

# CAPITARETAIL CHINA TRUST (CRCT) Financial Results For First Quarter 2008



24 April 2008

# Disclaimers

**This presentation is focused on comparing actual results versus forecasts stated in the CRCT Offer Information Statement (“OIS”) dated 25 January 2008. This shall be read in conjunction with paragraph 9 of CRCT 2008 First Quarter Unaudited Financial Statement and Distribution Announcement.**

This presentation 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 similar developments, 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.

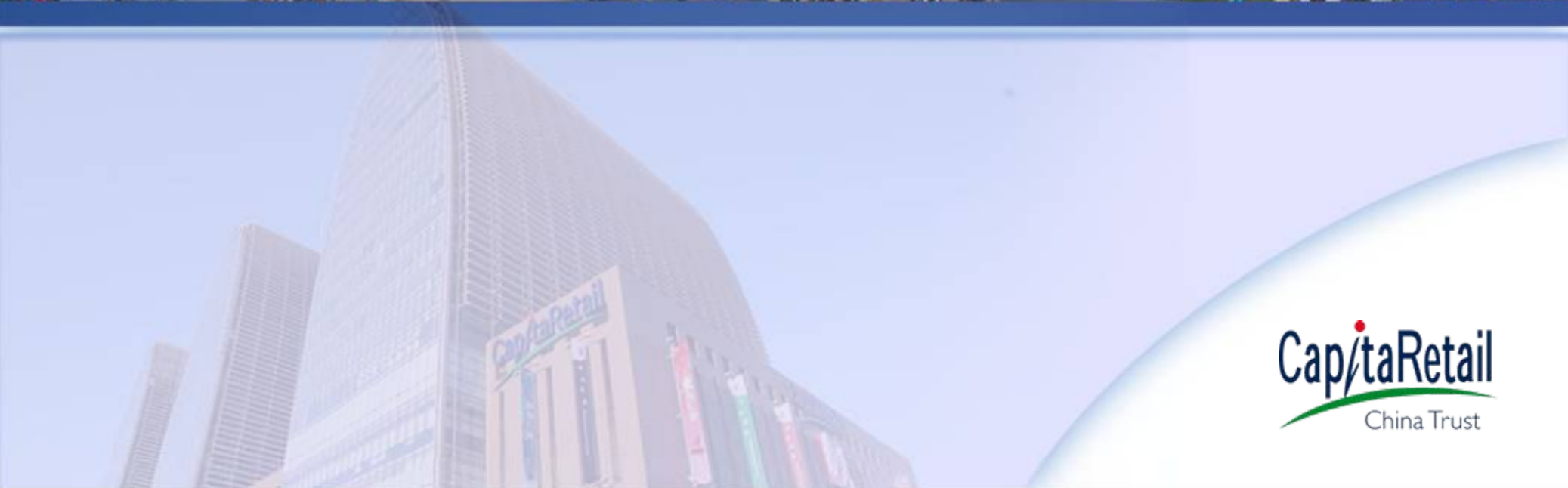
In relation to the initial public offering of units in CRCT, the Sole Financial Adviser was J.P. Morgan (S.E.A.) Limited and the Underwriters and Bookrunners were J.P. Morgan (S.E.A.) Limited, UBS, acting through its business group, UBS Investment Bank and China International Capital Corporation Limited.



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# Financial Highlights



# Summary of Results

**5 Feb 08 - 31 Mar 08<sup>1</sup>: Income Available for Distribution Exceeds Forecast<sup>3</sup> by 8.5%**

	5 Feb 08 – 31 Mar 08 <sup>1</sup>			1Q 2008 <sup>2</sup>
	Actual	Forecast <sup>3</sup>	Change %	Actual
<b>Gross Revenue (S\$'000)</b>	<b>15,919</b>	<b>15,986</b>	<b>(0.4)</b>	<b>22,911</b>
<b>Net Property Income (S\$'000)</b>	<b>10,069</b>	<b>9,987</b>	<b>0.8</b>	<b>14,321</b>
<b>Income Available for Distribution</b>	<b>6,291</b>	<b>5,797</b>	<b>8.5</b>	<b>8,793</b>
<b>Available Distribution Per Unit (“DPU”)</b>				
For the period	<b>1.02¢</b>	<b>0.94¢</b>	<b>8.5</b>	<b>1.55¢</b>
Annualized	<b>6.66¢</b>	<b>6.14¢</b>	<b>8.5</b>	<b>6.22¢</b>
<b>Distribution Yield</b>				
-S\$1.30 per unit (closing as at 31 Mar 2008)	<b>5.12%</b>	<b>4.72%</b>	<b>8.5</b>	<b>4.78%</b>
-S\$1.50 per unit (closing as at 23 Apr 2008)	<b>4.44%</b>	<b>4.09%</b>	<b>8.5</b>	<b>4.15%</b>

1. CRCT's policy is to distribute its distributable income on a semi-annual basis to Unitholders. The last distribution was scheduled to take place in respect of CRCT's semi-annual distributable income for the period from 1 July 2007 to 31 December 2007. In order to ensure fairness to Unitholders in issue on the day immediately prior to 5 February 2008, the day on which the new units are issued under the equity fund raising for the acquisition of Xizhimen Mall, the Manager has made a cumulative distribution of 4.04 cents for the period from 1 July 2007 to 4 February 2008.
2. For the period from 1 January 2008 to 31 March 2008
3. The forecast is based on the forecast shown in CRCT Offer Information Statement (“OIS”) dated 25 January 2008

# CRCT Performance since IPO (8 Dec 2006) to 31 Mar 2008

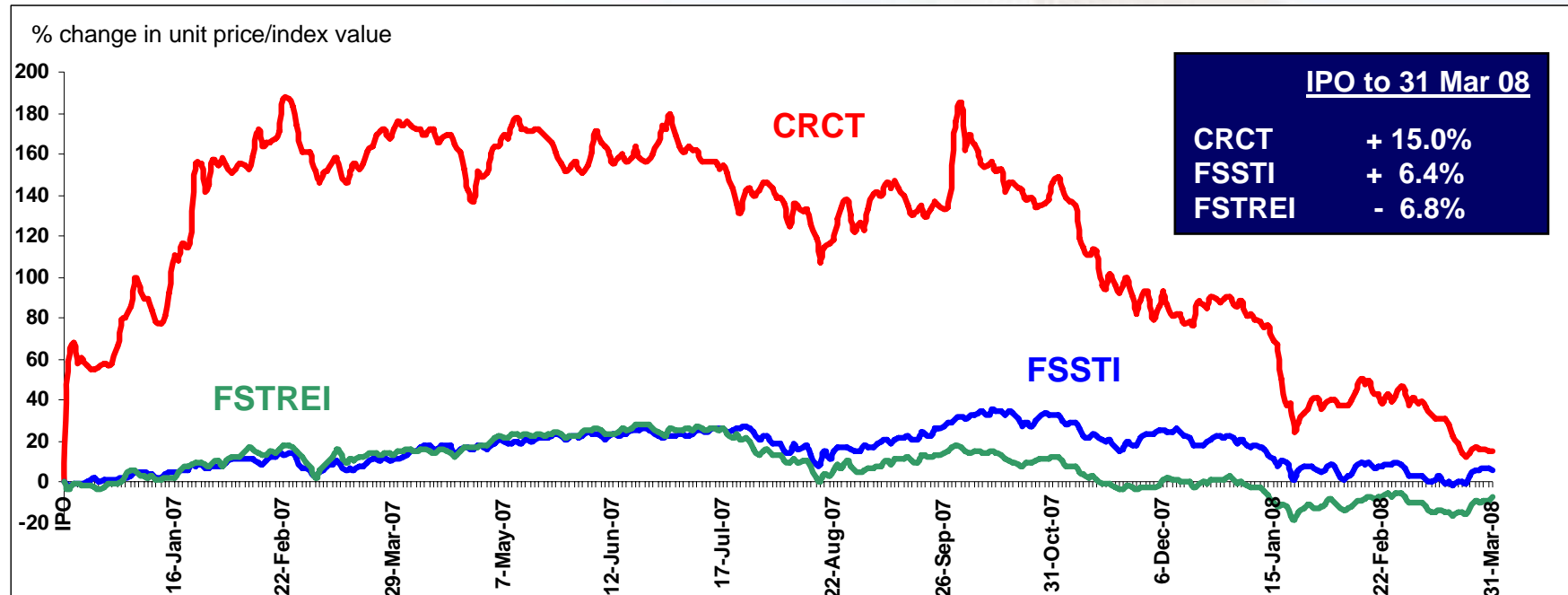
✓ 15.0% Unit Price Appreciation

✓ 53.1% Growth in Total Asset Size

✓ 21.5% Total Return

✓ 49.3% Growth in Market Cap

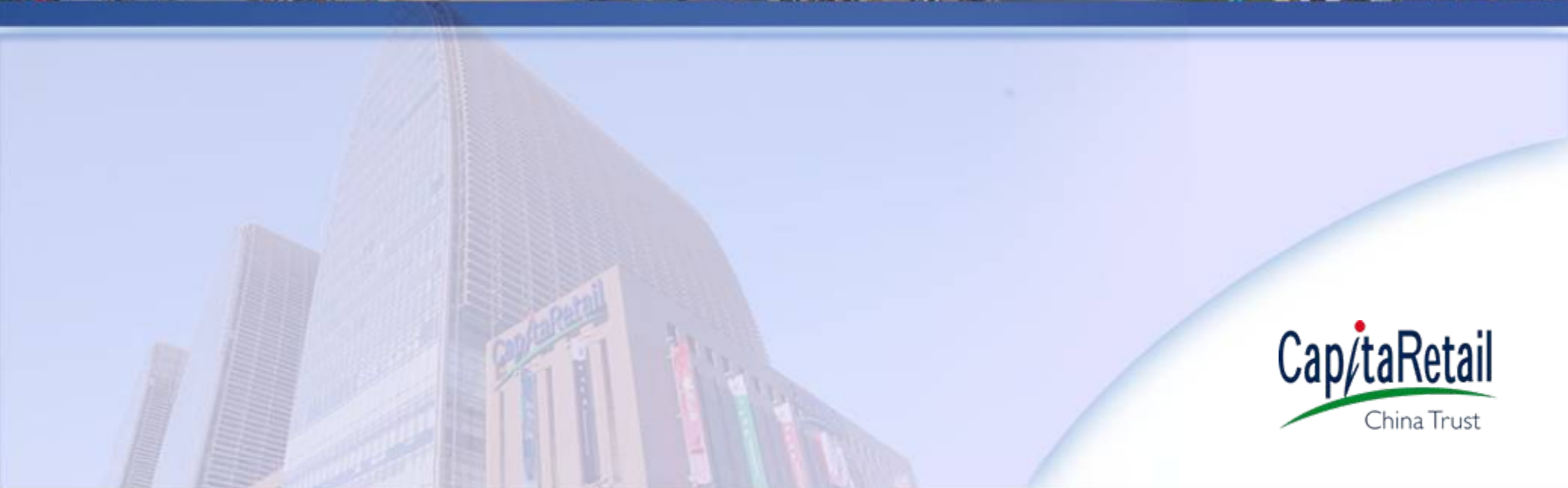
✓ Outperformed FSSTI & FSTREI Index



FSSTI – FTSE Straits Times Index, FSTREI – Singapore REIT index

Source : Bloomberg, CRCTML

# Financial Results for 1Q 2008



# Distribution Statement

	5 Feb-31 Mar 08 <sup>1</sup>		Variance (%)	1Q 2008 <sup>2</sup> Actual
	Actual	Forecast <sup>3</sup>		
	S\$'000			
Gross Revenue	15,919	15,986	(0.4)	22,911
Less property operating expenses	(5,850)	(5,999)	(2.5)	(8,590)
<b>Net property income</b>	<b>10,069</b>	<b>9,987</b>	<b>0.8</b>	<b>14,321</b>
Non-operating income/(expense)	(180)	-	-	(199)
Other trust expenses	(1,209)	(1,269)	(4.7)	(1,803)
Net Interest expenses	(1,241)	(2,119)	(41.4)	(1,799)
<b>Net income before change in fair value of fin. derivative &amp; unrealized FX gain</b>	<b>7,439</b>	<b>6,599</b>	<b>12.7</b>	<b>10,520</b>
Change in fair value of fin. derivative	91	-	-	577
Foreign exchange loss - unrealized	(678)	-	-	(461)
<b>Net income before taxation</b>	<b>6,852</b>	<b>6,599</b>	<b>3.8</b>	<b>10,636</b>
Taxation	(2,276)	(1,048)	117.2	(3,367)
Minority Interest	(20)	(55)	(63.6)	(35)
Distribution Adjustment	1,735	301	-	1,559
<b>Income Available for Distribution</b>	<b>6,291</b>	<b>5,797</b>	<b>8.5</b>	<b>8,793</b>
<b>Available Distribution Per Unit (for the period)</b>	<b>1.02¢</b>	<b>0.94¢</b>	<b>8.5</b>	<b>1.55¢<sup>4</sup></b>
<b>Annualized Distribution Per Unit</b>	<b>6.66¢</b>	<b>6.14¢</b>	<b>8.5</b>	<b>6.22¢</b>

- CRCT's policy is to distribute its distributable income on a semi-annual basis to Unitholders. The last distribution was scheduled to take place in respect of CRCT's semi-annual distributable income for the period from 1 July 2007 to 31 December 2007. In order to ensure fairness to Unitholders in issue on the day immediately prior to 5 February 2008, the day on which the new units are issued under the equity fund raising for the acquisition of Xizhimen Mall, the Manager has made a cumulative distribution of 4.04 cents for the period from 1 July 2007 to 4 February 2008.
- For the period from 1 Jan 08 to 31 Mar 08.
- As shown in CRCT Offer Information Statement ("OIS") dated 25 January 2008.
- Calculated based on distributable income in relation to 1 Jan 08 to 4 Feb 08 (pre-acquisition of Xizhimen Mall) based on the no. of units in issue at 4 Feb 08 and distributable income in relation to 5 Feb 08 to 31 Mar 08 (post-acquisition of Xizhimen Mall) based on the no. of units in issue at 31 Mar 08.



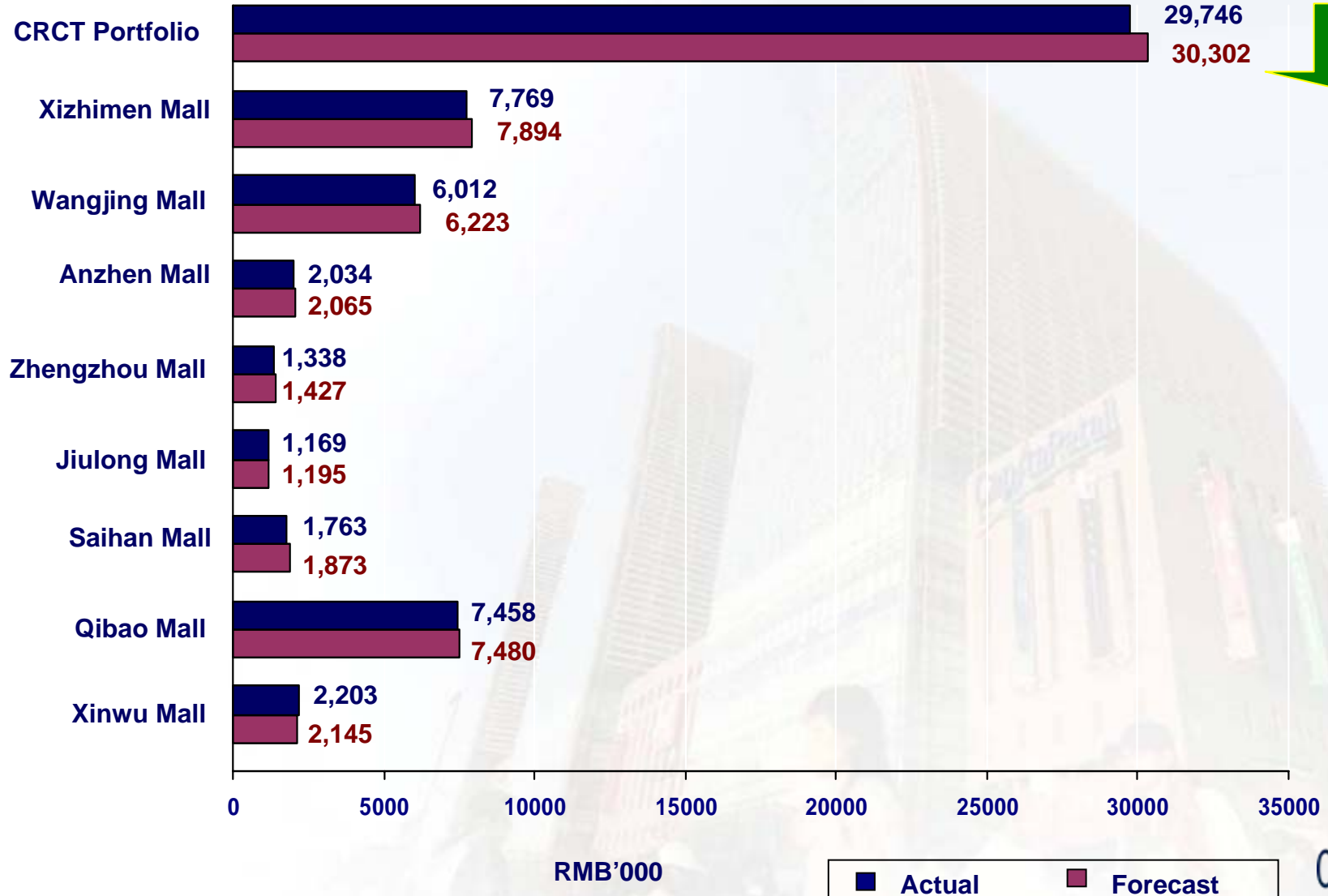
# Property Gross Revenue (in RMB) : 5 Feb - 31 Mar 2008

## - Actual vs Forecast



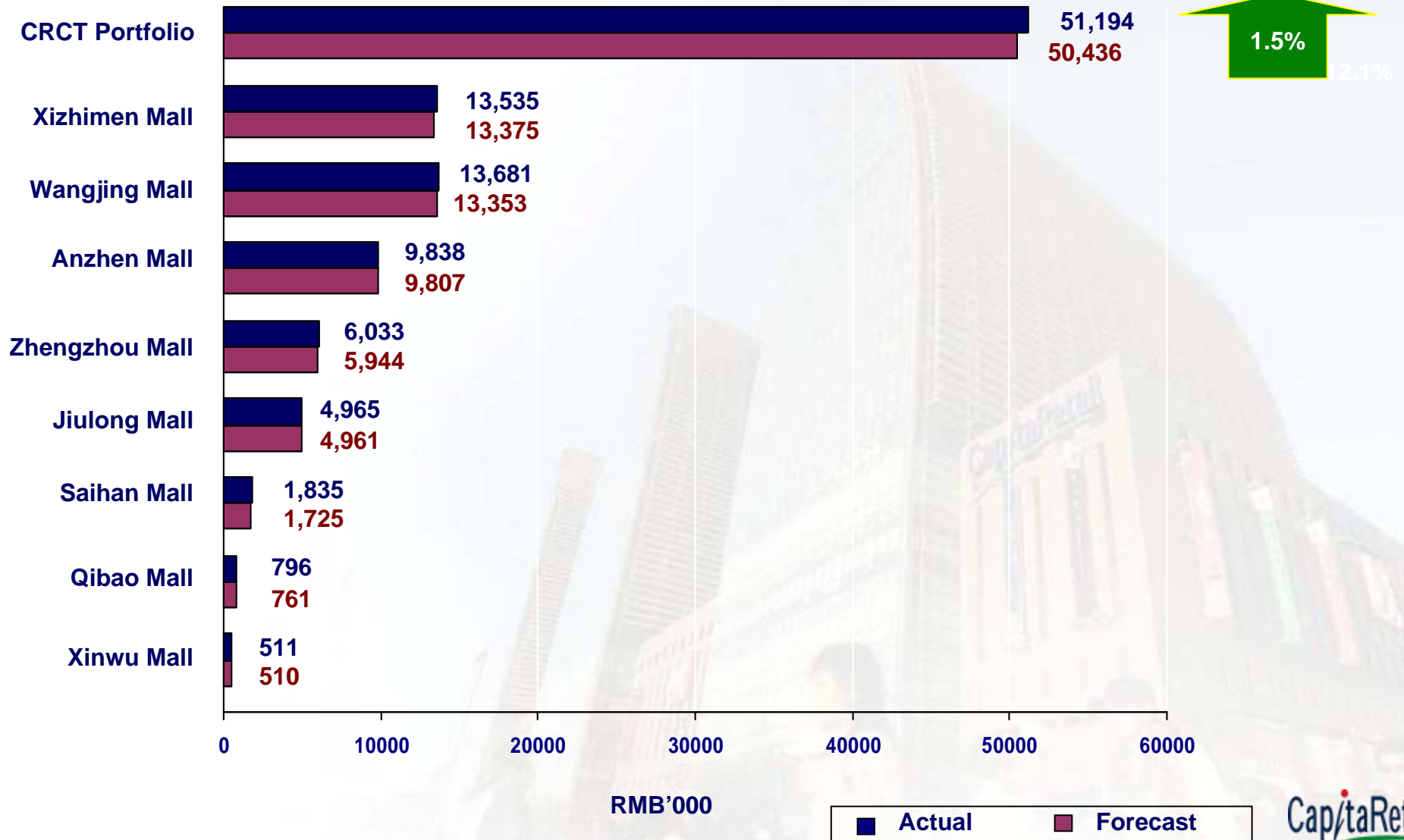
# Property Operating Expenses (in RMB): 5 Feb - 31 Mar 2008

## - Actual vs Forecast



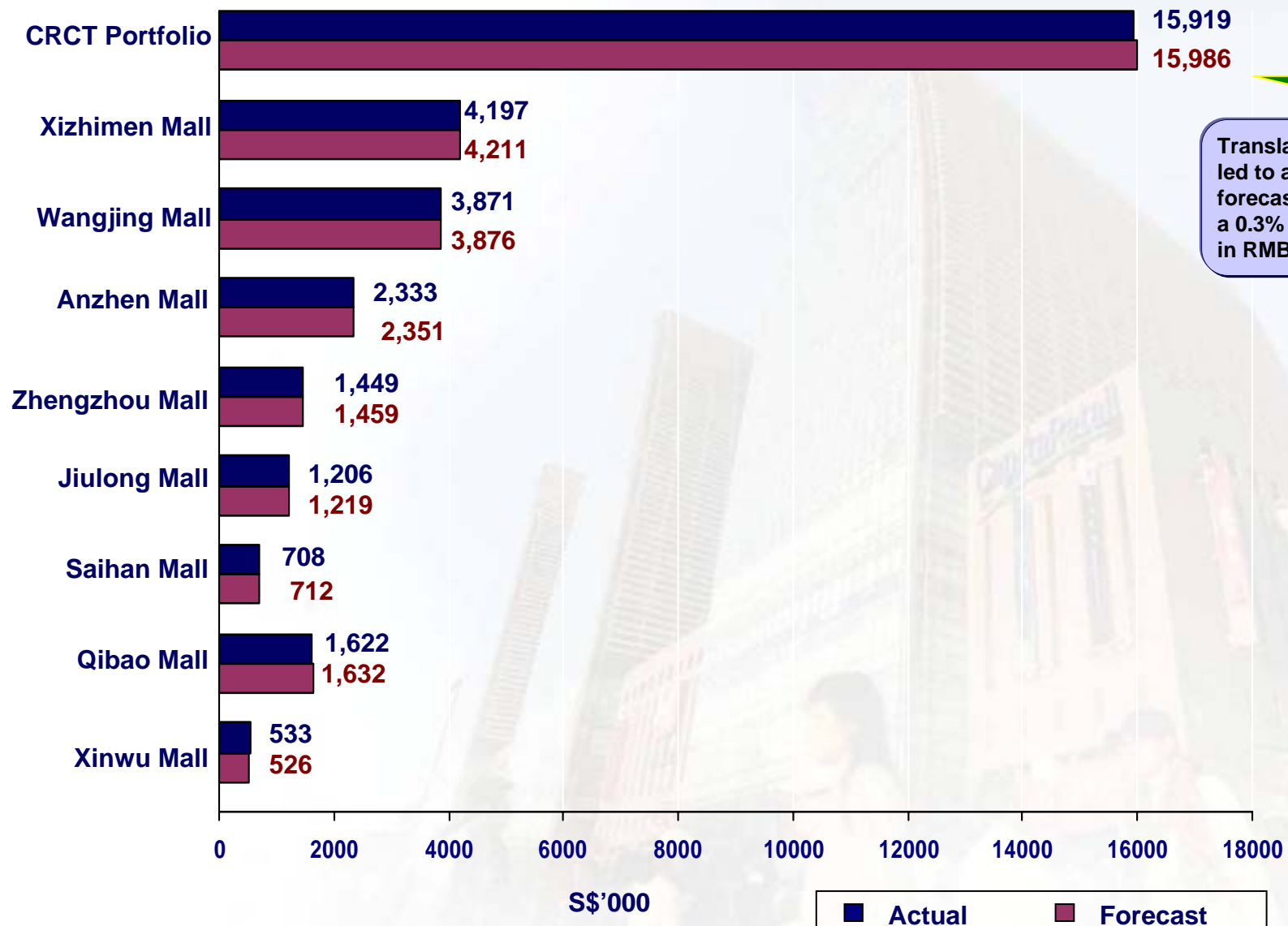
# Net Property Income (in RMB) : 5 Feb - 31 Mar 2008

## - Actual vs Forecast



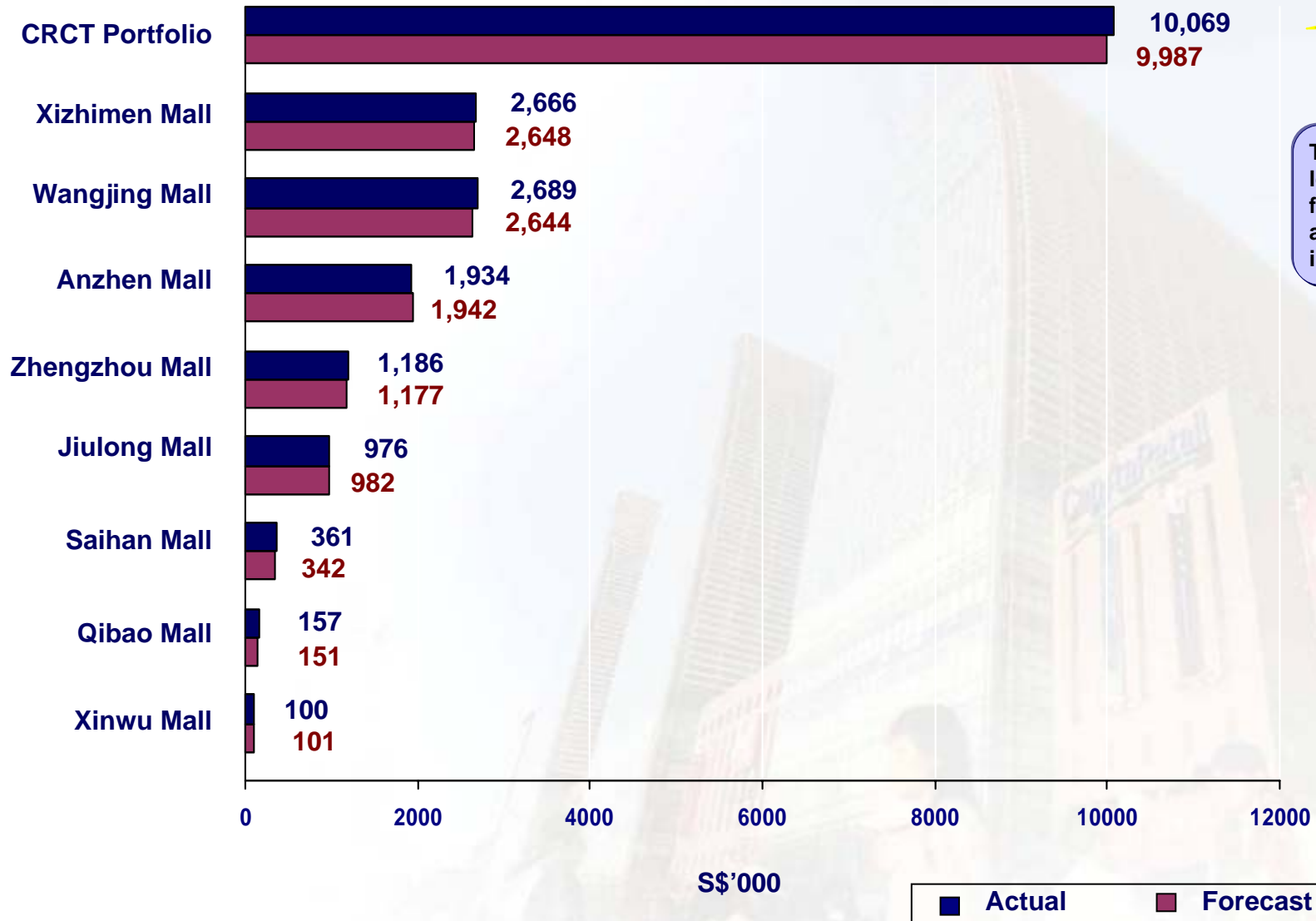
# Property Gross Revenue (in S\$) : 5 Feb - 31 Mar 2008

## - Actual vs Forecast



# Net Property Income (in S\$) : 5 Feb - 31 Mar 2008

## - Actual vs Forecast

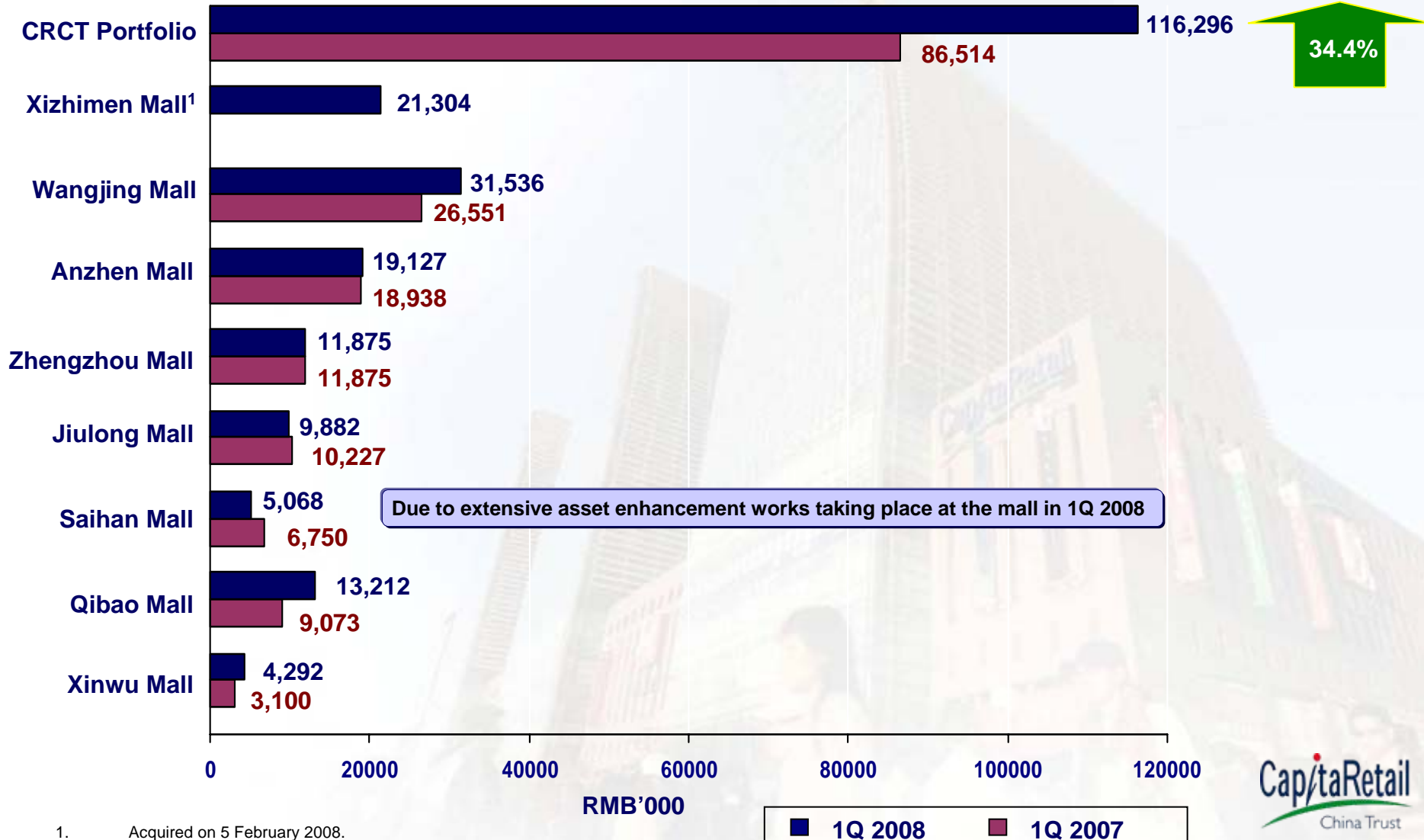


**0.8%**

Translation difference led to a 0.8% above forecast in S\$ vis-à-vis a 1.5% above forecast in RMB

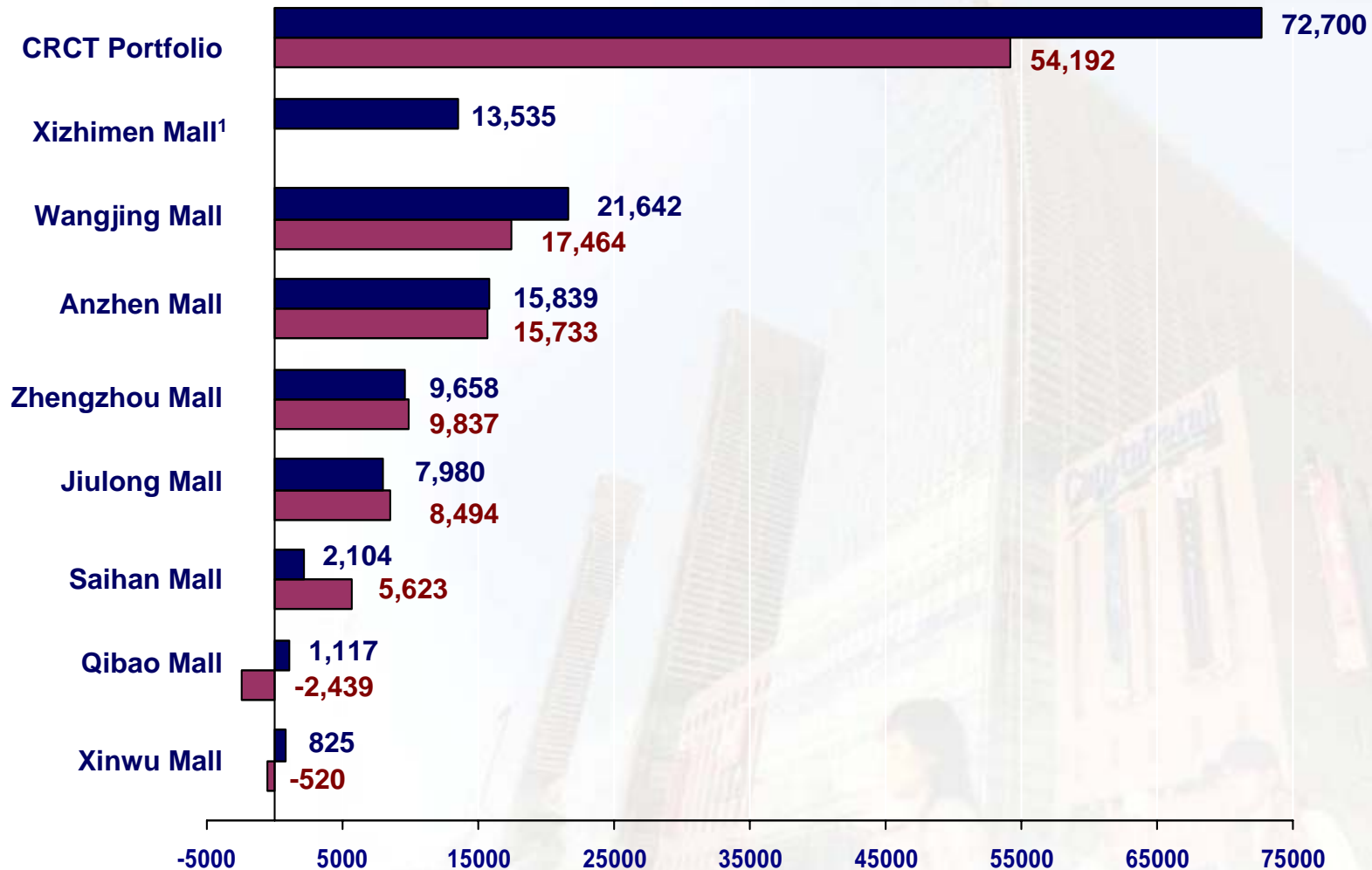
# Property Gross Revenue (in RMB) : 1Q 2008 vs 1Q 2007

Portfolio gross revenue registered robust y-o-y growth of 34.4% largely because of Xizhimen Mall



# Net Property Income (in RMB) : 1Q 2008 vs 1Q 2007

Portfolio NPI rose 34.2% y-o-y



34.2%

RMB'000

■ 1Q 2008 ■ 1Q 2007

# Property Gross Revenue (in RMB) : 1Q 2008 vs 1Q 2007

## - Comparable Portfolio<sup>1</sup>

Comparable portfolio<sup>1</sup> gross revenue registered y-o-y growth of 9.8%



1. Excludes Xizhimen Mall which was acquired on 5 February 2008.



# Net Property Income (in RMB) : 1Q 2008 vs 1Q 2007

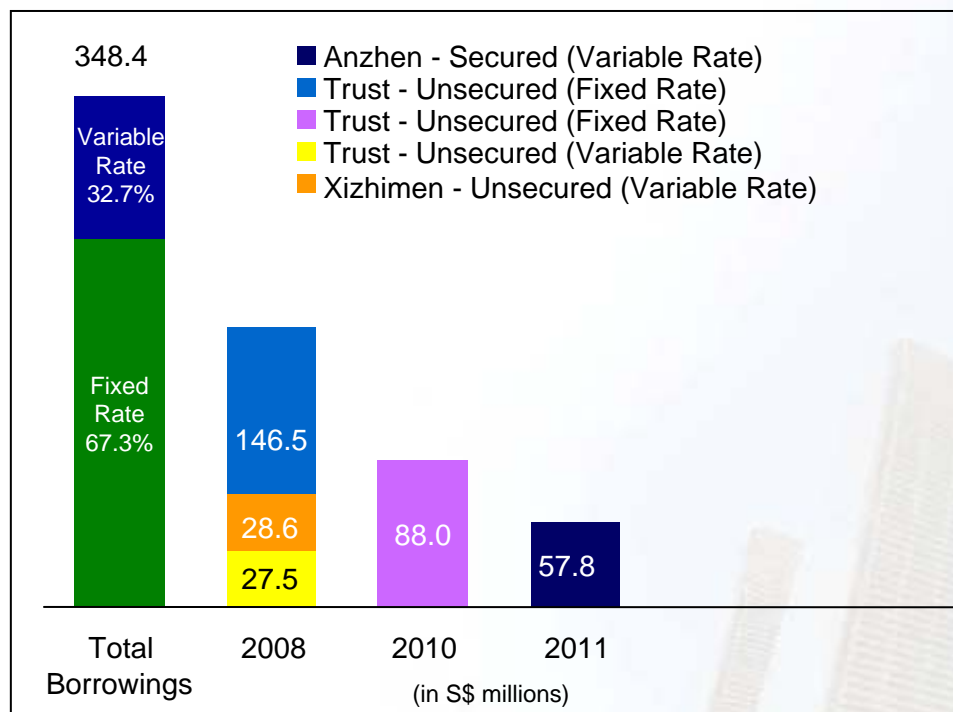
## - Comparable Portfolio<sup>1</sup>

Comparable portfolio<sup>1</sup> NPI grew 9.2% y-o-y



# Debt Capital Information (as at 31 Mar 2008)

## Debt Maturity Profile



## Key Statistics of CRCT

Gearing Ratio	30.9%
Interest Cover	6.4 times
Average Cost of Debt	2.6%

## Net Interest Savings for 5 Feb 08 – 31 Mar 08

	S\$'000
Actual interest expense	1,320
Forecast interest expense	2,119
Interest expense saving <sup>1</sup>	799
<b>Add:</b>	
Unbudgeted interest income <sup>2</sup>	79
<b>Net interest savings</b>	<b>878</b>

- This was mainly due to interest savings arising from the two-year non-deliverable cross-currency interest rate swap that CRCT has entered into in respect of its US\$105.0 million and S\$88.0 million unsecured two-year term loan facility.
- An interest income of \$0.1 million was mainly earned from surplus funds held by the trust.

# Balance Sheet

**As at 31 Mar 2008**

**S\$'000**

Investment properties	1,060,075
Plant and equipment	3,045
Trade and other receivables	31,799
Cash and cash equivalents	53,077
<b>Total Assets</b>	<b>1,147,996</b>
Trade and other payables	75,227
Security deposits	15,010
Interest-bearing borrowings	348,429
Deferred tax liabilities	20,810
Financial derivatives	19,937
Provision for taxation	1,807
<b>Total Liabilities</b>	<b>481,220</b>
<b>Minority interest</b>	<b>13,592</b>

**Net assets attributable to Unitholders** **653,184**

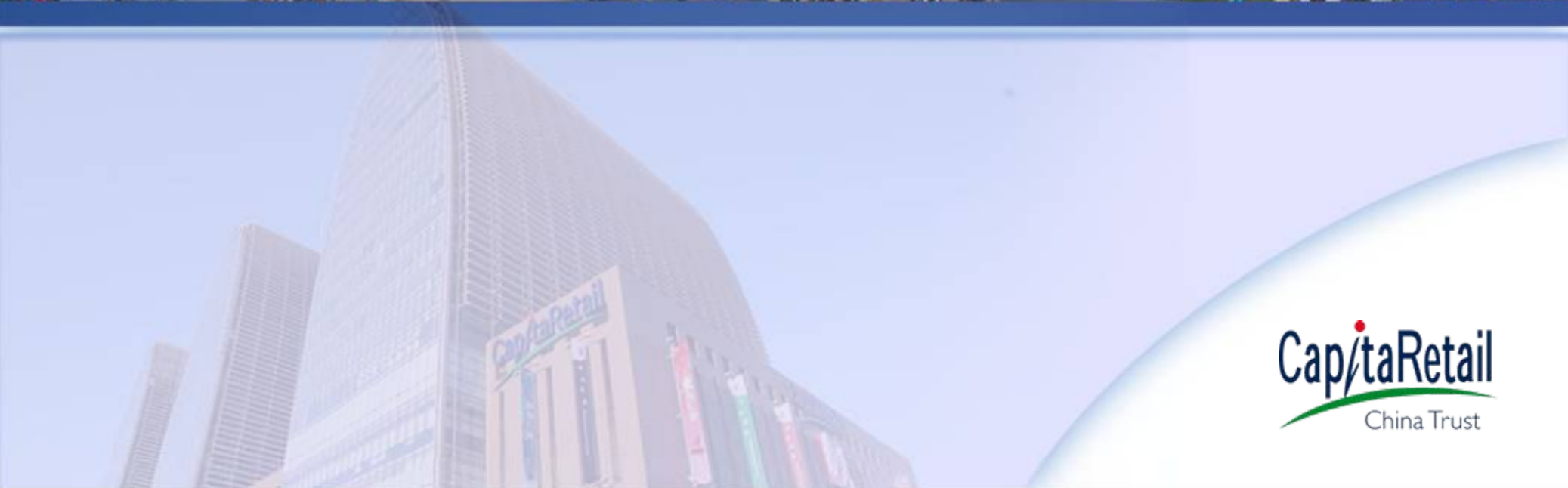
**Units In Issue ('000 units)<sup>1</sup>**  
**(as at 31 Mar 2008)** **617,518**

**Net Asset Value per unit** **S\$1.06**

**Adjusted Net Asset Value per unit**  
**(net of distribution)** **S\$1.05**

1. Include units which will be issued to the Manager as payment for the performance component of the asset management fees for 1Q 2008 (which will be issued in 2Q 2008)

# Portfolio Update



# Occupancy Rates

**Qibao Mall recorded an increase of 4.8% in committed occupancy**

	As at 31 Mar 07 <sup>1</sup>	As at 30 Jun 07 <sup>1</sup>	As at 30 Sep 07 <sup>1</sup>	As at 31 Dec 07 <sup>1</sup>	As at 31 Mar 08 <sup>1</sup>	As at 22 Apr 08 <sup>1</sup>
Wangjing Mall	89.3%	98.3%	99.4%	99.2%	99.4%	99.8%
Jiulong Mall	100%	100%	100%	100%	100%	100%
Anzhen Mall	100%	100%	100%	100%	100%	100%
Qibao Mall	73.9%	78.7%	79.4%	81.1%	80.9%	85.9%
Zhengzhou Mall	100%	100%	100%	100%	100%	100%
Saihan Mall	100%	100%	100%	N.M. <sup>2</sup>	N.M. <sup>2</sup>	N.M. <sup>2</sup>
Xinwu Mall	80.5%	84.2%	96.7%	95.5%	94.5%	94.5%
Xizhimen Mall	N.A. <sup>3</sup>	N.A. <sup>3</sup>	N.A. <sup>3</sup>	N.A. <sup>3</sup>	87.5%	88.0%
CRCT Portfolio <sup>4</sup>	92.1%	94.8%	95.9%	95.6%	94.1%	95.1%

1. Based on committed leases.
2. N.M. – not meaningful as the mall is undergoing extensive asset enhancement works.
3. N.A. – not applicable. Xizhimen Mall was acquired into the portfolio on 5 February 2008.
4. Based on CRCT's 51.0% ownership interest of Xinwu Mall.

# Summary of New Leases & Renewals

As at 31 Mar 2008

Property <sup>1</sup>	No. of new leases/renewals <sup>2</sup>	Net incremental monthly rental vs forecast (RMB '000)	Variance over forecast (%)
Wangjing Mall	17	51.6	35.0
Jiulong Mall	1	10.8	7.0
Qibao Mall	13	9.4	2.6
Xinwu Mall	6 <sup>3</sup>	5.7	16.4
Xizhimen Mall	12	68.3	30.0
<b>CRCT Portfolio</b>	<b>49</b>	<b>145.8<sup>4</sup></b>	<b>15.9<sup>4</sup></b>

A total of 49 new leases/renewals, including 17 new leases at newly created lettable area, were committed since 1 January 2008

1. Anzhen Mall and Zhengzhou Mall are under long-term master lease arrangements, while Saihan Mall is undergoing asset enhancement works.
2. Based on the period from 1 January 2008 to 31 March 2008.
3. Excluding 8 new leases in Xinwu Mall which rents are payable on the base rent plus a percentage of turnover or on a percentage of turnover only.
4. Based on CRCT's 51.0% ownership interest in Xinwu Mall.

# Portfolio Lease Expiry Profile (By Year)

As at 31 Mar 2008

	No. of Leases	Gross Rental Income <sup>1</sup>	
		RMB'000	% of total <sup>2</sup>
2008	179	3,001	6.9%
2009	192	7,122	16.4%
2010	138	7,463	17.2%
2011	31	2,752	6.4%
2012	10	2,097	4.9%
Beyond 2012	44	20,894	48.2%

CRCT Portfolio	Weighted average lease term to expiry
By Gross Rent <sup>1</sup>	8.5 years
By Gross Rentable Area ("GRA") <sup>1</sup>	12.7 years

1. Based on CRCT's 51.0% ownership interest of Xinwu Mall.
2. Percentage of total gross rental income based on committed leases as at 31 March 2008

# Portfolio Lease Expiry Profile for 2008 (By Property)

**As at 31 Mar 2008**

	No. of Leases	Gross Rentable Area <sup>1</sup>		Gross Rental Income <sup>1</sup>	
		sq m	% of total	RMB'000	% of total <sup>2</sup>
Wangjing Mall	50	1,918	2.8%	803	7.7%
Jiulong Mall	0	0	0%	0	0%
Anzhen Mall	0	0	0%	0	0%
Qibao Mall	50	3,347	4.6%	1,367	20.6%
Zhengzhou Mall	0	0	0%	0	0%
Xinwu Mall	33	1,108	4.8%	104	15.0%
Xizhimen Mall	46	1,591	2.2%	727	6.1%

1. Based on CRCT's 51.0% ownership interest of Xinwu Mall.
2. As percentage of total gross rental income for the month of March 2008.



# Shopper Traffic

**Shopper traffic at Qibao Mall improved nearly 40% y-o-y**

Property <sup>1</sup>	Average daily traffic count in 1Q 2007 <sup>2</sup>	Average daily traffic count in 1Q 2008 <sup>3</sup>	% increase (y-o-y)
Wangjing Mall	19,583	21,102	7.8%
Qibao Mall	20,459	27,971	36.7%
Xinwu Mall	32,266	31,208	(3.3)% <sup>4</sup>
Xizhimen Mall	N.A <sup>5</sup>	29,801	N.A <sup>5</sup>

1. Traffic count data is not available for Anzhen Mall, Jiulong Mall, Zhengzhou Mall and Jinyu Mall.
2. For the period from 1 Jan 2007 to 31 Mar 2007.
3. For the period from 1 Jan 2008 to 31 Mar 2008.
4. Shopper traffic at Xinwu Mall dropped slightly y-o-y as a result of unprecedented heavy snowstorms at Wuhu region in end Jan 2008.
5. N.A. – not applicable. Xizhimen Mall was acquired into the portfolio on 5 Feb 2008.

# Tenants' Sales

**Same-store sales<sup>1</sup> grew y-o-y across the malls**

	Average monthly sales per sq m 1Q 2007 <sup>2</sup> (RMB)	Average monthly sales per sq m 1Q 2008 <sup>3</sup> (RMB)	% increase (y-o-y)
<b>Wangjing Mall (Sample size: 83)</b>	<b>1,086.0</b>	<b>1,421.1</b>	<b>30.9%</b>
<b>Qibao Mall (Sample size: 39)</b>	<b>720.7</b>	<b>918.2</b>	<b>27.4%</b>
<b>Xinwu Mall (Sample size: 18)</b>	<b>476.8</b>	<b>723.7</b>	<b>51.8%</b>

1. Includes only tenants with complete GTO information since 1Q 2007.
2. For the period from 1 Jan 2008 to 31 Mar 2008 and calculated using the total Net Lettable Area of the sample size.
3. For the period from 1 Jan 2007 to 31 Mar 2007 and calculated using the total Net Lettable Area of the sample size.



# CapitaRetail

## China Trust

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