

CAPITARETAIL CHINA TRUST
UNAUDITED FINANCIAL STATEMENT AND DISTRIBUTION ANNOUNCEMENT FOR THE YEAR ENDED
31 DECEMBER 2008

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Summary of CRCT Results

	5 Feb to 31 Dec 2008 ¹			1 Oct to 31 Dec 2008			FY 2008
	Actual S\$'000	Forecast ² S\$'000	Change %	Actual S\$'000	Forecast ² S\$'000	Change %	Actual S\$'000
Gross Revenue	101,932	101,377	0.5	31,349	29,675	5.6	108,924
Net Property Income	65,214	63,675	2.4	20,443	18,859	8.4	69,466
Income available for ³ Distribution	43,360	38,057	13.7	14,082	11,449	23.0	45,862
Distribution Per Unit ("DPU") (cents)							
For the period	7.00	6.16	13.7	2.27	1.85	23.0	7.53
Annualised	7.74	6.81	13.7	9.03	7.36	23.0	7.53

	5 Feb to 31 Dec 2008			1 Oct to 31 Dec 2008			FY 2008
	Actual RMB'000	Forecast ² RMB'000	Change %	Actual RMB'000	Forecast ² RMB'000	Change %	Actual RMB'000
Gross Revenue	502,212	512,002	(1.9)	146,551	149,876	(2.2)	537,568
Net Property Income	321,335	321,577	(0.1)	95,735	95,243	0.5	342,841

Footnotes:

- 1. The cumulative distribution for the period 1 July 2007 to 4 February 2008 was paid in March 2008.*
- 2. The forecast is based on the forecast set out in CRCT Offer Information Statement ("OIS") dated 25 January 2008.*
- 3. CRCT has released S\$1.3 million of distributable income which was retained in 2Q 2008 and 3Q 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.

DISTRIBUTION & BOOK CLOSURE DATE

Distribution	For 1 July 2008 to 31 December 2008
Distribution type	Capital Distribution and Tax Exempt Income
Distribution rate	4.28 cents per unit
Book closure date	10 March 2009
Payment date	25 March 2009

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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 31 December 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 in Huhehaote, and 51% interest in Xinwu Mall in Wuhu.

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1(a)(i) Statement of Total Return For the Group (4Q 2008 vs 4Q 2007)

	Group		
	4Q 2008 ¹ S\$'000	4Q 2007 ¹ S\$'000	% Change
Gross rental income	29,779	17,574	69.4
Other income	1,570	346	353.8
Gross revenue	31,349	17,920	74.9
Land rental	(1,167)	(1,063)	9.8
Property related tax	(2,151)	(1,117)	92.6
Business tax	(1,565)	(924)	69.4
Property management fees	(1,164)	(674)	72.7
Other property operating expenses ²	(4,859)	(2,494)	94.8
Total property operating expenses	(10,906)	(6,272)	73.9
Net property income	20,443	11,648	75.5
Manager's management fees	(1,641)	(935)	75.5
Trustee's fees	(62)	(45)	37.8
Other trust operating expenses	(364)	(397)	(8.3)
Interest income	179	536	(66.6)
Foreign exchange gain/(loss) – realised	128	(223)	N.M.
Finance costs	(3,558)	(1,860)	91.3
Total return before change in fair value of financial derivatives, investment properties and unrealised foreign exchange gain/(loss)	15,125	8,724	73.4
Net change in fair value of cash flow hedge transferred from statement of changes in net assets attributable to Unitholders	(93)	-	N.M.
Change in fair value of financial derivatives	-	898	N.M.
Change in fair value of investment properties	(17,089)	989	N.M.
Foreign exchange gain/(loss) – unrealised	1,656	(217)	N.M.
Total (loss)/return before taxation	(401)	10,394	N.M.
Taxation	(2,249)	(3,847)	(41.5)
Total (loss)/return for the period after taxation	(2,650)	6,547	N.M.
Minority interest	(137)	(150)	(8.7)
Total (loss)/return for the period attributable to Unitholders before distribution	(2,787)	6,397	N.M.

Footnotes:

- The Group's results for 4Q 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 4Q 2007 comprise only the Initial Properties.
- Included as part of the other property operating expenses are the following:

	Group		
	4Q 2008 S\$'000	4Q 2007 S\$'000	% Change
Depreciation and amortisation	(122)	(99)	23.2
Allowance for doubtful receivables	(21)	(156)	(86.5)
Doubtful receivables recovered	4	-	N.M.
Underprovision of tax in prior year	322	-	N.M.
Gain on disposal of plant and equipment	13	-	N.M.

N.M. – not meaningful

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1(a)(i) Statement of Total Return For the Group (FY 2008 vs FY 2007)

	Group		
	FY 2008¹ S\$'000	FY 2007¹ S\$'000	% Change
Gross rental income	104,918	70,004	49.9
Other income	4,006	1,851	116.4
Gross revenue	108,924	71,855	51.6
Land rental	(4,393)	(4,274)	2.8
Property related tax	(7,779)	(3,894)	99.8
Business tax	(5,484)	(3,602)	52.2
Property management fees	(3,975)	(2,696)	47.4
Other property operating expenses ²	(17,827)	(10,875)	63.9
Total property operating expenses	(39,458)	(25,341)	55.7
Net property income	69,466	46,514	49.3
Manager's management fees	(5,777)	(3,826)	51.0
Trustee's fees	(229)	(164)	39.6
Other trust operating expenses	(1,871)	(1,296)	44.4
Interest income	807	2,110	(61.8)
Foreign exchange loss – realised	(542)	(525)	3.2
Finance costs	(8,934)	(7,074)	26.3
Total return before change in fair value of financial derivatives, investment properties and unrealised foreign exchange gain/(loss)	52,920	35,739	48.1
Net change in fair value of cash flow hedge transferred from statement of changes in net assets attributable to Unitholders	(93)	-	N.M.
Change in fair value of financial derivatives	-	(1,304)	N.M.
Change in fair value of investment properties	(812)	28,416	N.M.
Foreign exchange gain/(loss) – unrealised	2,750	(735)	N.M.
Total return before taxation	54,765	62,116	(11.8)
Taxation	(15,842)	(26,379)	(39.9)
Total return for the period after taxation	38,923	35,737	8.9
Minority interest	(267)	(59)	352.5
Total return for the period attributable to Unitholders before distribution	38,656	35,678	8.3

Footnotes:

1. FY 2008 comprise the period from 1 January 2008 to 31 December 2008 and FY 2007 comprise the period from 1 January 2007 to 31 December 2007.

The Group's results for FY 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 FY 2007 comprise only the Initial Properties.

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

	Group		
	FY 2008 S\$'000	FY 2007 S\$'000	% Change
Depreciation and amortisation	(659)	(361)	82.5
Allowance for doubtful receivables	(239)	(643)	(62.8)
Doubtful receivables recovered	41	-	N.M.
Underprovision of tax in prior year	322	-	N.M.
Gain on disposal of plant and equipment	13	-	N.M.

N.M. – not meaningful

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1(a)(ii) **Distribution Statement For the Group (4Q 2008 vs 4Q 2007)**

	Group		
	4Q 2008 S\$'000	4Q 2007 S\$'000	% Change
Total (loss)/return for the period attributable to Unitholders before distribution	(2,787)	6,397	N.M.
Distribution adjustments (Note A)	16,869	2,188	671.0
Income available for distribution to Unitholders	14,082	8,585	64.0
Comprises :			
- from operations	5,866	4,582	28.0
- from Unitholders' contribution	8,216	4,003	105.2
	14,082	8,585	64.0
Note A			
Distribution adjustments			
- Asset management fees (performance component payable in units)	818	466	75.5
- Change in fair value of financial derivatives	-	(898)	N.M.
- Change in fair value of investment properties	17,089	(989)	N.M.
- Deferred taxation	(823)	3,054	N.M.
- Transfer to general reserve	42	241	(82.6)
- Unrealised foreign exchange (gain)/loss	(1,656)	217	N.M.
- Released of amount retained from distribution	1,277	-	N.M.
- Other adjustments	122	97	25.8
Net effect of distribution adjustments	16,869	2,188	671.0

N.M. – not meaningful

Footnote:

1. CRCT has released S\$1.3 million of distributable income which was retained in 2Q 2008 and 3Q 2008.

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

	Group		
	FY 2008 S\$'000	FY 2007 S\$'000	% Change
Total return for the period attributable to Unitholders before distribution	38,656	35,678	8.3
Distribution adjustments (Note A)	7,206	(3,690)	N.M.
Income available for distribution to Unitholders	45,862	31,988	43.4
Comprises :			
- from operations	17,813	18,239	(2.3)
- from Unitholders' contribution	28,049	13,749	104.0
	45,862	31,988	43.4
Note A			
Distribution adjustments			
- Asset management fees (performance component payable in units)	2,779	1,857	49.6
- Change in fair value of financial derivatives	-	1,304	N.M.
- Change in fair value of investment properties	812	(28,416)	N.M.
- Deferred taxation	5,934	20,889	(71.6)
- Transfer to general reserve	(228)	(205)	11.2
- Unrealised foreign exchange (gain)/loss	(2,750)	735	N.M.
- Other adjustments	659	146	351.4
Net effect of distribution adjustments	7,206	(3,690)	N.M.

N.M. – not meaningful

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

	Group			Trust		
	31 Dec 2008 ¹ S\$'000	31 Dec 2007 S\$'000	% Change	31 Dec 2008 S\$'000	31 Dec 2007 S\$'000	% Change
Assets						
Investment properties ²	1,253,790	722,883	73.4	-	-	-
Plant and equipment	3,752	1,673	124.3	-	-	-
Interests in subsidiaries ³	-	-	-	945,096	590,799	60.0
Trade and other receivables	13,154	18,109	(27.4)	1,076	813	32.3
Financial derivatives ⁶	3,677	-	N.M.	3,677	-	N.M.
Cash and cash equivalents	51,310	67,170	(23.6)	7,960	18,656	(57.3)
Total assets	1,325,683	809,835	63.7	957,809	610,268	56.9
Less						
Liabilities						
Trade and other payables ⁴	65,065	42,168	54.3	4,866	1,910	154.8
Security deposits ²	20,162	8,284	143.4	-	-	-
Interest-bearing borrowings ⁵	414,701	231,811	78.9	349,503	171,104	104.3
Deferred tax liabilities ²	31,718	19,300	64.3	-	-	-
Financial derivatives ⁶	966	11,331	(91.5)	966	11,331	(91.5)
Provision for taxation ⁷	3,887	243	1,499.6	199	-	N.M.
Total liabilities	536,499	313,137	71.3	355,534	184,345	92.9
Less						
Minority interest	16,620	13,543	22.7	-	-	-
Net assets attributable to Unitholders	772,564	483,155	59.9	602,275	425,923	41.4

Footnotes:

- The Group's net assets attributable to Unitholders as at 31 December 2008 includes contribution from Xizhimen Mall, which was acquired on 5 February 2008.
- The increase was principally due to the acquisition of Xizhimen Mall which was acquired in 2 phases, Phase 1 in February 08 and Phase 2 in September 2008.
- 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 Mall.
- Interest-bearing borrowings comprise (i) S\$160.5 million, S\$88.0 million and S\$40.0 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\$61.0 million unsecured short-term loan facility mainly to finance capital distribution and working capital; (iii) RMB295.0 million (S\$65.2 million) five-year term loan facility secured by a mortgage over Anzhen Mall. The increase was mainly due to the drawn down of loans in relation to acquisition of Xizhimen Mall.
- This relates to financial derivatives entered into to hedge CRCT's variable rate borrowings against interest rate fluctuation and RMB net assets against adverse currency fluctuation. In 1Q 2008, the Trust entered into a new two-year non-deliverable cross-currency interest rate swap ("NDS") to hedge the S\$88.0 million unsecured two-year term loan facility. In 4Q 2008, following the maturity of the US\$105.0 million term loan and the related NDS, the Trust has refinanced the US\$105.0 million loan with an unsecured S\$160.5 million two-year variable rate term loan and correspondingly entered into a S\$160.5 million interest rate swap to hedge this loan. At 31 December 2008, the fair value change on the financial derivatives has resulted in financial derivative assets of S\$3.7 million and financial derivative liabilities of S\$1.0 million.
- The increase was mainly due to foreign tax payable on interest arising from shareholders loans.

N.M – not meaningful

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

	Group		Trust	
	31 Dec 2008 S\$'000	31 Dec 2007 S\$'000	31 Dec 2008 S\$'000	31 Dec 2007 S\$'000
Unsecured borrowing				
- Amount repayable within one year	61,000	171,224	61,000	171,224
- Amount repayable after one year	288,503	-	288,503	-
Secured borrowing				
- Amount repayable after one year	65,198	60,707	-	-
	414,701	231,931	349,503	171,224
Less: Transaction costs in relation to the Trust Term Loan Facilities	-	(120)	-	(120)
(1)	414,701	231,811	349,503	171,104

Footnote:

1. *The increase in the Group's borrowings as at 31 December 2008 was due to additional bank loans drawn down on the new facility for Xizhimen Mall and to finance capital distribution and working capital.*

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.
- (v) refinancing for Anzhen Mall has to be on unsecured basis.

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1(c) **Consolidated Cash Flow Statements (4Q 2008 vs 4Q 2007)**

	Group	
	4Q 2008 ¹	4Q 2007 ¹
	S\$'000	S\$'000
Operating activities		
Total (loss)/return after taxation	(2,650)	6,547
Adjustments for:		
Interest income	(179)	(536)
Finance costs	3,558	1,860
Depreciation and amortisation	122	99
Taxation	2,249	3,847
Asset management fee payable in units	818	466
Gain on disposal of plant and equipment	(13)	-
Net change in fair value of cash flow hedge transferred to the statement of total return	93	-
Change in fair value of financial derivatives	-	(898)
Change in fair value of investment properties	17,089	(989)
Operating income before working capital changes	21,087	10,396
Changes in working capital:		
Trade and other receivables	2,684	(389)
Trade and other payables	(14,844)	2,889
Cash generated from operating activities	8,927	12,896
Income tax paid	(458)	(2,191)
Cash flows from operating activities	8,469	10,705
Investing activities		
Interest received	179	536
Net cash outflow on purchase of investment property	(19,825)	-
Refund received for final settlement on acquisition of assets	1,997	-
Capital expenditure on investment properties	(26,910)	(3,620)
Proceeds from disposal of plant and equipment	92	-
Purchase of plant and equipment	(460)	(180)
Cash flows used in investing activities carried forward	(44,927)	(3,264)

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1(c) **Consolidated Cash Flow Statements (4Q 2008 vs 4Q 2007) continued**

	Group	
	4Q 2008 ¹	4Q 2007 ¹
	S\$'000	S\$'000
Financing activities		
Proceeds from interest-bearing liabilities	54,500	-
Repayment of interest-bearing liabilities	-	(7,833)
Settlement of derivative contracts	(21,570)	-
Interest paid	(4,004)	(4,619)
Cash flows from/(used in) financing activities	28,926	(12,452)
Decrease in cash and cash equivalents	(7,532)	(5,011)
Cash and cash equivalents at beginning of period	55,552	74,152
Effect on exchange rate changes on cash balances	3,290	(1,971)
Cash and cash equivalents at end of period	51,310	67,170

Footnote:

1. *The Group's cash flows for 4Q 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 4Q 2007 include cash flows of the Initial Properties.

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

	Group	
	FY 2008 ¹	FY 2007 ¹
	S\$'000	S\$'000
Operating activities		
Total return after taxation	38,923	35,737
Adjustments for:		
Interest income	(807)	(2,110)
Finance costs	8,934	7,074
Depreciation and amortisation	659	361
Taxation	15,842	26,379
Asset management fee payable in units	2,779	1,857
Gain on disposal of plant and equipment	(13)	-
Net change in fair value of cash flow hedge transferred to the statement of total return	93	-
Change in fair value of financial derivatives	-	1,304
Change in fair value of investment properties	812	(28,416)
Operating income before working capital changes	67,222	42,186
Changes in working capital:		
Trade and other receivables	8,748	(14,152)
Trade and other payables	(18,278)	4,860
Cash generated from operating activities	57,692	32,894
Income tax paid	(2,560)	(3,094)
Cash flows from operating activities	55,132	29,800
Investing activities		
Interest received	807	2,100
Net cash outflow on purchase of investment property	(19,825)	(37,027)
Net cash outflow on acquisition of assets	(253,395)	-
Capital expenditure on investment properties	(42,453)	(15,669)
Proceeds from disposal of plant and equipment	92	-
Purchase of plant and equipment	(867)	(812)
Cash flows used in investing activities carried forward	(315,641)	(51,408)

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1(c) Consolidated Cash Flow Statements (FY 2008 vs FY 2007) continued

	Group	
	FY 2008¹	FY 2007¹
	S\$'000	S\$'000
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)	(4,124)
Proceeds from interest-bearing borrowings	179,000	19,100
Repayment of interest-bearing borrowings	(61,347)	(7,833)
Settlement of derivative contracts	(21,570)	-
Interest paid	(5,850)	(8,371)
Cash flows from/(used in) financing activities	237,680	(16,781)
Decrease in cash and cash equivalents	(22,829)	(38,389)
Cash and cash equivalents at beginning of year	67,170	107,086
Effect on exchange rate changes on cash balances	6,969	(1,527)
Cash and cash equivalents at end of year	51,310	67,170

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 were 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 (4Q 2008 vs 4Q 2007)**

	Group		Trust	
	4Q 2008 ¹ S\$'000	4Q 2007 ¹ S\$'000	4Q 2008 S\$'000	4Q 2007 S\$'000
Balance as at beginning of period	727,757	491,923	576,615	435,063
Operations				
Change in net assets attributable to Unitholders resulting from operations before distribution	(2,787)	6,397	25,533	(8,834)
Transfer to general reserve	42	241	-	-
Net (decrease)/increase in net assets resulting from operations	(2,745)	6,638	25,533	(8,834)
Movement in hedging reserve				
Effective portion of changes in fair value of cash flow hedges	(784)	(772)	(784)	(772)
Net change in fair value of cash flow hedge transferred to the statement of total return	93	-	93	-
Movement in foreign currency translation reserve				
Translation differences from financial statements of foreign operations	15,533	(8,445)	-	-
Exchange differences on monetary items forming part of net investment in foreign operations	36,621	(2,681)	-	-
Exchange differences on hedges of net investment in foreign operations	(4,687)	(3,733)	-	-
Net gain/(loss) recognised directly in net assets attributable to Unitholders	46,776	(15,631)	(691)	(772)
Movement in general reserve	(42)	(241)	-	-
Unitholders' transactions				
Creation of units paid/payable to the manager				
- Asset management fees paid/payable	818	466	818	466
Net increase in net assets resulting from Unitholders' transactions	818	466	818	466
Net assets attributable to Unitholders at end of period	772,564	483,155	602,275	425,923

Footnote:

1. The Group's results for 4Q 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 4Q 2007 include consolidation of the Initial Properties.

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

	Group		Trust	
	FY 2008 ¹ S\$'000	FY 2007 ¹ S\$'000	FY 2008 S\$'000	FY 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	38,656	35,679	23,928	(8,198)
Transfer to general reserve	(228)	(205)	-	-
Net increase/(decrease) in net assets resulting from operations	38,428	35,474	23,928	(8,198)
Movement in hedging reserve				
Effective portion of changes in fair value of cash flow hedges	(165)	(806)	(165)	(788)
Net change in fair value of cash flow hedge transferred to the statement of total return	93	-	93	-
Movement in foreign currency translation reserve				
Translation differences from financial statements of foreign operations	44,931	8,876	-	-
Exchange differences on monetary items forming part of net investment in foreign operations	61,423	(6,705)	-	-
Exchange differences on hedges of net investment in foreign operations	(8,025)	(8,875)	-	-
Net gain/(loss) recognised directly in net assets attributable to Unitholders	98,257	(7,510)	(72)	(788)
Movement in general reserve	228	205	-	-
Unitholders' transactions				
Proceeds from placement ²	188,001	-	188,001	-
Creation of units paid/payable to the manager				
- Units issued in respect of acquisition fees for Xizhimen Mall ³	3,360	-	3,360	-
- Asset management fees paid/payable	2,779	1,858	2,779	1,858
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	152,496	(13,695)	152,496	(13,695)
Net assets attributable to Unitholders at end of period	772,564	483,155	602,275	425,923

Footnotes:

- The Group's results for FY 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 FY 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 were 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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1(d)(ii) **Details of Any Change in the Issued and Issueable Units (4Q 2008 vs 4Q 2007)**

	Trust	
	4Q 2008 Units	4Q 2007 Units
Balance as at beginning of period	618,025,910	475,970,756
New units issued:		
- As payment of asset management fees ¹	1,019,975	176,553
Issued units as at end of period	619,045,885	476,147,309
New units to be issued:		
- As payment of asset management fees ²	1,432,100	223,824
Total issued and issuable units as at end of period	620,477,985	476,371,133

Footnotes:

1. *These were the performance component of the asset management fees for 3Q 2008 which was issued in November 2008 and 3Q 2007 that have been issued in October 2007.*
2. *These were the performance component of the asset management fee for 4Q 2008 which will be issued in 1Q 2009 and 4Q 2007 that have been issued in February 2008.*

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

	Trust	
	FY 2008 Units	FY 2007 Units
Balance as at beginning of year	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	2,191,988	516,796
Issued units as at end of year	619,045,885	476,147,309
New units to be issued:		
- As payment of asset management fees ²	1,432,100	223,824
Total issued and issuable units as at end of year	620,477,985	476,371,133

Footnotes:

1. *These were the performance component of the asset management fees for 4Q 2007, 1Q 2008, 2Q 2008 & 3Q 2008 which was issued in February 2008, May 2008, September 2008 and November 2008 respectively. In 2007, 1H 2007 and 3Q 2007 were issued in September 2007 and October 2007 respectively.*
2. *These were the performance component of the asset management fee for 4Q 2008 which will be issued in 1Q 2009 and 4Q 2007 that have been issued in February 2008.*

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/Year

In computing the EPU, the weighted average number of units as at the end of each period/year 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/year.

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

	Group	
	4Q 2008	4Q 2007
Weighted average number of units in issue	618,513,724	476,083,980
Earnings per unit ("EPU")¹		
Based on weighted average number of units in issue	(0.45)¢	1.35¢
Based on fully diluted basis	(0.45)¢	1.35¢
Number of units in issue at end of period	619,045,885	476,147,309
Distribution per unit ("DPU")		
Based on the number of units in issue at end of period	2.27¢	1.80¢

	Group	
	FY 2008	FY 2007
Weighted average number of units in issue	604,056,663	475,755,998
Earnings per unit ("EPU")¹		
Based on weighted average number of units in issue	6.40¢	7.50¢
Based on fully diluted basis	6.40¢	7.50¢
Number of units in issue at end of year	619,045,885	476,147,309
Distribution per unit ("DPU")		
Based on the number of units in issue at end of year	7.53¢	6.72¢

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 year

	Group		Trust	
	31 Dec 2008	31 Dec 2007	31 Dec 2008	31 Dec 2007
NAV per unit	\$1.25	\$1.01	\$0.97	\$0.89
Adjusted NAV per unit (excluding distributable Income)	\$1.21	\$0.98	\$0.93	\$0.86

8 Review of the performance

	Group				
	4Q 2008	4Q 2007	3Q 2008	FY 2008	FY 2007
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
<u>Statement of Total Return for the Group</u>					
Gross revenue	31,349	17,920	28,300	108,924	71,855
Property operating expenses	(10,906)	(6,272)	(10,157)	(39,458)	(25,341)
Net property income	20,443	11,648	18,143	69,466	46,514
Manager’s management fees	(1,641)	(935)	(1,490)	(5,777)	(3,826)
Trustee’s fees	(62)	(45)	(58)	(229)	(164)
Other trust operating expenses	(364)	(397)	(400)	(1,871)	(1,296)
Interest income	179	536	156	807	2,110
Foreign exchange gain/(loss) - realised	128	(223)	(170)	(542)	(525)
Finance costs	(3,558)	(1,860)	(1,479)	(8,934)	(7,074)
Total return before change in fair value of financial derivatives, investment properties and unrealised foreign exchange gain/(loss)	15,125	8,724	14,702	52,920	35,739
Net change in fair value of cash flow hedge transferred from statement of changes in net assets attributable to Unitholders	(93)	-	-	(93)	-
Change in fair value of financial derivatives	-	898	1,417	-	(1,304)
Change in fair value of investment properties	(17,089)	989	-	(812)	28,416
Foreign exchange gain/(loss) – unrealised	1,656	(217)	423	2,750	(735)
Total (loss)/return before taxation	(401)	10,394	16,542	54,765	62,116
Taxation	(2,249)	(3,847)	(3,110)	(15,842)	(26,379)
Total (loss)/return for the period after taxation	(2,650)	6,547	13,432	38,923	35,737
Minority interest	(137)	(150)	(73)	(267)	(59)
Total (loss)/return for the period attributable to Unitholders before distribution	(2,787)	6,397	13,359	38,656	35,678

	Group				
	4Q 2008	4Q 2007	3Q 2008	FY 2008	FY 2007
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
<u>Distribution Statement for the Group</u>					
Total (loss)/return for the period attributable to Unitholders before distribution	(2,787)	6,397	13,359	38,656	35,678
Net effect of distribution adjustments	16,869	2,188	(914)	7,206	(3,690)
Income available for distribution to Unitholders	14,082	8,585	12,445	45,862	31,988
Distribution per unit (in cents)					
- For the period	2.27	1.80	2.01	7.53	6.72
- Annualised	9.03	7.15	8.01	7.53	6.72

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4Q 2008 vs 4Q 2007

Gross revenue for 4Q 2008 was S\$31.3 million, an increase of S\$13.4 million or 74.9% over 4Q 2007. This was mainly due to revenue of S\$9.0 million contributed by Xizhimen Mall. The acquisition was completed on 5 February 2008. The other malls accounted for another additional S\$4.4 million mainly due to occupancy growth in Wangjing Mall, Qibao Mall and Xinwu Mall.

Property expenses for 4Q 2008 was S\$10.9 million, an increase of S\$4.6 million or 73.9% over 4Q 2007 mainly due to the contribution by Xizhimen Mall.

Manager's management fees was S\$0.7 million or 75.5% higher than 4Q 2007 as a result of the consolidation of Xizhimen Mall as well as higher net property income and higher deposited property values under management.

Finance cost was S\$1.7 million or 91.3% higher than 4Q 2007 mainly due to additional loan facilities drawn down by the Trust to finance the acquisition of Xizhimen Mall and capital distribution.

Interest income was S\$0.4 million or 66.6% lower than 4Q 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.

4Q 2008 vs 3Q 2008

Gross revenue for 4Q 2008 increased by S\$3.0 million or 10.8% over 3Q 2008 mainly due to revenue contributed by improved tenancy in Saihan Mall resulting from part completion of the AEI work and appreciation of RMB against SGD in 4Q 2008.

Property expenses for 4Q 2008 increased by S\$0.7 million or 7.4% over 3Q 2008 mainly due to appreciation of RMB against SGD.

Manager's management fees was S\$0.2 million or 10.1% higher than 3Q 2008 as a result of higher net property income contributed from the malls.

Finance cost was S\$2.1 million or 140.6% higher than 3Q 2008 mainly due to additional loan facilities drawn down by the Trust to finance the acquisition of Xizhimen Mall Phase 2 and capital distribution.

FY 2008 vs FY 2007

Gross revenue for FY 2008 increased by S\$37.1 million or 51.6% over FY 2007. This was mainly due to revenue of S\$28.1 million contributed by Xizhimen Mall. The other malls accounted for the additional increase of S\$9.0 million mainly due to new leases.

Property expenses for FY 2008 increased by S\$14.1 million or 55.7% mainly due to the consolidation of Xizhimen Mall and 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\$1.9 million or 50.9% higher than FY 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 44.4% higher than FY 2007 mainly due to the contribution by Xizhimen Mall.

Finance cost was S\$1.9 million or 26.3% higher than FY 2007 mainly due to additional loan facilities drawn down by the Trust to finance the acquisition of Xizhimen Mall and capital distribution.

Interest income was S\$1.3 million or 61.8% lower than FY 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 4Q 2008 S\$'000	Forecast ¹ 4Q 2008 S\$'000	% Change
Gross rental income	29,779	29,158	2.1
Other income	1,570	517	203.7
Gross revenue	(a) 31,349	29,675	5.6
Land rental	(1,167)	(1,073)	8.8
Property related tax	(2,151)	(1,920)	12.0
Business tax	(1,565)	(1,497)	4.5
Property management fee	(1,164)	(1,090)	6.8
Other property operating expenses	(4,859)	(5,236)	(7.2)
Total property operating expenses	(b) (10,906)	(10,816)	0.8
Net property income	20,443	18,859	8.4
Manager's management fees	(1,641)	(1,503)	9.2
Trustee's fees	(62)	(89)	(30.3)
Other trust operating expenses	(c) (364)	(565)	(35.6)
Interest income	179	-	N.M.
Foreign exchange gain– realised	128	-	N.M.
Finance costs	(3,558)	(3,897)	(8.7)
Total return before change in fair value of financial derivatives, investment properties and unrealised foreign exchange gain	15,125	12,805	18.1
Net change in fair value of cash flow hedge transferred from statement of changes in net assets attributable to Unitholders	(93)	-	N.M.
Change in fair value of investment properties	(17,089)	-	N.M.
Foreign exchange gain – unrealised	(d) 1,656	-	N.M.
Total (loss)/return before taxation	(401)	12,805	N.M.
Taxation	(e) (2,249)	(1,790)	25.6
Total (loss)/return for the period after taxation	(2,650)	11,015	N.M.
Minority interest	(137)	(103)	33.0
Total (loss)/return for the period attributable to Unitholders before distribution	(2,787)	10,912	N.M.

N.M. – not meaningful

Footnote:

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

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

	Actual 4Q 2008 S\$'000	Forecast ¹ 4Q 2008 S\$'000	% Change
Total (loss)/return for the period attributable to Unitholders before distribution	(2,787)	10,912	N.M.
Distribution adjustments (Note A)	16,869	537	N.M.
Income available for distribution to Unitholders	(f) 14,082	11,449	23.0
Comprises :			
- from operations	5,866	2,648	121.5
- from Unitholders' contributions	8,216	8,801	(6.6)
	14,082	11,449	23.0
Available distribution per unit (in cents)			
For the period	2.27	1.85	23.0
Annualised	9.03	7.36	23.0
Note A			
Distribution adjustments			
- Asset management fees (performance component payable in Units)	818	734	11.4
- Change in fair value of investment properties	17,089	-	N.M.
- Deferred taxation	(823)	-	N.M.
- Transfer to general reserve	42	(197)	N.M.
- Unrealised foreign exchange gain	(1,656)	-	N.M.
- Release of amount retained from distribution	1,277	-	N.M.
- Other adjustments	122	-	N.M.
Net effect of distribution adjustments	16,869	537	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 - 4Q 2008**

	Actual RMB'000	Forecast RMB'000	% Change	Actual S\$'000	Forecast S\$'000	% Change
Xizhimen Mall	42,216	41,285	2.3	8,962	8,174	9.6
Wangjing Mall	34,304	32,887	4.3	7,360	6,512	13.0
Anzhen Mall	19,365	19,318	0.2	4,167	3,825	8.9
Zhengzhou Mall	11,875	11,875	-	2,557	2,351	8.8
Jiulong Mall	10,130	9,961	1.7	2,179	1,972	10.5
Saihan Mall	5,921	10,263	(42.3)	1,264	2,032	(37.8)
Qibao Mall	17,331	19,177	(9.6)	3,703	3,797	(2.5)
Xinwu Mall	5,409	5,110	5.9	1,157	1,012	14.3
Gross Revenue	146,551	149,876	(2.2)	31,349	29,675	5.6

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9(iv) **Breakdown of Net Property Income – 4Q 2008**

	Actual RMB'000	Forecast RMB'000	% Change	Actual S\$'000	Forecast S\$'000	% Change
Xizhimen Mall	28,519	26,971	5.7	6,044	5,340	13.2
Wangjing Mall	22,722	22,455	1.2	4,880	4,448	9.7
Anzhen Mall	15,343	15,974	(4.0)	3,309	3,163	4.6
Zhengzhou Mall	9,811	9,577	2.4	2,111	1,896	11.3
Jiulong Mall	7,918	8,035	(1.5)	1,706	1,591	7.2
Saihan Mall	3,486	4,709	(26.0)	730	932	(21.7)
Qibao Mall	6,381	6,420	(0.6)	1,335	1,271	5.0
Xinwu Mall	1,555	1,102	41.1	328	218	50.5
Net Property Income	95,735	95,243	0.5	20,443	18,859	8.4

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

- (a) Gross revenue for the period was S\$31.3 million, which was S\$1.7 million or 5.6% higher than the forecast for the same period. The variance was mainly due to S\$/RMB translation difference. In RMB terms, gross revenue for the period was 2.2% lower than forecast for the same period. The variance was mainly due to drop in revenue from Saihan Mall which has been undergoing significant asset enhancement works in the past few months.
- (b) Property operating expenses for the period was S\$10.9 million, which was S\$0.1 million or 0.8% higher compared with the forecast for the same period. This was mainly due to increase in land rental and property related tax.
- (c) Other trust operating expenses was S\$0.2 million or 35.6% lower than forecast mainly due the lower expenses incurred for Zhengzhou, Qibao, Saihan and Jiulong Mall.
- (d) As a result of the appreciation of SGD against USD, the Group recorded an unrealised foreign exchange gain mainly on the US\$105.0 million term loan.
- (e) Taxation for the period was S\$2.2 million, which was S\$0.5 million higher than the forecast for the same period. This was mainly due to foreign tax suffered on interest arising from shareholders' loans.
- (f) CRCT has released \$1.3 million of distributable income which was retained in 2Q 2008 and 3Q 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

Six new retail projects entered the market in 3Q08, including Yintai Parklife, Intime Lotte, Sanlitun Village (South), CrossPoint, Beijing R&F Plaza and New World Liying Department Store. Most of these projects are located in the traditional commercial district and its surrounding area in the city centre. Because of the considerably high commitment rate at majority of the new projects, 3Q08 vacancy rate dropped only 0.9% q-o-q.

Demand for retail space is likely to moderate in 2009 as many retailers have already expanded or leased new space prior to Beijing Olympics 2008 and are likely to shift their focus to enhancing performance in recently opened outlets. There was an estimated 1.3 million sqm of new supply in the second half of 2008. With that, competition will become more intense and effective rent likely to soften as competition between landlords intensifies. However, it is also likely that there will be delays in uncompleted projects as developers face new challenges in obtaining late-stage financing.

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Shanghai Retail Market Update

No new projects came on stream in 3Q08. Foreign brands, including Emilio Pucci and Hermes, have continued to expand in the city, driving the vacancy rate down to 5.5%, a decrease of 0.4% q-o-q. 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, vacancy rate is expected to stay at a relatively low level of around 5% in the next 12 months.

The confidence of retailers, both domestic and overseas, has also not shown any sign of dampening because of the global financial and economic crisis. With the growing affluence of the middle-class on the back of rapid urbanization and sustainable economy, more consumers are seeking higher social status through buying of luxury goods.

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

11 Distribution

11(a) Current Financial Period

Any distribution declared for the current financial period? Yes.

Name of distribution : Distribution for 1 July 2008 to 31 December 2008

Distribution Type	Distribution Rate (cents)
Capital distribution	3.58
Tax Exempt Income	0.70
Total	4.28

Par value of units : Not meaningful

Tax rate : Capital distribution represents a return of capital to unitholders for Singapore income tax purposes and is therefore not subject to Singapore income tax. For unitholders who are liable to Singapore income tax on profits from sale of CRCT units, the amount of capital distribution will be applied to reduce the cost base of their CRCT units for Singapore income tax purposes.

Tax exempt income distribution is exempt from Singapore income tax in the hands of all unitholders. No tax will be deducted from this component of the Distribution.

Remark : The capital distribution from 1 July 2008 to 31 December 2008 is expected to be funded from borrowing at the Trust level as well as internal cash flow from operation.

11(b) Corresponding period of the preceding financial period

Any distributions declared for the corresponding period of the immediate preceding financial period? Yes

Name of distribution : Distribution for 1 July 2007 to 31 December 2007.

Distribution type : Capital Distribution

Distribution rate : 3.51 cents per unit

Par value of units : Not meaningful

Remark : The distribution from 1 July 2007 to 31 December 2007 is expected to be funded from existing borrowing facilities in place at the trust level as it is more beneficial for the Group to retain surplus RMB in China for funding its asset enhancement work.

11(c) Date payable : 25 March 2009

11(d) Book closure date : 10 March 2009

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

N.A.

13 Segmental Results

Segment information has not been presented as all the Group's investment properties are used primarily for retail purposes and are located in China.

14 In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments

Please refer to para 9 for the review.

15 A breakdown of sales as follows:-

		Group		
		FY 2008 S\$'000	FY 2007 S\$'000	% increase/ (decrease)
15(a)	Gross revenue reported for first half year	49,275	34,922	41.1
15(b)	Net income after tax for first half year	28,084	11,509	144.0
15(c)	Gross revenue reported for second half year	59,649	36,933	61.5
15(d)	Net income after tax for second half year	10,572	24,169	(56.3)

16 A breakdown of the total annual distribution for the current period and its previous period:-

		FY 2008 S\$'000	FY 2007 S\$'000
In respect of period:			
	01 Jan 08 – 04 Feb 08	2,523	-
	05 Feb 08 – 30 Jun 08	16,797	-
	01 Jul 08 – 31 Dec 08	26,495	-
	23 Oct 06 – 30 Jun 07	-	15,553
	1 Jul 07 – 31 Dec 07	-	16,712
	Annual distribution to Unitholders	45,815	32,265

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
21 January 2009