

CAPITARETAIL CHINA TRUST
2008 THIRD QUARTER UNAUDITED FINANCIAL STATEMENT AND DISTRIBUTION ANNOUNCEMENT

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

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Summary of CRCT Results

	5 Feb to 30 Sep 2008			1 Jul to 30 Sep 2008			YTD 2008
	Actual S\$'000	Forecast ¹ S\$'000	Change %	Actual S\$'000	Forecast ¹ S\$'000	Change %	Actual S\$'000
Gross Revenue	70,583	71,702	(1.6)	28,300	29,134	(2.9)	77,575
Net Property Income	44,771	44,816	(0.1)	18,143	18,178	(0.2)	49,023
Income available for ² Distribution	29,278	26,608	10.0	12,445	11,259	10.5	31,780
Distribution Per Unit ("DPU") (cents)							
For the period	4.73	4.30	10.0	2.01	1.82	10.5	5.26
Annualised	7.24	6.58	10.0	8.01	7.25	10.5	7.02

	5 Feb to 30 Sep 2008			1 Jul to 30 Sep 2008			YTD 2008
	Actual RMB'000	Forecast ¹ RMB'000	Change %	Actual RMB'000	Forecast ¹ RMB'000	Change %	Actual RMB'000
Gross Revenue	355,661	362,126	(1.8)	140,336	147,141	(4.6)	391,017
Net Property Income	225,600	226,334	(0.3)	89,999	91,806	(2.0)	247,106

Footnotes:

- The forecast is based on the forecast set out in CRCT Offer Information Statement ("OIS") dated 25 January 2008.*
- Asset enhancement works at Saihan Mall are taking place in phases. To be prudent, the Manager has retained S\$0.4 million of its Third Quarter 2008 distributable income, so as to help negate any fluctuating income flow in the Fourth Quarter 2008, thereby providing Unitholders with stable distributions. Including the retention of S\$0.9 million of its Second Quarter 2008 distributable income, CRCT has retained \$1.3 million of its year-to-date distributable income. CRCT remains committed to distribute 100% of its income available for distribution to Unitholders for the full financial year ending 31 December 2008.*

For a meaningful analysis/comparison of the actual results against the forecast as stated in the OIS, please refer to paragraph 9 of this announcement.

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INTRODUCTION

CapitaRetail China Trust (“CRCT”) was established as a private trust on 23 October 2006 under a trust deed entered into between CapitaRetail China Trust Management Limited (as manager of CRCT) (the “Manager”) and HSBC Institutional Trust Services (Singapore) Limited (as trustee of CRCT) (the “Trustee”), and listed on the Singapore Exchange Securities Trading Limited (“SGX-ST”) on 8 December 2006.

CRCT is a Singapore-based real estate investment trust (“REIT”) established with the investment objective of investing on a long term basis in real estate used primarily for retail purposes and located primarily in China, Hong Kong and Macau.

As at 30 September 2008, CRCT owns and invests in a portfolio of eight retail mall properties located in five key cities of China. The Properties are Xizhimen Mall, Wangjing Mall, Jiulong Mall and Anzhen Mall in Beijing, Qibao Mall in Shanghai, Zhengzhou Mall in Zhengzhou, Saihan Mall (previously known as Jinyu Mall) in Huhehaote, and 51% interest in Xinwu Mall in Wuhu.

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1(a)(i) **Statement of Total Return For the Group (3Q 2008 vs 3Q 2007)**

	Group		
	3Q 2008¹ S\$'000	3Q 2007¹ S\$'000	% Change
Gross rental income	27,381	18,705	46.4
Other income	919	308	198.4
Gross revenue	28,300	19,013	48.8
Land rental	(1,095)	(1,090)	0.5
Property related tax	(1,923)	(999)	92.5
Business tax	(1,450)	(931)	55.7
Property management fees	(1,046)	(705)	48.4
Other property operating expenses ²	(4,643)	(3,548)	30.9
Total property operating expenses	(10,157)	(7,273)	39.7
Net property income	18,143	11,740	54.5
Manager's management fees	(1,490)	(1,021)	45.9
Trustee's fees	(58)	(45)	28.9
Other trust operating expenses	(400)	(267)	49.8
Interest income	156	421	(62.9)
Foreign exchange loss – realised	(170)	(29)	486.2
Finance costs	(1,479)	(1,794)	(17.6)
Total return before change in fair value of financial derivatives, investment properties and unrealised foreign exchange gain/(loss)	14,702	9,005	63.3
Change in fair value of financial derivatives	1,417	(1,960)	N.M.
Change in fair value of investment properties	-	27,426	N.M.
Foreign exchange gain/(loss) – unrealised	423	(37)	N.M.
Total return before taxation	16,542	34,434	(52.0)
Taxation	(3,110)	(16,656)	(81.3)
Total return for the period after taxation	13,432	17,778	(24.4)
Minority interest	(73)	(5)	1,360.0
Total return for the period attributable to Unitholders before distribution	13,359	17,773	(24.8)

Footnotes:

1. *The Group's results for 3Q 2008 includes the consolidated results of Xizhimen Mall, acquired on 5 February 2008 and the 7 properties acquired during the Initial Public Offering ("IPO") exercise on 8 December 2006, namely Anzhen Mall, Jiulong Mall and Wangjing Mall in Beijing, Qibao Mall in Shanghai, Saihan Mall in Huhehaote, Zhengzhou Mall in Zhengzhou and 51% interest in Wuhu ("The Initial Properties"). The Group's results for 3Q 2007 comprise only the Initial Properties.*

2. *Included as part of the other property operating expenses are the following:*

	Group		
	3Q 2008 S\$'000	3Q 2007 S\$'000	% Change
Depreciation and amortisation	(251)	(90)	178.9
Allowance for doubtful receivables	-	(261)	N.M.
Doubtful receivables recovered	37	-	N.M.

N.M. – not meaningful

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1(a)(i) **Statement of Total Return (YTD 2008 vs YTD 2007)**

	Group		
	YTD 2008 ¹	YTD 2007 ¹	%
	S\$'000	S\$'000	Change
Gross rental income	75,139	52,430	43.3
Other income	2,436	1,505	61.9
Gross revenue	77,575	53,935	43.8
Land rental	(3,226)	(3,210)	0.5
Property related tax	(5,628)	(2,777)	102.7
Business tax	(3,919)	(2,679)	46.3
Property management fees	(2,811)	(2,022)	39.0
Other property operating expenses ²	(12,968)	(8,381)	54.7
Total property operating expenses	(28,552)	(19,069)	49.7
Net property income	49,023	34,866	40.6
Manager's management fees	(4,136)	(2,891)	43.1
Trustee's fees	(167)	(119)	40.3
Other trust operating expenses	(1,507)	(898)	67.8
Interest income	628	1,574	(60.1)
Foreign exchange loss – realised	(670)	(303)	121.1
Finance costs	(5,376)	(5,213)	3.1
Total return before change in fair value of financial derivatives, investment properties and unrealised foreign exchange gain/(loss)	37,795	27,016	39.9
Change in fair value of financial derivatives	-	(2,202)	N.M.
Change in fair value of investment properties	16,277	27,426	(40.7)
Foreign exchange gain/(loss) – unrealised	1,094	(517)	N.M.
Total return before taxation	55,166	51,723	6.7
Taxation	(13,593)	(22,532)	(39.7)
Total return for the period after taxation	41,573	29,191	42.4
Minority interest	(130)	91	N.M.
Total return for the period attributable to Unitholders before distribution	41,443	29,282	41.5

Footnotes:

1. YTD 2008 comprise the period from 1 January 2008 to 30 September 2008 and YTD 2007 comprise the period from 1 January 2007 to 30 September 2007.

The Group's results for YTD 2008 includes the consolidated results of Xizhimen Mall, acquired on 5 February 2008 and the 7 properties acquired during the Initial Public Offering ("IPO") exercise on 8 December 2006, namely Anzhen Mall, Jiulong Mall and Wangjing Mall in Beijing, Qibao Mall in Shanghai, Saihan Mall in Huhehaote, Zhengzhou Mall in Zhengzhou and 51% interest in Wuhu ("The Initial Properties"). The Group's results for YTD 2007 comprise only the Initial Properties.

2. Included as part of the other property operating expenses are the following:

	Group		
	YTD 2008	YTD 2007	%
	S\$'000	S\$'000	Change
Depreciation and amortisation	(537)	(262)	105.0
Allowance for doubtful receivables	(218)	(487)	(55.2)
Doubtful receivables recovered	37	-	N.M.

N.M. – not meaningful

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1(a)(ii) Distribution Statement For the Group (3Q 2008 vs 3Q 2007)

	Group		
	3Q 2008 S\$'000	3Q 2007 S\$'000	% Change
Total return for the period attributable to Unitholders before distribution	13,359	17,773	(24.8)
Distribution adjustments (Note A)	(914)	(9,617)	(90.5)
Income available for distribution to Unitholders	12,445	8,156	52.6
Comprises :			
- from operations	5,223	4,506	15.9
- from Unitholders' contribution	7,222	3,650	97.9
	12,445	8,156	52.6
Note A			
Distribution adjustments			
- Asset management fees (performance component payable in units)	726	467	55.5
- Change in fair value of financial derivatives	(1,417)	1,960	N.M.
- Change in fair value of investment properties	-	(27,426)	N.M.
- Deferred taxation	417	15,189	(97.3)
- Transfer to general reserve	(68)	66	N.M.
- Unrealised foreign exchange (gain)/loss	(423)	37	N.M.
- Amount retained from distribution	(400)	-	N.M.
- Other adjustments	251	90	178.9
Net effect of distribution adjustments	(914)	(9,617)	(90.5)

N.M. – not meaningful

Footnote:

1. *Asset enhancement works at Saihan Mall are taking place in phases. To be prudent, the Manager has retained S\$0.4 million of its Third Quarter 2008 distributable income, so as to help negate any fluctuating income flow in the Fourth Quarter 2008, thereby providing Unitholders with stable distributions. Including the retention of S\$0.9 million of its Second Quarter 2008 distributable income, CRCT has retained \$1.3 million of its year-to-date distributable income. CRCT remains committed to distribute 100% of its income available for distribution to Unitholders for the full financial year ending 31 December 2008.*

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1(a)(ii) Distribution Statement For the Group (YTD 2008 vs YTD 2007)

	Group		
	YTD 2008 S\$'000	YTD 2007 S\$'000	% Change
Total return for the period attributable to Unitholders before distribution	41,443	29,282	41.5
Distribution adjustments (Note A)	(9,663)	(5,879)	64.4
Income available for distribution to Unitholders	31,780	23,403	35.8
Comprises :			
- from operations	11,947	13,656	(12.5)
- from Unitholders' contribution	19,833	9,747	103.5
	31,780	23,403	35.8
Note A			
Distribution adjustments			
- Asset management fees (performance component payable in units)	1,961	1,392	40.9
- Change in fair value of financial derivatives	-	2,202	N.M.
- Change in fair value of investment properties	(16,277)	(27,426)	(40.7)
- Deferred taxation	6,757	17,835	(62.1)
- Transfer to general reserve	(270)	(445)	(39.3)
- Unrealised foreign exchange (gain)/loss	(1,094)	517	N.M.
- Amount retained from distribution	(1,277)	-	N.M.
- Other adjustments	537	46	1,067.4
Net effect of distribution adjustments	(9,663)	(5,879)	64.4

N.M. – not meaningful

Footnote:

1. *Asset enhancement works at Saihan Mall are taking place in phases. To be prudent, the Manager has retained S\$0.4 million of its Third Quarter 2008 distributable income, so as to help negate any fluctuating income flow in the Fourth Quarter 2008, thereby providing Unitholders with stable distributions. Including the retention of S\$0.9 million of its Second Quarter 2008 distributable income, CRCT has retained \$1.3 million of its year-to-date distributable income. CRCT remains committed to distribute 100% of its income available for distribution to Unitholders for the full financial year ending 31 December 2008.*

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1(b)(i) Balance Sheet as at 30 Sep 2008 vs 31 Dec 2007

	Group			Trust		
	30 Sep 2008 ¹ S\$'000	31 Dec 2007 S\$'000	% Change	30 Sept 2008 S\$'000	31 Dec 2007 S\$'000	% Change
Assets						
Investment properties ²	1,146,107	722,883	58.5	-	-	-
Plant and equipment	2,973	1,673	77.7	-	-	-
Interests in subsidiaries ³	-	-	-	867,357	590,799	46.8
Trade and other receivables	22,499	18,109	24.2	1,841	813	126.4
Cash and cash equivalents	55,552	67,170	(17.3)	10,902	18,656	(41.6)
Total assets	1,227,131	809,835	51.5	880,100	610,268	44.2
Less						
Liabilities						
Trade and other payables ⁴	76,447	42,168	81.3	5,674	1,910	197.1
Security deposits	17,458	8,284	110.7	-	-	-
Interest-bearing borrowings ⁵	344,212	231,811	48.5	283,097	171,104	65.5
Deferred tax liabilities	29,308	19,300	51.9	-	-	-
Financial derivatives ⁶	14,047	11,331	24.0	14,047	11,331	24.0
Provision for taxation	2,969	243	1,121.8	667	-	N.M.
Total liabilities	484,441	313,137	54.7	303,485	184,345	64.6
Less						
Minority interest	14,933	13,543	10.3	-	-	-
Net assets attributable to Unitholders	727,757	483,155	50.6	576,615	425,923	35.4

Footnotes:

- The Group's net assets attributable to unitholders as at 30 September 2008 includes contribution from Xizhimen Mall, which was acquired on 5 February 2008.
- The increase was principally due to the acquisition of Xizhimen Mall.
- The increase was due to the acquisition of the issued share capital of CapitaRetail China Investments (B) Beta Pte Ltd, arising from the acquisition of Xizhimen Mall.
- Trade and other payables comprises mainly of accrual of asset enhancement works in Qibao Mall and Saihan Mall and amount due to the acquisition of Xizhimen and Jiulong Mall. The increase was due to the acquisition of Xizhimen Mall.
- Interest-bearing borrowings comprise (i) US\$105.0 million (S\$148.6 million) and S\$88.0 million unsecured two-year term loan facilities (collectively known as "Trust Term Loan Facilities") drawn down by the Trust to part finance the acquisition of the Initial Properties and Xizhimen Mall, and utilisation as working capital, (ii) S\$46.5 million unsecured short-term loan facility mainly to finance capital distribution and working capital; (iii) RMB295.0 million (S\$61.1 million) five-year term loan facility secured by a mortgage over Anzhen Mall. The increase was due to the drawn down of loans in relation to acquisition of Xizhimen Mall.
- This relates to financial derivatives entered to hedge CRCT's variable rate borrowings against interest rate fluctuation and RMB assets against adverse currency fluctuation. In 1Q 2008, the Trust entered into a new two-year non-deliverable cross-currency interest rate swaps ("NDS") to hedge the S\$88.0 million unsecured two-year term loan facility. The fair value change on the financial derivatives has resulted in financial derivative liabilities of S\$14.0 million as at 30 September 2008 and S\$11.3 million as at 31 December 2007 respectively.

N.M – not meaningful

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1(b)(ii) Aggregate Amount of Borrowings and Debt Securities

	Group		Trust	
	30 Sep 2008 S\$'000	31 Dec 2007 S\$'000	30 Sep 2008 S\$'000	31 Dec 2007 S\$'000
Unsecured borrowing				
- Amount repayable within one year	195,127	171,224	195,127	171,224
- Amount repayable after one year	88,000	-	88,000	-
Secured borrowing				
- Amount repayable after one year	61,115	60,707	-	-
	344,242	231,931	283,127	171,224
Less: Transaction costs in relation to the Trust Term Loan Facilities	(30)	(120)	(30)	(120)
(1)	344,212	231,811	283,097	171,104

Footnote:

1. *The increase in the Group's borrowings as at 30 September 2008 was mainly due to additional bank loan drawn down on the new facility for Xizhimen Mall.*

Details of any collateral

As security for the borrowings, CRCT has granted in favour of the lender:

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

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1(c) **Consolidated Cash Flow Statements (3Q 2008 vs 3Q 2007)**

	Group	
	3Q 2008 ¹	3Q 2007 ¹
	S\$'000	S\$'000
Operating activities		
Total return after taxation	13,432	17,778
Adjustments for:		
Interest income	(156)	(421)
Finance costs	1,479	1,794
Depreciation and amortisation	251	90
Taxation	3,110	16,656
Asset management fee payable in units	726	467
Change in fair value of financial derivatives	(1,417)	1,960
Change in fair value of investment properties	-	(27,426)
Operating income before working capital changes	17,425	10,898
Changes in working capital:		
Trade and other receivables	(2,608)	149
Trade and other payables	2,017	(980)
Cash generated from operating activities	16,834	10,067
Income tax paid	(612)	(967)
Cash flows from operating activities	16,222	9,100
Investing activities		
Interest received	156	403
Capital expenditure on investment properties	(4,890)	(397)
Purchase of plant and equipment	(161)	(62)
Cash flows used in investing activities	(4,895)	(56)
Financing activities		
Distribution to Unitholders ²	(16,796)	(15,553)
Payment of issue and financing expenses	(859)	(65)
Proceeds from interest-bearing liabilities	19,000	19,100
Interest paid	(138)	(2,094)
Cash flows from financing activities	1,207	1,388
Increase in cash and cash equivalents	12,534	10,432
Cash and cash equivalents at beginning of period	41,548	63,223
Effect on exchange rate changes on cash balances	1,470	497
Cash and cash equivalents at end of period	55,552	74,152

Footnotes:

- The Group's cash flows for 3Q 2008 includes cash flows of Xizhimen Mall, which was acquired on 5 February 2008 and cash flows of the Initial Properties acquired during IPO.
The Group's cash flows for 3Q 2007 include cash flows of the Initial Properties.
- Distribution for the period from 5 February 2008 to 30 June 2008 was paid in September 2008. Distribution for the period from 23 October 2006 to 30 June 2007 was paid in September 2007.

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1(c) **Consolidated Cash Flow Statements (YTD 2008 vs YTD 2007)**

	Group	
	YTD 2008 ¹	YTD 2007 ¹
	S\$'000	S\$'000
Operating activities		
Total return after taxation	41,573	29,191
Adjustments for:		
Interest income	(628)	(1,574)
Finance costs	5,376	5,213
Depreciation and amortisation	537	262
Taxation	13,593	22,532
Asset management fee payable in units	1,961	1,392
Change in fair value of financial derivatives	-	2,202
Change in fair value of investment properties	(16,277)	(27,426)
Operating income before working capital changes	46,135	31,792
Changes in working capital:		
Trade and other receivables	5,159	(13,696)
Trade and other payables	(1,207)	7,906
Cash generated from operating activities	50,087	26,002
Income tax paid	(2,102)	(1,869)
Cash flows from operating activities	47,985	24,133
Investing activities		
Interest received	628	1,510
Net cash outflow on purchase of investment properties	-	(37,937)
Capital expenditure on investment properties	(15,543)	(11,689)
Net cash outflow on acquisition of assets	(255,392)	-
Purchase of plant and equipment	(407)	(416)
Cash flows used in investing activities	(270,714)	(48,532)
Financing activities		
Proceeds from issuance of new units	188,001	-
Distribution to unitholders ²	(36,032)	(15,553)
Payment of issue and financing expenses	(4,522)	(5,504)
Proceeds from interest-bearing borrowings	124,500	19,100
Repayment of interest-bearing borrowings	(61,347)	-
Interest paid	(1,846)	(5,569)
Cash flows from / (used in) financing activities	208,754	(7,526)
Decrease in cash and cash equivalents	(13,975)	(31,925)
Cash and cash equivalents at beginning of period	67,170	107,086
Effect on exchange rate changes on cash balances	2,357	(1,009)
Cash and cash equivalents at end of period	55,552	74,152

Footnotes:

1. The Group's cash flows for YTD 2008 includes cash flows of Xizhimen Mall, which was acquired on 5 February 2008 and cash flows of the Initial Properties acquired during IPO.

The Group's cash flows for YTD 2007 include cash flows of the Initial Properties.

2. Cumulative distribution for the period from 1 July 2007 to 4 February 2008 and 5 February 2008 to 30 June 2008 was paid in March 2008 and September 2008 respectively. Distribution for the period from 23 October 2006 to 30 June 2007 was paid in September 2007.

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1(d)(i) **Statement of Changes in Net Assets Attributable to Unitholders (3Q 2008 vs 3Q 2007)**

	Group		Trust	
	3Q 2008 ¹ S\$'000	3Q 2007 ¹ S\$'000	3Q 2008 S\$'000	3Q 2007 S\$'000
Balance as at beginning of period	681,671	484,673	566,930	450,971
Operations				
Change in net assets attributable to Unitholders resulting from operations before distribution	13,359	17,773	25,926	261
Transfer to general reserve	(68)	66	-	-
Net increase in net assets resulting from operations	13,291	17,839	25,926	261
Movement in hedging reserve				
Effective portion of changes in fair value of cash flow hedges	(171)	(1,083)	(171)	(1,083)
Movement in foreign currency translation reserve				
Translation differences from financial statements of foreign operations	21,611	7,849	-	-
Exchange differences on monetary items forming part of net investment in foreign operations	20,828	(632)	-	-
Exchange differences on hedges of net investment in foreign operations	6,529	(1,571)	-	-
Net gain/(loss) recognised directly in net assets attributable to Unitholders	48,797	4,563	(171)	(1,083)
Movement in general reserve	68	(66)	-	-
Unitholders' transactions				
Creation of units				
- Asset management fees paid/payable	726	467	726	467
- Distribution to Unitholders ²	(16,796)	(15,553)	(16,796)	(15,553)
Net decrease in net assets resulting from Unitholders' transactions	(16,070)	(15,086)	(16,070)	(15,086)
Net assets attributable to Unitholders at end of period	727,757	491,923	576,615	435,063

Footnotes:

- The Group's results for 3Q 2008 include consolidation of 100% interest in Xizhimen Mall, which was acquired on 5 February 2008 and the Initial Properties acquired during IPO.
The Group's results for 3Q 2007 include consolidation of the Initial Properties.
- Distribution for the period from 5 February 2008 to 30 June 2008 was paid in September 2008. Distribution for the period from 23 October 2006 to 30 June 2007 was paid in September 2007.

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1(d)(i) Statement of Changes in Net Assets Attributable to Unitholders (YTD 2008 vs YTD 2007)

	Group		Trust	
	YTD 2008 ¹ S\$'000	YTD 2007 ¹ S\$'000	YTD 2008 S\$'000	YTD 2007 S\$'000
Balance as at beginning of period	483,155	468,681	425,923	448,604
Operations				
Change in net assets attributable to Unitholders resulting from operations before distribution	41,443	29,282	(1,605)	636
Transfer to general reserve	(270)	(445)	-	-
Net increase/(decrease) in net assets resulting from operations	41,173	28,837	(1,605)	636
Movement in hedging reserve				
Effective portion of changes in fair value of cash flow hedges	619	(34)	619	(16)
Movement in foreign currency translation reserve				
Translation differences from financial statements of foreign operations	29,398	17,321	-	-
Exchange differences on monetary items forming part of net investment in foreign operations	24,802	(4,024)	-	-
Exchange differences on hedges of net investment in foreign operations	(3,338)	(5,142)	-	-
Net gain/(loss) recognised directly in net assets attributable to Unitholders	51,481	8,121	619	(16)
Movement in general reserve	270	445	-	-
Unitholders' transactions				
Proceeds from placement ²	188,001	-	188,001	-
Creation of units				
- Units issued in respect of acquisition fees for Xizhimen Mall ³	3,360	-	3,360	-
- Asset management fees paid/payable	1,961	1,392	1,961	1,392
Distribution to Unitholders ⁴	(36,032)	(15,553)	(36,032)	(15,553)
Issue expenses ⁵	(5,612)	-	(5,612)	-
Net increase/(decrease) in net assets resulting from Unitholders' transactions	151,678	(14,161)	151,678	(14,161)
Net assets attributable to Unitholders at end of period	727,757	491,923	576,615	435,063

Footnotes:

- The Group's results for YTD 2008 include consolidation of 100% interest in Xizhimen Mall, which was acquired on 5 February 2008 and the Initial Properties acquired during IPO.
The Group's results for YTD 2007 include consolidation of the Initial Properties.*
- 138,236,000 new units were issued via an equity fund raising exercise completed on 5 February 2008 for the purpose of acquisition of Xizhimen Mall through the acquisition of the entire issued share capital of CapitaRetail China Investments (B) Beta Pte Ltd.*
- 2,470,588 new units were issued on 5 February 2008 as payment of acquisition fees for the acquisition of Xizhimen Mall.*
- Cumulative distribution for the period from 1 July 2007 to 4 February 2008 and 5 February 2008 to 30 June 2008 was paid in March 2008 and September 2008 respectively. Distribution for the period from 23 October 2006 to 30 June 2007 was paid in September 2007.*
- Includes underwriting fees and professional fees paid and payable in connection to the equity fund raising exercise completed on 5 February 2008 for the acquisition of Xizhimen Mall.*

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(d)(ii) Details of Any Change in the Issued and Issueable Units (3Q 2008 vs 3Q 2007)

	Trust	
	3Q 2008 Units	3Q 2007 Units
Balance as at beginning of period	617,517,873	475,630,513
New units issued:		
- As payment of asset management fees ¹	508,037	340,243
Issued units as at end of period	618,025,910	475,970,756
New units to be issued:		
- As payment of asset management fees ²	1,019,975	176,553
Total issued and issuable units as at end of period	619,045,885	476,147,309

Footnotes:

1. These were the performance component of the asset management fees for 2Q 2008 which was issued in September 2008 and 1H 2007 that have been issued in September 2007.
2. These were the performance component of the asset management fee for 3Q 2008 (which will be issued in 4Q 2008) and 3Q 2007 that have been issued in October 2007 respectively.

1(d)(ii) Details of Any Change in the Issued and Issueable Units (YTD 2008 vs YTD 2007)

	Trust	
	YTD 2008 Units	YTD 2007 Units
Balance as at beginning of period	476,147,309	475,630,513
New units issued:		
- In connection with equity fund raising exercise completed on 5 February 2008	138,236,000	-
- As payment of acquisition fees of Xizhimen Mall	2,470,588	-
- As payment of asset management fees ¹	1,172,013	340,243
Issued units as at end of period	618,025,910	475,970,756
New units to be issued:		
- As payment of asset management fees ²	1,019,975	176,553
Total issued and issuable units as at end of period	619,045,885	476,147,309

Footnotes:

1. These were the performance component of the asset management fees for 1H 2008 & 3Q 2008 which was issued in February 2008, May 2008 and September 2008 respectively and 1H 2007 that have been issued in September 2007.
2. These were the performance component of the asset management fee for 3Q 2008 (which will be issued in 4Q 2008) and 3Q 2007 that have been issued in October 2007 respectively.

2. Whether the figures have been audited, or reviewed and in accordance with which standard (eg. the Singapore Standard on Auditing 910 (Engagement to Review Financial Statements), or an equivalent standard)

The figures have not been audited nor reviewed by our auditors.

3. Where the figures have been audited or reviewed, the auditor's report (including any qualifications or emphasis of matter)

Not applicable.

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4. Whether the same accounting policies and methods of computation as in the issuer’s most recent audited annual financial statements have been complied

The accounting policies and method of computation applied in the financial statement for the current financial period are consistent with those described in the audited financial statements for the period ended 31 December 2007.

5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what had changed, as well as the reasons for, and the effect of, the change

Nil

6 Earnings Per Unit (“EPU”) and Distribution Per Unit (“DPU”) for the Financial Period

In computing the EPU, the weighted average number of units as at the end of each period is used for the computation. The diluted EPU is the same as the basic EPU as there are no dilutive instruments in issue during the period.

In computing the DPU, the number of units as at the end of each period is used.

	Group	
	3Q 2008	3Q 2007
Weighted average number of units in issue	617,523,395	475,689,686
Earnings per unit (“EPU”) ¹		
Based on weighted average number of units in issue	2.16¢	3.74¢
Based on fully diluted basis	2.16¢	3.74¢
Number of units in issue at end of period	618,025,910	475,970,756
Distribution per unit (“DPU”)		
Based on the number of units in issue at end of period	2.01¢	1.71¢

	Group	
	YTD 2008	YTD 2007
Weighted average number of units in issue	594,157,358	475,630,513
Earnings per unit (“EPU”) ¹		
Based on weighted average number of units in issue	6.98¢	6.16¢
Based on fully diluted basis	6.98¢	6.16¢
Number of units in issue at end of period	618,025,910	475,630,513
Distribution per unit (“DPU”)		
Based on the number of units in issue at end of period	5.26¢	3.21¢

Footnote:

1. EPU is calculated based on net income after tax and minority interest.

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7 Net Asset Value (“NAV”) backing per unit based on issued and issuable units at the end of the period

	Group		Trust	
	30 Sep 2008	31 Dec 2007	30 Sep 2008	31 Dec 2007
NAV per unit	\$1.18	\$1.01	\$0.93	\$0.89
Adjusted NAV per unit (excluding distributable Income)	\$1.16	\$0.98	\$0.91	\$0.86

8 Review of the performance

	Group				
	3Q 2008	3Q 2007	2Q 2008	YTD 2008	YTD 2007
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
<u>Statement of Total Return for the Group</u>					
Gross revenue	28,300	19,013	26,364	77,575	53,935
Property operating expenses	(10,157)	(7,273)	(9,805)	(28,552)	(19,069)
Net Property Income	18,143	11,740	16,559	49,023	34,866
Manager's management fees	(1,490)	(1,021)	(1,374)	(4,136)	(2,891)
Trustee's fees	(58)	(45)	(55)	(167)	(119)
Other trust operating expenses	(400)	(267)	(630)	(1,507)	(898)
Interest income	156	421	306	628	1,574
Foreign exchange loss - realised	(170)	(29)	(301)	(670)	(303)
Finance costs	(1,479)	(1,794)	(1,932)	(5,376)	(5,213)
Total return before change in fair value of financial derivatives, investment properties and unrealised foreign exchange gain/(loss)	14,702	9,005	12,573	37,795	27,016
Change in fair value of financial derivatives	1,417	(1,960)	(1,994)	-	(2,202)
Change in fair value of investment properties	-	27,426	16,277	16,277	27,426
Foreign exchange gain/(loss) – unrealised	423	(37)	1,132	1,094	(517)
Total return before taxation	16,542	34,434	27,988	55,166	51,723
Taxation	(3,110)	(16,656)	(7,116)	(13,593)	(22,532)
Total return for the period after taxation	13,432	17,778	20,872	41,573	29,191
Minority interest	(73)	(5)	(22)	(130)	91
Total return for the period attributable to Unitholders before distribution	13,359	17,773	20,850	41,443	29,282

	Group				
	3Q 2008	3Q 2007	2Q 2008	YTD 2008	YTD 2007
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
<u>Distribution Statement for the Group</u>					
Total return for the period attributable to Unitholders before distribution	13,359	17,773	20,850	41,443	29,282
Net effect of distribution adjustments	(914)	(9,617)	(10,308)	(9,663)	(5,879)
Income available for distribution to Unitholders	12,445	8,156	10,542	31,780	23,403
Distribution per unit (in cents)					
- For the period	2.01	1.71	1.70	5.26	4.92
- Annualised	8.01	6.80	6.87	7.02	6.58

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3Q 2008 vs 3Q 2007

Gross revenue for 3Q 2008 was S\$28.3 million, an increase of S\$9.3 million or 48.8% over 3Q 2007. This was mainly due to revenue of S\$7.8 million contributed by Xizhimen Mall. The acquisition was completed on 5 February 2008. The other malls accounted for another S\$1.5 million increase mainly due to occupancy growth in Wangjing Mall, Qibao Mall and Xinwu Mall.

Property expenses for 3Q 2008 was S\$10.2 million, an increase of S\$2.9 million or 39.7% over 3Q 2007 mainly due to the contribution by Xizhimen Mall.

Manager's management fees was S\$0.5 million or 45.9% higher than 3Q 2007 as a result of the consolidation of Xizhimen Mall as well as higher net property income and higher deposited property values under management.

Other trust operating expenses was 0.1 million or 49.8% higher than 3Q 2007 mainly due to the contribution by Xizhimen Mall.

Finance cost was S\$0.3 million or 17.6% lower than 3Q 2007 mainly due to interest savings arising from the two-year non-deliverable cross-currency interest rate swap that CRCT has entered into in respect of its US\$105.0 million and S\$88 million unsecured two-year term loan facilities.

Interest income was S\$0.3 million or 62.9% lower than 3Q 2007 mainly due to lower interest income at trust level arising from lower fixed deposit balances placed with financial institutions and correspondingly weaker interest rate.

3Q 2008 vs 2Q 2008

Gross revenue for 3Q 2008 increased by S\$1.9 million or 7.3% over 2Q 2008. This was mainly due to revenue of S\$0.6 million contributed by Xizhimen Mall. The other malls accounted for another S\$1.3 million increase mainly due to new leases.

Property expenses for 3Q 2008 increased by S\$0.4 million or 3.6% over 2Q 2008 mainly due to Wangjing Mall.

Manager's management fees was S\$0.1 million or 8.4% higher than 2Q 2008 as a result of higher net property income contributed from the malls.

Other trust operating expenses was S\$0.2 million or 36.5% lower than 2Q 2008 mainly due to Saihan Mall.

Finance cost was S\$0.5 million or 23.4% lower than 2Q 2008 mainly due to repayment of loan in Xizhimen Mall in 2Q 2008.

Interest income was S\$0.1 million or 49.0% lower than 2Q 2008 mainly due to lower interest income at trust level arising from lower fixed deposit balances placed with financial institutions and correspondingly weaker interest rate.

YTD 2008 vs YTD 2007

Gross revenue for YTD 2008 increased by S\$23.6 million or 43.8% over YTD 2007. This was mainly due to revenue of S\$19.1 million contributed by Xizhimen Mall. The other malls accounted for the additional increase of S\$4.5 million mainly due to new leases.

Property expenses for YTD 2008 increased by S\$9.5 million or 49.7% mainly due to the consolidation of Xizhimen Mall, a write-back of property tax in Wangjing Mall in 2Q 2007 as the property title was not transferred as at 30 June 2007.

Manager's management fees was S\$1.2 million or 43.0% higher than YTD 2007 as a result of higher net property income contributed from the malls and higher deposited property values under management.

Other trust operating expenses was S\$0.6 million or 67.8% higher than YTD 2007 mainly due to the contribution by Xizhimen Mall.

Interest income was S\$0.9 million or 60.0% lower than YTD 2007 mainly due to lower interest income at trust level arising from lower fixed deposit balances and correspondingly weaker interest rate.

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9 Variance between the forecast or prospectus statement (if disclosed previously) and the actual results

This para relates to the review of the Group results.

9(i) Income Statement (Actual vs Forecast)

	Actual 3Q 2008 S\$'000	Forecast ¹ 3Q 2008 S\$'000	% Change
Gross rental income	27,381	28,653	(4.4)
Other income	919	481	91.1
Gross revenue	(a) 28,300	29,134	(2.9)
Land rental	(1,095)	(1,073)	2.1
Property related tax	(1,923)	(1,920)	0.2
Business tax	(1,450)	(1,470)	(1.4)
Property management fee	(1,046)	(1,063)	(1.6)
Other property operating expenses	(4,643)	(5,430)	(14.5)
Total property operating expenses	(b) (10,157)	(10,956)	(7.3)
Net property income	18,143	18,178	(0.2)
Manager's management fees	(1,490)	(1,481)	0.6
Trustee's fees	(58)	(89)	(34.8)
Other trust operating expenses	(400)	(565)	(29.2)
Interest income	156	-	N.M.
Foreign exchange loss – realised	(170)	-	N.M.
Finance costs	(c) (1,479)	(3,500)	(57.7)
Net income before change in fair value of financial derivative and unrealised foreign exchange gain	14,702	12,543	17.2
Change in fair value of financial derivatives	(d) 1,417	-	N.M.
Foreign exchange gain – unrealised	423	-	N.M.
Net income before taxation	16,542	12,543	31.9
Taxation	(e) (3,110)	(1,754)	77.3
Total return for the period after taxation	13,432	10,789	24.5
Minority interest	(73)	(68)	7.4
Total return for the period attributable to Unitholders before distribution	13,359	10,721	24.6

Footnote:

1. The forecast is based on the forecast shown in the OIS dated 25 January 2008.

N.M. – not meaningful

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9(ii) **Distribution Statement (Actual vs Forecast)**

	Actual 3Q 2008 S\$'000	Forecast ¹ 3Q 2008 S\$'000	% Change
Total return for the period attributable to Unitholders before distribution	13,359	10,721	24.6
Distribution adjustments (Note A)	(914)	538	N.M.
Income available for distribution to Unitholders	(f) 12,445	11,259	10.5
Comprises :			
- from operations	5,223	3,138	66.4
- from Unitholders' contributions	7,222	8,121	(11.1)
	12,445	11,259	10.5
Available distribution per unit (in cents)			
For the period	2.01	1.82	10.5
Annualised	8.01	7.25	10.5
Note A			
Distribution adjustments			
- Asset management fees (performance component payable in Units)	726	719	1.0
- Change in fair value of financial derivatives	(1,417)	-	N.M.
- Deferred taxation	417	-	N.M.
- Transfer to general reserve	(68)	(181)	(62.4)
- Unrealised foreign exchange gain	(423)	-	N.M.
- Amount retained from distribution	(400)	-	N.M.
- Other adjustments	251	-	N.M.
Net effect of distribution adjustments	(914)	538	N.M.

N.M. – not meaningful

Footnote:

1. The forecast is based on the forecast shown in the OIS dated 25 January 2008.

9(iii) **Breakdown of Gross Revenue - 3Q 2008**

	Actual RMB'000	Forecast RMB'000	% Change	Actual S\$'000	Forecast S\$'000	% Change
Xizhimen Mall	38,633	38,510	0.3	7,770	7,625	1.9
Wangjing Mall	33,440	32,105	4.2	6,750	6,357	6.2
Anzhen Mall	19,269	19,269	-	3,893	3,815	2.0
Zhengzhou Mall	11,875	11,875	-	2,399	2,351	2.0
Jiulong Mall	9,997	9,959	0.4	2,019	1,972	2.4
Saihan Mall	4,349	11,381	(61.8)	883	2,254	(60.8)
Qibao Mall	17,540	19,027	(7.8)	3,531	3,767	(6.3)
Xinwu Mall	5,233	5,015	4.3	1,055	993	6.2
Gross Revenue	140,336	147,141	(4.6)	28,300	29,134	(2.9)

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9(iv) **Breakdown of Net Property Income – 3Q 2008**

	Actual RMB'000	Forecast RMB'000	% Change	Actual S\$'000	Forecast S\$'000	% Change
Xizhimen Mall	25,545	25,478	0.3	5,136	5,044	1.8
Wangjing Mall	21,940	20,367	7.7	4,432	4,033	9.9
Anzhen Mall	15,902	15,929	(0.2)	3,213	3,154	1.9
Zhengzhou Mall	9,719	9,577	1.5	1,963	1,896	3.5
Jiulong Mall	8,082	8,033	0.6	1,633	1,591	2.6
Saihan Mall	1,838	5,927	(69.0)	372	1,174	(68.3)
Qibao Mall	5,744	5,758	(0.2)	1,147	1,140	0.6
Xinwu Mall	1,229	737	66.8	247	146	69.2
Net Property Income	89,999	91,806	(2.0)	18,143	18,178	(0.2)

9(v) **Review of the Performance**

- (a) Gross revenue for the period was S\$28.3 million, which is S\$0.8 million or 2.9% lower than the forecast for the same period. The variance is mainly due to drop in revenue from Saihan Mall which has been undergoing significant asset enhancement works in the past few months. In RMB terms, gross revenue for the period was 4.6% lower than forecast for the same period.
- (b) Property operating expenses for the period was S\$10.1 million, which is S\$0.8 million or 7.3% lower compared with the forecast for the same period. This was mainly due to utilities savings.
- (c) Finance cost was S\$1.5 million, which is S\$2.0 million or 57.7% lower compared with the forecast for the same period. This was mainly due to interest savings arising from the two-year non-deliverable cross-currency interest rate swaps ("NDS") that CRCT has entered into in respect of the US\$105.0 million and S\$88.0 unsecured two-year Trust Term Loan Facilities.
- (d) The fair value change on the NDS resulted in a fair value gain of S\$1.4 million in 3Q 2008. In accordance to the distribution model detailed in the OIS, distribution income has been adjusted to exclude any change in fair value relating to financial instruments.
- (e) Taxation for the period was S\$3.1 million, which is S\$1.4 million higher than the forecast for the same period. This was mainly due to foreign tax suffered on shareholders loans.
- (f) Asset enhancement works at Saihan Mall are taking place in phases. To be prudent, the Manager has retained S\$0.4 million of its Third Quarter 2008 distributable income, so as to help negate any fluctuating income flow in the Fourth Quarter 2008, thereby providing Unitholders with stable distributions. Including the retention of S\$0.9 million of its Second Quarter 2008 distributable income, CRCT has retained \$1.3 million of its year-to-date distributable income. CRCT remains committed to distribute 100% of its income available for distribution to Unitholders for the full financial year ending 31 December 2008.

10 **Commentary on the competitive conditions of the industry in which the Trust and its investees operates and any known factors or events that may affect the Trust and its investees in the next reporting period and the next 12 months**

Beijing Retail Market Update

Beijing's retail market demonstrated strong growth in 2Q08 leading up to the Summer Olympic Games. From January to May 2008, total retail sales stood at RMB 183.14 billion, recording a 12.1% growth over the same period last year. Vigorous demand was underpinned by international brands, especially luxury brands, eager to make a foothold or expand their brand influence into the local market. International watch and jewellery brands were very active in the leasing market. Sports fashion retailers were also very active in securing retail space to cope with their expansion plans in preparation for the Olympics. Fashion and cosmetic tenants were very active in new store openings and expansions in mature and new properties.

New supply in 2Q08 amounts to 261,730 sqm, including Solana Life Park (150,000 sqm), Focus Mall (45,000 sqm) in Wangjing, Legation Quarter (20,000 sqm) and Euro-Plaza (46,730 sqm) in Shunyi. This supply was less than previously anticipated as completion of several properties were postponed due to construction delays.

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The overall vacancy rate for prime retail space climbed 2.9 percentage points q-o-q to 9.5%. The slight increase is the result of the enormous influx of new development being delivered into the market before the Olympics. For instance, Solana Life Park is currently 20% vacant, Focus Mall opened 60% pre leased, Euro-Plaza opened 54% leased and Legation Quarter opened 35% leased. Also, some retailers in more mature properties are likely taking advantage of the ongoing influx of new supply and relocating to more central and prime locations.

Average net effective rents for prime retail space in 2Q08 rose 3.3% q-o-q excluding management fees. This rise is largely a result of some newly completed prime retail establishments increasing rents and changing rental structures, as was the case for LG Tower (The Twins Malls) and Full Link Plaza.

Key economic indicators imply that strong demand will continue to drive Beijing's retail market. However, demand will decline somewhat in the second half of the year as many retailers have already expanded or leased new space prior to the Olympic Games and are likely to shift their focus to enhancing performance in recently opened outlets. There is an estimated of 1.3 million sqm of new supply in the second half of 2008. With that, competition will become more intense as vacancy rates are anticipated to increase to over 30% by the end of the year. However, it is also likely that there will be further delays in uncompleted projects as construction costs continue to increase on the back of widespread inflation, and developers facing new challenges obtaining necessary late-stage financing. The effective rent is likely to soften as competition between landlords intensifies.

Shanghai Retail Market Update

Shanghai's retail market continued with its robust and healthy development over 1H08. Over the first five months of 2008, the total retail sales in Shanghai reached a record high of RMB 183.38 billion, up 16.8% y-o-y. During the two-day national holiday in May, 354 middle-sized to large-sized retailers in the city, including 3,000 retail spots, achieved retail sales of RMB 2.192 billion, up 22% y-o-y. The catering industry was also boosted by the holiday, with sales reaching RMB 5.889 billion in May, up 20% y-o-y.

In 1H08, fewer international brands entered the market compared with previous years. One reason is due to the lack of suitable retail space in well-known properties in the downtown area. Another reason is that most major international brands have already established a presence in Shanghai.

In 2Q08, the Shanghai retail market witnessed the completion of one new project, In Point, which contributes 9,515 sqm to the Shanghai retail market. This is a mid-sized shopping mall that will mainly serve local clientele. Two other projects – Plaza 353 and Plaza 96 – are set to be completed in 3Q08, with the majority of their units already leased.

Since the previous quarter, the average rate of vacancy has risen slightly from 3.1% to 4.0%. However, many projects have maintained full occupancy or have at least experienced a decrease in vacancy. Projects such as Westgate Mall and CITIC Square experienced a slight decrease in their vacancy rates, while projects such as Super Brand Mall and Grand Gateway Mall are fully occupied. An increase in vacancy was witnessed in projects that are undergoing renovation or tenant-mix adjustment. For example, Shimao International's vacancy rate has risen to 13.1% from 1.2% due to reorganization and tenant-mix adjustment. Meanwhile, the vacancy rate for Cloud Nine has risen from 14% to 16.3% due to renovation. Vacancy rate for Shanghai Square Infiniti has likewise risen to 39.1% from 26%. This is because the majority of tenants on upper floors have moved out due to low foot traffic.

In 2Q08, average rents for floor space in retail locations have risen 6.8% q-o-q. On average, rental prices in the Shanghai retail market have increased slightly from that in the previous quarter.

In the next 12 months, demand from international and domestic retailers will continue to be strong. In the long run, take-up is likely to moderate between 200,000 sqm to 300,000 sqm per year from 2010 to 2012. With the growing affluence of the middle-class on the back of rapid urbanization and robust economy, this translates to more consumers seeking higher social status through buying of luxury goods. Retailers would be keen on tapping the group and expand their operations, looking for prime retail space.

Due to the limited amount of developable space in the central downtown area, not much new supply is expected to enter the market. As such, the vacancy rate is expected to stay at a relatively low level of around 5% in the next 12 months.

Despite the lack of quality space for new entrants as well as for relocations, a significant increase in average rents in the short run is not likely as a significant number of retail projects are planning to adjust their tenant-mix. Average rental level will experience a period of adjustment in the near future, and after this term of renovation and adjustment, rental levels are expected to increase at a relatively faster pace.

Source: Jones Lang LaSalle Research, DTZ Research & CapitaLand Research

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11 Distribution

11(a) Current Financial Period

Any distribution declared for the current financial period? No

11(b) Corresponding period of the preceding financial period

Any distributions declared for the corresponding period of the immediate preceding financial period? No

11(c) Date payable : N.A

11(d) Book closure date : N.A

12 If no distribution has been declared/recommended, a statement to that effect

N.A.

13 Confirmation Pursuant to Rule 705(4) of the Listing Manual

To the best of our knowledge, nothing has come to the attention of the Board of Directors of the manager of CapitaRetail China Trust (the "Manager") which may render the unaudited interim financial results of the Group and Trust (comprising the balance sheets and the result of business, statement of total return & distribution statement, consolidated cash flows statements, statement of changes in unitholders' funds, together with their accompanying notes) as at 30 September 2008, to be false or misleading in any material respect.

On behalf of the Board of the Manager

Mr Kee Teck Koon
Director

Mr Wee Hui Kan
Chief Executive Officer / Director

This release may contain forward-looking statements that involve risks and uncertainties. Actual future performance, outcomes and results may differ materially from those expressed in forward-looking statements as a result of a number of risks, uncertainties and assumptions. Representative examples of these factors include (without limitation) general industry and economic conditions, interest rate trends, cost of capital and capital availability, competition from other companies and venues for the sale/distribution of goods and services, shifts in customer demands, customers and partners, changes in operating expenses, including employee wages, benefits and training, governmental and public policy changes and the continued availability of financing in the amounts and the terms necessary to support future business. You are cautioned not to place undue reliance on these forward looking statements, which are based on current view of management on future events.

BY ORDER OF THE BOARD
CAPITARETAIL CHINA TRUST MANAGEMENT LIMITED
(Company registration no. 200611176D)
(as Manager of CapitaRetail China Trust)

Kannan Malini
Company Secretary
29 October 2008