

# GROWING WITH THE CHINESE CONSUMER



## Performance since listing in December 2006

# 89.7%

47.4%

# 36.7%

# 29.5%

**CHINA**

- HUIHOT**  
CapitalMall Sarhan
- ZHENGZHOU**  
CapitalMall Erqi
- WUHAN**  
CapitalMall Minzhengyuan
- WUHU**  
CapitalMall Wuhu
- SHANGHAI**  
CapitalMall Qibao
- BEIJING**  
CapitalMall Anzhen  
CapitalMall Shuangling  
CapitalMall Wangjing  
CapitalMall Xizhimen

4 Financial year ended 2007 versus financial year ended 2011 (FY 2011).



**9** Quality Shopping Malls  
**6** Growth Cities  
**535,279** sq m Total GRA  
**RMB7.1 billion** Valuation  
**60.8 million** Shopper Traffic



## Contents

01	Vision, Mission, Corporate Profile
02	Financial Highlights
04	Key Five Year Milestones

### Moving With The Times

10	Letter to Unitholders
17	Year in Brief

### Driving Growth

20	Trust Structure
21	Organisation Structure
22	Board of Directors
26	Present Directorships
28	Trust Management Team
29	Corporate Governance

### Committing to China

42	Growth Strategies
44	People and Talent Development
45	Corporate Social Responsibility
46	Investor Relations
48	Unit Price Performance

### Fulfilling Aspirations

52	Financial Review
55	Operations Review
60	Portfolio At A Glance
62	Portfolio Details

### Delivering Returns

80	Financial Statements
135	Statistics of Unitholders
137	Interested Person Transactions
138	Notice of Annual General Meeting
141	Proxy Form
143	Malls Directory
144	Corporate Information

# Vision

Sustainable and resilient REIT with a professionally managed portfolio of quality retail real estate across China.

# Mission

Deliver sustainable income growth to our Unitholders and value add to the community and stakeholders by enhancing organic growth through proactive asset management; creating new value through innovative asset enhancement strategies; and capitalising on yield-accretive acquisitions growth that is supported by a secured and proprietary pipeline.

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## Corporate Profile

### First and only China shopping mall real estate investment trust in Singapore

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CapitaRetail China Trust (CRCT) is the first and only People's Republic of China (China) shopping mall real estate investment trust (REIT) in Singapore, with a portfolio of nine income-producing shopping malls. Listed on Singapore Exchange Securities Trading Limited (SGX-ST) 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 are located in six of China's cities. The malls 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.

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 the Beijing Hualian Group (BHG) under master leases or long-term leases, which provide CRCT unitholders (Unitholders) with stable and sustainable returns. The anchor tenants are complemented by popular specialty brands such as UNIQLO, ZARA, Vero Moda, Sephora, Watsons, KFC, Pizza Hut and BreadTalk.

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

# Financial Highlights

## Performance At A Glance

### Gross Revenue (\$ million)



### Net Property Income (\$ million)



### Distributable Income (\$ million)



### Distribution Per Unit (¢)



### Net Asset Value Per Unit (\$)



	FY 2011 <sup>1</sup>	FY 2010 <sup>1</sup>	FY 2009 <sup>1</sup>	FY 2008 <sup>1</sup>	FY 2007 <sup>1</sup>
<b>Balance Sheet (as at 31 December)</b>					
Total Assets (S\$'000)	1,536,268	1,274,478	1,200,980	1,325,683	809,835
Total Deposited Properties <sup>2</sup> (S\$'000)	1,455,059	1,229,196	1,159,778	1,282,534	779,377
Net Assets Attributable to Unitholders (S\$'000)	913,839	734,507	679,868	772,564	483,155
Total Borrowings (S\$'000)	433,048	401,958	406,399	414,701	231,811
Market Capitalisation (S\$ million)	792	775	797	371	1,023
Net Asset Value Per Unit (S\$)	1.33	1.17	1.09	1.25	1.01
Portfolio Property Valuation (S\$'000)	1,440,620 <sup>3</sup>	1,215,089	1,156,614	1,253,790	722,883
<b>Financial Ratios (as at 31 December)</b>					
Earnings Per Unit (¢)	18.22	17.84	6.88	6.40	7.50
Distribution Per Unit (DPU) (¢)	8.70	8.36	8.14	7.53	6.72
Net Tangible Assets Per Unit (S\$)	1.33	1.17	1.09	1.25	1.01
Gearing Ratio <sup>4</sup> (%)	28.0	31.1	33.6	31.5	28.9
Interest Cover (times)	7.3	6.2	8.0	6.9	5.5
Management Expense Ratio <sup>5</sup> (%)	0.9	1.0	1.1	1.1	1.3

**FY 2011**

<b>Financial Derivatives (as at 31 December 2011)</b>					
Net Fair Value of Financial Derivatives <sup>6</sup> (S\$ million)					10.1
Proportion of Financial Derivatives to Net Assets Attributable to Unitholders (%)					1.1
Proportion of Notional Amount of Financial Derivatives to Total Borrowings (%)					60.7

1 The financial year from 1 January to 31 December.

2 All the assets of CRCT (or proportional share if CRCT owns less than 100% of a Barbados Company as defined in the CRCT Prospectus dated 29 November 2006 (CRCT Prospectus) and/or a Project Company (as defined in the CRCT Prospectus)) including the properties and all the authorised investment of CRCT for the time being held or deemed to be held upon the trusts under the trust deed dated 23 October 2006 as amended by the First Supplemental Deed dated 8 November 2006 and Second Supplemental Deed dated 15 April 2010 (collectively, the Trust Deed), and excluding income to be distributed after the year end.

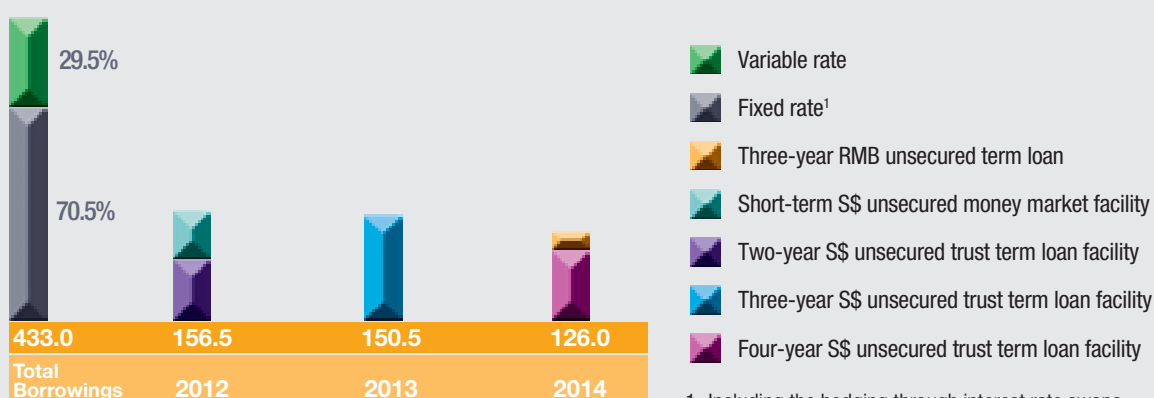
3 Based on valuation as at 31 December 2011. Independent valuations of CapitaMall Wangjing, CapitaMall Anzhen, CapitaMall Erqi, CapitaMall Shuangjing, CapitaMall Qibao, CapitaMall Wuhu and CapitaMall Saihan were undertaken by Knight Frank Petty Limited (Knight Frank). Independent valuations of CapitaMall Xizhimen and CapitaMall Minzhongleyuan were undertaken by CBRE.

4 The gearing is calculated based on total outstanding debts over the total assets. Total assets included the hedging effects on the net assets denominated in Renminbi (RMB).

5 Refers to the expenses of CRCT excluding property expenses and interest expenses but including performance component of CRCTML's management fees, expressed as a percentage of weighted average net assets.

6 Financial derivatives include non-deliverable forwards and interest rate swaps which CRCT has entered into as a form of hedging against the underlying foreign currency and interest rate risks. The net fair value derivative represented 1.1% of the net assets of CRCT as at 31 December 2011.

### Debt Maturity Profile (S\$ million) as at 31 December 2011



# Key Five Year Milestones

## ➡ 2006

- Listing of CRCT on SGX-ST on 8 December

## ➡ 2007

- CapitaMall Wangjing was the first shopping mall outside Singapore to be awarded the “Green Mark” by Singapore’s Building and Construction Authority
- Won the “Best Investor Relations for an IPO” Award 2007 by the IR Magazine South East Asia



- Runner-up for “Most Transparent Company – New Issue” at the Securities Investors’ Association (Singapore) Investors’ Choice Awards 2007

## ➡ 2008

- Acquisition of CapitaMall Xizhimen increased CRCT’s asset size by approximately 41.0%



- Completed Phase I of asset enhancement at CapitaMall Saihan
- Acquisition of CapitaMall Xizhimen Phase II, the basement extension

## ➡ 2009

- Fashion retailer ZARA opened first suburban store in CapitaMall Wangjing



- CapitaMall Wangjing won the prestigious “2008 – 2009 Operation Award” at the Mall China Golden Mall Awards
- CapitaMall Xizhimen received the Certificate of Secured Commercial Buildings on China’s 60th Anniversary
- Won the Bronze award in the “Best Annual Report – REITs and Business Trusts” category at the Singapore Corporate Awards (SCA) 2009

## ➡ 2010

- UNIQLO opened first duplex store in Minhang District, Shanghai, at CapitaMall Qibao

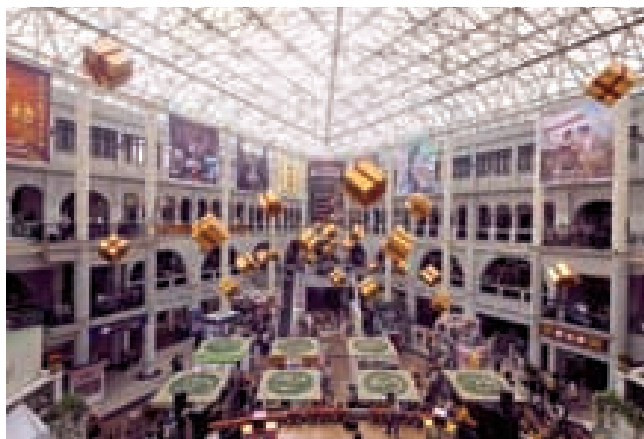


- CapitaMall Saihan transformed into Huhhot’s leading entertainment and food and beverage destination after the completion of asset enhancement
- Beijing News awarded the “Most Youthful and Vibrant Mall of the Year” award to CapitaMall Xizhimen and the “Most Influential Mall in Wangjing Area” award to CapitaMall Wangjing
- CapitaMall Xizhimen achieved a record high of two million shoppers in December 2010
- CRCT won the Silver award in the “Best Annual Report – REITs and Business Trusts” category at the SCA 2010

# Key Five Year Milestones

## ➡ 2011

- Acquisition of CapitaMall Minzhongleyuan



- Opening of CapitaMall Xizhimen's basement connection to three Beijing metro lines and North railway stations
- CRCT's total asset size grew 89.7% compared to 2007
- FY 2011 DPU of 8.70 cents, highest achieved since IPO

- Won the Gold award for “Best Annual Report – REITs and Business Trusts” category and the Bronze award for “Best Investor Relations (companies with S\$300 million to less than S\$1 billion in market capitalisation)” category at the SCA 2011



# History of CapitaMall Minzhongleyuan



CRCT acquired CapitaMall Minzhongleyuan in June 2011, our ninth shopping mall in the portfolio and our first in Wuhan, Hubei Province. A landmark building in Wuhan, CapitaMall Minzhongleyuan's distinctive facade enjoys conservation status conferred by the Wuhan Cultural Bureau, befitting its rich history and unique architecture.

Originally called Hankou New Market (汉口新市场), the mall was completed around 1920 and had a three-storey acrobatics hall and a large theatre. It was then considered one of China's three most famous locations for cultural and entertainment events, alongside Shanghai Great World (上海大世界) and Tianjin Quanye Chang (天津劝业场).

Hankou New Market was renamed the People's Recreation Club (中央人民俱乐部) when the Chinese Nationalist Party captured Wuhan in 1926 and became the venue for key party officials to deliver speeches and for public fund raising performances. After several name changes, the building was

eventually named Minzhongleyuan (民众乐园). The 1950s and 1960s were vibrant times for Minzhongleyuan. It was the venue for a wide selection of performances ranging from opera and theatre productions to acrobatics and film.

In the 1990s, the Ascott Limited (then known as Liang Court Holdings) invested RMB200 million to totally refurbish Minzhongleyuan and to construct a new extension block next to the historical building. Completed in 1997, the new Minzhongleyuan was transformed into an integrated lifestyle and entertainment centre, offering Wuhan residents five cinema theatres, a dance hall, art galleries, pool tables, dining and retail options. New Minzhongleyuan Mall became very popular with youths and young adults and remains a natural focal point among young people in Wuhan today.

As part of CRCT's rebranding exercise to build a unified brand among our malls, New Minzhongleyuan Mall was renamed CapitaMall Minzhongleyuan after the acquisition.



CapitaMall Qibao



# Moving With The Times

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2011 marked the fifth year of CRCT's listing. In these five years, we grew with the Chinese consumer, witnessed the flourishing of China's retail scene and evolved to meet the changing needs of our customers.

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[Letter to Unitholders](#)

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[Year in Brief](#)

# Letter to Unitholders

Dear Unitholders

**2011 marked the fifth year of CRCT's listing. We started out in December 2006 as Singapore's first pure-play China shopping mall REIT, offering Unitholders a conduit to participate in China's flourishing retail market. In these five years, we consistently delivered sustainable growth and maintained stability even when markets were volatile, underscoring the strength and resilience of our business. Today, we remain the only vehicle for REIT investors to gain access to a portfolio of geographically diversified, income-producing quality shopping malls in China.**

As one of the pioneer shopping mall players in China, we participated in the rise of China's retail scene and witnessed its growth as a global consumer. Our malls fulfilled the aspirations of its burgeoning urban middle class and served the communities around us. With disciplined execution, we achieved growth every year since listing and created value for our stakeholders.

## Delivering Sustainable Growth

CRCT delivered another year of strong performance for the financial year ended 2011 (FY 2011). Gross revenue for FY 2011 was RMB680.8 million, an increase of 15.6% over the same period last year. Net property income (NPI) grew 15.9% year-on-year to reach RMB443.0 million. Distributable income to Unitholders was S\$57.2 million, which is 9.6% higher year-on-year.

Unitholders will receive a distribution per unit (DPU) of 8.70 cents for FY 2011, which is 4.1% higher than a year ago. Based on CRCT's closing unit price of S\$1.150 on 30 December 2011, CRCT's distribution yield of 7.6% makes it an attractive investment option for Unitholders, especially in the current low interest rate environment.

In the past five years, we have provided stable and sustainable returns to Unitholders. CRCT's FY 2011 DPU of 8.70 cents is 29.5% higher than the DPU of 6.72 cents declared in CRCT's first full year of operations in FY 2007. Unitholders who have invested in us since our listing have enjoyed a total return of 36.7% over the past five years. CRCT's net asset value per unit as at 31 December 2011 was S\$1.33, an increase of 31.7% compared to the net asset value per unit as at 31 December 2007. CRCT's market capitalisation registered a growth of 47.4% since listing and reached S\$792.2 million as at 31 December 2011.

## Leading The Way

Our strengths in managing malls, enhancing their potential and executing acquisitions put us at the forefront of the shopping mall business in China.

Since we acquired CapitaMall Xizhimen in February 2008, we have achieved double-digit growth in the mall's gross revenue and NPI for the past three years, clearly demonstrating our ability to continue to extract value from our malls. CapitaMall Xizhimen is running at almost full occupancy now, a significant improvement from its occupancy rate of below 90% prior to the acquisition. In 2010, the mall won the "Most Youthful and Vibrant Mall of the Year" award from Beijing News and the "Most Valuable Brand Marketing Initiative" from Lifestyle magazine. In September 2011, we opened Phase II of CapitaMall Xizhimen, which is the extension of the mall's basement that connects to three Beijing metro lines and North railway stations. Commuters and shoppers can now enjoy direct access to the mall from the subway and train station exits.

We adopted the same disciplined approach to pursue the acquisition of CapitaMall Minzhongleyuan in Wuhan, Hubei Province, in June 2011. This acquisition, our first in Wuhan, extends our presence in China and enables us to capture the robust growth in central China. With its prime location fronting Zhongshan Avenue, CapitaMall Minzhongleyuan is a quality addition to our portfolio. CRCT's total asset size reached S\$1.5 billion as at end-2011, an increase of 89.7% compared to end-2007.

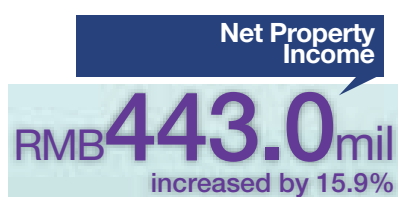
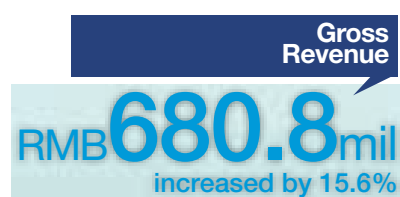
We successfully converted CapitaMall Saihan from a master-leased mall into the first one-stop family shopping, dining and entertainment destination of its kind in Huhhot. The asset enhancement, carried out in two phases, was completed in 2009. We relocated the popular fresh goods section of Beijing Hualian supermarket from level 1 to level 3 of the mall, and leased out the recovered prime level 1 space to higher-yielding specialty tenants. We also repositioned level 4 of the mall as an entertainment and food and beverage destination. In FY 2010, the first full year of operation after asset enhancement, CapitaMall Saihan's gross revenue and NPI grew 33.2% and 525.0% year-on-year respectively. The mall continued to ramp up its operating performance in FY 2011, recording year-on-year growth of 42.8% and 91.7% in gross revenue and NPI respectively.



**LIEW CHENG SAN VICTOR**  
Chairman 董事长

**TONY TAN TEE HIEONG**  
Chief Executive Officer 总裁

## DELIVERING STRONG PERFORMANCE IN 2011



# Letter to Unitholders

In Shanghai, we anticipated and adapted to the changing demand brought about by the revitalisation of the Minhang district where CapitaMall Qibao is located. We fine-tuned our tenant mix to cater to the changing demographics. UNIQLO, brought in as a fashion anchor in the mall, opened its first duplex store in Minhang district. We also had the first modern cinema in the Qibao vicinity, and widened the range of food and beverage options in the mall. In FY 2011, CapitaMall Qibao achieved year-on-year NPI growth of 60.8%.

On a portfolio basis, we have consistently improved the performance of our malls. Our portfolio occupancy rate steadily improved from 89.9% as at 31 August 2006<sup>1</sup> to 98.1% as at 31 December 2011. To better tap into China's consumption growth, we have progressively reduced our reliance on master-leased malls and moved towards higher contribution from multi-tenanted malls. Contribution from master-leased malls towards our portfolio's NPI more than halved from 64.9% in 2007 to 31.0% in 2011. Our current portfolio provides a level of stability and resilience from the master leases and growth upside from the multi-tenanted malls.

We continue to be proactive and prudent in capital management. As at 31 December 2011, CRCT's total borrowing was S\$433.0 million, with gearing at a low 28.0%. We enjoy a healthy interest cover of 7.3 times, up from 6.2 times in FY 2010. In February 2012, CRCT successfully refinanced the majority of our debt maturing in 2012 and kept our average cost of debt to below 3.0%.

## Moving With The Times

With a retail market as vibrant as China's, we constantly monitor the market for new trends to stay ahead of the competition. The evolving consumer preferences in China drive the way we determine our malls' retail offerings and tenant mix. The new generation of urban, middle class consumers provides tremendous growth opportunities for retailers. With rising affluence and globalisation of consumption behaviour, the level of international brand acceptance among Chinese consumers continues to rise.

We tap into this catchment by attracting international brand names to be our tenants, especially for our malls located in the first tier cities of Beijing and Shanghai. Since listing, we have expanded our base of international tenants to include popular European brands like ZARA, MANGO, and Sephora; fast growing Japanese fashion retailer UNIQLO and American fashion brand CK Jeans. Riding on the emergence of Chinese brands, we also attracted domestic tenants like Belle (百丽), JBNY

(江南布衣) and Hotwind (热风). As a proportion of our portfolio's gross rental income, fashion and accessories have increased to 25.9% in 2011 from 17.2% in 2007.

With a more urban lifestyle, dining out has become more popular with Chinese consumers. Our malls were already positioned as one-stop shopping, dining and entertainment destinations when we were listed in 2006. Over the years, we not only increased the proportion of food and beverage tenants in our portfolio, from 10.7% of gross rental income in 2007 to 16.1% in 2011, but also adjusted the tenants to cater to changing consumer preferences. In 2011, we rode on the popularity of Hong Kong-style café and restaurants and brought in Taixing (太兴) in CapitaMall Qibao and CapitaMall Wangjing; as well as Honeymoon Dessert (满记甜品) in CapitaMall Xizhimen and CapitaMall Qibao.

We take the lead in introducing new brands to the markets in which we operate. Hong Kong fashion brand I.T opened its first outlet shop in Shanghai in CapitaMall Qibao. Japanese skincare brand DHC first entered Wuhu through our mall. In Huhhot, we introduced Nike factory outlet and Jinyi Cinema to the market.

When CapitaMall Wuhu commenced operations in late 2005, it had the first Wal-Mart in Wuhu, providing an attractive location for middle class shoppers. Today, supermarkets remain the principal location for Chinese consumers to purchase daily necessities and groceries. We continue to have Beijing Hualian Group, Carrefour and Wal-Mart as our tenants but have reduced the proportional contribution of supermarkets and department stores' gross rental income to the portfolio. This trade sector contributed 53.5% of our portfolio's gross rental income in 2007, but only 30.1% in 2011. This allows us to tap into the growth potential offered by specialty tenants.

## Contributing To China

Beyond fulfilling the aspirational needs of China's middle class shoppers, our malls have also become the natural focal points for the population catchment around us to enjoy a variety of activities, including shopping, eating with family and friends, watching movies, sending their children to education centres, and learning new languages. They enjoy the convenience of a one-stop shopping, entertainment and dining experience.

Our marketing communications teams organise a wide array of events in our malls, ranging from Christmas celebrations to Mother's Day beauty pageants and celebrity appearances. These events not only attract

<sup>1</sup> As shown in CRCT prospectus dated 29 November 2006.

shoppers but also help to bring the community together. In 2011, 60.8 million shoppers passed through our six multi-tenanted malls.

We fully support the Chinese government's focus on promoting sustainable development. Over the years, we have committed ourselves to various community support programmes and charity events, adding value to the communities around us. We participated in CapitaMalls Asia's signature annual corporate social responsibility programme, "My Schoolbag", since it was launched in China in 2010. The programme benefits underprivileged first-year primary school children by providing them with new schoolbags containing stationery.

We have supported the World Wildlife Fund initiative Earth Hour for three consecutive years, to raise awareness of climate change issues and highlight the importance of energy conservation.

For the first time, our Report to Unitholders 2011 is printed on environmentally-friendly paper as part of our ongoing green initiatives to minimise paper wastage and protect our environment. We aim to ultimately go paperless with our Report to Unitholders and hope that we can have your support.

## Continuing The Journey

Looking ahead, we are excited about our prospects in China. The global economy continues to face uncertain times but we believe China remains a key engine of global growth and an attractive market for retailers. China's 2012 gross domestic product (GDP) growth is projected to be 8.2%, which is almost seven times the advanced economies' average of 1.2%.<sup>2</sup> By 2020, real consumption in China is estimated to reach US\$4.8 trillion, making China the world's second-largest consumer market after the United States.<sup>3</sup>

Growing disposable income, increasing urbanisation and government policies targeted at encouraging domestic consumption will continue to support the sustainable growth of Chinese consumption. Stimulating domestic consumer demand is one of the key strategies outlined in China's 12th five year plan commencing 2011. China's urban disposable income per capita grew at an annual average of 11.5% from 2000 to 2010, and is expected to grow 15.0% per annum from 2011 to 2015.<sup>4</sup> 47.0% of China's population lived in urban areas in 2010 and this

number is expected to reach 61.9% by 2030. Close to one billion people will live in cities, bringing about more retail spending.<sup>5</sup>

Growth in second and third-tier cities is outpacing those in first-tier cities. In 2011, the retail sales growth rates in Huhhot, Wuhan, Zhengzhou and Wuhu ranged from 17.6% to 18.8%, higher than the retail sales growth rates achieved in Beijing and Shanghai.<sup>6</sup> With CRCT's geographically diversified portfolio and focus on shopping malls, we are able to tap into the growth offered by China's various tiers of cities.

We will continue to drive the growth of CRCT through our three-pronged strategy. With our proven skill set and management expertise, we will capitalise on the wave of retailer expansion into China and generate organic growth by optimising our portfolio mix and improving the retail offerings in our malls. We believe that our extensive tenant network and scale of operations give us a very strong competitive advantage. We will also explore innovative asset enhancement initiatives, such as converting our master-leased malls into multi-tenanted malls, to optimise the rental potential of our malls. We enjoy a strong pipeline of malls from our sponsor, CapitaMalls Asia, and will continue to identify and evaluate acquisition opportunities from third-parties.

## Acknowledgements

On behalf of the Board of Directors and management, we wish to thank our Unitholders, shoppers, customers, tenants, business partners and staff for your invaluable support in 2011. For Unitholders who have invested in CRCT since our listing, we are grateful for your confidence and trust in us for the past five years. We look forward to continuing our journey with you.



**Liew Cheng San Victor**  
Chairman

6 March 2012



**Tony Tan Tee Hieong**  
Chief Executive Officer

<sup>2</sup> Source: International Monetary Fund.

<sup>3</sup> Source: McKinsey & Company.

<sup>4</sup> Source: China Institute for Reform and Development.

<sup>5</sup> Source: DTZ.

<sup>6</sup> Source: The Government Website of Huhhot, Statistical Information of Wuhan, Statistical Information of Zhengzhou, Wuhu Statistics Information Network, Beijing Statistical Information Net and Shanghai Statistics.

# 致单位持有人函件

尊敬的单位持有人

**2011年是嘉茂中国信托(CRCT)上市后的第五年。我们于2006年12月开始，作为新加坡首支专注投资于中国购物中心的房地产投资信托基金，为单位持有人提供一个参与中国蓬勃零售市场的渠道。在这五年间，我们即使在市况不稳的情况下仍不断持续增长及维持稳定，展现出我们业务的优势及顺应力。时至今日，我们依旧是房地产投资信托基金投资者接触中国地域覆盖广泛，收益型优质购物中心的唯一工具。**

作为中国购物中心营运商先驱之一，我们参与推动中国零售业增长，并见证中国成长为全球消费者。中国的城市中产阶级迅速增长，我们的购物中心正好满足这些人士的需求并为周边社区服务。透过执行严谨的业务策略，我们自上市后每年持续增长，并为我们的权益持有人创造价值。

## 实现持续增长

CRCT于2011年财政年度(2011财年)的业绩表现强劲。2011财年的总收入为6.808亿人民币，较去年同期增加15.6%。净物业收入同比增长15.9%，达到4.43亿人民币。单位持有人的可分配收益为5,720万新元，同比增长9.6%。

2011财年，单位持有人将获得8.70新分的每单位分红，比2010财年增长4.1%。根据CRCT于2011年12月30日1.150新元的单位收盘价，CRCT的分红收益率为7.6%，尤其在目前低息环境中对单位持有人而言是具有吸引力的投资选择。

在过去五年，我们为单元持有人提供稳定及持续的回报。CRCT于2011财年的每单位分红为8.70新分，较CRCT于2007财年首个营运年度宣布的6.72新分每单位分红高出29.5%。自我们上市以来投资于我们的单元持有人于过去五年来享有36.7%的总回报。CRCT于2011年12月31日的每单位资产净值为1.33新元，较于2007年12月31日的每单位资产净值增加31.7%。CRCT的市值自上市以来增长47.4%，于2011年12月31日达7.922亿新元。

## 引领业界

我们在管理购物中心、提升购物中心潜力及在收购购物中心方面的优势令我们的中国购物中心业务领先同侪。

自2008年2月收购凯德MALL•西直门以来，我们于过去三年在凯德MALL•西直门录得双位数的总收入及净物业收入增长，充分展现出我们持续从我们的购物中心获取价值的能力。凯德MALL•西直门目前的出租率几乎接近100%，对比收购前低于90%的出租率有明显改善。于2010年，凯德MALL•西直门获新京报评为“年度最具青春活力场所奖”，并获精品购物指南“2010年度最具价值品牌活动”大奖。于2011年9月，我们开通凯德MALL•西直门二期，即该购物中心的地下一层延伸部分，连接三条北京地铁线及北京北站。往来乘客及购物者可由地铁及火车站出口直达凯德MALL•西直门。

我们于2011年6月收购湖北省武汉市的凯德民众乐园时采取了同样严谨的措施。此项收购是我们于武汉的首个项目，不但扩大我们于中国的业务，并且让我们得以把握华中蓬勃发展的机遇。凯德民众乐园位于中山大道黄金地段，是我们的资产组合中新添置的优质购物中心。截至2011年底，CRCT的物业总值达15亿新元，相比2007年底增加了89.7%。

我们成功将凯德MALL•赛罕由整租租约购物中心转型为呼和浩特首间集家庭购物、餐饮及娱乐于一身的一站式购物场所。资产改良工程分两期进行，并已于2009年竣工。我们将北京华联超市受欢迎的新鲜食物部由一楼搬迁至三楼，并将一楼租予收益更高的专营店铺租户。我们也将四楼重新划分为娱乐及餐饮区。于2010财年，即资产改良工程后首个营运全年，凯德MALL•赛罕的总收入及净物业收入分别同比增加33.2%及525.0%。凯德MALL•赛罕的营运业绩继续于2011财年攀升，其总收入及净物业收入分别录得42.8%及91.7%同比增长。

在上海，我们预期并适应了凯德七宝购物广场所处闵行区振兴所带来的需求变化。因此我们调整租户组合以迎合变化中的客群特征。我们在凯德七宝购物广场引进UNIQLO，作为购物中心的时尚主力租户，成为该品牌在闵行区开设的首间复式店铺。我们也拥有七宝周边地区内首间现代化的电影院，并扩大凯德

七宝购物广场内的餐饮选择。于2011财年，凯德七宝购物广场净物业收入录得60.8%同比增长。

在资产组合层面上，我们不断提升我们购物中心的表现。我们的资产组合出租率由2006年8月31日的89.9%<sup>1</sup>稳步上升至2011年12月31日的98.1%。为更好的把握中国消费增长，我们逐渐减少依赖整租租约购物中心，转为面向贡献更高的多租户购物中心。整租租约购物中心对我们资产组合净物业收入的贡献由2007年的64.9%下降至2011年的31.0%。我们目前的资产组合因整租租约而有一定程度的稳定性及适应力，并因多租户购物中心而有向上增长的潜力。

我们在资本管理方面继续保持积极和审慎。截至2011年12月31日，CRCT的总借贷为4.33亿新元，负债比率低至28.0%。我们的利息偿付比率良好，由2010财年的6.2倍上升至7.3倍。于2012年2月，CRCT成功为大部份于2012年到期的债务再融资，并将我们的平均举债成本维持在低于3.0%的水平。

## 与时俱进

鉴于中国零售市场蓬勃，我们不断密切注视市场新动向，以领跑市场竞争。中国消费喜好改变，驱动我们决定相应改变购物中心的零售产品和租户组合。新一代城市中产阶级消费者的出现为零售商带来巨大增长机遇。随着中国城市民众变得富裕而消费者行为走向国际化，中国消费者对国际品牌的接受程度也不断上升。

我们借吸引国际品牌成为我们购物中心(特别是位于一线城市北京及上海的购物中心)的租户，得以抓紧国际品牌越来越受中国消费者欢迎的趋势。自上市以来，我们已将我们国际租户基础扩大至包括流行欧洲品牌如ZARA, MANGO及Sephora; 业务发展迅速的日本时装品牌UNIQLO以及美国时装品牌CK Jeans。乘着中国品牌奋起涌现之势，我们也吸纳国内租户如百丽、江南布衣及热风。时装及配饰占我们资产组合的总租金收入的比率由2007年的17.2%增加至2011年的25.9%。

随着越来越浓厚的城市生活方式，外出用餐于中国消费者来说变得越来越普遍。在我们于2006年上市后，我们的购物中心早已定位为一站式购物、餐饮及娱乐休闲热点。多年来，我们不但增加我们资产组合中餐饮租户的比率，由2007年占总租金收入的10.7%

增加至2011年的16.1%，我们也调整租户组合以迎合消费者喜好变化。2011年，港式咖啡店及茶餐厅在国内越来越受欢迎，因此我们在凯德七宝购物广场及凯德MALL•望京引进太兴；以及在凯德MALL•西直门和凯德七宝购物广场引进满记甜品。

我们率先在我们所在经营的市场引进新品牌。香港时装品牌I.T在凯德七宝购物广场开设其于上海首间折扣店。日本护肤品牌DHC通过我们的购物中心首度踏足芜湖市场。在呼和浩特，我们向市场推介Nike折扣店及金逸国际影城。

凯德广场•芜湖在2005年末开业，为芜湖第一间拥有沃尔玛的购物中心，吸引了中产阶级顾客光顾。至今，超市仍然为中国消费者购买日用品及杂货的主要地方。我们继续拥有北京华联集团、家乐福及沃尔玛作为我们的租户，但我们已减低超市及百货公司占资产组合总租金收入贡献的比率。此类业态于2007年贡献53.5%总租金收入，而2011年这个比率仅为30.1%，这让我们可以更好地把握专营店租户所能带来的增长潜力。

## 回馈中国

除满足中国中产阶级消费者的需要外，我们的购物中心也自然而然成为吸引周边民众进行各类活动的聚集点，包括购物、与家人朋友进餐、观赏电影、送小孩去教育中心及学习新语言，供消费者体验一站式购物、娱乐及餐饮的便利。

我们的市场营销团队在我们的购物中心举办各式各样的活动，从庆祝圣诞节到母亲节选美活动以至名人见面会。这些活动不但吸引消费者，同时也有助凝聚社区。于2011年，我们六个多租户购物中心录得6,080万客流。

我们全力支持中国政府致力推动可持续发展。多年来，我们致力参与多项社区支援计划及慈善活动，为购物中心周边的社区带来价值。自凯德商用的大型年度企业社会责任项目“我的书包”于2010年在中国推出以来，我们一直参与其中。该计划向就读小学一年级的弱势儿童提供新书包及文具。

<sup>1</sup> 诚如CRCT日期为2006年11月29日的招股书所载。

# 致单位持有人函件

我们连续三年支持世界自然基金会所发起的地球一小时活动，以提高民众对气候变化问题的关注及提醒民众节约能源的重要性。

我们首次以环保纸张印刷2011年致单位持有人报告，以作为我们减少废纸及保护环境的绿色措施之一。我们计划最终实行致单位持有人报告无纸化，并希望得到你们的支持。

## 并肩前进

展望未来，我们对中国的经济前景保持乐观。尽管全球经济持续不稳，我们相信中国将继续是带动全球经济增长的主要动力，并且对零售商而言将是一个诱人的市场。预期2012年中国的国内生产总值增长为8.2%，几乎是发达国家平均增长率1.2%的七倍。<sup>2</sup> 预计中国实际消费额于2020年之前将达到4.8兆美元，使中国成为继美国之后全球第二大消费市场。<sup>3</sup>

可支配收入增加、城市化加速以及政府政策鼓励国内消费，将继续支持中国消费可持续增长。刺激国内消费需求是中国十二·五规划(于2011年开始)其中一个主要策略。中国城市人均可支配收入由2000年起至2010年间平均每年增长11.5%，预期由2011年至2015年间每年增长15.0%。<sup>4</sup> 于2010年中国47.0%的人口在城市居住，预期此比率于2030年前达到61.9%。接近十亿人口将在城市居住，带动更多零售消费。<sup>5</sup>

中国二、三线城市的成长正逐步超越一线城市的成长。于2011年，呼和浩特、武汉、郑州及芜湖的零售销售额的增长率介于17.6%至18.8%之间，高于北京及上海的零售销售额增长率。<sup>6</sup> 鉴于CRCT资产组合的地域覆盖范围广泛，而其专注于购物中心业务，我们能够把握中国一、二、三线城市增长的机遇。

我们将继续透过三叉策略推动CRCT的发展。凭借我们成熟的技术及管理经验，我们将充分利用零售商扩张进入中国的热潮，以及通过优化我们的资产组合和提升我们购物中心的零售产品以创造内部增长。我们相信我们广泛的租户网络及营运规模给予我们非常强大的竞争优势。我们也将探究创新的资产改良方案，例如将我们的整租租约购物中心转型为多租户购物中心，以让我们的购物中心有机会获得最大的租金回报。我们在享有自赞助人凯德商用强大购物中心组合选择的同时，也会继续向第三方物业及评估收购机会。

## 致谢

我们谨代表董事会及管理层，感谢单位持有人、购物者、顾客、租户、业务伙伴及员工在2011年给予我们的鼎力支持。对于自CRCT上市以来投资于我们的单位持有人，我们感谢你们过去五年来对我们的信心和信任。我们期望与你们继续并肩前进。



廖青山先生  
董事长



陈智雄先生  
总裁

2012年3月6日

<sup>2</sup> 数据来源：国际货币基金组织。

<sup>3</sup> 数据来源：麦肯锡。

<sup>4</sup> 数据来源：中国改革发展研究院。

<sup>5</sup> 数据来源：戴德梁行。

<sup>6</sup> 数据来源：呼和浩特市政府网，武汉市统计信息网，郑州统计信息网，芜湖统计信息网，北京统计信息网，上海统计。

# Year in Brief

## Jan2011

NPI for FY 2010 increased 5.8% year-on-year.

CapitaMall Xizhimen was awarded the “2010 Most Valuable Brand Marketing Initiative” by Lifestyle Magazine for successfully holding the CapitaMall Shopping Star event.

## Feb2011

CapitaMall Wangjing was recognised at the DFOM Commercial Real Estate Forum as one of China’s top commercial projects promoting regional development.

## Mar2011

Paid a DPU of 4.15 cents to Unitholders for the period 1 July 2010 to 31 December 2010.

## Apr2011

Achieved strong NPI growth of 13.6% for 1Q 2011.

Held annual general meeting with all three resolutions duly passed.

## May2011

Announced the proposed acquisition of CapitaMall Minzhongleyuan in Wuhan, central China.

## Jun2011

Convened an extraordinary general meeting and obtained 100% approval for the proposed acquisition of CapitaMall Minzhongleyuan and the proposed placement of new units to CapitaMalls Asia Limited and its subsidiaries.

Successfully raised S\$70.0 million for the acquisition of CapitaMall Minzhongleyuan through a private placement of new units which was 2.5 times subscribed.

## Jul2011

2Q 2011 NPI increased 11.3% year-on-year.

Won two awards at the Singapore Corporate Awards 2011 - the Gold award for “Best Annual Report – REITs and Business Trusts” category and the Bronze award for “Best Investor Relations (companies with S\$300 million to less than S\$1 billion in market capitalisation)” category.

Exhibited and presented at the Asian Investment Conference and Exhibition 2011 as part of engagement of retail investors.

## Sep2011

Soft opening of CapitaMall Xizhimen’s basement connection to three Beijing metro lines and North railway stations, offering commuters and shoppers direct access to the mall.



Paid a DPU of 4.28 cents to Unitholders for the period 1 January 2011 to 29 June 2011.

## Oct2011

3Q 2011 NPI increased 21.7% year-on-year.



CapitaMall Xizhimen



# Driving Growth

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We have a strong management team driving the growth of CRCT, headed by an effective board that is committed to a high standard of corporate governance.

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[Trust Structure](#)

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[Organisation Structure](#)

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[Board of Directors](#)

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[Present Directorships](#)

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[Trust Management Team](#)

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[Corporate Governance](#)

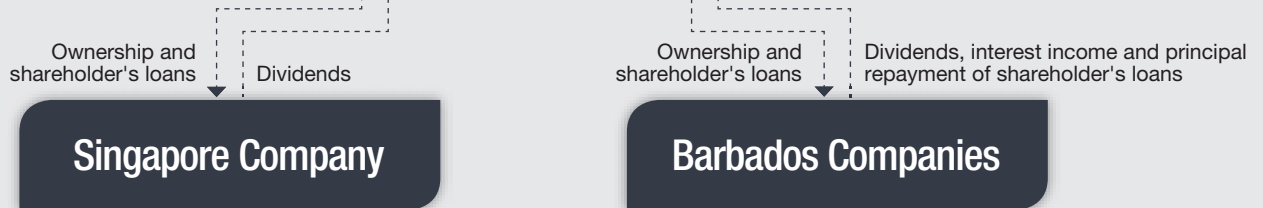
# Trust Structure

## SINGAPORE

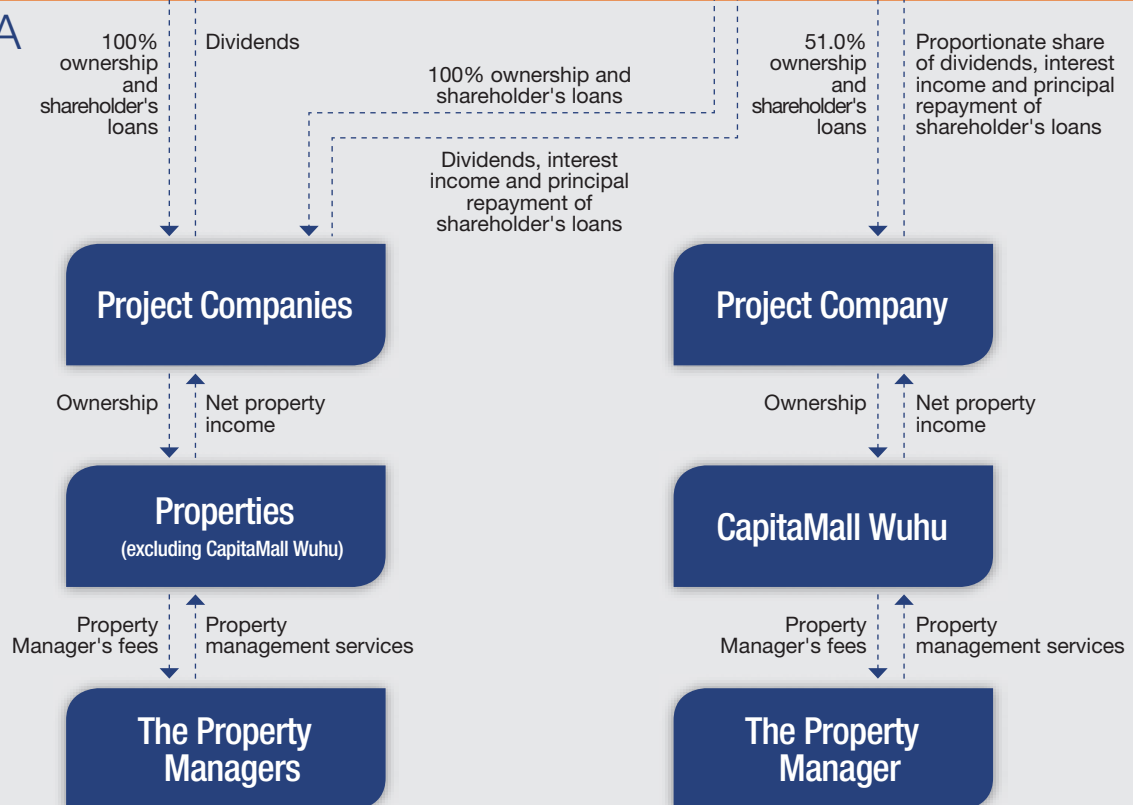


## SINGAPORE

## BARBADOS

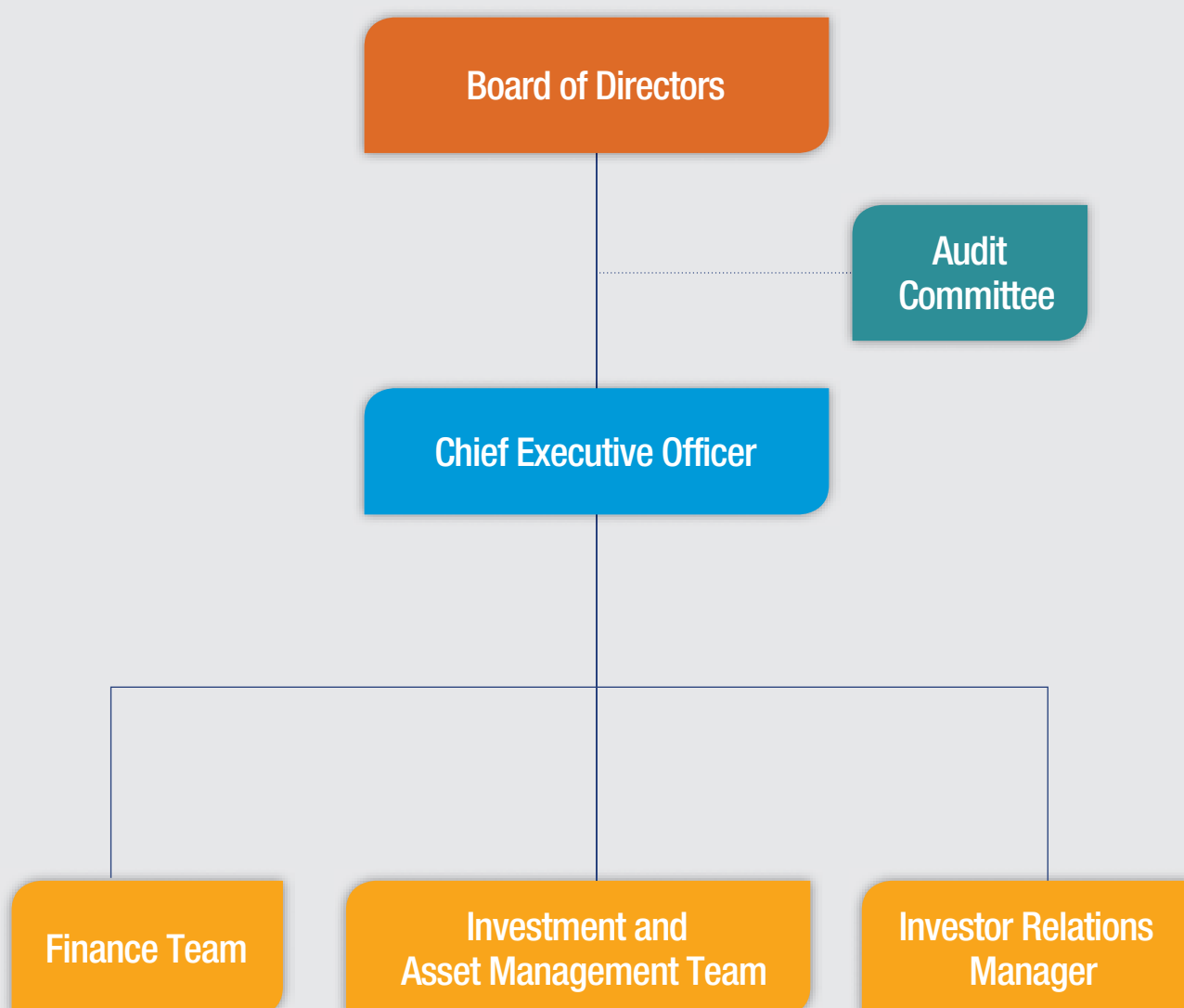


## CHINA



# Organisation Structure

CAPITARETAIL CHINA TRUST MANAGEMENT LIMITED  
(THE MANAGER)



# Board of Directors

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**01 Mr Liew Cheng San Victor**

Chairman & Independent Non-Executive Director

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**02 Mr Liew Mun Leong**

Deputy Chairman & Non-Executive Director

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**03 Ms Chew Gek Khim**

Independent Non-Executive Director

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**04 Mr Lim Beng Chee**

Non-Executive Director

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**05 Mr Ng Kok Siong**

Non-Executive Director

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**06 Mr Tony Tan Tee Hieong**

Chief Executive Officer &  
Executive Director





# Board of Directors

## **01 Mr Liew Cheng San Victor**

Chairman & Independent Non-Executive Director

Mr Liew Cheng San Victor joined the Board on 31 October 2006. He is also Chairman of Corporate Disclosure Committee and a member of Audit Committee.

Mr Liew serves as Director on various boards both within and outside Singapore. Previously, he spent 30 years in the financial sector before retiring as Head of Global Markets and a member of the Management Committee of a major local bank. He also served as Chairman of the Singapore International Monetary Exchange Limited and a board member of the Singapore Exchange Limited.

Mr Liew is a graduate of the University of Singapore with a Bachelor of Social Sciences with Honours.

## **02 Mr Liew Mun Leong**

Deputy Chairman & Non-Executive Director

Mr Liew Mun Leong joined the Board on 31 October 2006. He is also Chairman of Executive Committee and a member of Corporate Disclosure Committee.

Mr Liew is a Director of CapitaLand Limited (listed on the SGX-ST) and President and CEO of CapitaLand Group. He is also Chairman of CapitaMalls Asia Limited (listed on the SGX-ST and The Stock Exchange of Hong Kong Limited), CapitaLand Residential Singapore Pte Ltd, CapitaLand China Holdings Pte Ltd, CapitaLand Commercial Limited, CapitaLand Financial Limited, CapitaValue Homes Limited and CapitaLand ILEC Pte. Ltd..

Mr Liew is Deputy Chairman of The Ascott Limited as well as Deputy Chairman of CapitaMall Trust Management Limited (the manager of CapitaMall Trust listed on the SGX-ST), CapitaCommercial Trust Management Limited (the manager of CapitaCommercial Trust listed on the SGX-ST) and Ascott Residence Trust Management Limited (the manager of Ascott Residence Trust listed on the SGX-ST). He is also a Director of CapitaLand Hope Foundation, the CapitaLand Group's philanthropic arm.

Mr Liew is presently Chairman of Changi Airport Group (Singapore) Pte. Ltd. and China Club Investment Pte Ltd. He is also a Director and a member of the Audit Committee of Singapore Exchange Limited (listed on the SGX-ST), a Director of Surbana Corporation Pte. Ltd., Singapore-China Foundation Ltd. and LFIE Holdings Limited.

He is a member of the NUS Business School Management Advisory Board, National Productivity and Continuing Education Council, Governing Council of the Human Capital

Leadership Institute, Centre for Liveable Cities and the Board of Trustees of Chinese Development Assistance Council.

Mr Liew has spent 22 years in the public sector and another 20 years in the private sector in various leadership positions.

In 2011, Mr Liew was named Best CEO in Singapore by FinanceAsia. In 2008, he was named Asia's Best Executive of 2008 (Singapore) by Asiamoney and Best CEO in Asia (Property) by Institutional Investor. In 2007, he was conferred the CEO of the Year award (for firms with market value of S\$500 million or more) in The Business Times' Singapore Corporate Awards. In 2006, he was named Outstanding CEO of the Year in the Singapore Business Awards.

Mr Liew was conferred the Meritorious Service Medal at the Singapore National Day Awards 2011.

Mr Liew is a graduate of the University of Singapore with a Degree in Civil Engineering and is a registered professional civil engineer.

## **03 Ms Chew Gek Khim**

Independent Non-Executive Director

Ms Chew Gek Khim joined the Board on 31 October 2006. She is also Chairperson of Audit Committee.

Ms Chew is currently the Executive Chairman of the Tecity Group, Executive Chairman of The Straits Trading Company Limited, Deputy Chairman of The Tan Chin Tuan Foundation in Singapore and Chairman of The Tan Sri Tan Foundation in Malaysia. In addition, she is also the Chairman of the National Environment Agency, a member of the Singapore Totalisator Board and a council member of the Securities Industry Council.

A lawyer by training, Ms Chew graduated from the National University of Singapore in 1984.

## **04 Mr Lim Beng Chee**

Non-Executive Director

Mr Lim Beng Chee joined the Board on 23 August 2006. He is also a member of Executive Committee and Corporate Disclosure Committee.

Mr Lim is currently the CEO and Executive Director of CapitaMalls Asia Limited (listed on the SGX-ST and The Stock Exchange of Hong Kong Limited). He is also a Director of CapitaMall Trust Management Limited (the manager of CapitaMall Trust listed on the SGX-ST) and CapitaMalls Malaysia REIT Management Sdn. Bhd. (the manager of CapitaMalls Malaysia Trust listed on the Bursa Malaysia Securities Berhad).

Mr Lim has more than 10 years of real estate investment and asset management experience. He previously held various positions within the CapitaLand group of companies since 2000 and has been CapitaMalls Asia Limited's CEO since 1 November 2008. Mr Lim has played an instrumental role in the creation of CapitaMalls Asia Limited's retail real estate funds and retail real estate investment trusts. Mr Lim was appointed as the Deputy CEO of CapitaMall Trust Management Limited in March 2005 until December 2006. He then led the team which spearheaded the listing of CapitaRetail China Trust, the first pure-play China shopping mall S-REIT and was appointed as CEO of CRCTML in December 2006 until September 2008 during which time he was mostly stationed in Beijing. Mr Lim then returned to Singapore and assumed his appointment as CEO for both CapitaMalls Asia Limited and CapitaMall Trust Management Limited in November 2008. Mr Lim stepped down as CEO of CapitaMall Trust Management Limited on 25 November 2009 upon the listing of CapitaMalls Asia Limited. Mr Lim also spearheaded the listing of CapitaMalls Malaysia Trust, Malaysia's largest pure-play shopping mall REIT in July 2010.

Mr Lim holds a Master of Business Administration (Accountancy) from the Nanyang Technological University of Singapore and a Bachelor of Arts in Physics (Honours) from the University of Oxford, United Kingdom.

#### **05 Mr Ng Kok Siong**

Non-Executive Director

Mr Ng Kok Siong joined the Board on 21 July 2009. He is also a member of Audit Committee and Executive Committee.

Mr Ng is currently the Chief Financial Officer of CapitaMalls Asia Limited (listed on the SGX-ST and The Stock Exchange of Hong Kong Limited). He is also a Director of CapitaMalls Malaysia REIT Management Sdn. Bhd. (the manager of CapitaMalls Malaysia Trust listed on the Bursa Malaysia Securities Berhad).

Mr Ng joined CapitaLand Limited in September 2005. He later assumed the position of Senior Vice President of CapitaLand Eurasia where he was involved in business development. In October 2008, he was appointed as Senior Vice President, Strategic Finance, CapitaLand Limited, where he was responsible for overseeing the corporate finance matters of the CapitaLand Group. Prior to joining CapitaLand Limited in 2005, Mr Ng spent more than a decade in oil and gas industry across Asia Pacific and Europe, holding various finance and investment management positions in Exxon-Mobil and Royal Dutch Shell. He was appointed as the Chief Financial Officer of CapitaMalls Asia Limited in September 2009.

Mr Ng graduated with a Degree of Bachelor of Accountancy (Honours) from the Nanyang Technological University of Singapore.

#### **06 Mr Tony Tan Tee Hieong**

Chief Executive Officer & Executive Director

Mr Tony Tan Tee Hieong joined the Board on 1 July 2010. He is also a member of Executive Committee.

Mr Tan has over 19 years of experience in international treasury, finance and risk management. In his previous position as Head, Finance in CRCTML, Mr Tan was a key member of the team responsible for the equity fund raising and acquisition of Xizhimen Mall in 2008. He also played an instrumental role in the successful re-financing of CRCT's debt during the global financial crisis in 2008 and 2009. He was also part of the core management team responsible for the listing of CapitaMalls Asia Limited on the SGX-ST in November 2009. Prior to joining CRCTML, Mr Tan was with IKEA for more than nine years, where he held positions as Treasurer and Finance Manager for Asia Pacific region. During those tenures, he also concurrently sat on IKEA's finance committee for Asia Pacific that oversaw the group's strategic finance and tax matters. His other experiences prior to joining IKEA include Treasury Accountant for Wearnes International, the trading and distribution arm of WBLand and various trading positions with international banks.

Mr Tan holds a Master of Business Administration (Distinction) from the University of Manchester, United Kingdom, and a Bachelor of Accountancy degree from the National University of Singapore.

# Present Directorships

As at 31 December 2011, other directorships held by the Directors are as follows:

## Mr Liew Cheng San Victor

Accuron Technologies Limited  
Catalist Advisory Panel (Member)  
Singapore Aerospace Manufacturing Private Limited  
Singapore Institute of Management Pte. Ltd.  
Singapore Institute of Management (Member of the Governing Council and Investment Committee)

## Mr Liew Mun Leong

Ascott Residence Trust Management Limited  
CapitaCommercial Trust Management Limited  
CapitaLand China Holdings Pte Ltd  
CapitaLand Commercial Limited  
CapitaLand Financial Limited  
CapitaLand Financial Services Limited  
CapitaLand Hope Foundation  
CapitaLand ILEC Pte. Ltd.  
CapitaLand Limited  
CapitaLand Residential Singapore Pte Ltd  
CapitaMall Trust Management Limited  
CapitaMalls Asia Limited  
CapitaValue Homes Limited  
Changi Airport Group (Singapore) Pte. Ltd.  
China Club Investment Pte Ltd  
Chinese Development Assistance Council (Member, Board of Trustees)  
LFIE Holding Limited  
NUS Business School (Management Advisory Board Member)  
Singapore Exchange Limited  
Singapore-China Foundation Ltd.  
Surbana Corporation Pte. Ltd.  
The Ascott Limited

## Ms Chew Gek Khim

Aequitas Pte. Ltd.  
Amalgamated Holdings Private Limited  
Amberlight Limited  
Cairnhill Rock Pte. Ltd.  
Choice Equities Pte Ltd  
Consultants Services (Private) Limited  
Grange Investments Holdings Private Limited  
Ho Peng Holdings Private Limited.  
Integrated Holdings Private Limited  
Kambau Pte. Ltd.  
Mellford Pte. Ltd.

National Environment Agency Board (Chairman)  
Raffles Investments (1993) Pte Ltd  
Raffles Investments (Singapore) Pte. Limited (gazetted to be struck off)  
Raffles Investments Limited  
Securities Industry Council (Member)  
Selected Holdings Private Limited  
Selected Properties Pte Ltd  
Sigford Pte. Ltd.  
Singapore Totalisator Board (Board Member)  
Siong Lim Private Limited  
Swiftflash Assets Limited  
Tan Chin Tuan Pte. Ltd.  
Tecity Holdings Sdn Bhd (In voluntary liquidation)  
Tecity Management Pte. Ltd.  
Tecity Pte. Ltd.  
Tiong Cheng Pte Ltd  
The Cairns Pte. Ltd.  
The Straits Trading Company Limited  
The Tan Chin Tuan Foundation, Singapore (Deputy Chairman)  
The Tan Sri Tan Foundation, Malaysia (Chairman)

## Mr Lim Beng Chee

Albert Complex Pte Ltd  
Capita Card Pte. Ltd.  
CapitaLand Retail (BJ1) Holdings Pte. Ltd.  
CapitaLand Retail (MY) Pte. Ltd.  
CapitaLand Retail (SI) Investments Pte. Ltd.  
CapitaLand Retail India Pte. Ltd.  
CapitaLand Retail Investments (SY) Pte. Ltd.  
CapitaLand Retail Japan Investments Pte. Ltd.  
CapitaLand Retail Management Pte Ltd  
CapitaLand Retail Singapore Investments Pte. Ltd.  
CapitaLand Retail Singapore Investments Two Pte. Ltd.  
CapitaMall Trust Management Limited  
CapitaMalls Asia Limited  
CapitaMalls Asia Treasury Limited  
CapitaMalls China Fund Management Pte. Ltd.  
CapitaMalls India Fund Management Pte. Ltd.  
CapitaMalls Japan Fund Management Pte. Ltd.  
CapitaMalls Japan Fund Pte. Ltd.  
CapitaMalls Malaysia REIT Management Sdn. Bhd.  
Clarke Quay Pte Ltd  
CMA CapitaStar Pte. Ltd.  
CMA Japan Holdings Pte. Ltd.  
CMA Singapore I Pte. Ltd.

CMA Singapore Investments (4) Pte. Ltd.  
 CMA Singapore Investments (5) Pte. Ltd.  
 CMA Singapore Investments (6) Pte. Ltd.  
 CMT MTN Pte. Ltd.  
 ION Orchard Link Pte. Ltd.  
 JG Trustee Pte. Ltd.  
 JG2 Trustee Pte. Ltd.  
 One Trustee Pte. Ltd.  
 Orchard Turn Developments Pte. Ltd.  
 Orchard Turn Holding Pte. Ltd.  
 Orchard Turn Residential Development Pte. Ltd.  
 Orchard Turn Retail Investment Pte. Ltd.  
 Plaza Singapura (Private) Limited  
 Premier Healthcare Services International Pte Ltd  
 Pyramex Investments Pte Ltd

### Mr Ng Kok Siong

Brilliance Residential (1) Pte. Ltd.  
 Brilliance Trustee Pte. Ltd.  
 CapitaLand Retail (MY) Pte. Ltd.  
 CapitaLand Retail Hong Kong Investments Pte. Limited  
 CapitaLand Retail India Pte. Ltd.  
 CapitaLand Retail Japan Investments Pte. Ltd.  
 CapitaLand Retail RECM Pte. Ltd.  
 CapitaMalls Asia Treasury Limited  
 CapitaMalls China Fund Management Pte. Ltd.  
 CapitaMalls India Fund Management Pte. Ltd.  
 CapitaMalls Japan Fund Management Pte. Ltd.  
 CapitaMalls Malaysia REIT Management Sdn. Bhd.  
 CapitaRetail China Developments (BVI) Limited  
 CapitaRetail China Developments II (BVI) Limited  
 CapitaRetail China Investments (BVI) Limited  
 CMA Singapore I Pte. Ltd.  
 CMA Singapore Investments (3) Pte. Ltd.  
 CMA Singapore Investments (4) Pte. Ltd.  
 CMA Singapore Investments (5) Pte. Ltd.  
 CMA Singapore Investments (6) Pte. Ltd.  
 CMMT Investment Limited  
 CRJF One Pte. Ltd.  
 JG Trustee Pte. Ltd.  
 JG2 Trustee Pte. Ltd.  
 Orchard Turn Holding Pte. Ltd.

### Mr Tony Tan Tee Hieong

Better Value Holdings Limited  
 CapitaLand Retail China Pte. Ltd.  
 CapitaLand Retail Hong Kong Investments Two (BV) Limited  
 CapitaRetail Beijing Wangjing Real Estate Co., Ltd.  
 CapitaRetail Beijing Xizhimen Real Estate Co., Ltd.  
 CapitaRetail China Developments D18 (HK) Limited  
 CapitaRetail China Investment Pte. Ltd.  
 CapitaRetail China Investments V1 (HK) Limited  
 CapitaRetail China Investments V2 (HK) Limited  
 CapitaRetail China Investments (BVI) Alpha Limited  
 CapitaRetail China Investments (B) Alpha Pte. Ltd.  
 CapitaRetail China Investments (B) Beta Pte. Ltd.  
 CapitaRetail China Investments (B) Gamma Pte. Ltd.  
 CapitaRetail China Investments (B) Pte. Ltd.  
 Cressida Enterprises Limited  
 CMA China II Pte. Ltd.  
 CMA China II (BVI) Holdings Limited  
 CMA RCCF Investment (BVI) Limited  
 Exuberant Holdings Limited  
 Genius Star Enterprises Limited  
 Growing State Holdings Limited  
 Magic Bright Investments Limited  
 Retail Crown Pte. Ltd.  
 Retail RECM (BVI) Limited  
 Somerset (Wuhan) Investments Pte Ltd

# Trust Management Team

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## CHIEF EXECUTIVE OFFICER

### Mr Tony Tan Tee Hieong

Refer to the description under the section on the Board of Directors, page 25.

## INVESTMENT AND ASSET MANAGEMENT TEAM

The Investment and Asset team is based in China. They are responsible for identifying and evaluating potential acquisitions and investments, as well as formulating business and enhancement plans for CRCT's assets. They work closely with the property managers as well as the shopping malls' centre management to ensure that the plans are diligently implemented.

### Mr Tan Tze Wooi

Vice President, Investment and Asset Management

Tze Wooi has over 14 years of financial experience in real estate, corporate banking, credit and auditing. He was an Investment and Asset Manager for CapitaMalls Asia before joining CRCTML. He is a Chartered Financial Analyst and holds a Bachelor of Accountancy (Honours) from the Nanyang Technological University of Singapore.

### Ms Chen Xin

Manager, Investment and Asset Management

Chen Xin has over eight years of experience in China's real estate industry, in particular, in investment analysis and asset management. She is a Chartered Financial Analyst and holds a Master of Science in Estate Management from the National University of Singapore and a Bachelor of Science in Urban and Regional Planning from the Beijing University, China.

### Ms Liu Xiao Lei

Executive, Investment and Asset Management

Xiao Lei has over four years of experience in real estate market research and asset management. She holds a Master of National Economics majoring in Financial Investment and Management from Renmin University of China.

## FINANCE TEAM

The Finance Team is responsible for all finance-related functions, including the preparation of statutory accounts, budgeting, sourcing and management of funds, management of treasury and tax affairs, compliance, liaison with external audit, and all other finance-related matters.

### Ms Joanne Tan Siew Bee

Head, Finance

Joanne has over 11 years of finance and accounting experience. She holds a professional degree with the Association of Chartered Certified Accountants (ACCA) and is a member of the Institute of Certified Public Accountants of Singapore.

## FUND ANALYST

The Fund Analyst is responsible for developing and maintaining financial and asset models to analyse the performance of CRCT at the property level, as well as preparing asset reports on the assets.

### Ms Crystal Zhang

Manager, Investment and Asset Management

Crystal has over six years of experience in China's real estate and financial industry, in particular, in mergers and acquisitions, treasury, investment and asset management. She holds a Bachelor of Finance from the Michigan State University, United States, specialising in international business.

## INVESTOR RELATIONS MANAGER

The Investor Relations Manager is responsible for maintaining transparent communications with Unitholders, potential investors, analysts and the media through communication channels such as the annual reports, press releases, presentations, roadshows, and CRCT's website.

### Ms Mark Wai Ling

Manager, Investor Relations

Wai Ling has four years of investor relations experience. She holds a Bachelor of Social Science (Hons) in Economics from the National University of Singapore.

# Corporate Governance

## OUR ROLE

Our primary role as the Manager is to set the strategic direction of CRCT and make recommendations to HSBC Institutional Trust Services (Singapore) Limited, in its capacity as trustee of CRCT (Trustee), on the acquisition, divestment or enhancement of the assets of CRCT in accordance with its stated investment strategy. The research, evaluation and analysis required for this purpose is co-ordinated and carried out by us as the Manager. We are also responsible for the risk management of CRCT.

As the Manager, we have general powers of management over the assets of CRCT. Our primary responsibility is to manage the assets and liabilities of CRCT for the benefit of Unitholders. We do this with a focus on generating rental income and, where appropriate, increasing CRCT's assets over time so as to enhance the returns from the investments, and ultimately the distributions and total return to Unitholders.

Our internal review procedures encompass proactive measures for avoiding situations of conflict and potential conflicts of interest, including prioritising the interests of Unitholders over the Manager's and ensuring that applicable laws and regulations are complied with, so that Unitholders' interests are best served at all times.

Our other functions and responsibilities as the Manager include:

- Using our best endeavours to carry on and conduct CRCT's business in a proper and efficient manner and to conduct all transactions with, or on behalf of, CRCT at arm's length.
- Preparing property plans on an annual basis for review by our Directors, including proposals and forecasts on net income, capital expenditure, sales and valuations, explanation of major variances to previous forecasts, written commentary on key issues and underlying assumptions on rental rates, occupancy costs and any other relevant assumptions. These plans explain the performance of CRCT's assets.
- Ensuring compliance with relevant laws and regulations, including the Listing Manual of the SGX-ST (Listing Manual), the Code on Collective Investment Schemes (CIS Code) issued by the Monetary Authority of Singapore (MAS) and the tax rulings issued by the Inland Revenue Authority of Singapore on the taxation of CRCT and its Unitholders.
- Attending to all regular communications with Unitholders.
- Supervising the property managers, CapitaLand Hualian Management & Consulting (Beijing) Co., Ltd. and CapitaLand Retail (Shanghai) Management & Consulting Co., Ltd.,

which perform the day-to-day property management functions (including leasing, accounting, marketing, promotion, coordination and property management) for the CRCT malls namely, CapitaMall Wangjing, CapitaMall Qibao, CapitaMall Wuhu, CapitaMall Saihan, CapitaMall Anzhen, CapitaMall Shuangjing, CapitaMall Erqi, CapitaMall Xizhimen and CapitaMall Minzhongleyuan pursuant to the property management agreements signed for each mall.

CRCT, constituted as a trust, is externally managed by the Manager. The Manager appoints experienced and well-qualified management to run its day-to-day operations. All Directors and employees of the Manager are remunerated by the Manager and not CRCT.

CRCTML is appointed as the Manager in accordance with the terms of the trust deed dated 23 October 2006, as amended or supplemented (Trust Deed). The Trust Deed outlines certain circumstances under which the Manager can be removed, by notice in writing given by the Trustee, in favour of a corporation appointed by the Trustee upon the occurrence of certain events, including by a resolution passed by a simple majority of Unitholders present and voting at a meeting of Unitholders duly convened and held in accordance with the provisions of the Trust Deed.

## OUR CORPORATE GOVERNANCE CULTURE

Strong corporate governance has always been our priority as the Manager. We recognise that an effective corporate governance culture is critical to our performance and, consequently, to the success of CRCT. As such, corporate governance will always be at the top of our agenda.

We are committed to high standards of corporate governance and transparency in our management of CRCT, and operate in the spirit of the Code of Corporate Governance 2005 (Code) in the discharge of our responsibilities as the Manager in our dealings with Unitholders and the other stakeholders. In 2011, CRCT was awarded the Gold Award for the "Best Annual Report – REITs & Business Trusts" category and the Bronze Award for "Best Investor Relations (companies with S\$300 million to less than S\$1 billion in market capitalisation)" category at the Singapore Corporate Awards 2011.

The following paragraphs describe our corporate governance policies and practices in 2011 as the Manager, with specific references to the Code. They encompass proactive measures adopted by us for avoiding situations of conflict and potential conflicts of interest, including prioritising the

# Corporate Governance

interests of Unitholders over the Manager's and ensuring that applicable laws and regulations are complied with. For ease of reference, the relevant provisions of the Code under discussion are identified in italics.

## A. BOARD MATTERS

### The Board's conduct of affairs

*Principle 1: Every company should be headed by an effective Board to lead and control the company. The Board is collectively responsible for the success of the company. The Board works with Management to achieve this and the Management remains accountable to the Board.*

The Board of Directors of the Manager (Board) is responsible for the overall management and governance of the Manager and CRCT. Board members have a duty to act in good faith, with due diligence and care in the best interests and for the benefit of Unitholders.

The Board provides leadership to the Manager, sets strategic directions and oversees the competent management of CRCT, including the provision of necessary financial and human resources to meet its objectives. The Board establishes goals for the Manager and monitors the achievement of these goals. It ensures that proper and effective controls are in place to assess and manage business risk, and compliance with applicable laws. It also sets the disclosure and transparency standards for CRCT and ensures that obligations to Unitholders and other stakeholders are understood and met.

Each Director must act honestly, with due care and diligence, and in the best interests of Unitholders. This obligation ties in with the Manager's prime responsibility in managing the assets and liabilities of CRCT for the benefit of Unitholders. Decisions are taken objectively in the interests of CRCT. The Manager has adopted guidelines, details of which are set out on page 37 to page 39, for interested person transactions and dealing with conflicts of interest.

The Board meets regularly to discuss and review the Manager's key activities, including its business strategies and policies for CRCT. Board meetings are scheduled in advance, and are held at least once every quarter, to deliberate on the strategic policies of CRCT, including any significant acquisitions and disposals, review the annual budget, review the performance of the business, review the financial performance of the Manager and CRCT and approve the release of the quarterly and full-year results. The Board also reviews the risks to the assets of CRCT and acts upon any comments from the auditors of CRCT. Additional Board meetings are held, where necessary, to

address significant transactions or issues. The Articles of Association of the Manager permit Board meetings to be held by way of teleconference and videoconference.

In the discharge of its functions, the Board is supported by specialty Board committees that provide independent oversight of the Manager, and which also serve to ensure that there are appropriate checks and balances. These Board committees are the Audit Committee, Executive Committee and Corporate Disclosure Committee. Each of these Board committees operate under delegated authority from the Board. Other committees may be formed as dictated by business imperatives and/or to promote operational efficiency. The number of Board and Board committee meetings held in the year, as well as the attendance of their membership, are set out on page 33. This also reflects a Board member's additional responsibilities and special focus on the respective Board committees. Four Board meetings were held in 2011. A Project Verification meeting attended by the Board was held in 2011 in relation to the acquisition of CapitaMall Minzhongleyuan. Information on the Audit Committee can be found in the section "Audit Committee" below.

The Executive Committee oversees the day-to-day activities of the Manager on behalf of the Board including, to:

- Approve or make recommendations to the Board on new investments, acquisitions, financing offers and banking facilities.
- Approve or make recommendations to the Board on divestments and write-offs of property assets/equity stakes.
- Approve specific budgets for capital expenditure for development projects, acquisitions and enhancements/upgrading of properties.
- Review management reports and operating budgets.
- Award contracts for development projects.
- Recommend changes to the financial limits for investment, etc.
- Report to the Board on decisions made by the Executive Committee.
- Perform such other functions as varied or delegated by the Board.

The members of the Executive Committee also meet informally during the course of the year.

The Corporate Disclosure Committee reviews corporate disclosure matters relating to CRCT, including announcements to the SGX-ST, and pursues best practices in terms of transparency.

The Board has adopted a set of internal controls which sets out approval limits for, amongst others, capital expenditure, new investments and divestments, operating of bank accounts, bank borrowings and cheque signatories' arrangements at

Board level. Apart from matters that specifically require the Board's approval – such as the issue of new Units, income distributions and other returns to Unitholders – the Board approves transactions exceeding certain threshold limits, while delegating authority for transactions below those limits to Board committees. Appropriate delegation of authority and approval sub-limits are also provided at the Manager's level to facilitate operational efficiency.

The Manager issues formal letters upon appointment of new Directors. Newly appointed Directors are briefed on the business activities of CRCT, its strategic directions and policies, the regulatory environment in which CRCT operates, the Manager's corporate governance practices, and their statutory and other duties and responsibilities as Directors. Directors are routinely updated on developments and changes in the operating environment, including revisions to accounting standards, and laws and regulations affecting the Manager and/or CRCT. Directors are also encouraged to participate in industry conferences, seminars and training programmes in connection with their duties.

### **Board composition and guidance**

*Principle 2: There should be a strong and independent element on the Board, which is able to exercise objective judgement on corporate affairs independently, in particular, from Management. No individual or small group of individuals should be allowed to dominate the Board's decision-making.*

Currently, the Board consists of six Directors, of whom two are Independent Non-Executive Directors. The majority of the Board members are non-executive, with one-third of the Board being independent.

Non-Executive Directors actively participate in setting and developing strategies and goals for the Manager, and reviewing and assessing the Manager's performance. This enables the Manager to benefit from their external and objective perspective of issues that are brought before the Board. It also enables the Board to interact and work with the Manager through a healthy exchange of ideas and views to help shape the strategic process. Coupled with a clear separation of the roles of the Chairman and the Chief Executive Officer, this provides a healthy professional relationship between the Board and the Manager with clarity of roles and robust deliberation on the business activities of CRCT.

A Director is considered independent if he has no relationship with the Manager or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of the Director's independent business judgment in the best interests of CRCT. Mr Liew Cheng San Victor and Ms Chew Gek Khim

are considered to be Independent Directors.

The composition of the Board is reviewed regularly to ensure that the Board has the appropriate size and mix of expertise and experience, and comprises persons who, as a group, provide the necessary core competencies, taking into consideration the nature and scope of CRCT's operations. The profiles of the Directors are set out on pages 24 and 25 of this Report.

### **Chairman and Chief Executive Officer**

*Principle 3: There should be clear division of responsibilities at the top of the company – the working of the Board and the executive responsibility of the company's business – which will ensure a balance of power and authority, such that no one individual represents a considerable concentration of power.*

The roles of Chairman and Chief Executive Officer are separate and the positions are held by two different persons. This is to ensure an appropriate balance of power, increased accountability and greater capacity of the Board for independent decision-making. The division of responsibilities between the Chairman and the Chief Executive Officer facilitates effective oversight and a clear segregation of duties. The Chairman and the Chief Executive Officer are not related to each other.

The Chairman leads the Board to ensure the effectiveness on all aspects of its role and sets its agenda. He ensures that the members of the Board receive accurate, clear and timely information, facilitates the contribution of Non-Executive Directors, encourages constructive relations between Executive Directors, Non-Executive Directors and the Manager, ensures effective communication with Unitholders and promotes a high standard of corporate governance.

The Chairman also ensures that the Board works together with the Manager with integrity, competency and moral authority, and engages the Manager in constructive debate on strategy, business operations and enterprise risks.

The Chief Executive Officer has full executive responsibilities over the business directions and operational decisions of managing CRCT.

### **Board membership and board performance**

*Principle 4: There should be a formal and transparent process for the appointment of new directors to the Board.*

*Principle 5: There should be a formal assessment of the effectiveness of the Board as a whole and the contribution by each director to the effectiveness of the Board.*

# Corporate Governance

As the Manager is not itself a listed entity, the Manager does not consider it necessary for the Board to establish a nominating committee as it believes that the performance of the Manager, and hence, its Board, is reflected in the long-term success of CRCT. Thus, the Board performs the functions that such a committee would otherwise perform, namely, it administers nominations to the Board, reviews the structure, size and composition of the Board, and reviews the independence of Board members. Directors of the Manager are not subject to periodic retirement by rotation.

The composition of the Board is reviewed regularly to ensure that the Board as a whole has the requisite blend of background, experience and knowledge in business, finance and management skills critical to CRCT's businesses, and that each Director with his special contribution brings to the Board an objective perspective to enable balanced and well-considered decisions to be made. A Director with multiple board representations is expected to ensure that sufficient attention is given to the affairs of the Manager and CRCT.

The composition of the Board, including the selection of candidates for new appointments to the Board as part of the Board's renewal process, is determined using the following principles:

- The Board should comprise Directors with a broad range of commercial experience, including expertise in funds management, the property industry and in the banking and legal fields.
- At least one-third of the Board should comprise Independent Directors.

The selection of candidates is evaluated taking into account various factors including the current and mid-term needs and goals of CRCT, and hence, the Manager, as well as the relevant expertise of the candidates and their potential contributions. Candidates may be put forward or sought through contacts and recommendations.

The independence of each Director is reviewed upon appointment, and thereafter annually, by the Board. Reviews of Board performance as appropriate are informal. Renewal or replacement of Board members do not necessarily reflect their contributions to date, but may be driven by the need to position and shape the Board in line with the medium term needs of CRCT and its business. The financial indicators, set out in the Code as guides for the evaluation of the Board and its Directors, are in the Manager's opinion more of a measurement of the Manager's performance and therefore less applicable to Directors. In any case, such financial

indicators provide a snapshot of CRCT's performance, and do not fully measure the sustainable long-term wealth and value creation of CRCT.

The Manager believes that Board performance and that of individual Board members would perhaps be better reflected in, and evidenced by, proper guidance, diligent oversight and able leadership, and the support that it lends to the Manager in steering CRCT in the appropriate direction, and the long-term performance of CRCT whether under favourable or challenging market conditions. This is ultimately reflected in safeguarding the interests of CRCT and maximising Unitholder value.

Contributions by an individual Board member can also take other forms, including providing objective perspectives of issues, facilitating business opportunities and strategic relationships, and accessibility to the Manager outside of a formal environment of Board and/or Board committee meetings.

## Access to information and accountability

**Principle 6:** *In order to fulfil their responsibilities, Board members should be provided with complete, adequate and timely information prior to board meetings and on an ongoing basis.*

**Principle 10:** *The Board should present a balanced and understandable assessment of the company's performance, position and prospects.*

The Manager provides the Board with complete and adequate information in a timely manner. This is done through regular updates on financial results, market trends and business developments. Changes to regulations, policies and accounting standards are also monitored closely.

To keep pace with regulatory changes, where these changes have an important and significant bearing on CRCT and its disclosure obligations, the Directors are briefed by the Manager during Board meetings, at specially convened sessions or via circulation of Board papers. Information provided to the Board include explanatory background relating to matters to be brought before the Board, budgets, forecasts and management accounts. In relation to budgets, any material variance between projections and actual results are disclosed and explained.

The Secretary of the Manager (Secretary) works with the Chairman and the Manager to ensure that Board papers and agenda are provided to each Director in advance of Board meetings so that they can familiarise themselves with the matters prior to the Board meetings. Senior executives who

can provide additional insights into matters to be discussed are requested to also attend the Board meetings so as to be at hand to answer questions. Board meetings are usually half-a-day affairs and include presentations by senior executives, external consultants and experts on strategic issues relating to specific business areas.

The Board has separate and independent access to the Manager's senior management and the Secretary, and *vice versa*. The Secretary will give the Board the necessary assistance and is also responsible for assisting the Chairman in ensuring that Board procedures are followed and that the applicable laws and regulations are complied with. Under the direction of the Chairman, the Secretary's responsibilities include ensuring good information flows within the Board and its Board committees and between senior management and Non-Executive Directors as well as facilitating orientation and assisting with professional development as required. The Secretary attends Board meetings and Board committee meetings to take minutes. The appointment and removal of the Secretary is a Board reserved matter.

Where necessary, the Manager will, upon the request of Directors (whether as a group or individually), provide them with independent professional advice, at the Manager's expense, to enable them to discharge their duties. The Secretary assists the Directors in obtaining such advice.

The Manager has implemented quarterly financial reporting for CRCT since inception. Financial results and other price sensitive public announcements are presented in a balanced and understandable assessment of CRCT's performance, position and prospects. The Manager also provides the Directors with management accounts on a monthly basis to enable Directors to keep abreast of CRCT's financial performance, position and prospects.

## COMPOSITION

Board Members	Audit Committee	Executive Committee	Corporate Disclosure Committee
Liew Cheng San Victor	Member	–	Chairman
Liew Mun Leong	–	Chairman	Member
Chew Gek Khim	Chairman	–	–
Lim Beng Chee	–	Member	Member
Ng Kok Siong	Member	Member	–
Tony Tan Tee Hieong	–	Member	–

## MEETING ATTENDANCE

Board Members	Board No. of Meetings Held: 4	Audit Committee No. of Meetings Held: 4	Project Verification No. of Meetings Held: 1
Liew Cheng San Victor	4	4	1
Liew Mun Leong	2	N.A.	–
Chew Gek Khim	4	4	1
Lim Beng Chee	4	N.A.	1
Ng Kok Siong	4	4	1
Tony Tan Tee Hieong	4	N.A.	1

# Corporate Governance

## B. REMUNERATION MATTERS

### Procedures for developing remuneration policies

*Principle 7: There should be a formal and transparent procedure for developing policy on executive remuneration and for fixing the remuneration packages of individual directors. No director should be involved in deciding his own remuneration.*

### Level and mix of remuneration

*Principle 8: The level of remuneration should be appropriate to attract, retain and motivate the directors needed to run the company successfully but companies should avoid paying more than is necessary for this purpose. A significant proportion of executive directors' remuneration should be structured so as to link rewards to corporate and individual performance.*

### Disclosure on remuneration

*Principle 9: Each company should provide clear disclosure of its remuneration policy, level and mix of remuneration, and the procedure for setting remuneration in the company's annual report. It should provide disclosure in relation to its remunerative policies to enable investors to understand the link between remuneration paid to directors and key executives, and performance.*

The remuneration of Directors and staff of the Manager is paid by the Manager, and not by CRCT. The Manager adopts the remuneration policies and practices of its holding company, CapitaMalls Asia Limited (CMA), which has a remuneration committee that determines and recommends to the CMA board of directors, the framework of remuneration, terms

of engagement, compensation and benefits for senior executives of CMA and its subsidiaries, which include the Chief Executive Officer of the Manager and members of its senior management team. It is hence not necessary for the Manager to have a remuneration committee.

Since CRCT does not bear the remuneration of the Manager's Board and staff, the Manager does not consider it necessary to include a report on remuneration of its Directors (other than as set out below) and its key executives.

The remuneration of Directors for FY 2011 is shown in the table below. The Chief Executive Officer does not receive Directors' fees. Non-Executive Directors have no service contracts with the Manager. They receive Directors' fees which are payable by way of cash and Units. The Manager believes that the payment of a portion of the fees in Units will serve to align the interests of the Directors with that of Unitholders, and with CRCT's long-term growth and value. Such Directors' fees comprise a basic retainer fee as Director, an additional fee for serving on any of the Board committees and an attendance fee for participation in meetings of the Board and any of the Board committees, project meetings and verification meetings. In determining the quantum of such fees, factors such as frequency of meetings, time spent and responsibilities of Directors are taken into account. The Chairman and members of the Audit Committee receive additional fees to take into account the nature of their responsibilities and the greater frequency of meetings.

## REMUNERATION OF DIRECTORS

Board Members	FY 2011 <sup>(1)(2)</sup>	FY 2010 <sup>(1)</sup>
Liew Cheng San Victor	S\$133,000	S\$111,084 <sup>(3)</sup>
Liew Mun Leong	S\$95,000 <sup>(4)</sup>	S\$61,000 <sup>(4)</sup>
Chew Gek Khim	S\$89,000	S\$65,033 <sup>(5)</sup>
Lim Beng Chee	S\$70,000 <sup>(4)</sup>	–
Ng Kok Siong	S\$85,000 <sup>(4)</sup>	–
Tony Tan Tee Hieong	–	–

<sup>1</sup> Inclusive of attendance fees of (a) S\$2,000 (local director) per meeting attendance in person, (b) S\$1,700 per meeting attendance via tele-conference or video conference, and (c) S\$1,000 per meeting attendance at project and verification meetings subject to a maximum of S\$10,000 per Director per annum. Directors' fees are subject to the approval of the Manager's shareholders.

<sup>2</sup> Each Non-Executive Director shall receive up to 20% of his or her Directors' fees in the form of Units (subject to rounding adjustments). The remainder of the Directors' fees shall be paid in cash. No new Units will be issued for this purpose as these Units will be paid by the Manager from the Units it holds in CRCT.

<sup>3</sup> Liew Cheng San Victor was appointed as Chairman of the Corporate Disclosure Committee with effect from 1 August 2010.

<sup>4</sup> In respect of Directors who are employees of CapitaLand Limited and CMA, the cash component of their Directors' fees will be paid to CapitaLand Limited and CMA respectively. They will be entitled to retain the Units component of their Directors' fees.

<sup>5</sup> Chew Gek Khim was appointed as Chairman of the Audit Committee with effect from 31 December 2010.

## C. INTERNAL CONTROL AND AUDIT

### Audit Committee

**Principle 11: The Board should establish an Audit Committee with written terms of reference which clearly set out its authority and duties.**

The Audit Committee is established by the Board from among the Directors of the Manager and currently comprises three members, all non-executive, the majority of whom (including the Chairman of the Audit Committee) are independent.

The Manager is of the view that the Audit Committee members have the relevant expertise to discharge the functions of an Audit Committee. The Audit Committee has a set of terms of reference defining its scope of authority which includes, in relation to its management of CRCT:

- Monitoring and evaluating the effectiveness of the Manager's internal control process (including financial, operational and compliance controls and risk management policies and systems) through reviewing internal and external audit reports to ensure that where deficiencies in internal controls have been identified, appropriate and prompt remedial action is taken by the Manager.
- Reviewing the quality and reliability of information prepared for inclusion in the financial reports and approving the financial statements and the audit report before recommending to the Board for approval.
- Reviewing the adequacy and effectiveness of the internal audit function.
- Monitoring the procedures established to regulate Interested Person Transactions (as defined below), including ensuring compliance with Chapter 9 of the Listing Manual on interested person transactions, transactions between CRCT and an 'interested person', and provisions of Appendix 6 of the CIS Code (Property Funds Appendix) relating to transactions between CRCT and an 'interested party'.
- Reviewing the appointment and re-appointment of auditors (including remuneration and terms of engagement) before recommending them to the Board for recommendation to Unitholders at each annual general meeting and reviewing the adequacy of existing audits in respect of cost, scope and performance.
- Reviewing the scope and results of the audit and its cost effectiveness, and the independence and objectivity of the external auditors and non-audit services provided by the external auditors and confirming that they would not, in the Audit Committee's opinion, impair the independence of the auditors.

- Monitoring the procedures in place to ensure compliance with applicable legislation, the Listing Manual and the Property Funds Appendix.

The Audit Committee is authorised to investigate any matters within its terms of reference. The Audit Committee has full access to and co-operation of the Manager and the internal auditors and has full discretion to invite any Executive Director or officer to attend its meetings. The internal auditors and CRCT's external auditors, have unrestricted access to the Audit Committee. Reasonable resources have been made available to the Audit Committee to enable it to discharge its duties.

The Audit Committee meets CRCT's external auditors together with the internal auditors, without the presence of the Manager, at least twice annually. In its review of the audited financial statements for FY 2011, the Audit Committee discussed with the Manager and external auditors the accounting principles that were applied. Based on the review and discussions with the Manager and the external auditors, the Audit Committee is of the view that the financial statements are fairly presented, and conform to generally accepted accounting principles in all material aspects.

The Audit Committee has also conducted a review of all non-audit services provided by the external auditors during the financial year and is satisfied that the nature and extent of such services will not prejudice the independence and objectivity of the external auditors. The aggregate amount of audit fees paid and payable by CRCT and its subsidiaries (the CRCT Group) to the external auditors for FY 2011 was approximately S\$518,200, of which audit fees amounted to approximately S\$373,100 and non-audit fees amounted to approximately S\$145,100.

Audit Committee meetings are generally held after the end of every quarter of every financial year. Four Audit Committee meetings were held during the year.

The Manager, on behalf of CRCT, confirms that CRCT has complied with Rule 712 and Rule 715 of the Listing Manual in relation to its auditing firms.

# Corporate Governance

## Internal controls

**Principle 12:** *The Board should ensure that Management maintains a sound system of internal controls to safeguard the shareholders' investments and the company's assets.*

## Internal audit

**Principle 13:** *The company should establish an internal audit function that is independent of the activities it audits.*

The Manager has an established risk identification and management framework for the CRCT Group. The Manager proactively identifies and addresses risks in the CRCT Group. The ownership of these risks lies with the Chief Executive Officer and function heads of the Manager with stewardship residing with the Board.

The Manager has a system to consolidate and review the CRCT Group's risk register which identifies the key risks facing the CRCT Group and the internal controls in place to manage or mitigate those risks. Internal and external auditors conduct audits that involve testing the effectiveness of the material internal control systems in the CRCT Group including testing, where practical, material internal controls in areas managed by external service providers. Any material non-compliance or lapses in internal controls together with proposed corrective measures are reported to the Audit Committee. The Audit Committee also reviews the effectiveness of the measures taken by the Manager in response to the issues noted by the internal and external auditors of the Manager. The internal controls are continually being refined by the Manager.

Based on the framework established and reviews conducted by the internal and external auditors of the Manager, the Board opines, with the concurrence of the Audit Committee, that there are adequate controls in place within the CRCT Group addressing material financial, operational and compliance risks to meet the needs of the CRCT Group in its current business environment.

The system of internal control and risk management established by the Manager provides reasonable, but not absolute, assurance that the CRCT Group will not be adversely affected by any event that can be reasonably foreseen as it strives to achieve its business objectives. However, the Board also notes that no system of internal controls and risk management can provide absolute assurance in this regard, or absolute assurance against poor judgement in decision making, human error, losses, fraud or other irregularities.

The Manager has in place an internal audit function supported by CMA's Internal Audit Department (CMA IA) which reports directly to the Audit Committee and administratively to the Chief Executive Officer.

To ensure that the internal audits are performed effectively, CMA IA recruits and employs suitably qualified professional staff with the requisite skill sets and experience.

CMA IA provides training and development opportunities for its staff to ensure their technical knowledge and skill sets remain current and relevant.

The Audit Committee reviews the internal audit reports and activities on an on-going basis. The Audit Committee also reviews and approves the annual internal audit plan with respect to CRCT. The Audit Committee is of the view that the internal audit department is adequately resourced to perform its functions and has, to the best of its ability, maintained its independence from the activities that it audits.

## D. COMMUNICATION WITH UNITHOLDERS

**Principle 14:** *Companies should engage in regular, effective and fair communication with shareholders.*

**Principle 15:** *Companies should encourage greater shareholder participation at AGMs, and allow shareholders the opportunity to communicate their views on various matters affecting the company.*

The Listing Manual requires that a listed entity disclose to the market matters that could, or might be expected to, have a material effect on the price of the entity's securities. In line with CRCT's disclosure obligations, the Board's policy is to inform Unitholders, in a timely manner, of all major developments that impact CRCT. During the year, a continuous disclosure process was in place to ensure that compliance with such obligations was constantly adhered to.

CRCT believes that it should engage in regular, effective, unbiased and transparent communication with Unitholders. The Manager communicates information on CRCT to Unitholders and the investing community through announcements that are released to the SGX-ST via SGXNET.

Such announcements include the quarterly and full-year results, material transactions, and other developments relating to the CRCT requiring disclosure under the corporate disclosure policy of the SGX-ST. Communication channels with Unitholders are also made accessible via:

- Media and analysts' briefings.
- One-on-one/group meetings or conference calls, investor luncheons, local/overseas roadshows and conferences.
- Annual reports.
- Press releases on major developments of CRCT.

- Notices of, and explanatory memoranda for, annual general meetings (AGMs) and extraordinary general meetings (EGMs).
- CRCT's website at [www.capitaretailchina.com](http://www.capitaretailchina.com).

With a majority of Units held by institutional investors, the Manager considers meetings with local and foreign fund managers an integral part of investor relations. During the year under review, the Manager met with institutional investors from Singapore, China, Hong Kong, United Kingdom and United States. These meetings and roadshows with investors enabled the Manager to update investors on major developments of CRCT and communicate our strategies. The Manager also participated in local and overseas conferences and roadshows to reach out to a wider base of investors.

CRCT's AGM was held in April 2011 which allowed Unitholders to communicate their views and interact with members of the Board and our senior management.

The Manager participated in the Asian Investment Conference & Exhibition 2011 organised by the Securities Investors Association (Singapore).

Unitholders and potential stakeholders have 24-hour access to CRCT's website for information on CRCT's major developments, property descriptions, announcements and other corporate information. Real-time information on CRCT's unit price is also made available on the website. In addition, the public can pose questions via a dedicated 'Ask Us' email address, and have their queries addressed accordingly. Also available on the website is an archive of CRCT's announcements, press releases, annual reports and operational details. The latest information is posted on the website as soon as it is released to the SGX-ST and the media.

All Unitholders are sent a copy of the CRCT Annual Report prior to the AGM. As and when an EGM of the Unitholders is to be held, each Unitholder will be sent a copy of a circular to Unitholders which contains details of the matters to be proposed for Unitholders' consideration and approval. Notices for the general meetings of Unitholders setting out all items of business to be transacted at the general meetings, are also announced on SGXNET.

Members of the Board, the Manager's senior management and the external auditors of CRCT are in attendance at such general meetings, and Unitholders are given the opportunity to air their views and ask questions regarding the matters tabled at the general meeting. Resolutions put to the general meeting are separate unless they are interdependent and linked, and the reasons and material implications are explained. A Unitholder is allowed to appoint one or two proxies to attend and vote at the general meetings in his/her stead.

## E. ADDITIONAL INFORMATION

### Dealings with Interested Persons

#### Review procedures for Interested Person Transactions

In general, the Manager has established internal control procedures to ensure that all transactions between CRCT and a related party of the Manager (Interested Person Transactions) are undertaken on an arm's length basis and on normal commercial terms, which are generally no more favourable than those extended to unrelated third parties. In respect of such transactions, the Manager would have to demonstrate to the Audit Committee that the transactions are undertaken on normal commercial terms which may include obtaining (where practicable) quotations from parties unrelated to the Manager, or obtaining valuations from independent valuers (in accordance with the Property Funds Appendix).

In addition, the following procedures will generally be followed:

- Transactions (either individually or as part of a series or if aggregated with other transactions involving the same interested person during the same financial year) equal to or exceeding S\$100,000 in value, but below 5.0% of CRCT's net tangible assets, will be subject to review and approval by the Audit Committee.
- Transactions (either individually or as part of a series or if aggregated with other transactions involving the same interested person during the same financial year) equal to or exceeding 5.0% of CRCT's net tangible assets will be reviewed and approved by the Audit Committee which may as it deems fit request advice on the transaction from independent sources or advisors, including obtaining valuations from professional valuers. Further, under the Listing Manual and the Property Funds Appendix, such transactions would have to be approved by the Unitholders of CRCT at a meeting of Unitholders.
- Audit Committee's approval shall only be given if the transactions are on arm's length commercial terms and consistent with similar types of transactions undertaken by the Trustee, with third parties which are unrelated to the Manager.

Where matters concerning CRCT relate to transactions entered into, or to be entered into, by the Trustee for and on behalf of CRCT with a related party of the Manager, the Trustee is required to ensure that such transactions are conducted on normal commercial terms, will not be prejudicial to the interest of CRCT and the Unitholders, and in accordance with the applicable requirements of the Property Funds Appendix and/or the Listing Manual relating to the transaction in question.

Further, the Trustee has the ultimate discretion under the Trust Deed to decide whether to enter into a transaction involving

# Corporate Governance

a related party of the Manager. If the Trustee is to sign any contract with a related party of the Manager, the Trustee will review the contract to ensure that it complies with applicable requirements relating to interested party transactions in the Property Funds Appendix (as may be amended from time to time) and the provisions of the Listing Manual relating to interested person transactions (as may be amended from time to time) as well as other guidelines as may from time to time be prescribed by the MAS and the SGX-ST or other relevant authority to apply to REITs.

## Role of the Audit Committee for Interested Person Transactions

The Manager's internal control procedures are intended to ensure that Interested Person Transactions are conducted at arm's length and on normal commercial terms and are not prejudicial to Unitholders' interests. The Manager maintains a register to record all Interested Person Transactions which are entered into by CRCT (and the basis, including the quotations obtained to support such basis, on which they are entered into). All Interested Person Transactions are subject to regular periodic reviews by the Audit Committee, which in turn obtains advice from CMA IA, to ascertain that the guidelines and procedures established to monitor Interested Person Transactions have been complied with. In addition, the Trustee will also review such Interested Person Transactions to ascertain that the Property Funds Appendix has been complied with.

The Audit Committee periodically reviews Interested Person Transactions to ensure compliance with the internal control procedures and the relevant provisions of the Listing Manual and the Property Funds Appendix. The review includes the examination of the nature of the transaction and its supporting documents or such other data deemed necessary by the Audit Committee. If a member of the Audit Committee has an interest in a transaction, he is to abstain from participating in the review and approval process in relation to that transaction.

Details of all Interested Person Transactions (equal to or exceeding S\$100,000 each in value) entered into by CRCT during the financial year are disclosed on page 137 of this Report.

## Dealings with conflicts of interest

The following procedures have been established to deal with potential conflicts of interest which the Manager (including its Directors, executive officers and employees) may encounter in managing CRCT:

- The Manager will be a dedicated manager to CRCT and will not manage any other REIT or be involved in any other real property business.

- All executive officers of the Manager will be employed by the Manager.
- All resolutions at meetings of the Board of Directors of the Manager in relation to matters concerning CRCT must be decided by a majority vote of the Directors, including at least one Independent Director.
- In respect of matters in which CapitaLand Limited and/or its subsidiaries have an interest, direct or indirect, any nominees appointed by CapitaLand Limited and/or its subsidiaries to the Board will abstain from voting.
- If the Manager is required to decide whether or not to take any action against any person in relation to any breach of any agreement entered into by the Trustee for and on behalf of CRCT with an affiliate of the Manager, the Manager shall be obliged to consult with a reputable law firm (acceptable to the Trustee) which shall provide legal advice on the matter. If the said law firm is of the opinion that the Trustee, on behalf of CRCT, has a *prima facie* case against the party allegedly in breach under such agreements, the Manager is obliged to pursue the appropriate remedies under such agreements. The Directors of the Manager will have a duty to ensure that the Manager complies with the aforesaid. Notwithstanding the foregoing, the Manager shall inform the Trustee as soon as it becomes aware of any breach of any agreement entered into by the Trustee for and on behalf of CRCT with an affiliate of the Manager, and the Trustee may take such action as it deems necessary to protect the rights of Unitholders and/or which is in the interests of Unitholders. Any decision by the Manager not to take action against an affiliate of the Manager shall not constitute a waiver of the Trustee's right to take such action as it deems fit against such affiliate.
- At least one-third of the Board shall comprise Independent Directors.

The Directors of the Manager are under a fiduciary duty to CRCT to act in its best interests in relation to decisions affecting CRCT when they are voting as members of the Board. In addition, the Directors and executive officers of the Manager are expected to act with integrity and honesty at all times.

Additionally, CRCT has been granted rights of first refusal by CapitaMalls China Income Fund (formerly known as CapitaRetail China Development Fund), CapitaMalls China Development Fund II (formerly known as CapitaRetail China Development Fund II), CapitaMalls China Incubator Fund (formerly known as CapitaRetail China Incubator Fund) and CMA over any proposed sale and/or acquisition (as the case may be) of shares or equity interests in properties with certain specified characteristics by CapitaMalls China Income Fund (formerly known as CapitaRetail China Development Fund), CapitaMalls China Development Fund II (formerly known as CapitaRetail China Development Fund II), CapitaMalls China Incubator Fund (formerly known as CapitaRetail China

Incubator Fund) and CMA in China. Under the Trust Deed, in respect of voting rights where the Manager would face a conflict between its own interest and that of the Unitholders, the Manager shall cause such voting rights to be exercised according to the discretion of the Trustee.

### **Risk assessment and management of business risk**

Effective risk management is a fundamental part of CRCT's business strategy. Recognising and managing risk is central to the business and to protecting Unitholders' interests and value. CRCT operates within overall guidelines and specific parameters set by the Board. Each transaction is comprehensively analysed to understand the risk involved. Responsibility for managing risk lies initially with the business unit concerned, working within the overall strategy outlined by the Board.

The Manager's focus on risk management recognises that risk management is, *prima facie*, an issue for the Manager. The risk management framework supports this focus but provides a structured context for those personnel to undertake a half-yearly review of the past performance of, and to profile the current and future risks facing, their areas of responsibility. This risk information is consolidated and used as key input into the corporate strategy sessions attended by the Manager and the property managers. Such sessions are held regularly to review CRCT's strategic direction in detail, and include specific focus on the identification of key business and financial risks which could prevent CRCT from achieving its objectives. The Manager is then required to ensure that appropriate controls are in place to effectively manage those risks, and such risks and controls are monitored by the Board on a regular basis. The internal audit plan is developed in conjunction with the risk management programme and is focused on ensuring the operation of internal controls and assessing the effectiveness and efficiency of the control environment.

The Board generally meets quarterly, or more often if necessary, to review the financial performance of the Manager and CRCT against a previously approved budget. The Board also reviews the risks to the assets of CRCT and acts upon any comments by the auditors of CRCT.

In assessing business risk, the Board considers the economic environment and the property industry risk. The Board and its Executive Committee review and approve all investment decisions. The Manager meets regularly to review the operations of the Manager and CRCT and discuss continuous disclosure issues.

The Manager has determined that significant risk for CRCT will most likely arise when making property investment decisions. Accordingly, the Manager has established procedures to be followed when making such decisions. In accordance with

this policy, the Board requires comprehensive due diligence to be carried out in relation to the proposed investment and a suitable determination is made as to whether the anticipated return on investment is appropriate, having regard to the level of risk. In addition, the Board requires that each major proposal submitted to the Board for decision is accompanied by a comprehensive risk assessment and, where required, the Manager's proposed mitigation strategies.

### **Dealings in securities**

The Manager has voluntarily issued guidelines to its Directors and employees which prohibit them from dealing in Units while in possession of material unpublished price-sensitive information and during the period commencing from (i) two weeks before the release of CRCT's quarterly results and (ii) one month before the release of CRCT's full-year results to the date of the release of the relevant results to the SGX-ST. Under these guidelines, Directors and employees have been directed to refrain from dealing in Units on short-term considerations. They are also made aware of the applicability of the insider trading laws at all times.

### **Whistle-blowing**

Whistle-blowing policy and procedures are put in place to provide employees of the Manager and parties with official dealings with CRCT with well defined, accessible and trusted channels to report on suspected fraud, corruption, dishonest practices or other impropriety in the workplace, and for the independent investigation of any reported incidents and appropriate follow up action. The aim of the whistle-blowing policy is to encourage the reporting of such matters in good faith, with the confidence that employees or external parties making such reports will be treated fairly, and to the extent possible, be protected from reprisal. On an ongoing basis, the whistle-blowing policy is covered during periodic communications to employees to promote fraud awareness.



CapitaMall Wuhu



# Committing To China

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We are in China for the long haul. We are committed to adding value to the community and our stakeholders.

[Growth Strategies](#)

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[People and Talent Development](#)

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[Corporate Social Responsibility](#)

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[Investor Relations](#)

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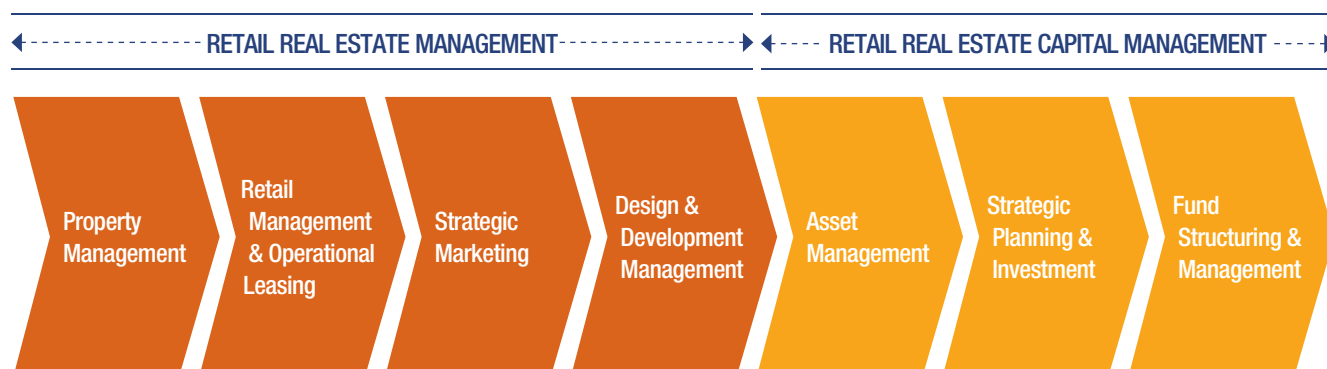
[Unit Price Performance](#)

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# Growth Strategies

## INTEGRATED RETAIL REAL ESTATE MANAGEMENT PLATFORM

CRCT enjoys access to CapitaMalls Asia's integrated shopping mall business model, with in-house capabilities in retail real estate investment, development, mall operations, asset management and fund management.



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## **AS THE MANAGER, WE SEEK TO DRIVE CONTINUED GROWTH OF CRCT THROUGH THE FOLLOWING THREE-PRONGED STRATEGY:**

### **1. ENHANCING ORGANIC GROWTH THROUGH PROACTIVE ASSET MANAGEMENT**

Most of our leases provide for an annual step-up in the base rent and for rent to be payable on the basis of the higher of either base rent or a percentage of tenants' gross sales turnover, thereby providing stability and potential upside in rental income.

Apart from organic growth through rental receipts, we work closely with the mall managers to identify improvements to the malls' retail offerings and tenant mix, and carry out marketing and promotional initiatives to drive up shopper traffic and non-rental income.

### **2. CREATING NEW VALUE THROUGH INNOVATIVE ASSET ENHANCEMENT STRATEGIES**

We also actively explore innovative asset enhancement initiatives to improve the returns of our malls. These include the reconfiguration of the retail units or floor plates to achieve better efficiency and higher rental potential, retro-fitting and refurbishing the malls to maintain their appeal to tenants and shoppers.

### **3. CAPITALISING ON YIELD-ACCRETIVE ACQUISITIONS GROWTH MODEL SUPPORTED BY A SECURED AND PROPRIETARY PIPELINE**

We are always identifying and evaluating yield-accretive acquisition opportunities from our secured and proprietary pipeline, and other third-party vendors.

CRCT is provided with long-term growth potential from its rights of first refusal to purchase assets held by CapitaMalls Asia-sponsored private funds, CapitaMalls China Income Fund, CapitaMalls China Development Fund II, CapitaMalls China Incubator Fund, as well as CapitaMalls Asia, one of the largest listed shopping mall developers, owners and managers in Asia.

In evaluating acquisition opportunities, we will focus on properties which can maintain or enhance CRCT's distribution yield; the properties' potential asset enhancement opportunities; properties with potential to demonstrate strong growth in occupancy rates, sustainable rental yields, quality tenant and lease profile.

# People and Talent Development

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People are vital in our pursuit of our business growth today and in the future. We see the infinite value in people and it is their passion, professionalism and commitment that contribute to the success of our business.

## TALENT MANAGEMENT

We are well-poised to meet the resourcing challenges in China. Our team is constantly strengthened with talents recruited at different transition points in their career path, from fresh graduates to young, mid-career professionals and industry veterans.

Young talents are recruited through our network with various distinguished China and overseas universities through our Management Associate Programme. Our robust succession planning and talent management strategies also support talent cross-fertilisation where employees are given the opportunity to rotate to different malls, functions, cities or countries as part of their career development.

## COMPETITIVE COMPENSATION AND BENEFITS

We provide a comprehensive and competitive remuneration package which includes short-term cash bonuses and long-term equity-based reward plans such as restricted shares for key managers. Regular benchmarking against different markets and innovation in compensation strategies ensure we remain competitive and continue to attract and retain talent.

## DEVELOPING OUR PEOPLE

We believe that continuous learning is a fundamental building block of growth. In collaboration with CapitaMalls Asia, we offer comprehensive training and development programs for employees to acquire relevant knowledge and skills to achieve business excellence.

Employees are encouraged to learn continuously through our online learning platform. It contains a library of more than 200 courses available in English and Chinese, and

employees can study at their own time and own pace. Study visits to overseas malls were also organised for staff to network and gain exposure.

For members of the senior management team with proven track record and leadership potential, we partner with CapitaLand Institute of Management and Business (CLIMB) to provide leadership and management programmes to sharpen their management, leadership and business skills. This year, we also collaborated with Tsing Hua University on our China Executive Development Programme.

## ENGAGING OUR PEOPLE

As part of our concerted efforts to engage our workforce in China, we organise teambuilding activities and brainstorming workshops to reinforce organisational cohesiveness. Staff communication sessions by senior management are also conducted regularly to keep staff abreast of CRCT's financial results and strategic business thrusts.

We value our people and believe our success will be shaped by our people. We will continue to develop our human capital to achieve optimal performance.

# Corporate Social Responsibility

We are committed to being a responsible corporate citizen by promoting community and charity causes as well as pursuing green practices at our malls.

## SUPPORTING COMMUNITY AND CHARITY CAUSES

“My Schoolbag”, CapitaMalls Asia’s signature annual corporate social responsibility programme, was held in China for the second time in September 2011, in conjunction with the start of the country’s new school year. The programme was held across 210 schools in 34 cities, in partnership with the China Children and Teenagers’ Fund. This was made possible with a donation of S\$290,000 from CapitaLand Hope Foundation, the philanthropic arm of CapitaLand. CapitaMall Wangjing, CapitaMall Xizhimen, CapitaMall Saihan, CapitaMall Wuhu and CapitaMall Qibao participated in the programme. Staff volunteers distributed new schoolbags containing stationery to underprivileged children.

CapitaMall Saihan organised a Pet Lovers event in September 2011 to encourage residents to show compassion and care for stray and abandoned animals. Pets participated in an animal runway show and free pet food was given out as tokens of appreciation to residents who adopted stray animals. In view of the harsh weather in November 2011, CapitaMall Saihan also embarked on a “Winter Care Donation Drive”. Warm clothes and basic necessities were given out to police guards, the elderly in nursing homes, and deaf and mute children.

## GREEN PRACTICES

We are committed to protecting our environment for our future generations and seek to minimise the environmental footprint of our malls’ operations.

Our malls engaged the Chinese government, tenants, communities, schools and non-governmental organisations in recyclable art workshops, green awareness activities, corporate pledges, and usage of environmentally-friendly shopping bags to raise awareness of adopting a low-carbon footprint and highlight the importance of climate change and energy saving.

We supported the World Wildlife Fund Earth Hour initiative, a global sustainable movement that highlights climate change issues, for the third consecutive year. CapitaMall Wangjing, CapitaMall Xizhimen, CapitaMall Saihan, CapitaMall Wuhu and CapitaMall Qibao took part in Earth Hour 2011 on 26 March 2011. At 8:30 pm, all five malls turned off their facade and ‘non-essential’ lights for 10 hours.

For the first time, our Report to Unitholders this year is printed on environmentally-friendly paper as part of our ongoing green initiatives to reduce our carbon footprint and protect our environment.



# Investor Relations

As the Manager, we believe in regular, effective, unbiased and transparent communication with our Unitholders, potential investors, analysts and the media.

We maintain a high level of investor access through various communication channels that include meetings, conference calls, roadshows and mall visits. In FY 2011, senior management participated in local and global roadshows in China, Hong Kong, United Kingdom and United States.

During the year, we held our full-year and half-year financial results briefings in January and July respectively for the media and analysts which enabled senior management to communicate our results, strategies and outlook. Our annual general meeting was held on 12 April 2011, allowing Unitholders to interact with the Board and senior management.

For the acquisition of CapitaMall Minzhongleyuan, we organised a briefing session on 6 May 2011 for the media and analysts, and an extraordinary general meeting on 21 June 2011 for Unitholders to understand more about the transaction and to approve the acquisition.

We also pursue opportunities to engage CRCT's strong base of retail investors. In July 2011, CRCTML's CEO Tony Tan spoke at the Asian Investment Conference & Exhibition organised by the Securities Investors Association (Singapore). CRCT also exhibited at the event, allowing us to share with our retail investors the latest developments in CRCT.

In line with our commitment to timely disclosure of information, quarterly results are released within 30 days from the end of each quarter through announcements to the SGX-ST. In addition, material transactions and other developments relating to CRCT are also released to the SGX-ST. These announcements are published on CRCT's website ([www.capitaretailchina.com](http://www.capitaretailchina.com)) as soon as they are released to SGX-ST. Also available on CRCT's website is an archive of CRCT's announcements, press releases, and reports to unitholders. Registered participants can receive email alerts on CRCT's latest announcements and press releases. Members of the public can pose questions via a dedicated "Ask Us" email address.

Mall visits are arranged for investors and analysts travelling to the cities in which our malls are located. These visits allow them to better understand our malls' operations and have a greater appreciation of CRCT's long-term growth potential.

In July 2011, CRCT won two awards at the Singapore Corporate Awards 2011 - the Gold award for "Best Annual Report – REITs and Business Trusts" category and the Bronze award for "Best Investor Relations (companies with S\$300 million to less than S\$1 billion in market capitalisation)" category. These awards underline our commitment to high standards of transparency and effective communication.

## INVESTOR RELATIONS CALENDAR 2011

DATE	EVENT	ORGANISER
26 Jan	FY 2010 results briefing to media and analysts, Singapore	CRCT
26 Jan	FY 2010 post results roadshow, Singapore	Bank of America Merrill Lynch
16 Mar	Non-deal roadshow, United States	Daiwa Capital Markets
12 Apr	Annual General Meeting, Singapore	CRCT
14 Apr	1Q 2011 post results roadshow, Singapore	DBS Vickers Securities
6 May	Briefing to media and analysts on proposed acquisition of CapitaMall Minzhongleyuan, Singapore	CRCT
30 May	Non-deal roadshow, Hong Kong, China, United States, United Kingdom	DBS Vickers Securities, China International Capital Corporation
21 Jun	Extraordinary General Meeting, Singapore	CRCT
15 Jul	2Q 2011 results briefing to media and analysts, Singapore	CRCT
15 & 18 Jul	2Q 2011 post results roadshow, Singapore	J.P. Morgan
23 & 24 Jul	Asian Investment Conference & Exhibition, Singapore	SIAS
17 Oct	3Q 2011 post results roadshow, Singapore	Daiwa Capital Markets

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## **FINANCIAL CALENDAR 2012 – 2013 (TENTATIVE)**

### **April 2012**

2012 First Quarter Results Announcement  
Annual General Meeting

### **July 2012**

2012 Second Quarter Results Announcement

### **September 2012**

2012 First Half Distribution to Unitholders

### **October 2012**

2012 Third Quarter Results Announcement

### **January 2013**

2012 Full Year Results Announcement

### **March 2013**

2012 Second Half Distribution to Unitholders

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## **ANALYST COVERAGE (AS AT 6 MARCH 2011)**

Bank of America Merrill Lynch  
China International Capital Corporation  
DBS Vickers Securities  
Daiwa Capital Markets  
J.P. Morgan  
Macquarie Research  
UBS Securities

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## **UNITHOLDER ENQUIRIES**

If you have any enquiries or would like to find out more about CRCT, please contact:

### **The Manager**

**Ms Mark Wai Ling**

**Investor Relations Manager**

Phone: (65) 6826 1188

Fax: (65) 6536 3884

Email: ask-us@capitaretailchina.com

Website: www.capitaretailchina.com

### **The Unitholder Registrar Boardroom Limited**

50 Raffles Place

#32-01 Singapore Land Tower

Singapore 048623

Tel: (65) 6536 5355

Fax: (65) 6536 1360

Website: www.boardroomlimited.com

For depository-related matters such as change of details pertaining to Unitholders' investment records, please contact:

### **The Central Depository (Pte) Limited**

4 Shenton Way

#02-01 SGX Centre 2

Singapore 068807

Tel: (65) 6535 7511

Fax: (65) 6535 0775

Email: cdp@sgx.com

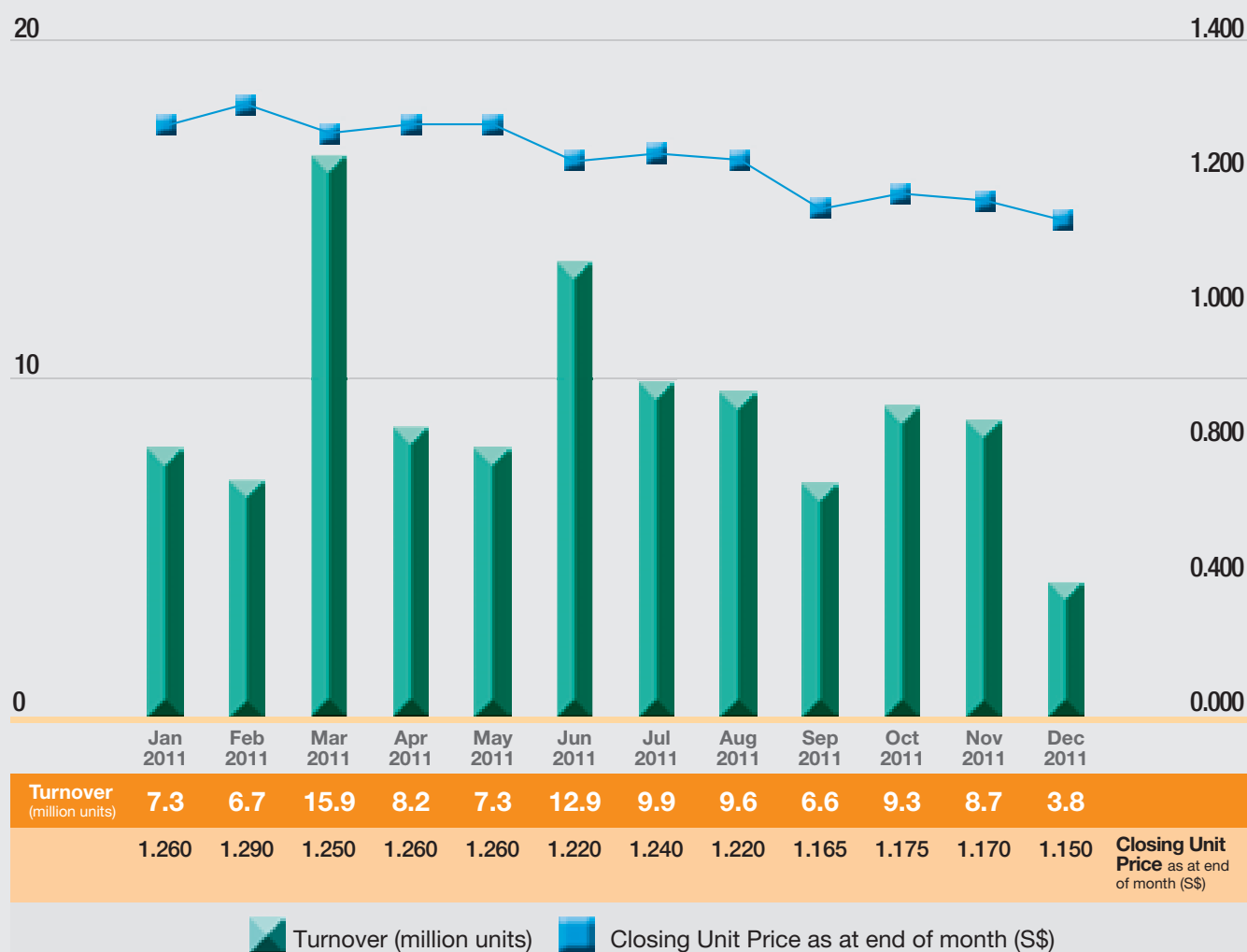
Website: www.cdp.com.sg

# Unit Price Performance

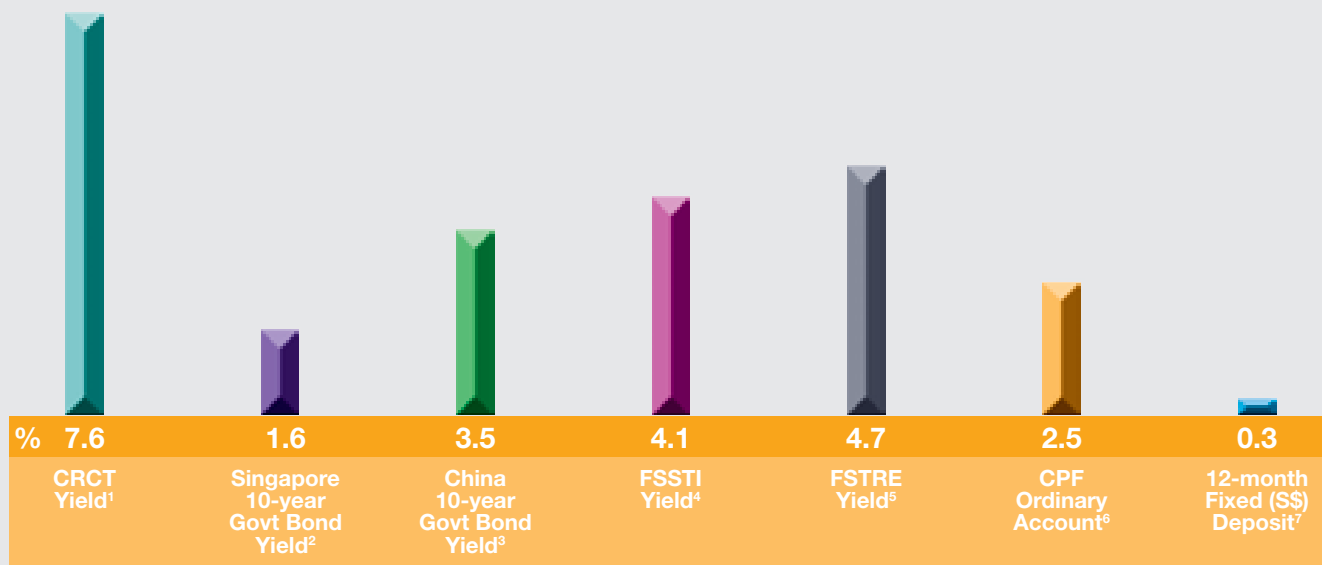
## CRCT Trading Data in FY 2011

Highest Unit Price (S\$)	1.300
Lowest Unit Price (S\$)	1.130
Average Closing Unit Price (S\$)	1.220
Closing Unit Price on 31 December 2011 (S\$)	1.150
Turnover (million units)	106.2

## CRCT Monthly Trading Performance in FY 2011



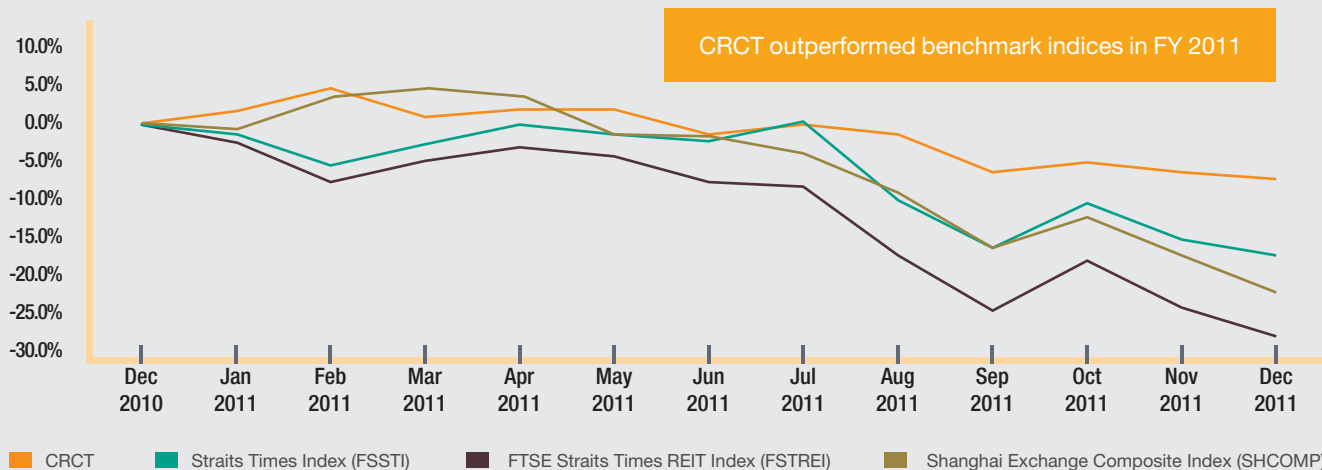
## Comparative Yields (%) as at 30 December 2011



Source: Bloomberg, CRCTML, CPF Board, Monetary Authority of Singapore.

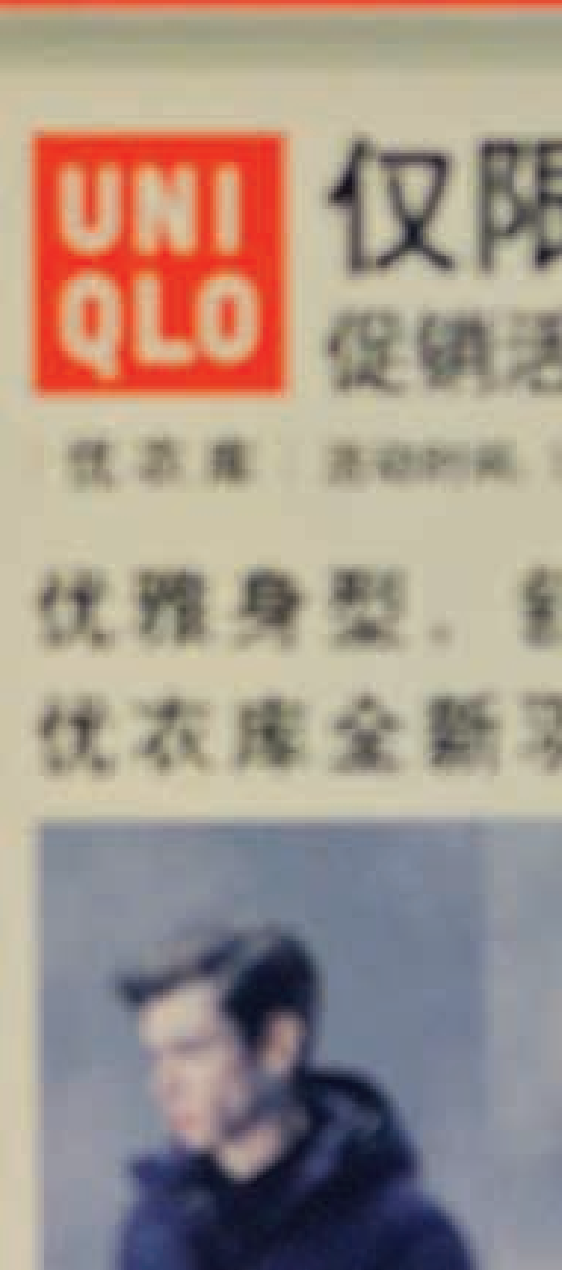
1. Based on the actual DPU of 8.70¢ for FY 2011 and the unit closing price of S\$1.150 on 30 December 2011.
2. Singapore Government 10-year bond yield as at 30 December 2011.
3. China Government 10-year bond yield as at 30 December 2011.
4. Average 12-month gross dividend yield of Straits Times Index stocks as at 30 December 2011.
5. Average 12-month gross dividend yield of Straits Times Real Estate Index as at 30 December 2011.
6. Prevailing CPF Ordinary Account savings rate.
7. Average 12-month S\$ fixed deposit savings rate as at December 2011.

## % Change in Unit Price/Index Value





CapitaMall Wangjing



# Fulfilling Aspirations

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Our malls, located in six cities across China, fulfil the aspirations of China's burgeoning middle class.

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[Financial Review](#)

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[Operations Review](#)

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[Portfolio at a Glance](#)

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[Portfolio Details](#)

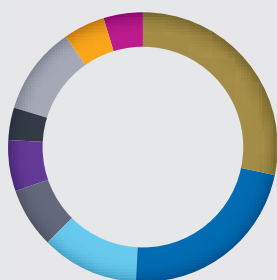
# Financial Review

In RMB terms, gross revenue for FY 2011 increased by RMB91.7 million, or 15.6% over FY 2010. This was mainly due to the consolidation of RMB27.1 million from CapitaMall Minzhongleyuan which was acquired on 30 June 2011. The remaining malls contributed RMB64.6 million, the increase of which was mainly due to rental growth, higher occupancies, and higher tenant sales registered in multi-tenanted malls. Gross revenue in SGD terms for FY 2011 increased by \$12.9 million, or 10.8% over FY 2010.

## GROSS REVENUE BY PROPERTY

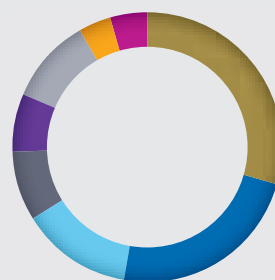
	FY 2011 <sup>1</sup> S\$'000	FY 2010 <sup>2</sup> S\$'000	% Change	FY 2011 <sup>1</sup> RMB'000	FY 2010 <sup>2</sup> RMB'000	% Change
CapitaMall Xizhimen	37,523	35,044	7.1	193,725	173,496	11.7
CapitaMall Wangjing	29,700	27,928	6.3	153,339	138,266	10.9
CapitaMall Anzhen	15,334	15,835	-3.2	79,169	78,391	1.0
CapitaMall Erqi	9,500	9,793	-3.0	49,045	48,492	1.1
CapitaMall Shuangjing	8,135	8,281	-1.8	42,001	40,998	2.4
CapitaMall Minzhongleyuan <sup>3</sup>	5,246	–	N.M.	27,087	–	N.M.
CapitaMall Qibao	13,963	12,264	13.9	72,087	60,718	18.7
CapitaMall Saihan	6,473	4,728	36.9	33,421	23,409	42.8
CapitaMall Wuhu	5,989	5,110	17.2	30,923	25,298	22.2
<b>TOTAL</b>	<b>131,863</b>	<b>118,983</b>	<b>10.8</b>	<b>680,797</b>	<b>589,068</b>	<b>15.6</b>

### Gross Revenue by Property – FY 2011<sup>1</sup> (%)



CapitaMall Xizhimen	: 28.46
CapitaMall Wangjing	: 22.52
CapitaMall Anzhen	: 11.63
CapitaMall Erqi	: 7.20
CapitaMall Shuangjing	: 6.17
CapitaMall Minzhongleyuan <sup>3</sup>	: 3.98
CapitaMall Qibao	: 10.59
CapitaMall Saihan	: 4.91
CapitaMall Wuhu	: 4.54

### Gross Revenue by Property – FY 2010<sup>2</sup> (%)



CapitaMall Xizhimen	: 29.45
CapitaMall Wangjing	: 23.47
CapitaMall Anzhen	: 13.31
CapitaMall Erqi	: 8.23
CapitaMall Shuangjing	: 6.96
CapitaMall Minzhongleyuan <sup>3</sup>	: 0.00
CapitaMall Qibao	: 10.31
CapitaMall Saihan	: 3.97
CapitaMall Wuhu	: 4.29

<sup>1</sup> The financial period from 1 January 2011 to 31 December 2011.

<sup>2</sup> The financial period from 1 January 2010 to 31 December 2010.

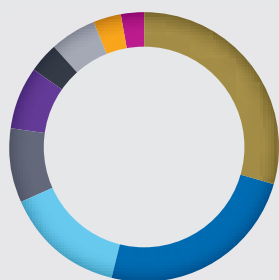
<sup>3</sup> Includes gross revenue from 30 June 2011 to 31 December 2011. CapitaMall Minzhongleyuan was acquired on 30 June 2011.

In RMB terms, NPI for FY 2011 increased by 60.7 million, or 15.9% over FY 2010. This was mainly due to the consolidation of RMB15.8 million from CapitaMall Minzhongleyuan which was acquired on 30 June 2011. FY 2011 recorded higher NPI for all malls except CapitaMall Anzhen. NPI at the multi-tenanted first-tier city malls, CapitaMall Xizhimen and CapitaMall Wangjing increased by 12.4% and 11.5% respectively over previous year; and NPI at CapitaMall Saihan, CapitaMall Wuhu and CapitaMall Qibao increased by 91.7%, 37.6% and 60.8% respectively over previous year. The master leased malls, CapitaMall Erqi and CapitaMall Shuangjing, also showed stable year-on-year growth of 0.1%, and 1.6% respectively.

## NPI BY PROPERTY

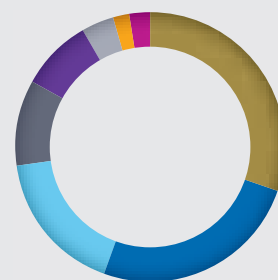
	FY 2011 <sup>1</sup> S\$'000	FY 2010 <sup>2</sup> S\$'000	% Change	FY 2011 <sup>1</sup> RMB'000	FY 2010 <sup>2</sup> RMB'000	% Change
CapitaMall Xizhimen	25,398	23,574	7.7	131,125	116,711	12.4
CapitaMall Wangjing	20,880	19,525	6.9	107,799	96,664	11.5
CapitaMall Anzhen	12,574	13,244	(5.1)	64,921	65,566	(1.0)
CapitaMall Erqi	7,636	7,954	(4.0)	39,423	39,381	0.1
CapitaMall Shuangjing	6,423	6,594	(2.6)	33,164	32,641	1.6
CapitaMall Minzhongleyuan <sup>3</sup>	3,065	–	N.M.	15,824	–	N.M.
CapitaMall Qibao	4,675	3,031	54.2	24,134	15,009	60.8
CapitaMall Saihan	2,817	1,532	83.9	14,547	7,588	91.7
CapitaMall Wuhu	2,338	1,772	31.9	12,072	8,774	37.6
<b>TOTAL</b>	<b>85,806</b>	<b>77,226</b>	<b>11.1</b>	<b>443,009</b>	<b>382,334</b>	<b>15.9</b>

### NPI by Property – FY 2011<sup>1</sup> (%)



CapitaMall Xizhimen	: 29.60
CapitaMall Wangjing	: 24.33
CapitaMall Anzhen	: 14.65
CapitaMall Erqi	: 8.90
CapitaMall Shuangjing	: 7.49
CapitaMall Minzhongleyuan <sup>3</sup>	: 3.57
CapitaMall Qibao	: 5.45
CapitaMall Saihan	: 3.28
CapitaMall Wuhu	: 2.73

### NPI by Property – FY 2010<sup>2</sup> (%)



CapitaMall Xizhimen	: 30.53
CapitaMall Wangjing	: 25.28
CapitaMall Anzhen	: 17.15
CapitaMall Erqi	: 10.30
CapitaMall Shuangjing	: 8.54
CapitaMall Minzhongleyuan <sup>3</sup>	: 0.00
CapitaMall Qibao	: 3.92
CapitaMall Saihan	: 1.98
CapitaMall Wuhu	: 2.29

<sup>1</sup> The financial period from 1 January 2011 to 31 December 2011.

<sup>2</sup> The financial period from 1 January 2010 to 31 December 2010.

<sup>3</sup> Includes NPI from 30 June 2011 to 31 December 2011. CapitaMall Minzhongleyuan was acquired on 30 June 2011.

# Financial Review

## VALUATION AND PROPERTY YIELD OF PORTFOLIO

	Valuation 2011 <sup>1</sup>	Valuation 2010 <sup>2</sup>	Valuation 2011 (in per sq m of GRA <sup>3</sup> )	Property Yield 2011 <sup>4</sup>	Valuation 2011 <sup>1</sup>	Valuation 2010 <sup>2</sup>
	RMB Million	RMB Million	RMB	%	S\$ Million	S\$ Million
CapitaMall Xizhimen	2,230	2,070	26,843	5.9%	453.8	410.3
CapitaMall Wangjing	1,506	1,362	22,144	7.2%	306.4	270.0
CapitaMall Anzhen	925	856	21,292	7.0%	188.2	169.7
CapitaMall Erqi	575	539	6,226	6.9%	117.0	106.8
CapitaMall Shuangjing	525	485	10,614	6.3%	106.8	96.1
CapitaMall Minzhongleyuan	434	–	11,235	7.2%	88.3	–
CapitaMall Qibao	363	345	4,991	6.6%	73.9	68.4
CapitaMall Saihan	310	304	7,392	4.7%	63.1	60.3
CapitaMall Wuhu	211	169	4,624	5.7%	42.9	33.5
<b>TOTAL</b>	<b>7,079</b>	<b>6,130</b>	<b>–</b>	<b>6.5%</b>	<b>1,440.4</b>	<b>1,215.1</b>

<sup>1</sup> The valuation of CapitaMall Xizhimen and CapitaMall Minzhongleyuan were undertaken by CBRE while the valuation for CapitaMall Wangjing, CapitaMall Anzhen, CapitaMall Erqi, CapitaMall Shuangjing, CapitaMall Saihan, CapitaMall Wuhu and CapitaMall Qibao were undertaken by Knight Frank as at 31 December 2011.

<sup>2</sup> The valuation for CapitaMall Wangjing, CapitaMall Qibao, CapitaMall Saihan and CapitaMall Wuhu were undertaken by CBRE and the valuation of CapitaMall Xizhimen, CapitaMall Jiulong, CapitaMall Anzhen, and CapitaMall Erqi were undertaken by Knight Frank as at 31 December 2010.

<sup>3</sup> Gross rentable area (GRA).

<sup>4</sup> Property yield is calculated based on NPI for 1 January 2011 to 31 December 2011 and the valuation as at 31 December 2011. For CapitaMall Minzhongleyuan, the property yield is calculated based on annualised NPI for 30 June 2011 to 31 December 2011.

	S\$'000
Investment Properties as at 31 December 2011	1,440,620 <sup>1</sup>
Surplus on revaluation for FY 2011	95,945

<sup>1</sup> The carrying amount of the investment properties include the valuation of the nine shopping malls and the carrying amount of CapitaMall Minzhongleyuan's three residential units.

# Operations Review

## COMMITTED OCCUPANCY RATES

	As at 31 December 2011 <sup>1</sup> %	As at 31 December 2010 <sup>1</sup> %
CapitaMall Xizhimen	98.4 <sup>2</sup>	99.5
CapitaMall Wangjing	99.8	98.7
CapitaMall Anzhen	100.0	100.0
CapitaMall Erqi	100.0	100.0
CapitaMall Shuangjing	100.0	100.0
CapitaMall Minzhongleyuan	94.7	–
CapitaMall Qibao	94.4	91.3
CapitaMall Saihan	98.1	97.7
CapitaMall Wuhu	96.3	97.8
<b>CRCT Portfolio</b>	<b>98.1</b>	<b>98.1</b>

<sup>1</sup> Based on committed leases.

<sup>2</sup> Including Phase II of CapitaMall Xizhimen. If Phase II was excluded, CapitaMall Xizhimen's committed occupancy rate as at 31 Dec 2011 was 99.9%.

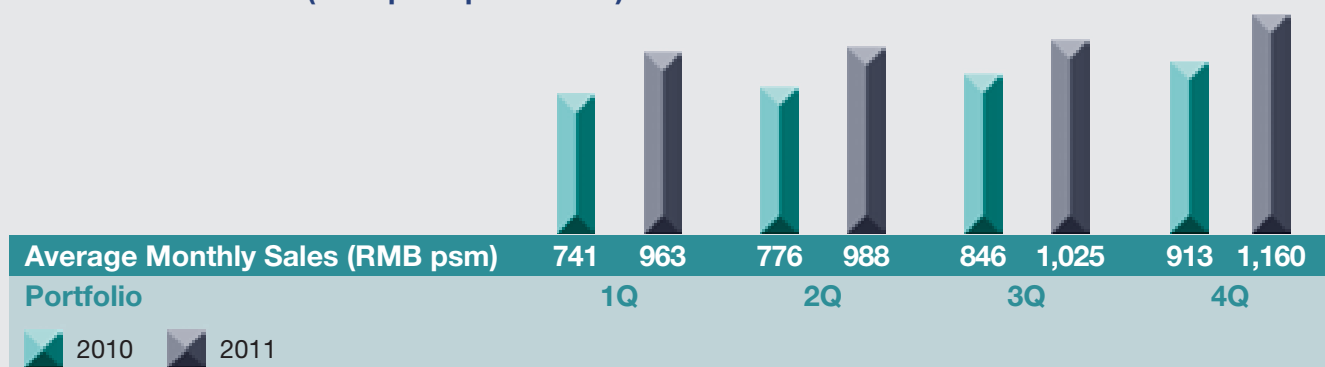
## SHOPPER TRAFFIC<sup>1</sup>

	2011 Million	2010 Million
CapitaMall Xizhimen	21.1	19.0
CapitaMall Wangjing	9.5	8.7
CapitaMall Minzhongleyuan <sup>2</sup>	4.5	–
CapitaMall Qibao	9.9	8.7
CapitaMall Saihan	7.0	6.4
CapitaMall Wuhu	8.8	11.4

<sup>1</sup> CapitaMall Anzhen, CapitaMall Shuangjing and CapitaMall Erqi do not have traffic counters.

<sup>2</sup> Shopper traffic from 1 July 2011 to 31 December 2011.

## Portfolio Tenant Sales (RMB per square metre)<sup>1</sup>



<sup>1</sup> Prior year numbers have been restated for comparative purposes.

# Operations Review

## LEASE EXPIRY PROFILE

CapitaMall Anzhen, CapitaMall Erqi and the majority of the GRA of CapitaMall Shuangjing are let out under master leases. The master leases are long-term with a typical tenure of 20 years which help to ensure stable cash flows. For tenants which are not under master leases, the typical lease term is 15 to 20 years for anchor tenants, five to seven years for mini-anchor tenants and up to three years for specialty tenants.

## NEW LEASES AND RENEWALS

	No. of New Leases/ Renewals in FY 2011 <sup>1</sup>	Variance Over Preceding Rental <sup>2,3</sup> %
CapitaMall Xizhimen	115	12.6
CapitaMall Wangjing	82	11.8
CapitaMall Shuangjing	1	3.5
CapitaMall Minzhongleyuan	114	4.8
CapitaMall Qibao	60	8.3
CapitaMall Saihan	32	19.6
CapitaMall Wuhu	76	17.7
<b>CRCT Portfolio</b>	<b>480</b>	<b>11.5</b>

<sup>1</sup> Excluding new leases at newly created lettable area.

<sup>2</sup> Excluding turnover rent component.

<sup>3</sup> Majority of leases have rental escalation clause.

## WEIGHTED AVERAGE LEASE EXPIRY BY MALL (as at 31 December 2011)

	Weighted Expiry (by Gross Rental Income) Years	Weighted Expiry (by GRA) Years
CapitaMall Xizhimen	2.7	5.1
CapitaMall Wangjing	4.6	8.7
CapitaMall Anzhen	13.6	13.6
CapitaMall Erqi	14.9	14.9
CapitaMall Shuangjing	11.4	12.0
CapitaMall Minzhongleyuan	1.0	1.9
CapitaMall Qibao	3.7	6.3
CapitaMall Saihan	4.9	8.1
CapitaMall Wuhu	2.7	5.4
<b>CRCT Portfolio</b>	<b>5.8</b>	<b>8.8</b>

## LEASE EXPIRY PROFILE FOR 2012 BY MALL (as at 31 December 2011)

	No. of Committed Leases <sup>1</sup>	GRA		Gross Rental Income/month	
		sq m	% of Total	RMB'000	% of Total <sup>2</sup>
CapitaMall Xizhimen	134	21,829	26.3	5,846	36.0
CapitaMall Wangjing	120	9,719	14.3	3,423	28.6
CapitaMall Shuangjing	1	660	1.3	120	5.8
CapitaMall Minzhongleyuan	313	23,246	60.2	3,719	85.0
CapitaMall Qibao	62	4,315	5.9	1,034	16.9
CapitaMall Saihan	116	10,141	24.2	1,302	46.4
CapitaMall Wuhu	127	5,002	11.0	943	37.4

<sup>1</sup> Based on all committed leases as of 31 December 2011.

<sup>2</sup> As a percentage of total gross rental income for the month of December 2011.

## PORTFOLIO LEASE EXPIRY PROFILE (%) (as at 31 December 2011)



# Operations Review

## TURNOVER RENT

CRCT's favourable lease structure helps to provide Unitholders with a stable and growing rental cash flow.

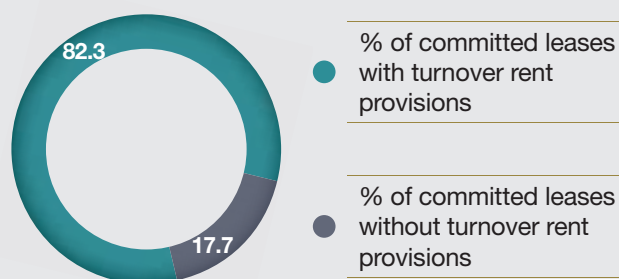
Most of the leases for the anchor tenants, mini-anchors and specialty tenants have an annual step-up in the base rent. In addition, most of the leases also contain provisions for rent to be payable at the then applicable base rent or at a percentage of sales turnover, whichever is the higher.

The combination of point-of-sales systems and central cashier systems at our malls allows us to keep track of tenants' sales figures.

The long-term master leases over CapitaMall Anzhen, CapitaMall Erqi and CapitaMall Shuangjing contain provisions for upside in rental revenues through step-ups in the base rent, with the master leases over CapitaMall Anzhen and CapitaMall Erqi providing for an additional potential upside through a percentage of tenants' sales turnover if the turnover exceeds an agreed threshold.

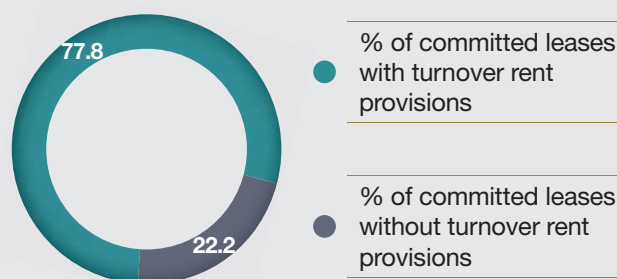
### % of Committed Leases with Turnover Rent Provisions by Gross Rental Income

(as at 31 December 2011)



### % of Committed Leases with Turnover Rent Provisions by total GRA

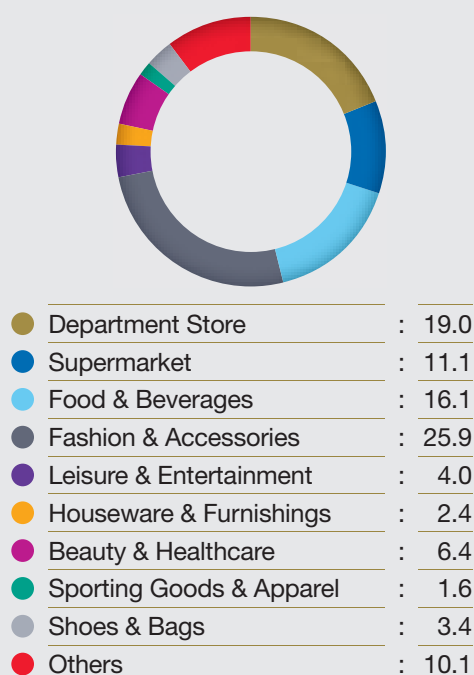
(as at 31 December 2011)



## TRADE SECTOR ANALYSIS

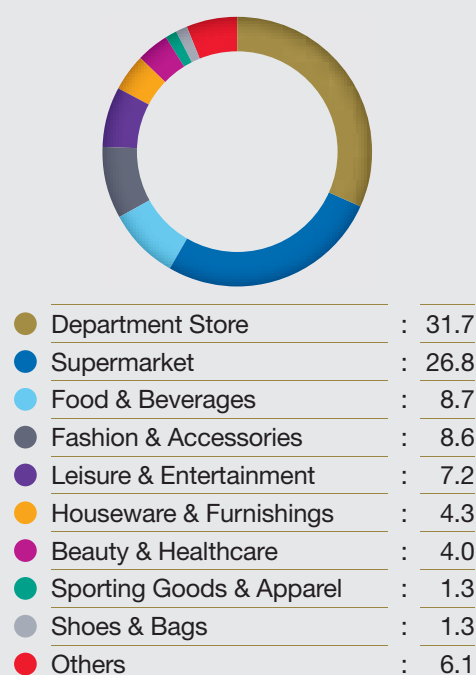
### Trade Sector Analysis by Gross Rental Income (%)

(as at 31 December 2011)



### Trade Sector Analysis by GRA (%)

(as at 31 December 2011)



The portfolio's biggest tenant is the Beijing Hualian Group (BHG), which operates the master-leased Beijing Hualian Department Stores at CapitaMall Anzhen and CapitaMall Erqi. It is also the anchor tenant at CapitaMall Xizhimen, CapitaMall Wangjing and CapitaMall Saihan.

**TOP 10 TENANTS** (Based on percentage of Gross Rental Income excluding turnover rent in the month of December 2011<sup>1</sup>)

Tenant	Brand Names	Trade Sector	Lease Expiry <sup>2</sup>	GRA sq m	% committed GRA	% Gross Rental Income (excluding turnover rent) <sup>1</sup>
BHG (北京)百货有限公司 北京华联综合超市股份有限公司 华联咖世家(北京)餐饮管理有限公司	Beijing Hualian Department Store Beijing Hualian Supermarket Costa Coffee	Department Store Supermarket Food & Beverages	Jul/2025 Nov/2026 Sep/2028 Jun/2029 Feb/2015 Sep/2015 Dec/2016	201,712	37.7%	25.1%
上海联家超市有限公司 <sup>3</sup> 北京家乐福商业有限公司 <sup>3</sup>	Carrefour	Supermarket	Jan/2024 Mar/2024	52,104	9.7%	4.3%
绫致时装(天津)有限公司	Only Jack & Jones Vero Moda Selected	Fashion & Accessories	Aug/2012 Sep/2012 Nov/2012 Oct/2013 Apr/2014 Dec/2014	5,425	1.0%	2.8%
北京百安居装饰建材有限公司	B&Q	Houseware & Furnishings	Apr/2024	17,429	3.3%	2.0%
百胜餐饮(武汉)有限公司 <sup>3</sup> 北京必胜客比萨饼有限公司 <sup>3</sup> 北京肯德基有限公司 <sup>3</sup> 天津肯德基有限公司 <sup>3</sup> 上海肯德基有限公司 <sup>3</sup>	Pizza Hut KFC	Food & Beverages	Feb/2012 Sep/2016 Sep/2017 Dec/2021 May/2017 Sep/2017 Jan/2022 Sep/2018 Apr/2017	5,846	1.1%	1.7%
北京为之味餐饮有限公司	"川成元"麻辣香锅 姑姑宴 夹拣成厨麻辣烫 金汤玉线 港仔码头	Food & Beverages	May/2016 Nov/2016 Jan/2012 Apr/2013 Jan/2013 Sep/2013 Mar/2013	2,329	0.4%	1.2%
北京兴宇班尼路服饰服饰有限公司 上海海文班尼路服饰服饰有限公司	阿童木,ebase ladies IN-BASE Calvin Klein Jeans Baleno 班尼路	Fashion & Accessories	Aug/2012 Oct/2012 Apr/2014 Sep/2016 Oct/2012	2,875	0.5%	1.0%
上海国美电器有限公司	Gome	Electrical & Electronics	May/2013	4,307	0.8%	1.0%
上海颐盛商贸有限公司	Sport 100	Sporting Goods & Apparel	Sep/2012	4,332	0.8%	1.0%
沃尔玛购物广场	Wal-Mart	Supermarket	Jan/2021	22,450	4.2%	0.8%

<sup>1</sup> For leases structured on base rent only or base rent and a percentage of gross sales turnover whichever is higher. Where the structure is a percentage of gross sales turnover or base rent plus a percentage of gross sales turnover, monthly gross rental income is calculated based on actual rent payable in the month of December 2011.

<sup>2</sup> Some of the tenants have signed more than one tenancy agreement and this has resulted in more than one lease expiry date for such tenants.

<sup>3</sup> Under the same group of companies respectively.

# 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
Address	No. 1 Xizhimenwai Avenue, Xicheng District, Beijing	No. 33 Guangshun North Street, Blk 213 & 215, Chaoyang District, Beijing	Section 5 No. 4 of Anzhen Xi Li, Chaoyang District, Beijing	No. 3 Minzhu Road, Erqi District, Zhengzhou, Henan Province
GFA (sq m) (as at 31 December 2011)	83,075	83,768	43,443	92,356
GRA (sq m) (as at 31 December 2011)	83,075	68,010	43,443	92,356
Number of Leases (as at 31 December 2011)	245	197	2	2
Land Use Right Expiry	23 August 2044 23 August 2054	15 May 2043 15 May 2053	7 October 2034 5 March 2042 3 June 2042	31 May 2042
Market Valuation <sup>1</sup> (RMB Million) (as at 31 December 2011)	2,230	1,506	925	575
Purchase Price (RMB million)	1,863.5	1,102.0	772.0	454.0
Acquisition Date <sup>2</sup>	Phase 1 – 5 February 2008 Phase 2 – 29 September 2008	1 December 2006	8 November 2006	1 December 2006
Committed Occupancy Rate (as at 31 December 2011)	98.4%	99.8%	100.0%	100.0%
Shopper Traffic for 2011 <sup>3</sup> (Million)	21.1	9.5	–	–
Major Tenants	Vero Moda/ Only/ Selected/ Jack & Jones Beijing Hualian Supermarket Watsons 夹拣成厨麻辣烫/ 金汤玉线/ "川成元" 麻辣香锅/ 姑姑宴 KFC	Beijing Hualian Department Store Beijing Hualian Supermarket Vero Moda Classic/ Selected/ Only/ Jack & Jones UNIQLO I.T ZARA	Beijing Hualian Department Store Beijing Hualian Supermarket	Beijing Hualian Department Store Beijing Hualian Supermarket
Gross Revenue for 2011 (RMB Million)	193.7	153.3	79.2	49.0
NPI for 2011 (RMB Million)	131.1	107.8	64.9	39.4

<sup>1</sup> The valuation for CapitaMall Xizhimen and CapitaMall Minzhongleyuan were undertaken by CBRE and the valuation of CapitaMall Wangjing, CapitaMall Qibao, CapitaMall Wuhu, CapitaMall Saihan, CapitaMall Anzhen, CapitaMall Erqi and CapitaMall Shuangjing were undertaken by Knight Frank as at 31 December 2011.

<sup>2</sup> Refers to the completion of the acquisition of the special purpose vehicles which own the properties.

<sup>3</sup> CapitaMall Shuangjing, CapitaMall Anzhen and CapitaMall Erqi do not have traffic counters.

CapitaMall Shuangjing 凯德Mall • 双井	CapitaMall Minzhongleyuan 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 凯德广场 • 芜湖
No. 31 Guangqu Road, Chaoyang District, Beijing	No. 704 Zhongshan Avenue, Jiangnan District, Hankou, Wuhan, Hubei Province	No. 3655, Qi Xin Road, Minhang District, Shanghai	No. 32 Ordos Street, Saihan District, Huhhot, Inner Mongolia Autonomous Region	No. 37 Zhongshan North Road, Jinghu District, Wuhu, Anhui Province
49,463	41,717	83,986	41,938	59,624
49,463	38,631	72,729	41,938	45,634
6	321	143	147	174
10 July 2042	30 June 2044 <sup>4</sup> 15 September 2045	10 March 2043 <sup>5</sup>	11 March 2041 20 March 2041	29 May 2044
525	434	363	310	211
414.0	395.0	264.0	315.0	130.0
1 December 2006	30 June 2011	8 November 2006	1 December 2006	8 November 2006
100.0%	94.7%	94.4%	98.1%	96.3%
—	4.5 <sup>6</sup>	9.9	7.0	8.8
Carrefour B&Q	McDonald's KFC Pizza Hut Studio City (Wuhan)	Gome Carrefour UNIQLO Bao Da Xiang Shopping For Kids Tom's World	Beijing Hualian Supermarket KFC Nike Suning Electrical Jinyi Cinema	Wal-Mart Tango KTV Watsons Weide Gym 来来永和豆浆
42.0	27.1	72.1	33.4	30.9
33.2	15.8	24.1	14.5	12.1

<sup>4</sup> The conserved building is under a lease from the Wuhan Cultural Bureau.

<sup>5</sup> CapitaMall Qibao is indirectly held by CRCT under a master lease with Shanghai Jin Qiu (Group) Co., Ltd, the legal owner of Qibao Mall. The master lease expires in January 2024, with the right to renew for a further term of 19 years and two months.

<sup>6</sup> Shopper traffic from 1 July 2011 to 31 December 2011.

# Portfolio Details

## CAPITAMALL XIZHIMEN | 凯德MALL • 西直门



- Strategically located at Xizhimen transportation hub, well-served by Beijing's subway Line 2, Line 13 and Line 4, as well as the national rail and bus interchange
- Retail podium of an integrated mixed-use property
- Well-supported by large shopper catchment from daily commuters passing through the busy transportation hub and middle-class residents from the vicinity
- Attracts working professionals and students from the nearby Beijing Finance Street, Beijing's financial district and the universities and technological zones of Zhongguancun district

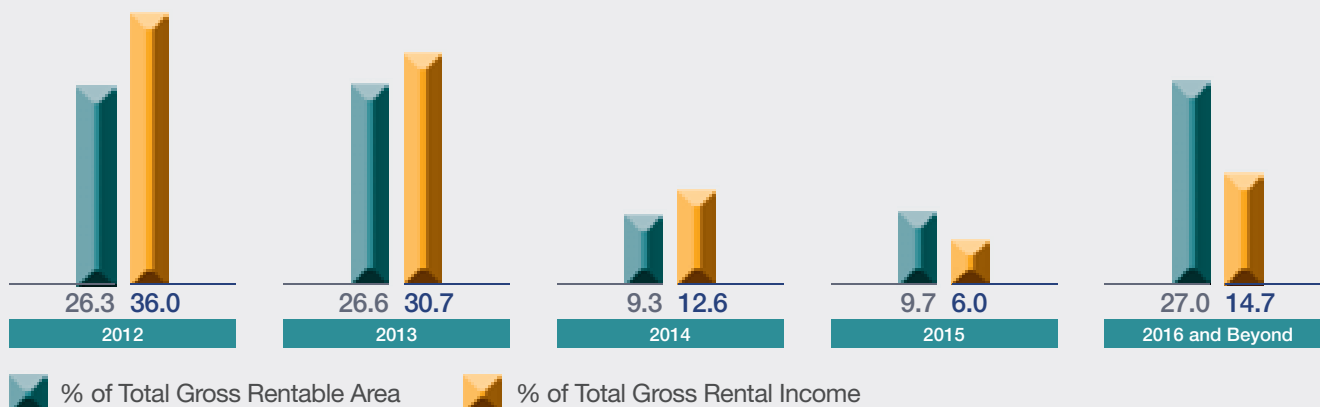
### Property Information

<b>Description</b>	Seven-level retail mall.
<b>Gross Rentable Area (GRA)</b>	83,075 sq m
<b>Number of Leases</b>	245
<b>Land Use Right Expiry</b>	23 August 2044 23 August 2054
<b>Market Valuation</b>	RMB2,230.0 million
<b>Gross Revenue</b>	RMB193.7 million
<b>Net Property Income</b>	RMB131.1 million
<b>Committed Occupancy</b>	98.4% <sup>1</sup>
<b>Shopper Traffic</b>	21.1 million
<b>Key Tenants</b>	Vero Moda/ Only/ Selected/ Jack & Jones Beijing Hualian Supermarket Watsons 夹拣成厨麻辣烫/ 金汤玉线/ "川成元"麻辣香锅/ 姑姑宴 KFC

Data as at 31 December 2011. Gross revenue, NPI and shopper traffic are for the year ended 31 December 2011.

<sup>1</sup> Including Phase 2. If Phase 2 was excluded, committed occupancy was 99.9%.

### Lease Expiry Profile (%) (as at 31 December 2011)



### Trade Sector Analysis by GRA (%) (as at 31 December 2011)



### Trade Sector Analysis by Gross Rental Income (%) (for the month of December 2011)



# Portfolio Details

## CAPITAMALL WANGJING | 凯德MALL • 望京



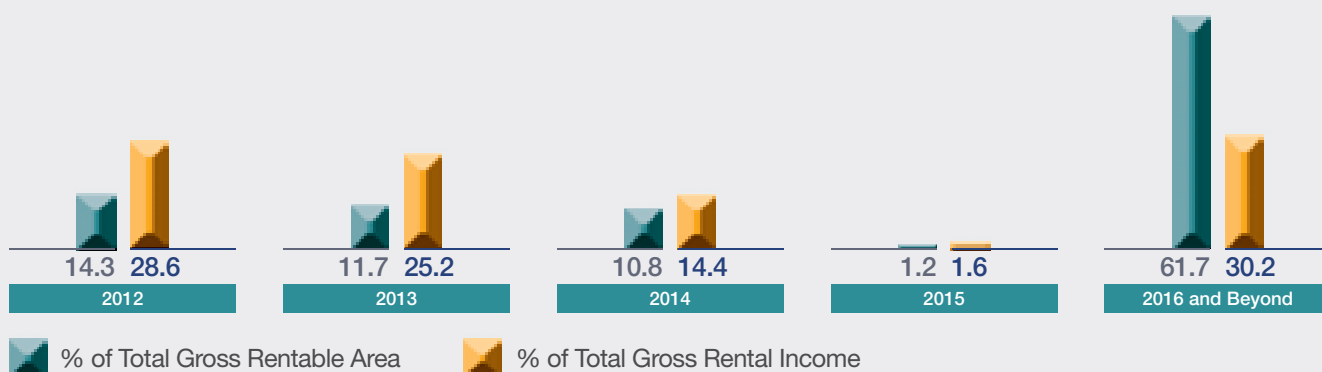
- Leading comprehensive shopping mall in the densely populated residential suburb of Wangjing
- Convenient access by key highways, well-served by numerous bus routes and in close proximity to the Wangjingxi train station
- A popular one-stop shopping, dining and entertainment destination in Wangjing
- International tenants include Zara, Uniqlo and Calvin Klein

### Property Information

Description	Five-level retail podium with a seven-level tower above the podium.
Gross Rentable Area (GRA)	68,010 sq m
Number of Leases	197
Car Park Lots	430
Land Use Right Expiry	15 May 2043 15 May 2053
Market Valuation	RMB1,506.0 million
Gross Revenue	RMB153.3 million
Net Property Income	RMB107.8 million
Committed Occupancy	99.8%
Shopper Traffic	9.5 million
Key Tenants	Beijing Hualian Department Store Beijing Hualian Supermarket Vero Moda Classic/ Selected/ Only/ Jack & Jones UNIQLO I.T ZARA

Data as at 31 December 2011. Gross revenue, NPI and shopper traffic are for the year ended 31 December 2011.

### Lease Expiry Profile (%) (as at 31 December 2011)



### Trade Sector Analysis by GRA (%)

(as at 31 December 2011)



### Trade Sector Analysis by Gross Rental Income (%)

(for the month of December 2011)



# Portfolio Details

## CAPITAMALL ANZHEN | 凯德MALL • 安贞



- Located in densely populated area to the south of the Olympics Village
- Adjacent to the North Third Ring Road and a major bus terminal
- One of the most popular and well-established shopping destinations in the vicinity
- Master leased to BHG

### Property Information

Description	Six-level retail mall.
Gross Rentable Area (GRA)	43,443 sq m
Number of Leases	2
Land Use Right Expiry	7 October 2034 5 March 2042 3 June 2042
Market Valuation	RMB925.0 million
Gross Revenue	RMB79.2 million
Net Property Income	RMB64.9 million
Committed Occupancy	100.0%
Key Tenants	Beijing Hualian Department Store Beijing Hualian Supermarket

Data as at 31 December 2011. Gross revenue, NPI and shopper traffic are for the year ended 31 December 2011.

## CAPITAMALL ERQI | 凯德广场 • 二七



- Located in Zhengzhou CBD, at the heart of Erqi District, Zhengzhou's premier shopping district
- Attracts recurring shoppers from residents and office workers in the vicinity as well as visitors to the province
- Master leased to BHG

### Property Information

Description	Seven-level retail mall.
Gross Rentable Area (GRA)	92,356 sq m
Number of Leases	2
Car Park Lots	198
Land Use Right Expiry	31 May 2042
Market Valuation	RMB575.0 million
Gross Revenue	RMB49.0 million
Net Property Income	RMB39.4 million
Committed Occupancy	100.0%
Key Tenants	Beijing Hualian Department Store Beijing Hualian Supermarket

Data as at 31 December 2011. Gross revenue, NPI and shopper traffic are for the year ended 31 December 2011.

# Portfolio Details

## CAPITAMALL SHUANGJING | 凯德MALL • 双井



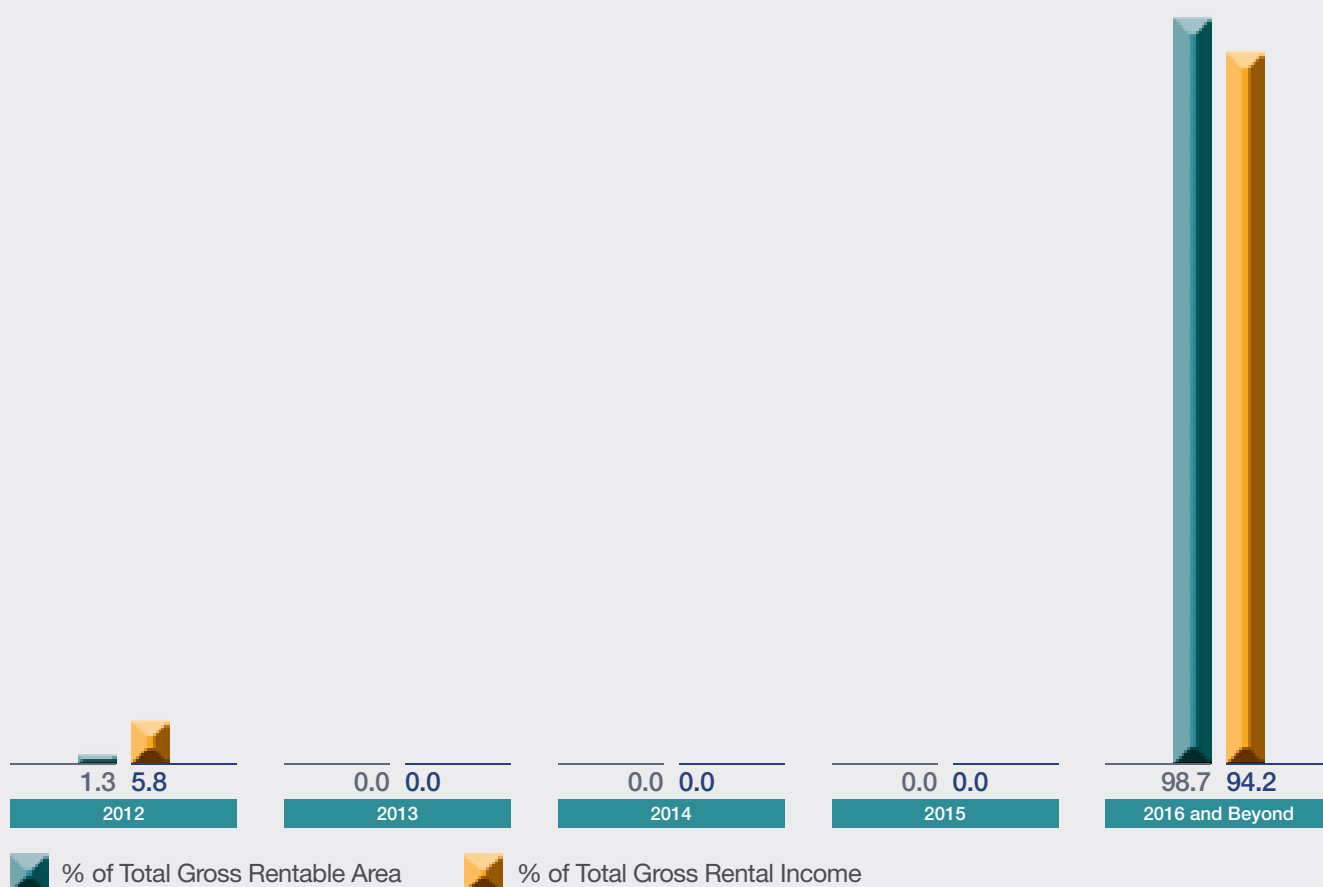
- Located in the Chaoyang District, in close proximity to the Beijing central business district
- Well-served by bus routes and close to Dawanglu and Guomao subway stations
- Strong supermarket anchor, drawing significant shopper traffic from the nearby central business district and neighbouring residential areas

### Property Information

Description	Four-level retail mall.
Gross Rentable Area (GRA)	49,463 sq m
Number of Leases	6
Car Park Lots	334
Land Use Right Expiry	10 July 2042
Market Valuation	RMB525.0 million
Gross Revenue	RMB42.0 million
Net Property Income	RMB33.2 million
Committed Occupancy	100.0%
Key Tenants	Carrefour B&Q

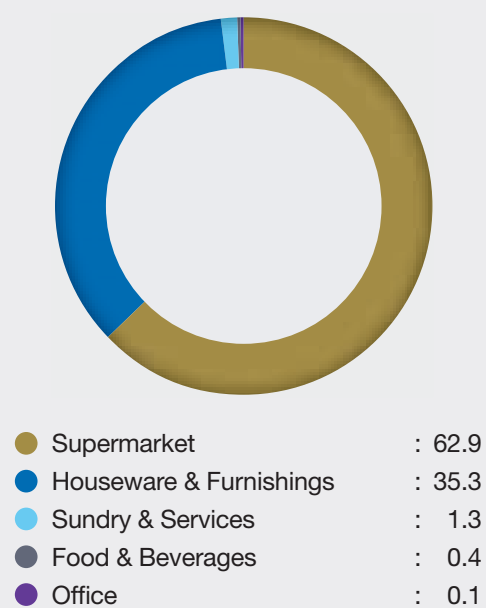
Data as at 31 December 2011. Gross revenue, NPI and shopper traffic are for the year ended 31 December 2011.

## Lease Expiry Profile (%) (as at 31 December 2011)



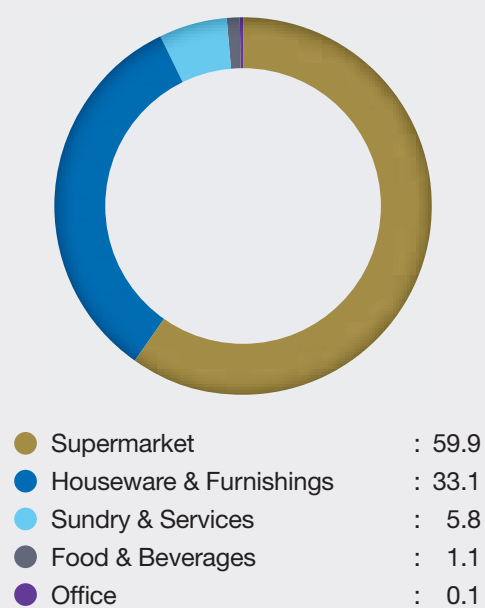
## Trade Sector Analysis by GRA (%)

(as at 31 December 2011)



## Trade Sector Analysis by Gross Rental Income (%)

(for the month of December 2011)



# Portfolio Details

## CAPITAMALL MINZHONGLEYUAN | 凯德民众乐园



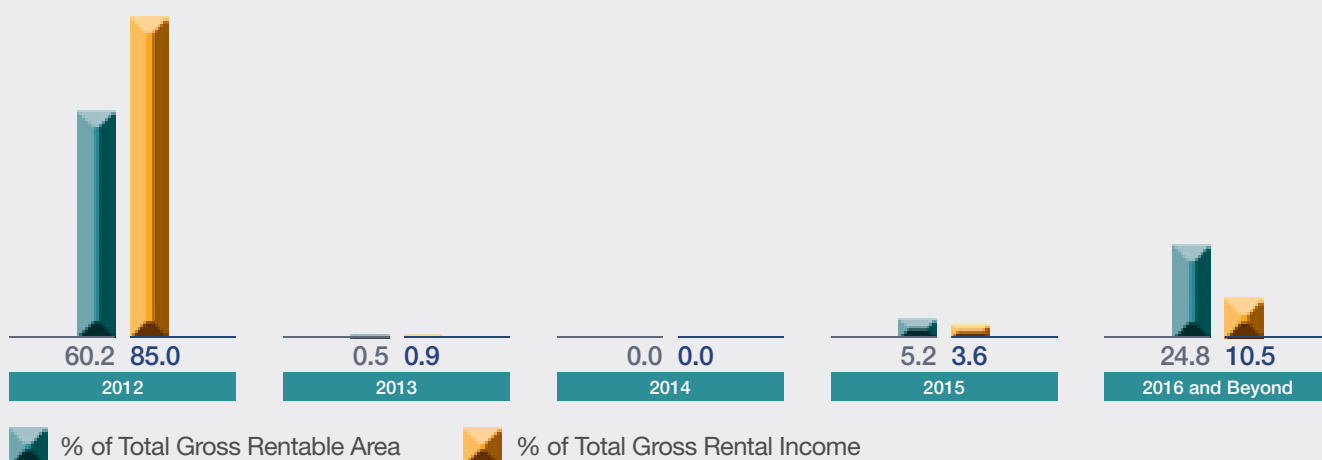
- Strategically located along Zhongshan Avenue, an established shopping and entertainment belt that enjoys strong retail activities and pedestrian flow
- Excellent connectivity to public bus routes and metro Line 1. Metro Line 2 is expected to be operational by 2012
- Strong and diverse tenant base that comprises quality and well-known tenants such as McDonald's, KFC, Pizza Hut and Studio City (Wuhan), the operator of IMAX, as well as local fashion tenants offering young and trendy brands not commonly available in department stores
- Natural focal point among youths and young adults

### Property Information

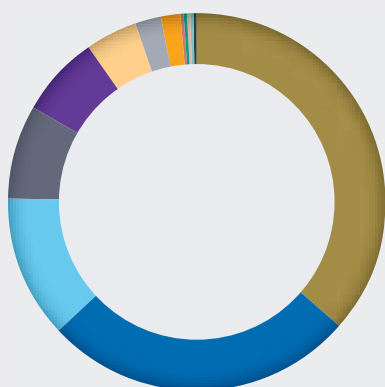
Description	Seven-storey annexed building and seven-storey conserved building.
Gross Rentable Area (GRA)	38,631 sq m
Number of Leases	321
Car Park Lots	71
Land Use Right Expiry	30 June 2044 15 September 2045
Market Valuation	RMB434.0 million
Gross Revenue	RMB27.1 million
Net Property Income	RMB15.8 million
Committed Occupancy	94.7%
Shopper Traffic	4.5 million
Key Tenants	McDonald's KFC Pizza Hut Studio City (Wuhan)

Data as at 31 December 2011. Gross revenue and NPI are for the year ended 31 December 2011. Shopper traffic is from 1 July 2011 to 31 December 2011.

### Lease Expiry Profile (%) (as at 31 December 2011)

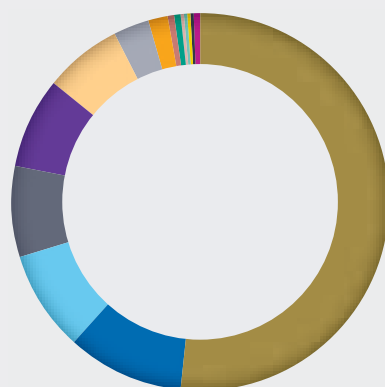


### Trade Sector Analysis by GRA (%) (as at 31 December 2011)



Leisure & Entertainment	: 36.7
Fashion & Accessories	: 26.7
Lifestyle	: 12.1
Food & Beverages	: 8.0
Beauty & Healthcare	: 7.1
Shoes & Bags	: 4.4
Supermarket	: 2.3
Sundry & Services	: 1.6
Music & Videos	: 0.3
Arts & Crafts	: 0.2
Information Technology	: 0.2
Jewellery / Watches / Pens	: 0.2
Kids	: 0.1
Toys & Hobbies	: 0.1
Education	: 0.0

### Trade Sector Analysis by Gross Rental Income (%) (for the month of December 2011)



Fashion & Accessories	: 51.9
Shoes & Bags	: 9.9
Leisure & Entertainment	: 8.5
Beauty & Healthcare	: 8.0
Food & Beverages	: 7.7
Lifestyle	: 6.7
Sundry & Services	: 2.9
Supermarket	: 1.7
Information Technology	: 0.7
Arts & Crafts	: 0.4
Jewellery / Watches / Pens	: 0.4
Kids	: 0.3
Music & Videos	: 0.3
Education	: 0.3
Toys & Hobbies	: 0.3

# Portfolio Details

## CAPITAMALL QIBAO | 凯德七宝购物广场



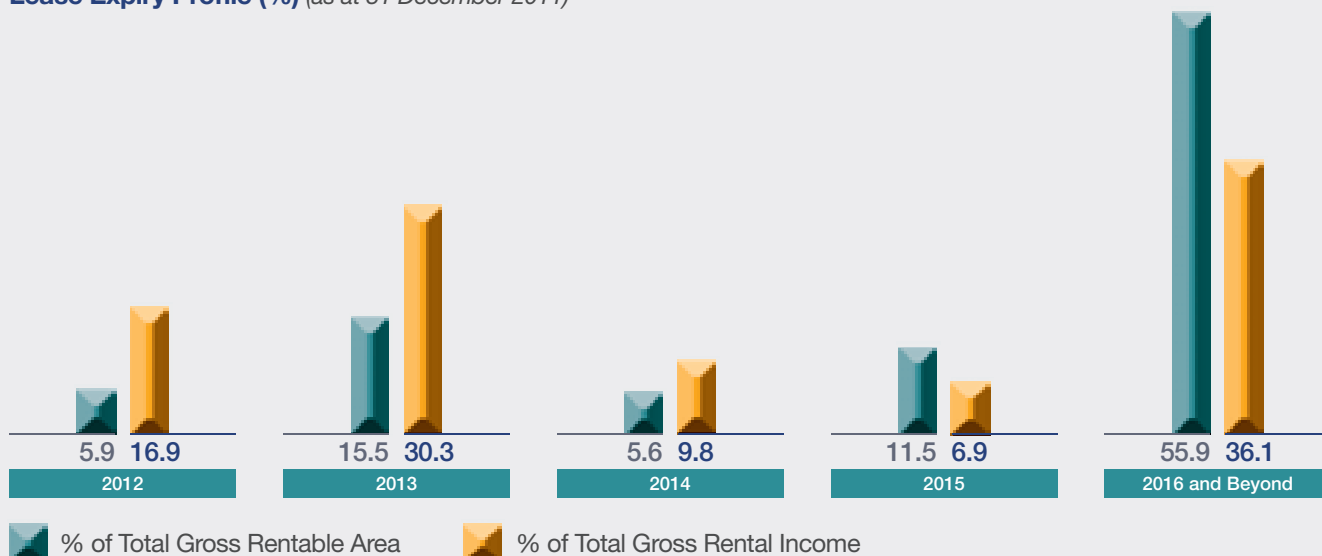
- One of the largest shopping malls in the Shanghai Minhang district, near Hongqiao transport hub
- Located in a growing mid- to high-end residential locality to the west of the Shanghai central business district
- One-stop family shopping destination providing shopping, dining and entertainment for residents
- First and only modern cinema in Qibao vicinity commenced operations in Qibao Mall in October 2010
- Popular fashion retailer Uniqlo opened its first duplex store in the Minhang district in CapitaMall Qibao in November 2010

### Property Information

Description	Four-level retail mall.
Gross Rentable Area (GRA)	72,729 sq m
Number of Leases	143
Car Park Lots	491
Land Use Right Expiry	10 March 2043
Market Valuation	RMB363.0 million
Gross Revenue	RMB72.1 million
Net Property Income	RMB24.1 million
Committed Occupancy	94.4%
Shopper Traffic	9.9 million
Key Tenants	Gome Carrefour UNIQLO Bao Da Xiang Shopping For Kids Tom's World

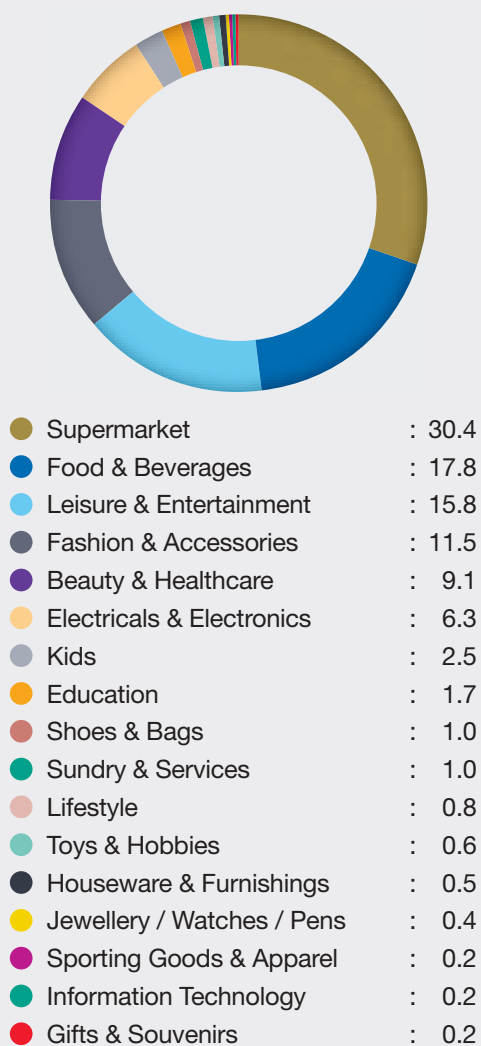
Data as at 31 December 2011. Gross revenue, NPI and shopper traffic are for the year ended 31 December 2011.

### Lease Expiry Profile (%) (as at 31 December 2011)



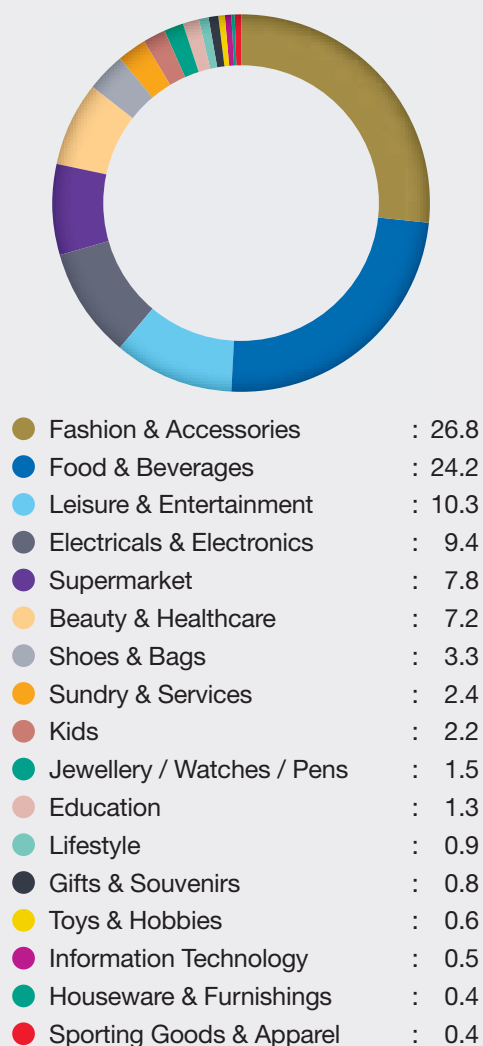
### Trade Sector Analysis by GRA (%)

(as at 31 December 2011)



### Trade Sector Analysis by Gross Rental Income (%)

(for the month of December 2011)



# Portfolio Details

## CAPITAMALL SAIHAN | 凯德 MALL • 赛罕



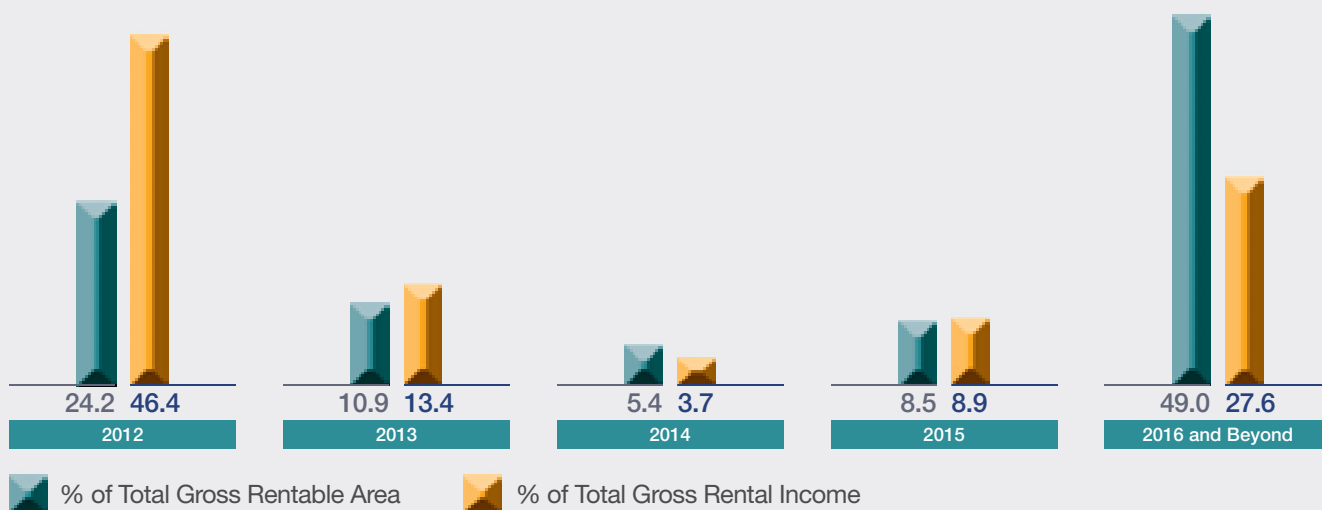
- One of the most popular one-stop shopping destinations in Huhhot
- Near the heart of Huhhot's main retail cluster belt
- Well-served by public transportation
- The range of retail offerings has widened with the opening of Jinyi cinema, and new food & beverage outlets after the completion of asset enhancement works, attracting even more shoppers to CapitaMall Saihan

### Property Information

Description	Four-level retail mall.
Gross Rentable Area (GRA)	41,938 sq m
Number of Leases	147
Car Park Lots	45
Land Use Right Expiry	11 March 2041 20 March 2041
Market Valuation	RMB310.0 million
Gross Revenue	RMB33.4 million
Net Property Income	RMB14.5 million
Committed Occupancy	98.1%
Shopper Traffic	7.0 million
Key Tenants	Beijing Hualian Supermarket KFC Nike Suning Electrical Jinyi Cinema

Data as at 31 December 2011. Gross revenue, NPI and shopper traffic are for the year ended 31 December 2011.

### Lease Expiry Profile (%) (as at 31 December 2011)



### Trade Sector Analysis by GRA (%)

(as at 31 December 2011)



### Trade Sector Analysis by Gross Rental Income (%)

(for the month of December 2011)



# Portfolio Details

## CAPITAMALL WUHU | 凯德广场 • 芜湖



- Located approximately 1 km north of the Wuhu central business district
- Near the popular Fenghuang Food Street and close to several commercial projects
- One of the first one-stop shopping, dining and entertainment destinations in the locality
- Positioned as a destination for middle-income families and fits well with the targeted population catchment demographic profile

### Property Information

Description	Four-level plus one-level basement shopping mall.
Gross Rentable Area (GRA)	45,634 sq m
Number of Leases	174
Car Park Lots	370
Land Use Right Expiry	29 May 2044
Market Valuation	RMB211.0 million
Gross Revenue	RMB30.9 million
Net Property Income	RMB12.1 million
Committed Occupancy	96.3%
Shopper Traffic	8.8 million
Key Tenants	Wal-Mart Tango KTV Watsons Weide Gym 来来永和豆浆

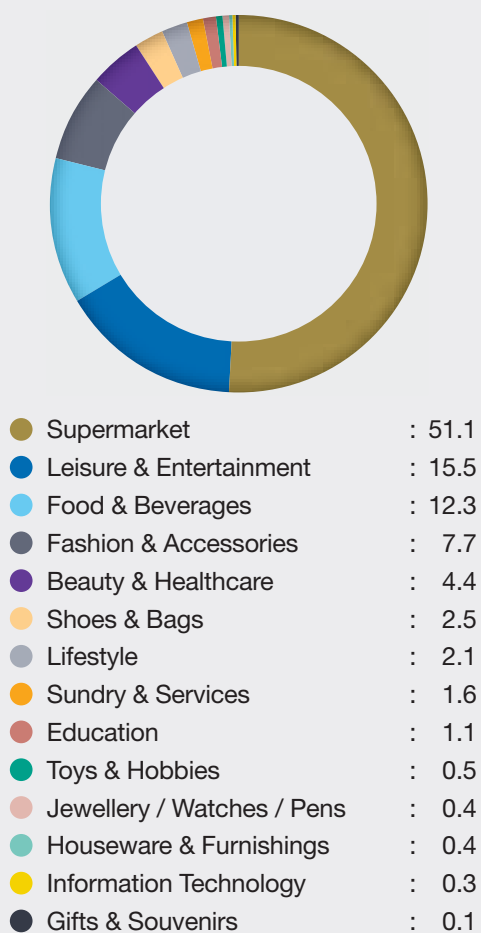
Data as at 31 December 2011. Gross revenue, NPI and shopper traffic are for the year ended 31 December 2011.

### Lease Expiry Profile (%) (as at 31 December 2011)



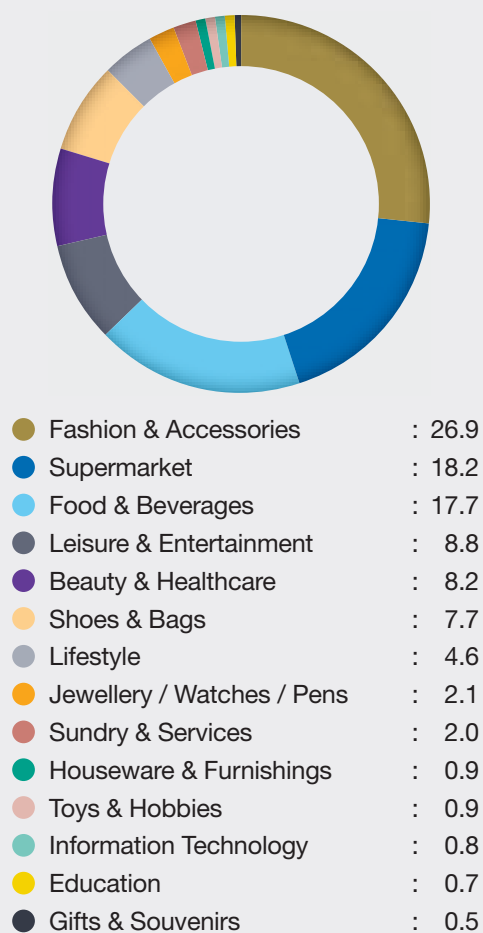
### Trade Sector Analysis by GRA (%)

(as at 31 December 2011)



### Trade Sector Analysis by Gross Rental Income (%)

(for the month of December 2011)





CapitaMall Qibao



# Delivering Returns

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With disciplined execution, we have delivered stable and growing returns to Unitholders.

[Financial Statements](#)

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[Statistics of Unitholders](#)

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[Interested Person Transactions](#)

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[Notice of Annual General Meeting](#)

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[Proxy Form](#)

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[Malls Directory](#)

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[Corporate Information](#)

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# Financial Statements

---

81 Report of the Trustee

---

82 Statement by the Manager

---

83 Independent Auditors' Report

---

84 Balance Sheets

---

85 Statements of Total Return

---

86 Distribution Statements

---

87 Statements of Movements in  
Unitholders' Funds

---

88 Portfolio Statement

---

90 Consolidated Statement of  
Cash Flow

---

92 Notes to the Financial Statements

# Report of the Trustee

Year ended 31 December 2011

HSBC Institutional Trust Services (Singapore) Limited (the “Trustee”) is under a duty to take into custody and hold the assets of CapitaRetail China Trust (the “Trust”) in trust for the Unitholders. In accordance with the Securities and Futures Act (Cap. 289), its subsidiary legislation and the Code on Collective Investment Schemes, the Trustee shall monitor the activities of CapitaRetail China Trust Management Limited (the “Manager”) for compliance with the limitations imposed on the investment and borrowing powers as set out in the Trust Deed in each annual accounting period and report thereon to Unitholders in an annual report.

To the best knowledge of the Trustee, the Manager has, in all material respects, managed the Trust during the year covered by these financial statements, set out on pages 84 to 134, in accordance with the limitations imposed on the investment and borrowing powers set out in the Trust Deed.

For and on behalf of the Trustee,  
HSBC Institutional Trust Services (Singapore) Limited



**ANTONY WADE LEWIS**

Director

*Singapore*  
*22 February 2012*

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# Statement by the Manager

Year ended 31 December 2011

In the opinion of the directors of CapitaRetail China Trust Management Limited (the "Manager"), the accompanying financial statements set out on pages 84 to 134 comprising the balance sheets, statements of total return, distribution statements and statements of movements in Unitholders' funds of the CapitaRetail China Trust (the "Trust") and its subsidiaries (the "Group") and of the Trust, the portfolio statement and statement of cash flows of the Group and a summary of significant accounting policies and other explanatory notes, are drawn up so as to present fairly, in all material respects, the financial position of the Group and of the Trust and the portfolio of the Group as at 31 December 2011, the total return, distributable income and movements in Unitholders' funds of the Group and of the Trust and cash flows of the Group for the year ended on that date in accordance with the recommendations of Statement of Recommended Accounting Practice 7 "Reporting Framework for Unit Trusts" issued by the Institute of Certified Public Accountants of Singapore and the provisions of the Trust Deed. At the date of this statement, there are reasonable grounds to believe that the Group will be able to meet its financial obligations as and when they materialise.

For and on behalf of the Manager,  
CapitaRetail China Trust Management Limited



**TAN TEE HIEONG**

Director

Singapore  
22 February 2012

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# Independent Auditors' Report

Unitholders of CapitaRetail China Trust

(Constituted in the Republic of Singapore pursuant to a trust deed dated 23 October 2006 (as amended))

We have audited the accompanying financial statements of CapitaRetail China Trust (the "Trust") and its subsidiaries (the "Group"), which comprise the balance sheets of the Trust and the Group and the portfolio statement of the Group as at 31 December 2011, the statements of total return, distribution statements and statements of movements in Unitholders' funds of the Trust and of the Group and the statement of cash flows of the Group for the year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 84 to 134.

## MANAGER'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The Manager of the Trust is responsible for the preparation and fair presentation of these financial statements in accordance with the recommendations of *Statement of Recommended Accounting Practice 7 "Reporting Framework for Unit Trusts"* issued by the Institute of Certified Public Accountants of Singapore, and for such internal control as the Manager of the Trust determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

## AUDITORS' RESPONSIBILITY

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Singapore Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Manager of the Trust, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

## OPINION

In our opinion, the consolidated financial statements of the Group and the balance sheet, statement of total return, distribution statement and statement of movements in Unitholders' funds of the Trust present fairly, in all material respects, the financial position of the Group and the Trust as at 31 December 2011 and the total return, distributable income, and movements in Unitholders' funds of the Group and of the Trust and the cash flows of the Group for the year then ended in accordance with the recommendations of *Statement of Recommended Accounting Practice 7 "Reporting Framework for Unit Trusts"* issued by the Institute of Certified Public Accountants of Singapore.

The logo for KPMG LLP, featuring the letters 'KPMG' in a stylized, bold font, followed by 'LLP' in a similar but slightly smaller font.

KPMG LLP

Public Accountants and Certified Public Accountants

Singapore

22 February 2012

# Balance Sheets

As at 31 December 2011

		GROUP		TRUST	
	Note	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000
<b>Assets</b>					
Investment properties	4	1,440,620	1,215,089	–	–
Plant and equipment	5	4,843	3,499	–	–
Interests in subsidiaries	6	–	–	909,662	834,390
Trade and other receivables	7	7,441	7,887	169	126
Financial derivatives	11	13,249	8,067	13,249	8,067
Cash and cash equivalents	8	70,115	39,936	820	776
		<b>1,536,268</b>	<b>1,274,478</b>	<b>923,900</b>	<b>843,359</b>
<b>Less:</b>					
<b>Liabilities</b>					
Trade and other payables	9	50,453	42,986	5,497	5,465
Security deposits		24,860	19,376	–	–
Interest-bearing borrowings	10	432,572	400,881	406,526	362,426
Financial derivatives	11	3,117	289	3,117	289
Deferred tax liabilities	12	90,282	55,671	–	–
Provision for taxation		1,741	2,623	–	39
		<b>603,025</b>	<b>521,826</b>	<b>415,140</b>	<b>368,219</b>
<b>Net assets</b>		<b>933,243</b>	<b>752,652</b>	<b>508,760</b>	<b>475,140</b>
<b>Represented by:</b>					
Unitholders' funds	13	913,839	734,507	508,760	475,140
Non-controlling interests		19,404	18,145	–	–
		<b>933,243</b>	<b>752,652</b>	<b>508,760</b>	<b>475,140</b>
<b>Units in issue ('000)</b>	14	<b>688,830</b>	<b>625,382</b>	<b>688,830</b>	<b>625,382</b>
<b>Net asset value per unit attributable to Unitholders (\$)</b>		<b>1.33</b>	<b>1.17</b>	<b>0.74</b>	<b>0.76</b>

# Statements of Total Return

Year ended 31 December 2011

	Note	GROUP		TRUST	
		2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000
Gross rental income		122,583	110,970	–	–
Other income		9,280	8,013	–	–
<b>Gross revenue</b>		<b>131,863</b>	<b>118,983</b>	<b>–</b>	<b>–</b>
Land rental		(4,818)	(4,540)	–	–
Property related tax		(8,561)	(8,247)	–	–
Business tax		(7,291)	(6,008)	–	–
Property management fees & reimbursables		(5,350)	(4,900)	–	–
Other property operating expenses	16	(20,037)	(18,062)	–	–
<b>Total property operating expenses</b>		<b>(46,057)</b>	<b>(41,757)</b>	<b>–</b>	<b>–</b>
<b>Net property income</b>		<b>85,806</b>	<b>77,226</b>	<b>–</b>	<b>–</b>
Manager's management fees – Base fee	17	(3,367)	(3,042)	(3,367)	(3,042)
Manager's management fees – Performance fee	17	(3,432)	(3,089)	(3,432)	(3,089)
Trustee's fees		(250)	(233)	(250)	(233)
Valuation fees		(242)	151	–	–
Other trust operating (expenses)/income	18	(114)	(857)	746	(231)
Dividend income		–	–	11,760	–
Foreign exchange (loss)/gain – realised		(485)	235	(562)	282
Finance income		457	231	28,221	29,665
Finance costs		(10,928)	(11,492)	(9,488)	(9,787)
Net finance (costs)/income	19	(10,471)	(11,261)	18,733	19,878
<b>Total return before change in fair value of financial derivatives, investment properties and unrealised foreign exchange (loss)/gain</b>		<b>67,445</b>	<b>59,130</b>	<b>23,628</b>	<b>13,565</b>
Ineffective portion of changes in fair value of cash flow hedges		(1,423)	–	(1,423)	–
Change in fair value of financial derivatives		–	–	5,415	17,267
Change in fair value of cash flow hedge transferred to the statements of total return from hedging reserve		–	(180)	–	(180)
Change in fair value of investment properties	4	95,945	84,155	–	–
Foreign exchange (loss)/gain - unrealised		(86)	1,419	(10,180)	(24,663)
<b>Total return for the year before taxation</b>		<b>161,881</b>	<b>144,524</b>	<b>17,440</b>	<b>5,989</b>
Taxation	20	(41,353)	(32,557)	43	–
<b>Total return for the year after taxation</b>		<b>120,528</b>	<b>111,967</b>	<b>17,483</b>	<b>5,989</b>
Non-controlling interest		(845)	(645)	–	–
<b>Total return for the year attributable to Unitholders</b>		<b>119,683</b>	<b>111,322</b>	<b>17,483</b>	<b>5,989</b>
<b>Earnings per unit (cents)</b>	21				
- Basic		18.22	17.84		
- Diluted		18.22	17.84		

The accompanying notes form an integral part of these financial statements.

# Distribution Statements

Year ended 31 December 2011

	Note	GROUP		TRUST	
		2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000
<b>Amount available for distribution to Unitholders at beginning of the year</b>		25,977	25,341	25,977	25,341
Total return for the year attributable to Unitholders		119,683	111,322	17,483	5,989
Distribution adjustments	A	(62,458)	(59,122)	39,742	46,211
Income for the year available for distribution to Unitholders	B	57,225	52,200	57,225	52,200
<b>Amount available for distribution to Unitholders</b>		83,202	77,541	83,202	77,541
<b>Distributions to Unitholders during the year:</b>					
- Distribution of 4.15 cents per Unit for the period from 1 July 2010 to 31 December 2010		(25,953)	–	(25,953)	–
- Distribution of 4.28 cents per Unit for the period from 1 January 2011 to 29 June 2011		(26,822)	–	(26,822)	–
- Distribution of 4.06 cents per Unit for the period from 1 July 2009 to 31 December 2009		–	(25,288)	–	(25,288)
- Distribution of 4.21 cents per Unit for the period from 1 January 2010 to 30 June 2010		–	(26,276)	–	(26,276)
		(52,775)	(51,564)	(52,775)	(51,564)
<b>Amount available for distribution to Unitholders at end of the year</b>		30,427	25,977	30,427	25,977

## NOTE A – DISTRIBUTION ADJUSTMENTS

### Distribution adjustment items:

- Manager's management fees (performance component paid/payable in Units)	3,432	3,089	3,432	3,089
- Ineffective portion of changes in fair value of cash flow hedges	1,423	–	1,423	–
- Change in fair value of financial derivatives	–	–	(5,415)	(17,267)
- Change in fair value of investment properties	(95,945)	(84,155)	–	–
- Deferred taxation	29,080	24,091	–	–
- Transfer to general reserve	(1,904)	(1,530)	–	–
- Unrealised foreign exchange loss/(gain)	86	(1,419)	10,180	24,663
- Other adjustments	1,370	802	–	180
- Net overseas income not distributed to the Trust	–	–	30,122	35,546
<b>Net effect of distribution adjustments</b>	<b>(62,458)</b>	<b>(59,122)</b>	<b>39,742</b>	<b>46,211</b>

## NOTE B – INCOME FOR THE YEAR AVAILABLE FOR DISTRIBUTION TO UNITHOLDERS

### Comprises:

- from operations	27,103	16,654	27,103	16,654
- from Unitholders' contribution	30,122	35,546	30,122	35,546
<b>Total Unitholders' distribution</b>	<b>57,225</b>	<b>52,200</b>	<b>57,225</b>	<b>52,200</b>

The accompanying notes form an integral part of these financial statements.

# Statements of Movements in Unitholders' Funds

Year ended 31 December 2011

	GROUP		TRUST	
	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000
Unitholders' funds as at beginning of the year	734,507	679,868	475,140	515,985
<b>Operations</b>				
Change in Unitholders' funds resulting from operations	119,683	111,322	17,483	5,989
Transfer to general reserve	(1,904)	(1,530)	–	–
<b>Net increase in net assets resulting from operations</b>	<b>117,779</b>	<b>109,792</b>	<b>17,483</b>	<b>5,989</b>
<b>Movements in hedging reserve</b>				
Effective portion of changes in fair value of cash flow hedges	(1,638)	1,461	(1,638)	1,461
Change in fair value of cash flow hedge transferred to the statements of total return	–	180	–	180
<b>Movements in foreign currency translation reserve</b>				
Translation differences from financial statements of foreign operations	29,735	(8,348)	–	–
Exchange differences on monetary items forming part of net investment in foreign operations	8,362	(18,768)	–	–
Exchange differences on hedges of net investment in foreign operations	5,415	17,267	–	–
<b>Net gain/(loss) recognised directly in Unitholders' funds</b>	<b>41,874</b>	<b>(8,208)</b>	<b>(1,638)</b>	<b>1,641</b>
<b>Movement in general reserve</b>	<b>1,904</b>	<b>1,530</b>	<b>–</b>	<b>–</b>
<b>Unitholders' transactions</b>				
New Units issued	70,000	–	70,000	–
Creation of Units paid/payable to Manager				
- Units issued and to be issued as satisfaction of the portion of Manager's management fees payable in Units	3,432	3,089	3,432	3,089
- Units issued in respect of acquisition fees for CapitaMall Minzhongleyuan	1,141	–	1,141	–
Distributions to Unitholders	(52,775)	(51,564)	(52,775)	(51,564)
Equity issue expenses	(4,023)	–	(4,023)	–
<b>Net increase/(decrease) in net assets resulting from Unitholders' transactions</b>	<b>17,775</b>	<b>(48,475)</b>	<b>17,775</b>	<b>(48,475)</b>
<b>Unitholders' funds as at end of year</b>	<b>913,839</b>	<b>734,507</b>	<b>508,760</b>	<b>475,140</b>

The accompanying notes form an integral part of these financial statements.

# Portfolio Statement

As at 31 December 2011

## GROUP

Description of leasehold property	Location	Term of lease (years)	Lease expiry	Valuation		Valuation		Percentage of Unitholders' funds	
				2011 <sup>(4)</sup>	2010	2011	2010	2011	2010
				RMB'000	RMB'000	\$'000	\$'000	%	%
CapitaMall Xizhimen <sup>(1)</sup>	No. 1 Xizhimenwai Avenue, Xicheng District, Beijing	40 – 50	August 2044/2054	2,230,000	2,070,000	453,760	410,315	49.6	55.9
CapitaMall Wangjing	No. 33 Guangshun North Street, Blk 213 & 215, Chaoyang District, Beijing	38 – 48	May 2043/2053	1,506,000	1,362,000	306,441	269,976	33.5	36.8
CapitaMall Anzhen	Section 5 No. 4 of Anzhen Xi Li, Chaoyang District, Beijing	29 – 37	October 2034/ March and June 2042	925,000	856,000	188,219	169,676	20.6	23.1
CapitaMall Erqi	No. 3 Minzhu Road, Erqi District, Zhengzhou, Henan Province	38	May 2042	575,000	539,000	117,001	106,841	12.8	14.5
CapitaMall Shuangjing	No. 31 Guangqu Road, Chaoyang District, Beijing	40	July 2042	525,000	485,000	106,827	96,137	11.7	13.1
CapitaMall Minzhongleyuan <sup>(2)</sup>	No. 704 Zhongshan Avenue, Jiangnan District, Hankou, Wuhan, Hubei Province	40	September 2045	434,911	–	88,496	–	9.7	–
CapitaMall Qibao <sup>(3)</sup>	No. 3655 Qi Xin Road, Minhang District, Shanghai	39	March 2043	363,000	345,000	73,863	68,386	8.1	9.3
Balance carried forward				6,558,911	5,657,000	1,334,607	1,121,331	146.0	152.7

The accompanying notes form an integral part of these financial statements.

# Portfolio Statement

As at 31 December 2011

## GROUP

Description of leasehold property	Location	Term of lease (years)	Lease expiry	Valuation		Valuation		Percentage of Unitholders' funds	
				2011 <sup>(4)</sup>	2010	2011	2010	2011	2010
				RMB'000	RMB'000	\$'000	\$'000	%	%
Balance brought forward				6,558,911	5,657,000	1,334,607	1,121,331	146.0	152.7
CapitaMall Saihan	No. 32 Ordos Street, Saihan District, Huhhot, Inner Mongolia Autonomous Region	35	March 2041	310,000	304,000	63,079	60,259	6.9	8.2
CapitaMall Wuhu	No. 37 Zhongshan North Road, Jinghu District, Wuhu, Anhui Province	40	May 2044	211,000	169,000	42,934	33,499	4.7	4.6
Investment properties, at valuation				7,079,911	6,130,000	1,440,620	1,215,089	157.6	165.5
Other assets and liabilities (net)						(507,377)	(462,437)	(55.5)	(63.0)
						933,243	752,652	102.1	102.5
Net assets attributable to non-controlling interests						(19,404)	(18,145)	(2.1)	(2.5)
Net assets attributable to Unitholders						913,839	734,507	100.0	100.0

### Notes:

(1) The Group obtained the full property titles in 2010.

(2) The carrying amount of CapitaMall Minzhongleyuan includes the valuation of the retail mall and carrying amount of the three residential properties.

(3) CapitaMall Qibao is held under a master lease by CapitaRetail Dragon Mall (Shanghai) Co., Ltd, a subsidiary of CapitaRetail China Investments (B) Alpha Pte. Ltd. The master lease was entered with Shanghai Jin Qiu (Group) Co., Ltd ("Jin Qiu"), the legal owner of CapitaMall Qibao and expires in January 2024, with the right to renew for a further term of 19 years and two months from January 2024 at the option of the Group. Accordingly, the land use rights is held by Jin Qiu.

(4) On 31 December 2011, independent valuations of CapitaMall Xizhimen and CapitaMall Minzhongleyuan were undertaken by CBRE Pte. Ltd. while valuations for the other properties were undertaken by Knight Frank Petty Limited. The Manager of the Trust believes that the independent valuers have appropriate professional qualification and recent experience in the location and category of the properties being valued. The valuations were based on capitalisation and discounted cash flow approaches.

The valuations adopted amounted to RMB7,079 million (2010: RMB6,130 million). The net change in fair values of the properties has been taken to the Group's statement of total return. These are commercial properties leased to external tenants to earn rental income.

The accompanying notes form an integral part of these financial statements.

# Consolidated Statement of Cash Flows

Year ended 31 December 2011

		GROUP	
	Note	2011 \$'000	2010 \$'000
<b>Operating activities</b>			
Total return for the year after taxation		120,528	111,967
Adjustments for:			
Net finance costs		10,471	11,261
Depreciation and amortisation		1,346	1,144
Impairment losses/(write-back) on trade receivables, net		200	(111)
Taxation		41,353	32,557
Manager's management fee paid/payable in Units	A(i)	3,432	3,089
Plant and equipment written off		24	105
Ineffective portion of changes in fair value of cash flow hedges		1,423	–
Change in fair value of cash flow hedge transferred to the statements of total return from hedging reserve		–	180
Change in fair value of investment properties		(95,945)	(84,155)
<b>Operating income before working capital changes</b>		<b>82,832</b>	<b>76,037</b>
<b>Changes in working capital:</b>			
Trade and other receivables		(4,811)	(18,484)
Trade and other payables		10,259	22,428
<b>Cash generated from operating activities</b>		<b>88,280</b>	<b>79,981</b>
Income tax paid		(13,390)	(7,428)
<b>Net cash from operating activities</b>		<b>74,890</b>	<b>72,553</b>
<b>Investing activities</b>			
Interest received		457	231
Net cash outflow on purchase of investment property	A(ii)	(1,803)	(618)
Capital expenditure on investment properties	A(iii)	(2,766)	(4,773)
Net cash outflow on acquisition of subsidiaries	B	(72,389)	–
Proceed from disposal of plant and equipment		7	–
Purchase of plant and equipment		(2,227)	(1,151)
<b>Net cash used in investing activities</b>		<b>(78,721)</b>	<b>(6,311)</b>
<b>Financing activities</b>			
Proceeds from issuance of new Units		70,000	–
Distribution to Unitholders		(52,775)	(51,564)
Payment of equity issue expenses		(2,474)	–
Payment of financing expenses		(1,078)	(400)
Proceeds from draw down of interest-bearing borrowings		62,400	365,250
Repayment of interest-bearing borrowings		(31,674)	(367,942)
Settlement of derivative contracts		–	12,831
Interest paid		(11,401)	(9,883)
<b>Net cash from/(used in) financing activities</b>		<b>32,998</b>	<b>(51,708)</b>
<b>Increase in cash and cash equivalents</b>		<b>29,167</b>	<b>14,534</b>
Cash and cash equivalents at 1 January		39,936	26,043
Effect of foreign exchange rate changes on cash balances		1,012	(641)
<b>Cash and cash equivalents at 31 December</b>	<b>8</b>	<b>70,115</b>	<b>39,936</b>

The accompanying notes form an integral part of these financial statements.

# Consolidated Statement of Cash Flows

Year ended 31 December 2011

## NOTES:

### (A) SIGNIFICANT NON-CASH AND OTHER TRANSACTIONS

- (i) \$2.5 million (2010: \$2.3 million) of the \$3.4 million (2010: \$3.1 million) of performance component of the Manager's management fee was paid during the year through the issue of 2,079,852 Units (2010: 1,897,439 Units). The remaining \$0.9 million (2010: \$0.8 million) will be paid through the issue of 802,787 new Units (2010: 616,768 new Units) subsequent to the year end.
- (ii) The Group incurred \$36.1 million to purchase investment property in 2008, of which \$1.8 million and \$0.6 million were paid in 2011 and 2010 respectively.
- (iii) The Group incurred \$7.8 million (2010: \$1.5 million) during the year to enhance its investment properties, of which \$1.7 million (2010: \$1.3 million) has been paid. During the year, the Group paid \$1.1 million (2010: \$3.5 million) of the unpaid prior years balance.

### (B) SIGNIFICANT NON-CASH AND OTHER TRANSACTIONS

Net cash outflows on acquisition of subsidiaries are provided below:

	GROUP	
	2011 \$'000	2010 \$'000
Investment properties	76,210	–
Cash	275	–
Other assets	467	–
Other liabilities	(4,288)	–
Net identifiable assets and liabilities acquired	72,664	–
Cash consideration paid	(72,664)	–
Cash acquired	275	–
Net cash outflow	(72,389)	–

The accompanying notes form an integral part of these financial statements.

# Notes to the Financial Statements

These notes form an integral part of the financial statements.

The financial statements were authorised for issue by the Manager and the Trustee on 22 February 2012.

## 1. GENERAL

CapitaRetail China Trust (the “Trust”) is a Singapore-domiciled unit trust constituted pursuant to the trust deed dated 23 October 2006 as amended by the First Supplemental Deed dated 8 November 2006 and Second Supplemental Deed dated 15 April 2010 (collectively the “Trust Deed”) between CapitaRetail China Trust Management Limited (the “Manager”) and HSBC Institutional Trust Services (Singapore) Limited (the “Trustee”). The Trust Deed is governed by the laws of the Republic of Singapore. The Trustee is under a duty to take into custody and hold the assets of the Trust held by it or through its subsidiaries (collectively the “Group”) in trust for the holders (“Unitholders”) of units in the Trust (the “Units”).

The Trust was formally admitted to the Official List of the Singapore Exchange Securities Trading Limited (the “SGX-ST”) on 8 December 2006 (the “Listing Date”) and was included under the Central Provident Fund (“CPF”) Investment Scheme on 8 December 2006.

The principal activities of the Trust are those relating to investment in a diversified portfolio of income-producing properties located primarily in the People’s Republic of China (“China”), Hong Kong and Macau and used primarily for retail purposes.

The principal activities of the subsidiaries are those of investment holding of properties located in China and used for retail purposes.

The Group has entered into several service agreements in relation to the management of the Trust and its property operations. The fee structures for these services are as follows:

### (a) Trustee’s fees

Pursuant to the Trust Deed, the Trustee’s fee shall not exceed 0.03% per annum of the value of all the assets of the Group (“Deposited Property”), subject to a minimum of \$15,000 per month, excluding out of pocket expenses and Goods and Service Tax.

### (b) Manager’s management fees

The Manager is entitled under the Trust Deed to the following management fees:

- a base fee of 0.25% per annum of the value of the deposited property;
- a performance fee of 4.0% per annum of the net property income in the relevant financial year (calculated before accounting for the performance fee in that financial year); and
- an authorised investment management fee of 0.5% per annum of the value of authorised investments which are not real estate. Where such authorised investment is an interest in a property fund (either a real estate investment trust or private property fund) wholly managed by a wholly-owned subsidiary of CapitaLand Limited, no authorised investment management fee shall be payable in relation to such authorised investment.

The Manager may elect to receive the management fees in cash or Units or a combination of cash and/or Units (as it may in its sole discretion determine).

# Notes to the Financial Statements

## 1. GENERAL (CONT'D)

### (c) Property management fees

Under the property management agreements in respect of each property, the property managers will provide lease management services, property tax services and marketing co-ordination services in relation to that property. The property managers are entitled to the following fees:

- 2.0% per annum of the gross revenue;
- 2.0% per annum of the net property income; and
- 0.5% per annum of the net property income in lieu of leasing commissions otherwise payable to the property managers and/or third party agents.

### (d) Acquisition fee

For any authorised investment acquired from time to time by the Trustee on behalf of the Trust, the acquisition fee payable to the Manager shall be:

- up to 1.5% of the purchase price in the case of any authorised investment (as defined in the Trust Deed) acquired by the Trust for less than \$200 million; and
- 1.0% of the purchase price in the case of any authorised investment acquired by the Trust for \$200 million or more.

The acquisition fee payable in respect of any authorised investment acquired from time to time by the Trustee on behalf of the Trust from CapitaMalls China Income Fund, CapitaMalls China Development Fund II, CapitaMalls China Incubator Fund or CapitaMalls Asia Limited shall be 1.0% of the purchase price paid by the Trust.

No acquisition fee was payable for the acquisition of the initial property portfolio of the Trust.

The acquisition fee is payable to the Manager in the form of cash and/or Units (as the Manager may elect) at the prevailing market price provided that in respect of any acquisition of real estate assets from interested parties, such a fee should, if required by the applicable laws, rules and/or regulations, be in the form of Units issued by the Trust at prevailing market price(s) and subject to such transfer restrictions as may be imposed.

Any payment to third party agents or brokers in connection with the acquisition of any authorised investments for the Trust shall be paid by the Manager to such persons out of the deposited property of the Trust or the assets of the relevant special purpose vehicle, and not out of the acquisition fee received or to be received by the Manager.

### (e) Divestment fee

The Manager is entitled to receive a divestment fee of 0.5% of the sale price of any authorised investment disposed directly or indirectly by the Trust, prorated if applicable to the proportion of the Trust's interest.

# Notes to the Financial Statements

## 1. GENERAL (CONT'D)

### (e) Divestment fee (Cont'd)

The divestment fee is payable to the Manager in the form of cash and/or Units (as the Manager may elect) at the prevailing market price provided that in respect of any divestment of real estate assets to interested parties, such a fee should, if required by the applicable laws, rules and/or regulations, be in the form of Units issued by the Trust at prevailing market price(s) and subject to such transfer restrictions as may be imposed.

Any payment to third party agents or brokers in connection with the divestment of any authorised investments for the Trust shall be paid by the Manager to such persons out of the deposited property of the Trust or the assets of the relevant special purpose vehicle, and not out of the divestment fee received or to be received by the Manager.

## 2. BASIS OF PREPARATION

### (a) Statement of compliance

The financial statements have been prepared in accordance with the Statement of Recommended Accounting Practice ("RAP") 7 "Reporting Framework for Unit Trusts" issued by the Institute of Certified Public Accountants of Singapore, and the applicable requirements of the Code on Collective Investment Schemes (the "CIS Code") issued by the Monetary Authority of Singapore ("MAS") and the provisions of the Trust Deed. RAP 7 requires that accounting policies adopted should generally comply with the principles relating to recognition and measurement of the Singapore Financial Reporting Standards ("FRS").

### (b) Basis of measurement

The financial statements have been prepared on the historical cost basis except for the following material items on the balance sheet:

- derivative financial instruments are measured at fair value
- investment properties are measured at fair value

### (c) Functional and presentation currency

Items included in the financial statements of each entity in the Group are measured using the currency that best reflects the economic substance of the underlying events and circumstances relevant to that entity (the "functional currency"). The consolidated financial statements of the Group are presented in Singapore dollars, which is the functional currency of the Trust. All financial information presented in Singapore dollars has been rounded to the nearest thousand, unless otherwise stated.

# Notes to the Financial Statements

## 2. BASIS OF PREPARATION (CONT'D)

### (d) Use of estimates and judgements

The preparation of financial statements in conformity with RAP 7 requires the Manager to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying amounts of assets and liabilities that are not readily apparent from other sources.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and any future periods affected.

Significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amount recognised in the financial statements are described in the following notes:

- Note 4 – Valuation of investment properties
- Note 26 – Valuation of financial instruments

### (e) Changes in accounting policies

Identification of related party relationships and related party disclosures

From 1 January 2011, the Group has applied the revised FRS 24 Related Party Disclosures (2010) to identify parties that are related to the Group and to determine the disclosures to be made on transactions and outstanding balances, including commitments, between the Group and its related parties. FRS 24 (2010) improved the definition of a related party in order to eliminate inconsistencies and ensure symmetrical identification of relationships between two parties.

The adoption of FRS 24 (2010) has not resulted in additional parties being identified as related to the Group. Transactions and outstanding balances, including commitments, with the related parties for the current and comparative years have been disclosed accordingly in the financial statements.

The adoption of FRS 24 (2010) affects only the disclosures made in the financial statements. There is no financial effect on the results and financial position of the Group for the current and previous financial years. Accordingly, the adoption of FRS 24 (2010) has no impact on earnings per unit.

# Notes to the Financial Statements

## 3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to all periods presented in these financial statements, and have been applied consistently by Group entities.

### (a) Basis of consolidation

#### (i) Subsidiaries

Subsidiaries are companies controlled by the Trust. Control exists when the Trust has the power, directly or indirectly, to govern the financial and operating policies of a company so as to obtain benefits from its activities. In assessing control, potential voting rights presently exercisable are taken into account. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

The Group's acquisition of subsidiaries are primarily accounted for as acquisitions of assets as the subsidiaries are special purpose vehicles established for the sole purpose of holding assets.

#### (ii) Loss of control

Upon the loss of control, the Trust derecognises the assets and liabilities of the subsidiary, any non-controlling interests and the other components of equity related to the subsidiary. Any surplus or deficit arising on the loss of control is recognised in the statement of total return.

If the Group retains any interest in the previous subsidiary, then such interest is measured at fair value at the date that control is lost. Subsequently, it is accounted for as an equity-accounted investee or as an available-for-sale financial asset depending on the level of influence retained.

#### (iii) Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income or expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements. Unrealised gains arising from transactions with equity accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

#### (iv) Accounting for subsidiaries by the Trust

Investments in subsidiaries are stated in the Trust's balance sheet at cost less accumulated impairment losses.

# Notes to the Financial Statements

## 3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### (b) Foreign currency

#### (i) Foreign currency transactions

Transactions in foreign currencies are translated at the foreign exchange rates ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated at the foreign exchange rates ruling at that date. Non-monetary assets and liabilities measured at cost in a foreign currency are translated using foreign exchange rates at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated at the foreign exchange rates ruling at the date on which the fair value was determined.

Foreign currency differences arising on retranslation are recognised in the statement of total return, except for differences arising on the retranslation of monetary items that in substance form part of the Group's net investment in a foreign operation (see below) and financial derivatives designated as hedges of the net investment in a foreign operation (see Note 3(c)(iii)).

#### (ii) Foreign operations

The assets and liabilities of foreign operations are translated to Singapore dollars at exchange rates at the reporting date. The income and expenses of foreign operations are translated to Singapore dollars at exchange rates at the dates of the transactions. Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the exchange rate at the reporting date.

Foreign currency differences are recognised in the foreign currency translation reserve. When a foreign operation is disposed of, in part or in full, the relevant amount is transferred to the statement of total return.

#### (iii) Net investment in a foreign operation

Exchange differences arising from monetary items that in substance form part of the Trust's net investment in a foreign operation are recognised in the Trust's statement of total return. Such exchange differences are reclassified to foreign currency translation reserve in the consolidated financial statements. When the hedged net investment is disposed of, the cumulative amount in the foreign currency translation reserve is transferred to the statement of total return as an adjustment to the gain or loss arising on disposal.

# Notes to the Financial Statements

## 3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### (c) Financial instruments

#### (i) Non-derivative financial assets

The Group initially recognises loans and receivables and deposits on the date that they are originated. All other financial assets are recognised initially on the trade date at which the Group becomes a party to the contractual provisions of the instrument.

The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in transferred financial assets that is created or retained by the Group is recognised as a separate asset or liability.

Financial assets and liabilities are offset and the net amount presented in the balance sheet when, and only when, the Group has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

The Group has loans and receivables as its non-derivative financial assets.

#### *Loans and receivables*

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method, less any impairment losses.

Loans and receivables comprise trade and other receivables and exclude prepayments.

Cash and cash equivalents comprise cash balances and bank deposits.

#### (ii) Non-derivative financial liabilities

Financial liabilities are recognised initially on the trade date at which the Group becomes a party to the contractual provisions of the instrument.

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled or expired.

Financial assets and liabilities are offset and the net amount presented in the balance sheet when, and only when, the Group has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

The Group has the following non-derivative financial liabilities: interest-bearing borrowings and trade and other payables.

Such financial liabilities are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, these financial liabilities are measured at amortised cost using the effective interest method.

# Notes to the Financial Statements

## 3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### (c) Financial instruments (Cont'd)

#### (iii) Derivative financial instruments, including hedge accounting

The Group holds derivative financial instruments to hedge its foreign currency and interest rate risk exposures. Embedded derivatives are separated from the host contract and accounted for separately if the economic characteristics and risks of the host contract and the embedded derivative are not closely related, a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative, and the combined instrument is not measured at fair value through the statement of total return.

On initial designation of the hedge, the Group formally documents the relationship between the hedging instrument(s) and hedged item(s), including the risk management objectives and strategy in undertaking the hedge transaction and the hedged risk, together with the methods that will be used to assess the effectiveness of the hedging relationship. The Group makes an assessment, both at the inception of the hedge relationship as well as on an ongoing basis, of whether the hedging instruments are expected to be “highly effective” in offsetting the changes in the fair value or cash flows of the respective hedged items attributable to the hedged risk, and whether the actual results of each hedge are within a range of 80%-125%. For a cash flow hedge of a forecast transaction, the transaction should be highly probable to occur and should present an exposure to variations in cash flows that could ultimately affect the statement of total return.

Derivatives are recognised initially at fair value; attributable transaction costs are recognised in the statement of total return when incurred. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are accounted for as described below.

#### *Cash flow hedges*

When a derivative is designated as the hedging instrument in a hedge of the variability in cash flows attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction that could affect total return, the effective portion of changes in the fair value of the derivative is recognised and presented in the hedging reserve in Unitholders' fund. The amount recognised in the hedging reserve is removed and included in the statement of total return in the same period as the hedged cash flows affect the statement of total return under the same line item in the statement of total return as the hedged item. Any ineffective portion of changes in the fair value of the derivative is recognised immediately in the statement of total return.

If the hedging instrument no longer meets the criteria for hedge accounting, expires or is sold, terminated or exercised, or the designation is revoked, then hedge accounting is discontinued prospectively. The cumulative gain or loss previously recognised and presented in the hedging reserve in Unitholders' fund remains there until the forecast transaction occurs. When the hedged item is a non-financial asset, the amount recognised in the hedging reserve is transferred to the carrying amount of the asset when it is recognised. If the forecast transaction is no longer expected to occur, then the balance in the hedging reserve is recognised immediately in the statement of total return. In other cases, the amount recognised in the hedging reserve is transferred to the statement of total return in the same period that the hedged item affects the statement of total return.

# Notes to the Financial Statements

## 3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### (c) Financial instruments (Cont'd)

- (iii) Derivative financial instruments, including hedge accounting (Cont'd)

#### *Hedge of net investment in foreign operation*

Foreign currency differences arising on the retranslation of a financial liability designated as a hedge of a net investment in a foreign operation are recognised in the Trust's statement of total return. On consolidation, such differences are recognised directly, as part of foreign currency translation reserve, to the extent that the hedge is effective. To the extent that the hedge is ineffective, such differences are recognised in the statement of total return. When the hedged net investment is disposed of, the cumulative amount in the foreign currency translation reserve attributable to that investment is transferred to the statement of total return as an adjustment to the gain or loss on disposal.

### (d) Investment properties

Investment properties are properties held either to earn rental income or capital appreciation or both. Investment properties are accounted for as non-current assets and are stated at initial cost on acquisition and at fair value thereafter. The cost of a purchased property comprises its purchase price and any directly attributable expenditure. Transaction costs are included in the initial measurement. Fair value is determined in accordance with the Trust Deed, which requires the investment properties to be valued by independent registered valuers at least once a year in accordance with the CIS Code issued by the MAS.

Any increase or decrease on revaluation is credited or charged to the statement of total return as a net change in fair value of the investment properties.

Subsequent expenditure relating to investment properties that have already been recognised is added to the carrying amount when it is probable that future economic benefits, in excess of the originally assessed standard of performance of the existing asset will flow to the Group.

All other subsequent expenditure is recognised as an expense in the period in which it is incurred.

When an investment property is disposed of, the resulting gain or loss recognised in the statement of total return is the difference between the net disposal proceeds and the carrying amount of the property.

Investment properties are not depreciated. The properties are subject to continued maintenance and regularly revalued on the basis set out above.

### (e) Plant and equipment

- (i) Recognition and measurement

Plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the asset.

When parts of an item of plant and equipment have different useful lives, they are accounted for as separate items (major components) of plant and equipment.

# Notes to the Financial Statements

## 3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### (e) Plant and equipment (Cont'd)

#### (i) Recognition and measurement (Cont'd)

Gains or losses arising from the retirement or disposal of plant and equipment are determined as the difference between the estimated net disposal proceeds and the carrying amount of the asset and are recognised in the statement of total return on the date of retirement or disposal.

#### (ii) Subsequent costs

The cost of replacing part of an item of plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group and its cost can be measured reliably. The cost of the day-to-day servicing of plant and equipment are recognised in the statement of total return as incurred.

#### (iii) Depreciation

Depreciation is provided on a straight-line basis so as to write off items of plant and equipment, and major components that are accounted for separately, over their estimated useful lives as follows:

Furniture, fittings and plant and equipment	-	3 to 5 years
Computers	-	3 to 5 years
Motor vehicles	-	5 years

Depreciation methods, useful lives and residual values are reviewed, and adjusted as appropriate, at each reporting date.

### (f) Impairment

#### (i) Financial assets (including receivables)

A financial asset not carried at fair value through the statement of total return is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

Objective evidence that financial assets are impaired can include default or delinquency by a debtor, restructuring of an amount due to the Group on terms that the Group would not consider otherwise, indications that a debtor will enter bankruptcy.

The Group considers evidence of impairment for receivables at both a specific asset and collective level. All individually significant receivables are assessed for specific impairment. All individually significant receivables found not to be specifically impaired are then collectively assessed for any impairment that has been incurred but not yet identified. Receivables that are not individually significant are collectively assessed for impairment by grouping together receivables with similar risk characteristics.

# Notes to the Financial Statements

## 3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### (f) Impairment (Cont'd)

#### (i) Financial assets (including receivables) (Cont'd)

In assessing collective impairment, the Group uses historical trends of the probability of default, timing of recoveries and the amount of loss incurred, adjusted for management's judgement as to whether current economic and credit conditions are such that the actual losses are likely to be greater or less than suggested by historical trends.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Losses are recognised in the statement of total return and reflected in an allowance account against receivables. Interest on the impaired asset continues to be recognised through the unwinding of the discount. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through the statement of total return.

#### (ii) Non-financial assets

The carrying amounts of the Group's non-financial assets, other than investment properties, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit", or "CGU").

An impairment loss is recognised if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognised in the statement of total return. Impairment losses recognised in respect of the CGU are allocated first to reduce the carrying amount of any goodwill allocated to the units, and then to reduce the carrying amounts of the other assets in the unit (group of units) on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

### (g) Unitholders' funds

Unitholders' funds represent the residual interests in the Group's net assets upon termination and are classified as equity.

Expenses incurred in connection with the issuance of Units in the Trust are deducted directly against the Unitholders' funds.

# Notes to the Financial Statements

## 3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### (h) Employee benefits

#### (i) Defined contribution plans

Obligations for contributions to defined contribution pension plans are recognised as an expense in the statement of total return as incurred.

#### (ii) Short-term benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided.

A provision is recognised for the amount expected to be paid under short-term cash bonus or profits sharing plans if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

### (i) Distribution policy

The Trust's distribution policy is to distribute at least 90.0% of its distributable income in each financial year to Unitholders, other than from the sale of properties that are determined by IRAS to be trading gains.

### (j) Revenue recognition

#### *Rental income*

Rental income receivable under operating leases is recognised on a straight-line basis over the term of the lease, except where an alternative basis is more representative of the pattern of benefits to be derived from the leased assets. Lease incentives granted are recognised as an integral part of the total rental to be received. Contingent rentals, which include gross turnover rental, are recognised as income in the accounting period on an earned basis. No contingent rental is recognised if there are uncertainties due to the possible return of the amounts received.

### (k) Expenses

#### (i) Property expenses

Property expenses are recognised on an accrual basis.

#### (ii) Manager's management fees, property management fees and Trustee's fees

These are recognised on an accrual basis based on the applicable formula stipulated in Note 1.

### (l) Finance income and finance costs

Finance income comprises interest income recognised in the statement of total return as it accrues, using the effective interest method.

Finance costs which comprise interest expense on borrowings and expense incurred in connection with borrowings are recognised in the statement of total return, using the effective interest method over the period of the borrowings.

# Notes to the Financial Statements

## 3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### (m) Taxation

Taxation on the returns for the year comprises current and deferred tax. Income tax is recognised in the statement of total return except to the extent that it relates to items directly related to Unitholders' fund, in which case it is recognised in the Unitholders' fund.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the balance sheet date.

Deferred tax is recognised using the balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for the following temporary differences: the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit, and differences relating to investments in subsidiaries to the extent that it is probable that they will not reverse in the foreseeable future. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the unused tax losses and credits can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefits will be realised.

Except for the tax exemption as described below, income earned by the Trust will be subject to Singapore income tax at the trustee level at the prevailing corporate tax rate.

The Trust is exempted from Singapore income tax under Section 13(12) of the Singapore Income Tax Act on the following income:

- (i) dividends; and
- (ii) interest on shareholders' loans,

payable by its subsidiaries in Barbados and Singapore out of underlying rental income derived from the investment properties in China.

This exemption is granted subject to certain conditions, including the condition that the Trustee is a tax resident of Singapore.

The tax exemption also applies to dividends payable by these subsidiaries out of gains, if any, derived from the disposal of their shares in the subsidiaries in China.

### (n) Earnings per unit

The Group presents basic and diluted earnings per unit (EPU) data for its Units. Basic EPU is calculated by dividing the total return attributable to Unitholders of the Group by the weighted average number of ordinary Units outstanding during the period. Diluted EPU is determined by adjusting the total return attributable to Unitholders and the weighted average number of Units outstanding for the effects of all dilutive potential Units.

# Notes to the Financial Statements

## 3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### (o) Segment reporting

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision-Makers ("CODMs"). The CODMs has been identified as the Chief Executive Officer ("CEO") and Head of Finance.

### (p) New standards and interpretations not yet adopted

New standards, amendments to standards and interpretations that are not yet effective for the year ended 31 December 2011 have not been applied in preparing these financial statements. The initial application of these standards (and its consequential amendments) and interpretations is not expected to have material impact on the Group's financial statements. The Group has not considered the impact of accounting standards issued after the balance sheet date.

## 4. INVESTMENT PROPERTIES

	GROUP	
	2011 \$'000	2010 \$'000
At beginning of year	1,215,089	1,156,614
Acquisition of investment properties	76,210	–
Expenditure capitalised	7,783	1,514
	1,299,082	1,158,128
Changes in fair value	95,945	84,155
Translation difference	45,593	(27,194)
At the end of year	1,440,620	1,215,089

Investment properties are stated at fair value based on valuation performed by independent professional valuers having appropriate recognised professional qualifications and recent experience in the location and category of property being valued. In determining the fair value, the valuers have used valuation methods which involve certain estimates. The Manager is of the view that the valuation methods and estimates are reflective of the current market conditions.

The fair values are based on open market values, being the estimated amount for which a property could be exchanged on the date of the valuation between a willing buyer and a willing seller in an arm's length transaction wherein the parties had each acted knowledgeably and without compulsion.

The valuers have considered valuation techniques including the direct comparison method, capitalisation approach and/or discounted cash flows in arriving at the open market value as at the balance sheet date.

The direct comparison method involves the analysis of comparable sales of similar properties and adjusting the sale prices to that reflective of the investment properties. The capitalisation approach capitalises an income stream into a present value using revenue multipliers or single-year capitalisation rates. The discounted cash flow method involves the estimation and projection of an income stream over a period and discounting the income stream with an internal rate of return to arrive at the market value.

In 2010, an investment property of the Group with carrying value of RMB856.0 million (\$169.7 million), was pledged as security to a bank for banking facility to a subsidiary (Note 10).

# Notes to the Financial Statements

## 5. PLANT AND EQUIPMENT

GROUP	Furniture, fittings and plant and equipment \$'000	Computers \$'000	Motor vehicles \$'000	Total \$'000
<b>Cost</b>				
At 1 January 2010	1,419	4,047	–	5,466
Additions	908	385	–	1,293
Written off	(155)	(109)	–	(264)
Translation difference on consolidation	(41)	(87)	–	(128)
At 31 December 2010	2,131	4,236	–	6,367
Additions	2,163	170	–	2,333
Assets acquired	1,460	40	222	1,722
Disposal/written off	(176)	(27)	(67)	(270)
Translation difference on consolidation	172	114	9	295
At 31 December 2011	5,750	4,533	164	10,447
<b>Less: Accumulated depreciation</b>				
At 1 January 2010	346	1,644	–	1,990
Charge for the year	606	479	–	1,085
Written off	(81)	(78)	–	(159)
Translation difference on consolidation	(16)	(32)	–	(48)
At 31 December 2010	855	2,013	–	2,868
Charge for the year	1,231	55	4	1,290
Assets acquired	1,213	31	190	1,434
Disposal/written off	(155)	(24)	(60)	(239)
Translation difference on consolidation	186	56	9	251
At 31 December 2011	3,330	2,131	143	5,604
<b>Carrying amount</b>				
At 1 January 2010	1,073	2,403	–	3,476
At 31 December 2010	1,276	2,223	–	3,499
At 1 January 2011	1,276	2,223	–	3,499
At 31 December 2011	2,420	2,402	21	4,843

## 6. INTERESTS IN SUBSIDIARIES

		TRUST	
		2011 \$'000	2010 \$'000
(a)	Unquoted equity, at cost	384,801	328,463
(b)	Loans to subsidiaries	325,054	332,144
	Non-trade amounts due from subsidiaries	199,807	173,783
		524,861	505,927
		909,662	834,390

# Notes to the Financial Statements

## 6. INTERESTS IN SUBSIDIARIES (CONT'D)

(a) Details of the subsidiaries are as follows:

			Effective equity held by the Group	
Name of subsidiaries	Principal activities	Place of incorporation/ business	2011 %	2010 %
(i) Direct subsidiaries				
* CapitaRetail China Investments (B) Pte. Ltd.	Investment holding	Barbados	100	100
* CapitaRetail China Investments (B) Alpha Pte. Ltd.	Investment holding	Barbados	100	100
* CapitaRetail China Investments (B) Beta Pte. Ltd.	Investment holding	Barbados	100	100
* CapitaRetail China Investments (B) Gamma Pte. Ltd.	Investment holding	Barbados	100	100
** CapitaRetail China Investments (BVI) Alpha Limited	Investment holding	British Virgin Islands	100	100
*** Somerset (Wuhan) Investments Pte Ltd	Investment holding	Singapore	100	— <sup>#</sup>
(ii) Indirect subsidiaries				
<b>Subsidiary of CapitaRetail China Investments (B) Pte. Ltd.</b>				
* CapitaRetail Beijing Wangjing Real Estate Co., Ltd.	Property investment	China	100	100
<b>Subsidiaries of CapitaRetail China Investments (B) Alpha Pte. Ltd.</b>				
* CapitaRetail Beijing Anzhen Real Estate Co., Ltd.	Property investment	China	100	100
* CapitaRetail Dragon Mall (Shanghai) Co., Ltd.	Property investment	China	100	100
* CapitaRetail Beijing Shuangjing Real Estate Co., Ltd.	Property investment	China	100	100
* CapitaRetail Henan Zhongzhou Real Estate Co., Ltd.	Property investment	China	100	100

# Notes to the Financial Statements

## 6. INTERESTS IN SUBSIDIARIES (CONT'D)

Name of subsidiaries	Principal activities	Place of incorporation/ business	Effective equity held by the Group	
			2011 %	2010 %
(ii) Indirect subsidiaries (cont'd)				
* Huaxin Saihan Huhhot Real Estate Co., Ltd.	Property investment	China	100	100
<b>Subsidiary of CapitaRetail China Investments (B) Beta Pte. Ltd.</b>				
* CapitaRetail Beijing Xizhimen Real Estate Co., Ltd.	Property investment	China	100	100
<b>Subsidiary of CapitaRetail China Investments (B) Gamma Pte. Ltd.</b>				
* CapitaMalls Wuhu Commercial Property Co., Ltd.	Property investment	China	51	51
<b>Subsidiary of Somerset (Wuhan) Investments Pte Ltd</b>				
* Wuhan New Minzhong Leyuan Co., Ltd.	Property investment	China	100	— <sup>#</sup>
<b>Subsidiaries of CapitaRetail China Investments (BVI) Alpha Limited</b>				
* CapitaRetail China Investments V1 (HK) Limited	Investment holding	Hong Kong	100	100
* CapitaRetail China Investments V2 (HK) Limited	Investment holding	Hong Kong	100	100

\* Audited by other member firms of KPMG international.

\*\* This subsidiary is not required to be audited by the laws of the country of incorporation.

\*\*\* Audited by KPMG LLP Singapore.

<sup>#</sup> Acquired during the year ended 31 December 2011.

- (b) The loans to and non-trade amounts due from subsidiaries are unsecured and settlement is neither planned nor likely to occur in the foreseeable future. As the amounts are, in substance, a part of the Trust's net investments in the subsidiaries, they are stated at cost. The loans to subsidiaries bear interest fixed at 7.5% (2010: 7.5%).

# Notes to the Financial Statements

## 7. TRADE AND OTHER RECEIVABLES

	GROUP		TRUST	
	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000
Trade receivables	1,147	1,974	–	–
Impairment losses	(433)	(546)	–	–
	714	1,428	–	–
Other receivables	2,721	3,184	164	121
Deposits	1,065	1,105	–	–
Loans and receivables	4,500	5,717	164	121
Prepayments	2,941	2,170	5	5
	7,441	7,887	169	126

Concentration of credit risk relating to trade receivables is limited due to the Group's many varied tenants located in several cities in China and the credit policy of obtaining security deposits from tenants for leasing the Group's investment properties. These tenants comprise retailers engaged in a wide variety of consumer trades.

The maximum exposure to credit risk for trade receivables at the reporting date (by geographical area in China) was:

	GROUP	
	2011 \$'000	2010 \$'000
Inner Mongolia	46	23
Beijing	121	851
Shanghai	354	373
Others	193	181
	714	1,428

### Impairment losses

The ageing of loans and receivables at the reporting date is:

	GROSS		IMPAIRMENT	
	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000
<b>Group</b>				
Not past due	4,502	5,185	266	1
Past due 31 – 60 days	176	325	71	12
Past due 61 – 90 days	31	33	12	–
Past due 91 – 120 days	51	173	1	103
More than 120 days past due	173	547	83	430
	4,933	6,263	433	546
<b>Trust</b>				
Not past due	164	121	–	–

# Notes to the Financial Statements

## 7. TRADE AND OTHER RECEIVABLES (CONT'D)

The movement in the allowance for impairment in respect of loans and receivables during the year is as follows:

	Note	GROUP	
		2011 \$'000	2010 \$'000
At 1 January		546	955
Impairment losses/(write-back), net	16	200	(111)
Allowance utilised		(337)	(274)
Exchange translation		24	(24)
At 31 December		433	546

The Group's historical experience in the collection of trade receivable falls within the recorded allowances. The Manager believes that no additional credit risk beyond the amounts provided for collection losses is inherent in the Group's trade receivables, based on historical payment behaviours and the security deposits held.

The majority of the trade receivables are mainly from tenants that have good credit records with the Group. The allowance account in respect of trade receivables is used to record impairment losses unless the Group is satisfied that no recovery of the amount owing is possible; at that point the amounts are considered irrecoverable and are written off against the financial asset directly. During the year ended 31 December 2011, the Group collected \$0.1 million of its impaired trade receivables (2010: \$0.4 million).

## 8. CASH AND CASH EQUIVALENTS

	GROUP		TRUST	
	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000
Cash at banks and in hand	51,484	25,851	820	776
Fixed deposits with financial institutions	18,631	14,085	–	–
	70,115	39,936	820	776

# Notes to the Financial Statements

## 9. TRADE AND OTHER PAYABLES

	GROUP		TRUST	
	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000
Trade payable	1,473	866	17	55
Accrued operating expenses	8,628	7,244	2,571	3,300
Accrued development expenditure	10,344	12,581	–	–
Amounts due to related parties (trade)	2,520	1,265	1,928	791
Other deposits and advances	18,276	16,293	–	–
Interest payable	991	1,679	981	1,319
Other payables	8,221	3,058	–	–
	50,453	42,986	5,497	5,465

Included in amounts due to related parties are amounts due to the Manager and Property Managers of \$1.9 million (2010: \$0.8 million) and \$0.6 million (2010: \$0.5 million) respectively.

## 10. INTEREST-BEARING BORROWINGS

	Note	GROUP		TRUST	
		2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000
Unsecured term loans	(a)	364,549	338,503	338,503	338,503
Secured term loan	(b)	–	38,455	–	–
Money market facility		68,500	25,000	68,500	25,000
Less: Unamortised transactions costs		(477)	(1,077)	(477)	(1,077)
		432,572	400,881	406,526	362,426

(a) Unsecured term loans comprise \$100.5 million, \$100.0 million, \$88.0 million and \$50.0 million fixed/floating rate trust term loan facilities (collectively known as "Trust Term Loan Facilities") and Renminbi ("RMB") term loan of \$26.0 million. These facilities have negative pledge covenants which require the Trust, amongst others:

- (i) not to, without the prior written consent of the lender, create or have outstanding any security on or over the Group's interest in any of the investment properties;
- (ii) in the event of a sale of any of the investment properties, to repay an amount equal to the proportion of the market value of the investment property sold to the total market value of the investment properties as determined by the lender based on the latest annual valuation reports of the investment properties; and
- (iii) not to provide any guarantee for any other entities except for secured borrowings for new investment properties acquired with existing mortgages.

The Trust Term Loan Facilities will be repayable in full at maturity, although the Trust has the option to make early prepayments.

# Notes to the Financial Statements

## 10. INTEREST-BEARING BORROWINGS (CONT'D)

- (b) The RMB term loan in 2010 was secured by a legal mortgage over CapitaMall Anzhen, which bore interest referenced against the People's Bank of China base lending rate and repriced on a semi-annual basis.

The RMB term loan was refinanced on an unsecured basis upon maturity of the loan on 30 June 2011.

5% of the RMB term loan is repayable on a semi-annual basis, starting in 2012. The remaining 80% of the RMB loan principal is payable in full upon maturity of the RMB term loan on 30 June 2014.

### Terms and debt repayment schedule

Terms and conditions of the outstanding interest-bearing borrowings are as follows:

	Nominal interest rate per annum %	Year of maturity	Face value \$'000	Carrying amount \$'000
<b>2011</b>				
<b>GROUP</b>				
S\$ unsecured floating rate money market facility	0.99 – 1.39	2012	68,500	68,500
RMB unsecured term loan	5.36 – 7.04	2014	26,046	26,046
S\$ unsecured floating rate loan	2.05 – 2.39	2012	88,000	87,967
S\$ unsecured floating rate loans	1.22 – 1.62	2013	150,503	150,351
S\$ unsecured fixed/floating rate loan	1.30 – 2.66	2014	100,000	99,708
			433,049	432,572
<b>TRUST</b>				
S\$ unsecured floating rate money market facility	0.99 – 1.39	2012	68,500	68,500
S\$ unsecured floating rate loan	2.05 – 2.39	2012	88,000	87,967
S\$ unsecured floating rate loans	1.22 – 1.62	2013	150,503	150,351
S\$ unsecured fixed/floating rate loan	1.30 – 2.66	2014	100,000	99,708
			407,003	406,526
<b>2010</b>				
<b>GROUP</b>				
S\$ unsecured floating rate money market facility	1.08 – 1.28	2011	25,000	25,000
RMB secured term loan	5.04 – 5.18	2011	38,455	38,455
S\$ unsecured floating rate loan	1.72 – 2.46	2012	88,000	87,571
S\$ unsecured floating rate loans	1.38 – 1.68	2013	150,503	150,247
S\$ unsecured fixed/floating rate loan	1.46 – 2.66	2014	100,000	99,608
			401,958	400,881
<b>TRUST</b>				
S\$ unsecured floating rate money market facility	1.08 – 1.28	2011	25,000	25,000
S\$ unsecured floating rate loan	1.72 – 2.46	2012	88,000	87,571
S\$ unsecured floating rate loans	1.38 – 1.68	2013	150,503	150,247
S\$ unsecured fixed/floating rate loan	1.46 – 2.66	2014	100,000	99,608
			363,503	362,426

# Notes to the Financial Statements

## 10. INTEREST-BEARING BORROWINGS (CONT'D)

The following are the contractual maturities of non-derivative financial liabilities including estimated interest payments and excluding the impact of netting agreements:

	Carrying amount \$'000	Contractual cash flow \$'000	Within 1 year \$'000	Within 1 to 5 years \$'000	After 5 years \$'000
<b>2011 GROUP</b>					
S\$ unsecured floating rate money market facility	68,500	(68,710)	(68,710)	–	–
RMB unsecured term loan	26,046	(30,048)	(4,335)	(25,713)	–
S\$ unsecured floating rate loans	238,318	(242,427)	(90,940)	(151,487)	–
S\$ unsecured fixed/floating rate loan	99,708	(105,097)	(2,119)	(102,978)	–
Trade and other payables (Note 9)	50,453	(50,453)	(50,453)	–	–
Security deposits	24,860	(24,860)	(10,099)	(11,933)	(2,828)
	507,885	(521,595)	(226,656)	(292,111)	(2,828)

<b>2011 TRUST</b>					
S\$ unsecured floating rate money market facility	68,500	(68,710)	(68,710)	–	–
S\$ unsecured floating rate loans	238,318	(242,427)	(90,940)	(151,487)	–
S\$ unsecured fixed/floating rate loan	99,708	(105,097)	(2,119)	(102,978)	–
Trade and other payables (Note 9)	5,497	(5,497)	(5,497)	–	–
	412,023	(421,731)	(167,266)	(254,465)	–

<b>2010 GROUP</b>					
S\$ unsecured floating rate money market facility	25,000	(25,044)	(25,044)	–	–
RMB secured term loan	38,455	(39,810)	(39,810)	–	–
S\$ unsecured floating rate loans	237,818	(247,234)	(3,395)	(243,839)	–
S\$ unsecured fixed/floating rate loan	99,608	(105,801)	(883)	(104,918)	–
Trade and other payables (Note 9)	42,986	(42,986)	(42,986)	–	–
Security deposits	19,376	(19,376)	(8,596)	(8,162)	(2,618)
	463,243	(480,251)	(120,714)	(356,919)	(2,618)

<b>TRUST</b>					
S\$ unsecured floating rate money market facility	25,000	(25,044)	(25,044)	–	–
S\$ unsecured floating rate loans	237,818	(247,234)	(3,395)	(243,839)	–
S\$ unsecured fixed/floating rate loan	99,608	(105,801)	(883)	(104,918)	–
Trade and other payables (Note 9)	5,465	(5,465)	(5,465)	–	–
	367,891	(383,544)	(34,787)	(348,757)	–

It is not expected that the cash flows included in the maturity analysis could occur significantly earlier, or at significantly different amounts.

# Notes to the Financial Statements

## 11. FINANCIAL DERIVATIVES

	<b>GROUP AND TRUST</b>	
	<b>2011</b>	<b>2010</b>
	<b>\$'000</b>	<b>\$'000</b>
Financial derivative assets	13,249	8,067
Financial derivative liabilities	(3,117)	(289)

The following are the contractual maturities of financial derivative liabilities including estimated interest payments:

<b>GROUP AND TRUST</b>	<b>Carrying amount \$'000</b>	<b>Contractual cash flow \$'000</b>	<b>12 months or less \$'000</b>	<b>Within 1 to 3 years \$'000</b>
<b>2011</b>				
Interest rate swaps	(3,117)	(8,476)	(2,065)	(6,411)
<b>2010</b>				
Non-deliverable forwards	(34)	(34)	–	(34)
Interest rate swaps	(255)	(3,668)	(1,582)	(2,086)
	(289)	(3,702)	(1,582)	(2,120)

The following table indicates the periods in which the cash flows associated with derivatives that are cash flow hedges are expected to occur and impact the statement of total return.

<b>GROUP AND TRUST</b>	<b>Carrying amount \$'000</b>	<b>Expected cash flow \$'000</b>	<b>12 months or less \$'000</b>	<b>Within 1 to 3 years \$'000</b>
<b>2011</b>				
Interest rate swaps	(3,117)	(8,476)	(2,065)	(6,411)
<b>2010</b>				
Interest rate swaps	(255)	(3,668)	(1,582)	(2,086)

It is not expected that the cash flows included in the maturity analysis could occur significantly earlier, or at significantly different amounts.

# Notes to the Financial Statements

## 12. DEFERRED TAX LIABILITIES

Movements in deferred tax liabilities during the financial year are as follows:

	At 1 January 2010 \$'000	Charged to the statement of total return (Note 20) \$'000	Translation difference \$'000	At 31 December 2010 \$'000	Charged to the statement of total return (Note 20) \$'000	Translation difference \$'000	At 31 December 2011 \$'000
<b>GROUP</b>							
Investment properties	33,573	24,091	(1,993)	55,671	29,080	5,531	90,282

Deferred tax assets have not been recognised in respect of the following items because it is not probable that future taxable profit will be available against which the Group can utilise the benefits therefrom:

	<b>GROUP</b>	
	2011 \$'000	2010 \$'000
Tax losses	21,197	50,248

The tax losses are subject to agreement by the tax authorities and compliance with tax regulations in the country in which the subsidiaries operate. These tax losses can be carried forward up to five consecutive years and will expire on the fifth year from which the tax losses arise.

## 13. UNITHOLDERS' FUNDS

		<b>GROUP</b>		<b>TRUST</b>	
	Note	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000
Net assets resulting from operations		363,860	246,078	(2,973)	(20,456)
Hedging reserve	(a)	(1,698)	(60)	(1,698)	(60)
Foreign currency translation reserve	(b)	32,945	(10,567)	–	–
Unitholders' transactions		513,431	495,656	513,431	495,656
General reserve	(c)	5,301	3,400	–	–
		913,839	734,507	508,760	475,140

(a) The hedging reserve comprises the effective portion of the cumulative net change in the fair value of cash flow hedging instruments relating to forecast hedged transactions.

(b) The foreign currency translation reserve comprises:

- (i) foreign exchange differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from the functional currency of the Trust;
- (ii) the gains or losses on financial instruments used to hedge the Group's net investment in foreign operations that are determined to be effective hedges; and
- (iii) the foreign exchange differences on monetary items which form part of the Group's net investment in foreign operations, provided certain conditions are met.

# Notes to the Financial Statements

## 13. UNITHOLDERS' FUNDS (CONT'D)

### (c) General reserve

The subsidiaries incorporated in China are required to transfer 10% of their profits after taxation, as determined under the accounting principles and relevant financial regulations of China, to the general reserve until the reserve balance reaches 50% of registered capital. The transfer to this reserve must be made before the distribution of dividends to shareholders.

General reserve can be used to make good previous years' losses, if any, and may be converted to registered capital in proportion to the existing interests of the shareholders, provided that the balance after such conversion is not less than 25% of the registered capital.

## 14. UNITS IN ISSUE

	2011 Number of Units	2010 Number of Units
Balance as at beginning of year	625,381,914	622,854,695
<b>New Units issued:</b>		
- as payment of Manager's management fees	2,696,620	2,527,219
- in connection with private placement exercise completed on 30 June 2011	59,829,000	–
- as payment of acquisition fee of CapitaMall Minzhongleyuan	922,377	–
Issued Units as at end of year	688,829,911	625,381,914
<b>New Units to be issued:</b>		
- as payment of Manager's management fees	802,787	616,768
Total issued and issuable Units as at end of year	689,632,698	625,998,682

Units issued during the year ended 31 December 2011 are as follows:

- (a) On 30 March 2011, the Trust issued 616,768 new Units at an issue price of \$1.2345 per Unit as payment of the performance component of the management fee for the period from 1 October 2010 to 31 December 2010;
- (b) On 9 June 2011, the Trust issued 670,968 new Units at an issue price of \$1.2346 per Unit as payment of the performance component of the management fee for the period from 1 January 2011 to 31 March 2011;
- (c) On 30 June 2011, the Trust issued 59,829,000 new Units at an issue price of \$1.17 per Unit to finance the acquisition of CapitaMall Minzhongleyuan;
- (d) On 18 July 2011, the Trust issued 922,377 new Units at an issue price of \$1.2365 per Unit as payment of the related acquisition fees of CapitaMall Minzhongleyuan;

# Notes to the Financial Statements

## 14. UNITS IN ISSUE (CONT'D)

- (e) On 26 September 2011, the Trust issued 672,375 new Units at an issue price of \$1.2265 per Unit as payment of the performance component of the management fee for the period from 1 April 2011 to 30 June 2011; and
- (f) On 25 November 2011, the Trust issued 736,509 new Units at an issue price of \$1.1775 per Unit as payment of the performance component of the management fee for the period from 1 July 2011 to 30 September 2011.

Units issued during the year ended 31 December 2010 are as follows:

- (a) On 30 March 2010, the Trust issued 629,780 new Units at an issue price of \$1.2878 per Unit as payment of the performance component of the management fee for the period from 1 October 2009 to 31 December 2009;
- (b) On 25 May 2010, the Trust issued 643,559 new Units at an issue price of \$1.2021 per Unit as payment of the performance component of the management fee for the period from 1 January 2010 to 31 March 2010;
- (c) On 30 September 2010, the Trust issued 642,312 new Units at an issue price of \$1.2331 per Unit as payment of the performance component of the management fee for the period from 1 April 2010 to 30 June 2010; and
- (d) On 25 November 2010, the Trust issued 611,568 new Units at an issue price of \$1.2459 per Unit as payment of the performance component of the management fee for the period from 1 July 2010 to 30 September 2010.

The issue prices were determined based on the volume weighted average traded price for all trades done on the SGX-ST in the ordinary course of trading for the last 10 business days of the relevant periods in which the management fees accrue.

Each Unit in the Trust represents an undivided interest in the Trust. The rights and interests of Unitholders are contained in the Trust Deed and include the right to:

- one vote per Unit;
- receive income and other distributions attributable to the Units held;
- participate in the termination of the Trust by receiving a share of all net cash proceeds derived from the realisation of the assets of the Trust less any liabilities, in accordance with their proportionate interests in the Trust. However, a Unitholder has no equitable or proprietary interest in the underlying assets of the Trust and is not entitled to the transfer to it of any assets (or part thereof) or any estate or interest in any asset (or part thereof) of the Trust; and
- attend all Unitholders' meetings. The Trustee or the Manager may (and the Manager shall at the request in writing of not less than 50 Unitholders or one-tenth in number of Unitholders, whichever is lesser) at any time convene a meeting of Unitholders in accordance with the provisions of the Trust Deed.

# Notes to the Financial Statements

## 14. UNITS IN ISSUE (CONT'D)

The restrictions of a Unitholder include the following:

- a Unitholder's right is limited to the right to require due administration of the Trust in accordance with the provisions of the Trust Deed; and
- a Unitholder has no right to request the Manager to redeem his Units while the Units are listed on the SGX-ST.

A Unitholder's liability is limited to the amount paid or payable for any unit in the Trust. The provisions of the Trust Deed provide that no Unitholder will be personally liable to indemnify the Trustee or any creditor of the Trustee in the event that the liabilities of the Trust exceed its assets.

## 15. TOTAL UNITHOLDERS' DISTRIBUTION

Unitholders' distribution for the year is accounted for as distribution from operations and distribution from Unitholders' contributions:

### (a) Distribution from operations

This refers to distribution made by the Trust that is represented by income received or receivable during the financial year, as the case may be, net of expenses. Such income comprises mainly the following:

- dividend from subsidiaries in Barbados and Singapore paid out of dividend declared by the subsidiaries in China;
- dividend from subsidiaries in Barbados and Singapore paid out of net interest income earned by subsidiaries in Barbados and Singapore on shareholders' loans extended to subsidiaries in China; and
- interest income earned by the Trust on shareholders' loans extended to subsidiaries in Barbados and Singapore.

The above income originates from profits and income derived by the subsidiaries in China in respect of the current financial year.

### (b) Distribution from Unitholders' contributions

This refers to the amount of distribution made by the Trust for the financial year where the underlying cash is not, or may not be, received or receivable as income by the Trust during that period. Such distribution comprises mainly the following:

- profits from operations arising from the investment properties which are declared as dividend income after the financial year, as the case may be, and accordingly also received as dividends by the Trust after that year;
- profits from operations arising from the investment properties which cannot be declared as dividends;

# Notes to the Financial Statements

## 15. TOTAL UNITHOLDERS' DISTRIBUTION (CONT'D)

(b) Distribution from Unitholders' contributions (Cont'd)

- adjustment for depreciation expenses of the investment properties; and
- adjustments for trust expenses that are paid in Units, foreign currency differences attributable to net investment hedges undertaken by the Trust and certain unrealised expenses.

### *Income available for distribution to Unitholders at end of the year*

Distributions are made on a semi-annual basis, with the amount calculated as at 30 June and 31 December each year for the six-month period ending on each of the said dates. In accordance with the provisions of the Trust Deed, the Manager is required to pay distributions within 90 days of the end of each distribution period. Distributions, when paid, will be in Singapore dollars.

Distributions for the period from 1 January 2011 to 29 June 2011 had been paid on 23 September 2011. Distributions for the period from 30 June 2011 to 31 December 2011 will be paid within 90 days of the end of the distribution period, in accordance with the provisions of the Trust Deed.

## 16. OTHER PROPERTY OPERATING EXPENSES

	Note	GROUP	
		2011 \$'000	2010 \$'000
Utilities		5,436	5,480
Advertising and promotion		2,495	2,342
Maintenance		4,881	4,508
Staff costs		4,631	3,608
Depreciation of plant and equipment	5	1,290	1,085
Impairment losses/(write-back) on trade receivables, net	7	200	(111)
Amortisation of deferred expenditure included in other receivables		55	59
Plant and equipment written off		24	105
Others		1,025	986
		20,037	18,062

Included in staff costs is contribution to defined contribution plans of \$0.8 million (2010: \$0.7 million).

# Notes to the Financial Statements

## 17. MANAGER'S MANAGEMENT FEES

Manager's management fees comprise base fee of \$3.4 million (2010: \$3.0 million) and performance fee of \$3.4 million (2010: \$3.1 million). The Manager has elected to receive all the performance fee in the form of Units. \$2.5 million (2010: \$2.3 million) of the \$3.4 million (2010: \$3.1 million) of performance component of the Manager's management fee was paid during the year through the issue of 2,079,852 Units (2010: 1,897,439 Units). The remaining \$0.9 million (2010: \$0.8 million) will be paid through the issue of 802,787 new Units (2010: 616,768 new Units) subsequent to the year end.

## 18. OTHER TRUST OPERATING EXPENSES / (INCOME)

	GROUP		TRUST	
	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000
Audit fees	321	319	110	128
Professional fees	(133)	20	(115)	–
Others	(74)	518	(741)	103
	114	857	(746)	231

## 19. FINANCE INCOME AND FINANCE COSTS

	GROUP		TRUST	
	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000
Interest income:				
- financial institutions	457	231	1	–
- subsidiaries	–	–	28,220	29,665
Finance income	457	231	28,221	29,665
Interest expenses	(10,328)	(11,091)	(8,888)	(9,386)
Other finance costs	(600)	(401)	(600)	(401)
Finance costs	(10,928)	(11,492)	(9,488)	(9,787)
Net finance (costs)/income recognised in statement of total return	(10,471)	(11,261)	18,733	19,878

# Notes to the Financial Statements

## 20. TAXATION

		GROUP		TRUST	
	Note	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000
<b>Current taxation</b>					
Current year		13,176	10,670	–	–
Overprovision in prior years		(903)	(2,204)	(43)	–
		12,273	8,466	(43)	–
<b>Deferred taxation</b>					
Origination of temporary differences	12	29,080	24,091	–	–
<b>Income tax expense</b>		41,353	32,557	(43)	–
<b>Reconciliation of effective tax rate</b>					
Total return for the year before taxation		161,881	144,524	17,440	5,989
Tax calculated using Singapore tax rate of 17%		27,520	24,569	2,965	1,018
Adjustments:					
Effect of different tax rates in foreign jurisdictions		5,387	1,134	–	–
Income not subject to tax		–	(76)	(7,717)	(8,505)
Expenses not deductible for tax purposes		241	31	1,972	4,674
Tax losses not recognised		108	788	–	–
Tax losses not allowed to be carried forward		2,780	2,813	2,780	2,813
Foreign tax suffered		6,220	5,502	–	–
Overprovision in prior years		(903)	(2,204)	(43)	–
		41,353	32,557	(43)	–

# Notes to the Financial Statements

## 21. EARNINGS PER UNIT

The calculation of basic earnings per unit is based on weighted average number of Units during the year and total return for the year after taxation and non-controlling interests before distribution.

	GROUP	
	2011 \$'000	2010 \$'000
Total return for the year after taxation and non-controlling interests before distribution	119,683	111,322

	TRUST	
	Number of Units 2011 '000	Number of Units 2010 '000
Issued Units at beginning of year	625,382	622,855
Effect of creation of new Units:		
- Manager's management fees paid/payable in Units	1,095	1,091
- Units issued in respect of acquisition fees for CapitaMall Minzhongleyuan	420	–
- Units issued in connection with private placement exercise completed on 30 June 2011	30,160	–
Weighted average number of issued and issuable Units at end of year	657,057	623,946

Diluted earnings per unit is the same as the basic earnings per unit as there are no dilutive instruments in issue during the year.

## 22. RELATED PARTY TRANSACTIONS

For the purposes of these financial statements, parties are considered to be related to the Group if the Group has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group and the party are subject to common significant influence. Related parties may be individuals or other entities. The Manager, being CapitaRetail China Trust Management Limited is an indirect wholly-owned subsidiary of a substantial Unitholder of the Trust. The Property Managers, being CapitaLand Retail (Shanghai) Management & Consulting Co., Ltd. and CapitaLand Hualian Management & Consulting (Beijing) Co., Ltd. are indirect wholly-owned subsidiary and jointly-controlled entity of a substantial Unitholder of the Trust respectively.

In the normal course of the operations of the Trust, the Manager's management fees and the Trustee's fees have been paid or are payable to the Manager and Trustee respectively. The property management fees and reimbursables have been paid or are payable to the Property Managers.

# Notes to the Financial Statements

## 23. FINANCIAL RATIOS

	GROUP	
	2011	2010
	%	%
Ratio of expenses to average net asset value <sup>(1)</sup>		
- including performance component of Manager's management fees	0.94	1.00
- excluding performance component of Manager's management fees	0.50	0.57
Portfolio turnover rate <sup>(2)</sup>	—	—

**Notes:**

<sup>(1)</sup> The annualised ratio is computed in accordance with the guidelines of the Investment Management Association of Singapore. The expenses used in the computation relate to expenses at the Group level, excluding property related expenses and borrowing costs.

<sup>(2)</sup> The annualised ratio is computed based on the lesser of purchases or sales of underlying investment properties of the Group expressed as a percentage of weighted average net asset value.

## 24. OPERATING SEGMENTS

The Group has nine reportable segments, as described below, which are the Group's investment properties. The investment properties are managed separately because they require different operating and marketing strategies. For each of the investment properties, the CODMs review internal management reports on a monthly basis.

All of the Group's reportable segments are investment properties located in China used primarily for retail purposes. The reporting segments are as follows:

- CapitaMall Xizhimen
- CapitaMall Wangjing
- CapitaMall Anzhen
- CapitaMall Erqi
- CapitaMall Shuangjing
- CapitaMall Minzhongleyuan
- CapitaMall Qibao
- CapitaMall Saihan
- CapitaMall Wuhu

Segment revenue comprises mainly income generated from its tenants. Segment net property income represents the income earned by each segment after allocating property operating expenses. This is the measure reported to the CODMs for the purpose of assessment of segment performance. In addition, the CODMs monitor the non-financial assets as well as financial assets attributable to each segment when assessing segment performance.

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly the Trust's financial assets and liabilities and its expenses. Segment capital expenditure is the total cost incurred during the year to acquire segment assets that are expected to be used for more than one year.

# Notes to the Financial Statements

## 24. OPERATING SEGMENTS (CONT'D)

Information regarding the Group's reportable segments is presented in the tables below.

For the purpose of monitoring segment performance, the Group's CODMs monitor the non-financial assets as well as financial assets attributable to each segment.

### Information about reportable segments

	CapitaMall Xizhimen		CapitaMall Wangjing		CapitaMall Anzhen		CapitaMall Erqi	
	2011	2010	2011	2010	2011	2010	2011	2010
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
External revenues:								
- Gross rental income	34,722	32,546	25,569	24,312	15,334	15,834	9,486	9,793
- Others	2,801	2,498	4,131	3,616	–	1	14	–
- Gross revenue	37,523	35,044	29,700	27,928	15,334	15,835	9,500	9,793
<b>Segment net property income</b>	<b>25,398</b>	<b>23,574</b>	<b>20,880</b>	<b>19,525</b>	<b>12,574</b>	<b>13,244</b>	<b>7,636</b>	<b>7,954</b>
<b>Interest income</b>	<b>124</b>	<b>68</b>	<b>78</b>	<b>51</b>	<b>76</b>	<b>27</b>	<b>59</b>	<b>27</b>
<b>Interest expense</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>(1,797)</b>	<b>(2,249)</b>	<b>–</b>	<b>–</b>
<b>Reportable segment total return before taxation</b>	<b>56,257</b>	<b>56,274</b>	<b>48,401</b>	<b>44,119</b>	<b>23,277</b>	<b>16,453</b>	<b>14,423</b>	<b>13,547</b>
<b>Segment assets</b>	<b>472,833</b>	<b>421,624</b>	<b>321,264</b>	<b>301,640</b>	<b>197,542</b>	<b>180,994</b>	<b>122,378</b>	<b>86,464</b>
<b>Segment liabilities</b>	<b>42,878</b>	<b>31,186</b>	<b>40,009</b>	<b>28,675</b>	<b>48,372</b>	<b>55,782</b>	<b>11,727</b>	<b>9,212</b>
<b>Other segment items:</b>								
Depreciation and amortisation	(556)	(424)	(248)	(220)	(13)	(8)	(50)	(21)
(Impairment losses)/ write-back on trade receivables, net	(185)	69	6	(1)	–	–	–	–
Net change in fair value of investment properties	30,811	32,634	27,600	24,678	12,396	5,656	6,773	5,656
<b>Capital expenditure</b>	<b>1,235</b>	<b>454</b>	<b>789</b>	<b>540</b>	<b>1,154</b>	<b>11</b>	<b>210</b>	<b>208</b>

(1) Acquired during the year ended 31 December 2011.

# Notes to the Financial Statements

CapitaMall Shuangjing		CapitaMall Minzhongleyuan <sup>(1)</sup>		CapitaMall Qibao		CapitaMall Saihan		CapitaMall Wuhu		Grand Total	
2011	2010	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010
\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
8,027	8,267	5,068	–	12,829	11,147	6,004	4,336	5,544	4,735	122,583	110,970
108	14	178	–	1,134	1,117	469	392	445	375	9,280	8,013
8,135	8,281	5,246	–	13,963	12,264	6,473	4,728	5,989	5,110	131,863	118,983
6,423	6,594	3,065	–	4,675	3,031	2,817	1,532	2,338	1,772	85,806	77,226
23	19	10	–	34	12	30	10	21	17	455	231
–	–	–	–	–	–	–	–	–	–	(1,797)	(2,249)
14,039	13,703	5,704	–	8,228	6,779	2,760	4,224	6,460	3,531	179,549	158,630
111,198	97,833	91,524	–	81,932	74,150	71,702	63,021	48,947	39,447	1,519,320	1,265,173
11,913	9,300	9,318	–	10,878	10,670	9,697	8,996	3,019	18,049	187,811	171,870
(19)	(18)	(38)	–	(100)	(103)	(166)	(154)	(156)	(196)	(1,346)	(1,144)
–	(1)	–	–	29	116	–	(85)	(50)	13	(200)	111
7,748	7,271	2,715	–	3,732	3,259	58	2,117	4,112	2,884	95,945	84,155
–	7	5,233	–	(24)	212	1,310	1,176	209	199	10,116	2,807

# Notes to the Financial Statements

## 24. OPERATING SEGMENTS (CONT'D)

Reconciliations of reportable segment revenues, total return, assets and liabilities and other material items

	2011 \$'000	2010 \$'000
<b>Revenue</b>		
Total revenue for reporting segments	131,863	118,983
<b>Total return</b>		
Total return for reportable segments before taxation	179,549	158,630
Unallocated amounts:		
- Other corporate expenses	(17,668)	(14,106)
Consolidated return before taxation	161,881	144,524
<b>Assets</b>		
Total assets for reportable segments	1,519,320	1,265,173
Other unallocated amounts	16,948	9,305
Consolidated assets	1,536,268	1,274,478
<b>Liabilities</b>		
Total liabilities for reportable segments	187,811	171,870
Other unallocated amounts	415,214	349,956
Consolidated liabilities	603,025	521,826

	Reportable segment totals \$'000	Adjustments \$'000	Consolidated totals \$'000
<b>Other material items 2011</b>			
Interest revenue	455	2	457
Interest expense	(1,797)	(9,131)	(10,928)
<b>Other material items 2010</b>			
Interest revenue	231	–	231
Interest expense	(2,249)	(8,842)	(11,091)

### Geographical segments

All of the Group's investment properties are used for retail purposes and are primarily located in China.

### Major tenant

Revenue from one tenant of the Group represents approximately \$33.3 million (2010: \$34.5 million) of the Group's total revenue.

# Notes to the Financial Statements

## 25. COMMITMENTS

### (a) Capital commitments

	GROUP	
	2011	2010
	\$'000	\$'000
Payable:		
- contracted but not provided for	1,508	8

### (b) The Group leases out its investment properties. Non-cancellable operating lease rentals are receivable as follows:

	GROUP	
	2011	2010
	\$'000	\$'000
Receivable:		
- within 1 year	110,299	115,926
- after 1 year but within 5 years	275,059	247,440
- after 5 years	457,811	397,391
	843,169	760,757

### (c) The Group has a non-cancellable lease with rentals payable as follows :

	GROUP	
	2011	2010
	\$'000	\$'000
Payable:		
- within 1 year	5,563	4,597
- after 1 year but within 5 years	22,318	19,079
- after 5 years	39,663	42,348
	67,544	66,024

# Notes to the Financial Statements

## 26. CAPITAL AND FINANCIAL RISK MANAGEMENT

### *Capital management*

The Group's objectives when managing capital are to optimise Unitholders' value through the mix of available capital sources which include debt and equity instruments whilst complying with statutory and constitutional capital and distribution requirements, maintaining gearing and interest service coverage ratios within approved limits. As a key part of the Group's overall strategy, the Board of the Manager reviews the Group and the Trust's debt and capital management cum financing policy regularly so as to optimise the Group and the Trust's funding structure. The Board also monitors the Group and the Trust's exposure to various risk elements by closely adhering to clearly established management policies and procedures.

The Group is subject to the aggregate leverage limit as defined in Appendix 6 of the CIS Code (Property Fund Appendix). The CIS Code stipulates that the total borrowings and deferred payments (together, the "Aggregate Leverage") of a property fund should not exceed 35.0% of its deposited property except that the Aggregate Leverage of a property fund may exceed 35.0% of its deposited property (up to a maximum of 60.0%) if a credit rating of the property fund from Fitch Inc., Moody's or Standard and Poor's is obtained and disclosed to the public. The Group's aggregate leverage limit did not exceed 35.0% during the year, and was 28.0% (2010: 31.1%) as at 31 December 2011. In computing the aggregate leverage gearing ratio, the Trust has considered the effect of hedging the net assets denominated in RMB.

There were no changes in the Group's approach to capital management during the financial year.

### *Financial risk management*

#### **Overview**

The Group's returns are primarily from net operating income and capital appreciation of its assets. However, these returns are exposed to financial risks including credit, liquidity, interest rate and foreign currency risks.

Financial risk management is integral to the whole business of the Group. The Group adopts an integrated approach to manage the financial risks arising in the normal course of the Group's business. The Group has written risk management policies and guidelines, and established processes to monitor and manage significant exposures. Risk management policies and processes are reviewed regularly to reflect changes in market conditions and the Group's activities.

The Group adheres to standardised accounting and financial policies and exercises effective controls over the financial affairs of its subsidiaries. This is achieved by ensuring group-wide adherence to a comprehensive set of guidelines covering contracts, policies and procedures and other requirements. Adequate measures are in place to ensure that the reliability and integrity of financial information compiled from subsidiaries are kept intact.

# Notes to the Financial Statements

## 26. CAPITAL AND FINANCIAL RISK MANAGEMENT (CONT'D)

### *Financial risk management (Cont'd)*

#### **Credit risk**

While it is necessary to assume a certain level of tenant credit risks to remain competitive in China, the Group has established credit limits for tenants and monitors their balances on an ongoing basis. Risks associated with credit limits are reflected in the level of security deposits and bank guarantees placed as collateral in respect of the leases. Appropriate risk mitigating actions are in place to manage trade receivables.

The Group establishes an allowance for impairment that represents its estimate of incurred losses in respect of trade and other receivables. The main components of this allowance are a specific loss component that relates to individually significant exposures, and a collective loss component established for groups of similar assets in respect of losses that have been incurred but not yet identified. The collective loss allowance is determined based on historical data of payment statistics for similar financial assets.

The allowance account in respect of trade and other receivables is used to record impairment losses unless the Group is satisfied that no recovery of the amount owing is possible. At that point, the financial asset is considered irrecoverable and the amount charged to the allowance account is written off against the carrying amount of the impaired financial asset.

Cash and fixed deposits are placed with banks and financial institutions which are regulated.

#### **Liquidity risk**

The Group monitors its liquidity risk and maintains a level of cash and cash equivalents deemed adequate by management to finance the Group's operations and to mitigate the effects of fluctuations in cash flows. Typically the Group ensures that it has sufficient cash on demand to meet expected operational expenses for a reasonable period, including the servicing of financial obligations.

In addition, the Group maintains the following debt facilities:

- the RMB128.0 million three-year unsecured term loan facility
- the \$88.0 million two-year trust term loan facility
- the \$100.5 million three-year trust term loan facility
- the \$50.0 million three-year trust term loan facility
- the \$100.0 million four-year trust term loan facility
- the \$151.0 million money market facilities
- the RMB275.0 million money market facility

# Notes to the Financial Statements

## 26. CAPITAL AND FINANCIAL RISK MANAGEMENT (CONT'D)

### *Financial risk management (Cont'd)*

#### ***Liquidity risk (Cont'd)***

As at 31 December 2011, the Group has fully drawn down its \$338.5 million trust term loan facilities and \$68.5 million of the money market facilities. The Group has also drawn down RMB128.0 million of the three-year unsecured term loan facility.

The Group also monitors and observes the Property Fund Appendix issued by MAS concerning limits on total borrowings.

#### ***Interest rate risk***

The Manager adopts a proactive interest rate management policy to manage the risk associated with changes in interest rates on the Group's loan facilities while also seeking to ensure that the ongoing cost of debt remains competitive.

At 31 December 2011, the Group has interest rate swaps ("IRS") with notional contract amount of \$285.5 million (2010: \$285.5 million). The Group pays a fixed rate interest and receives a variable rate equal to the Swap Offer Rate ("SOR") on the notional contract amount. The Group classifies the IRS as cash flow hedges to hedge the exposure to changes in the variability of interest rate fluctuations on certain of its term loans.

The term loans and the underlying IRS have the same terms and conditions.

The Manager proactively seeks to minimise the level of interest rate risk by locking the majority of the Group's borrowings at fixed rates. As at 31 December 2011, the Group has locked in approximately 70.5% (2010: 76.0%) of its borrowings at fixed rates.

#### ***Fair value sensitivity analysis for fixed rate instruments***

The Group does not designate interest rate derivatives as hedging instruments under a fair value hedge accounting model. Therefore a change in interest rates at the reporting date would not affect the statement of total return.

#### ***Cash flow sensitivity analysis for variable rate instruments***

The net change in fair value of the interest component of IRS as at 31 December 2011 of \$1.6 million (2010: \$1.5 million), representing the effective portion of the cash flow hedge, has been recognised directly in the hedging reserve; \$1.4 million (2010: nil), representing the ineffective portion of the cash flow hedge, has been recognised directly in the statement of total return.

A change of 100 basis point\* ("bp") in interest rate on the IRS (accounted for as cash flow hedges) at the reporting date as at 31 December 2011 would increase/(decrease) Unitholders' funds by the amounts shown in the following page. This analysis assumes that all other variables, in particular foreign currency rates, remain constant. The analysis is performed on the same basis for 2010.

\* 100 basis point is equivalent to 1 percentage point

# Notes to the Financial Statements

## 26. CAPITAL AND FINANCIAL RISK MANAGEMENT (CONT'D)

GROUP AND TRUST	Unitholders' funds	
	100 bp increase \$'million	100 bp decrease \$'million
<b>2011</b>		
Interest rate swaps	2.8	(2.8)
Cash flow sensitivity (net)	2.8	(2.8)
<b>2010</b>		
Interest rate swaps	0.1	(0.1)
Cash flow sensitivity (net)	0.1	(0.1)

### Foreign currency risk

The Group is exposed to foreign currency risk on cash holdings and operating expenses that are denominated in a currency other than the respective functional currencies of the Group entities. The currency giving rise to this risk is primarily the United States dollar ("US dollar").

As the Trust intends to be a long term investor in China, the Manager has taken a view not to hedge the RMB equity exposure arising from its investments in China unless certain risks are specifically identified. The Manager's strategy is to achieve a natural hedge through local RMB financing and any non-RMB denominated loan will be hedged into RMB where possible, to protect the going concern of the Trust in the event of large currency fluctuation. However, the Manager will hedge the RMB cash flow from operations if it is determined with certainty that they are to be remitted back to Singapore for distribution purposes.

The Group's and Trust's exposures to foreign currency are as follows:

	US DOLLAR	
	GROUP \$'000	TRUST \$'000
<b>2011</b>		
Cash and cash equivalents	3,755	675
<b>2010</b>		
Cash and cash equivalents	699	511

### Sensitivity analysis

A 10% strengthening of Singapore dollar against the US dollar at the reporting date would increase/(decrease) total return after tax by the amounts shown in the following page. This analysis assumes that all other variables, in particular interest rates, remain constant. The analysis is performed on the same basis for 2010.

# Notes to the Financial Statements

## 26. CAPITAL AND FINANCIAL RISK MANAGEMENT (CONT'D)

	Statements of total return	
	GROUP	TRUST
	\$'million	\$'million
<b>2011</b>		
US dollar	(0.4)	(0.1)
<b>2010</b>		
US dollar	(0.1)	*

\* Less than \$50,000.

A 10% weakening of Singapore dollar against the US dollar would have had an equal but opposite effect on the US dollar to the amounts shown above, on the basis that all other variables remain constant.

### *Hedge of net investment in foreign operation*

The non-deliverable forwards ("NDF") of \$263.0 million (2010: \$218.0 million) are designated as hedges of the Group's net investment in certain subsidiaries in China.

The net change in fair value of the net investment hedge comprised the effective portion of \$5.4 million (2010: \$17.3 million) which was recognised in the foreign currency translation reserve.

### *Sensitivity analysis*

For NDF (accounted for as net investment hedges), a change of 10% in foreign exchange rate at the reporting date would increase/(decrease) Unitholders' funds as at 31 December 2011 by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant. The analysis is performed on the same basis for 2010.

	Unitholders' funds	
	10% increase	10% decrease
	\$'million	\$'million
<b>GROUP</b>		
<b>2011</b>		
Non-deliverable forwards	18.8	(23.0)
<b>2010</b>		
Non-deliverable forwards	15.9	(19.4)

# Notes to the Financial Statements

## 26. CAPITAL AND FINANCIAL RISK MANAGEMENT (CONT'D)

### *Estimation of fair value*

The following summarises the significant methods and assumptions used in estimating the fair values of financial instruments of the Group and Trust.

### *Financial derivatives*

The fair value of foreign exchange derivatives is based on their listed market price, if available. If a listed market price is not available, then fair value is estimated by discounting the difference between the contractual forward price and the current forward price for the residual maturity of the contract using a risk-free interest rate (based on government bonds).

The fair value of interest rate derivatives is based on broker quotes. These quotes are tested for reasonableness by discounting estimated future cash flows based on the terms and maturity of each contract and using market interest rates for a similar instrument at the measurement date.

### *Interest-bearing borrowings*

Fair value, which is determined for disclosure purposes, is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the reporting date.

### *Other financial assets and liabilities*

The carrying amounts of financial assets and liabilities with a maturity of less than one year (including trade and other receivables, cash and cash equivalents, trade and other payables and security deposits) are assumed to approximate their fair values because of the short period to maturity. All other financial assets and liabilities are discounted to determine their fair values.

### *Interest rates used in determining fair values*

The interest rates used to discount estimated cash flows, where applicable, are based on the forward yield curve as at 31 December 2011 plus an adequate constant credit spread, and are as follows:

	2011 % p.a.	2010 % p.a.
Financial derivatives	0.70 – 1.44	1.08 – 1.14
Interest-bearing borrowings	0.99 – 7.04	1.08 – 5.18

# Notes to the Financial Statements

## 26. CAPITAL AND FINANCIAL RISK MANAGEMENT (CONT'D)

### *Fair value hierarchy*

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

GROUP AND TRUST	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
<b>2011</b>				
Interest rate swaps	–	(3,117)	–	(3,117)
Non-deliverable forwards	–	13,249	–	13,249
	–	10,132	–	10,132
<b>2010</b>				
Interest rate swaps	–	(56)	–	(56)
Non-deliverable forwards	–	7,834	–	7,834
	–	7,778	–	7,778

## 27. SUBSEQUENT EVENT

Subsequent to the balance sheet date, the Manager declared a distribution of 4.42 cents per Unit to Unitholders in respect of the period from 30 June 2011 to 31 December 2011.

# Statistics of Unitholders

## ISSUED AND FULLY PAID UNITS (AS AT 20 FEBRUARY 2012)

688,829,911 Units (voting rights: 1 vote per Unit)

Market Capitalisation: S\$ 885,146,435.64 (based on closing Unit price of S\$1.285 on 20 February 2012)

## DISTRIBUTION OF UNITHOLDINGS (AS AT 20 FEBRUARY 2012)

Size of Holdings	No. of Unitholders	%	No. of Units	%
1 – 999	13	0.17	2,677	0.00
1,000 – 10,000	6,551	84.52	20,727,682	3.01
10,001 – 1,000,000	1,168	15.07	48,841,987	7.09
1,000,001 and above	19	0.24	619,257,565	89.90
	7,751	100.00	688,829,911	100.00

## LOCATION OF UNITHOLDERS (AS AT 20 FEBRUARY 2012)

Country	No. of Unitholders	%	No. of Units	%
Singapore	7,595	97.99	685,954,911	99.58
Malaysia	87	1.12	1,593,000	0.23
Others	69	0.89	1,282,000	0.19
	7,751	100.00	688,829,911	100.00

## TWENTY LARGEST UNITHOLDERS (AS AT 20 FEBRUARY 2012)

S/No.	Name	No. of Units	%
1	HSBC (Singapore) Nominees Pte Ltd	167,200,442	24.27
2	Retail Crown Pte. Ltd.	134,629,513	19.54
3	Citibank Nominees Singapore Pte Ltd	100,088,431	14.53
4	DBSN Services Pte Ltd	77,182,591	11.20
5	DBS Nominees Pte Ltd	66,188,898	9.61
6	DB Nominees (Singapore) Pte Ltd	23,232,371	3.37
7	Capitaretail China Trust Management Limited	16,356,398	2.37
8	Morgan Stanley Asia (Singapore) Securities Pte Ltd	7,370,000	1.07
9	Xu Yalan	4,670,000	0.68
10	United Overseas Bank Nominees (Pte) Ltd	3,810,753	0.55
11	Merrill Lynch (Singapore) Pte Ltd	3,752,568	0.54
12	DBS Vickers Securities (Singapore) Pte Ltd	2,959,000	0.43
13	Bank Of Singapore Nominees Pte Ltd	2,555,000	0.37
14	Raffles Nominees (Pte) Ltd	2,315,000	0.34
15	BHG Holdings Pte Ltd	1,700,000	0.25
16	OCBC Securities Private Ltd	1,513,000	0.22
17	Phillip Securities Pte Ltd	1,416,000	0.21
18	Siong Lim Private Limited	1,179,000	0.17
19	OCBC Nominees Singapore Private Limited	1,138,600	0.17
20	Tan Yong Chiang Or Tan Hui Liang	613,000	0.09
		619,870,565	89.98

# Statistics of Unitholders

## LIST OF DIRECTORS' INTEREST (AS AT 21 JANUARY 2012)

Name	No. of Units held
Liew Cheng San Victor	51,000 units (Direct)
Liew Mun Leong	129,000 units (Direct)
Chew Gek Khim	151,000 units (Direct) 1,238,000 (Deemed)
Lim Beng Chee	289,000 units (Direct)
Ng Kok Siong	10,000 units (Direct)
Tony Tan Tee Hieong	30,000 units (Direct)
<b>Total</b>	<b>1,898,000 (Direct and deemed)</b>

## NUMBER OF UNITS OWNED BY EACH SUBSTANTIAL UNITHOLDER (AS AT 20 FEBRUARY 2012)

Substantial Unitholder	Direct Interest		Deemed Interest	
	No. of Units	%	No. of Units	%
Temasek Holdings (Private) Limited <sup>(1)</sup>	–	–	278,778,911	40.47
CapitaLand Limited <sup>(2)</sup>	–	–	273,690,911	39.73
CapitaMalls Asia Limited <sup>(3)</sup>	–	–	273,690,911	39.73
CapitaLand Retail China Pte. Ltd. <sup>(4)</sup>	–	–	134,629,513	19.54
Retail Crown Pte. Ltd. <sup>(5)</sup>	134,629,513	19.54	–	–
HSBC Institutional Trust Services (Singapore) Limited, as trustee of CapitaMall Trust	122,705,000	17.81	–	–
The Capital Group Companies, Inc. <sup>(6)</sup>	–	–	56,616,700	8.22
Matthews International Capital Management, LLC <sup>(7)</sup>	–	–	41,413,000	6.01
Matthews International Funds <sup>(8)</sup>	–	–	40,047,000	5.81
American International Assurance Company, Limited <sup>(9)</sup>	169,000	0.02	42,525,000	6.17
AIA Singapore Private Limited <sup>(10)</sup>	42,525,000	6.17	–	–

### Notes:

- (1) Based on the latest information provided by Temasek Holdings (Private) Limited. Temasek Holdings (Private) Limited is wholly-owned by the Minister for Finance.
- (2) CapitaLand Limited is deemed to be interested in the 122,705,000 Units held by HSBC Institutional Trust Services (Singapore) Limited, as trustee of CapitaMall Trust, the 134,629,513 Units held by Retail Crown Pte. Ltd. and the 16,356,398 Units held by CapitaRetail China Trust Management Limited.
- (3) CapitaMalls Asia Limited, a subsidiary of CapitaLand Limited, is deemed to be interested in the 122,705,000 Units held by HSBC Institutional Trust Services (Singapore) Limited, as trustee of CapitaMall Trust, the 134,629,513 Units held by Retail Crown Pte. Ltd. and the 16,356,398 Units held by CapitaRetail China Trust Management Limited.
- (4) CapitaLand Retail China Pte. Ltd., a wholly-owned subsidiary of CapitaMalls Asia Limited, is deemed to be interested in the 134,629,513 Units held by Retail Crown Pte. Ltd.
- (5) An indirect wholly-owned subsidiary of CapitaMalls Asia Limited.
- (6) Based on the latest information provided by The Capital Group Companies, Inc.
- (7) Based on the latest information provided by Matthews International Capital Management, LLC. The interest includes Units held by Matthews International Funds.
- (8) Based on the latest information provided by Matthews International Funds.
- (9) Based on the latest information provided by American International Assurance Company, Limited. The 169,000 Units is held directly by American International Assurance Company, Limited, Brunei Branch. American International Assurance Company, Limited is deemed to be interested in the 42,525,000 Units held by AIA Singapore Private Limited, a wholly-owned subsidiary of American International Assurance Company, Limited.
- (10) Based on the latest information provided by AIA Singapore Private Limited.

## Freefloat

Based on the information made available to the Manager, approximately 38.79% of the units in CRCT were held in the hands of the public as at 20 February 2012. Accordingly, Rule 723 of the Listing Manual of the Singapore Exchange Securities Trading Limited has been complied with.

# Interested Person Transactions

## INTERESTED PERSON TRANSACTIONS

The transactions entered into with interested persons during the financial year, which fall under the Listing Manual and the CIS Code, are as follows:

Name of Interested Persons	Aggregate value of all Interested Persons Transactions during the financial period under review (excluding transactions of less than S\$100,000 each) S\$'000
CapitaLand Limited and its subsidiaries or associates	
– Management fees <sup>1</sup>	6,799
– Property management fees & reimbursables	5,350
– Acquisition of CapitaMall Minzhongleyuan <sup>2</sup>	72,664
Trustee's fees	250

- For the purposes of Rule 907 of the Listing Manual, in arriving at this figure, the market price of the Units (being the closing price of the Units traded on the SGX-ST on the relevant date of issue of the Units) issued to the Manager for the performance component of its management fees, was used to determine the amount of the aggregate management fees paid to the Manager for the period from 1 January 2011 to 31 December 2011. A total of 2,882,639 Units amounting to an aggregate of S\$3.4 million have been or will be issued to the Manager as payment of the performance component of the management fees (as computed pursuant to the Trust Deed) for the period from 1 January 2011 to 31 December 2011. In respect of the period from 1 January 2011 to 31 March 2011, a total of 670,968 Units, at the issue price of S\$1.2346\* per Unit were issued on 9 June 2011 to the Manager. The market price at the date of issue was S\$1.23 per Unit and the aggregate market value of these Units was S\$825,291 based on this market price. In respect of the period from 1 April 2011 to 30 June 2011, a total of 672,375 Units, at the issue price of S\$1.2265\* per Unit were issued on 26 September 2011 to the Manager. The market price at the issue price of S\$1.175 per Unit and the aggregate market value of these Units was S\$790,041 based on this market price. In respect of the period from 1 July 2011 to 30 September 2011, a total of 736,509 Units, at the issue price of S\$1.1775\* per Unit were issued on 25 November 2011 to the Manager. The market price at the date of issue was S\$1.15 per Unit and the aggregate market value of these Units was S\$846,985 based on this market price. In respect of the period from 1 October 2011 to 31 December 2011, a total of 802,787 Units, at the issue price of S\$1.136\* per Unit, will be issued in first quarter of 2012 to the Manager.

\* Based on the volume weighted average traded price for a unit for all trades done on the SGX-ST in the ordinary course of trading on the SGX-ST for the last 10 business days of the relevant period in which the management fee accrues.

- Aggregate purchase consideration paid to The Ascott Holdings Limited (the "Vendor"), which is indirectly wholly-owned by CapitaLand Limited for the entire issued share capital of Somerset (Wuhan) Investments Pte Ltd ("Somerset Wuhan") and the acquisition of the outstanding shareholder's loans extended by the Vendor to Somerset Wuhan.

Saved as disclosed above, there were no additional Interested Person Transactions (excluding transactions of less than S\$100,000 each) entered into during the financial period under review.

The fees and charges payable by CRCT to the Manager under the Trust Deed, and to the Property Managers under the Property Management Agreements (collectively, the "Exempted Agreements"), each of which constitutes a Interested Person Transaction, are deemed to have been specifically approved by the Unitholder upon purchase of the Units and are therefore not subject to Rules 905 and 906 of the Listing Manual to the extent that there is no subsequent change to the rates and/or bases of the fees charged thereunder which will affect CRCT. However, the renewal of such agreements will be subject to Rules 905 and 906 of the Listing Manual.

Please also see Related Party Transactions on note 22 of the financial statements.

### Subscription of CRCT Units

An aggregate of 2,696,620 Units were issued in relation to the performance component of the Manager's management fee paid during the period. As at 31 December 2011, 689,632,698 Units were in issue and outstanding. In first quarter of 2012, 802,787 Units will be issued to the Manager as part payment of the performance component of its management fee for the fourth quarter of 2011.

# Notice of Annual General Meeting

## CapitaRetail China Trust

(Constituted in the Republic of Singapore pursuant to a trust deed dated 23 October 2006 (as amended))

NOTICE IS HEREBY GIVEN that the Annual General Meeting ("AGM") of the holders of units of CapitaRetail China Trust ("CRCT", and the holders of units of CRCT, "Unitholders") will be held at the Stamford Ballroom, Level 4, Raffles City Convention Centre, 80 Bras Basah Road, Singapore 189560 on Wednesday, 11 April 2012 at 10.30 a.m. to transact the following business:

### (A) AS ORDINARY BUSINESS

1. To receive and adopt the Report of HSBC Institutional Trust Services (Singapore) Limited, as trustee of CRCT (the "Trustee"), the Statement by CapitaRetail China Trust Management Limited, as manager of CRCT (the "Manager"), and the Audited Financial Statements of CRCT for the financial year ended 31 December 2011 and the Auditors' Report thereon. (Ordinary Resolution 1)
2. To re-appoint Messrs KPMG LLP as Auditors of CRCT to hold office until the conclusion of the next AGM of CRCT, and to authorise the Manager to fix their remuneration. (Ordinary Resolution 2)

### (B) AS SPECIAL BUSINESS

To consider and, if thought fit, to pass with or without any modification, the following resolution as an Ordinary Resolution:

3. That authority be and is hereby given to the Manager, to: (Ordinary Resolution 3)
  - (a) (i) issue units in CRCT ("Units") whether by way of rights, bonus or otherwise; and/or
  - (ii) make or grant offers, agreements or options (collectively, "Instruments") that might or would require Units to be issued, including but not limited to the creation and issue of (as well as adjustments to) securities, warrants, debentures or other instruments convertible into Units,at any time and upon such terms and conditions and for such purposes and to such persons as the Manager may in its absolute discretion deem fit; and
- (b) (notwithstanding that the authority conferred by this Resolution may have ceased to be in force at the time such Units are issued) issue Units in pursuance of any Instrument made or granted by the Manager while this Resolution was in force,

provided that:

- (1) the aggregate number of Units to be issued pursuant to this Resolution (including Units to be issued in pursuance of Instruments made or granted pursuant to this Resolution) shall not exceed fifty per cent. (50%) of the total number of issued Units (excluding treasury Units, if any) (as calculated in accordance with sub-paragraph (2) below), of which the aggregate number of Units to be issued other than on a *pro rata* basis to Unitholders shall not exceed twenty per cent. (20%) of the total number of issued Units (excluding treasury Units, if any) (as calculated in accordance with sub-paragraph (2) below);

# Notice of Annual General Meeting

- (2) subject to such manner of calculation as may be prescribed by the Singapore Exchange Securities Trading Limited (the “SGX-ST”) for the purpose of determining the aggregate number of Units that may be issued under sub-paragraph (1) above, the total number of issued Units (excluding treasury Units, if any) shall be based on the total number of issued Units (excluding treasury Units, if any) at the time this Resolution is passed, after adjusting for:
  - (a) any new Units arising from the conversion or exercise of any Instruments which are outstanding or subsisting at the time this Resolution is passed; and
  - (b) any subsequent bonus issue, consolidation or subdivision of Units;
- (3) in exercising the authority conferred by this Resolution, the Manager shall comply with the provisions of the Listing Manual of the SGX-ST for the time being in force (unless such compliance has been waived by the SGX-ST) and the trust deed constituting CRCT (as amended) (the “Trust Deed”) for the time being in force (unless otherwise exempted or waived by the Monetary Authority of Singapore);
- (4) (unless revoked or varied by the Unitholders in a general meeting) the authority conferred by this Resolution shall continue in force until (i) the conclusion of the next AGM of CRCT or (ii) the date by which the next AGM of CRCT is required by applicable regulations to be held, whichever is earlier;
- (5) where the terms of the issue of the Instruments provide for adjustment to the number of Instruments or Units into which the Instruments may be converted, in the event of rights, bonus or other capitalisation issues or any other events, the Manager is authorised to issue additional Instruments or Units pursuant to such adjustment notwithstanding that the authority conferred by this Resolution may have ceased to be in force at the time the Instruments or Units are issued; and
- (6) the Manager and the Trustee be and are hereby severally authorised to complete and do all such acts and things (including executing all such documents as may be required) as the Manager or, as the case may be, the Trustee may consider expedient or necessary or in the interest of CRCT to give effect to the authority conferred by this Resolution.

## (C) AS OTHER BUSINESS

- 4. To transact such other business as may be transacted at an AGM.

BY ORDER OF THE BOARD

**CapitaRetail China Trust Management Limited**

(Company Registration No. 200611176D)

as manager of CapitaRetail China Trust



**KANNAN MALINI**

Company Secretary

Singapore

15 March 2012

# Notice of Annual General Meeting

## Notes:

- I A Unitholder entitled to attend and vote at the AGM is entitled to appoint not more than two proxies to attend and vote in his/her stead. A proxy need not be a Unitholder.
- II Where a Unitholder appoints more than one proxy, the appointments shall be invalid unless he/she specifies the proportion of his/her holding (expressed as a percentage of the whole) to be represented by each proxy.
- III The proxy form must be lodged at the office of CRCT's Unit Registrar, Boardroom Corporate & Advisory Services Pte. Ltd., 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623 not later than 9 April 2012 at 10.30 a.m. being 48 hours before the time fixed for the AGM.

## Explanatory notes:

### 1. Ordinary Resolution 3

Ordinary Resolution 3 above, if passed, will empower the Manager to issue Units and to make or grant instruments (such as warrants, debentures or other securities) convertible into Units and to issue Units in pursuance of such instruments from the date of the AGM until (i) the conclusion of the next AGM of CRCT or (ii) the date by which the next AGM of CRCT is required by the applicable regulations to be held, whichever is earlier, unless such authority is earlier revoked or varied by the Unitholders at a general meeting. The aggregate number of Units which the Manager may issue (including Units to be issued pursuant to convertibles) under this Resolution must not exceed fifty per cent. (50%) of the total number of issued Units (excluding treasury Units, if any) with a sub-limit of twenty per cent. (20%) for issues other than on a *pro rata* basis to Unitholders.

For the purpose of determining the aggregate number of Units that may be issued, the total number of issued Units (excluding treasury Units, if any) will be calculated based on the total number of issued Units (excluding treasury Units, if any) at the time that Ordinary Resolution 3 is passed, after adjusting for (a) new Units arising from the conversion or exercise of any Instruments which are outstanding or subsisting at the time this Resolution is passed and (b) any subsequent bonus issue, consolidation or subdivision of Units. Fund raising by issuance of new Units may be required in instances of property acquisitions or debt repayments. In any event, if the approval of Unitholders is required under the Listing Manual of the SGX-ST and the Trust Deed or any applicable laws and regulations in such instances, the Manager will then obtain the approval of Unitholders accordingly.

## CAPITARETAIL CHINA TRUST

(Constituted in the Republic of Singapore pursuant to a trust deed dated 23 October 2006 (as amended))

# PROXY FORM

## ANNUAL GENERAL MEETING

### IMPORTANT:

1. For investors who have used their CPF monies to buy units in CapitaRetail China Trust, this Annual Report is forwarded to them at the request of their CPF Approved Nominees and is sent solely **FOR THEIR INFORMATION ONLY**.
2. This Proxy Form is not valid for use by CPF investors and shall be ineffective for all intents and purposes if used or purported to be used by them.
3. CPF investors who wish to attend the Annual General Meeting as an observer must submit their requests through their CPF Approved Nominees within the time frame specified. If they also wish to vote, they must submit their voting instructions to the CPF Approved Nominees within the time frame specified to enable them to vote on their behalf.
4. PLEASE READ THE NOTES TO THE PROXY FORM.

I/We, \_\_\_\_\_ (Name(s) and NRIC no./Passport no./Company Registration no.)  
of \_\_\_\_\_ (Address)  
being a unitholder/unitholders of CapitaRetail China Trust ("CRCT"), hereby appoint:

Name	Address	NRIC/Passport No.	Proportion of Unitholdings	
			No. of Units	%

and/or (delete as appropriate)

Name	Address	NRIC/Passport No.	Proportion of Unitholdings	
			No. of Units	%

or, both of whom failing, the Chairman of the Annual General Meeting as my/our proxy/proxies to attend and to vote for me/us on my/our behalf and if necessary, to demand a poll, at the Annual General Meeting of CRCT to be held at the Stamford Ballroom, Level 4, Raffles City Convention Centre, 80 Bras Basah Road, Singapore 189560 on Wednesday, 11 April 2012 at 10.30 a.m., and at any adjournment thereof. I/We direct my/our proxy/proxies to vote for or against the resolutions to be proposed at the Annual General Meeting as indicated hereunder. If no specific direction as to voting is given, the proxy/proxies will vote or abstain from voting at his/her/their discretion, as he/she/they may on any other matter arising at the Annual General Meeting.

No.	Ordinary Resolutions	To be used on a show of hands		To be used in the event of a poll	
		For*	Against*	No. of Votes For**	No. of Votes Against**
	<b>Ordinary business</b>				
1	To receive and adopt the Trustee's Report, the Manager's Statement, the Audited Financial Statements of CRCT for the financial year ended 31 December 2011 and the Auditors' Report thereon.				
2	To re-appoint Messrs KPMG LLP as Auditors and authorise the Manager to fix the Auditors' remuneration.				
	<b>Special business</b>				
3	To authorise the Manager to issue Units and to make or grant convertible instruments.				
	<b>Other business</b>				
4	To transact any other business as may be transacted at an Annual General Meeting.				

\* If you wish to exercise all your votes "For" or "Against", please tick [✓] within the box provided.

\*\* If you wish to exercise all your votes "For" or "Against", please tick [✓] within the box provided. Alternatively, please indicate the number of votes as appropriate.

Dated this \_\_\_\_\_ day of \_\_\_\_\_ 2012

Total number of Units held

\_\_\_\_\_  
Signature(s) of unitholder(s) / Common Seal

**IMPORTANT: PLEASE READ NOTES TO PROXY FORM ON REVERSE PAGE**

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Affix  
postage  
stamp

**CAPITARETAIL CHINA TRUST MANAGEMENT LIMITED**  
(as manager of CapitaRetail China Trust)

c/o Boardroom Corporate & Advisory Services Pte. Ltd.  
50 Raffles Place  
#32-01 Singapore Land Tower  
Singapore 048623

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**IMPORTANT: PLEASE READ THE NOTES TO PROXY FORM BELOW**

**Notes to Proxy Form:**

1. A Unitholder of CRCT ("Unitholder") entitled to attend and vote at the Annual General Meeting is entitled to appoint one or two proxies to attend and vote in his/her stead.
2. Where a Unitholder appoints more than one proxy, the appointments shall be invalid unless he/she specifies the proportion of his/her holding (expressed as a percentage of the whole) to be represented by each proxy.
3. A proxy need not be a Unitholder.
4. A Unitholder should insert the total number of Units held. If the Unitholder has Units entered against his/her name in the Depository Register maintained by The Central Depository (Pte) Limited ("CDP"), he/she should insert that number of Units. If the Unitholder has Units registered in his/her name in the Register of Unitholders of CRCT, he/she should insert that number of Units. If the Unitholder has Units entered against his/her name in the said Depository Register and registered in his/her name in the Register of Unitholders, he/she should insert the aggregate number of Units. If no number is inserted, this proxy form will be deemed to relate to all the Units held by the Unitholder.
5. The instrument appointing a proxy or proxies (the "Proxy Form") must be deposited at the office of CRCT's Unit Registrar, Boardroom Corporate & Advisory Services Pte. Ltd., 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623, not less than 48 hours before the time set for the Annual General Meeting.
6. Completion and return of the Proxy Form shall not preclude a Unitholder from attending and voting at the Annual General Meeting. Any appointment of a proxy or proxies shall be deemed to be revoked if a Unitholder attends the Annual General Meeting in person, and in such event, the Manager reserves the right to refuse to admit any person or persons appointed under the Proxy Form, to the Annual General Meeting.
7. The Proxy Form must be executed under the hand of the appointor or of his/her attorney duly authorised in writing. Where the Proxy Form is executed by a corporation, it must be executed either under its common seal or under the hand of its attorney or a duly authorised officer.
8. Where the Proxy Form is signed on behalf of the appointor by an attorney or a duly authorised officer, the power of attorney or other authority (if any) under which it is signed, or a notarially certified copy of such power or authority must (failing previous registration with the Manager) be lodged with the Proxy Form, failing which the Proxy Form may be treated as invalid.
9. The Manager shall be entitled to reject a Proxy Form which is incomplete, improperly completed, illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified on the Proxy Form. In addition, in the case of Units entered in the Depository Register, the Manager may reject a Proxy Form if the Unitholder, being the appointor, is not shown to have Units entered against his/her name in the Depository Register as at 48 hours before the time appointed for holding the Annual General Meeting, as certified by CDP to the Manager.
10. All Unitholders will be bound by the outcome of the Annual General Meeting regardless of whether they have attended or voted at the Annual General Meeting.
11. At any meeting, a resolution put to the vote of the meeting shall be decided on a show of hands unless a poll is (before or on the declaration of the result of the show of hands) demanded by the Chairman or by five or more Unitholders present in person or by proxy, or holding or representing one-tenth in value of the Units represented at the meeting. Unless a poll is so demanded, a declaration by the Chairman that such a resolution has been carried or carried unanimously or by a particular majority or lost shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against such resolution.
12. On a show of hands, every Unitholder who (being an individual) is present in person or by proxy or (being a corporation) is present by one of its officers as its proxy shall have one vote. On a poll, every Unitholder who is present in person or by proxy shall have one vote for every Unit of which he/she is the Unitholder. A person entitled to more than one vote need not use all his/her votes or cast them the same way.

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# Malls Directory

Malls		Address	Tel (General)	Fax (General)
Name of Mall after Rebranding*	Name of Mall before Rebranding*			
CapitaMall Xizhimen 凯德MALL • 西直门	Xizhimen Mall 嘉茂购物中心 • 西直门	No. 1 Xizhimenwai Avenue, Xicheng District, Beijing 北京市西城区西直门外大街1号	(86) 10 5830 1111	(86) 10 5830 1599
CapitaMall Wangjing 凯德MALL • 望京	Wangjing Mall 嘉茂购物中心 • 望京	No. 33 Guangshun North Street, Blk 213 & 215, Chaoyang District, Beijing 北京市朝阳区广顺北大街33 号院213, 215号	(86) 10 8472 9898	(86) 10 8472 9800
CapitaMall Anzhen 凯德MALL • 安贞	Anzhen Mall 安贞华联商厦	Section 5 No. 4 of Anzhen Xi Li, Chaoyang District, Beijing 北京市朝阳区安贞西里五区 4号楼	(86) 10 5879 9000	(86) 10 5879 9009
CapitaMall Erqi 凯德广场 • 二七	Zhengzhou Mall 郑州华联商厦	No. 3 Minzhu Road, Erqi District, Zhengzhou, Henan Province 河南省郑州市二七区民主 路3号	(86) 10 5879 9000	(86) 10 5879 9009
CapitaMall Shuangjing 凯德MALL • 双井	Jiulong Mall 九龙商厦	No. 31 Guangqu Road, Chaoyang District, Beijing 北京市朝阳区广渠路31号	(86) 10 5879 9000	(86) 10 5879 9009
CapitaMall Minzhongleyuan 凯德民众乐园	New Minzhong Leyuan Mall 新民众乐园	No. 704 Zhongshan Avenue, Jiangnan District, Hankou, Wuhan, Hubei Province 湖北省武汉市汉口市江汉区 中山大道704号	(86) 27 8553 0108	(86) 27 8537 9137
CapitaMall Qibao 凯德七宝购物广场	Qibao Mall 嘉茂购物广场 • 七宝	No. 3655, Qi Xin Road, Minhang District, Shanghai 上海市闵行区七莘路3655号	(86) 21 6479 3030	(86) 21 6479 0808
CapitaMall Saihan 凯德MALL • 赛罕	Saihan Mall 嘉茂购物中心 • 赛罕	No. 32 Ordos Street, Saihan District, Huhhot, Inner Mongolia Autonomous Region 内蒙古自治区呼和浩特市赛 罕区鄂尔多斯大街32号	(86) 47 1596 1222	(86) 47 1597 1671
CapitaMall Wuhu 凯德广场 • 芜湖	Xinwu Mall 嘉信茂广场 • 新芜	No. 37 Zhongshan North Road, Jinghu District, Wuhu, Anhui Province 安徽省芜湖市镜湖区中山北 路37号	(86) 55 3599 1888	(86) 55 3599 1886

\*CRCT undertook a rebranding exercise of its malls in 2011 to build a unified mall brand.

# Corporate Information

## CapitaRetail China Trust

### Registered Address

HSBC Institutional Trust Services  
(Singapore) Limited  
21 Collyer Quay  
#14-01 HSBC Building  
Singapore 049320  
Phone: +65 6534 1900  
Fax: +65 6533 1700

### Website Address

www.capitaretailchina.com  
Email: ask-us@capitaretailchina.com

### Trustee

HSBC Institutional Trust Services  
(Singapore) Limited  
21 Collyer Quay  
#03-01 HSBC Building  
Singapore 049320  
Phone: +65 6658 0458  
Fax: +65 6534 5526

### Auditor

KPMG LLP  
Certified Public Accountants  
16 Raffles Quay  
#22-00 Hong Leong Building  
Singapore 048581  
Phone: +65 6213 3388  
Fax: +65 6225 0984

Partner-In-Charge: Ms Eng Chin Chin  
Appointed: Financial Year 2007

### Unit Registrar

Boardroom Corporate & Advisory Pte. Ltd.  
50 Raffles Place  
#32-01 Singapore Land Tower  
Singapore 048623  
Phone: +65 6536 5355  
Fax: +65 6536 1360

## CapitaRetail China Trust Management Limited, The Manager of CRCT

### Registered Address

CapitaRetail China Trust Management Limited  
39 Robinson Road  
#18-01 Robinson Point  
Singapore 068911  
Phone: +65 6536 1188  
Fax: +65 6536 3884

### Directors of the Manager

**Mr Liew Cheng San Victor**  
Chairman & Independent Non-Executive Director  
**Mr Liew Mun Leong**  
Deputy Chairman & Non-Executive Director  
**Ms Chew Gek Khim**  
Independent Non-Executive Director  
**Mr Lim Beng Chee**  
Non-Executive Director  
**Mr Ng Kok Siong**  
Non-Executive Director  
**Mr Tony Tan Tee Hieong**  
Chief Executive Officer & Executive Director

### Audit Committee

Ms Chew Gek Khim (Chairman)  
Mr Liew Cheng San Victor  
Mr Ng Kok Siong

### Executive Committee

Mr Liew Mun Leong (Chairman)  
Mr Lim Beng Chee  
Mr Ng Kok Siong  
Mr Tony Tan Tee Hieong

### Corporate Disclosure Committee

Mr Liew Cheng San Victor (Chairman)  
Mr Liew Mun Leong  
Mr Lim Beng Chee

### Company Secretary

Ms Kannan Malini



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**CapitaRetail China Trust  
Management Limited**

As Manager of CapitaRetail China Trust

Company Reg. No.: 200611176D

39 Robinson Road

#18-01 Robinson Point

Singapore 068911

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F: +65 6536 3884

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[www.capitaretailchina.com](http://www.capitaretailchina.com)

