDARDS AND INTERPRETATIONS NOT YET ADOPTED (Cont'd)

FRS 1 (revised 2008) will become effective for the Group's financial statements for the year ending 31 December 2009. The revised standard requires an entity to present, in a statement of changes in equity, all owner changes in equity. All non-owner changes in equity (i.e. comprehensive income) are required to be presented in one statement of comprehensive income or in two statements (a separate income statement and a statement of comprehensive income). Components of comprehensive income are not permitted to be presented in the statement of changes in equity. In addition, a statement of financial position is required at the beginning of the earliest comparative period following a change in accounting policy, the correction of an error or the reclassification of items in the financial statements. FRS 1 (revised 2008) does not have any impact on the Group's financial position or results.

FRS 23 will become effective for financial statements for the year ending 31 December 2009. FRS 23 removes the option to expense borrowing costs and requires an entity to capitalise borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset as part of the cost of that asset. The Group's current policy to capitalise borrowing costs is consistent with the requirement in the revised FRS 23.

The amendments to FRS 32 and FRS 1 on puttable financial instruments will become effective for the Group's financial statements for the year ending 31 December 2009. The amendments allow certain instruments that would normally be classified as liabilities to be classified as equity if and only if they meet certain conditions. Currently, the Group presents its net assets attributable to Unitholders as part of liabilities. The Group is currently assessing the impact arising from the amendments to FRS 32 and FRS 1 on puttable financial instruments.

The amendments to FRS 39 on eligible hedged items will become effective for the Group's financial statements for the year ending 31 December 2010. The amendments clarify how the principles that determine whether a hedged risk or portion of cash flows is eligible for designation should be applied in two particular situations: (i) the designation of a one-sided risk in a hedged item; and (ii) the designation of inflation in particular situations. The application of these amendments is not expected to have any significant impact on the Group's financial statements.

The amendments to FRS 101 and FRS 27 on the cost of an investment in a subsidiary, jointly controlled entity or associate will become effective for the Company's financial statements for the year ending 31 December 2009. The amendments remove the definition of "cost method" currently set out in FRS 27, and instead require an entity to recognise all dividend from a subsidiary, jointly controlled entity or associate as income in its separate financial statements when its right to receive the dividend is established. The application of these amendments is not expected to have any significant impact on the Company's financial statements.

The amendments to FRS 102 on vesting conditions and cancellations will become effective for the Group's financial statements for the year ending 31 December 2009. The amendments clarify the

definition of vesting conditions and provide the accounting treatment for non-vesting conditions and cancellations. The application of these amendments is not expected to have any significant impact on the Group's financial statements.

FRS 108 will become effective for financial statements for the year ending 31 December 2009. FRS 108, which replaces FRS 14 Segment Reporting, requires identification and reporting of operating segments based on internal reports that are regularly reviewed by the Group's chief operating decision maker in order to allocate resources to the segment and to assess its performance. Currently, the Group does not present segment information since all of the Group's investment properties are used primarily for retail purposes and are located in China. The Group is currently assessing the impact arising from the implementation of FRS 108.

Improvements to FRSs 2008 will become effective for the Group's financial statements for the year ending 31 December 2009, except for the amendment to FRS 105 *Non-current Assets Held for Sale and Discontinued Operations* which will become effective for the year ending 31 December 2010. Improvements to FRSs 2008 contain amendments to numerous accounting standards that result in accounting changes for presentation, recognition or measurement purposes and terminology or editorial amendments. The Group is in the process of assessing the impact of these amendments.

INT FRS 113 will become effective for the Group's financial statements for the year ending 31 December 2009. INT FRS 113 concludes that where entities grant award credits as incentives to customers to buy their goods or services (e.g. loyalty points or free products), such customer loyalty programmes should be accounted for by taking a multiple sales approach, i.e. by deferring some of the revenue received from the initial sales transaction, to be recognised as revenue as and when the entity provides the goods or services promised under the customer loyalty programmes. The Group is in the process of assessing the impact of this Interpretation.

INT FRS 116 will become effective for the Group's financial statements for the year ending 31 December 2009. INT FRS 116 provides guidance on identifying foreign currency risks and hedging instruments that qualify for hedge accounting in the hedge of a net investment in a foreign operation. It also explains how an entity should determine the amounts to be reclassified from equity to profit or loss for both the hedging instrument and the hedged item. The application of this Interpretation is not expected to have any significant impact on the Group's financial statements.

Subject to the completion of the Group's assessment of the impact from implementing these new accounting standards and interpretation, other than the changes in disclosures relating to FRS 1 and FRS 108, the initial application of these standards (including their consequential amendments) and interpretations is not expected to have any material impact on the Group's financial statements. The Group has not considered the impact of accounting standards issued after the balance sheet date.

## STATISTICS OF UNITHOLDERS

### ISSUED AND FULLY PAID UNITS (AS AT 2 MARCH 2009)

619,045,885 Units (voting rights : 1 vote per Unit)

Market Capitalisation: S\$408,570,284.10 (based on closing unit price of S\$0.66 on 2 March 2009)

### DISTRIBUTION OF UNITHOLDINGS (AS AT 2 MARCH 2009)

| Size of Holdings    | No. of Unitholders | %      | No. of Units | %      |
|---------------------|--------------------|--------|--------------|--------|
| 1 – 999             | 10                 | 0.13   | 2,000        | 0.00   |
| 1,000 – 10,00       | 6,914              | 86.06  | 20,014,342   | 3.23   |
| 10,001 – 1,000,000  | 1,088              | 13.54  | 43,053,000   | 6.96   |
| 1,000,001 and above | 22                 | 0.27   | 555,976,543  | 89.81  |
|                     | 8,034              | 100.00 | 619,045,885  | 100.00 |

### LOCATION OF UNITHOLDERS (AS AT 2 MARCH 2009)

| Country   | No. of Unitholders | %      | No. of Units | %      |
|-----------|--------------------|--------|--------------|--------|
| Singapore | 7,900              | 98.33  | 616,769,885  | 99.63  |
| Malaysia  | 60                 | 0.75   | 765,000      | 0.12   |
| Others    | 74                 | 0.92   | 1,511,000    | 0.24   |
|           | 8,034              | 100.00 | 619,045,885  | 100.00 |

### 20 LARGEST UNITHOLDERS (AS AT 2 MARCH 2009)

| S/No. | Name   | No. of Units | %     |
|-------|--|--------------|-------|
| 1     | HSBC (SINGAPORE) NOMINEES PTE LTD                  | 151,463,976  | 24.47 |
| 2     | RETAIL CROWN PTE. LTD.                             | 122,901,513  | 19.85 |
| 3     | CITIBANK NOMINEES SINGAPORE PTE LTD                | 91,594,477   | 14.80 |
| 4     | DBSN SERVICES PTE LTD                              | 73,247,252   | 11.83 |
| 5     | DBS NOMINEES PTE LTD                               | 46,803,672   | 7.56  |
| 6     | UNITED OVERSEAS BANK NOMINEES PTE LTD              | 27,308,700   | 4.41  |
| 7     | RAFFLES NOMINEES PTE LTD                           | 8,258,955    | 1.33  |
| 8     | CAPITARETAIL CHINA TRUST MANAGEMENT LIMITED        | 5,179,372    | 0.84  |
| 9     | MORGAN STANLEY ASIA (SINGAPORE) SECURITIES PTE LTD | 3,757,552    | 0.61  |
| 10    | PHILLIP SECURITIES PTE LTD                         | 3,411,200    | 0.55  |
| 11    | DBS VICKERS SECURITIES (S) PTE LTD                 | 3,351,000    | 0.54  |
| 12    | UOB KAY HIAN PTE LTD                               | 3,027,000    | 0.49  |
| 13    | KIM ENG SECURITIES PTE. LTD.                       | 2,598,000    | 0.42  |
| 14    | BHG HOLDINGS PTE LTD                               | 2,018,000    | 0.33  |
| 15    | OCBC SECURITIES PRIVATE LTD                        | 1,957,000    | 0.32  |
| 16    | XUYALAN  | 1,862,000    | 0.30  |
| 17    | MERRILL LYNCH (SINGAPORE) PTE LTD                  | 1,424,880    | 0.23  |
| 18    | AMFRASER SECURITIES PTE. LTD.                      | 1,292,000    | 0.21  |
| 19    | GOH KHOON LIM                                      | 1,262,000    | 0.20  |
| 20    | SIONG LIM PRIVATE LIMITED                          | 1,179,000    | 0.19  |
|       |  | 553,897,549  | 89.48 |

## LIST OF INTERESTS OF DIRECTORS (AS AT 21 JANUARY 2009)

| Name                       | No. of Units Held             |
|----------------------------|-------------------------------|
| Victor Liew Cheng San      | 51,000 (Direct)               |
| Liew Mun Leong             | 129,000 (Direct)              |
| Chew Gek Khim              | 151,000 (Direct)              |
|                            | 1,238,000 (Deemed)            |
| Dilhan Pillay Sandrasegara | 177,000 (Direct)              |
| Kee Teck Koon              | NIL                           |
| Olivier Lim Tse Ghow       | 154,000 (Direct)              |
| Lui Chong Chee             | 120,000 (Direct)              |
|                            | 3,000 (Deemed)                |
| Lim Beng Chee              | 289,000 (Direct)              |
| Wee Hui Kan                | 210,000 (Direct)              |
| Total                      | 2,522,000 (Direct and Deemed) |

## NUMBER OF UNITS OWNED BY EACH SUBSTANTIAL UNITHOLDER (AS AT 2 MARCH 2009)

| Substantial Unitholder  | % of Issued and Outstanding Units |                   | % of Issued and Outstanding Units |                   |
|---|-----------------------------------|-------------------|-----------------------------------|-------------------|
|   | Direct Interest                   | Outstanding Units | Deemed Interest                   | Outstanding Units |
| Temasek Holdings (Private) Limited <sup>1</sup>   | –                                 | –                 | 250,915,657                       | 40.53%            |
| CapitaLand Limited <sup>2</sup>   | –                                 | –                 | 250,785,885                       | 40.51%            |
| CapitaLand Retail Limited <sup>3</sup>  | –                                 | –                 | 245,606,513                       | 39.68%            |
| CapitaLand Retail China Pte. Ltd. <sup>4</sup>  | –                                 | –                 | 122,901,513                       | 19.85%            |
| Retail Crown Pte. Ltd. <sup>5</sup>   | 122,901,513                       | 19.85%            | –                                 | –                 |
| HSBC Institutional Trust Services (Singapore) Limited, as trustee of CapitaMall Trust <sup>6</sup>  | 122,705,000                       | 19.82%            | –                                 | –                 |
| The Capital Group Companies, Inc. <sup>6</sup>  | –                                 | –                 | 73,784,900                        | 11.92%            |
| Stichting Pensioenfonds Zorg en Welzijn (formerly known as Stichting Pensioenfonds voor de Gezondheid, Geestelijke en Maatschappelijke Belangen) <sup>6</sup> | –                                 | –                 | 47,600,000                        | 7.69%             |

1. Based on the latest information provided by Temasek Holdings (Private) Limited. Temasek Holdings (Private) Limited is wholly-owned by the Minister for Finance (Incorporated).

2. CapitaLand Limited is deemed to be interested in the 122,705,000 Units held by HSBC Institutional Trust Services (Singapore) Limited, as trustee of CapitaMall Trust, the 122,901,513 Units held by Retail Crown Pte. Ltd. and the 5,179,372 Units held by CapitaRetail China Trust Management Limited.

3. CapitaLand Retail Limited, a wholly-owned subsidiary of CapitaLand Limited, is deemed to be interested in the 122,705,000 Units held by HSBC Institutional Trust Services (Singapore) Limited, as trustee of CapitaMall Trust and the 122,901,513 Units held by Retail Crown Pte. Ltd.

4. CapitaLand Retail China Pte. Ltd., an indirect wholly-owned subsidiary of CapitaLand Limited, is deemed to be interested in the 122,901,513 Units held by Retail Crown Pte. Ltd.

5. An indirect wholly-owned subsidiary of CapitaLand Limited.

6. Based on the Register of Substantial Unitholders maintained by the Manager.

## FREEFLOAT

Based on the information made available to the Manager, approximately 39% of the units in CRCT were held in the hands of the public as at 2 March 2009. Accordingly, Rule 723 of the Listing Manual of the SGX-ST has been complied with.

# INTERESTED PERSON TRANSACTIONS

## INTERESTED PERSON TRANSACTIONS

The transactions entered into with interested persons and/or interested parties during the financial year, which fall under the Listing Manual and the CIS Code, are as follows:

| Name of Interested Persons and/or Interested Parties  | Aggregate value of all Interested Person Transactions during the financial year under review (excluding transactions of less than S\$100,000 each)<br>S\$'000 |
|---|---|
| CapitaLand Limited and its subsidiaries or associates |   |
| – Manager's management fees <sup>1</sup>              | 5,777   |
| – Property management fees                            | 4,026   |
| – IT services fees                                    | 848   |
| Temasek Holdings (Pte) Ltd & its associates           |   |
| – Supply of parking guidance system                   | 188   |

1. For the purposes of Rule 907 of the Listing Manual of the SGX-ST, in arriving at this figure, the market price of the Units (being the closing price of the Units traded on the SGX-ST on the relevant date of issue of the Units) issued to the Manager for the performance component of its management fees, was used to determine the amount of the aggregate management fees paid to the Manager for the period from 1 January 2008 to 31 December 2008. A total of 3,624,088 Units amounting to an aggregate of S\$2.8 million have been or will be issued to the Manager as payment of the performance component of the management fees (as computed pursuant to the Trust Deed) for the period from 1 January 2008 to 31 December 2008. In respect of the period from 1 January 2008 to 31 March 2008, a total of 440,152 Units, at issue prices of S\$1.3016\* per Unit were issued on 15 May 2008 to the Manager. The market price at the date of issue was S\$1.50 per Unit and the aggregate market value of these Units was S\$660,228 based on this market price. In respect of the period from 1 April 2008 to 30 June 2008, a total of 508,037 Units, at issue prices of S\$1.3038\* per Unit were issued on 29 September 2008 to the Manager. The market price at the date of issue was S\$0.71 per Unit and the aggregate market value of these Units was S\$360,706 based on this market price. In respect of the period from 1 July 2008 to 31 October 2008, a total of 1,019,975 Units, at issue prices of S\$0.7115\* per Unit were issued on 17 November 2008 to the Manager. The market price at the date of issue was S\$0.56 per Unit and the aggregate market value of these Units was S\$571,186 based on this market price. In respect of the period from 1 October 2008 to 31 December 2008, a total of 1,432,100 Units, at issue prices of S\$0.5710\* per Unit, will be issued by 30 March 2009 to the Manager.

\* Based on the volume weighted average traded price for a unit for all trades done on the SGX-ST in the ordinary course of trading on the SGX-ST for the last 10 business days of the relevant period in which the management fee accrues.

Saved as disclosed above, there were no additional Interested Person Transactions and/or Interested Party Transactions (excluding transactions of less than S\$100,000 each) entered into during the financial period under review.

The fees and charges payable by CRCT to the Manager under the Trust Deed, and to the Property Managers under the Property Management Agreements (collectively, the "Exempted Agreements"), each of which constitutes a Interested Person Transaction, are deemed to have been specifically approved by the Unitholder upon purchase of the Units and are therefore not subject to Rules 905 and 906 of the Listing Manual to the extent that there is no subsequent change to the rates and/or bases of the fees charged thereunder which will affect CRCT. However, the renewal of such agreements will be subject to Rules 905 and 906 of the Listing Manual.

Please also see Significant Related Party Transactions on Note 23 in the financial statements.

## SUBSCRIPTION OF CRCT UNITS

An aggregate of 2,191,988 Units were issued in relation to the performance component of the Manager's management fee paid during the year. As at 31 December 2008, 620,477,985 Units were in issue and outstanding. By 30 March 2009, 1,432,100 Units will be issued to the Manager as part payment of the performance component of its management fee for the Fourth Quarter of 2008.

| Malls                       | Address  | Tel (General)     | Fax (General)     |
|-----------------------------|--|-------------------|-------------------|
| Xizhimen Mall<br>嘉茂购物中心·西直门 | No. 1 Xizhimenwai Avenue,<br>Xicheng District, Beijing<br>北京市西城区西直门外大街1号                                     | (86) 10 5830 1111 | (86) 10 5830 1599 |
| Wangjing Mall<br>嘉茂购物中心·望京  | No. 33 Guangshun North Street,<br>Blk 213 & 215, Chaoyang District, Beijing<br>北京市朝阳区广顺北大街33号院213,215号       | (86) 10 8472 9898 | (86) 10 8472 9800 |
| Jiulong Mall<br>九龙商厦        | No. 31 Guangqu Road,<br>Chaoyang District, Beijing<br>北京市朝阳区广渠路31号   | (86) 10 5879 9000 | (86) 10 5879 9009 |
| Anzhen Mall<br>安贞华联商厦       | Section 5 No. 4 of Anzhen Xi Li,<br>Chaoyang District, Beijing<br>北京市朝阳区安贞西里五区4号楼                            | (86) 10 5879 9000 | (86) 10 5879 9009 |
| Qibao Mall<br>嘉茂购物广场·七宝     | No. 3655, Qi Xin Road,<br>Minhang District, Shanghai<br>上海市闵行区七莘路3655号                                       | (86) 21 6479 3030 | (86) 21 6479 0808 |
| Zhengzhou Mall<br>郑州华联商厦    | No. 3 Minzhu Road,<br>Erqi District, Zhengzhou, Henan Province<br>河南省郑州市二七区民主路3号                             | (86) 10 5879 9000 | (86) 10 5879 9009 |
| Saihan Mall<br>嘉茂购物中心·赛罕    | No. 32 Ordos Street, Saihan District,<br>Huhhot, Inner Mongolia Autonomous Region<br>内蒙古自治区呼和浩特市赛罕区鄂尔多斯大街32号 | (86) 47 1597 1231 | (86) 47 1597 1671 |
| Xinwu Mall<br>嘉信茂广场·新芜      | No. 79 Zhongshan North Road,<br>Xinwu District, Wuhu, Anhui Province<br>安徽省芜湖市新芜区中山北路79号                     | (86) 55 3599 1888 | (86) 55 3599 1886 |

## CAPITARETAIL CHINA TRUST

- **Registered Address**  
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21 Collyer Quay  
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Singapore 049320  
Phone: +65 6534 1900  
Fax: +65 6533 1077

### Website Address

www.capitaretailchina.com  
Email: ask-us@capitaretailchina.com

### Trustee

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Phone: +65 6534 1900  
Fax: +65 6533 1077

- **Auditor**  
**KPMG LLP**  
**Certified Public Accountants**  
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#22-00 Hong Leong Building  
Singapore 048581  
Phone: +65 6213 3388  
Fax: +65 6225 0984  
Partner-In-Charge: Ms Eng Chin Chin  
Appointed: Financial Year 2007
- **Unit Registrar**  
**Boardroom Limited**  
3 Church Street  
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## CAPITARETAIL CHINA TRUST MANAGEMENT LIMITED, THE MANAGER OF CRCT

- **Registered Address**  
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Phone: +65 6536 1188  
Fax: +65 6536 3884
- **Directors of the Manager**  
**Mr Victor Liew Cheng San**  
Chairman & Non-Executive Independent Director  
  
**Mr Liew Mun Leong**  
Deputy Chairman & Non-Executive Director  
  
**Mr Dilhan Pillay Sandrasegara**  
Non-Executive Independent Director  
  
**Ms Chew Gek Khim**  
Non-Executive Independent Director  
  
**Mr Kee Teck Koon**  
Non-Executive Director  
  
**Mr Olivier Lim Tse Ghow**  
Non-Executive Director  
  
**Mr Lui Chong Chee**  
Non-Executive Director  
  
**Mr Lim Beng Chee**  
Non-Executive Director  
  
**Mr Wee Hui Kan**  
Chief Executive Officer & Executive Director
- **Audit Committee**  
Mr Dilhan Pillay Sandrasegara  
Mr Victor Liew Cheng San  
Ms Chew Gek Khim  
Mr Olivier Lim Tse Ghow
- **Executive Committee**  
Mr Liew Mun Leong  
Mr Kee Teck Koon  
Mr Olivier Lim Tse Ghow  
Mr Lim Beng Chee  
Mr Wee Hui Kan
- **Corporate Disclosure Committee**  
Mr Victor Liew Cheng San  
Mr Liew Mun Leong  
Mr Kee Teck Koon  
Mr Olivier Lim Tse Ghow
- **Company Secretary**  
Ms Kannan Malini



**CAPITARETAIL CHINA TRUST MANAGEMENT LIMITED**  
As Manager of CapitaRetail China Trust

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