



For immediate release
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NEWS RELEASE

CRCT to acquire Grand Canyon Mall in Beijing

- ***CRCT exercises its right of first refusal for an income-producing mall awarded to CapitaMalls Asia***
- ***Mall serves population catchment of 650,000 within a 5-kilometre radius***
- ***CRCT's 10th mall in China and 5th in Beijing***

Singapore, 15 July 2013 – CapitaRetail China Trust Management Limited ("CRCTML"), the manager of CapitaRetail China Trust ("CRCT"), is pleased to announce today that HSBC Institutional Trust Services (Singapore) Limited, the trustee of CRCT, has entered into a conditional call option agreement with CapitaMalls Asia Limited ("CMA", SGX: JS8 and HKEx: 6813) to acquire Grand Canyon Mall (首地大峡谷购物中心) in Beijing. The mall was awarded to CMA through a tender at a price of RMB1.74 billion (S\$356.6 million).

This follows CRCT exercising its right of first refusal under an existing agreement¹, to acquire completed shopping malls located in China which are identified and targeted for acquisition by CMA or its subsidiaries. CRCT's proposed acquisition is conditional upon obtaining the Chinese government's approval and the requisite financing.

Including acquisition-related expenses², the total investment cost for the mall is expected to be about RMB1.82 billion (S\$373.0 million), or about RMB26,000 (S\$5,329) per square metre ("sq m") based on total gross floor area ("GFA"), excluding car park. The mall has been valued at RMB1.83 billion (S\$375.1 million) as at 15 April 2013 by CBRE Pte. Ltd., an independent property valuer appointed by CRCTML and the CRCT trustee.

Based on the purchase price, the mall currently has an annualised net property income (NPI) yield of about 3.5%³. The committed occupancy rate, which registered 92.7% as of April 2013, is expected to reach close to 100.0% next year. Leases accounting for about 27.0% of the

¹ The agreement was signed in November 2006 ahead of the listing of CRCT in December 2006.

² Excluding 1% acquisition fee payable.

³ Computed by dividing the property's annualised NPI (based on Grand Canyon Mall's unaudited accounts from January to April 2013) by the purchase price.

mall's monthly gross rent are expiring between this month and end of the year. These leases present significant scope for improvement in rental income when their average rent, currently over 90.0% lower than the market rate, is adjusted in line with the prevailing market rate. In addition, leases accounting for another 25.0% of the mall's monthly gross rent will be expiring in 2014 and 2015. The proposed acquisition of Grand Canyon Mall is thus expected to be yield-accretive once the acquisition is completed. The target NPI yield⁴ is about 7.0% to 8.0% in the longer term.

Grand Canyon Mall is an operating mall strategically located along the South Third Ring West Road in Fengtai District (丰台区), which has a population of about 2.2 million and is one of six core districts in Beijing. Located in the south of the city, it is an up-and-coming region identified for accelerated economic growth by the Beijing government. In 2012, Fengtai District's urban disposable income per capita⁵ grew 11.5% year-on-year to about RMB34,200 (S\$7,010), ranking it the highest among the six districts. Total retail sales⁵ also increased 11.7% to reach about RMB83.0 billion (S\$17.0 billion) in 2012.

Under the Second South Beijing Three-Year Plan⁶ from 2013 to 2015, Fengtai District is set to benefit from a RMB130.0 billion (S\$26.6 billion) investment programme to further upgrade its industries and infrastructure. Under the plan, the Lize Business Centre, which is located 3 kilometres from Grand Canyon Mall, will be developed into Beijing's second major financial and business district. Such developments are expected to raise Fengtai District's overall attractiveness for business and living, and boost its retail growth prospects.

Open since August 2010, Grand Canyon Mall is easily accessible by public transport and is a mere 5-minute walk from the Majiapu (马家堡) subway station on Line 4, the main subway line linking Beijing's northern and southern areas. Line 4 is connected to Zhongguancun Technology Park, as well as Beijing's major retail belts and attractions, including Xidan Shopping Belt; CapitaMall Xizhimen⁷, which is operational; and CapitaMall Tiangongyuan⁸, which is currently under development in Beijing's southern Daxing District and near the city's upcoming second international airport. Just one stop away from Majiapu subway station on Line 4 is the Beijing South Railway Station, a major passenger railway station which serves as the terminal for high-speed trains to and from other major cities such as Shanghai, Tianjin and Qingdao. Grand Canyon Mall is also served by more than 40 bus services across four major bus stops close by.

Currently in its third year of operations, Grand Canyon Mall has established its presence among retailers and shoppers, and enjoys an average monthly footfall of more than 1 million.

⁴ This does not amount to a forecast and there is no assurance that this NPI yield will be achieved.

⁵ Source: Fengtai Statistical Bureau.

⁶ The Second South Beijing Three-Year Plan is a continuation of the First South Beijing Three-Year Plan carried out between 2010 to 2012 by the Beijing Municipal Commission of Development and Reform.

⁷ Owned by CRCT and managed by CMA.

⁸ Owned by CMA.

Positioned as a one-stop shopping mall catering to necessity shopping needs, it is the leading mall in the area, which is populated with traditional departmental stores and hypermarkets. The mall serves an immediate catchment of more than 55,000 residents and office workers within a 10-minute walking distance. Within a 5-kilometre radius, its reach extends to more than 650,000 people.

Grand Canyon Mall has a total GFA, excluding car park, of about 70,000 sq m, with 403 car park spaces. A multi-tenanted mall, it houses popular international and local brands such as Carrefour, Poly Cinema, H&M, Gap, Sephora and Watsons.

Mr Tony Tan, CEO of CRCTML, said, "Grand Canyon Mall will be a good fit with CRCT's portfolio which currently has nine malls in China, including four in Beijing – CapitaMall Xizhimen, CapitaMall Wangjing, CapitaMall Anzhen and CapitaMall Shuangjing. The proposed acquisition will further strengthen our market share in Beijing. It is also in line with our strategy to expand our portfolio of quality income-producing shopping malls with long-term growth potential."

"Grand Canyon Mall is a quality income-producing asset with strong growth potential. Leases accounting for about 52.0% of the mall's monthly gross rent will be expiring from July 2013 to 2015, of which more than half are expiring between this month and end of the year. The proposed acquisition by CRCT is thus timely, as it offers us a good entry window to take advantage of the upcoming lease renewals. We also see opportunities to enhance the mall's rental revenue through optimising the floor layout and retail offerings, as well as refreshing the tenancy mix. With our proven track record in proactive asset and retail management, we are confident that we can further maximise the potential of the mall, and extract value for our unitholders."

CRCT intends to leverage on its strong balance sheet to fund its acquisition of Grand Canyon Mall using its existing cash and new debt amounting to between RMB1.4 billion (S\$286.9 million) and RMB1.6 billion (S\$327.9 million), with the balance from new equity financing. The transaction is estimated to be completed by the second quarter of 2014.

Summary of Grand Canyon Mall in Fengtai District, Beijing

Address	16, South Third Ring West Road, Fengtai District, Beijing
Description	A six-storey shopping mall with two basement car park levels
Opening date	August 2010
Site area (approximate)	16,500 sq m
GFA (excluding car park, approximate)	70,000 sq m
Net lettable area (approximate)	43,700 sq m
Number of car park spaces	403
Number of leases (as of April 2013)	163
Occupancy (as of April 2013)	92.7%
Key tenants	Carrefour, Poly Cinema, H&M, Gap, Sephora, Watsons
Land use expiry	August 2044

About CapitaRetail China Trust (www.capitaretailchina.com)

CRCT is the first and only China shopping mall Real Estate Investment Trust (REIT) in Singapore, with a portfolio of nine income-producing shopping malls. Listed on the Singapore Exchange Securities Trading Limited on 8 December 2006, 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 geographically diversified portfolio of quality shopping malls is located in six of China's cities. The properties are CapitaMall Xizhimen, CapitaMall Wangjing, CapitaMall Shuangjing and CapitaMall Anzhen in Beijing; CapitaMall Qibao in Shanghai; CapitaMall Erqi in Zhengzhou, Henan Province; CapitaMall Saihan in Huhhot, Inner Mongolia; CapitaMall Wuhu in Wuhu, Anhui Province; and CapitaMall Minzhongleyuan in Wuhan, Hubei Province. As at 31 March 2013, the total asset size of CRCT is approximately S\$1.6 billion.

All the malls in the portfolio are 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 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 Vero Moda, ZARA, Sephora, UNIQLO, Watsons, KFC, Pizza Hut and BreadTalk.

CRCT is managed by an external manager, CRCTML, which is an indirect wholly-owned subsidiary of CapitaMalls Asia Limited, one of Asia's largest listed shopping mall developers, owners and managers.

About CapitaMalls Asia (www.capitamallsasia.com)

CapitaMalls Asia Limited is one of the largest listed shopping mall developers, owners and managers in Asia by total property value of assets and geographic reach. CapitaMalls Asia has an integrated shopping mall business model encompassing retail real estate investment, development, mall operations, asset management and fund management capabilities. It has interests in and manages a pan-Asian portfolio of 103 shopping malls across 52 cities in the five countries of Singapore, China, Malaysia, Japan and India, with a total property value of approximately S\$32.3 billion (HK\$197.8 billion) and a total GFA of approximately 95.9 million sq ft.

Shopping malls in the portfolio include ION Orchard and Plaza Singapura – which are located in one of the world's most famous shopping streets, Orchard Road – Raffles City Singapore and Clarke Quay in Singapore. Our landmark shopping malls in China are CapitaMall Crystal in Beijing, Hongkou Plaza in Shanghai and Raffles City Shanghai; and CapitaMall Jinniu in Chengdu. The portfolio also includes Gurney Plaza in Penang, Malaysia; Olinas Mall in Tokyo, Japan; as well as Forum Value Mall in Bangalore, India.

CapitaMalls Asia's principal business strategy is to invest in, develop and manage a diversified portfolio of real estate used primarily for retail purposes in Asia, and to strengthen its market position as a leading developer, owner and manager of shopping malls in Asia.

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