
CAPITARETAIL CHINA TRUST
2010 SECOND QUARTER UNAUDITED FINANCIAL STATEMENT AND DISTRIBUTION ANNOUNCEMENT

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Summary of CRCT Results

	2Q 2010	2Q 2009	Change %	1H 2010	1H 2009	Change %
	Actual S\$'000	Actual S\$'000		Actual S\$'000	Actual S\$'000	
Gross Revenue	29,556	30,418	(2.8)	59,063	60,821	(2.9)
Net Property Income	19,801	19,431	1.9	39,142	38,547	1.5
Income for Distribution	12,909	12,034	7.3	26,246	25,337	3.6
Distribution Per Unit ("DPU") (cents)						
For the period	2.07	1.94 ⁽¹⁾	6.7	4.21	4.08	3.2
Annualised	8.30	7.78	6.7	8.49	8.23	3.2

	2Q 2010	2Q 2009	Change %	1H 2010	1H 2009	Change %
	Actual RMB'000	Actual RMB'000		Actual RMB'000	Actual RMB'000	
Gross Revenue	145,109	139,869	3.7	288,374	278,861	3.4
Net Property Income	97,204	89,343	8.8	191,108	176,733	8.1

Note:

1. Distribution per unit in 2Q 2009 is 1.94 cents which is after retention of S\$0.8 million.

DISTRIBUTION & BOOK CLOSURE DATE

Distribution	For 1 January 2010 to 30 June 2010
Distribution type	Capital distribution and tax exempt income
Distribution rate	4.21 cents per Unit
Book closure date	9 September 2010
Payment date	24 September 2010

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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 2010, 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 Huhhot, and Xinwu Mall in Wuhu which CRCT has a 51% interest in.

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1(a)(i) **Statement of total return for the Group (2Q 2010 vs 2Q 2009)**

	Group		
	2Q 2010 S\$'000	2Q 2009 S\$'000	% Change
Gross rental income	27,381	28,553	(4.1)
Other income ¹	2,175	1,865	16.6
Gross revenue	29,556	30,418	(2.8)
Land rental	(1,159)	(1,179)	(1.7)
Property related tax	(2,154)	(2,292)	(6.0)
Business tax	(1,476)	(1,524)	(3.1)
Property management fees	(1,240)	(1,232)	0.6
Other property operating expenses ²	(3,726)	(4,760)	(21.7)
Total property operating expenses	(9,755)	(10,987)	(11.2)
Net property income	19,801	19,431	1.9
Manager's management fees	(1,554)	(1,541)	0.8
Trustee's fees	(58)	(58)	-
Other trust operating expenses	(292)	(274)	6.6
Finance income	43	93	(53.8)
Foreign exchange loss – realised	(221)	(792)	(72.1)
Finance costs	(3,364)	(1,814)	85.4
Total return before change in fair value of investment properties and unrealised foreign exchange gain	14,355	15,045	(4.6)
Change in fair value of investment properties	17,727	(9,064)	N.M.
Foreign exchange gain – unrealised	111	116	(4.3)
Total return before taxation	32,193	6,097	428.0
Taxation	(7,471)	(2,191)	241.0
Total return for the period after taxation	24,722	3,906	532.9
Attributable to:			
Unitholders	24,576	3,693	565.5
Non-controlling interest	146	213	(31.5)
Total return for the period after taxation	24,722	3,906	532.9

Footnotes:

1. Other income comprises mainly of income earned from atrium space, trolley carts and advertisement panel.
2. Included as part of the other property operating expenses are the following:

	Group		
	2Q 2010 S\$'000	2Q 2009 S\$'000	% Change
Depreciation and amortisation	(281)	(253)	11.1
Impairment losses on trade receivables	(1)	(228)	(99.6)
Plant and equipment written off	(52)	-	N.M.

N.M. – not meaningful

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1(a)(i) **Statement of total return for the Group (1H 2010 vs 1H 2009)**

	Group		
	1H 2010 S\$'000	1H 2009 S\$'000	% Change
Gross rental income	55,225	57,362	(3.7)
Other income ¹	3,838	3,459	11.0
Gross revenue	59,063	60,821	(2.9)
Land rental	(2,334)	(2,364)	(1.3)
Property related tax	(4,027)	(4,598)	(12.4)
Business tax	(2,954)	(3,047)	(3.1)
Property management fees	(2,463)	(2,457)	0.2
Other property operating expenses ²	(8,143)	(9,808)	(17.0)
Total property operating expenses	(19,921)	(22,274)	(10.6)
Net property income	39,142	38,547	1.5
Manager's management fees	(3,069)	(3,119)	(1.6)
Trustee's fees	(115)	(119)	(3.4)
Other trust operating expenses	(334)	(572)	(41.6)
Finance income	76	184	(58.7)
Foreign exchange loss– realised	(272)	(288)	(5.6)
Finance costs	(5,737)	(4,737)	21.1
Total return before change in fair value of financial derivatives, investment properties and unrealised foreign exchange loss	29,691	29,896	(0.7)
Change in fair value of cash flow hedge transferred to the statement of total return from hedging reserve	(180)	-	N.M.
Change in fair value of investment properties	17,727	(9,064)	N.M.
Foreign exchange loss– unrealised	(80)	(4)	N.M.
Total return before taxation	47,158	20,828	126.4
Taxation	(10,691)	(5,736)	86.4
Total return for the period after taxation	36,467	15,092	141.6
Attributable to:			
Unitholders	36,131	14,708	145.7
Non-controlling interest	336	384	(12.5)
Total return for the period after taxation	36,467	15,092	141.6

Footnotes:

1. *Other income comprises mainly of income earned from atrium space, trolley carts and advertisement panel.*
2. *Included as part of the other property operating expenses are the following:*

	Group		
	1H 2010 S\$'000	1H 2009 S\$'000	% Change
Depreciation and amortisation	(559)	(500)	11.8
Impairment losses on trade receivables	(45)	(379)	(88.1)
Plant and equipment written off	(74)	-	N.M.

N.M. – not meaningful

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1(a)(ii) **Distribution statement for the Group (2Q 2010 vs 2Q 2009)**

	Group		
	2Q 2010 S\$'000	2Q 2009 S\$'000	% Change
Total return for the period attributable to Unitholders before distribution	24,576	3,693	565.5
Distribution adjustments (Note A)	(11,667)	8,341	N.M.
Income for distribution to Unitholders	12,909	12,034	7.3
Comprises :			
- from operations	3,619	3,185	13.6
- from Unitholders' contribution	9,290	8,849	5.0
	12,909	12,034	7.3
Note A			
Distribution adjustments			
- Asset management fees (performance component payable in units)	792	777	1.9
- Change in fair value of investment properties	(17,727)	9,064	N.M.
- Deferred taxation	5,440	(385)	N.M.
- Transfer to general reserve	(394)	(452)	(12.8)
- Unrealised foreign exchange gain	(111)	(116)	(4.3)
- Amount retained from current quarter's distribution ¹	-	(800)	N.M.
- Other adjustments	333	253	31.6
Net effect of distribution adjustments	(11,667)	8,341	N.M.

N.M. – not meaningful

Footnote:

1. In 2Q 2009, CRCT had retained S\$0.8 million of its distributable income.

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1(a)(ii) **Distribution statement for the Group (1H 2010 vs 1H 2009)**

	Group		
	1H 2010 S\$'000	1H 2009 S\$'000	% Change
Total return for the period attributable to Unitholders before distribution	36,131	14,708	145.7
Distribution adjustments (Note A)	(9,885)	10,629	N.M.
Income for distribution to Unitholders	26,246	25,337	3.6
Comprises :			
- from operations	8,145	6,886	18.3
- from Unitholders' contribution	18,101	18,451	(1.9)
	26,246	25,337	3.6
Note A			
Distribution adjustments			
- Asset management fees (performance component payable in units)	1,566	1,542	1.6
- Change in fair value of investment properties	(17,727)	9,064	N.M.
- Deferred taxation	6,763	956	607.4
- Transfer to general reserve	(753)	(637)	18.2
- Unrealised foreign exchange loss	80	4	N.M.
- Amount retained from current quarter's distribution ¹	-	(800)	N.M.
- Other adjustments ²	186	500	(62.8)
Net effect of distribution adjustments	(9,885)	10,629	N.M.

N.M. – not meaningful

Footnotes:

1. *In 2Q 2009, CRCT had retained S\$0.8 million of its distributable income.*
2. *Includes the settlement of hedging transactions under the net investments hedge of S\$0.4 million on 5 February 2010.*

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1(b)(i) Balance sheet as at 30 Jun 2010 vs 31 Dec 2009

	Group			Trust		
	30 Jun 2010 S\$'000	31 Dec 2009 S\$'000	% Change	30 Jun 2010 S\$'000	31 Dec 2009 S\$'000	% Change
Assets						
Investment properties	1,189,677	1,156,614	2.9	-	-	-
Plant and equipment	3,272	3,476	(5.9)	-	-	-
Interests in subsidiaries	-	-	-	870,761	866,680	0.5
Trade and other receivables	7,552	10,211	(26.0)	128	1,238	(89.7)
Financial derivatives ¹	11,030	4,636	137.9	11,030	4,636	137.9
Cash and cash equivalents	27,326	26,043	4.9	3,598	229	N.M.
Total assets	1,238,857	1,200,980	3.2	885,517	872,783	1.5
Less						
Liabilities						
Trade and other payables	36,057	39,467	(8.6)	6,567	4,341	51.3
Security deposits	18,779	17,801	5.5	-	-	-
Interest-bearing borrowings ²	413,186	406,399	1.7	368,511	349,503	5.4
Deferred tax liabilities	41,040	33,573	22.2	-	-	-
Financial derivatives ¹	1,073	2,755	(61.1)	1,073	2,755	(61.1)
Provision for taxation	3,702	5,783	(36.0)	199	199	-
Total liabilities	513,837	505,778	1.6	376,350	356,798	5.5
Net assets	725,020	695,202	4.3	509,167	515,985	(1.3)
Represented by:						
Unitholders' funds	707,787	679,868	4.1	509,167	515,985	(1.3)
Non-controlling interest	17,233	15,334	12.4	-	-	-
	725,020	695,202	4.3	509,167	515,985	(1.3)

N.M. – not meaningful

Footnotes:

- The Trust 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 of the IRS has resulted in financial derivative liabilities of S\$1.1 million as at 30 June 2010 and S\$1.5 million as at 31 December 2009. In 1Q 2010, the Trust entered into six new non-deliverable forwards ("NDF") to hedge its currency exposure; the fair value change has resulted in a financial derivative asset of S\$11.0 million as at 30 June 2010 and S\$4.6 million as at 31 December 2009. The Trust also 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 which has since matured and fully settled on 5 February 2010. The fair value change on the two-year NDS has resulted in financial derivative liabilities of S\$1.2 million as at 31 December 2009.
- 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 partly finance the acquisition of the Initial Properties and Xizhimen Mall, and utilisation as working capital; (ii) S\$11.0 million and US\$14.0 million (S\$19.6 million) unsecured short-term loan facilities mainly to finance capital distribution and working capital; (iii) RMB217.5 million (S\$44.7 million) five-year term loan facility secured by a mortgage over Anzhen Mall; and (iv) On 30 June 2010, the Trust has fully drawn down a new S\$50.0 million three-year unsecured term loan facility.

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1(b)(ii) Aggregate amount of borrowings and debt securities

	Group		Trust	
	30 Jun 2010	31 Dec 2009	30 Jun 2010	31 Dec 2009
	S\$'000	S\$'000	S\$'000	S\$'000
Unsecured borrowing				
- Amount repayable within one year	231,138	349,503	231,138	349,503
- Amount repayable after one year	138,000	-	138,000	-
Secured borrowing				
- Amount repayable after one year	44,675	56,896	-	-
	413,813	406,399	369,138	349,503
Less: Transaction costs in relation to Trust Term Loan Facilities	(627)	-	(627)	-
(1)	413,186	406,399	368,511	349,503

Footnote:

1. The increase in the Group's borrowings as at 30 June 2010 was mainly due to additional loans drawn.

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 the 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 2010 vs 2Q 2009)**

	Group	
	2Q 2010	2Q 2009
	S\$'000	S\$'000
Operating activities		
Total return after taxation	24,722	3,906
Adjustments for:		
Finance income	(43)	(93)
Finance costs	3,364	1,814
Depreciation and amortisation	281	253
Taxation	7,471	2,191
Asset management fees paid and payable in units	792	777
Plant and equipment written off	52	-
Change in fair value of investment properties	(17,727)	9,064
Impairment losses on trade receivables	1	228
Operating income before working capital changes	18,913	18,140
Changes in working capital:		
Trade and other receivables	(4,724)	6,494
Trade and other payables	51	(5,324)
Cash generated from operating activities	14,240	19,310
Income tax paid	(1,540)	(1,274)
Net cash from operating activities	12,700	18,036
Investing activities		
Interest received	43	93
Net cash outflow on purchase of investment property	(164)	(17)
Capital expenditure on investment properties	(1,833)	(434)
Purchase of plant and equipment	(213)	(200)
Net cash used in investing activities	(2,167)	(558)
Financing activities		
Proceeds from bank loans	62,506	-
Repayment of bank loans	(64,746)	(18,087)
Interest paid	(1,828)	(3,445)
Net cash used in financing activities	(4,068)	(21,532)
Increase/(decrease) in cash and cash equivalents	6,465	(4,054)
Cash and cash equivalents at beginning of period	20,700	33,086
Effect on exchange rate changes on cash balances	161	(1,573)
Cash and cash equivalents at end of period	27,326	27,459

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1(c) **Consolidated cash flow statements (1H 2010 vs 1H 2009)**

	Group	
	1H 2010	1H 2009
	S\$'000	S\$'000
Operating activities		
Total return after taxation	36,467	15,092
Adjustments for:		
Finance income	(76)	(184)
Finance costs	5,737	4,737
Depreciation and amortisation	559	500
Taxation	10,691	5,736
Asset management fees paid and payable in units	1,566	1,542
Plant and equipment written off	74	-
Change in fair value of cash flow hedge transferred to the statement of total return from hedging reserve	180	-
Change in fair value of investment properties	(17,727)	9,064
Impairment losses on trade receivables	45	379
Operating income before working capital changes	37,516	36,866
Changes in working capital:		
Trade and other receivables	(4,518)	4,216
Trade and other payables	1,507	(10,820)
Cash generated from operating activities	34,505	30,262
Income tax paid	(3,214)	(1,819)
Net cash from operating activities	31,291	28,443
Investing activities		
Interest received	76	184
Net cash outflow on purchase of investment property	(483)	(17)
Capital expenditure on investment properties	(3,323)	(4,869)
Purchase of plant and equipment	(377)	(350)
Net cash used in investing activities	(4,107)	(5,052)
Financing activities		
Distribution to Unitholders ¹	(25,288)	(26,495)
Payment of issue and financing expenses	-	(802)
Proceeds from bank loans	87,248	6,066
Repayment of bank loans	(80,577)	(20,087)
Settlement of derivative contracts	(3,889)	-
Interest paid	(3,674)	(4,330)
Net cash used in financing activities	(26,180)	(45,648)
Increase/(decrease) in cash and cash equivalents	1,004	(22,257)
Cash and cash equivalents at beginning of period	26,043	51,310
Effect on exchange rate changes on cash balances	279	(1,594)
Cash and cash equivalents at end of period	27,326	27,459

Footnote:

- Distribution for the period from 1 July 2009 to 31 December 2009 was paid in March 2010.
Distribution for the period from 1 July 2008 to 31 December 2008 was paid in March 2009.*

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1(d)(i) Statement of changes in Unitholders' funds (2Q 2010 vs 2Q 2009)

	Group		Trust	
	2Q 2010 S\$'000	2Q 2009 S\$'000	2Q 2010 S\$'000	2Q 2009 S\$'000
Operations				
Unitholders' funds as at beginning of period	682,459	768,127	503,586	581,964
Change in Unitholders' funds resulting from operations before distribution	24,576	3,693	3,985	(24,378)
Transfer to general reserve	(394)	(452)	-	-
Net increase/(decrease) in net assets resulting from operations	24,182	3,241	3,985	(24,378)
Movements in hedging reserve				
Effective portion of changes in fair value of cash flow hedges	804	(927)	804	(927)
Movement in foreign currency translation reserve				
Translation differences from financial statements of foreign operations	(2,238)	(23,142)	-	-
Exchange differences on monetary items forming part of net investment in foreign operations	(2,298)	(35,376)	-	-
Exchange differences on hedges of net investment in foreign operations	3,692	5,822	-	-
Net (loss)/gain recognised directly in Unitholders' funds	(40)	(53,623)	804	(927)
Movement in general reserve	394	452	-	-
Unitholders' transactions				
Creation of units paid/payable to manager				
- Asset management fees paid/payable	792	777	792	777
Net increase in net assets resulting from Unitholders' transactions	792	777	792	777
Unitholders' funds at end of period	707,787	718,974	509,167	557,436

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1(d)(i) **Statement of changes in Unitholders' funds (1H 2010 vs 1H 2009)**

	Group		Trust	
	1H 2010 S\$'000	1H 2009 S\$'000	1H 2010 S\$'000	1H 2009 S\$'000
Operations				
Unitholders' funds as at beginning of period	679,868	772,564	515,985	602,275
Change in Unitholders' funds resulting from operations before distribution	36,131	14,708	16,280	(20,674)
Transfer to general reserve	(753)	(637)	-	-
Net increase/(decrease) in net assets resulting from operations	35,378	14,071	16,280	(20,674)
Movements in hedging reserve				
Effective portion of changes in fair value of cash flow hedges	444	788	444	788
Change in fair value of cash flow hedge transferred to the statement of total return from hedging reserve	180	-	180	-
Movement in foreign currency translation reserve				
Translation differences from financial statements of foreign operations	4,472	(15,884)	-	-
Exchange differences on monetary items forming part of net investment in foreign operations	6,671	(23,711)	-	-
Exchange differences on hedges of net investment in foreign operations	3,743	(4,538)	-	-
Net gain/(loss) recognised directly in Unitholders' funds	15,510	(43,345)	624	788
Movement in general reserve	753	637	-	-
Unitholders' transactions				
Creation of units paid/payable to manager				
- Asset management fees paid/payable	1,566	1,542	1,566	1,542
Distribution to Unitholders ¹	(25,288)	(26,495)	(25,288)	(26,495)
Net decrease in net assets resulting from Unitholders' transactions	(23,722)	(24,953)	(23,722)	(24,953)
Unitholders' funds at end of period	707,787	718,974	509,167	557,436

Footnote:

1. Distribution for the period from 1 July 2009 to 31 December 2009 was paid in March 2010.
Distribution for the period from 1 July 2008 to 31 December 2008 was paid in March 2009.

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1(d)(ii) Details of any change in the issued and issuable units (2Q 2010 vs 2Q 2009)

	Trust	
	2Q 2010 Units	2Q 2009 Units
Balance as at beginning of period	623,484,475	620,477,985
New units issued:		
- As payment of asset management fees ¹	643,559	1,071,621
Issued units as at end of period	624,128,034	621,549,606
New units to be issued:		
- As payment of asset management fees ²	642,312	705,755
Total issued and issuable units as at end of period	624,770,346	622,255,361

Footnotes:

1. These were the performance component of the asset management fees for 1Q 2010 and 1Q 2009 which was issued in May 2010 and May 2009 respectively.
2. These were the performance component of the asset management fees for 2Q 2010 (which will be issued in 3Q 2010) and 2Q 2009 which was issued in September 2009.

1(d)(ii) Details of any change in the issued and issuable units (1H 2010 vs 1H 2009)

	Trust	
	1H 2010 Units	1H 2009 Units
Balance as at beginning of period	622,854,695	619,045,885
New units issued:		
- As payment of asset management fees ¹	1,273,339	2,503,721
Issued units as at end of period	624,128,034	621,549,606
New units to be issued:		
- As payment of asset management fees ²	642,312	705,755
Total issued and issuable units as at end of period	624,770,346	622,255,361

Footnotes:

1. These were the performance component of the asset management fees for 4Q 2009 & 1Q 2010 which were issued in March 2010 and May 2010 respectively. For 1H 2009, the assets management fee for 4Q 2008 and 1Q 2009 which were issued in March 2009 and May 2009 respectively.
2. These were the performance component of the asset management fees for 2Q 2010 (which will be issued in 3Q 2010) and 2Q 2009 which was issued in May 2009.

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.

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 2009, except for the adoption of new and revised Financial Reporting Standards (FRS) which become effective for financial year beginning on or after 1 January 2010.

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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	
	2Q 2010	2Q 2009
Weighted average number of units in issue	623,746,128	621,039,215
Earnings per unit (“EPU”) ¹		
Based on weighted average number of units in issue	3.94¢	0.59¢
Based on fully diluted basis	3.94¢	0.59¢
Number of units in issue at end of period	624,128,034	621,549,606
Distribution per unit (“DPU”)		
Based on the number of units in issue at end of period	2.07¢	1.94¢

	Group	
	1H 2010	1H 2009
Weighted average number of units in issue	619,881,593	620,055,969
Earnings per unit (“EPU”) ¹		
Based on weighted average number of units in issue	5.83¢	2.37¢
Based on fully diluted basis	5.83¢	2.37¢
Number of units in issue at end of period	624,128,034	621,549,606
Distribution per unit (“DPU”)		
Based on the number of units in issue at end of period	4.21¢	4.08¢

Footnote:

1. EPU is calculated based on total return after tax and non-controlling interest.

7 **Net asset value (“NAV”) backing per unit based on issued units at the end of the period**

	Group		Trust	
	30 Jun 2010	31 Dec 2009	30 Jun 2010	31 Dec 2009
NAV per unit	S\$1.13	S\$1.09	S\$0.82	S\$0.83
Adjusted NAV per unit (excluding distributable Income)	S\$1.09	S\$1.05	S\$0.77	S\$0.79

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8 Review of the performance

8(i) Statement of total return for the Group

	Group				
	2Q 2010	2Q 2009	1Q 2010	1H 2010	1H 2009
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Gross revenue	29,556	30,418	29,507	59,063	60,821
Property operating expenses	(9,755)	(10,987)	(10,166)	(19,921)	(22,274)
Net property income	19,801	19,431	19,341	39,142	38,547
Manager's management fees	(1,554)	(1,541)	(1,515)	(3,069)	(3,119)
Trustee's fees	(58)	(58)	(57)	(115)	(119)
Other Trust operating expenses	(292)	(274)	(42)	(334)	(572)
Finance income	43	93	33	76	184
Foreign exchange loss - realised	(221)	(792)	(51)	(272)	(288)
Finance costs	(3,364)	(1,814)	(2,373)	(5,737)	(4,737)
Total return before change in fair value of financial derivatives, investment properties and unrealised foreign exchange gain/(loss)	14,355	15,045	15,336	29,691	29,896
Change in fair value of cash flow hedge transferred to the statement of total return from hedging reserve	-	-	(180)	(180)	-
Change in fair value of investment properties	17,727	(9,064)	-	17,727	(9,064)
Foreign exchange gain/(loss) - unrealised	111	116	(191)	(80)	(4)
Total return before taxation	32,193	6,097	14,965	47,158	20,828
Taxation	(7,471)	(2,191)	(3,220)	(10,691)	(5,736)
Total return for the period after taxation	24,722	3,906	11,745	36,467	15,092
Attributable to :					
Unitholders	24,576	3,693	11,555	36,131	14,708
Non-controlling interest	146	213	190	336	384
Total return for the period after taxation	24,722	3,906	11,745	36,467	15,092

	Group				
	2Q 2010	2Q 2009	1Q 2010	1H 2010	1H 2009
	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	24,576	3,693	11,555	36,131	14,708
Net effect of distribution adjustments	(11,667)	8,341	1,782	(9,885)	10,629
Income for distribution to Unitholders	12,909	12,034	13,337	26,246	25,337
Distribution per unit (in cents)					
- For the period	2.07 ⁽¹⁾	1.94 ⁽¹⁾⁽²⁾	2.14	4.21	4.08
- Annualised	8.30	7.78	8.68	8.49	8.23

Footnotes:

- Distribution per unit in 2Q 2010 is calculated based on 624,128,034 units (2Q 2009: 621,549,606 units).*
- Distribution per unit in 2Q 2009 is 1.94 cents which is after retention of S\$0.8 million.*

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8(ii) Breakdown of Gross Revenue – Actual

	2Q 2010	2Q 2009	%	2Q 2010	2Q 2009	%
	RMB'000	RMB'000	Change	S\$'000	S\$'000	Change
Xizhimen Mall	43,013	37,307	15.3	8,762	8,114	8.0
Wangjing Mall	33,548	33,933	(1.1)	6,834	7,379	(7.4)
Anzhen Mall	19,511	19,318	1.0	3,974	4,201	(5.4)
Zhengzhou Mall	12,113	11,875	2.0	2,467	2,583	(4.5)
Jiulong Mall	10,288	10,087	2.0	2,096	2,194	(4.5)
Saihan Mall	5,663	3,965	42.8	1,154	862	33.9
Qibao Mall	15,113	17,621	(14.2)	3,076	3,832	(19.7)
Xinwu Mall	5,860	5,763	1.7	1,193	1,253	(4.8)
Gross revenue	145,109	139,869	3.7	29,556	30,418	(2.8)

8(iii) Breakdown of Net Property Income – Actual

	2Q 2010	2Q 2009	%	2Q 2010	2Q 2009	%
	RMB'000	RMB'000	Change	S\$'000	S\$'000	Change
Xizhimen Mall	29,642	23,983	23.6	6,039	5,217	15.8
Wangjing Mall	24,353	23,658	2.9	4,961	5,145	(3.6)
Anzhen Mall	16,108	15,938	1.1	3,280	3,466	(5.4)
Zhengzhou Mall	9,845	9,633	2.2	2,005	2,095	(4.3)
Jiulong Mall	8,244	8,064	2.2	1,680	1,754	(4.2)
Saihan Mall	2,050	494	315.0	419	107	291.6
Qibao Mall	4,731	5,343	(11.5)	963	1,162	(17.1)
Xinwu Mall	2,231	2,230	N.M	454	485	(6.4)
Net property income	97,204	89,343	8.8	19,801	19,431	1.9

N.M – not meaningful

2Q 2010 vs 2Q 2009

Gross revenue in SGD for 2Q 2010 was S\$29.6 million, or 2.8% lower than 2Q 2009. This was due to stronger SGD against RMB in 2Q 2010 compared to 2Q 2009. In RMB terms, gross revenue was RMB5.2 million, or 3.7% higher than 2Q 2009. The higher revenue in RMB was mainly due to contribution from Beijing Hualian Supermarket that commenced operation in 4Q 2009 at Xizhimen Mall, and higher revenue contribution at Saihan Mall post asset enhancement works. However, these were offset by lower revenue at Qibao Mall which is carrying out tenancy adjustments to achieve stronger positioning and better trade mix.

Property expenses for 2Q 2010 decreased by S\$1.2 million or 11.2% over 2Q 2009 mainly due to the stronger SGD against RMB, lower utilities at Wangjing Mall, Qibao Mall and Xizhimen Mall, as well as lower marketing expenses in Wangjing Mall, Qibao Mall and Saihan Mall.

Management fees to the manager was S\$0.01 million or 0.8% higher than 2Q 2009 mainly due to higher net property income achieved but was partially offset by a lower deposited properties when translated into SGD as a result of stronger SGD against RMB.

Finance income earned in 2Q 2010 was S\$0.05 million or 53.8% lower than 2Q 2009 mainly due to lower fixed deposit balances placed with financial institutions.

Finance costs in 2Q 2010 was S\$1.6 million, or 85.4% higher than 2Q 2009. This was mainly due to the interest savings arising from the hedging transactions on the S\$88.0 million term loan which has since matured in February 2010, and additional loans drawn at Trust level.

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2Q 2010 vs 1Q 2010

Gross revenue for 2Q 2010 increased by S\$0.05 million or 0.2% over 1Q 2010. This was mainly due to stronger SGD against RMB in 2Q 2010 compared to 1Q 2010. In RMB terms, gross revenue was RMB1.8 million or 1.3% higher than 1Q 2010. The higher revenue was mainly due to higher occupancy rate in Xizhimen Mall, higher gross turnover rent and other income recognised in 2Q 2010 at Saihan Mall but was offset by lower revenue at Qibao Mall.

Property expenses for 2Q 2010 decreased by S\$0.4 million or 4.0% over 1Q 2010. This was mainly due to savings on utilities in Qibao Mall, Xinwu Mall and Saihan Mall, as well as the effect from stronger SGD against RMB.

Management fees to the manager was S\$0.04 million or 2.6% higher than 1Q 2010 mainly due to higher deposited properties and higher property income achieved.

Finance costs in 2Q 2010 was S\$1.0 million or 41.8% higher than 1Q 2010 mainly due to higher interest cost from refinancing of term loan, as well as additional loan drawn down at Trust level.

Taxation was S\$4.3 million higher than 1Q 2010 mainly due to higher deferred tax liabilities recognised in 2Q 2010 as a result of changes in fair value of investment properties. This has no impact on the distributable income of the Trust.

1H 2010 vs 1H 2009

Gross revenue for 1H 2010 decreased by S\$1.8 million or 2.9% over 1H 2009. This was mainly due to the stronger SGD against RMB in 1H 2010 compared to 1H 2009. In RMB terms, gross revenue was RMB9.5 million or 3.4% higher than 1H 2009. The higher revenue in RMB was mainly due to contribution from Beijing Hualian Supermarket that commenced operation in 4Q 2009 at Xizhimen Mall, and higher gross turnover rent recognised at Saihan Mall. However, these were offset by lower revenue at Qibao Mall which is carrying out tenancy adjustments to achieve stronger positioning and trade mix.

Property expenses for 1H 2010 decreased by S\$2.4 million or 10.6% over 1H 2009 mainly due to property tax refund at Xizhimen Mall in relation to financial years 2007 and 2008, as well as savings on utilities, maintenance and marketing expenses in Wangjing Mall, Xizhimen Mall and Qibao Mall.

Management fees to the manager was S\$0.05 million or 1.6% lower than 1H 2009 mainly due to lower deposited properties but was partially offset by higher net property income achieved.

Finance income earned was S\$0.1 million or 58.7% lower than 1H 2009 mainly due to lower fixed deposit balances placed with financial institutions.

Finance cost was S\$1.0 million or 21.1% higher than 1H 2009. This was mainly due to the interest savings arising from the hedging transactions on the S\$88.0 million term loan which has since matured in February 2010, and additional loans drawn at Trust level.

Taxation was S\$5.0 million or 86.4% higher than 1H 2009 mainly due to higher deferred tax liabilities recognised in 2Q 2010 which has no impact on the distributable income of the Trust.

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 2010 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

In June 2010, retail sales of consumer goods in China grew by 18.3% (excluding automobile sales) year-on-year to RMB1,233.0 billion. In the first six months of 2010, the total retail sales grew by 18.2% year-on-year to RMB7,266.9 billion.

A number of international and domestic retailers have stepped up expansion plans in China as the US and European markets remain sluggish.

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Beijing Retail Market Update

Retail demand is expected to recover further in 2010 and confidence returns to market. However, vacancy rates are expected to remain high as 750,000 sqm of new supply is expected to come into the market in the later part of 2010. This will add pressure to the existing rental rates. Given the ample supply in the pipeline, proper market positioning is the key factor to succeed in the competitive market.

The long-term outlook for Beijing and China's economy will be positive, supported by demand in the mid-high retail market with a number of retailers actively seeking prime locations for new stores.

Shanghai Retail Market Update

Landlord confidence is expected to be higher than last year as retailers are seen rolling out new and more aggressive expansion plans to capture market share in expanding market. Rental levels are expected to continue rising, amid a high-demand environment. Vacancies are not expected to rise significantly.

Looking forward, the steady growth of per capita income, together with influx of visitors for World Expo, will boost retail sales and demand for retail space. With further strong growth of China's economy and encouraging domestic consumption, the rental of Shanghai retail space is expected to maintain uptrend in the rest of 2010.

At Qibao Mall, we are taking advantage of the lease renewal cycle to attract and bring in stronger tenants. This may lead to some interim vacancies in the coming quarters as we reposition our trade and tenant mix. In the longer term, these actions will strengthen our market position against competition, and enable our mall to ride on the strong consumption growth in the region.

Sources: Jones Lang LaSalle, National Bureau of Statistics, Savills, Urbis.

11 Distribution

11(a) Current Financial Period

Any distribution declared for the current financial period? Yes.

Name of distribution : Distribution for 1 January 2010 to 30 June 2010

Distribution Type	Distribution Rate (cents)
Capital distribution	1.55
Tax Exempt Income	2.66
Total	4.21

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 and tax exempt income distribution from 1 January 2010 to 30 June 2010 are 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 January 2009 to 30 June 2009.

Distribution Type	Distribution Rate (cents)
Capital distribution	NIL
Tax Exempt Income	4.08
Total	4.08

Par value of units : Not meaningful

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11(c) Date payable : 24 September 2010

11(d) Book closure date : 9 September 2010

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

Not applicable.

13 Confirmation Pursuant to Rule 705(5) 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 2010, to be false or misleading in any material respect.

On behalf of the Board of the Manager

Mr Lim Beng Chee
Director

Mr Tan Tee Hieong
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 2010