



CAPITARETAIL CHINA TRUST
2012 SECOND QUARTER UNAUDITED FINANCIAL STATEMENT AND DISTRIBUTION ANNOUNCEMENT

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Summary of CRCT Results

	2Q 2012	2Q 2011	Change %	1H 2012	1H 2011	Change %
	Actual S\$'000	Actual ¹ S\$'000		Actual S\$'000	Actual ¹ S\$'000	
Gross Revenue	38,123	30,682	24.3	76,033	61,581	23.5
Net Property Income	24,924	20,617	20.9	50,334	41,326	21.8
Income available for distribution	16,649	13,478	23.5	33,286	26,943	23.5
Distribution Per Unit ("DPU") (cents)						
For the period	2.41	2.15 ²	12.1	4.82	4.30	12.1
Annualised	9.69	8.62	12.4	9.69	8.67	11.8

	2Q 2012	2Q 2011	Change %	1H 2012	1H 2011	Change %
	Actual RMB'000	Actual ¹ RMB'000		Actual RMB'000	Actual ¹ RMB'000	
Gross Revenue	190,247	160,951	18.2	378,479	320,054	18.3
Net Property Income	124,389	108,149	15.0	250,556	214,785	16.7

N.M. – not meaningful

Footnotes:

- 1. Excludes contribution from CapitaMall Minzhongleyuan which was acquired on 30 June 2011.*
- 2. Includes 2.13 cents for the period from 1 April 2011 to 29 June 2011, calculated based on 626,669,650 units and 0.02 cents for 30 June 2011 (1 day) calculated based on 686,498,650 units.*

DISTRIBUTION & BOOK CLOSURE DATE

Distribution	For 1 January 2012 to 30 June 2012
Distribution type	Capital distribution
Distribution rate	4.82 cents per Unit
Book closure date	7 September 2012
Payment date	26 September 2012

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INTRODUCTION

CapitaRetail China Trust (“CRCT”) was constituted 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”) constituted 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 2012, CRCT owns and invests in a portfolio of nine shopping malls located in six of China’s cities. The properties are CapitaMall Xizhimen, CapitaMall Wangjing, CapitaMall Shuangjing and CapitaMall Anzhen in Beijing; CapitaMall Qibao in Shanghai; CapitaMall Erqi in Zhengzhou; CapitaMall Saihan in Huhhot; CapitaMall Minzhongleyuan in Wuhan; and CapitaMall Wuhu in Wuhu which CRCT has a 51% interest in.

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1(a)(i) **Statement of total return for the Group (2Q 2012 vs 2Q 2011)**

	Group		
	2Q 2012 S\$'000	2Q 2011 ¹ S\$'000	% Change
Gross rental income	35,308	28,427	24.2
Other income ²	2,815	2,255	24.8
Gross revenue	38,123	30,682	24.3
Land rental	(1,351)	(1,085)	24.5
Property related tax	(2,262)	(2,048)	10.4
Business tax	(2,296)	(1,694)	35.5
Property management fees	(1,603)	(1,269)	26.3
Other property operating expenses ³	(5,687)	(3,969)	43.3
Total property operating expenses	(13,199)	(10,065)	31.1
Net property income	24,924	20,617	20.9
Manager's management fees – Base fee	(983)	(798)	23.2
Manager's management fees – Performance fee	(997)	(825)	20.8
Trustee's fees	(80)	(60)	33.3
Valuation fees	(69)	(79)	(12.7)
Other trust operating expenses	(352)	(238)	47.9
Finance income	148	65	127.7
Foreign exchange gain/(loss) – realised	93	(264)	N.M.
Finance costs	(2,956)	(2,678)	10.4
Total return before change in fair value of investment properties and unrealised foreign exchange gain	19,728	15,740	25.3
Change in fair value of investment properties	38,227	56,588	(32.4)
Foreign exchange gain – unrealised	2	11	(81.8)
Total return before taxation	57,957	72,339	(19.9)
Taxation ⁴	(13,869)	(18,026)	(23.1)
Total return for the period after taxation	44,088	54,313	(18.8)
Attributable to:			
Unitholders	43,782	54,110	(19.1)
Non-controlling interest	306	203	50.7
Total return for the period after taxation	44,088	54,313	(18.8)

Footnotes:

1. Excludes contribution from CapitaMall Minzhongleyuan which was acquired on 30 June 2011.
2. Other income comprises mainly income earned from atrium space, trolley carts and advertisement panel.
3. Included as part of the other property operating expenses are items in the table below.
4. Included prior years taxation adjustments.

	Group		
	2Q 2012 S\$'000	2Q 2011 ¹ S\$'000	% Change
Depreciation and amortisation ³	(427)	(320)	33.4
Doubtful trade receivables recovered ³	4	35	(88.6)
Impairment losses on trade receivables ³	(1)	-	N.M.
Plant and equipment written off ³	(13)	-	N.M.
(Under)/overprovision of tax in prior years ⁴	(306)	253	N.M.

N.M. – not meaningful

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1(a)(i) **Statement of total return for the Group (1H 2012 vs 1H 2011)**

	Group		
	1H 2012 S\$'000	1H 2011 ¹ S\$'000	% Change
Gross rental income	70,644	57,365	23.1
Other income ²	5,389	4,216	27.8
Gross revenue	76,033	61,581	23.5
Land rental	(2,708)	(2,190)	23.7
Property related tax	(4,527)	(4,134)	9.5
Business tax	(4,420)	(3,397)	30.1
Property management fees	(3,179)	(2,544)	25.0
Other property operating expenses ³	(10,865)	(7,990)	36.0
Total property operating expenses	(25,699)	(20,255)	26.9
Net property income	50,334	41,326	21.8
Manager's management fees – Base fee	(1,896)	(1,557)	21.8
Manager's management fees – Performance fee	(2,013)	(1,653)	21.8
Trustee's fees	(146)	(118)	23.7
Valuation fees	(149)	(161)	(7.5)
Other trust operating expenses	(1,018)	(113)	800.9
Finance income	161	93	73.1
Foreign exchange gain/(loss) – realised	96	(415)	N.M.
Finance costs	(5,761)	(5,447)	5.8
Total return before change in fair value of investment properties and unrealised foreign exchange gain	39,608	31,955	23.9
Change in fair value of investment properties	38,227	56,588	(32.4)
Foreign exchange gain– unrealised	47	3	N.M.
Total return before taxation	77,882	88,546	(12.0)
Taxation ⁴	(19,053)	(22,507)	(15.3)
Total return for the period after taxation	58,829	66,039	(10.9)
Attributable to:			
Unitholders	58,272	65,641	(11.2)
Non-controlling interest	557	398	39.9
Total return for the period after taxation	58,829	66,039	(10.9)

Footnotes:

1. Excludes contribution from CapitaMall Minzhongleyuan which was acquired on 30 June 2011.
2. Other income comprises mainly income earned from atrium space, trolley carts and advertisement panel.
3. Included as part of the other property operating expenses are items in the table below.
4. Included prior years taxation adjustments.

	Group		
	1H 2012 S\$'000	1H 2011 ¹ S\$'000	% Change
Depreciation and amortisation ³	(826)	(636)	29.9
Doubtful trade receivables recovered ³	4	37	(89.2)
Impairment losses on trade receivables ³	(1)	(15)	(93.3)
Plant and equipment written off ³	(22)	-	N.M.
(Under)/overprovision of tax in prior years ⁴	(306)	253	N.M.

N.M. – not meaningful

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1(a)(ii) **Distribution statement for the Group (2Q 2012 vs 2Q 2011)**

	Group		
	2Q 2012 S\$'000	2Q 2011¹ S\$'000	% Change
Total return for the period attributable to Unitholders before distribution	43,782	54,110	(19.1)
Distribution adjustments (Note A)	(27,133)	(40,632)	(33.2)
Income available for distribution to Unitholders	16,649	13,478	23.5
Comprises :			
- from operations	3,331	3,447	(3.4)
- from Unitholders' contribution	13,318	10,031	32.8
	16,649	13,478	23.5
Note A			
Distribution adjustments			
- Manager's management fees (performance component payable in units)	997	825	20.8
- Change in fair value of investment properties	(38,227)	(56,588)	(32.4)
- Deferred taxation	10,190	15,323	(33.5)
- Transfer to general reserve	(531)	(501)	6.0
- Unrealised foreign exchange gain	(2)	(11)	(81.8)
- Other adjustments	440	320	37.5
Net effect of distribution adjustments	(27,133)	(40,632)	(33.2)

Footnote:

1. Excludes contribution from CapitaMall Minzhongleyuan which was acquired on 30 June 2011.

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1(a)(ii) **Distribution statement for the Group (1H 2012 vs 1H 2011)**

	Group		
	1H 2012 S\$'000	1H 2011¹ S\$'000	% Change
Total return for the period attributable to Unitholders before distribution	58,272	65,641	(11.2)
Distribution adjustments (Note A)	(24,986)	(38,698)	(35.4)
Income available for distribution to Unitholders	33,286	26,943	23.5
Comprises :			
- from operations	7,275	7,575	(4.0)
- from Unitholders' contribution	26,011	19,368	34.3
	33,286	26,943	23.5
Note A			
Distribution adjustments			
- Manager's management fees (performance component payable in units)	2,013	1,653	21.8
- Change in fair value of investment properties	(38,227)	(56,588)	(32.4)
- Deferred taxation	11,565	16,568	(30.2)
- Transfer to general reserve	(1,138)	(964)	18.0
- Unrealised foreign exchange gain	(47)	(3)	N.M.
- Other adjustments	848	636	33.3
Net effect of distribution adjustments	(24,986)	(38,698)	(35.4)

N.M. – not meaningful

Footnote:

1. Excludes contribution from CapitaMall Minzhongleyuan which was acquired on 30 June 2011.

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1(b)(i) Balance sheet as at 30 Jun 2012 vs 31 Dec 2011

	Group			Trust		
	30 Jun 2012 S\$'000	31 Dec 2011 S\$'000	% Change	30 Jun 2012 S\$'000	31 Dec 2011 S\$'000	% Change
Assets						
Investment properties	1,479,834	1,440,620	2.7	-	-	-
Plant and equipment	6,019	4,843	24.3	-	-	-
Interests in subsidiaries	-	-	-	906,992	909,662	(0.3)
Trade and other receivables	9,056	7,441	21.7	185	169	9.5
Financial derivatives ¹	11,033	13,249	(16.7)	11,033	13,249	(16.7)
Cash and cash equivalents	79,845	70,115	13.9	307	820	(62.6)
Total assets	1,585,787	1,536,268	3.2	918,517	923,900	(0.6)
Less						
Liabilities						
Trade and other payables	34,944	50,453	(30.7)	4,955	5,497	(9.9)
Security deposits	26,684	24,860	7.3	-	-	-
Interest-bearing borrowings ²	445,614	432,572	3.0	420,869	406,526	3.5
Deferred tax liabilities ³	102,046	90,282	13.0	-	-	-
Financial derivatives ¹	3,085	3,117	(1.0)	3,085	3,117	(1.0)
Provision for taxation ⁴	2,685	1,741	54.2	-	-	-
Total liabilities	615,058	603,025	2.0	428,909	415,140	3.3
Net assets	970,729	933,243	4.0	489,608	508,760	(3.8)
Represented by:						
Unitholders' funds	950,645	913,839	4.0	489,608	508,760	(3.8)
Non-controlling interest	20,084	19,404	3.5	-	-	-
	970,729	933,243	4.0	489,608	508,760	(3.8)

Footnotes:

1. As at 30 June 2012, the financial derivative assets of \$11.0 million were mainly due to fair value change on the non-deliverable forwards ("NDF") to hedge the currency exposure on the \$50.0 million, \$100.0 million, part of the \$88.0 million and \$100.5 million term loans.

As at 31 December 2011, the financial derivative assets of \$13.2 million were mainly due to fair value change on the NDF to hedge the currency exposure on the \$88.0 million, \$100.0 million and part of \$100.5 million term loans.

As at 30 June 2012, the financial derivative liabilities of \$3.1 million were mainly due to fair value change on the interest rate swap ("IRS") to hedge the variable rate borrowings of \$50.0 million, \$100.0 million, \$100.5 million and part of the \$88.0 million term loans.

As at 31 December 2011, the financial derivative liabilities of \$3.1 million were mainly due to fair value change on IRS to hedge the variable rate borrowings of \$50.0 million, \$100.0 million, \$100.5 million and part of the \$88.0 million term loans.

2. Interest-bearing borrowings comprise (i) unsecured term loan facilities of \$388.5 million drawn down by the Trust to partly finance the acquisition of the properties in CRCT and utilisation as working capital; (ii) unsecured short-term loan facilities of \$33.0 million mainly to finance distribution to Unitholders and working capital; and (iii) RMB unsecured term loan facility of RMB121.6 million (\$24.7 million) mainly to finance CapitaMall Anzhen.

3. The increase was mainly due to higher provision for deferred tax liabilities in 2Q 2012 as a result of the increase in fair value of the investment properties.

4. The higher provision for taxation as at 30 June 2012 was mainly due to conversion of monthly to quarterly payment of corporate taxation for CapitaMall Xizhimen and CapitaMall Anzhen.

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

	Group		Trust	
	30 Jun 2012	31 Dec 2011	30 Jun 2012	31 Dec 2011
	S\$'000	S\$'000	S\$'000	S\$'000
Unsecured borrowing				
- Amount repayable within one year	186,108	157,802	183,503	156,500
- Amount repayable after one year	260,140	275,247	238,000	250,503
	446,248	433,049	421,503	407,003
Less: Transaction costs in relation to the unsecured term loan facilities	(634)	(477)	(634)	(477)
(1)	445,614	432,572	420,869	406,526

Footnote:

- The increase in the Group's borrowings as at 30 June 2012 was mainly due to additional loans drawn at Trust level for distribution to Unitholders and working capital offset by contractual repayment on the RMB denominated loan.*

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1(c) **Consolidated cash flow statement (2Q 2012 vs 2Q 2011)**

	Group	
	2Q 2012 S\$'000	2Q 2011 S\$'000
Operating activities		
Total return after taxation	44,088	54,313
Adjustments for:		
Finance income	(148)	(65)
Finance costs	2,956	2,678
Depreciation and amortisation	427	320
Taxation	13,869	18,026
Manager's management fees payable in units	997	825
Plant and equipment written off	13	-
Change in fair value of investment properties	(38,227)	(56,588)
Doubtful trade receivables recovered, net	(3)	(35)
Operating income before working capital changes	23,972	19,474
Changes in working capital:		
Trade and other receivables	(1,295)	(6,154)
Trade and other payables	2,069	2,923
Cash generated from operating activities	24,746	16,243
Income tax paid	(4,047)	(3,243)
Net cash from operating activities	20,699	13,000
Investing activities		
Interest received	148	65
Net cash outflow on purchase of investment property	-	(859)
Net cash outflow on acquisition of subsidiary companies	-	(69,561)
Capital expenditure on investment properties	(3,410)	(23)
Proceed from disposal of plant and equipment	3	-
Purchase of plant and equipment	(1,126)	(340)
Net cash used in investing activities	(4,385)	(70,718)
Financing activities		
Proceeds from issuance of new units	-	70,000
Payment of equity issue expenses	-	(1,466)
Payment of financing expenses	(132)	-
Proceeds from bank loans	-	4,000
Repayment of bank loans	(8,302)	(500)
Interest paid	(3,087)	(2,670)
Net cash (used in)/from financing activities	(11,521)	69,364
Increase in cash and cash equivalents	4,793	11,646
Cash and cash equivalents at beginning of period	73,511	35,894
Effect on exchange rate changes on cash balances	1,541	(621)
Cash and cash equivalents at end of period	79,845	46,919

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1(c) Consolidated cash flow statement (1H 2012 vs 1H 2011)

	Group	
	1H 2012 S\$'000	1H 2011 S\$'000
Operating activities		
Total return after taxation	58,829	66,039
Adjustments for:		
Finance income	(161)	(93)
Finance costs	5,761	5,447
Depreciation and amortisation	826	636
Taxation	19,053	22,507
Manager's management fees payable in units	2,013	1,653
Plant and equipment written off	22	-
Change in fair value of investment properties	(38,227)	(56,588)
Doubtful trade receivables recovered, net	(3)	(22)
Operating income before working capital changes	48,113	39,579
Changes in working capital:		
Trade and other receivables	(8,069)	(13,064)
Trade and other payables	(1,124)	6,643
Cash generated from operating activities	38,920	33,158
Income tax paid	(6,515)	(6,605)
Net cash from operating activities	32,405	26,553
Investing activities		
Interest received	161	93
Net cash outflow on purchase of investment property	(1,434)	(1,718)
Net cash outflow on acquisition of subsidiary companies	-	(69,561)
Capital expenditure on investment properties	(5,604)	(328)
Proceed from disposal of plant and equipment	23	-
Purchase of plant and equipment	(1,665)	(840)
Net cash used in investing activities	(8,519)	(72,354)
Financing activities		
Proceeds from issuance of new units	-	70,000
Distribution to Unitholders ¹	(30,446)	(25,953)
Payment of equity issue expenses	-	(2,544)
Payment of financing expenses	(332)	-
Proceeds from bank loans	80,000	35,900
Repayment of bank loans	(66,802)	(17,974)
Settlement of derivative contracts	8,642	-
Interest paid	(5,209)	(5,924)
Net cash (used in)/from financing activities	(14,147)	53,505
Increase in cash and cash equivalents	9,739	7,704
Cash and cash equivalents at beginning of period	70,115	39,936
Effect on exchange rate changes on cash balances	(9)	(721)
Cash and cash equivalents at end of period	79,845	46,919

Footnote:

1. Distribution for the period from 30 June 2011 to 31 December 2011 was paid in March 2012.
Distribution for the period from 1 July 2010 to 31 December 2010 was paid in March 2011.

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1(d)(i) **Statement of changes in Unitholders' funds (2Q 2012 vs 2Q 2011)**

	Group		Trust	
	2Q 2012 S\$'000	2Q 2011 S\$'000	2Q 2012 S\$'000	2Q 2011 S\$'000
Unitholders' funds as at beginning of period	875,024	702,698	471,420	441,218
Operations				
Change in Unitholders' funds resulting from operations before distribution	43,782	54,110	17,077	(6,432)
Transfer to general reserve	(531)	(501)	-	-
Net increase/(decrease) in net assets resulting from operations	43,251	53,609	17,077	(6,432)
Movements in hedging reserve				
Effective portion of changes in fair value of cash flow hedges	114	(1,772)	114	(1,772)
Movement in foreign currency translation reserve				
Translation differences from financial statements of foreign operations	16,053	(7,832)	-	-
Exchange differences on monetary items forming part of net investment in foreign operations	13,676	(10,814)	-	-
Exchange differences on hedges of net investment in foreign operations	999	5,313	-	-
Net gain/(loss) recognised directly in Unitholders' funds	30,842	(15,105)	114	(1,772)
Movement in general reserve	531	501	-	-
Unitholders' transactions				
New units issued ¹	-	70,000	-	70,000
Creation of units payable/paid to manager				
- Manager's management fees payable/paid	997	825	997	825
Equity issue expenses ²	-	(4,023)	-	(4,023)
Net increase in net assets resulting from Unitholders' transactions	997	66,802	997	66,802
Unitholders' funds at end of period	950,645	808,505	489,608	499,816

Footnotes:

1. 59,829,000 new units were issued via a private placement exercise which was completed on 30 June 2011 for the purpose of acquiring CapitaMall Minzhongleyuan, through the acquisition of the entire issued share capital of Somerset (Wuhan) Investments Pte Ltd and acquisition of the outstanding shareholder's loans in Somerset (Wuhan) Investments Pte Ltd.
2. Includes underwriting fees and professional fees paid and payable in connection to the private placement exercise completed on 30 June 2011 for the acquisition of CapitaMall Minzhongleyuan.

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1(d)(i) **Statement of changes in Unitholders' funds (1H 2012 vs 1H 2011)**

	Group		Trust	
	1H 2012 S\$'000	1H 2011 S\$'000	1H 2012 S\$'000	1H 2011 S\$'000
Unitholders' funds as at beginning of period	913,839	734,507	508,760	475,140
Operations				
Change in Unitholders' funds resulting from operations before distribution	58,272	65,641	9,249	(14,138)
Transfer to general reserve	(1,138)	(964)	-	-
Net increase/(decrease) in net assets resulting from operations	57,134	64,677	9,249	(14,138)
Movements in hedging reserve				
Effective portion of changes in fair value of cash flow hedges	32	(2,863)	32	(2,863)
Movement in foreign currency translation reserve				
Translation differences from financial statements of foreign operations	1,345	(17,481)	-	-
Exchange differences on monetary items forming part of net investment in foreign operations	(836)	(26,073)	-	-
Exchange differences on hedges of net investment in foreign operations	6,426	13,097	-	-
Net gain/(loss) recognised directly in Unitholders' funds	6,967	(33,320)	32	(2,863)
Movement in general reserve	1,138	964	-	-
Unitholders' transactions				
New units issued ¹	-	70,000	-	70,000
Creation of units payable/paid to manager				
- Manager's management fees payable/paid	2,013	1,653	2,013	1,653
Distribution to Unitholders ²	(30,446)	(25,953)	(30,446)	(25,953)
Equity issue expenses ³	-	(4,023)	-	(4,023)
Net (decrease)/increase in net assets resulting from Unitholders' transactions	(28,433)	41,677	(28,433)	41,677
Unitholders' funds at end of period	950,645	808,505	489,608	499,816

Footnotes:

1. 59,829,000 new units were issued via a private placement exercise which was completed on 30 June 2011 for the purpose of acquiring CapitaMall Minzhongleyuan, through the acquisition of the entire issued share capital of Somerset (Wuhan) Investments Pte Ltd and acquisition of the outstanding shareholder's loans in Somerset (Wuhan) Investments Pte Ltd.
2. Distribution to Unitholders in 1H 2012 includes distribution for the period from 30 June 2011 to 31 December 2011 which was paid in March 2012. Distribution to Unitholders in 1H 2011 includes distribution for the period from 1 July 2010 to 31 December 2010 which was paid in March 2011.
3. Includes underwriting fees and professional fees paid and payable in connection to the private placement exercise completed on 30 June 2011 for the acquisition of CapitaMall Minzhongleyuan.

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1(d)(ii) Details of any change in the issued and issuable units (2Q 2012 vs 2Q 2011)

	Trust	
	2Q 2012 Units	2Q 2011 Units
Balance as at beginning of period	689,632,698	625,998,682
New units issued:		
- As payment of manager's management fees ¹	824,734	670,968
- In connection with private placement exercise completed on 30 June 2011	-	59,829,000
Issued units as at end of period	690,457,432	686,498,650
New units to be issued:		
- As payment of manager's management fees ²	761,683	672,375
Total issued and issuable units as at end of period	691,219,115	687,171,025

Footnotes:

- This was the performance component of the manager's management fees for 1Q 2012 and 1Q 2011 which were issued in June 2012 and June 2011 respectively.*
- This was the performance component of the manager's management fees for 2Q 2012 (which will be issued in 3Q 2012) and 2Q 2011 which was issued in September 2011.*

1(d)(ii) Details of any change in the issued and issuable units (1H 2012 vs 1H 2011)

	Trust	
	1H 2012 Units	1H 2011 Units
Balance as at beginning of period	688,829,911	625,381,914
New units issued:		
- As payment of manager's management fees ¹	1,627,521	1,287,736
- In connection with private placement exercise completed on 30 June 2011	-	59,829,000
Issued units as at end of period	690,457,432	686,498,650
New units to be issued:		
- As payment of manager's management fees ²	761,683	672,375
Total issued and issuable units as at end of period	691,219,115	687,171,025

Footnotes:

- This was the performance component of the manager's management fees for 4Q 2011 and 1Q 2012 which were issued in March 2012 and June 2012 respectively. For 1H 2011, the manager's management fee for 4Q 2010 and 1Q 2011 were issued in March 2011 and June 2011 respectively.*
- This was the performance component of the manager's management fees for 2Q 2012 (which will be issued in 3Q 2012) and 2Q 2011 which was issued in September 2011.*

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 statements for the current financial period, which are consistent with those described in the audited financial statements for the year ended 31 December 2011.

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 as at the end of each period is used.

	Group	
	2Q 2012	2Q 2011
Weighted average number of units in issue	689,867,643	626,818,371
Earnings per unit (“EPU”)¹		
Based on weighted average number of units in issue	6.35¢	8.63¢
Based on fully diluted basis	6.35¢	8.63¢
Number of units in issue at end of period	690,457,432	686,498,650
Distribution per unit (“DPU”)		
Based on the number of units in issue at end of period ²	2.41¢	2.15¢

	Group	
	1H 2012	1H 2011
Weighted average number of units in issue	689,353,188	626,107,518
Earnings per unit (“EPU”)¹		
Based on weighted average number of units in issue	8.45¢	10.48¢
Based on fully diluted basis	8.45¢	10.48¢
Number of units in issue at end of period	690,457,432	686,498,650
Distribution per unit (“DPU”)		
Based on the number of units in issue at end of period ²	4.82¢	4.30¢

Footnotes:

- EPU is calculated based on total return after tax and non-controlling interest.*
- DPU for 2011 includes 2.13 cents for the period from 1 April 2011 to 29 June 2011, calculated based on 626,669,650 units and 0.02 cents for 30 June 2011 (1 day) calculated based on 686,498,650 units.*

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

	Group		Trust	
	30 Jun 2012	31 Dec 2011	30 Jun 2012	31 Dec 2011
NAV per unit	\$1.38	\$1.33	\$0.71	\$0.74
Adjusted NAV per unit (excluding distributable income)	\$1.33	\$1.28	\$0.66	\$0.69

8 **Review of the performance**

8(i) **Statement of total return for the Group**

	Group				
	2Q 2012	2Q 2011 ¹	1Q 2012	1H 2012	1H 2011 ¹
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Gross revenue	38,123	30,682	37,910	76,033	61,581
Property operating expenses	(13,199)	(10,065)	(12,500)	(25,699)	(20,255)
Net property income	24,924	20,617	25,410	50,334	41,326
Manager's management fees – Base fee	(983)	(798)	(913)	(1,896)	(1,557)
Manager's management fees – Performance fee	(997)	(825)	(1,016)	(2,013)	(1,653)
Trustee's fees	(80)	(60)	(66)	(146)	(118)
Valuation fees	(69)	(79)	(80)	(149)	(161)
Other trust operating expenses	(352)	(238)	(666)	(1,018)	(113)
Finance income	148	65	13	161	93
Foreign exchange gain/(loss) - realised	93	(264)	3	96	(415)
Finance costs	(2,956)	(2,678)	(2,805)	(5,761)	(5,447)
Total return before change in fair value of investment properties and unrealised foreign exchange gain	19,728	15,740	19,880	39,608	31,955
Change in fair value of investment properties	38,227	56,588	-	38,227	56,588
Foreign exchange gain- unrealised	2	11	45	47	3
Total return before taxation	57,957	72,339	19,925	77,882	88,546
Taxation	(13,869)	(18,026)	(5,184)	(19,053)	(22,507)
Total return for the period after taxation	44,088	54,313	14,741	58,829	66,039
Attributable to :					
Unitholders	43,782	54,110	14,490	58,272	65,641
Non-controlling interest	306	203	251	557	398
Total return for the period after taxation	44,088	54,313	14,741	58,829	66,039

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8 Review of the performance

8(i) Statement of total return for the Group

	Group				
	2Q 2012	2Q 2011 ¹	1Q 2012	1H 2012	1H 2011 ¹
	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	43,782	54,110	14,490	58,272	65,641
Net effect of distribution adjustments	(27,133)	(40,632)	2,147	(24,986)	(38,698)
Income available for distribution to Unitholders	16,649	13,478	16,637	33,286	26,943
Distribution per unit (in cents)					
- For the period	2.41	2.15 ⁽²⁾	2.41	4.82	4.30 ⁽²⁾
- Annualised	9.69	8.62	9.69	9.69	8.67

Footnotes:

1. Excludes contribution from CapitaMall Minzhongleyuan which was acquired on 30 June 2011.
2. Includes 2.13 cents for the period from 1 April 2011 to 29 June 2011, calculated based on 626,669,650 units and 0.02 cents for 30 June 2011 (1 day) calculated based on 686,498,650 units.

8(ii) Breakdown of Gross Revenue – Actual

	2Q 2012 RMB'000	2Q 2011 ¹ RMB'000	% Change	2Q 2012 S\$'000	2Q 2011 ¹ S\$'000	% Change
CapitaMall Xizhimen	55,402	47,806	15.9	11,103	9,114	21.8
CapitaMall Wangjing	41,315	37,821	9.2	8,279	7,210	14.8
CapitaMall Anzhen	19,904	19,706	1.0	3,988	3,756	6.2
CapitaMall Erqi	12,356	12,304	0.4	2,476	2,345	5.6
CapitaMall Shuangjing	10,611	10,546	0.6	2,126	2,011	5.7
CapitaMall Minzhongleyuan	12,330	-	N.M.	2,471	-	N.M.
CapitaMall Qibao	20,082	17,479	14.9	4,024	3,332	20.8
CapitaMall Saihan	10,126	7,896	28.2	2,029	1,505	34.8
CapitaMall Wuhu	8,121	7,393	9.8	1,627	1,409	15.5
Gross revenue	190,247	160,951	18.2	38,123	30,682	24.3

8(iii) Breakdown of Net Property Income – Actual

	2Q 2012 RMB'000	2Q 2011 ¹ RMB'000	% Change	2Q 2012 S\$'000	2Q 2011 ¹ S\$'000	% Change
CapitaMall Xizhimen	38,010	33,347	14.0	7,617	6,358	19.8
CapitaMall Wangjing	29,934	27,728	8.0	5,998	5,286	13.5
CapitaMall Anzhen	16,301	16,164	0.8	3,266	3,081	6.0
CapitaMall Erqi	8,384	9,890	(15.2)	1,679	1,885	(10.9)
CapitaMall Shuangjing	8,410	8,318	1.1	1,685	1,586	6.2
CapitaMall Minzhongleyuan	6,144	-	N.M.	1,231	-	N.M.
CapitaMall Qibao	8,121	6,011	35.1	1,627	1,145	42.1
CapitaMall Saihan	5,151	3,727	38.2	1,033	711	45.3
CapitaMall Wuhu	3,934	2,964	32.7	788	565	39.5
Net property income	124,389	108,149	15.0	24,924	20,617	20.9

Footnote:

1. Excludes contribution from CapitaMall Minzhongleyuan which was acquired on 30 June 2011.

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2Q 2012 vs 2Q 2011

In RMB terms, gross revenue increased by RMB29.3 million, or 18.2% over 2Q 2011. This was mainly due to the contribution from CapitaMall Minzhongleyuan which was acquired on 30 June 2011 as well as higher rental growth registered at the multi-tenanted malls. Gross revenue in SGD terms for 2Q 2012 increased by \$7.4 million, or 24.3% compared to 2Q 2011 mainly due to a stronger RMB against SGD in 2Q 2012 compared to 2Q 2011.

Property expenses for 2Q 2012 increased by \$3.1 million, or 31.1% over 2Q 2011 mainly due to higher business tax as a result of higher gross revenue and additional lease registration fees and city level taxation on the base rent of CapitaMall Erqi imposed by the Zhengzhou city government for the period from 2010 to 1H 2012.

Management fees payable to the manager were 22.0% higher than 2Q 2011. This was due to higher net property income and deposited properties.

Finance income earned in 2Q 2012 was \$0.1 million higher than 2Q 2011 mainly due to higher fixed deposit balances placed with financial institutions.

Finance costs in 2Q 2012 increased by \$0.3 million, or 10.4% over 2Q 2011. This was mainly due to additional loans drawn at Trust level to finance distribution to Unitholders and working capital.

Taxation in 2Q 2012 decreased by \$4.2 million, or 23.1% over 2Q 2011. This was due to lower deferred taxation in 2Q 2012 compared to 2Q 2011 as a result of lower change in fair value of investment properties.

2Q 2012 vs 1Q 2012

In RMB terms, gross revenue increased by RMB2.0 million, or 1.1% over 1Q 2012. This was mainly due to rental growth in CapitaMall Xizhimen in 2Q 2012. Gross revenue in SGD terms for 2Q 2012 increased marginally by \$0.2 million or 0.6% over 1Q 2012 as a result of weaker RMB against SGD in 2Q 2012 compared to 1Q 2012.

Property expenses for 2Q 2012 increased marginally by \$0.7 million, or 5.6% over 1Q 2012 mainly due to higher business tax as a result of higher gross revenue, marketing, staff related costs in 2Q 2012 and additional lease registration fees and city level taxation on the base rent of CapitaMall Erqi imposed by the Zhengzhou city government for the period from 2010 to 1H 2012.

Management fees payable to the manager were 2.6% higher than 1Q 2012 mainly due to higher deposited properties but were partially offset by lower net property income due to weaker RMB against SGD.

Finance income earned in 2Q 2012 increased by \$0.1 million over 1Q 2012. This was mainly due to higher fixed deposit balances placed with financial institutions.

Finance costs in 2Q 2012 increased by \$0.1 million, or 5.4% over 1Q 2012. This was mainly due to additional loans drawn at Trust level to finance distribution to Unitholders and working capital.

Taxation in 2Q 2012 increased by \$8.7 million over 1Q 2012 mainly due to deferred tax liabilities recognised in 2Q 2012 as a result of the increase in fair value of investment properties.

1H 2012 vs 1H 2011

In RMB terms, gross revenue for 1H 2012 increased by RMB58.4 million, or 18.3% over 1H 2011. This was mainly due to the contribution from CapitaMall Minzhongleyuan which was acquired on 30 June 2011 as well as higher rental growth registered at multi-tenanted malls. Gross revenue in SGD terms for 1H 2012 increased by \$14.4 million, or 23.5% over 1H 2011. This was mainly due to the stronger RMB against SGD in 1H 2012 compared to 1H 2011.

Property expenses for 1H 2012 increased by \$5.4 million, or 26.9% over 1H 2011 mainly due to higher business tax as a result of higher gross revenue, staff related costs and additional lease registration fees and city level taxation on the base rent of CapitaMall Erqi imposed by the Zhengzhou city government for the period from 2010 to 1H 2012.

Management fees to the manager were 21.8% higher than 1H 2011 mainly due to higher deposited properties and higher net property income achieved.

Finance income earned in 1H 2012 increased by \$0.1 million over 1H 2011 mainly due to higher fixed deposit balances placed with financial institutions.

Finance cost in 1H 2012 increased by \$0.3 million, or 5.8% over 1H 2011. This was mainly due to additional loans drawn at Trust level to finance distribution to Unitholders and working capital.

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Taxation in 1H 2012 decreased by \$3.4 million, or 15.3% over 1H 2011 mainly due to lower deferred tax liabilities recognised in 2Q 2012.

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

CRCT has not disclosed any forecast to the market.

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

China's economy grew 7.8% year-on-year in the first half of 2012, in line with the government's growth target of 7.5% for 2012. (Source: National Bureau of Statistics of China). The government lowered interest rate by 25 basis points in June 2012 which was its first reduction since December 2008. This was promptly followed by a second round of cuts in early July which reduced its one-year lending rate to 6.0%. (Source: Financial Times). Inflation eased to a low 2.2% in June 2012 (Source: National Bureau of Statistics of China), providing the government with more policy flexibility.

The government remains committed to boosting domestic consumption as a top priority. One of the first measures implemented was a one-year programme, starting in June 2012, to stimulate consumption of energy-saving household appliances. A budget of RMB26.5 billion was allocated. (Source: China Daily).

CRCT is optimistic about the growth potential of China's retail sector. With a geographically diversified presence, CRCT will be in good stead to tap into the growth opportunities offered by China's various tiers of cities.

Beijing Retail Market Update

Two new malls opened in Beijing in 1Q 2012. CapitaMall Crystal in the west of Beijing and Xin'ao Shopping Mall in the Olympic Games Park added 317,000 sq m of supply to the Beijing retail market. (Source: DTZ). Retailers continued to expand in Beijing, with fast fashion brands such as UNIQLO, Forever 21 and Hollister unveiling new stores. Supermarket chains and cinema tenants such as BHG, Tesco, Bona, CGV and Lumiere Pavilions also opened new outlets. The vacancy rate was 10.7% in 1Q 2012. (Source: Jones Lang LaSalle).

Shanghai Retail Market Update

The first quarter of 2012 saw the entry of two new shopping centres in Shanghai. Huge Lifestyle Centre in Putuo District and Bailian Xuhui Shopping Centre in the Xujiahui shopping centre added a total of 50,000 sq m of retail space. Fast fashion brands expanded into the secondary and suburban areas and luxury brands opened stores in prime areas. Growth in emerging area retail sales is expected to outperform that of traditional retail areas. New retail supply in Shanghai is expected to be over 600,000 sq m in 2012, with the vacancy rate increasing slightly to 8 – 10%. (Source: Knight Frank).

11 Distribution

11(a) Current Financial Period

Any distribution declared for the current financial period? Yes.

Name of distribution : Distribution for 1 January 2012 to 30 June 2012

Distribution type : Capital distribution

Distribution rate : 4.82 cents per unit

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.

Remark : The capital distribution from 1 January 2012 to 30 June 2012 is expected to be funded from borrowing at the Trust level as well as internal cash flow from operations.

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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 1 January 2011 to 29 June 2011

Distribution type : Capital distribution

Distribution rate : 4.28 cents per unit

Par value of units : Not meaningful

11(c) Date payable : 26 September 2012

11(d) Book closure date : 7 September 2012

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

Not applicable.

13 **If the Group has obtained a general mandate from Unitholders for IPT, the aggregate value of such transactions as required under Rule 920 (1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect**

The Group has not obtained a general mandate from Unitholders for Interested Person Transactions ("IPT").

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14 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, statement of total return, distribution statement, statement of changes in Unitholders' funds and cash flows statement, together with their accompanying notes) as at 30 June 2012, 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)

Goh Mei Lan
Company Secretary
25 July 2012