

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



30 July 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 Second 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.

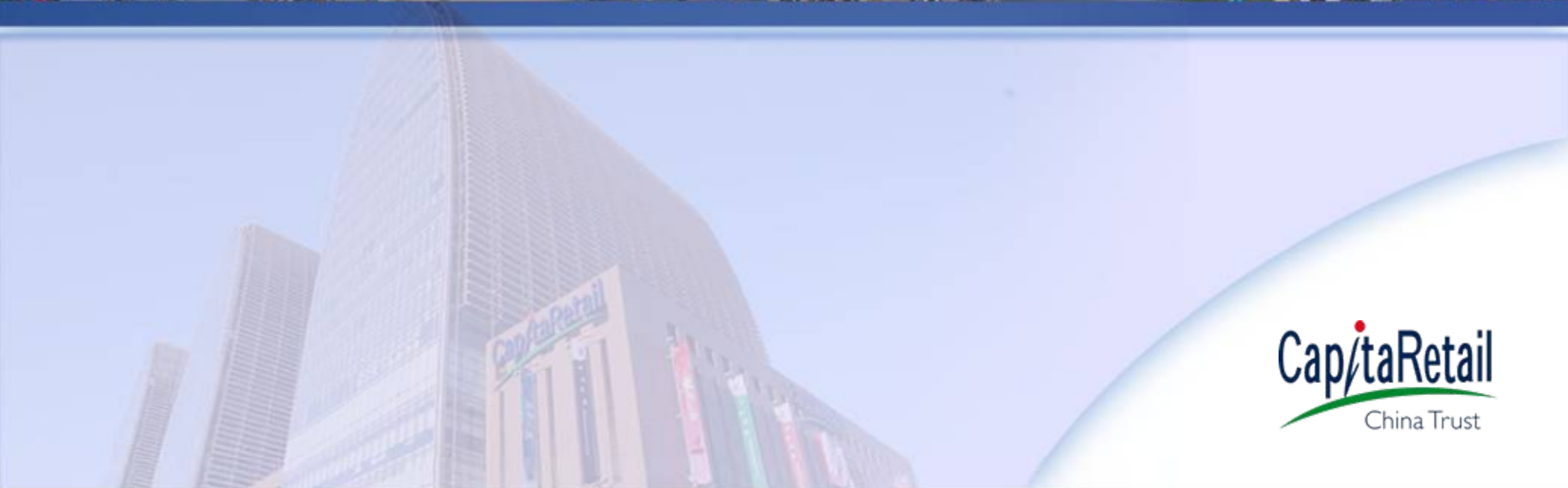


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# Financial Highlights



# Summary of Results

## 2Q 2008 (1 Apr 08 – 30 Jun 08): Distributable Income<sup>1</sup> Exceeds Forecast<sup>2</sup> by 10.4%

	1 Apr 08 – 30 Jun 08			5 Feb 08 – 30 Jun 08 <sup>3</sup>			1H 2008 <sup>4</sup>
	Actual	Forecast <sup>2</sup>	Change (%)	Actual	Forecast <sup>2</sup>	Change (%)	Actual
Gross Revenue (RMB'000)	134,385	134,247	0.1	215,325	214,985	0.2	250,681
Net Property Income (RMB'000)	84,407	84,092	0.4	135,601	134,528	0.8	157,107
Gross Revenue (S\$'000)	26,364	26,582	(0.8)	42,283	42,568	(0.7)	49,275
Net Property Income (S\$'000)	16,559	16,651	(0.5)	26,628	26,637	-	30,880
Distributable Income <sup>1</sup> (S\$'000)	10,542	9,552	10.4	16,833	15,349	9.7	19,335
Distribution Per Unit ("DPU") For the period	1.70¢	1.54¢	10.4	2.72¢	2.48¢	9.7	3.25¢
Annualised	6.87¢	6.22¢	10.4	6.79¢	6.19¢	9.7	6.54¢
Annualised Distribution Yield							
-S\$1.24 per unit (closing as at 30 Jun 2008)	5.54%	5.02%	10.4	5.48%	4.99%	9.7	5.27%
-S\$1.16 per unit (closing as at 29 Jul 2008)	5.92%	5.36%	10.4	5.85%	5.34%	9.7	5.64%

**S\$0.9 million of income available for distribution in 2Q2008 was retained<sup>1</sup>. If CRCT were to distribute 100% of its income, DPU would be 1.84 cents in 2Q 2008, i.e. 19.5% above its forecast<sup>2</sup>**

**CRCT remains committed to distribute 100% of its income available for distribution for FY2008**

1. CRCT remains committed to distribute 100% of its income available for distribution to Unitholders for the full financial year ending 31 December 2008. Significant asset enhancement works is taking place at Saihan Mall and is scheduled to be progressively completed in Second Half 2008. To be prudent, CRCT has retained S\$0.9 million of its Second Quarter 2008 distributable income, so as to help negate the fluctuating income flow in Second Half 2008, thereby providing Unitholders with stable half-yearly distributions in 2008.
2. The forecast is based on the forecast shown in CRCT Offer Information Statement ("OIS") dated 25 January 2008
3. Xizhimen Mall was acquired on 5 February 2008.
4. For the period from 1 January 2008 to 30 June 2008

# Distribution Details

**Distribution Period**

**5 February to 30 June 2008**

**Distribution Per Unit (“DPU”)**

**2.72 cents**

## Distribution Timetable

**Notice of Books Closure Date**

**30 July 2008**

**Last Day of Trading on “cum” Basis**

**5 September 2008, 5.00 pm**

**Ex-Date**

**8 September 2008, 9.00 am**

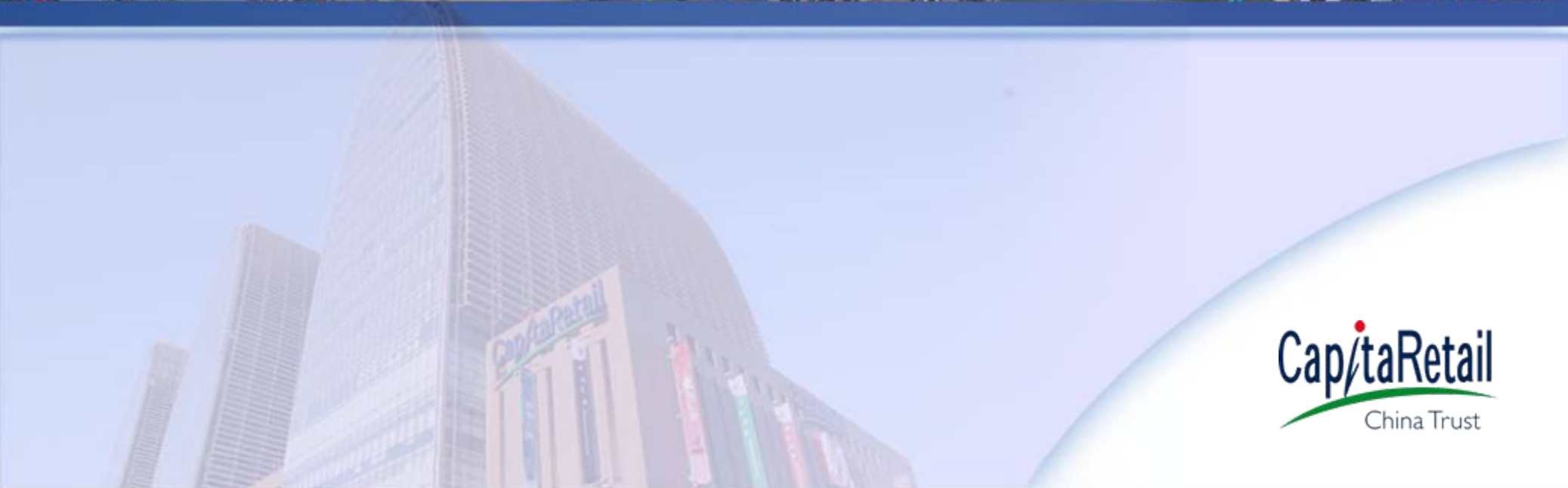
**Book Closure Date**

**10 September 2008**

**Distribution Payment Date**

**25 September 2008**

# Financial Results for 2Q 2008





# Distribution Statement

	1 Apr-30 Jun 08 Actual	1 Apr - 30 Jun 08 Forecast <sup>2</sup>	Variance (%)	1H 2008 <sup>1</sup> Actual
	S\$'000			
Gross Revenue	26,364	26,582	(0.8)	49,275
Less property operating expenses	(9,805)	(9,931)	(1.3)	(18,395)
<b>Net property income</b>	<b>16,559</b>	<b>16,651</b>	<b>(0.5)</b>	<b>30,880</b>
Non-operating income/(expense)	(301)	-	N.M <sup>4</sup>	(500)
Other trust expenses	(2,059)	(2,089)	(1.4)	(3,862)
Net Interest expenses	(1,626)	(3,501)	(53.6)	(3,425)
<b>Net income before change in fair value of fin. Derivatives, inv. ptys &amp; unrealised FX gain</b>	<b>12,573</b>	<b>11,061</b>	<b>13.7</b>	<b>23,093</b>
Changes in fair value of fin. derivatives & inv. ptys	14,283	-	N.M <sup>4</sup>	14,860
Foreign exchange loss - unrealised	1,132	-	N.M <sup>4</sup>	671
<b>Net income before taxation</b>	<b>27,988</b>	<b>11,061</b>	<b>153.0</b>	<b>38,624</b>
Taxation	(7,116)	(1,933)	268.1	(10,483)
Minority Interest	(22)	(90)	(75.6)	(57)
Distribution Adjustment	(10,308)	514	N.M <sup>4</sup>	(8,749)
<b>Distributable Income<sup>3</sup></b>	<b>10,542</b>	<b>9,552</b>	<b>10.4</b>	<b>19,335</b>
<b>Distribution Per Unit (for the period)</b>	<b>1.70¢</b>	<b>1.54¢</b>	<b>10.4</b>	<b>3.25¢</b>
<b>Annualised Distribution Per Unit</b>	<b>6.87¢</b>	<b>6.22¢</b>	<b>10.4</b>	<b>6.54¢</b>

1. For the period from 1 January 2008 to 30 June 2008

2. The forecast is based on the forecast shown in CRCT Offer Information Statement ("OIS") dated 25 January 2008

3. CRCT remains committed to distribute 100% of its income available for distribution to Unitholders for the full financial year ending 31 December 2008. Significant asset enhancement works is taking place at Saihan Mall and is scheduled to be progressively completed in Second Half 2008. To be prudent, CRCT has retained S\$0.9 million of its Second Quarter 2008 distributable income, so as to help negate the fluctuating income flow in Second Half 2008, thereby providing Unitholders with stable half-yearly distributions in 2008.

4. N.M.-not meaningful



# Distributable Income : 2Q 2008

**Distributable Income<sup>1</sup> exceeds forecast<sup>2</sup> by 10.4%**

	2Q 2008 (S\$)		Fav / (Unfav)
	Actual	Forecast <sup>2</sup>	S\$'000
Net Property Income	16,559	16,651	(92)
Distributable Income <sup>1</sup>	10,542	9,552	990

**Distributable Income<sup>1</sup> in 2Q 2008 is favourable at S\$990,000 mainly due to:-**

	S\$'000
Net interest saving	1,875
Retained income available for distribution <sup>1</sup>	(877)

***If CRCT were to distribute 100% of its income, distributable income would be S\$11.4 million in 2Q 2008, i.e. 19.5% above its forecast<sup>2</sup>***

- CRCT remains committed to distribute 100% of its income available for distribution to Unitholders for the full financial year ending 31 December 2008. Significant asset enhancement works is taking place at Saihan Mall and is scheduled to be progressively completed in Second Half 2008. To be prudent, CRCT has retained S\$0.9 million of its Second Quarter 2008 distributable income, so as to help negate the fluctuating income flow in Second Half 2008, thereby providing Unitholders with stable half-yearly distributions in 2008.
- The forecast is based on the forecast shown in CRCT Offer Information Statement ("OIS") dated 25 January 2008

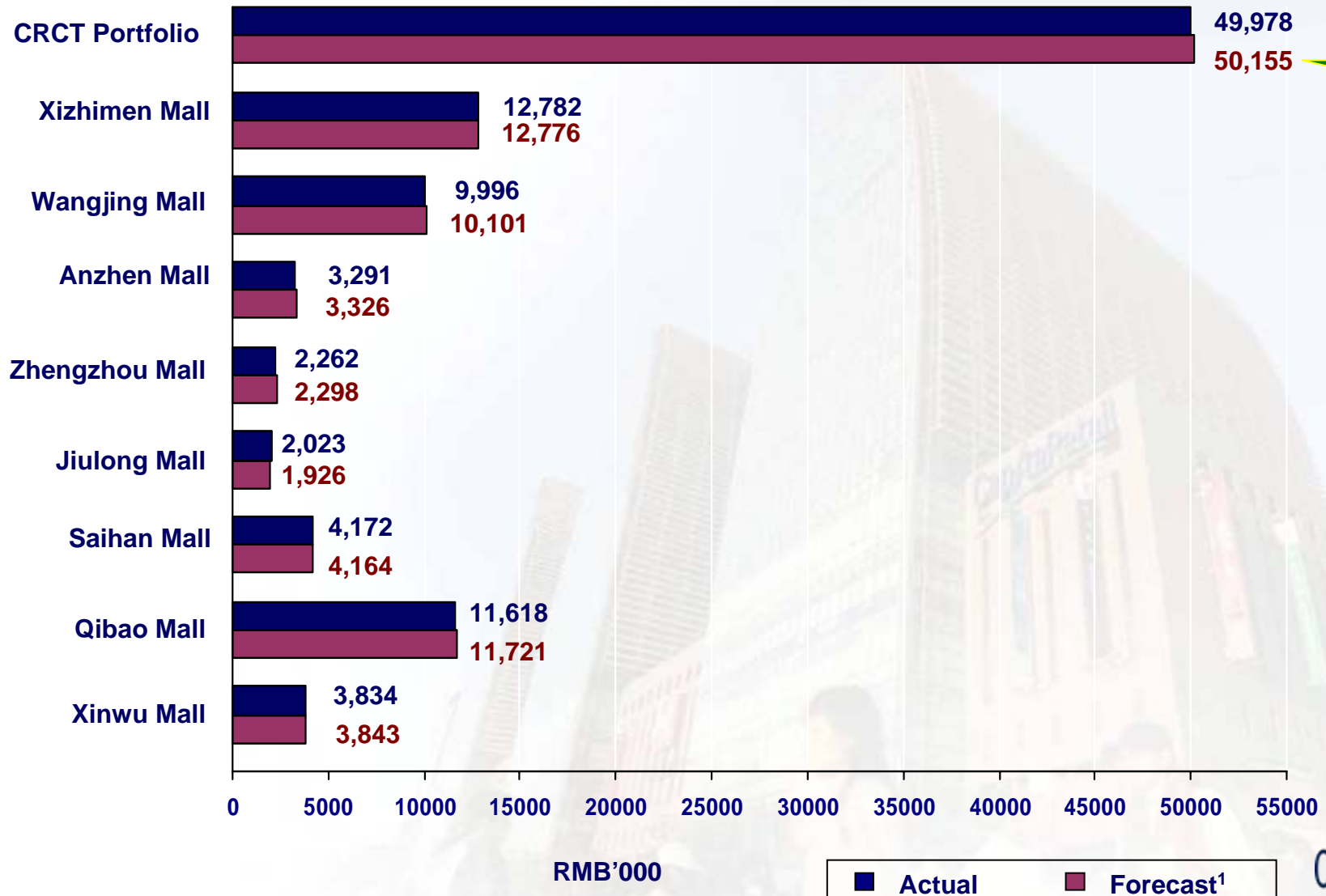
# Property Gross Revenue (in RMB) : 1 Apr - 30 Jun 2008

## - Actual vs Forecast<sup>1</sup>



# Property Operating Expenses (in RMB): 1 Apr - 30 Jun 2008

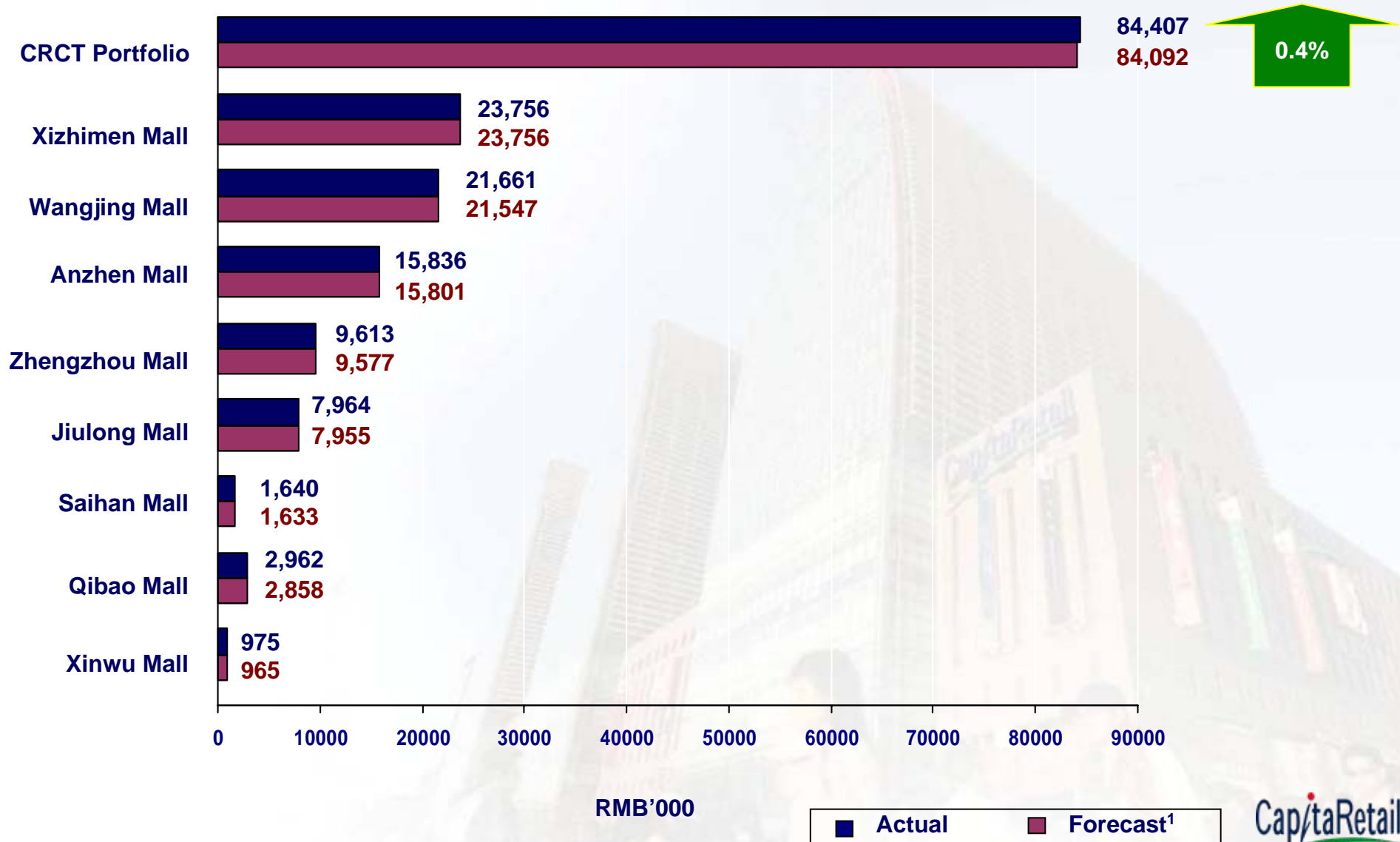
## - Actual vs Forecast<sup>1</sup>



1. The forecast is based on the forecast shown in CRCT Offer Information Statement ("OIS") dated 25 January 2008

# Net Property Income (in RMB) : 1 Apr – 30 Jun 2008

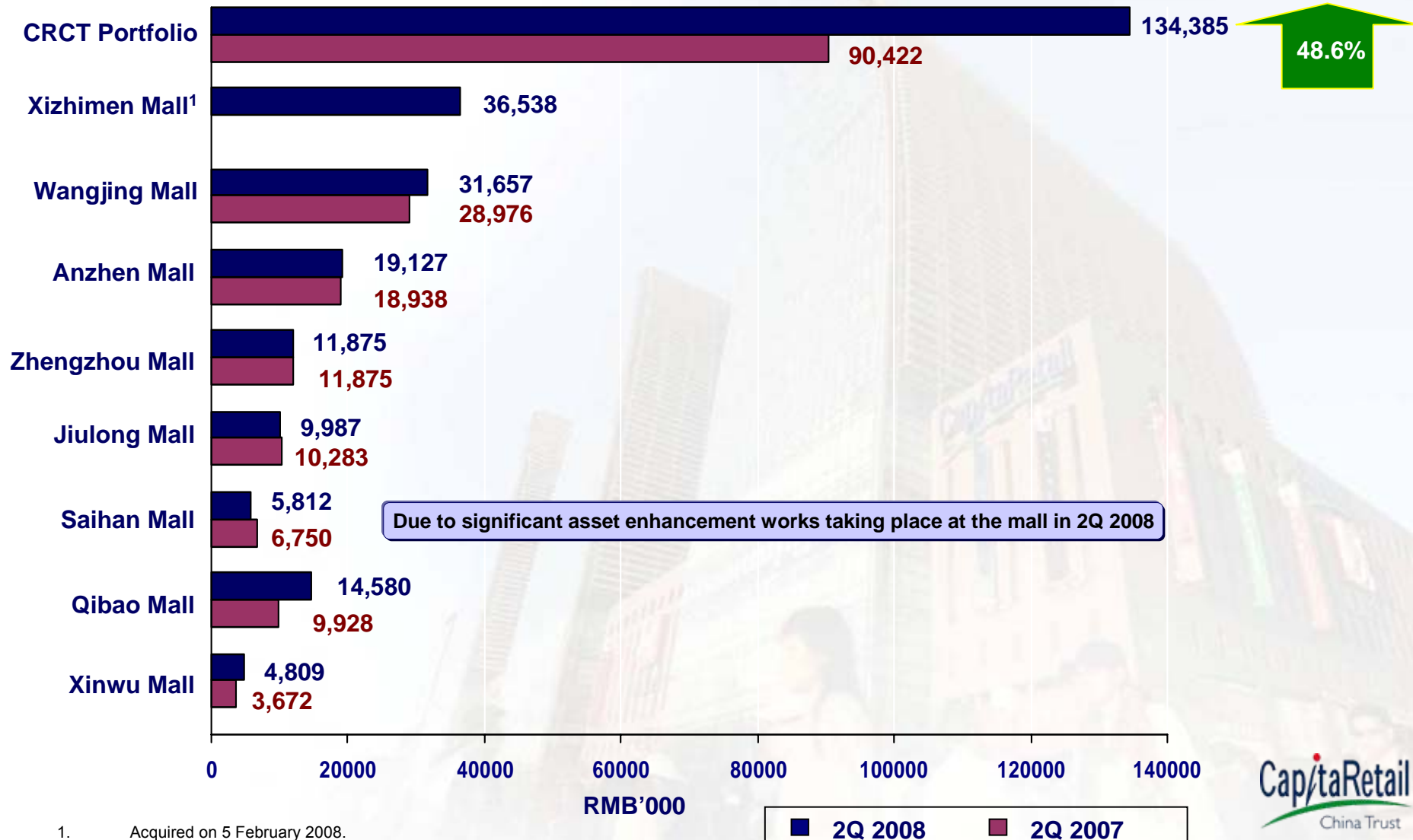
## - Actual vs Forecast<sup>1</sup>



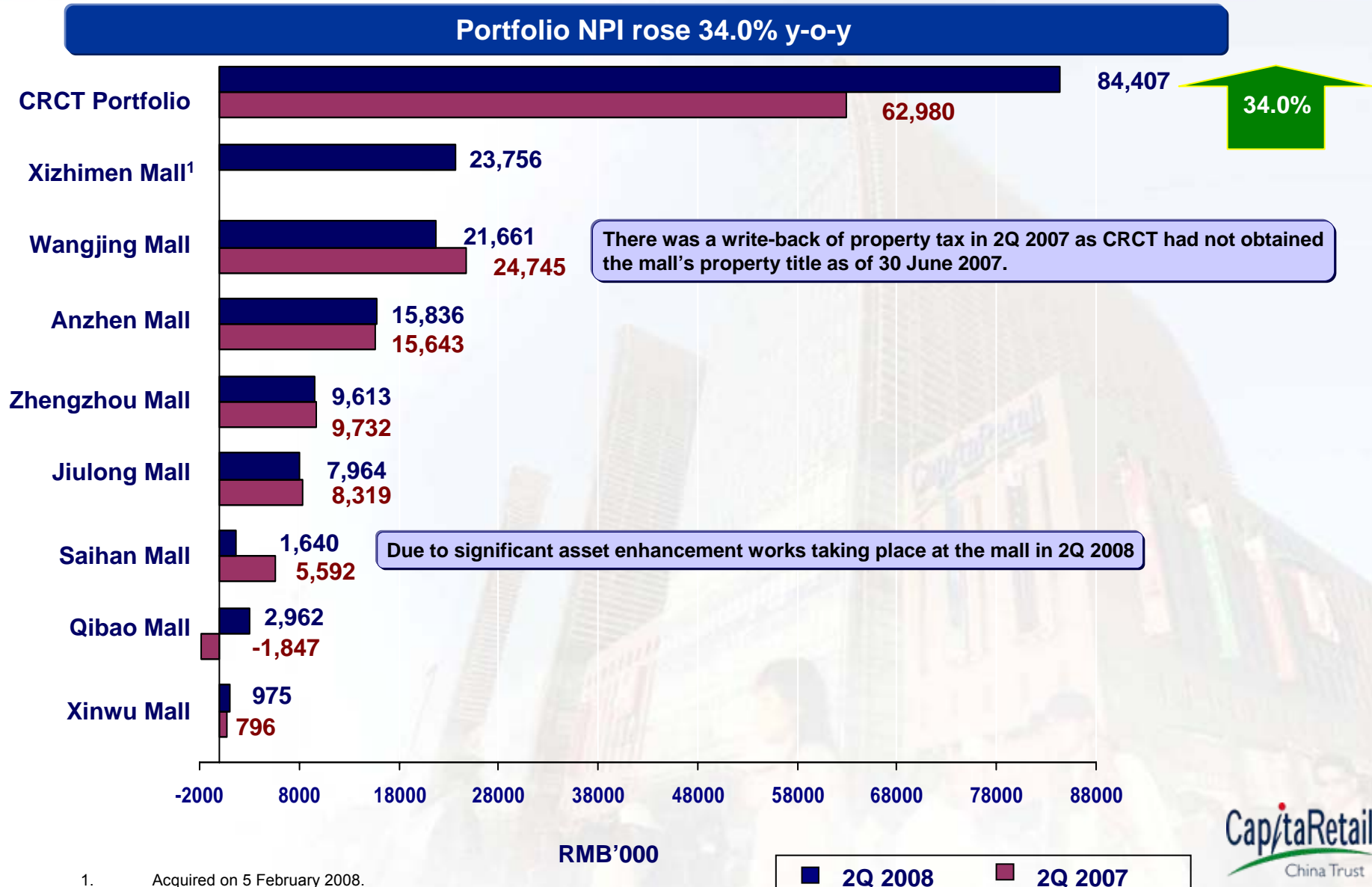


# Property Gross Revenue (in RMB) : 2Q 2008 vs 2Q 2007

Portfolio gross revenue registered robust y-o-y growth of 48.6% largely because of Xizhimen Mall



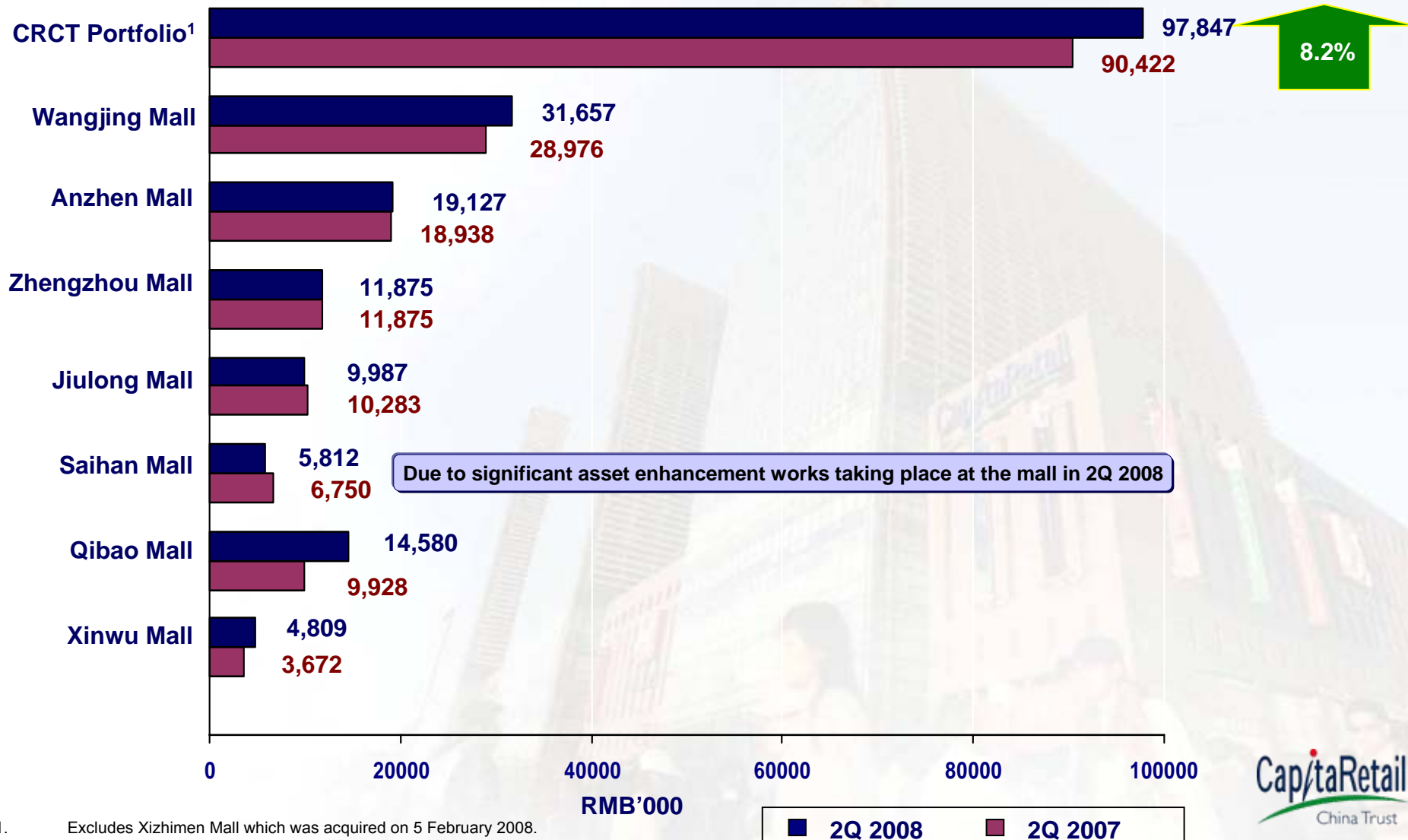
# Net Property Income (in RMB) : 2Q 2008 vs 2Q 2007



# Property Gross Revenue (in RMB) : 2Q 2008 vs 2Q 2007

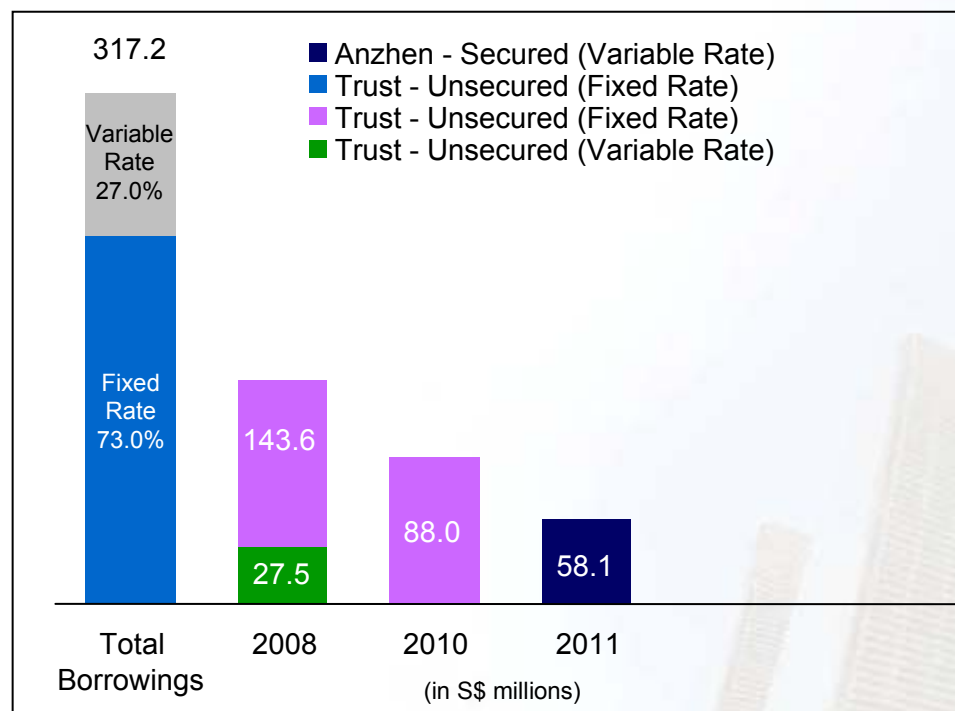
## - Comparable Portfolio <sup>1</sup>

Comparable portfolio<sup>1</sup> gross revenue registered y-o-y growth of 8.2% largely because of occupancy growths at Wangjing Mall, Qibao Mall and Xinwu Mall



# Debt Capital Information (as at 30 Jun 2008)

## Debt Maturity Profile



## Key Statistics of CRCT

Gearing Ratio	30.0%
Interest Cover	6.9 times
Average Cost of Debt	2.5%

## Net Interest Savings for 1 April – 30 June 2008

	S\$'000
Actual interest expense	1,932
Forecast interest expense	3,501
Interest expense saving <sup>1</sup>	1,569
<b>Add:</b>	
Unbudgeted interest income <sup>2</sup>	306
<b>Net interest savings</b>	<b>1,875</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 S\$0.3 million was mainly earned from surplus funds held by the trust.



# Valuation of Portfolio (as of 1 June 2008)

<b>(RMB'000)</b>	<b>Previous Valuation (30 Sep 07)</b>	<b>Current Valuation (1 Jun 08)</b>	<b>Variance (%)</b>	<b>Property Yield<sup>1</sup> (%)</b>
<b>Xizhimen Mall</b>	<b>1,692,000</b>	<b>1,713,000</b>	<b>1.2</b>	<b>5.8<sup>2</sup></b>
<b>Wangjing Mall</b>	<b>1,193,000</b>	<b>1,224,000</b>	<b>2.6</b>	<b>7.0</b>
<b>Anzhen Mall</b>	<b>791,000</b>	<b>839,000</b>	<b>6.1</b>	<b>7.6</b>
<b>Zhengzhou Mall</b>	<b>466,000</b>	<b>520,000</b>	<b>11.6</b>	<b>7.4</b>
<b>Jiulong Mall</b>	<b>432,000</b>	<b>459,000</b>	<b>6.3</b>	<b>7.0</b>
<b>Qibao Mall</b>	<b>320,000</b>	<b>328,000</b>	<b>2.5</b>	<b>4.9<sup>3</sup></b>
<b>Saihan Mall</b>	<b>316,000</b>	<b>320,000</b>	<b>1.3</b>	<b>4.5<sup>4</sup></b>
<b>Xinwu Mall</b>	<b>130,000</b>	<b>132,000</b>	<b>1.5</b>	<b>2.8<sup>5</sup></b>
<b>Total<sup>6</sup></b>	<b>5,340,000</b>	<b>5,535,000</b>	<b>3.7</b>	<b>6.4</b>

1. Based on NPI forecast for the year ending 31 December 2008 as shown in CRCT Offer Information Statement ("OIS") dated 25 January 2008.
2. Adjusted for Xizhimen Mall's annualised NPI since CRCT's acquisition on 5 February 2008.
3. The average occupancy of Qibao Mall for 2008 is forecast to be 91.4% as shown in CRCT OIS.
4. Significant asset enhancement works at Saihan Mall is expected to be progressively completed in 2H 2008.
5. Xinwu Mall is expected to receive base rental only (without turnover rent) and some revenue loss due to reconditioning of tenancy mix.
6. Based on CRCT's 100% ownership interest in Xinwu Mall

# Balance Sheet

**As at 30 Jun 2008**

**S\$'000**

Investment properties	1,090,981
Plant and equipment	3,100
Trade and other receivables	19,903
Cash and cash equivalents	41,548
<b>Total Assets</b>	<b>1,155,532</b>
Trade and other payables	77,505
Security deposits	15,690
Interest-bearing borrowings	317,214
Deferred tax liabilities	26,266
Financial derivatives	21,824
Provision for taxation	1,664
<b>Total Liabilities</b>	<b>460,163</b>
<b>Minority interest</b>	<b>13,698</b>

**Net assets attributable to Unitholders** **681,671**

**Units In Issue ('000 units)<sup>1</sup>**  
**(as at 30 Jun 2008)** **618,026**

**NAV per unit** **S\$1.10**

**Adjusted NAV per unit**  
**(net of distribution)** **S\$1.07**

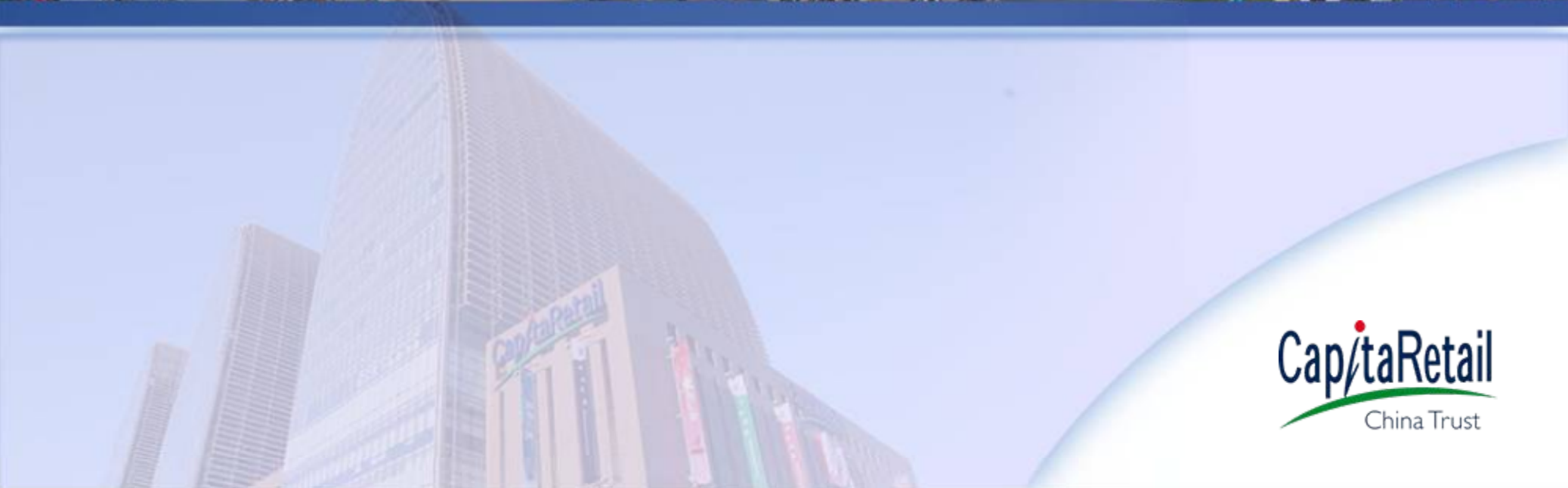
**Closing Price on 29 July 2008** **S\$1.16**

**Premium to NAV per unit** **5.45%**

**Premium to Adjusted NAV per unit** **8.41%**

1. Include units which will be issued to the Manager as payment for the performance component of the asset management fees for 2Q 2008 (which will be issued in 3Q 2008)

# Portfolio Update



# Committed Occupancy Rates

## CRCT Portfolio Committed Occupancy Rate Grew Closer to 100%

	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 30 Jun 08 <sup>1</sup>
Wangjing Mall	98.3%	99.4%	99.2%	99.4%	99.7%
Jiulong Mall	100%	100%	100%	100%	100%
Anzhen Mall	100%	100%	100%	100%	100%
Qibao Mall	78.7%	79.4%	81.1%	80.9%	88.8%
Zhengzhou Mall	100%	100%	100%	100%	100%
Saihan Mall	100%	100%	N.M. <sup>2</sup>	N.M. <sup>2</sup>	N.M. <sup>2</sup>
Xinwu Mall	84.2%	96.7%	95.5%	94.5%	94.1%
Xizhimen Mall	N.A. <sup>3</sup>	N.A. <sup>3</sup>	N.A. <sup>3</sup>	87.5%	96.7%
<b>CRCT Portfolio<sup>4</sup></b>	<b>94.8%</b>	<b>95.9%</b>	<b>95.6%</b>	<b>94.1%</b>	<b>97.1%</b>

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 on 5 February 2008.
4. Based on CRCT's 51.0% ownership interest of Xinwu Mall.



# Summary of New Leases & Renewals

As at 30 Jun 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	35	119.5	35.0
Jiulong Mall	1	10.8	7.0
Qibao Mall	32	375.5	36.1
Xinwu Mall	11 <sup>3</sup>	10.3	17.7
Xizhimen Mall	37	246.2	22.3
<b>CRCT Portfolio</b>	<b>116</b>	<b>762.3<sup>4</sup></b>	<b>28.2<sup>4</sup></b>

**A total of 116 new leases/renewals, including 30 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 significant asset enhancement works.
2. Based on the period from 1 January 2008 to 30 June 2008.
3. Excluding 11 new leases/renewals 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)

**93.8%<sup>1</sup> of our forecast gross rental revenue for 2008 has been locked in**

**As at 30 June 2008**

	No. of Leases <sup>3</sup>	Gross Rental Income <sup>2</sup>	
		RMB'000	% of total <sup>4</sup>
2008	162	2,260	5.0%
2009	214	7,365	16.3%
2010	157	8,307	18.4%
2011	31	2,783	6.2%
2012	11	2,108	4.7%
Beyond 2012	50	22,362	49.5%

CRCT Portfolio	Weighted average lease term to expiry
By Gross Rent <sup>2</sup>	8.1 years
By Gross Rentable Area ("GRA") <sup>2</sup>	12.2 years

1. Based on all committed leases as at 30 June 2008 and assuming the remaining leases due for renewal in 2008 are not renewed and left vacant.
2. Based on CRCT's 51.0% ownership interest of Xinwu Mall
3. Excluded Saihan Mall which is undergoing significant asset enhancement works.
4. Percentage of total gross rental income based on committed leases as at 30 June 2008

# Portfolio Lease Expiry Profile for 2008 (By Property)

**As at 30 June 2008**

	No. of Leases <sup>2</sup>	Gross Rentable Area <sup>1</sup>		Gross Rental Income <sup>1</sup>	
		sq m	% of total	RMB'000	% of total <sup>3</sup>
Wangjing Mall	44	1,763	2.6%	709	6.8%
Jiulong Mall	0	0	0%	0	0%
Anzhen Mall	0	0	0%	0	0%
Qibao Mall	40	2,104	2.9%	753	10.1%
Zhengzhou Mall	0	0	0%	0	0%
Xinwu Mall	32	981	4.2%	95	12.1%
Xizhimen Mall	46	1,578	2.1%	703	5.5%

1. Based on CRCT's 51.0% ownership interest of Xinwu Mall.
2. Excluded Saihan Mall which is undergoing significant asset enhancement works.
3. As percentage of total gross rental income for the month of June 2008.

# Shopper Traffic

Shopper traffic grew steadily year-on-year<sup>1</sup>

Property <sup>2</sup>	Average daily traffic count in 2Q 2007 <sup>3</sup>	Average daily traffic count in 2Q 2008 <sup>4</sup>	% increase (y-o-y)
Wangjing Mall	20,061	21,407	6.7%
Qibao Mall	20,371	21,809	7.1%
Xinwu Mall	26,115	21,672	(17.0)% <sup>1</sup>
Xizhimen Mall	N.A <sup>5</sup>	24,410	N.A <sup>5</sup>

1. Except for Xinwu Mall as a result of hand-foot mouth disease outbreak at Wuhu City in May 2008
2. Traffic count data is not available for Anzhen Mall, Jiulong Mall, Zhengzhou Mall and Saihan Mall.
3. For the period from 1 April 2007 to 30 June 2007.
4. For the period from 1 April 2008 to 30 June 2008.
5. N.A. – not applicable. Xizhimen Mall was acquired on 5 February 2008.



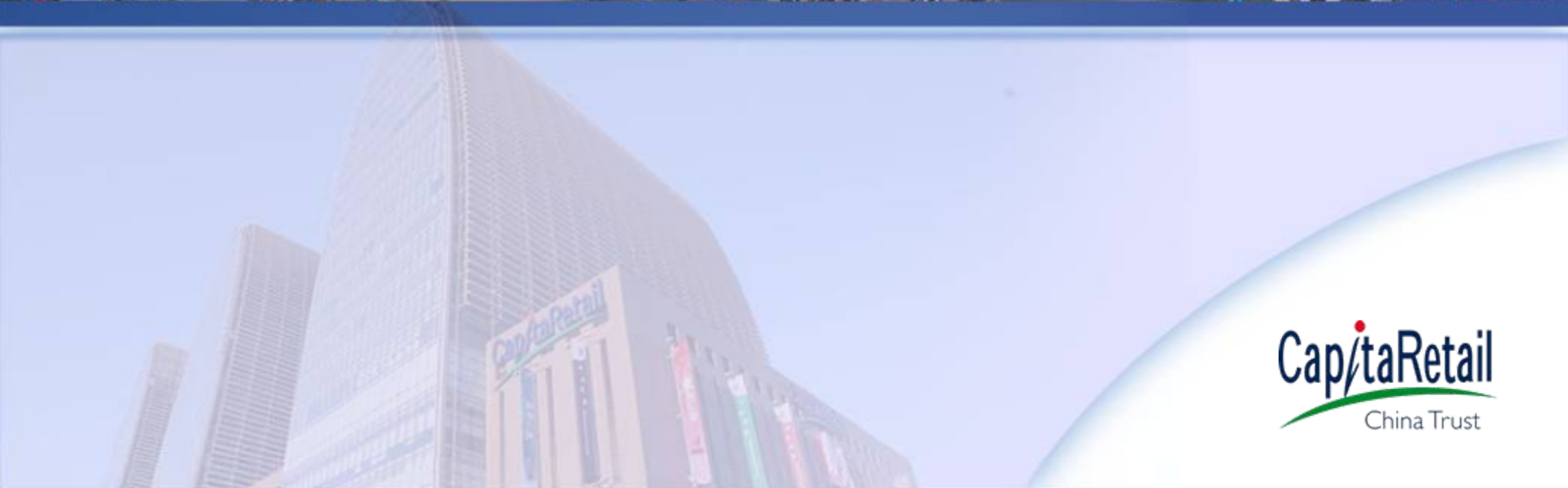
# Tenants' Sales

**Year-on-year same-store sales grew strongly across the malls<sup>1</sup>**

	Average monthly sales per sq m 2Q 2007 <sup>2</sup> (RMB)	Average monthly sales per sq m 2Q 2008 <sup>3</sup> (RMB)	% increase (y-o-y)
<b>Wangjing Mall (Sample size: 59)<sup>1</sup></b>	<b>914.3</b>	<b>1,355.1</b>	<b>48.2%</b>
<b>Qibao Mall (Sample size: 43)<sup>1</sup></b>	<b>618.7</b>	<b>770.1</b>	<b>24.5%</b>
<b>Xinwu Mall (Sample size: 18)<sup>1</sup></b>	<b>247.9</b>	<b>439.2</b>	<b>77.2%</b>

1. Includes only tenants with complete GTO information since 2Q 2007 at Wangjing Mall, Qibao Mall and Xinwu Mall. Xizhimen Mall was excluded from the comparison as it was only acquired on 5 February 2008.
2. For the period from 1 April 2007 to 30 June 2007 and calculated using the total Net Lettable Area of the sample size.
3. For the period from 1 April 2008 to 30 June 2008 and calculated using the total Net Lettable Area of the sample size.

# Asset Enhancement Update



# Saihan Mall

## Summary of Asset Enhancement Works

Transform Saihan Mall into a one-stop family shopping, dining, and entertainment destination - a first of its kind in Huhehaote



*New facade*



*New central atrium*

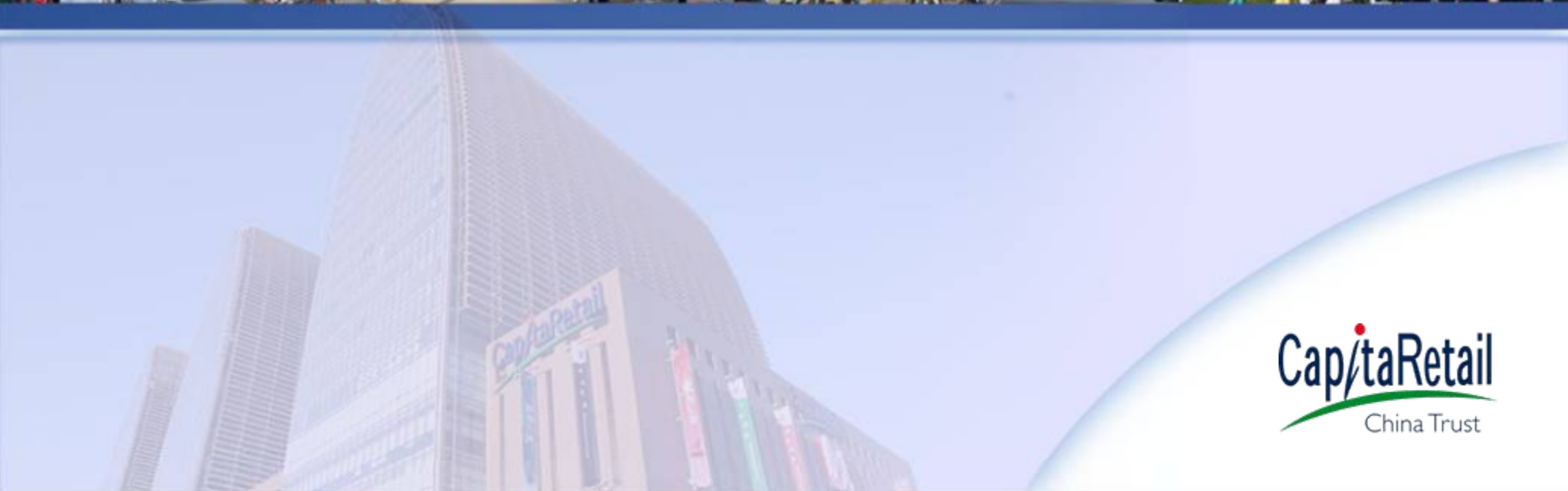
- **L1: Relocate popular fresh goods section of supermarket to L3; Reconfigure and lease recovered prime space to higher-yielding specialty tenants**
- **L2 & L3: Lease recovered department store space to higher-yielding specialty tenants; Relocated supermarket on L3 would help drive shopper traffic and rental values**



- Level 1 to 3
  - Committed occupancy rate of 88.9%
  - New tenants and the to-be-relocated Beijing Hualian Supermarket are carrying out fitting-out works; scheduled for re-opening in Sep 2008
  - The revamped Level 1 (space released by Beijing Hualian Supermarket) to reopen in Dec 2008
- Level 4 and 5
  - To maximise the mall's GRA, the Manager is currently applying for permission from local authorities to add more lettable area on Level 4 and Level 5
- To be prudent, the Manager has retained S\$0.9 million of 2Q 2008 distributable income, so as to help negate the fluctuating income flow in 2H 2008<sup>1</sup>

1. CRCT remains committed to distribute 100% of its income available for distribution to Unitholders for the full financial year ending 31 December 2008. Significant asset enhancement works is taking place at Saihan Mall and is scheduled to be progressively completed in Second Half 2008. To be prudent, CRCT has retained S\$0.9 million of its Second Quarter 2008 distributable income, so as to help negate the fluctuating income flow in Second Half 2008, thereby providing Unitholders with stable half-yearly distributions in 2008.

# Inflation in China





# Cushioned against inflationary pressures

- Despite China's inflation rate being estimated to reach 6.5%<sup>1</sup> in 2008, the Manager is confident of keeping operating expenses within its 2008 forecast<sup>2</sup>
  - Non-subsidised electricity tariffs are not very much affected by the reduced subsidy for petrol prices in end June 2008 (see Table 1)
  - Other operations, e.g. maintenance, are under contracts. Thus, their expenses are capped for the rest of the year

Table 1: Comparison of electricity tariffs and petrol prices between Beijing and Singapore

	<i>Beijing (Before July 2008)</i>	<i>Beijing (July 2008)</i>	<i>Singapore (July 2008)</i>
<b>Electricity Tariffs (Peak hours)</b>	S\$0.1901 KWH	S\$0.2005 KWH	S\$0.2281KWH
<b>Petrol Prices</b>	S\$1.05 per litre (Unleaded 93)	S\$1.20 per litre (Unleaded 93)	S\$2.10 per litre (Unleaded 92)

1. Source: Economic Intelligence Unit (EIU)  
 2. The forecast is based on the forecast shown in CRCT Offer Information Statement ("OIS") dated 25 January 2008

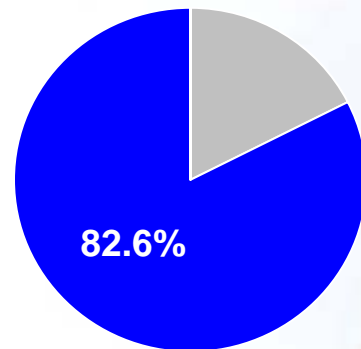


# Cushioned against inflationary pressures

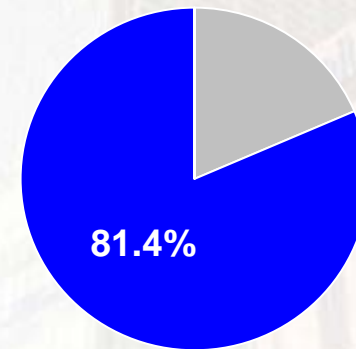
- Potential rental upside from turnover rent provisions is also expected to help cushion against inflationary pressures

## High percentage of committed leases<sup>1</sup> with turnover rent provisions

By total Gross Rentable Area



By number of leases



■ % of Committed Leases with Turnover Rents<sup>1</sup>



# CapitaRetail

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