



## News Release

**29 September 2008**  
**For Immediate Release**

### **CRCT to acquire Phase 2<sup>1</sup> of Xizhimen Mall, Beijing**

***Proposed yield-accretive acquisition increases Xizhimen Mall's retail space by 12.4%***

**Singapore, 29 September 2008** – CapitaRetail China Trust Management Limited (“CRCTML”), the manager of CapitaRetail China Trust (“CRCT”), is pleased to announce that HSBC Institutional Trust Services (Singapore) Limited (the “Trustee”), as trustee of CRCT, has via CRCT’s wholly owned subsidiary, CapitaRetail Beijing Xizhimen Real Estate Co., Ltd., entered into a conditional sale and purchase agreement with Beijing Finance Street Construction Development Co. Ltd (the “Vendor”) for CRCT to acquire Xizhimen Mall Basement 1 Extension (“Phase 2”) at a purchase price of RMB163.5 million<sup>2</sup> (S\$32.7 million). Xizhimen Mall is part of Xihuan Plaza, which is an iconic mixed-use development strategically located at Xizhimen inter-modal transportation hub in the western part of Beijing. The total acquisition consideration, including the purchase price, capital expenditure and other acquisition related fees and costs, amounts to approximately RMB195.0 million<sup>2</sup> (S\$39.0 million). The proposed acquisition, which is intended to be fully funded through external debt and internal cash reserves, is expected to be completed by First Quarter<sup>3</sup> 2009. Following the acquisition, CRCT’s gearing is expected to be 32.3%.

Xizhimen Mall Phase 2, assuming 100% committed occupancy and current average rental rates commanded at the basement level of Xizhimen Mall, is expected to achieve a net property income yield of 9.1%. The acquisition is expected to be yield accretive to CRCT unitholders when compared to CRCT’s implied net property income yield of approximately 8.8%<sup>4</sup>, based on CRCT’s closing unit price of S\$0.725 as at 26 September 2008.

<sup>1</sup> Phase 2 refers to the planned extension of basement 1 of Xizhimen Mall

<sup>2</sup> Based on an exchange rate of S\$1 = RMB4.9935

<sup>3</sup> For the period from 1 January 2009 to 31 March 2009.

<sup>4</sup> The “implied net property income yield” is calculated as the net property income of CRCT’s existing portfolio for the forecast year 2008 (as set out in the offer information statement dated 25 January 2008 and based on the assumptions set out therein) over the value imputed to the portfolio by investors in CRCT, as reflected by the price at which the units are currently trading on the SGX-ST.

Mr Wee Hui Kan, Deputy-CEO and CEO-Designate of CRCTML, said, “Xizhimen Mall is a prime and quality asset which enjoys a natural catchment of 2.7 million commuters per week with its close proximity to Xizhimen transportation hub. Xizhimen Mall Phase 2 will provide direct connectivity from Basement 1 of the mall to Xizhimen MRT station Lines two and four as well as the future Beijing North Railway Station. In addition, Xizhimen Mall’s total gross rentable area will increase to 83,074 square metres and the enlarged quality space will provide a wider array of offerings and a more vibrant shopping experience for our shoppers. Given the excellent location of Xizhimen Mall, coupled with the enhanced connectivity from the acquisition of Xizhimen Mall Phase 2, Xizhimen Mall is expected to benefit from a higher shopper traffic and enhanced rental income growth overtime.”

Xizhimen Mall Phase 2 will add 9,217 Square Metres (“sqm”) of Gross Rentable Area (“GRA”) to Basement 1 of Xizhimen Mall, bringing Xizhimen Mall’s total GRA post-acquisition to 83,074 sqm.

As at 25 September 2008, CB Richard Ellis (Pte) Ltd, an independent property valuer appointed by CRCTML, valued Xizhimen Mall Phase 2 at RMB219 million (S\$43.9 million), which is 12.3% above the total acquisition consideration of approximately RMB195.0 million<sup>2</sup> (S\$39.0 million).

### **About Xizhimen Mall, Beijing**

Xizhimen Mall is part of the Xihuan Plaza, an integrated mixed-use development comprising three office towers, a small commercial block and a 7-level retail podium. The iconic development is strategically located in close proximity to Xizhimen transportation hub, one of only two inter-modal transportation hubs in Beijing, and is well-served by MRT Line 2, LRT Line 13 and the future MRT Line 4, national rail and bus interchange. The acquisition of Xizhimen Mall, which was completed on 5 February 2008 at an agreed purchase price of S\$336 million, comprised an agreement for CRCT to purchase, when completed, the planned Xizhimen Mall Phase 2 from the Vendor, subject to certain conditions being fulfilled. With the completion of Xizhimen Mall Phase 2’s construction works, along with the inter link between MRT Line 2 and LRT Line 13, CRCTML has decided to exercise its right of purchase of Xizhimen Mall Phase 2.

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.

Xizhimen Mall Phase 2 will add 9,217 sqm of GRA to Basement 1 of Xizhimen Mall, bringing Xizhimen Mall's total GRA post-acquisition to 83,074 sqm. As Xizhimen Mall Phase 2 will provide direct connectivity from Basement 1 of Xizhimen Mall to Xizhimen MRT station Lines two and four as well as the future Beijing North Railway Station, Xizhimen Mall is expected to enjoy a higher footfall from the enhanced connectivity. In addition, the enlarged quality space from Xizhimen Mall Phase 2 will allow CRCTML to provide a wider array of offerings, further strengthening Xizhimen Mall's positioning as a one-stop shopping, dining and entertainment destination in Beijing.

**About CapitaRetail China Trust ([www.capitaretailchina.com](http://www.capitaretailchina.com))**

Listed on the Singapore Exchange Securities Trading Limited on 8 December 2006, CRCT is the first pure-play China retail Real Estate Investment Trust ("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 primarily in People's Republic of China ("China"), Hong Kong and Macau.

The current 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, Saihan Mall (formerly known as Jinyu Mall) in Huhehaote and Xinwu Mall in Wuhu. As at 30 June 2008, the total asset size of CRCT is approximately S\$1.2 billion.

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' tenancies consists of major international and domestic retailers such as Wal-Mart, Carrefour and the Beijing Hualian Group under master leases or long-term leases, which provide Unitholders with stable and sustainable returns. The anchor tenants are complemented by popular specialty brands such as Sport 100, Esprit, Watsons, KFC, Pizza Hut, Colour Jeans etc.

CRCT is managed by an external manager, CRCTML, which is an indirect wholly-owned subsidiary of CapitaLand Limited, one of Asia's largest real estate companies.

## **IMPORTANT NOTICE**

The past performance of CapitaRetail China Trust (“CRCT”) is not indicative of the future performance of CRCT. Similarly, the past performance of the CapitaRetail China Trust Management Limited (the “Manager”) is not indicative of the future performance of the Manager.

The value of units in CRCT (“Units”) and the income derived from them may fall as well as rise. Units are not obligations of, deposits in, or guaranteed by, the Manager. An investment in Units is subject to investment risks, including the possible loss of the principal amount invested. Investors have no right to request that the Manager redeem or purchase their Units while the Units are listed. It is intended that holders of Units (“Unitholders”) may only deal in their Units through trading on Singapore Exchange Securities Trading Limited (the “SGX-ST”). Listing of the Units on the SGX-ST does not guarantee a liquid market for the Units.

This release may contain forward-looking statements that involve assumptions, risks and uncertainties. Actual future performance, outcomes and results may differ materially from those expressed in forward-looking statements as a result of a number of risks, uncertainties and assumptions. Representative examples of these factors include (without limitation) general industry and economic conditions, interest rate trends, cost of capital and capital availability, competition from other developments or companies, shifts in expected levels of occupancy rate, property rental income, charge out collections, changes in operating expenses (including employee wages, benefits and training costs), governmental and public policy changes and the continued availability of financing in the amounts and the terms necessary to support future business.

You are cautioned not to place undue reliance on these forward-looking statements, which are based on the current view of management on future events.

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### **Issued by CapitaRetail China Trust Management Limited**

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