
CAPITALAND RETAIL CHINA TRUST
2015 SECOND QUARTER UNAUDITED FINANCIAL STATEMENT AND DISTRIBUTION ANNOUNCEMENT

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Summary of CRCT Results

	2Q 2015	2Q 2014		1H 2015	1H 2014	
	Actual S\$'000	Actual S\$'000	Change %	Actual S\$'000	Actual S\$'000	Change %
Gross Revenue	54,258	51,014	6.4	108,800	99,158	9.7
Net Property Income	36,039	34,214	5.3	70,587	66,553	6.1
Income available for distribution	22,936	21,253	7.9	45,117	40,889	10.3
Distribution Per Unit ("DPU") (cents)						
For the period	2.73	2.59	5.4	5.37	4.99	7.6
Annualised	10.95	10.39	5.4	10.83	10.06	7.7

	2Q 2015	2Q 2014		1H 2015	1H 2014	
	Actual RMB'000	Actual RMB'000	Change %	Actual RMB'000	Actual RMB'000	Change %
Gross Revenue	249,601	249,888	(0.1)	499,955	481,584	3.8
Net Property Income	165,780	167,595	(1.1)	324,358	323,230	0.3

DISTRIBUTION & BOOK CLOSURE DATE

Distribution	For 1 January 2015 to 30 June 2015
Distribution type	Tax exempt income/ Capital distribution
Distribution rate	5.37 cents per unit
Book closure date	6 August 2015
Payment date	22 September 2015

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INTRODUCTION

CapitaLand Retail China Trust (previously known as CapitaRetail China Trust) (“CRCT”) was constituted as a private trust on 23 October 2006 under a trust deed entered into between CapitaLand Retail China Trust Management Limited (previously known as 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 2015, CRCT owns and invests in a portfolio of ten shopping malls located in six China’s cities. The properties are CapitaMall Xizhimen, CapitaMall Wangjing, CapitaMall Grand Canyon, 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 in which CRCT has a 51% interest.

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1(a)(i) **Statement of total return for the Group (2Q 2015 vs 2Q 2014)**

	Group		
	2Q 2015 S\$'000	2Q 2014 S\$'000	% Change
Gross rental income	51,235	47,701	7.4
Other income ¹	3,023	3,313	(8.8)
Gross revenue	54,258	51,014	6.4
Land rental	(1,538)	(1,435)	7.2
Property related tax	(3,206)	(2,759)	16.2
Business tax	(3,059)	(2,859)	7.0
Property management fees ²	(3,003)	(2,701)	11.2
Other property operating expenses ³	(7,413)	(7,046)	5.2
Total property operating expenses	(18,219)	(16,800)	8.4
Net property income	36,039	34,214	5.3
Manager's management fees – Base fee	(1,517)	(1,358)	11.7
Manager's management fees – Performance fee	(1,443)	(1,368)	5.5
Trustee's fees	(96)	(87)	10.3
Audit fees	(108)	(145)	(25.5)
Valuation fees	13	(25)	N.M.
Other trust operating expenses ⁴	(649)	(433)	49.9
Finance income	229	239	(4.2)
Foreign exchange gain/(loss)– realised	74	(10)	N.M.
Finance costs	(5,063)	(5,734)	(11.7)
Total return before changes in fair value of financial derivatives, investment properties and unrealised foreign exchange gain/(loss)	27,479	25,293	8.6
Change in fair value of investment properties	29,783	68,222	(56.3)
Foreign exchange gain/(loss)– unrealised	68	(61)	N.M.
Total return before taxation	57,330	93,454	(38.7)
Taxation ⁵	(15,640)	(25,059)	(37.6)
Total return for the period after taxation	41,690	68,395	(39.0)
Attributable to:			
Unitholders	43,112	67,591	(36.2)
Non-controlling interest	(1,422)	804	N.M.
Total return for the period after taxation	41,690	68,395	(39.0)

Footnotes:

1. Other income comprises mainly income earned from atrium space, trolley carts and advertisement panels.
2. Includes reimbursement of costs to property manager for centralised services provided.
3. Includes as part of the other property operating expenses were items in the table below.

	Group		
	2Q 2015 S\$'000	2Q 2014 S\$'000	% Change
Depreciation and amortisation	(656)	(938)	(30.1)
Impairment losses on trade receivables, net	(11)	-	N.M.
Plant and equipment written off	(6)	(15)	(60.0)

4. Includes provision of additional expenses arising from the acquisition of CapitaMall Grand Canyon.
 5. Includes over provision of tax in prior years of \$89,847 in 2Q 2015 and \$47,404 in 2Q 2014.
- N.M. – not meaningful

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1(a)(i) **Statement of total return for the Group (1H 2015 vs 1H 2014)**

	Group		
	1H 2015 S\$'000	1H 2014 S\$'000	% Change
Gross rental income	102,959	93,125	10.6
Other income ¹	5,841	6,033	(3.2)
Gross revenue	108,800	99,158	9.7
Land rental	(3,080)	(2,708)	13.7
Property related tax	(7,518)	(5,427)	38.5
Business tax	(6,133)	(5,413)	13.3
Property management fees ²	(6,029)	(5,313)	13.5
Other property operating expenses ³	(15,453)	(13,744)	12.4
Total property operating expenses	(38,213)	(32,605)	17.2
Net property income	70,587	66,553	6.1
Manager's management fees – Base fee	(2,985)	(2,681)	11.3
Manager's management fees – Performance fee	(2,825)	(2,662)	6.1
Trustee's fees	(195)	(185)	5.4
Audit fees	(244)	(250)	(2.4)
Valuation fees	(39)	(85)	(54.1)
Other trust operating expenses ⁴	(1,666)	(731)	N.M.
Finance income	251	264	(4.9)
Foreign exchange gain/(loss)– realised ⁵	995	(2)	N.M.
Finance costs	(10,084)	(11,336)	(11.0)
Total return before changes in fair value of financial derivatives, investment properties and unrealised foreign exchange loss	53,795	48,885	10.0
Change in fair value of investment properties	29,783	68,222	(56.3)
Foreign exchange loss– unrealised	(83)	(46)	80.4
Total return before taxation	83,495	117,061	(28.7)
Taxation ⁶	(23,683)	(31,634)	(25.1)
Total return for the period after taxation	59,812	85,427	(30.0)
Attributable to:			
Unitholders	62,077	84,113	(26.2)
Non-controlling interest	(2,265)	1,314	N.M.
Total return for the period after taxation	59,812	85,427	(30.0)

Footnotes:

1. Other income comprises mainly income earned from atrium space, trolley carts and advertisement panels.
2. Includes reimbursement of costs to property manager for centralised services provided.
3. Includes as part of the other property operating expenses were items in the table below.

	Group		
	1H 2015 S\$'000	1H 2014 S\$'000	% Change
Depreciation and amortisation	(1,342)	(1,517)	(11.5)
Doubtful trade receivables recovered	-	79	N.M.
Impairment losses on trade receivables	(11)	-	N.M.
Plant and equipment written off	(8)	(15)	(46.7)

4. Includes provision of additional expenses arising from the acquisition of CapitaMall Grand Canyon.
 5. Includes realised foreign exchange gain on the repayment of shareholder's loans interest denominated in United States dollars.
 6. Includes over provision of tax in prior years of \$89,847 in 1H 2015 and \$282,506 in 1H 2014.
- N.M. – not meaningful

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1(a)(ii) Distribution statement for the Group (2Q 2015 vs 2Q 2014)

	Group		
	2Q 2015 S\$'000	2Q 2014 S\$'000	% Change
Total return for the period attributable to Unitholders before distribution	43,112	67,591	(36.2)
Distribution adjustments (Note A)	(20,176)	(46,338)	(56.5)
Income available for distribution to Unitholders	22,936	21,253	7.9
Comprises :			
- from operations	1,101	1,521	(27.6)
- from Unitholders' contribution	21,835	19,732	10.7
	22,936	21,253	7.9
Note A			
Distribution adjustments			
- Manager's management fees (performance component payable in units)	1,443	1,368	5.5
- Change in fair value of investment properties ¹	(31,624)	(67,536)	(53.2)
- Deferred taxation ¹	10,563	19,992	(47.2)
- Transfer to general reserve	(1,224)	(1,119)	9.4
- Unrealised foreign exchange loss ¹	4	4	-
- Other adjustments	662	953	(30.5)
Net effect of distribution adjustments	(20,176)	(46,338)	(56.5)

N.M. – not meaningful

Footnote:

1. Excludes non-controlling interest's share.

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1(a)(ii) Distribution statement for the Group (1H 2015 vs 1H 2014)

	Group		
	1H 2015 S\$'000	1H 2014 S\$'000	% Change
Total return for the period attributable to Unitholders before distribution	62,077	84,113	(26.2)
Distribution adjustments (Note A)	(16,960)	(43,224)	(60.8)
Income available for distribution to Unitholders	45,117	40,889	10.3
Comprises :			
- from operations	3,491	3,091	12.9
- from Unitholders' contribution	41,626	37,798	10.1
	45,117	40,889	10.3
Note A			
Distribution adjustments			
- Manager's management fees (performance component payable in units)	2,825	2,662	6.1
- Change in fair value of investment properties ¹	(31,624)	(67,536)	(53.2)
- Deferred taxation ¹	13,070	22,219	(41.2)
- Transfer to general reserve	(2,577)	(2,104)	22.5
- Unrealised foreign exchange (gain) /loss ¹	(4)	3	N.M.
- Other adjustments	1,350	1,532	(11.9)
Net effect of distribution adjustments	(16,960)	(43,224)	(60.8)

N.M. – not meaningful

Footnote:

1. Excludes non-controlling interest's share.

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1(b)(i) Statement of financial position as at 30 Jun 2015 vs 31 Dec 2014

	Group			Trust		
	30 Jun 2015 S\$'000	31 Dec 2014 S\$'000	% Change	30 Jun 2015 S\$'000	31 Dec 2014 S\$'000	% Change
Assets						
Investment properties ¹	2,346,483	2,250,783	4.3	-	-	-
Plant and equipment	6,877	7,759	(11.4)	-	-	-
Interests in subsidiaries	-	-	-	1,099,923	1,093,523	0.6
Trade and other receivables	13,056	11,347	15.1	231	201	14.9
Financial derivatives ²	3,512	1,547	N.M.	3,512	1,547	N.M.
Cash and cash equivalents	93,005	86,626	7.4	3,892	238	N.M.
Total assets	2,462,933	2,358,062	4.4	1,107,558	1,095,509	1.1
Less						
Liabilities						
Trade and other payables	46,049	51,140	(10.0)	7,263	5,386	34.8
Security deposits	42,775	41,158	3.9	-	-	-
Interest-bearing borrowings ³	676,640	671,713	0.7	584,768	566,823	3.2
Deferred tax liabilities ⁴	224,522	204,923	9.6	-	-	-
Financial derivatives ²	11,711	8,605	36.1	11,711	8,605	36.1
Provision for taxation	3,381	2,707	24.9	19	15	26.7
Total liabilities	1,005,078	980,246	2.5	603,761	580,829	3.9
Net assets	1,457,855	1,377,816	5.8	503,797	514,680	(2.1)
Represented by:						
Unitholders' funds	1,431,558	1,349,738	6.1	503,797	514,680	(2.1)
Non-controlling interest	26,297	28,078	(6.3)	-	-	-
	1,457,855	1,377,816	5.8	503,797	514,680	(2.1)

Footnotes:

- The increase in investment properties was attributable to the increase in fair value of the investment properties and stronger RMB against SGD.*
- The financial derivative assets and financial derivative liabilities relate to the fair value of the non-deliverable forwards ("NDF") and interest rate swaps ("IRS"). The NDF is to hedge the currency exposure on the non-RMB denominated loans and the IRS is to hedge the variable rate borrowings.*
- The interest-bearing borrowings comprise of (i) unsecured term loan facilities of \$586.1 million drawn down by the Trust to partially finance the acquisition of the properties in CRCT and to utilise as working capital and (ii) RMB secured term loan facility of RMB422.5 million (\$91.9 million) to finance CapitaMall Grand Canyon, net off transaction costs of \$1.3 million.*

The increase was mainly due to the additional loans drawn down at Trust level for distribution payment to Unitholders which was partially offset by the repayment of CapitaMall Grand Canyon's RMB denominated interest-bearing borrowing.

- The increase was mainly due to higher provision for deferred tax liabilities as a result of the increase in fair value of the investment properties and stronger RMB against SGD.*

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

	Group		Trust	
	30 Jun 2015 S\$'000	31 Dec 2014 S\$'000	30 Jun 2015 S\$'000	31 Dec 2014 S\$'000
Unsecured borrowings				
- Amount repayable within one year	135,600	117,500	135,600	117,500
- Amount repayable after one year	450,503	450,503	450,503	450,503
Secured borrowings				
- Amount repayable within one year	5,436	5,298	-	-
- Amount repayable after one year	86,436	99,592	-	-
	677,975	672,893	586,103	568,003
Less: Transaction costs in relation to the unsecured term loan facilities	(1,335)	(1,180)	(1,335)	(1,180)
	676,640	671,713	584,768	566,823

Details of any collateral

CapitaMall Grand Canyon was acquired with a legal mortgage in favour of the lender over the property.

1(c)(i) Status on the use of proceeds raised from any offerings pursuant to Chapter 8 and whether the use of proceeds is in accordance with the stated use

Cash of \$16.9 million was retained from Distribution Reinvestment Plan on 26 March 2015.

Date	Use of proceeds	Amount used	Balance
		S\$'million	S\$'million
26 March 2015	For repayment of CapitaMall Grand Canyon's RMB denominated interest-bearing borrowing	13.0	3.9
19 June 2015	For repayment of CapitaMall Grand Canyon's RMB denominated interest-bearing borrowing	2.7	1.2

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1(c)(ii) **Statement of Cash Flow (2Q 2015 vs 2Q 2014)**

	Group	
	2Q 2015 S\$'000	2Q 2014 S\$'000
Operating activities		
Total return after taxation	41,690	68,395
Adjustments for:		
Finance income	(229)	(239)
Finance costs	5,063	5,734
Depreciation and amortisation	656	938
Taxation	15,640	25,059
Manager's management fees payable in units	1,443	1,368
Plant and equipment written off	6	15
Change in fair value of investment properties	(29,783)	(68,222)
Impairment losses on trade receivables, net	11	-
Operating income before working capital changes	34,497	33,048
Changes in working capital:		
Trade and other receivables	1,291	120
Trade and other payables	(3,670)	3,980
Cash generated from operating activities	32,118	37,148
Income tax paid	(4,442)	(4,223)
Net cash from operating activities	27,676	32,925
Investing activities		
Interest received	229	239
Capital expenditure on investment properties	(1,524)	(6,312)
Proceed from disposal of plant and equipment	-	1
Purchase of plant and equipment	(367)	(603)
Net cash used in investing activities	(1,662)	(6,675)
Financing activities		
Payment of equity issue expenses	-	(285)
Payment of financing expenses	(17)	(40)
Proceeds from bank loans	4,250	4,000
Repayment of bank loans	(11,568)	(32,999)
Interest paid	(4,911)	(9,042)
Net cash used in financing activities	(12,246)	(38,366)
Increase /(decrease) in cash and cash equivalents	13,768	(12,116)
Cash and cash equivalents at beginning of period	79,055	74,689
Effect on exchange rate changes on cash balances	182	(1,596)
Cash and cash equivalents at end of period	93,005	60,977

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1(c)(ii) **Statement of Cash Flow (1H 2015 vs 1H 2014)**

	Group	
	1H 2015 S\$'000	1H 2014 S\$'000
Operating activities		
Total return after taxation	59,812	85,427
Adjustments for:		
Finance income	(251)	(264)
Finance costs	10,084	11,336
Depreciation and amortisation	1,342	1,517
Taxation	23,683	31,634
Manager's management fees payable in units	2,825	2,662
Plant and equipment written off	8	15
Change in fair value of investment properties	(29,783)	(68,222)
Impairment losses/(write-back) on trade receivables, net	11	(79)
Operating income before working capital changes	67,731	64,026
Changes in working capital:		
Trade and other receivables	(3,707)	(796)
Trade and other payables	(6,048)	(1,256)
Cash generated from operating activities	57,976	61,974
Income tax paid	(9,614)	(8,787)
Net cash from operating activities	48,362	53,187
Investing activities		
Interest received	251	264
Capital expenditure on investment properties	(4,913)	(10,755)
Proceed from disposal of plant and equipment	-	1
Purchase of plant and equipment	(1,053)	(1,007)
Net cash used in investing activities	(5,715)	(11,497)
Financing activities		
Distribution to Unitholders ¹	(23,051)	(20,212)
Payment of equity issue expenses	-	(322)
Payment of financing expenses	(417)	(377)
Proceeds from bank loans	121,950	69,000
Repayment of bank loans	(119,588)	(121,519)
Settlement of derivative contracts	(7,694)	-
Interest paid	(9,735)	(12,045)
Net cash used in financing activities	(38,535)	(85,475)
Increase/(decrease) in cash and cash equivalents	4,112	(43,785)
Cash and cash equivalents at beginning of period	86,626	105,457
Effect on exchange rate changes on cash balances	2,267	(695)
Cash and cash equivalents at end of period	93,005	60,977

Footnote:

- Distribution made to unitholders in 1H 2015 was for the period from 1 July 2014 to 31 December 2014 which was paid in March 2015.
Distribution made to unitholders in 1H 2014 was for the period from 1 July 2013 to 31 December 2013 which was paid in March 2014.*

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1(d)(i) **Statement of Movements in Unitholders' Funds (2Q 2015 vs 2Q 2014)**

	Group		Trust	
	2Q 2015 S\$'000	2Q 2014 S\$'000	2Q 2015 S\$'000	2Q 2014 S\$'000
Unitholders' funds as at beginning of period	1,385,182	1,208,041	507,795	536,818
Operations				
Change in Unitholders' funds resulting from operations before distribution	43,112	67,591	(4,206)	(1,311)
Transfer to general reserve	(1,224)	(1,119)	-	-
Net increase/(decrease) in net assets resulting from operations	41,888	66,472	(4,206)	(1,311)
Movements in hedging reserve				
Effective portion of changes in fair value of cash flow hedges	(1,235)	(809)	(1,235)	(809)
Movement in foreign currency translation reserve				
Translation differences from financial statements of foreign operations	4,266	(19,095)	-	-
Exchange differences on monetary items forming part of net investment in foreign operations	(1,158)	(5,774)	-	-
Exchange differences on hedges of net investment in foreign operations	(52)	2,129	-	-
Net gain/(loss) recognised directly in Unitholders' funds	1,821	(23,549)	(1,235)	(809)
Movement in general reserve	1,224	1,119	-	-
Unitholders' transactions				
Creation of units paid/payable to manager				
- Units issued and to be issued as satisfaction of the portion of Manager's management fees payable in units	1,443	1,368	1,443	1,368
Net increase in net assets resulting from Unitholders' transactions	1,443	1,368	1,443	1,368
Unitholders' funds as at end of period	1,431,558	1,253,451	503,797	536,066

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1(d)(i) Statement of Movements in Unitholders' Funds (1H 2015 vs 1H 2014)

	Group		Trust	
	1H 2015 S\$'000	1H 2014 S\$'000	1H 2015 S\$'000	1H 2014 S\$'000
Unitholders' funds as at beginning of period	1,349,738	1,186,951	514,680	542,413
Operations				
Change in Unitholders' funds resulting from operations before distribution	62,077	84,113	7,531	8,044
Transfer to general reserve	(2,577)	(2,104)	-	-
Net increase in net assets resulting from operations	59,500	82,009	7,531	8,044
Movements in hedging reserve				
Effective portion of changes in fair value of cash flow hedges	1,812	(403)	1,812	(403)
Movement in foreign currency translation reserve				
Translation differences from financial statements of foreign operations	34,021	(9,205)	-	-
Exchange differences on monetary items forming part of net investment in foreign operations	14,783	(2,095)	-	-
Exchange differences on hedges of net investment in foreign operations	(10,647)	8,078	-	-
Net gain/(loss) recognised directly in Unitholders' funds	39,969	(3,625)	1,812	(403)
Movement in general reserve	2,577	2,104	-	-
Unitholders' transactions				
Creation of units payable/paid to manager				
- Units issued and to be issued as satisfaction of the portion of Manager's management fees payable in units	2,825	2,662	2,825	2,662
- Units issued in respect of acquisition fee for CapitaMall Grand Canyon	-	3,562	-	3,562
Units issued in respect of distribution reinvestment plan	16,947	14,559	16,947	14,559
Distribution to Unitholders ¹	(39,998)	(34,771)	(39,998)	(34,771)
Net decrease in net assets resulting from Unitholders' transactions	(20,226)	(13,988)	(20,226)	(13,988)
Unitholders' funds at end of period	1,431,558	1,253,451	503,797	536,066

Footnote:

- Distribution made to unitholders in 1H 2015 was for the period from 1 July 2014 to 31 December 2014 which was paid in March 2015.
Distribution made to unitholders in 1H 2014 was for the period from 1 July 2013 to 31 December 2013 which was paid in March 2014.*

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1(d)(ii) Details of any change in the issued and issuable units (2Q 2015 vs 2Q 2014)

	Trust	
	2Q 2015 Units	2Q 2014 Units
Balance as at beginning of period	839,182,031	817,956,774
New units issued:		
- As payment of manager's management fees ¹	860,414	933,248
Issued units as at end of period	840,042,445	818,890,022
New units to be issued:		
- As payment of manager's management fees ²	848,218	930,416
Total issued and issuable units as at end of period	840,890,663	819,820,438

Footnotes:

- These were the performance component of the manager's management fees for 1Q 2015 and 1Q 2014 which were issued in June 2015 and June 2014 respectively.*
- These were the performance component of the manager's management fees for 2Q 2015 which will be issued in 3Q 2015 and 2Q 2014 which was issued in September 2014.*

1(d)(ii) Details of any change in the issued and issuable units (1H 2015 vs 1H 2014)

	Trust	
	1H 2015 Units	1H 2014 Units
Balance as at beginning of period	828,117,704	803,026,588
New units issued:		
- As payment of acquisition fee for CapitaMall Grand Canyon	-	2,735,125
- As payment of manager's management fees ¹	1,704,687	1,719,720
- As payment of distribution through distribution reinvestment plan	10,220,054	11,408,589
Issued units as at end of period	840,042,445	818,890,022
New units to be issued:		
- As payment of manager's management fees ²	848,218	930,416
Total issued and issuable units as at end of period	840,890,663	819,820,438

Footnotes:

- These were the performance component of the manager's management fees for 4Q 2014 and 1Q 2015 which were issued in March 2015 and June 2015 respectively. The manager's management fee for 4Q 2013 and 1Q 2014 were issued in March 2014 and June 2014 respectively.*
- These were the performance component of the manager's management fees for 2Q 2015 which will be issued in 3Q 2015 and 2Q 2014 which was issued in September 2014.*

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 methods of computation in the financial statements for the current reporting period as that of the audited financial statements for the year ended 31 December 2014, except for the adoption of accounting standards (including its consequential amendments) and interpretations applicable for the financial period beginning 1 January 2015.

Financial Reporting Standards (“FRS”) which became effective for the Group’s financial period beginning 1 January 2015 are:

- FRS 16 Property, Plant and Equipment
- FRS 19 Defined Benefit Plans: Employee Contributions
- FRS 24 Related Party Disclosures
- FRS 40 Investment Property
- FRS 108 Operating Segments
- FRS 113 Fair Value Measurement

The Group does not expect any significant financial impact on its financial position or performance from the adoption of these amendments to FRS.

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

Please refer to item 4 above.

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 2015	2Q 2014
Weighted average number of units in issue	839,370,999	818,223,385
Earnings per unit (“EPU”)¹		
Based on weighted average number of units in issue	5.14¢	8.26¢
Based on fully diluted basis	5.14¢	8.26¢
Number of units in issue at end of period	840,042,445	818,890,022
Distribution per unit (“DPU”)		
Based on the number of units in issue at end of period	2.73¢	2.59¢

	Group	
	1H 2015	1H 2014
Weighted average number of units in issue	834,062,424	811,663,884
Earnings per unit (“EPU”)¹		
Based on weighted average number of units in issue	7.44¢	10.36¢
Based on fully diluted basis	7.44¢	10.36¢
Number of units in issue at end of period	840,042,445	818,890,022
Distribution per unit (“DPU”)		
Based on the number of units in issue at end of period	5.37¢	4.99¢

Footnote:

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

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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 2015	31 Dec 2014	30 Jun 2015	31 Dec 2014
NAV per unit	\$1.70	\$1.63	\$0.60	\$0.62
Adjusted NAV per unit (excluding distributable income)	\$1.65	\$1.58	\$0.55	\$0.57

8 **Review of the performance**

8(i) **Breakdown of Gross Revenue – Actual**

	2Q 2015 RMB'000	2Q 2014 RMB'000	% Change	2Q 2015 S\$'000	2Q 2014 S\$'000	% Change
<u>Multi-Tenanted Malls</u>						
CapitaMall Xizhimen	69,050	65,626	5.2	15,010	13,394	12.1
CapitaMall Wangjing	52,482	48,357	8.5	11,408	9,868	15.6
CapitaMall Grand Canyon	35,505	33,731	5.3	7,718	6,886	12.1
CapitaMall Qibao	24,557	23,544	4.3	5,339	4,803	11.2
CapitaMall Saihan	14,674	14,077	4.2	3,190	2,873	11.0
Subtotal	196,268	185,335	5.9	42,665	37,824	12.8
<u>Malls under Stabilisation</u>						
CapitaMall Minzhongleyuan ¹	4,476	11,384	(60.7)	974	2,344	(58.4)
CapitaMall Wuhu ²	4,177	8,922	(53.2)	907	1,820	(50.2)
Total	204,921	205,641	(0.4)	44,546	41,988	6.1
<u>Master-Leased Malls</u>						
CapitaMall Anzhen	20,510	20,303	1.0	4,458	4,142	7.6
CapitaMall Erqi	12,731	12,605	1.0	2,768	2,571	7.7
CapitaMall Shuangjing	11,439	11,339	0.9	2,486	2,313	7.5
Total	44,680	44,247	1.0	9,712	9,026	7.6
Total Gross Revenue	249,601	249,888	(0.1)	54,258	51,014	6.4

N.M. – not meaningful

Footnotes:

1. CapitaMall Minzhongleyuan is impacted by the road closure to facilitate the construction work of a new subway line.
2. CapitaMall Wuhu is currently undergoing tenancy adjustments to achieve more optimal tenant trade mix.

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8(ii) Breakdown of Net Property Income – Actual

	2Q 2015	2Q 2014	%	2Q 2015	2Q 2014	%
	RMB'000	RMB'000	Change	S\$'000	S\$'000	Change
<u>Multi-Tenanted Malls</u>						
CapitaMall Xizhimen	49,835	47,805	4.2	10,834	9,760	11.0
CapitaMall Wangjing	38,780	35,823	8.3	8,429	7,311	15.3
CapitaMall Grand Canyon	24,547	21,260	15.5	5,336	4,340	22.9
CapitaMall Qibao	11,521	10,619	8.5	2,505	2,165	15.7
CapitaMall Saihan ¹	6,624	8,534	(22.4)	1,440	1,744	(17.4)
Subtotal	131,307	124,041	5.9	28,544	25,320	12.7
<u>Malls under Stabilisation</u>						
CapitaMall Minzhongleyuan ²	(1,202)	4,016	N.M.	(261)	830	N.M.
CapitaMall Wuhu ³	(462)	3,803	N.M.	(99)	775	N.M.
Total	129,643	131,860	(1.7)	28,184	26,925	4.7
<u>Master-Leased Malls</u>						
CapitaMall Anzhen	16,838	16,639	1.2	3,660	3,394	7.8
CapitaMall Erqi	10,083	9,976	1.1	2,192	2,034	7.8
CapitaMall Shuangjing	9,216	9,120	1.1	2,003	1,861	7.6
Total	36,137	35,735	1.1	7,855	7,289	7.8
Total Property Income	165,780	167,595	(1.1)	36,039	34,214	5.3

N.M. – not meaningful

Footnotes:

1. Includes additional property tax of RMB1.5 million as a result of change in tax basis imposed by the local tax authority with effect from January 2015.
2. CapitaMall Minzhongleyuan is impacted by the road closure to facilitate the construction work of a new subway line.
3. CapitaMall Wuhu is currently undergoing tenancy adjustments to achieve more optimal tenant trade mix.

2Q 2015 vs 2Q 2014

In RMB terms, gross revenue decreased by RMB0.3 million, or 0.1% lower than 2Q 2014. These were mainly due to lower revenue from CapitaMall Minzhongleyuan, which is affected by the road closure for the construction work of a new subway line and lower revenue at CapitaMall Wuhu as the mall is undergoing tenancy adjustments, offset by rental growth in other multi-tenanted malls. In SGD terms, gross revenue for 2Q 2015 increased by \$3.2 million, or 6.4% compared to 2Q 2014 mainly due to stronger RMB against SGD.

Property expenses for 2Q 2015 increased by \$1.4 million, or 8.4% over 2Q 2014. This was mainly due to higher maintenance expenses, as well as higher business tax and property management fees as a result of higher gross revenue. There was an additional property tax of RMB1.5 million incurred at CapitaMall Saihan as a result of the change in tax basis imposed by the local tax authority with effect from January 2015.

Management fees payable to the manager were 8.6% higher than 2Q 2014 mainly due to higher net deposited properties.

Finance income earned in 2Q 2015 was 4.2% lower than 2Q 2014 mainly due to lower fixed deposit balances placed with financial institutions.

Finance costs in 2Q 2015 decreased by \$0.7 million over 2Q 2014. This was mainly due to the repayment of RMB denominated interest bearing loans.

Taxation in 2Q 2015 decreased by \$9.4 million, or 37.6% over 2Q 2014. This was mainly due to lower deferred tax liabilities recognised in 2Q 2015 compared to 2Q 2014 as a result of lower gain in fair value of investment properties.

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1H 2015 vs 1H 2014

In RMB terms, gross revenue for 1H 2015 increased by RMB18.4 million, or 3.8% over 1H 2014. This was mainly due to rental growth from the multi-tenanted malls, but partially offset by lower revenue from CapitaMall Minzhongleyuan, which is affected by the road closure for the construction work of a new subway line and lower revenue at CapitaMall Wuhu as the mall is undergoing tenancy adjustments. In SGD terms, gross revenue increased by \$9.6 million, or 9.7% compared to 1H 2014 mainly due to stronger RMB against SGD.

Property expenses for 1H 2015 increased by \$5.6 million or 17.2% over 1H 2014. This was mainly due to higher marketing expenses, as well as higher business tax and property management fees as a result of higher gross revenue. There were also an additional property tax of RMB1.5 million incurred at CapitaMall Saihan and RMB6.4 million at CapitaMall Wuhu as a result of the change in tax basis imposed by the local authority.

Management fees payable to the manager were 8.7% higher than 1H 2014 mainly due to higher net property income and deposited properties.

Finance costs in 1H 2015 decreased by \$1.3 million over 1H 2014. This was mainly due to the repayment of RMB denominated interest bearing loans.

Taxation in 1H 2015 decreased by \$8.0 million or 25.1% over 1H 2014. This was mainly due to lower deferred tax liabilities recognised in 2Q 2015 compared to 2Q 2014 as a result of a lower gain in fair value of investment properties.

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 expanded 7.0% year-on-year in 2Q 2015 and 7.0% year-on-year in the first half of 2015. Retail sales for the first half of 2015 increased 10.4% year-on-year to RMB 14.2 trillion. Urban disposable income per capita and expenditure per capita grew 6.7% and 6.2% year-on-year respectively. (Source: National Bureau of Statistics of China)

The Chinese government has reiterated that the priority is to stabilise economic growth, ensure employment and improve efficiency. With a series of economic stimulus measures being introduced, employment, consumer prices and market expectations have remained stable despite the gradual slowing down of economic growth. Consumer spending has remained healthy, supported by strong income growth.

With the government's effort to promote sustainable growth, CRCT remains positive on the country's long-term outlook. CRCT will continue to look out for suitable opportunities to acquire yield accretive assets to propel our next phase of growth.

Beijing Retail Market Update

In 1Q 2015, Beijing's GDP grew 6.8% year-on-year. For the same period, urban disposable income per capita and expenditure per capita grew 8.4% and 6.6% respectively. Retail sales for the first five months of 2015 increased 5.7% year-on-year to RMB395.5 billion.

Leasing demand from fast fashion and food and beverage retailers remained strong. Both international and domestic food and beverage brands continued to expand and launch new brands. Fast fashion retailers such as New Look, H&M and Old Navy were also leasing large spaces to capture market share. No new supply entered the prime retail market in 1Q 2015 and average ground floor rent in mid- to high-end shopping malls increased by 0.6% quarter-on-quarter.

Seven prime retail projects with a total GFA of approximately 400,000 sq m are expected to launch in 2015. New supply will be mainly concentrated in emerging sub-urban markets. The effect of new supply on the average vacancy rate will be limited due to strong demand and high pre-commitment rates. (Sources: Beijing Municipal Bureau of Statistics, Colliers International and Savills)

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Shanghai Retail Market Update

In 1Q 2015, Shanghai's GDP increased 6.6% year-on-year. For the same period, urban disposable income per capita and expenditure per capita increased 8.0% and 3.5% respectively. Retail sales grew 8.0% year-on-year to RMB400.6 billion for the first five months of 2015.

Food and beverage retailers remained the most active, with an increasing number of retailers occupying large spaces on the ground floor previously leased to retail brands. Overall vacancy rate dropped by 2.2 percentage points quarter-on-quarter to 8.5% by the end of 1Q 2015, and average ground floor rent in mid- to high-end shopping malls increased marginally by 0.5% quarter-on-quarter.

Eight new projects are expected to be completed in 2015, adding 500,000 sq m to the market. The large amount of new supply with expected below-average rent in non-prime areas will bring down Shanghai's average ground floor rent in the coming quarters, whereas new supply in prime locations remain limited. (Sources: Shanghai Municipal Bureau of Statistics, Colliers International and Savills)

Wuhan Retail Market Update

In 1Q 2015, GDP increased 8.4% year-on-year, 1.4 percentage points higher than China's national average growth. For the same period, urban disposable income increased 10.0% year-on-year. For the first five months of 2015, retail sales grew 11.3%.

Wuhan's prime retail market remained stable in 1Q 2015. The average ground floor rent for mid- to high-end shopping malls dropped slightly by 0.1% quarter-on-quarter. Food and beverage retailers remained the primary source for leasing demand, accounting for more than half of the transactions recorded in 1Q 2015.

The Inter IKEA Centre Group (IICG) Wuhan Shopping Center opened in 2Q 2015, adding 172,000 sq m of retail space to the market. New supply is expected to have limited impact on the overall average vacancy rate as the new retail properties are mostly operated by developers with strong retail expertise and high pre-commitment rate. (Sources: Wuhan Municipal Bureau of Statistics and Colliers International)

11 Distribution

11(a) Current Financial Period

Any distribution declared for the current financial period?	Yes.
Name of distribution	: Distribution for 1 January 2015 to 30 June 2015
Distribution type	: Tax exempt income/ Capital distribution
Distribution rate	: 5.37 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 such distribution.
	Capital distribution represents a return of capital to Unitholders for Singapore income tax purpose. The amount of capital distribution will reduce the cost of CRCT units for Singapore income tax purposes. For Unitholders who are liable to Singapore income tax on profits from sale of CRCT units, the reduced cost base of their CRCT units will be used to calculate the taxable trading gains when the CRCT units are disposed off.
Remark	: The tax exempt income/ capital distribution from 1 January 2015 to 30 June 2015 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 2014 to 30 June 2014

Distribution type : Tax exempt income/ Capital distribution

Distribution rate : 4.99 cents per unit

Par value of units : Not meaningful

11(c) Date payable : 22 September 2015

11(d) Book closure date : 6 August 2015

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").

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 which may render the unaudited interim financial results of the Group and Trust (comprising the statement of financial position as at 30 June 2015, statement of total return and distribution statement, statement of cash flow and statement of movements in Unitholders' funds for the six months ended on that date), together with their accompanying notes, to be false or misleading, in any material respect.

On behalf of the Board of the Manager

Mr Ng Kok Siong
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
CAPITALAND RETAIL CHINA TRUST MANAGEMENT LIMITED
(Company registration no. 200611176D)
(as Manager of CapitaLand Retail China Trust)

Goh Mei Lan
Company Secretary
29 July 2015