

23 October 2007

For Immediate Release

## CRCT's Third Quarter 2007 Distribution Exceeds Forecast<sup>1</sup> by 9.0%<sup>2</sup>

*Achieved close to 100% occupancy rates at Wangjing Mall and Xinwu Mall*

**Singapore, 23 October 2007** – CapitaRetail China Trust Management Limited (“CRCTML” or the “Manager”), the manager of CapitaRetail China Trust (“CRCT”), is pleased to announce a S\$8.2 million income available for distribution<sup>3</sup> to unitholders of CRCT (“Unitholders”) for Third Quarter 2007<sup>4</sup>. This is an increase of S\$0.7 million or 9.0%<sup>2</sup> over the forecast<sup>1</sup> income available for distribution<sup>3</sup> of S\$7.5 million for Third Quarter 2007<sup>4</sup>.

Distribution Per Unit in CRCT (“DPU”) for Third Quarter 2007<sup>4</sup> is 1.71 cents (6.80 cents on an annualised basis), which is 9.0%<sup>2</sup> higher than the forecast<sup>1</sup> DPU of 1.57 cents (6.24 cents on an annualised basis) for the same period.

Mr Lim Beng Chee, Chief Executive Officer of CRCTML, said, “CRCT has outperformed our forecast to deliver 1.71 cents to unitholders<sup>3</sup> for Third Quarter 2007<sup>4</sup>. Our continuous diligence in pro-actively managing our malls has been the driver for the robust growth in occupancy rates and increased shopper traffic across the portfolio. Going forward, we expect the overall net property income of the portfolio to improve significantly. CRCT’s portfolio size is also set to grow from S\$805.7 million<sup>5</sup> to S\$1.20 billion<sup>6</sup> with the recently announced proposed yield accretive acquisition of Xizhimen Mall in Beijing. The acquisition of this prime mall is expected to raise CRCT’s future DPU to above the current quarter’s annualised DPU of 6.80 cents, further driving long term growth prospects for unitholders. We look forward to unitholders’ support for the proposed acquisition of Xizhimen Mall at the forthcoming extraordinary general meeting.”

**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**

<sup>1</sup> Based on the forecast shown in CRCT Prospectus dated 29 November 2006 (“the Prospectus”)

<sup>2</sup> Actual annualised Distribution Per Unit for the period from 1 July 2007 to 30 September 2007 versus the forecast annualised Distribution Per Unit for the same period

<sup>3</sup> After the first distribution payment which was paid on 24 September 2007 and as disclosed in the Prospectus, subsequent distribution will be paid on a semi-annual basis for the six-month periods ending 30 June and 31 December of each year within 90 days after each of the said dates

<sup>4</sup> For the period from 1 July 2007 to 30 September 2007

<sup>5</sup> Based on CRCT’s existing portfolio of seven properties as at 30 September 2007

<sup>6</sup> After taking into account the proposed acquisition of Xizhimen Mall

## Summary of CRCT Results

(1 July 2007 to 30 September 2007)

	1 Jul to 30 Sept 2007			1 Jan to 30 Sept 2007			YTD 2007 <sup>7</sup>
	Actual S\$'000	Forecast <sup>1</sup> S\$'000	Change %	Actual S\$'000	Forecast <sup>1</sup> S\$'000	Change %	Actual S\$'000
Gross Revenue	19,013	19,961	(4.7)	53,935	57,426	(6.1)	60,275
Net Property Income	11,740	12,644	(9.2)	34,866	37,305	(6.5)	37,287
Income Available for Distribution <sup>3</sup>	8,156	7,484	9.0	23,405	21,397	9.4	23,702
<b>Distribution Per Unit</b>							
For the period	1.71¢	1.57¢	9.0	4.92¢	4.50¢	9.4	4.98¢
<b>Annualised</b>	<b>6.80¢</b>	<b>6.24¢</b>	<b>9.0</b>	<b>6.58¢</b>	<b>6.01¢</b>	<b>9.4</b>	<b>N.M.</b>
<b>Distribution Yield</b>							
- S\$1.13 per unit (CRCT's IPO Price )	6.02%	5.52%	9.0	5.82%	5.32%	9.4	N.M.
- S\$2.80 per unit (closing as at 30 Sep 2007)	2.43%	2.23%	9.0	2.35%	2.15%	9.4	N.M.
- S\$2.74 per unit (closing as at 22 Oct 2007)	2.48%	2.28%	9.0	2.40%	2.20%	9.4	N.M.

N.M. – not meaningful

## CRCT Portfolio Update

CRCT's portfolio occupancy rate edged higher from 94.9% in Second Quarter 2007<sup>8</sup> to 95.9% in Third Quarter 2007<sup>4</sup>. Wangjing Mall and Xinwu Mall are now registering close to 100% occupancy rates, at 99.4% and 96.7% respectively, as at 30 September 2007. CRCT malls are also providing shoppers with a wider and more exciting product range with new tenants such as Babeila Café (巴贝拉), 2C Shoes, Aisibao Accessories (爱斯宝) and Xiaodouhao Books (小逗号图书) at Wangjing Mall, Haoshibao Fitness Club (豪仕堡健身会所), Boda Internet Café (博大网络), Bindwood Apparel (彬伊奴), Kaini Fashion (凯尼服饰), Kuodun Jeans (阔顿牛仔) and Wanzhuang Cosmetics (宛妆) at Xinwu Mall, as well as Simba Toys (仙宝具王国), Vision Hair Salon (视觉) and Honeymoon Dessert Shop (满记甜品) at Qibao Mall.

The average daily shopper traffic across CRCT's portfolio has also grown steadily. At Qibao Mall, average daily shopper traffic grew a whopping 144%<sup>9</sup> year-on-year, whilst Xinwu Mall and Wangjing Mall registered an increase of approximately 61%<sup>9</sup> and 24%<sup>9</sup> year-on-year respectively.

<sup>7</sup> Year-To-Date 2007 includes private trust period from 23 October 2006 to 7 December 2006 and public trust period from the date of listing on 8 December 2006 ("Listing Date") to 30 September 2007

<sup>8</sup> For the period from 1 April 2007 to 30 June 2007

<sup>9</sup> Average daily shopper traffic in Third Quarter 2007 versus average daily shopper traffic in Third Quarter 2006

## **Increase in Portfolio Valuation**

CB Richard Ellis (Pte) Ltd, an independent valuer, was commissioned to update the valuation of the CRCT portfolio<sup>10</sup>. As at 30 September 2007, CRCT's portfolio valuation is RMB3,648.0 million (S\$734.6 million<sup>11</sup>), which is an increase of RMB197.0 million (S\$39.4 million<sup>11</sup>) or 5.7% from RMB3,451.0 million (S\$688.9 million<sup>11</sup>) as at 30 September 2006. Consequently, CRCT's adjusted net asset value per unit also increased from S\$0.99 as at 30 June 2007 to S\$1.02 as at 30 September 2007.

## **Proposed Acquisition of Xizhimen Mall, Beijing**

CRCTML announced on 18 October 2007 that CRCT has entered into a conditional sale and purchase agreement to acquire Xizhimen Mall, with a Gross Rentable Area of 73, 857 square metres (sq m), from CapitaRetail China Incubator Fund. The agreed property purchase price is S\$336.0 million, which translates into an estimated net property income yield of 5.7%<sup>12</sup> and 6.4%<sup>13</sup> in 2008 and 2009 respectively. The transaction would mark CRCT's first acquisition since its listing on 8 December 2006.

Located in Xizhimen in Xicheng district, Beijing, Xizhimen Mall is part of Xihuan Plaza, a contemporary, iconic development located just outside the boundary of Beijing's west second ring, bound by two major roads, Xizhimenwai Dajie and Gaoliangqiao Lu.

Xizhimen is one of only two inter-modal, multi-level public transportation hubs in Beijing (the other transport hub is at Dongzhimen). Xizhimen transportation hub is served by the existing Beijing Mass Rapid Transit ("MRT") Line 2, Light Rail Transit ("LRT") Line 13, the National Railway, and an upcoming MRT line 4. A new bus interchange will also be built at the hub, across from Xizhimen Mall. It is estimated that the average daily commuter traffic at the hub is 300,000 on weekdays and doubles to 600,000 on weekends.

Xizhimen Mall is thus 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 commenced operations on 15 September 2007 and was officially opened by Singapore's Deputy Prime Minister and Minister of Home Affairs, Mr Wong Kan Seng, and Vice Mayor of Beijing, Mr Chen Gang, on 13 October 2007. A significant portion of the mall's tenancies comprises prominent international and domestic retailers such as KFC, Pizza Hut, McDonald's, BreadTalk, Esprit,

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<sup>10</sup> Comprising Wangjing Mall, Jiulong Mall, Anzhen Mall, Qibao Mall, Zhengzhou Mall, Jinyu Mall and Xinwu Mall

<sup>11</sup> Exchange rate: S\$1 = RMB4.965

<sup>12</sup> Based on an average occupancy rate of 88.7%

<sup>13</sup> Assuming a 100% occupancy rate

Sephora, Beijing Hualian Supermarket, Sport 100, Vero Moda, Jack & Jones etc. The large diversified tenant base and excellent mall layout create a unique and vibrant shopping experience unrivalled by other malls in the vicinity.

The proposed acquisition and financing mechanism are subject to a number of conditions being met, including approval from Unitholders at an extraordinary general meeting (“EGM”), and CRCT securing sufficient financing to undertake the acquisition. The Manager is currently reviewing various financing options, including any equity fund raising (“EFR”) and additional borrowings. Subject to factors such as general market, domestic and international economic conditions, the Manager intends to raise up to S\$280.0 million from a proposed EFR to partly finance the acquisition. Once the details have been finalised, the financing plan would be announced and set out in a circular to Unitholders which would be issued together with a notice of the EGM.

#### **Xizhimen Mall Property Details (as at 31 August 2007)**

<b>Name of Property</b>	Xizhimen Mall 嘉茂购物中心 • 西直门
<b>Address</b>	No. 1 Xizhimenwai Dajie, Xicheng District, Beijing 北京市西城区西直门外大街 1 号
<b>Year of completion</b>	Year 2005, with refurbishments in Year 2006 and Year 2007
<b>Gross Rentable Area</b>	73,857 sq m
<b>Number of Leases</b>	165 <sup>(1)</sup>
<b>Car Park Lots</b>	365 lots <sup>(2)</sup>
<b>Title</b>	Year 2054 (overall integrated use) Year 2044 (retail use)
<b>Appraised Value (as at 30 September 2007)</b>	S\$338.4 million (RMB 1,692.0 million <sup>(3)</sup> ) by Colliers International (HK) Ltd S\$340.0 million (RMB 1,700.0 million <sup>(3)</sup> ) by Knight Frank Petty Limited
<b>Key Tenants</b>	KFC, Pizza Hut, McDonald’s, BreadTalk, Esprit, Sephora, Beijing Hualian Supermarket, Sport 100, Vero Moda, Jack & Jones
<b>Committed Occupancy Rate</b>	82.1% <sup>(4)</sup>

Notes:

1. Based on committed leases. There were 190 brands in the mall as at 11 October 2007
2. Represents the number of car parks available for use by shoppers. These are a part of Xihuan Plaza and not part of the proposed acquisition
3. Exchange rate: S\$1 = RMB5.000
4. Committed occupancy rate has risen to 87.1% as at 11 October 2007

## **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 China, Hong Kong and Macau.

The current portfolio of seven retail mall properties, valued at approximately S\$734.6 million, is located in key cities of China. The properties are Wangjing Mall, Jiulong Mall and Anzhen Mall in Beijing, Qibao Mall in Shanghai, Zhengzhou Mall in Zhengzhou, Jinyu Mall in Huhehaote, and Xinwu Mall in Wuhu. The properties 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.

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

### **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**

(Company Registration No. 200611176D)

***Analyst / Investor Contact***

Ms Shirlene SIM

DID: (65) 6826 5543

HP : (65) 9798 7225

Email: [shirlene.sim@capitaland.com.sg](mailto:shirlene.sim@capitaland.com.sg)

***Media Contact***

Ms TONG Ka-Pin

DID: (65) 6826 5856

HP : (65) 9862 2435

Email: [tong.ka-pin@capitaland.com.sg](mailto:tong.ka-pin@capitaland.com.sg)