

**CAPITALAND RETAIL CHINA TRUST  
2016 SECOND QUARTER UNAUDITED FINANCIAL STATEMENT AND DISTRIBUTION  
ANNOUNCEMENT**

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**Summary of CRCT Results**

	<b>2Q 2016</b>	<b>2Q 2015</b>		<b>1H 2016</b>	<b>1H 2015</b>	
	<b>Actual S\$'000</b>	<b>Actual S\$'000</b>	<b>Change %</b>	<b>Actual S\$'000</b>	<b>Actual S\$'000</b>	<b>Change %</b>
Gross Revenue <sup>1</sup>	51,504	54,258	(5.1)	107,070	108,800	(1.6)
Net Property Income <sup>1</sup>	35,501	36,039	(1.5)	72,193	70,587	2.3
Income available for distribution	22,374	22,936	(2.5)	45,559	45,117	1.0
<b>Distribution Per Unit ("DPU") (cents)</b>						
For the period	2.61	2.73	(4.4)	5.32	5.37	(0.9)
Annualised	10.50	10.95	(4.1)	10.70	10.83	(1.2)

	<b>2Q 2016</b>	<b>2Q 2015</b>		<b>1H 2016</b>	<b>1H 2015</b>	
	<b>Actual RMB'000</b>	<b>Actual RMB'000</b>	<b>Change %</b>	<b>Actual RMB'000</b>	<b>Actual RMB'000</b>	<b>Change %</b>
Gross Revenue	246,737	249,601	(1.1)	503,265	499,955	0.7
Net Property Income	169,937	165,780	2.5	339,331	324,358	4.6

Footnote:

1. Average exchange rate for SGD/RMB.

<b>2Q 2016</b>	<b>2Q 2015</b>	<b>Change %</b>	<b>1H 2016</b>	<b>1H 2015</b>	<b>Change %</b>
4.79	4.60	(4.1)	4.70	4.60	(2.2)

**DISTRIBUTION & BOOK CLOSURE DATE**

Distribution	For 1 January 2016 to 30 June 2016
Distribution type	Tax exempt income/ Capital distribution
Distribution rate	5.32 cents per unit
Book closure date	4 August 2016
Payment date	20 September 2016

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**INTRODUCTION**

CapitaLand Retail 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 (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 2016, CRCT owns and invests in a portfolio of ten shopping malls located in six of 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 2016 vs 2Q 2015)**

	<b>Group</b>		
	<b>2Q 2016</b> <b>S\$'000</b>	<b>2Q 2015</b> <b>S\$'000</b>	<b>%</b> <b>Change</b>
Gross rental income	48,092	51,235	(6.1)
Other income <sup>1</sup>	3,412	3,023	12.9
<b>Gross revenue</b>	<b>51,504</b>	<b>54,258</b>	<b>(5.1)</b>
Land rental	(1,541)	(1,538)	0.2
Property related tax <sup>2(i)</sup>	(2,827)	(3,206)	(11.8)
Business tax <sup>3</sup>	(1,838)	(3,059)	(39.9)
Property management fees <sup>4</sup>	(3,087)	(3,003)	2.8
Other property operating expenses <sup>5</sup>	(6,710)	(7,413)	(9.5)
<b>Total property operating expenses</b>	<b>(16,003)</b>	<b>(18,219)</b>	<b>(12.2)</b>
<b>Net property income</b>	<b>35,501</b>	<b>36,039</b>	<b>(1.5)</b>
Manager's management fees – Base fee	(1,478)	(1,517)	(2.6)
Manager's management fees – Performance fee	(1,422)	(1,443)	(1.5)
Trustee's fees	(94)	(96)	(2.1)
Audit fees	(111)	(108)	2.8
Valuation fees	(45)	13	N.M.
Other trust operating expenses <sup>6</sup>	293	(649)	N.M.
Finance income <sup>7</sup>	411	229	79.5
Foreign exchange (loss)/gain – realised <sup>8</sup>	(553)	74	N.M.
Finance costs	(5,023)	(5,063)	(0.8)
<b>Total return before changes in fair value of financial derivatives, investment properties and unrealised foreign exchange (loss)/gain</b>	<b>27,479</b>	<b>27,479</b>	<b>0.0</b>
Change in fair value of investment properties	18,307	29,783	(38.5)
Foreign exchange (loss)/gain – unrealised <sup>9</sup>	(1,166)	68	N.M.
<b>Total return before taxation</b>	<b>44,620</b>	<b>57,330</b>	<b>(22.2)</b>
Taxation <sup>10(i)</sup>	(11,037)	(15,640)	(29.4)
<b>Total return for the period after taxation</b>	<b>33,583</b>	<b>41,690</b>	<b>(19.4)</b>
<b>Attributable to:</b>			
Unitholders	34,081	43,112	(20.9)
Non-controlling interest	(498)	(1,422)	(65.0)
<b>Total return for the period after taxation</b>	<b>33,583</b>	<b>41,690</b>	<b>(19.4)</b>

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**1(a)(i) Statement of total return for the Group (1H 2016 vs 1H 2015)**

	<b>Group</b>		
	<b>1H 2016</b>	<b>1H 2015</b>	<b>%</b>
	<b>S\$'000</b>	<b>S\$'000</b>	<b>Change</b>
Gross rental income	100,391	102,959	(2.5)
Other income <sup>1</sup>	6,679	5,841	14.3
<b>Gross revenue</b>	<b>107,070</b>	<b>108,800</b>	<b>(1.6)</b>
Land rental	(3,142)	(3,080)	2.0
Property related tax <sup>2(ii)</sup>	(5,796)	(7,518)	(22.9)
Business tax <sup>3</sup>	(4,921)	(6,133)	(19.8)
Property management fees <sup>4</sup>	(6,229)	(6,029)	3.3
Other property operating expenses <sup>5</sup>	(14,789)	(15,453)	(4.3)
<b>Total property operating expenses</b>	<b>(34,877)</b>	<b>(38,213)</b>	<b>(8.7)</b>
<b>Net property income</b>	<b>72,193</b>	<b>70,587</b>	<b>2.3</b>
Manager's management fees – Base fee	(3,008)	(2,985)	0.8
Manager's management fees – Performance fee	(2,896)	(2,825)	2.5
Trustee's fees	(192)	(195)	(1.5)
Audit fees	(225)	(244)	(7.8)
Valuation fees	(91)	(39)	N.M.
Other trust operating expenses <sup>6</sup>	(77)	(1,666)	(95.4)
Finance income <sup>7</sup>	762	251	N.M.
Foreign exchange (loss)/gain – realised <sup>8</sup>	(811)	995	N.M.
Finance costs	(10,275)	(10,084)	1.9
<b>Total return before changes in fair value of financial derivatives, investment properties and unrealised foreign exchange (loss)/gain</b>	<b>55,380</b>	<b>53,795</b>	<b>2.9</b>
Change in fair value of investment properties	18,307	29,783	(38.5)
Foreign exchange loss – unrealised <sup>9</sup>	(1,259)	(83)	N.M.
<b>Total return before taxation</b>	<b>72,428</b>	<b>83,495</b>	<b>(13.3)</b>
Taxation <sup>10(ii)</sup>	(18,944)	(23,683)	(20.0)
<b>Total return for the period after taxation</b>	<b>53,484</b>	<b>59,812</b>	<b>(10.6)</b>
<b>Attributable to:</b>			
Unitholders	54,445	62,077	(12.3)
Non-controlling interest	(961)	(2,265)	(57.6)
<b>Total return for the period after taxation</b>	<b>53,484</b>	<b>59,812</b>	<b>(10.6)</b>

*Footnotes:*

1. *Other income comprises mainly income earned from atrium space, trolley carts and advertisement panels.*
2. (i) *Includes additional property tax in CapitaMall Saihan due to the change in the property tax basis imposed by the local tax authority in 2Q 2015.*  
(ii) *Includes additional property taxes in CapitaMall Wuhu and CapitaMall Saihan due to the change in the property tax basis imposed by the local tax authority in 1H 2015.*
3. *With effect from 1 May 2016, business tax was replaced with Value Added Tax ("VAT") and these were netted off against the revenue from May to June 2016.*
4. *Includes reimbursement of costs to property manager for centralised services provided.*

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5. Includes as part of the other property operating expenses were items in the table below.

	Group		
	2Q 2016 S\$'000	2Q 2015 S\$'000	% Change
Depreciation and amortisation	(542)	(656)	(17.4)
Impairment losses on trade receivables, net	(91)	(11)	N.M.
Plant and equipment written off	(4)	(6)	(33.3)

	Group		
	1H 2016 S\$'000	1H 2015 S\$'000	% Change
Depreciation and amortisation	(1,136)	(1,342)	(15.4)
Impairment losses on trade receivables	(147)	(11)	N.M.
Plant and equipment written off	(12)	(8)	50.0

6. Includes reversal of over provision of other trust operating expenses in 2Q 2016 and 1H 2016.  
7. Finance income mainly earned from positive interest rates swaps ("IRS") from the higher floating rate against fixed rate.  
8. Includes realised foreign exchange loss on the repayment of shareholder's loans interest denominated in USD.  
9. Includes unrealised foreign exchange loss on the proposed RMB dividends in 2016.  
10. (i) Includes over provision of tax from prior years of \$89,847 in 2Q 2015 and \$365,384 in 2Q 2016.  
(ii) Includes over provision of tax from prior years of \$89,847 in 1H 2015 and \$370,024 in 1H 2016.

N.M. – not meaningful

**1(a)(ii) Distribution statement for the Group (2Q 2016 vs 2Q 2015)**

	Group		
	2Q 2016 S\$'000	2Q 2015 S\$'000	% Change
<b>Total return for the period attributable to Unitholders before distribution</b>	<b>34,081</b>	<b>43,112</b>	<b>(20.9)</b>
Distribution adjustments (Note A)	(11,707)	(20,176)	(42.0)
<b>Income available for distribution to Unitholders</b>	<b>22,374</b>	<b>22,936</b>	<b>(2.5)</b>
Comprises :			
- from operations	908	1,101	(17.5)
- from Unitholders' contribution	21,466	21,835	(1.7)
	<b>22,374</b>	<b>22,936</b>	<b>(2.5)</b>
<b>Note A</b>			
<b>Distribution adjustments</b>			
- Manager's management fees (performance component payable in units)	1,422	1,443	(1.5)
- Change in fair value of investment properties <sup>1</sup>	(18,558)	(31,624)	(41.3)
- Deferred taxation <sup>1</sup>	5,067	10,563	(52.0)
- Transfer to general reserve	(1,247)	(1,224)	1.9
- Unrealised foreign exchange loss <sup>1</sup>	1,079	4	N.M.
- Other adjustments <sup>1</sup>	530	662	(19.9)
<b>Net effect of distribution adjustments</b>	<b>(11,707)</b>	<b>(20,176)</b>	<b>(42.0)</b>

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**1(a)(ii) Distribution statement for the Group (1H 2016 vs 1H 2015)**

	<b>Group</b>		
	<b>1H 2016 S\$'000</b>	<b>1H 2015 S\$'000</b>	<b>% Change</b>
<b>Total return for the period attributable to Unitholders before distribution</b>	<b>54,445</b>	<b>62,077</b>	<b>(12.3)</b>
Distribution adjustments (Note A)	(8,886)	(16,960)	(47.6)
<b>Income available for distribution to Unitholders</b>	<b>45,559</b>	<b>45,117</b>	<b>1.0</b>
Comprises :			
- from operations	2,359	3,491	(32.4)
- from Unitholders' contribution	43,200	41,626	3.8
	<b>45,559</b>	<b>45,117</b>	<b>1.0</b>
<b>Note A</b>			
<b>Distribution adjustments</b>			
- Manager's management fees (performance component payable in units)	2,896	2,825	2.5
- Change in fair value of investment properties <sup>1</sup>	(18,558)	(31,624)	(41.3)
- Deferred taxation <sup>1</sup>	7,136	13,070	(45.4)
- Transfer to general reserve	(2,438)	(2,577)	(5.4)
- Unrealised foreign exchange loss/(gain) <sup>1</sup>	964	(4)	N.M.
- Other adjustments <sup>1</sup>	1,114	1,350	(17.5)
<b>Net effect of distribution adjustments</b>	<b>(8,886)</b>	<b>(16,960)</b>	<b>(47.6)</b>

*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 2016 vs 31 Dec 2015**

	Group			Trust		
	30 Jun 2016 S\$'000	31 Dec 2015 S\$'000	% Change	30 Jun 2016 S\$'000	31 Dec 2015 S\$'000	% Change
<b>Assets</b>						
Investment properties <sup>1</sup>	2,253,663	2,412,626	(6.6)	-	-	-
Plant and equipment <sup>2</sup>	4,509	5,913	(23.7)	-	-	-
Interests in subsidiaries	-	-	-	1,114,936	1,125,068	(0.9)
Trade and other receivables	11,257	12,813	(12.1)	162	23,012	(99.3)
Financial derivatives <sup>3</sup>	10,466	12,630	(17.1)	10,466	12,630	(17.1)
Cash and cash equivalents <sup>4</sup>	114,027	126,322	(9.7)	5,887	369	N.M.
<b>Total assets</b>	<b>2,393,922</b>	<b>2,570,304</b>	<b>(6.9)</b>	<b>1,131,451</b>	<b>1,161,079</b>	<b>(2.6)</b>
<b>Less</b>						
<b>Liabilities</b>						
Trade and other payables	41,435	59,519	(30.4)	3,985	4,687	(15.0)
Security deposits	41,212	43,348	(4.9)	-	-	-
Interest-bearing borrowings <sup>5</sup>	699,120	706,006	(1.0)	638,433	626,417	1.9
Deferred tax liabilities <sup>1</sup>	220,450	236,767	(6.9)	-	-	-
Financial derivatives <sup>3</sup>	3,258	7,157	(54.5)	3,258	7,157	(54.5)
Provision for taxation	119	2,441	(95.1)	4	4	0.0
<b>Total liabilities</b>	<b>1,005,594</b>	<b>1,055,238</b>	<b>(4.7)</b>	<b>645,680</b>	<b>638,265</b>	<b>1.2</b>
<b>Net assets</b>	<b>1,388,328</b>	<b>1,515,066</b>	<b>(8.4)</b>	<b>485,771</b>	<b>522,814</b>	<b>(7.1)</b>
<b>Represented by:</b>						
Unitholders' funds	1,367,201	1,490,820	(8.3)	485,771	522,814	(7.1)
Non-controlling interest	21,127	24,246	(12.9)	-	-	-
	<b>1,388,328</b>	<b>1,515,066</b>	<b>(8.4)</b>	<b>485,771</b>	<b>522,814</b>	<b>(7.1)</b>

Footnotes:

1. The decrease in investment properties and deferred tax liabilities were mainly due to weaker RMB against SGD.
2. The plant and equipment is net of depreciation. The decrease was also due to weaker RMB against SGD.
3. The financial derivative assets and financial derivative liabilities relate to the fair value of the non-deliverable forwards ("NDF") and IRS. The NDF are designated to hedge the currency exposure on the non-RMB denominated loans and the IRS are designated to hedge the variable rate borrowings.
4. The decrease was mainly due to the repayment of CapitaMall Grand Canyon's RMB denominated interest-bearing borrowing and distribution payment to Unitholders at Trust level.
5. The interest-bearing borrowings comprise (i) unsecured term loan facilities of \$640.0 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 RMB297.5million (\$60.7 million) to finance CapitaMall Grand Canyon, net of transaction costs of \$1.6 million.

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



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

	Group		Trust	
	30 Jun 2016 S\$'000	31 Dec 2015 S\$'000	30 Jun 2016 S\$'000	31 Dec 2015 S\$'000
<b>Unsecured borrowings</b>				
- Amount repayable within one year	90,003	177,000	90,003	177,000
- Amount repayable after one year	550,000	450,503	550,000	450,503
<b>Secured borrowings</b>				
- Amount repayable within one year	5,100	5,528	-	-
- Amount repayable after one year	55,587	74,061	-	-
	<b>700,690</b>	<b>707,092</b>	<b>640,003</b>	<b>627,503</b>
Less: Transaction costs in relation to the unsecured term loan facilities	(1,570)	(1,086)	(1,570)	(1,086)
	<b>699,120</b>	<b>706,006</b>	<b>638,433</b>	<b>626,417</b>

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 \$15.4 million was retained from Distribution Reinvestment Plan on 30 March 2016.

Date	Amount retained	Use of proceeds	Amount used	Balance
	S\$'million		S\$'million	S\$'million
30-Mar-16	15.4	For repayment of CapitaMall Grand Canyon's RMB denominated interest-bearing borrowing	10.7	4.7
19-Jun-16	-	For repayment of CapitaMall Grand Canyon's RMB denominated interest-bearing borrowing	2.6	2.1

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1(c)(ii) Statement of Cash Flow (2Q 2016 vs 2Q 2015)

	Group	
	2Q 2016 S\$'000	2Q 2015 S\$'000
<b>Operating activities</b>		
Total return after taxation	33,583	41,690
Adjustments for:		
Finance income	(411)	(229)
Finance costs	5,023	5,063
Depreciation and amortisation	542	656
Taxation	11,037	15,640
Manager's management fees payable in units	1,422	1,443
Plant and equipment written off	4	6
Change in fair value of investment properties	(18,307)	(29,783)
Impairment losses on trade receivables, net	91	11
<b>Operating income before working capital changes</b>	<b>32,984</b>	<b>34,497</b>
<b>Changes in working capital:</b>		
Trade and other receivables	3,267	1,291
Trade and other payables	22	(3,670)
<b>Cash generated from operating activities</b>	<b>36,273</b>	<b>32,118</b>
Income tax paid	(4,424)	(4,442)
<b>Net cash from operating activities</b>	<b>31,849</b>	<b>27,676</b>
<b>Investing activities</b>		
Interest received	445	229
Capital expenditure on investment properties	(4,573)	(1,524)
Proceed from disposal of plant and equipment	1	-
Purchase of plant and equipment	(128)	(367)
<b>Net cash used in investing activities</b>	<b>(4,255)</b>	<b>(1,662)</b>
<b>Financing activities</b>		
Payment of financing expenses	(250)	(17)
Proceeds from bank loans	52,500	4,250
Repayment of bank loans	(57,650)	(11,568)
Settlement of NDF	3,884	-
Interest paid	(4,798)	(4,911)
<b>Net cash used in financing activities</b>	<b>(6,314)</b>	<b>(12,246)</b>
<b>Increase in cash and cash equivalents</b>	<b>21,280</b>	<b>13,768</b>
<b>Cash and cash equivalents at beginning of period</b>	<b>98,937</b>	<b>79,055</b>
<b>Effect on exchange rate changes on cash balances</b>	<b>(6,190)</b>	<b>182</b>
<b>Cash and cash equivalents at end of period</b>	<b>114,027</b>	<b>93,005</b>

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1(c)(ii) **Statement of Cash Flow (1H 2016 vs 1H 2015)**

	Group	
	1H 2016 S\$'000	1H 2015 S\$'000
<b>Operating activities</b>		
Total return after taxation	53,484	59,812
Adjustments for:		
Finance income	(762)	(251)
Finance costs	10,275	10,084
Depreciation and amortisation	1,136	1,342
Taxation	18,944	23,683
Manager's management fees payable in units	2,896	2,825
Plant and equipment written off	12	8
Change in fair value of investment properties	(18,307)	(29,783)
Impairment losses on trade receivables, net	147	11
<b>Operating income before working capital changes</b>	<b>67,825</b>	<b>67,731</b>
<b>Changes in working capital:</b>		
Trade and other receivables	3,558	(3,707)
Trade and other payables	(12,040)	(6,048)
<b>Cash generated from operating activities</b>	<b>59,343</b>	<b>57,976</b>
Income tax paid	(8,357)	(9,614)
<b>Net cash from operating activities</b>	<b>50,986</b>	<b>48,362</b>
<b>Investing activities</b>		
Interest received	747	251
Capital expenditure on investment properties	(13,437)	(4,913)
Proceed from disposal of plant and equipment	1	-
Purchase of plant and equipment	(169)	(1,053)
<b>Net cash used in investing activities</b>	<b>(12,858)</b>	<b>(5,715)</b>
<b>Financing activities</b>		
Distribution to Unitholders <sup>1</sup>	(28,668)	(23,051)
Payment of equity issue expenses	(14)	-
Payment of financing expenses	(750)	(417)
Proceeds from bank loans	162,100	121,950
Repayment of bank loans	(162,895)	(119,588)
Settlement of NDF	(681)	(7,694)
Interest paid	(9,824)	(9,735)
<b>Net cash used in financing activities</b>	<b>(40,732)</b>	<b>(38,535)</b>
<b>(Decrease)/Increase in cash and cash equivalents</b>	<b>(2,604)</b>	<b>4,112</b>
<b>Cash and cash equivalents at beginning of period</b>	<b>126,322</b>	<b>86,626</b>
<b>Effect on exchange rate changes on cash balances</b>	<b>(9,691)</b>	<b>2,267</b>
<b>Cash and cash equivalents at end of period</b>	<b>114,027</b>	<b>93,005</b>

*Footnote:*

- Distribution made to unitholders in 1H 2016 was for the period from 1 July 2015 to 31 December 2015 which was paid in March 2016.  
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.*

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**1(d)(i) Statement of Movements in Unitholders' Funds (2Q 2016 vs 2Q 2015)**

	Group		Trust	
	2Q 2016 S\$'000	2Q 2015 S\$'000	2Q 2016 S\$'000	2Q 2015 S\$'000
<b>Unitholders' funds as at beginning of period</b>	<b>1,428,658</b>	<b>1,385,182</b>	<b>493,283</b>	<b>507,795</b>
<b>Operations</b>				
Change in Unitholders' funds resulting from operations before distribution	34,081	43,112	(6,019)	(4,206)
Transfer to general reserve	(1,247)	(1,224)	-	-
<b>Net increase/(decrease) in net assets resulting from operations</b>	<b>32,834</b>	<b>41,888</b>	<b>(6,019)</b>	<b>(4,206)</b>
<b>Movements in hedging reserve</b>				
Effective portion of changes in fair value of cash flow hedges	(2,915)	(1,235)	(2,915)	(1,235)
<b>Movement in foreign currency translation reserve</b>				
Translation differences from financial statements of foreign operations	(79,044)	4,266	-	-
Exchange differences on monetary items forming part of net investment in foreign operations	(19,181)	(1,158)	-	-
Exchange differences on hedges of net investment in foreign operations	4,180	(52)	-	-
<b>Net (loss)/gain recognised directly in Unitholders' funds</b>	<b>(96,960)</b>	<b>1,821</b>	<b>(2,915)</b>	<b>(1,235)</b>
<b>Movement in general reserve</b>	<b>1,247</b>	<b>1,224</b>	<b>-</b>	<b>-</b>
<b>Unitholders' transactions</b>				
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	1,422	1,443	1,422	1,443
<b>Net increase in net assets resulting from Unitholders' transactions</b>	<b>1,422</b>	<b>1,443</b>	<b>1,422</b>	<b>1,443</b>
<b>Unitholders' funds as at end of period</b>	<b>1,367,201</b>	<b>1,431,558</b>	<b>485,771</b>	<b>503,797</b>

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**1(d)(i) Statement of Movements in Unitholders' Funds (1H 2016 vs 1H 2015)**

	Group		Trust	
	1H 2016 S\$'000	1H 2015 S\$'000	1H 2016 S\$'000	1H 2015 S\$'000
<b>Unitholders' funds as at beginning of period</b>	<b>1,490,820</b>	<b>1,349,738</b>	<b>522,814</b>	<b>514,680</b>
<b>Operations</b>				
Change in Unitholders' funds resulting from operations before distribution	54,445	62,077	(1,631)	7,531
Transfer to general reserve	(2,438)	(2,577)	-	-
<b>Net increase in net assets resulting from operations</b>	<b>52,007</b>	<b>59,500</b>	<b>(1,631)</b>	<b>7,531</b>
<b>Movements in hedging reserve</b>				
Effective portion of changes in fair value of cash flow hedges	(9,640)	1,812	(9,640)	1,812
<b>Movement in foreign currency translation reserve</b>				
Translation differences from financial statements of foreign operations	(124,978)	34,021	-	-
Exchange differences on monetary items forming part of net investment in foreign operations	(28,368)	14,783	-	-
Exchange differences on hedges of net investment in foreign operations	10,694	(10,647)	-	-
<b>Net (loss)/gain recognised directly in Unitholders' funds</b>	<b>(152,292)</b>	<b>39,969</b>	<b>(9,640)</b>	<b>1,812</b>
<b>Movement in general reserve</b>	<b>2,438</b>	<b>2,577</b>	<b>-</b>	<b>-</b>
<b>Unitholders' transactions</b>				
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	2,896	2,825	2,896	2,825
Units issued in respect of distribution reinvestment plan	15,434	16,947	15,434	16,947
Distribution to Unitholders <sup>1</sup>	(44,102)	(39,998)	(44,102)	(39,998)
<b>Net decrease in net assets resulting from Unitholders' transactions</b>	<b>(25,772)</b>	<b>(20,226)</b>	<b>(25,772)</b>	<b>(20,226)</b>
<b>Unitholders' funds at end of period</b>	<b>1,367,201</b>	<b>1,431,558</b>	<b>485,771</b>	<b>503,797</b>

*Footnote:*

1. Distribution made to unitholders in 1H 2016 was for the period from 1 July 2015 to 31 December 2015 which was paid in March 2016.

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.

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**1(d)(ii) Details of any change in the issued and issuable units (2Q 2016 vs 2Q 2015)**

	Trust	
	2Q 2016 Units	2Q 2015 Units
<b>Balance as at beginning of period</b>	<b>855,296,137</b>	<b>839,182,031</b>
New units issued:		
- As payment of manager's management fees <sup>1</sup>	-	860,414
<b>Issued units as at end of period</b>	<b>855,296,137</b>	<b>840,042,445</b>
New units to be issued:		
- As payment of manager's management fees <sup>2</sup>	960,137	848,218
<b>Total issued and issuable units as at end of period</b>	<b>856,256,274</b>	<b>840,890,663</b>

*Footnotes:*

- The performance component of the manager's management fees for 1Q 2015 which were issued in June 2015. With effect from 2016, the payment of the performance component of the manager's management fees will crystallise on a yearly basis.*
- The performance component of the manager's management fees for 2Q 2016 which will be issued in March 2017 and for 2Q 2015 which was issued in September 2015.*

**1(d)(ii) Details of any change in the issued and issuable units (1H 2016 vs 1H 2015)**

	Trust	
	1H 2016 Units	1H 2015 Units
<b>Balance as at beginning of period</b>	<b>843,256,155</b>	<b>828,117,704</b>
New units issued:		
- As payment of manager's management fees <sup>1</sup>	945,766	1,704,687
- As payment of distribution through distribution reinvestment plan	11,094,216	10,220,054
<b>Issued units as at end of period</b>	<b>855,296,137</b>	<b>840,042,445</b>
New units to be issued:		
- As payment of manager's management fees <sup>2</sup>	1,982,670	848,218
<b>Total issued and issuable units as at end of period</b>	<b>857,278,807</b>	<b>840,890,663</b>

*Footnotes:*

- The performance component of the manager's management fees for 4Q 2015 which were issued in March 2016. With effect from 2016, the payment of the performance component of the manager's management fees will crystallise on a yearly basis.  
The manager's management fee for 4Q 2014 and 1Q 2015 were issued in March 2015 and June 2015 respectively.*
- The performance component of the manager's management fees for 1H 2016 which will be issued in March 2017 and 2Q 2015 which was issued in September 2015.*

**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 2015, except for the adoption of revised Financial Accounting Standards ("FRS") (including its consequential amendments) and interpretations effective for the financial period beginning 1 January 2016 as follows:

FRS 1 Presentation of Financial Statements  
FRS 16 Property, Plant and Equipment  
FRS 19 Employee Benefits  
FRS 107 Financial Instruments: Disclosures  
FRS 110 Consolidated Financial Statements  
FRS 112 Disclosure of Interests in Other Entities

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**

	Group	
	2Q 2016	2Q 2015
<b>Earnings per unit ("EPU")</b>		
Basic EPU <sup>1</sup>	3.98¢	5.14¢
Weighted average number of units in issue	855,296,137	839,370,999
Diluted EPU <sup>2</sup>	3.98¢	5.14¢
Weighted average number of units outstanding	857,278,807	839,370,999
Number of units in issue at end of period	855,296,137	840,042,445
<b>Distribution per unit ("DPU")<sup>3</sup></b>		
Based on the number of units in issue at end of period	2.61¢	2.73¢

	Group	
	1H 2016	1H 2015
<b>Earnings per unit ("EPU")</b>		
Basic EPU <sup>1</sup>	6.41¢	7.44¢
Weighted average number of units in issue	849,425,444	834,062,424
Diluted EPU <sup>2</sup>	6.39¢	7.44¢
Weighted average number of units outstanding	851,408,114	834,062,424
Number of units in issue at end of period	855,296,137	840,042,445
<b>Distribution per unit ("DPU")<sup>3</sup></b>		
Based on the number of units in issue at end of period	5.32¢	5.37¢

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*Footnotes:*

1. EPU is calculated based on total return after tax and non-controlling interest and weighted average number of units as at the end of each period.
2. Diluted EPU is calculated based on total return after tax and non-controlling interest and weighted average number of units outstanding during the period, adjusted for the effects of all dilutive potential units arising from issuance of estimated units for performance component of manager's management fees.
3. DPU is calculated based on the number of units as at the end of each period.

**7 Net asset value ("NAV") and net tangible asset ("NTA") backing per unit based on issued units at the end of the period**

	Group		Trust	
	30 Jun 2016	31 Dec 2015	30 Jun 2016	31 Dec 2015
NAV/NTA per unit	\$1.60	\$1.77	\$0.57	\$0.62
Adjusted NAV per unit (excluding distributable income)	\$1.55	\$1.72	\$0.51	\$0.57

**8 Review of the performance**

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

	2Q 2016 RMB'000	2Q 2015 RMB'000	% Change	2Q 2016 S\$'000	2Q 2015 S\$'000	% Change
<b><u>Multi-Tenanted Malls</u></b>						
CapitaMall Xizhimen	70,057	69,050	1.5	14,641	15,010	(2.5)
CapitaMall Wangjing	51,611	52,482	(1.7)	10,760	11,408	(5.7)
CapitaMall Grand Canyon	32,906	35,505	(7.3)	6,861	7,718	(11.1)
CapitaMall Qibao	25,447	24,557	3.6	5,312	5,339	(0.5)
CapitaMall Saihan	15,504	14,674	5.7	3,234	3,190	1.4
<b>Subtotal</b>	<b>195,525</b>	<b>196,268</b>	<b>(0.4)</b>	<b>40,808</b>	<b>42,665</b>	<b>(4.4)</b>
<b><u>Malls under Stabilisation</u></b>						
CapitaMall Minzhongleyuan <sup>1</sup>	3,115	4,476	(30.4)	647	974	(33.6)
CapitaMall Wuhu <sup>2</sup>	3,030	4,177	(27.5)	634	907	(30.1)
<b>Total</b>	<b>201,670</b>	<b>204,921</b>	<b>(1.6)</b>	<b>42,089</b>	<b>44,546</b>	<b>(5.5)</b>
<b><u>Master-Leased Malls</u></b>						
CapitaMall Anzhen	20,712	20,510	1.0	4,327	4,458	(2.9)
CapitaMall Erqi	12,709	12,731	(0.2)	2,654	2,768	(4.1)
CapitaMall Shuangjing	11,646	11,439	1.8	2,434	2,486	(2.1)
<b>Total</b>	<b>45,067</b>	<b>44,680</b>	<b>0.9</b>	<b>9,415</b>	<b>9,712</b>	<b>(3.1)</b>
<b>Total Gross Revenue</b>	<b>246,737</b>	<b>249,601</b>	<b>(1.1)</b>	<b>51,504</b>	<b>54,258</b>	<b>(5.1)</b>



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**8(ii) Breakdown of Net Property Income – Actual**

	<b>2Q 2016</b>	<b>2Q 2015</b>	<b>%</b>	<b>2Q 2016</b>	<b>2Q 2015</b>	<b>%</b>
	<b>RMB'000</b>	<b>RMB'000</b>	<b>Change</b>	<b>S\$'000</b>	<b>S\$'000</b>	<b>Change</b>
<b><u>Multi-Tenanted Malls</u></b>						
CapitaMall Xizhimen	52,081	49,835	4.5	10,896	10,834	0.6
CapitaMall Wangjing	39,083	38,780	0.8	8,151	8,429	(3.3)
CapitaMall Grand Canyon	23,484	24,547	(4.3)	4,905	5,336	(8.1)
CapitaMall Qibao	12,181	11,521	5.7	2,544	2,505	1.6
CapitaMall Saihan	8,836	6,624	33.4	1,845	1,440	28.1
<b>Subtotal</b>	<b>135,665</b>	<b>131,307</b>	<b>3.3</b>	<b>28,341</b>	<b>28,544</b>	<b>(0.7)</b>
<b><u>Malls under Stabilisation</u></b>						
CapitaMall Minzhongleyuan <sup>1</sup>	(1,922)	(1,202)	(59.9)	(404)	(261)	(54.8)
CapitaMall Wuhu <sup>2</sup>	(566)	(462)	(22.5)	(115)	(99)	(16.2)
<b>Total</b>	<b>133,177</b>	<b>129,643</b>	<b>2.7</b>	<b>27,822</b>	<b>28,184</b>	<b>(1.3)</b>
<b><u>Master-Leased Malls</u></b>						
CapitaMall Anzhen	16,986	16,838	0.9	3,548	3,660	(3.1)
CapitaMall Erqi	10,279	10,083	1.9	2,147	2,192	(2.1)
CapitaMall Shuangjing	9,495	9,216	3.0	1,984	2,003	(0.9)
<b>Total</b>	<b>36,760</b>	<b>36,137</b>	<b>1.7</b>	<b>7,679</b>	<b>7,855</b>	<b>(2.2)</b>
<b>Total Net Property Income</b>	<b>169,937</b>	<b>165,780</b>	<b>2.5</b>	<b>35,501</b>	<b>36,039</b>	<b>(1.5)</b>

*N.M. – not meaningful*

*Footnotes:*

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

**2Q 2016 vs 2Q 2015**

In RMB terms, gross revenue in 2Q 2016 decreased by RMB2.9 million, or 1.1% lower than 2Q 2015. With the implementation of China VAT reform on 1 May 2016, the revenue reported from May to June 2016 is netted off against 5% VAT. CapitaMall Minzhongleyuan and CapitaMall Wuhu continue to face challenges from the road closure and tenancy adjustments respectively. The lower revenue in CapitaMall Grand Canyon was due to a lower actual occupancy rate as a result of delay in opening by tenants occupying large areas. In SGD terms, gross revenue for 2Q 2016 decreased by \$2.8 million, or 5.1% compared to 2Q 2015 due to weaker RMB against SGD.

Property expenses for 2Q 2016 decreased by \$2.2 million, or 12.2% lower than 2Q 2015. This was mainly due to lower property related tax and business tax. There was an additional property tax incurred in CapitaMall Saihan due to the change in tax computation basis imposed by the local authority in 2Q 2015. With effect from 1 May 2016, business tax was replaced with VAT and these were netted off against the revenue from May to June 2016.

Management fees payable to the manager were 2.0% lower than 2Q 2015 mainly due to lower net property income.

Taxation in 2Q 2016 decreased by \$4.6 million, or 29.4% compared to 2Q 2015. This was mainly due to lower deferred tax liabilities recognised in 2Q 2016 compared to 2Q 2015 as a result of lower fair value gain in investment properties.

**1H 2016 vs 1H 2015**

In RMB terms, gross revenue for 1H 2016 increased by RMB3.3 million, or 0.7% over 1H 2015. This was mainly due to rental growth from the multi-tenanted malls, but partially offset by lower revenue at CapitaMall Minzhongleyuan and CapitaMall Wuhu, which are affected by the road closure and tenancy adjustments respectively. The lower revenue in CapitaMall Grand Canyon was due to a lower actual occupancy rate as a result of delay in opening by tenants occupying large areas. In SGD terms, gross revenue decreased by \$1.7 million, or 1.6% lower compared to 1H 2015 due to weaker RMB against SGD.

Property expenses for 1H 2016 decreased by \$3.3 million or 8.7% over 1H 2015. This was mainly due to lower property related tax and business tax. There were additional property taxes incurred in CapitaMall Wuhu and CapitaMall Saihan due to the change in tax computation basis imposed by the local authority in 1H 2015. With effect from 1 May 2016, business tax was replaced with VAT and these were netted off against the revenue from May to June 2016.

Management fees payable to the manager were 1.6% higher than 1H 2015 mainly due to higher net property income.

Finance costs in 1H 2016 decreased by \$0.2 million compared to 1H 2015. This was mainly due to the repayment of RMB denominated interest bearing loans.

Taxation in 1H 2016 decreased by \$4.7 million or 20.0% compared to 1H 2015. This was mainly due to lower deferred tax liabilities recognised in 2Q 2016 compared to 2Q 2015 as a result of lower fair value gain in 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**

With the current global economic uncertainties and weakening demand, the Chinese economy continued to grow at a moderate pace of 6.7% year-on-year in 2Q 2016 and 1H 2016.

Retail sales in 1H 2016 increased 10.3% year-on-year to RMB15.6 trillion. Urban disposable income and expenditure per capita grew 5.8% and 5.3% year-on-year respectively in the same period. (Source: National Bureau of Statistics of China)

The Chinese government has reiterated that the reform policies will focus on maintaining economic stability and improving living standards including reducing overcapacity, streamlining state-owned enterprises, providing greater access to the private sector and ensuring workers are skilled for further employment. As China transitions to a consumption-driven economy, short-term growth fluctuations are inevitable.

Despite the short-term fluctuations, the transitioning of the Chinese economy bodes well for CRCT's objective of investing in China retail properties on a long-term basis. We will continue with our disciplined approach to look for suitable opportunities to expand our market presence.

**Beijing Retail Market Update**

In 1Q 2016, Beijing's GDP grew 6.9% year-on-year. For the same period, urban disposable income and expenditure per capita increased 7.9% and 3.7% respectively. Retail sales grew 3.1% to RMB407.8 billion in the first five months of 2016.

In 1Q 2016, only one new mall with GFA of 59,000 sqm opened in Beijing. Vacancy rate was down 0.3 percentage points quarter-on-quarter with food and beverage (F&B) retailers leading the demand for space. Average ground floor rent remained stable, increased slightly by 0.2% quarter-on-quarter.

Eight new mid- to high-end projects with a total GFA of around 590,000 sqm are expected to open in the rest of 2016. Majority of the new supply will be located in the Daxing district, which is supported by large residential population and rapid transport development. The average ground floor rent growth is expected to be constrained. (Sources: Beijing Municipal Bureau of Statistics, and Savills)

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### Shanghai Retail Market Update

In 1Q 2016, Shanghai's GDP grew 6.7% year-on-year. For the same period, urban disposable income and expenditure per capita increased 8.8% and 5.6% year-on-year respectively. For the first five months of 2016, retail sales grew 7.1% to RMB432.8 billion.

Only one new project with GFA of approximately 140,000 sq m opened in 1Q 2016. For the same period, the vacancy rate in prime areas increased 1.0 percentage points while that in non-prime areas dropped 0.5 percentage points quarter-on-quarter. Leisure and entertainment related retailers expanded actively in both downtown and decentralised areas. The average rent at the first floor prime areas increased 0.3% while non-prime areas increased 0.1% quarter-on-quarter.

Average ground floor rent is expected to be under pressure as rents at the upcoming projects are expected to be below the current average rent. Vacancy rate is also expected to fluctuate due to the new supply. (Sources: Shanghai Municipal Bureau of Statistics, Colliers International and Savills)

### Wuhan Retail Market Update

In 1Q 2016, Wuhan's GDP and urban disposable income per capita grew 7.0% and 9.7% year-on-year respectively. For the first five months of 2016, retail sales increased 9.2% to RMB217.2 billion.

There were no openings of new malls in Wuhan in 1Q 2016. Vacancy rate fell 0.5 percentage points quarter-on-quarter, with fashion and F&B chain retailers continuing to exhibit strong demand.

Four new projects with a total retail GFA of around 337,600 sq m are expected to complete in the rest of 2016. Majority of the new supply is located in non-prime areas and operated by experienced developers. The impact of the new supply to the city's overall vacancy rate will be limited as pre-commitment is expected to be strong. (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 2016 to 30 June 2016

Distribution type : Tax exempt income/ Capital distribution

Distribution rate : 5.32 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 2016 to 30 June 2016 is expected to be funded from borrowing at the Trust level as well as internal cash flow from operations.

### 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 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

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11(c) Date payable : 20 September 2016

11(d) Book closure date : 4 August 2016

**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 Interested Person Transactions (“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 IPT.

**14 Confirmation pursuant to Rule 720(1) of the Listing Manual**

The Manager confirms that It has procured undertakings from all its Directors and Executive Officers in the format set out in Appendix 7.7 of the Listing Manual of the Singapore Exchange Securities Limited (the “Listing Manual”), as required by Rule 720(1) of the Listing Manual.

**15 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 2016, 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 CapitalLand Retail China Trust)

Lee Ju Lin, Audrey  
Company Secretary  
27 July 2016