
CAPITARETAIL CHINA TRUST
2009 SECOND QUARTER UNAUDITED FINANCIAL STATEMENT AND DISTRIBUTION ANNOUNCEMENT

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Summary of CRCT Results

	2Q 2009	2Q 2008	Change %	1H 2009	1H 2008	Change %
	Actual S\$'000	Actual S\$'000		Actual S\$'000	Actual S\$'000	
Gross Revenue	30,418	26,364	15.4	60,821	49,275	23.4
Net Property Income	19,431	16,559	17.3	38,547	30,880	24.8
Income for Distribution ¹	12,034	10,542	14.2	25,337	19,335	31.0
Distribution Per Unit ("DPU") (cents)						
For the period	1.94	1.70	14.1	4.08	3.25	25.5
Annualised	7.78	6.87	13.2	8.23	6.54	25.8

	2Q 2009	2Q 2008	Change %	1H 2009	1H 2008	Change %
	Actual RMB'000	Actual RMB'000		Actual RMB'000	Actual RMB'000	
Gross Revenue	139,869	134,385	4.1	278,861	250,681	11.2
Net Property Income	89,343	84,407	5.8	176,733	157,107	12.5

Footnote:

1. To be prudent, CRCT had retained S\$0.8 million of its Second Quarter 2009 distributable income. CRCT remains committed to distribute 100% of the total income available for distribution for the full financial year ending 31 December 2009. In 2Q 2008, CRCT had retained S\$0.9 million of its distribution income.

DISTRIBUTION & BOOK CLOSURE DATE

Distribution	For 1 January 2009 to 30 June 2009
Distribution type	Tax exempt income
Distribution rate	4.08 cents per Unit
Book closure date	10 September 2009
Payment date	25 September 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 30 June 2009, 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 (2Q 2009 vs 2Q 2008)**

	Group		
	2Q 2009 S\$'000	2Q 2008 S\$'000	% Change
Gross rental income	28,553	25,525	11.9
Other income	1,865	839	122.3
Gross revenue	30,418	26,364	15.4
Land rental	(1,179)	(1,063)	10.9
Property related tax	(2,292)	(1,961)	16.9
Business tax	(1,524)	(1,329)	14.7
Property management fees	(1,232)	(959)	28.5
Other property operating expenses ¹	(4,760)	(4,493)	5.9
Total property operating expenses	(10,987)	(9,805)	12.1
Net property income	19,431	16,559	17.3
Manager's management fees	(1,541)	(1,374)	12.2
Trustee's fees	(58)	(55)	5.5
Other trust operating expenses	(274)	(630)	(56.5)
Interest income	93	306	(69.6)
Foreign exchange loss – realised	(792)	(301)	163.1
Finance costs	(1,814)	(1,932)	(6.1)
Total return before change in fair value of financial derivatives, investment properties and unrealised foreign exchange gain	15,045	12,573	19.7
Change in fair value of financial derivatives	-	(1,994)	N.M
Change in fair value of investment properties	(9,064)	16,277	N.M
Foreign exchange gain– unrealised	116	1,132	(89.8)
Total return before taxation	6,097	27,988	(78.2)
Taxation	(2,191)	(7,116)	(69.2)
Total return for the period after taxation	3,906	20,872	(81.3)
Attributable to:			
Unitholders	3,693	20,850	(82.3)
Minority interests	213	22	868.2
Total return for the period after taxation	3,906	20,872	(81.3)

Footnotes:

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

	Group		
	2Q 2009 S\$'000	2Q 2008 S\$'000	% Change
Depreciation and amortisation	(253)	(147)	72.1
Impairment losses on trade receivables	(228)	(155)	47.1

N.M. – not meaningful

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1(a)(i) Statement of Total Return For the Group (1H 2009 vs 1H 2008)

	Group		
	1H 2009 S\$'000	1H 2008¹ S\$'000	% Change
Gross rental income	57,362	47,758	20.1
Other income	3,459	1,517	128.0
Gross revenue	60,821	49,275	23.4
Land rental	(2,364)	(2,131)	10.9
Property related tax	(4,598)	(3,705)	24.1
Business tax	(3,047)	(2,469)	23.4
Property management fees	(2,457)	(1,765)	39.2
Other property operating expenses ²	(9,808)	(8,325)	17.8
Total property operating expenses	(22,274)	(18,395)	21.1
Net property income	38,547	30,880	24.8
Manager's management fees	(3,119)	(2,646)	17.9
Trustee's fees	(119)	(109)	9.2
Other trust operating expenses	(572)	(1,107)	(48.3)
Interest income	184	472	(61.0)
Foreign exchange loss – realised	(288)	(500)	(42.4)
Finance costs	(4,737)	(3,897)	21.6
Total return before change in fair value of financial derivatives, investment properties and unrealised foreign exchange (loss)/gain	29,896	23,093	29.5
Change in fair value of financial derivatives	-	(1,417)	N.M.
Change in fair value of investment properties	(9,064)	16,277	N.M.
Foreign exchange (loss)/gain– unrealised	(4)	671	N.M.
Total return before taxation	20,828	38,624	(46.1)
Taxation	(5,736)	(10,483)	(45.3)
Total return for the period after taxation	15,092	28,141	(46.4)
Attributable to:			
Unitholders	14,708	28,084	(47.6)
Minority interests	384	57	573.7
Total return for the period after taxation	15,092	28,141	(46.4)

Footnotes:

- The Group's results for 1H 2008 includes the consolidated results of Xizhimen Mall from 5 February 2008 (date of acquisition) 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").*
- Included as part of the other property operating expenses are the following:*

	Group		
	1H 2009 S\$'000	1H 2008 S\$'000	% Change
Depreciation and amortisation	(500)	(286)	74.8
Impairment losses on trade receivables	(379)	(218)	73.9

N.M. – not meaningful

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1(a)(ii) Distribution Statement For the Group (2Q 2009 vs 2Q 2008)

	Group		
	2Q 2009 S\$'000	2Q 2008 S\$'000	% Change
Total return for the period attributable to Unitholders before distribution	3,693	20,850	(82.3)
Distribution adjustments (Note A)	8,341	(10,308)	N.M.
Income for distribution to Unitholders	12,034	10,542	14.2
Comprises :			
- from operations	3,185	3,636	(12.4)
- from Unitholders' contribution	8,849	6,906	28.1
	12,034	10,542	14.2
Note A			
Distribution adjustments			
- Asset management fees (performance component payable in units)	777	662	17.4
- Change in fair value of financial derivatives	-	1,994	N.M.
- Change in fair value of investment properties	9,064	(16,277)	N.M.
- Deferred taxation	(385)	5,224	N.M.
- Transfer to general reserve	(452)	(49)	822.4
- Unrealised foreign exchange gain	(116)	(1,132)	(89.8)
- Amount retained from current quarter's distribution ¹	(800)	(877)	(8.8)
- Other adjustments	253	147	72.1
Net effect of distribution adjustments	8,341	(10,308)	N.M.

N.M. – not meaningful

Footnote:

- To be prudent, CRCT had retained S\$0.8 million of its Second Quarter 2009 distributable income. CRCT remains committed to distribute 100% of the total income available for distribution for the full financial year ending 31 December 2009. In 2Q 2008, CRCT had retained S\$0.9 million of its distribution income.*

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1(a)(ii) **Distribution Statement For the Group (1H 2009 vs 1H 2008)**

	Group		
	1H 2009 S\$'000	1H 2008 S\$'000	% Change
Total return for the period attributable to Unitholders before distribution	14,708	28,084	(47.6)
Distribution adjustments (Note A)	10,629	(8,749)	N.M.
Income for distribution to Unitholders	25,337	19,335	31.0
Comprises :			
- from operations	6,886	6,724	2.4
- from Unitholders' contribution	18,451	12,611	46.3
	25,337	19,335	31.0
Note A			
Distribution adjustments			
- Asset management fees (performance component payable in units)	1,542	1,235	24.9
- Change in fair value of financial derivatives	-	1,417	N.M.
- Change in fair value of investment properties	9,064	(16,277)	N.M.
- Deferred taxation	956	6,340	(84.9)
- Transfer to general reserve	(637)	(202)	215.3
- Unrealised foreign exchange loss/(gain)	4	(671)	N.M.
- Amount retained from current quarter's distribution ¹	(800)	(877)	(8.8)
- Other adjustments	500	286	74.8
Net effect of distribution adjustments	10,629	(8,749)	N.M.

N.M. – not meaningful

Footnote:

- To be prudent, CRCT had retained S\$0.8 million of its Second Quarter 2009 distributable income. CRCT remains committed to distribute 100% of the total income available for distribution for the full financial year ending 31 December 2009. In 2Q 2008, CRCT had retained S\$0.9 million of its distribution income.*

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1(b)(i) Balance Sheet as at 30 Jun 2009 vs 31 Dec 2008

	Group			Trust		
	30 Jun 2009 S\$'000	31 Dec 2008 S\$'000	% Change	30 Jun 2009 S\$'000	31 Dec 2008 S\$'000	% Change
Assets						
Investment properties	1,196,618	1,253,790	(4.6)	-	-	-
Plant and equipment	3,498	3,752	(6.8)	-	-	-
Interests in subsidiaries	-	-	-	895,070	945,096	(5.3)
Trade and other receivables	11,284	13,154	(14.2)	1,339	1,076	24.4
Financial derivatives ¹	1,222	3,677	(66.8)	1,222	3,677	(66.8)
Cash and cash equivalents	27,459	51,310	(46.5)	2,185	7,960	(72.6)
Total assets	1,240,081	1,325,683	(6.5)	899,816	957,809	(6.1)
Less						
Liabilities						
Trade and other payables	50,739	65,065	(22.0)	4,418	4,866	(9.2)
Security deposits	18,664	20,162	(7.4)	-	-	-
Interest-bearing borrowings ²	398,270	414,701	(4.0)	335,503	349,503	(4.0)
Deferred tax liabilities	30,352	31,718	(4.3)	-	-	-
Financial derivatives ¹	2,260	966	134.0	2,260	966	134.0
Provision for taxation	4,752	3,887	22.3	199	199	-
Total liabilities	505,037	536,499	(5.9)	342,380	355,534	(3.7)
Net assets	735,044	789,184	(6.9)	557,436	602,275	(7.4)
Represented by:						
Unitholders' funds	718,974	772,564	(6.9)	557,436	602,275	(7.4)
Minority interests	16,070	16,620	(3.3)	-	-	-
	735,044	789,184	(6.9)	557,436	602,275	(7.4)

Footnotes:

- The Trust entered into a two-year non-deliverable cross-currency interest rate swap ("NDS") to hedge currency and interest rate exposure of the S\$88.0 million unsecured two-year term loan facility. The fair value change on the two-year NDS has resulted in financial derivative liabilities of S\$2.2 million as at 30 June 2009 and financial assets of S\$3.7 million as at 31 December 2008. The Trust also entered into interest rate swaps ("IRs") to hedge the variable rate borrowings of S\$160.5 million and S\$40.0 million. The fair value change has resulted in financial derivative liabilities of S\$0.1 million as at 30 June 2009 and financial derivative liabilities of S\$1.0 million as at 31 December 2008. In 2Q 2009, the Trust entered into 3 non-deliverable forward ("NDF") to hedge its currency exposure; the fair value change has resulted in a financial derivative asset of S\$1.2 million.*
- 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\$47.0 million mainly to finance capital distribution and working capital; and (iii) RMB295.0 million (S\$62.8 million) five-year term loan facility secured by a mortgage over Anzhen Mall.*

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

	Group		Trust	
	30 Jun 2009 S\$'000	31 Dec 2008 S\$'000	30 Jun 2009 S\$'000	31 Dec 2008 S\$'000
Unsecured borrowing				
- Amount repayable within one year	135,000	61,000	135,000	61,000
- Amount repayable after one year	200,503	288,503	200,503	288,503
Secured borrowing				
- Amount repayable after one year	62,767	65,198	-	-
(1)	398,270	414,701	335,503	349,503

Footnote:

1. *The decrease in the Group's borrowings as at 30 June 2009 was mainly due to repayment of loan.*

Details of any collateral

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

- (i) a legal mortgage over Anzhen Mall;

In addition, CRCT has provided the following undertakings to a lender:

- (i) 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;
- (ii) 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;
- (iii) not to provide any guarantee for any other entities except for secured borrowings for new properties acquired with existing mortgages; and
- (iv) refinancing for Anzhen mall has to be on unsecured basis.

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1(c) **Consolidated Cash Flow Statements (2Q 2009 vs 2Q 2008)**

	Group	
	2Q 2009	2Q 2008
	S\$'000	S\$'000
Operating activities		
Total return after taxation	3,906	20,872
Adjustments for:		
Interest income	(93)	(306)
Interest expense	1,814	1,932
Depreciation and amortisation	253	147
Taxation	2,191	7,116
Asset management fees paid and payable in units	777	662
Impairment losses on trade receivables	228	155
Change in fair value of financial derivatives	-	1,994
Change in fair value of investment properties	9,064	(16,277)
Operating income before working capital changes	18,140	16,295
Changes in working capital:		
Trade and other receivables	6,494	11,731
Trade and other payables	(5,324)	(3,755)
Cash generated from operating activities	19,310	24,271
Income tax paid	(1,274)	(1,432)
Cash flows from operating activities	18,036	22,839
Investing activities		
Interest received	93	306
Net cash outflow on purchase of investment properties	(17)	-
Capital expenditure on investment properties	(434)	(3,199)
Purchase of plant and equipment	(200)	(200)
Cash flows used in investing activities	(558)	(3,093)
Financing activities		
Payment of issue and financing expenses	-	(1,007)
Repayment of interest-bearing liabilities	(18,087)	(28,620)
Interest paid	(3,445)	(752)
Cash flows used in financing activities	(21,532)	(30,379)
Decrease in cash and cash equivalents	(4,054)	(10,633)
Cash and cash equivalents at beginning of period	33,086	53,077
Effect on exchange rate changes on cash balances	(1,573)	(896)
Cash and cash equivalents at end of period	27,459	41,548

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1(c) Consolidated Cash Flow Statements (1H 2009 vs 1H 2008)

	Group	
	1H 2009	1H 2008 ¹
	S\$'000	S\$'000
Operating activities		
Total return after taxation	15,092	28,141
Adjustments for:		
Interest income	(184)	(472)
Interest expense	4,737	3,897
Depreciation and amortisation	500	286
Taxation	5,736	10,483
Asset management fees paid and payable in units	1,542	1,235
Impairment losses on trade receivables	379	218
Change in fair value of financial derivatives	-	1,417
Change in fair value of investment properties	9,064	(16,277)
Operating income before working capital changes	36,866	28,928
Changes in working capital:		
Trade and other receivables	4,216	7,546
Trade and other payables	(10,820)	(1,603)
Cash generated from operating activities	30,262	34,871
Income tax paid	(1,819)	(1,490)
Cash flows from operating activities	28,443	33,381
Investing activities		
Interest received	184	472
Net cash outflow on purchase of investment properties	(17)	-
Capital expenditure on investment properties	(4,869)	(10,653)
Net cash outflow on acquisition of assets	-	(255,392)
Purchase of plant and equipment	(350)	(246)
Cash flows used in investing activities	(5,052)	(265,819)
Financing activities		
Proceeds from issuance of new units	-	188,001
Distribution to Unitholders ²	(26,495)	(19,236)
Payment of issue and financing expenses	(802)	(3,663)
Proceeds from draw down of interest-bearing liabilities	6,066	105,500
Repayment of interest-bearing liabilities	(20,087)	(61,347)
Interest paid	(4,330)	(1,708)
Cash flows (used in)/from financing activities	(45,648)	207,547
Decrease in cash and cash equivalents	(22,257)	(24,891)
Cash and cash equivalents at beginning of period	51,310	67,170
Effect on exchange rate changes on cash balances	(1,594)	(731)
Cash and cash equivalents at end of period	27,459	41,548

Footnotes:

- The Group's cash flows for 1H 2008 includes cash flows of Xizhimen Mall, which was acquired on 5 February 2008 and cash flows of the Initial Properties acquired during IPO.*
- Distribution for the period from 1 July 2008 to 31 December 2008 was paid in March 2009. Cumulative distribution for the period from 1 July 2007 to 4 February 2008 was paid in March 2008.*

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1(d)(i) Statement of Changes in Unitholders' Funds (2Q 2009 vs 2Q 2008)

	Group		Trust	
	2Q 2009 S\$'000	2Q 2008 S\$'000	2Q 2009 S\$'000	2Q 2008 S\$'000
Balance as at beginning of period	768,127	653,188	581,964	579,281
Operations				
Change in Unitholders' fund resulting from operations before distribution	3,693	20,850	(24,378)	(17,668)
Transfer to general reserve	(452)	(49)	-	-
Net increase/(decrease) in net assets resulting from operations	3,241	20,801	(24,378)	(17,668)
Movement in hedging reserve				
Effective portion of changes in fair value of cash flow hedges	(927)	4,655	(927)	4,655
Movement in foreign currency translation reserve				
Translation differences from financial statements of foreign operations	(23,142)	6,114	-	-
Exchange differences on monetary items forming part of net investment in foreign operations	(35,376)	751	-	-
Exchange differences on hedges of net investment in foreign operations	5,822	(4,549)	-	-
Net (loss)/gain recognised directly in Unitholders' funds	(53,623)	6,971	(927)	4,655
Movement in general reserve	452	49	-	-
Unitholders' transactions				
Creation of units paid/payable to manager				
- Asset management fees paid/payable	777	662	777	662
Net increase in net assets resulting from Unitholders' Transactions	777	662	777	662
Unitholders' fund at end of period	718,974	681,671	557,436	566,930

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1(d)(i) **Statement of Changes in Unitholders' Funds (1H 2009 vs 1H 2008)**

	Group		Trust	
	1H 2009 S\$'000	1H 2008 ¹ S\$'000	1H 2009 S\$'000	1H 2008 S\$'000
Balance as at beginning of period	772,564	483,155	602,275	425,923
Operations				
Change in Unitholders' fund resulting from operations before distribution	14,708	28,084	(20,674)	(27,531)
Transfer to general reserve	(637)	(202)	-	-
Net increase/(decrease) in net assets resulting from operations	14,071	27,882	(20,674)	(27,531)
Movement in hedging reserve				
Effective portion of changes in fair value of cash flow hedges	788	790	788	790
Movement in foreign currency translation reserve				
Translation differences from financial statements of foreign operations	(15,884)	7,787	-	-
Exchange differences on monetary items forming part of net investment in foreign operations	(23,711)	3,974	-	-
Exchange differences on hedges of net investment in foreign operations	(4,538)	(9,867)	-	-
Net (loss)/gain recognised directly in Unitholders' funds	(43,345)	2,684	788	790
Movement in general reserve	637	202	-	-
Unitholders' transactions				
Proceeds from issuance of units ²	-	188,001	-	188,001
Creation of units paid/payable to manager				
- Units issued in respect of acquisition fees for Xizhimen Mall ³	-	3,360	-	3,360
- Asset management fees paid/payable	1,542	1,235	1,542	1,235
Distribution to Unitholders ⁴	(26,495)	(19,236)	(26,495)	(19,236)
Issue expenses ⁵	-	(5,612)	-	(5,612)
Net (decrease)/increase in net assets resulting from Unitholders' Transactions	(24,953)	167,748	(24,953)	167,748
Unitholders' fund at end of period	718,974	681,671	557,436	566,930

Footnotes:

1. The Group's results for 1H 2008 include consolidation of 100% interest in Xizhimen Mall, which was acquired on 5 February 2008 and the Initial Properties acquired during IPO.
2. 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.
3. 2,470,588 new units were issued on 5 February 2008 as payment of acquisition fees for the acquisition of Xizhimen Mall.
4. Distribution for the period from 1 July 2008 to 31 December 2008 was paid in March 2009. Cumulative distribution for the period from 1 July 2007 to 4 February 2008 was paid in March 2008.
5. 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 Issuable Units (2Q 2009 vs 2Q 2008)

	Trust	
	2Q 2009 Units	2Q 2008 Units
Balance as at beginning of period	620,477,985	617,077,721
New units issued:		
- As payment of asset management fees ¹	1,071,621	440,152
Issued units as at end of period	621,549,606	617,517,873
New units to be issued:		
- As payment of asset management fees ²	705,755	508,037
Total issued and issuable units as at end of period	622,255,361	618,025,910

Footnotes:

1. These were the performance component of the asset management fees for 1Q 2009 which was issued in May 2009 and 1Q 2008 that have been issued in May 2008.
2. These were the performance component of the asset management fees for 2Q 2009 (which will be issued in 3Q 2009) and 2Q 2008 that have been issued in September 2008.

1(d)(ii) Details of Any Change in the Issued and Issuable Units (1H 2009 vs 1H 2008)

	Trust	
	1H 2009 Units	1H 2008 Units
Balance as at beginning of period	619,045,885	476,147,309
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	2,503,721	663,976
Issued units as at end of period	621,549,606	617,517,873
New units to be issued:		
- As payment of asset management fees ²	705,755	508,037
Total issued and issuable units as at end of period	622,255,361	618,025,910

Footnotes:

1. These were the performance component of the asset management fees for 4Q 2008 & 1Q 2009 which were issued in March 2009 and May 2009 respectively. For 1H 2008, the asset management fees for 4Q 2007 & 1Q 2008 were issued in February 2008 and May 2008 respectively.
2. These were the performance component of the asset management fees for 2Q 2009 (which will be issued in 3Q 2009) and 2Q 2008 that have been issued in September 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 Group has applied the same accounting policies and method of computation in the financial statement for the current financial period, which are consistent with those described in the audited financial statements for the year ended 31 December 2008, except for the adoption of new and revised Financial Reporting Standards (FRS) which become effective for financial year beginning on or after 1 January 2009.

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

The Group has adopted the Amendments to FRS 32 and FRS 1 which has resulted in the net assets attributable to Unitholders of the Group (including the units in issue) being classified as equity instead of a financial liability. This change in accounting policy has been applied retrospectively in accordance with the provisions of the amendments and the comparatives have been restated. This change does not have any impact on the Group’s statement of total return.

The adoption of the Amendments to FRS 32 and FRS 1 has resulted in the following increase/(decrease) as presented in 1(b)(i):

	31 Dec 2008
	S\$’000
Net assets attributable to Unitholders	(772,564)
Unitholders’ funds	772,564

Except for the above change, the adoption of the new and revised FRS did not give rise to significant changes to the financial statements.

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	
	2Q 2009	2Q 2008
Weighted average number of units in issue	621,039,215	617,305,052
Earnings per unit (“EPU”) ¹		
Based on weighted average number of units in issue	0.59¢	3.38¢
Based on fully diluted basis	0.59¢	3.38¢
Number of units in issue at end of period	621,549,606	617,517,873
Distribution per unit (“DPU”)		
Based on the number of units in issue at end of period	1.94¢	1.70¢

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

	Group	
	1H 2009	1H 2008
Weighted average number of units in issue	620,055,969	582,345,955
Earnings per unit (“EPU”) ¹		
Based on weighted average number of units in issue	2.37¢	4.82¢
Based on fully diluted basis	2.37¢	4.82¢
Number of units in issue at end of period	621,549,606	617,517,873
Distribution per unit (“DPU”) ²		
Based on the number of units in issue at end of period	4.08¢	3.25¢

Footnotes:

- EPU is calculated based on net income after tax and minority interest.*
- For 1H 2008, DPU is calculated based on distributable income for period 1 January to 4 February 2008 (pre-acquisition of Xizhimen Mall) using the number of units in issue as at 4 February 2008 and distributable income for period 5 February to 30 June 2008 (post-acquisition of Xizhimen Mall) based on the number of units in issue as at 30 June 2008.*

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

	Group		Trust	
	30 Jun 2009	31 Dec 2008	30 Jun 2009	31 Dec 2008
NAV per unit	S\$1.16	S\$1.25	S\$0.90	S\$0.97
Adjusted NAV per unit (excluding distributable Income)	S\$1.12	S\$1.21	S\$0.86	S\$0.93

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8 Review of the performance

8(i) Statement of Total Return for the Group

	Group				
	2Q 2009	2Q 2008	1Q 2009	1H 2009	1H 2008
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Gross revenue	30,418	26,364	30,403	60,821	49,275
Property operating expenses	(10,987)	(9,805)	(11,287)	(22,274)	(18,395)
Net property income	19,431	16,559	19,116	38,547	30,880
Manager's management fees	(1,541)	(1,374)	(1,578)	(3,119)	(2,646)
Trustee's fees	(58)	(55)	(61)	(119)	(109)
Other Trust operating expenses	(274)	(630)	(298)	(572)	(1,107)
Interest income	93	306	91	184	472
Foreign exchange (loss)/gain - realised	(792)	(301)	504	(288)	(500)
Finance costs	(1,814)	(1,932)	(2,923)	(4,737)	(3,897)
Total return before change in fair value of financial derivatives, investment properties and unrealised foreign exchange gain/(loss)	15,045	12,573	14,851	29,896	23,093
Change in fair value of financial derivatives	-	(1,994)	-	-	(1,417)
Change in fair value of investment properties	(9,064)	16,277	-	(9,064)	16,277
Foreign exchange gain/(loss) - unrealised	116	1,132	(120)	(4)	671
Total return before taxation	6,097	27,988	14,731	20,828	38,624
Taxation	(2,191)	(7,116)	(3,545)	(5,736)	(10,483)
Total return for the period after taxation	3,906	20,872	11,186	15,092	28,141
Attributable to :					
Unitholders	3,693	20,850	11,015	14,708	28,084
Minority interests	213	22	171	384	57
Total return for the period after taxation	3,906	20,872	11,186	15,092	28,141

	Group				
	2Q 2009	2Q 2008	1Q 2009	1H 2009	1H 2008
	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	3,693	20,850	11,015	14,708	28,084
Net effect of distribution adjustments	8,341	(10,308)	2,288	10,629	(8,749)
Income for distribution to Unitholders	12,034	10,542	13,303	25,337	19,335
Distribution per unit (in cents)					
- For the period	1.94 ⁽¹⁾	1.70 ⁽¹⁾	2.14	4.08 ⁽²⁾	3.25 ⁽²⁾
- Annualised	7.78	6.87	8.68	8.23	6.54

Footnotes:

- Distribution per unit in 2Q 2009 is calculated based on 621,549,606 units (2Q 2008: 617,517,873 units).*
- Distribution per unit in 1H 2009 is 4.08 cents which is after retention of S\$0.8 million (1H 2008: 3.25 cents).*

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8(ii) Breakdown of Gross revenue – Actual

	2Q 2009 RMB'000	2Q 2008 RMB'000	% Change	2Q 2009 S\$'000	2Q 2008 S\$'000	% Change
Xizhimen Mall	37,307	36,538	2.1	8,114	7,173	13.1
Wangjing Mall	33,933	31,657	7.2	7,379	6,209	18.8
Anzhen Mall	19,318	19,127	1.0	4,201	3,751	12.0
Zhengzhou Mall	11,875	11,875	-	2,583	2,329	10.9
Jiulong Mall	10,087	9,987	1.0	2,194	1,959	12.0
Saihan Mall	3,965	5,812	(31.8)	862	1,140	(24.4)
Qibao Mall	17,621	14,580	20.9	3,832	2,860	34.0
Xinwu Mall	5,763	4,809	19.8	1,253	943	32.9
Gross Revenue	139,869	134,385	4.1	30,418	26,364	15.4

8(iii) Breakdown of Net Property Income – Actual

	2Q 2009 RMB'000	2Q 2008 RMB'000	% Change	2Q 2009 S\$'000	2Q 2008 S\$'000	% Change
Xizhimen Mall	23,983	23,756	1.0	5,217	4,664	11.9
Wangjing Mall	23,658	21,661	9.2	5,145	4,248	21.1
Anzhen Mall	15,938	15,836	0.6	3,466	3,106	11.6
Zhengzhou Mall	9,633	9,613	0.2	2,095	1,885	11.1
Jiulong Mall	8,064	7,964	1.3	1,754	1,562	12.3
Saihan Mall	494	1,640	(69.9)	107	321	(66.7)
Qibao Mall	5,343	2,962	80.4	1,162	582	99.7
Xinwu Mall	2,230	975	128.7	485	191	153.9
Net Property Income	89,343	84,407	5.8	19,431	16,559	17.3

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2Q 2009 vs 2Q 2008

Gross revenue for 2Q 2009 was S\$30.4 million, an increase of S\$4.1 million or 15.4% over 2Q 2008. This was mainly due to the appreciation of RMB against SGD as well as the increase in occupancy rate in Qibao Mall and Xinwu Mall offset by lower revenue in Saihan Mall which is currently still undergoing phase II of its asset enhancement works on level 4 and is expected to be completed by end of 2009.

Property expenses for 2Q 2009 was S\$11.0 million, an increase of S\$1.2 million or 12.1% over 2Q 2008 mainly due to the appreciation of RMB against SGD.

Management fees to the manager was S\$0.2 million or 12.2% higher than 2Q 2008 mainly due to higher net property income and deposited properties.

Interest income earned was S\$0.2 million or 69.6% lower than 2Q 2008 mainly due to lower interest income at the Trust level as there were lower fixed deposit balances placed with financial institutions.

Taxation was S\$4.9 million or 69.2% lower than 2Q 2008 mainly due to lower deferred tax liabilities recognised in 2Q 2009 which has no impact on the distributable income of the Trust.

2Q 2009 vs 1Q 2009

Gross revenue for 2Q 2009 increased by S\$0.02 million or 0.1% over 1Q 2009. This was mainly due to the appreciation of RMB against SGD as well as the increase in rental in Xizhimen Mall, Wangjing Mall and Xinwu Mall.

Property expenses for 2Q 2009 decreased by S\$0.3 million or 2.7% over 1Q 2009 as a result of lower utilities and marketing expenses at Saihan Mall and Xizhimen Mall. Saihan Mall is currently still undergoing phase II of its asset enhancement works on level 4 and is expected to be completed by end of 2009.

Management fees to the manager was S\$0.03 million or 2.4% lower than 1Q 2009 mainly due to lower deposited properties.

Finance cost was S\$1.1 million or 37.9% lower than 1Q 2009 mainly due to repayment of loan and interest saving in 2Q 2009.

Taxation was S\$1.4 million or 38.2% lower than 1Q 2009 mainly due to lower deferred tax liabilities recognised in 2Q 09 which has no impact on the distributable income of the Trust.

1H 2009 vs 1H 2008

Gross revenue for 1H 2009 increased by S\$11.5 million or 23.4% over 1H 2008. This was mainly due to the consolidation of the entire revenue from Xizhimen Mall in 1H 2009. In 1H 2008, the Group consolidates revenue in Xizhimen Mall subsequent to its acquisition on 5 February 2008. The other malls accounted for S\$6.8 million of the increase mainly due to the appreciation of RMB against SGD as well as rental and occupancy growth in Wangjing Mall, Qibao Mall and Xinwu Mall.

Property expenses for 1H 2009 increased by S\$3.9 million or 21.1% over 1H 2008 mainly due to Xizhimen Mall and Saihan Mall. In 1Q 2008, the Group consolidates property expenses in Xizhimen Mall subsequent to 5 February 2008. Saihan Mall reported lower property expenses mainly due to lower utilities, maintenance and marketing expenses as the mall underwent intensive asset enhancement work in 1H 2008.

Management fees to the manager was S\$0.5 million or 17.9% higher than 1H 2008 mainly due to higher net property income and deposited properties.

Interest income earned was S\$0.3 million or 61.0% lower than 1H 2008 mainly due to lower interest income at the Trust level as there was lower fixed deposit balances placed with financial institutions.

Finance cost was S\$0.8 million or 21.6% higher than 1H 2008 mainly due to additional loan facilities drawn down by the Trust to finance the Xizhimen Mall Phase 2 and working capital in 1Q 2009.

Taxation was S\$4.7 million or 45.3% lower than 1H 2008 mainly due to lower deferred tax liabilities recognised in 2Q 09 which has no impact on the distributable income of the Trust.

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

The current results are broadly in line with the prospect commentary made when the first quarter 2009 financial results were announced.

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

In the first 3 months of 2009, total retail sales of consumer goods reached RMB 122.1 billion, a year-on-year growth of 12.7% compared to a year-on-year growth of 20.4% recorded in the same period in 2008. The growth was largely attributed to basic necessities, such as food and other daily-use items, rather than high-end or luxury goods. Many high-end retailers only saw an increase in their sales on the back of steep discounts, which are hurting their margins and leading them to cut back on expansion plans in the short term.

New retail space totaling 1.2 million sqm is still set to come into the market in the next three quarters, which will push vacancy rate higher as retailers continue to consolidate their business. The combination of abundant new supply and deteriorating demand in the short term may compel landlords to become more flexible on rent to attract retailers to their properties.

Shanghai Retail Market update

Retail sales increased 15.2% year-on-year in the first two months of 2009. Average rent for prime shopping mall fell 7.1% in the first quarter. No new shopping mall projects were launched in the first quarter.

Retail projects that are aiming for completion in 2009 or early 2010 are expected to achieve lower rents as tenants delay the signing of lease agreements to negotiate for better terms. Landlords of new developments are also expected to opt for tenants requiring a large amount of space, such as supermarkets and cinemas, restaurants and department stores, to boost cash flow and help to establish high foot traffic. However, established downtown projects are expected to maintain their current rental levels due to their proven track record, despite the current economic conditions. Department stores in Shanghai, which rents are payable purely on gross turnover, have been able to maintain revenue growth due to heavy discounts. However the sustainability of such sales is uncertain and a decrease in sales would lead to lower turnover rentals being paid to landlords.

Source: Jones Lang LaSalle Research & Savills Research

Refinancing Update

CRCT remains confident to refinance its debts when they mature with interest rates expected to be in line with general market conditions.

11 Distribution

11(a) Current Financial Period

Any distribution declared for the current financial period?	Yes.
Name of distribution	: Distribution for 1 January 2009 to 30 June 2009
Distribution type	: Tax exempt income
Distribution rate	: 4.08 cents per unit
Par value of units	: Not meaningful
Tax rate	: 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 tax exempt income distribution from 1 January 2009 to 30 June 2009 is expected to be funded from borrowing at the Trust level as well as internal cash flow from operation.

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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 5 February 2008 to 30 June 2008.

Distribution Type	Distribution Rate (cents)
Capital distribution	2.51
Tax Exempt Income	0.21
Total	2.72

Par value of units : Not meaningful

11(c) Date payable : 25 September 2009

11(d) Book closure date : 10 September 2009

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 June 2009, to be false or misleading in any material respect.

On behalf of the Board of the Manager

Mr Lim Beng Chee
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
23 July 2009