

# **CAPITARETAIL CHINA TRUST (CRCT)**

*First and Only China Shopping Mall S-REIT*



***Presentation Slides for OCBC S-REITs CEO Forum***

**15 November 2012**



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# Contents

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- 3Q 2012 Highlights
- Market Outlook
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CapitaMall Qibao, Shanghai

## Overview



# First and Only China Shopping Mall S-REIT

Geographically diversified portfolio of 9 income-producing shopping malls  
Positioned as one-stop family-oriented shopping, dining and entertainment destinations

**6** Growth Cities

**535,279 sq m** Total GRA

**RMB7.3** billion Valuation

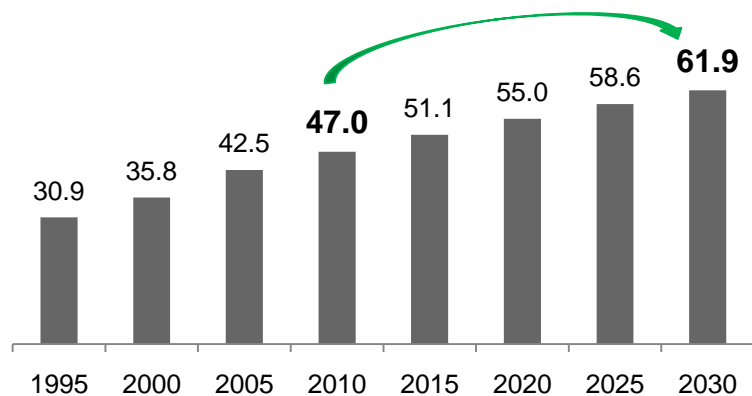
**60.8 million** Shopper Traffic



*Total gross rentable area and Valuation as at 30 June 2012. Shopper traffic for FY 2011.*

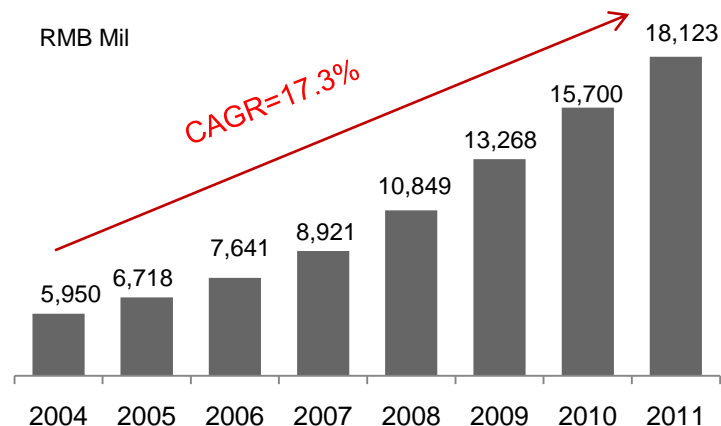
# Access to China's Rapidly Growing Retail Market

## 1 Increasing Urbanisation – Projected to reach 61.9% in 2030



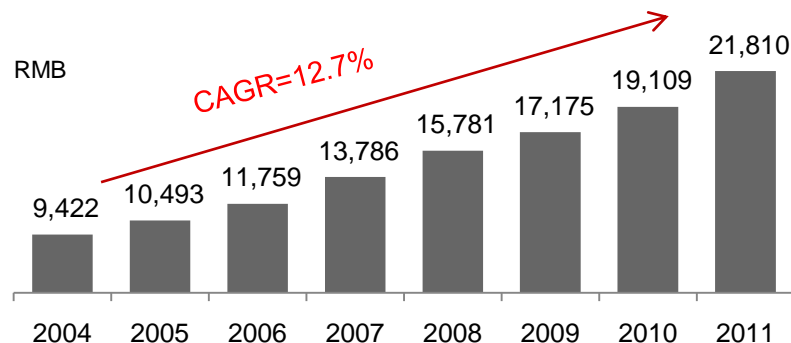
Source: United Nations

## 2 Retailers Continue to Enjoy Strong Sales



Source: National Bureau of Statistics of China

## 3 Rising Disposable Income per Capita Creating Stimulus for Consumption



Source: National Bureau of Statistics of China







# International Brands Continue to Expand in China

## ZARA

Existing no. of stores: 120

Target new stores **15 in  
2 years**



Existing no. of stores: 145

Target new stores **400 in  
4 years**

## Timberland

Existing no. of stores: 150

Target new stores **200 - 250  
In 5 years**



Existing no. of stores: 50

Target new stores **50 in  
1-2 years**



Existing no. of stores: 43

Target new stores **110 in  
3 years**

## mothercare

Existing no. of stores: 22

Target new stores **250 - 400  
In 5 years**

Source: Knight Frank, Spotlight on China's Retail Market, Nov 2012



# International Brands Continue to Expand in China (cont'd)



Existing no. of stores: 164

Target new stores

100 in  
1 year



Existing no. of stores: 500

Target new stores

1,000 in  
3 - 4 years



Existing no. of stores: 63

Target new stores

1,000 in  
5 - 7 years



Existing no. of stores: 150

Target new stores

100 in  
2 - 3 years



Existing no. of stores: 200

Target new stores

50 in  
1 - 2 years



Existing no. of stores: 1,400

Target new stores

250 in  
1 year

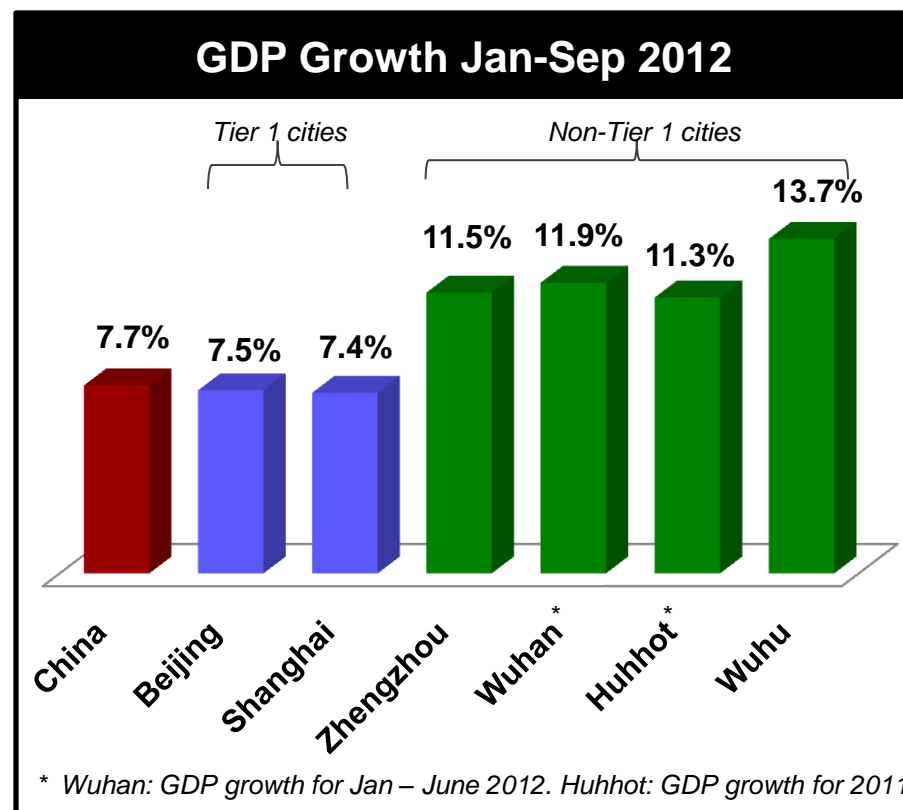
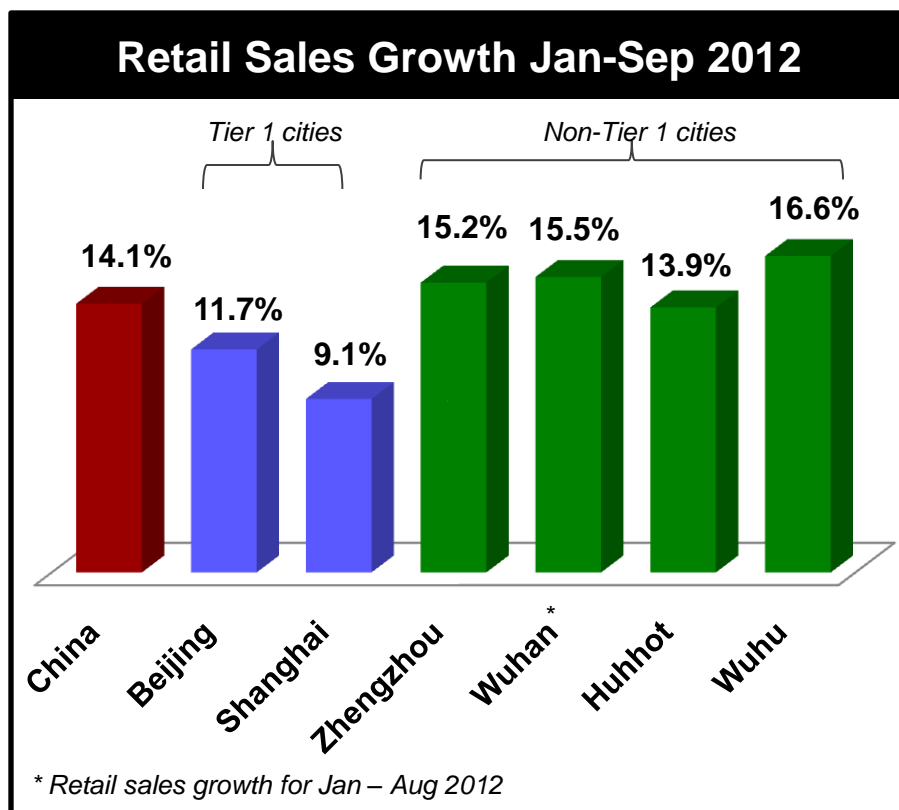
Source: Knight Frank, Spotlight on China's Retail Market, Nov 2012





# Unique Exposure into China's Tier 1, 2, and 3 Cities

- Robust retail sales and GDP growth in non-Tier 1 cities

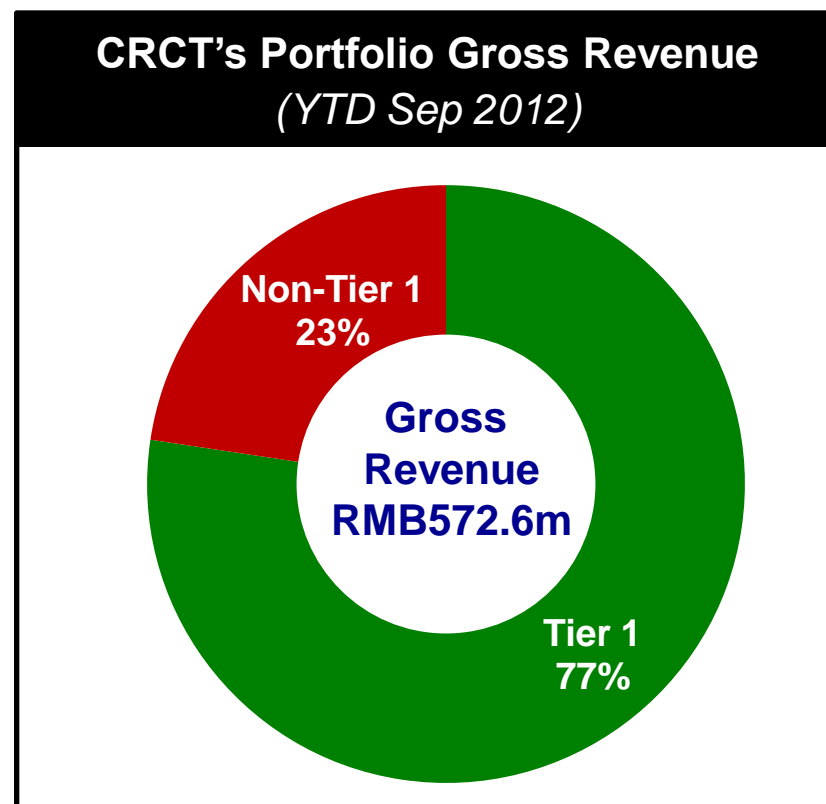
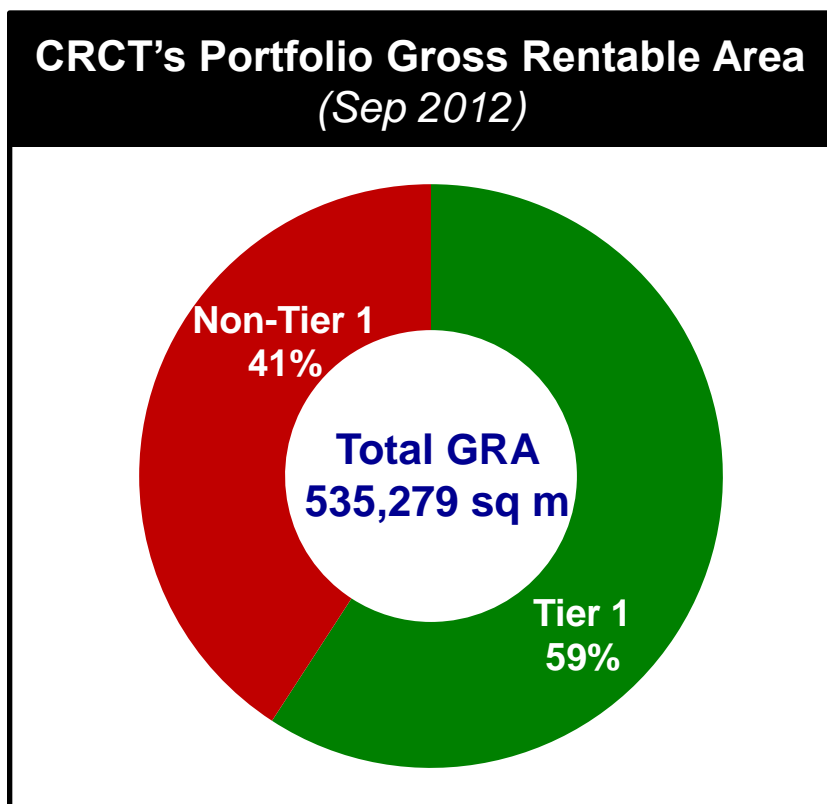


Source: National Bureau of Statistics of China, Beijing Statistical Information Net, Shanghai Statistics, Statistical Information of Zhengzhou, Statistical Information of Wuhan, The Government Website of Huhhot, Wuhu Statistics Information



# Unique Exposure into China's Tier 1, 2, and 3 Cities (cont'd)

- CRCT offers unique opportunity to tap into the growth of both Tier 1 and non-Tier 1 Chinese cities





# Balanced Property Portfolio

**6 multi-tenanted malls drive portfolio growth**  
*(73% of portfolio NPI\*)*

**3 master-leased malls provide stability**  
*(27% of portfolio NPI\*)*



CapitaMall Wangjing,  
Beijing



CapitaMall Xizhimen,  
Beijing



CapitaMall Qibao,  
Shanghai



CapitaMall Anzhen,  
Beijing



CapitaMall Shuangjing,  
Beijing



CapitaMall Wuhu,  
Wuhu



CapitaMall Saihan,  
Huhhot



CapitaMall Minzhongleyuan,  
Wuhan



CapitaMall Erqi,  
Zhengzhou

\* Based on NPI for YTD Sep 2012.



## Strong Sponsor

CRCT is managed by an external manager, CapitaRetail China Trust Management Limited, which is an indirect wholly-owned subsidiary of CapitaMalls Asia Limited (CMA), one of Asia's largest listed shopping mall developers, owners and managers.



- ✓ Long-term growth potential from rights of first refusal to purchase CMA's extensive portfolio of malls in China
- ✓ Access to CMA's integrated shopping mall business model



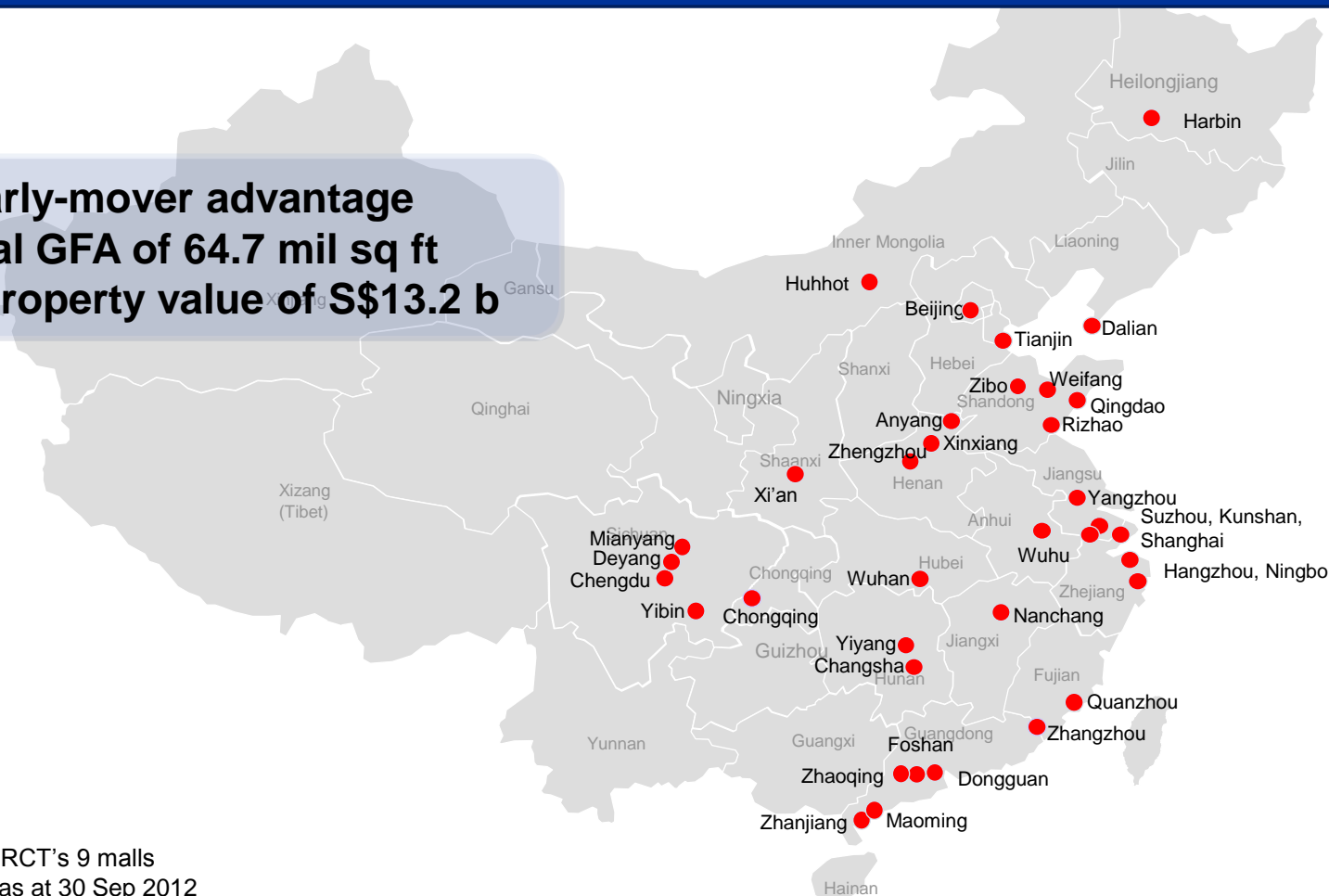




# CapitaMalls Asia's Extensive Presence in China

**59 shopping malls in 36 cities across China,  
of which 48 malls are operational\***

**Early-mover advantage  
Total GFA of 64.7 mil sq ft  
Total property value of S\$13.2 b**



\* Includes CRCT's 9 malls  
Information as at 30 Sep 2012





# Highlights of 3Q 2012 Results

- **Sustained positive growth momentum**
  - ✓ Portfolio NPI  10.3%<sup>1</sup> y-o-y
  - ✓ Strong portfolio rental reversion of 18.2%
  - ✓ Portfolio shopper traffic and tenant sales  21.5%<sup>2</sup> and 15.6%<sup>2</sup> y-o-y
  - ✓ DPU of 2.42 cents,  14.2% y-o-y
- **Optimising performance of malls**
  - ✓ CapitaMall Xizhimen, the largest mall in the portfolio, posted strong NPI growth of 18.5% y-o-y
  - ✓ CapitaMall Qibao, CapitaMall Saihan and CapitaMall Wuhu:
    - Impressive NPI growth of 57.2%, 35.5% and 30.4% y-o-y respectively

1. Portfolio NPI grew 12.7% y-o-y if CapitaMall Minzhongleyuan, which is undergoing asset enhancement, is excluded.
2. Includes only tenants at CapitaMall Xizhimen, CapitaMall Wangjing, CapitaMall Saihan, CapitaMall Qibao, CapitaMall Wuhu and CapitaMall Minzhongleyuan.



# Strong Portfolio Occupancy Rate

	30 Sep 11 <sup>1</sup>	31 Dec 11 <sup>1</sup>	31 Mar 12 <sup>1</sup>	30 Jun 12 <sup>1</sup>	30 Sep 12 <sup>1</sup>
CapitaMall Xizhimen	98.5%	98.4%	98.5%	98.9%	98.5%
CapitaMall Wangjing	99.4%	99.8%	99.5%	100%	99.8%
CapitaMall Anzhen	100%	100%	100%	100%	100%
CapitaMall Erqi	100%	100%	100%	100%	100%
CapitaMall Shuangjing	100%	100%	100%	100%	100%
CapitaMall Minzhongleyuan	94.8%	94.7%	85.3% <sup>2</sup>	76.0% <sup>2</sup>	79.6% <sup>2</sup>
CapitaMall Qibao	92.6%	94.4%	95.4%	96.0%	97.5%
CapitaMall Saihan	97.6%	98.1%	97.9%	99.7%	99.0%
CapitaMall Wuhu	95.3%	96.3%	95.2%	94.7%	90.1% <sup>3</sup>
CRCT Portfolio	97.7%	98.1%	97.4%	97.1%	97.5%

1. Based on committed leases.
2. Planned asset enhancement works underway.
3. Tenancy adjustments on levels one and four of the mall.

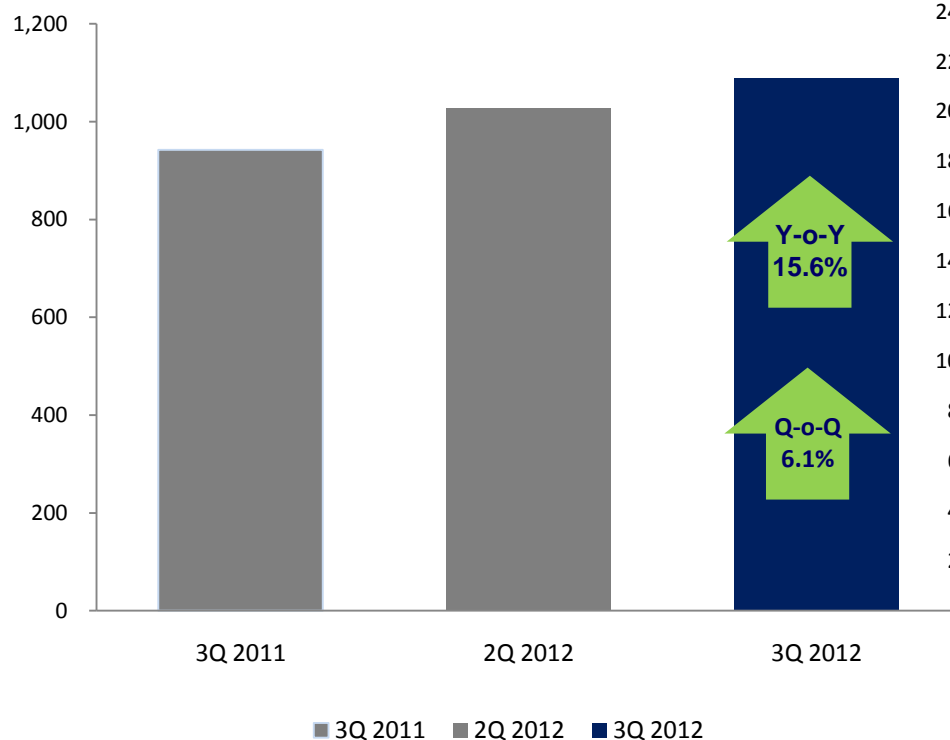




# Healthy Portfolio Shopper Traffic and Tenant Sales Growth

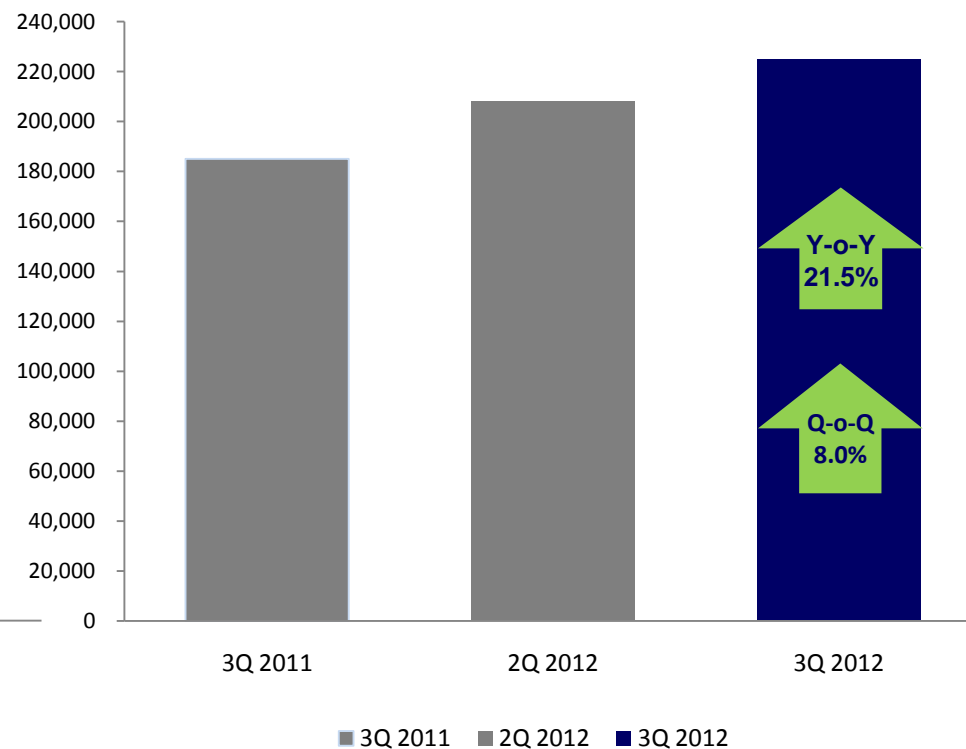
## Tenant Sales<sup>1</sup>

Ave. Monthly Sales  
(RMB psm)



## Shopper Traffic<sup>1</sup>

Ave. Daily  
No. of Shoppers



1. Includes only tenants at CapitaMall Xizhimen, CapitaMall Wangjing, CapitaMall Saihan, CapitaMall Qibao, CapitaMall Wuhu and CapitaMall Minzhongleyuan. Excluding CapitaMall Minzhongleyuan, tenant sales would have increased 16.8% y-o-y and 7.3% q-o-q, and shopper traffic increased 27.6% y-o-y and 8.4% q-o-q.



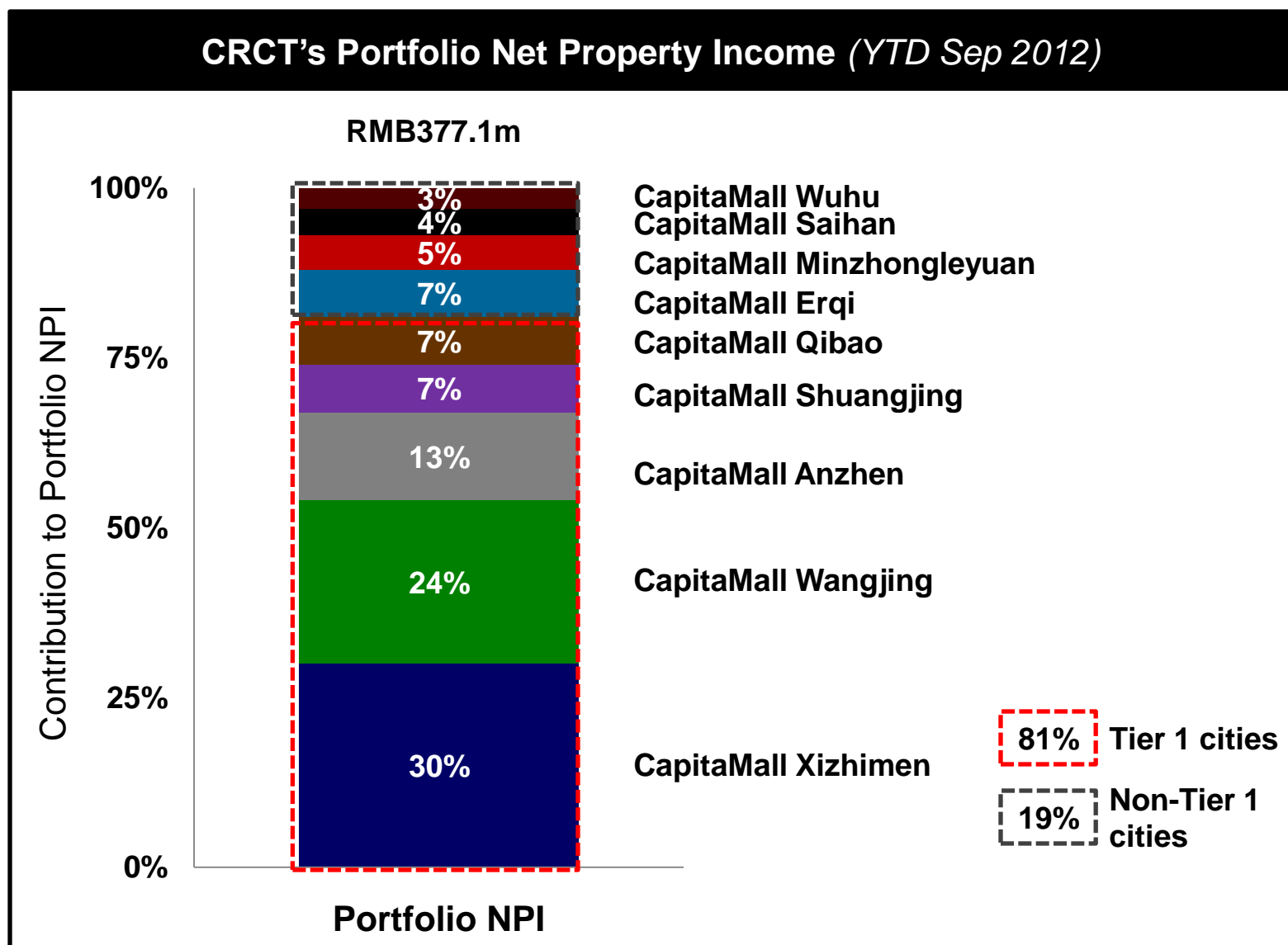
# High Portfolio Rental Reversion of 18.2%

From 1 Jul to 30 Sep 2012		
Property	No. of new leases/renewals	Var. over preceding rental <sup>1, 2</sup> (%)
CapitaMall Xizhimen	38	+19.4%
CapitaMall Wangjing	22	+33.7%
CapitaMall Minzhongleyuan	34	+22.6%
CapitaMall Qibao	17	+10.8%
CapitaMall Saihan	48	+9.6%
CapitaMall Wuhu	38	+4.4%
<b>CRCT Portfolio</b>	<b>197</b>	<b>+18.2%</b>

1. Excluding gross turnover component.
2. Majority of leases have rental escalation clauses.



# Contribution to Net Property Income by Mall





# Strong Performance at CapitaMall Xizhimen

- Portfolio's largest asset
- Strong results in 3Q 2012
  - ✓ Gross revenue ↑ 14.5% y-o-y
  - ✓ NPI ↑ 18.5% y-o-y
  - ✓ Rental reversion of 19.4%
  - ✓ Average shopper traffic at ~95,000 per day, ↑ 63.6% y-o-y
- ~95% committed occupancy at basement connection



CapitaMall Xizhimen





# CapitaMall Wangjing – Market Leader in Wangjing Suburb

- Most mature mall in portfolio
- Consistent occupancy rate of close to 100%
- Strong rental reversion of 33.7% and tenant sales growth of 14.3% y-o-y in 3Q 2012
- High annualised NPI yield on valuation of 7.8%\*



CapitaMall Wangjing

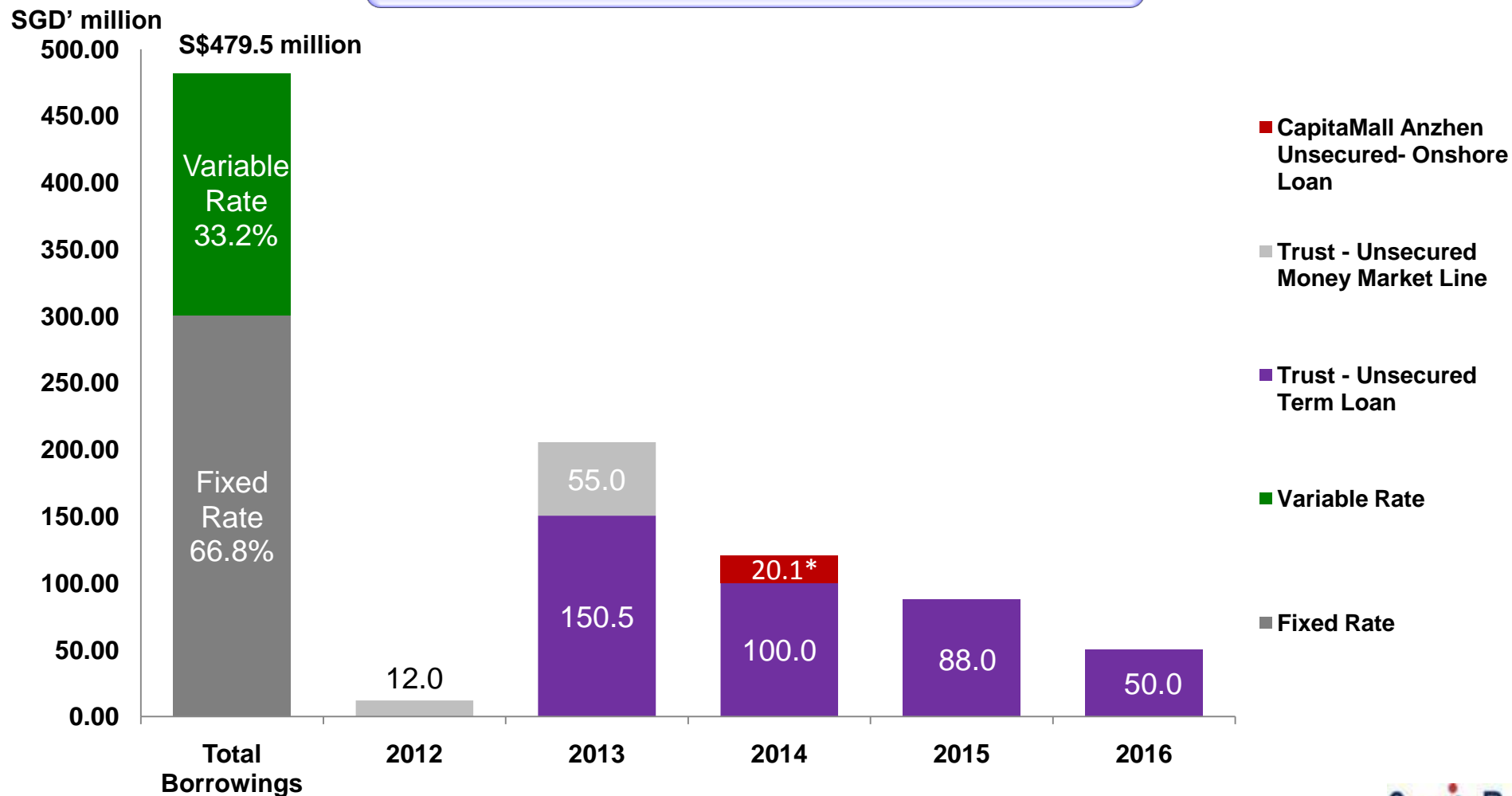
\* Based on annualised NPI for 3Q 2012 and valuation as at 30 Jun 2012.

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# Debt Maturity Profile (30 Sep 2012)

No major refinancing in 2012



\*Amortisation payments for CapitaMall Anzhen unsecured loan in 2012 and 2013 are S\$1.3 million and S\$2.6 million respectively.

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# Key Financial Indicators

	3Q 2012	2Q 2012
<b>Unencumbered Assets as % of Total Assets</b>	<b>100.0%</b>	<b>100.0%</b>
<b>Gearing</b>	<b>30.4%</b>	<b>28.1%</b>
<b>Net Debt / EBITDA (Times)</b>	<b>4.1</b>	<b>4.8</b>
<b>Interest Coverage (Times)</b>	<b>10.1</b>	<b>7.8</b>
<b>Average Term to Maturity (Years)</b>	<b>1.60</b>	<b>1.91</b>
<b>Average Cost of Debt</b>	<b>2.61%</b>	<b>2.62%</b>



持本  
全场





# Market Outlook

- **China is on track to meet its 7.5% GDP growth target in 2012**
  - GDP grew 7.4% y-o-y in 3Q 2012; 7.7% for Jan – Sep 2012
- **Retail sales growth improved**
  - Up 14.5% y-o-y in Oct 2012
- **Retail sales projected to grow 15% per annum from 2011 to 2015, reaching RMB32 trillion in 2015**
- **Economic stimulus in motion**
  - National Development and Reform Commission approved more than RMB1 trillion infrastructure projects in Sep 2012
- **CRCT remains positive about the growth potential in China's retail sector**

Source: National Bureau of Statistics of China, State Council, China Daily.

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# CRCT: An Attractive Investment

**First and Only China Shopping Mall REIT in Singapore**

- ✓ **Unique vehicle offering unparalleled growth potential**
- ✓ **Proven track record underpinned by strong cash flow**
- ✓ **Mid to long term appreciation of RMB**
- ✓ **Most resilient sector through economic cycles**
- ✓ **Strong sponsor with secured acquisition pipeline**



CapitaMall Minzhongleyuan, Wuhan

# Appendix



# Portfolio at a Glance

	CapitaMall Xizhimen 凯德MALL· 西直门	CapitaMall Wangjing 凯德MALL· 望京	CapitaMall Anzhen 凯德MALL· 安贞	CapitaMall Erqi 凯德广场· 二七	CapitaMall Shuangjing 凯德MALL· 双井	CapitaMall Minzhong leyuan 凯德民众乐园	CapitaMall Qibao 凯德七宝 购物广场	CapitaMall Saihan 凯德MALL· 赛罕	CapitaMall Wuhu <sup>1</sup> 凯德广场· 芜湖
<b>Location</b>	Beijing	Beijing	Beijing	Zhengzhou	Beijing	Wuhan	Shanghai	Huhhot	Wuhu
<b>GFA<sup>2</sup> (sq m)</b>	83,075	83,768	43,443	92,356	49,463	41,717	83,986	41,938	59,624
<b>GRA<sup>2</sup> (sq m)</b>	83,075	68,010	43,442	92,356	49,463	38,631	72,729	41,938	45,634
<b>Land Use Right Expiry</b>	23 Aug 2044 23 Aug 2054	15 May 2043 15 May 2053	7 Oct 2034 5 Mar 2042 3 Jun 2042	31 May 2042	10 Jul 2042	30 Jun 2044 <sup>4</sup> 15 Sep 2045	10 Mar 2043 <sup>5</sup>	11 Mar 2041 20 Mar 2041	29 May 2044
<b>Valuation<sup>3</sup> (RMB million)</b>	2,313	1,552	935	580	530	445	393	310	213
<b>NPI Yield on Valuation<sup>3</sup></b>	6.6%	7.8%	7.0%	6.5%	6.4%	5.9%	8.3%	6.5%	6.9%
<b>Number of Leases<sup>2</sup></b>	239	193	2	2	6	282	149	146	134
<b>Committed Occupancy<sup>2</sup></b>	98.5%	99.8%	100%	100%	100%	79.6% <sup>6</sup>	97.5%	99.0%	90.1% <sup>6</sup>
<b>Shopper Traffic for 2011 (million)</b>	21.1	9.5	-	-	-	4.5 <sup>7</sup>	9.9	7.0	8.8

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

2. As at 30 Sep 2012.

3. Valuation as at 30 Jun 2012. NPI yield is calculated based on valuation as at 30 Jun 2012 and annualised NPI for 3Q 2012.

4. The conserved building is under a lease from the Wuhan Cultural Bureau.

5. CapitaMall Qibao is indirectly held by CRCT under a master lease which expires in Jan 2024, with the right to renew for a further term of 19 years and two months.

6. Planned asset enhancement underway at CapitaMall Minzhongleyuan. Tenancy adjustments on levels one and four of CapitaMall Wuhu.

7. Shopper traffic from 1 Jul 2011 to 31 Dec 2011.



# Portfolio Valuation

	Current Valuation (30 Jun 2012) RMB million	Previous Valuation (31 Dec 2011) RMB million	Variance (%)	NPI Yield <sup>1</sup> (%)	Current Valuation (per sq m of GRA) RMB
CapitaMall Xizhimen	2,313	2,230	3.7	6.5	27,842
CapitaMall Wangjing	1,552	1,506	3.1	7.8	22,820
CapitaMall Anzhen	935	925	1.1	7.0	21,522
CapitaMall Erqi	580	575	0.9	6.3	6,280
CapitaMall Shuangjing	530	525	1.0	6.4	10,715
CapitaMall Minzhongleyuan	445	434	2.5	6.1	11,519
CapitaMall Qibao	393	363	8.3	8.7	5,404
CapitaMall Saihan	310	310	-	6.2	7,392
CapitaMall Wuhu	213	211	0.9	6.9	4,668
<b>Total</b>	<b>7,271</b>	<b>7,079</b>	<b>2.7</b>	<b>6.9</b>	<b>N.M.</b>

1. Based on annualised NPI for 1H 2012 (1 January 2012 – 30 June 2012) and valuation as at 30 June 2012.

N.M. – not meaningful





***First and Only China Shopping Mall S-REIT***

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