

**CAPITALAND RETAIL CHINA TRUST
2017 SECOND QUARTER UNAUDITED FINANCIAL STATEMENTS AND DISTRIBUTION
ANNOUNCEMENT**

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Summary of CRCT Results

	2Q 2017 ¹	2Q 2016	Change %	1H 2017 ¹	1H 2016	Change %
	Actual S\$'000	Actual S\$'000		Actual S\$'000	Actual S\$'000	
Gross Revenue ²	58,993	51,504	14.5	119,094	107,070	11.2
Net Property Income ²	39,971	35,501	12.6	80,274	72,193	11.2
Income available for distribution	23,337	22,374	4.3	47,692	45,559	4.7
Distribution Per Unit ("DPU") (cents)						
For the period	2.62	2.61	0.4	5.36	5.32	0.8
Annualised	10.51	10.50	0.1	10.81	10.70	1.0

	2Q 2017 ¹	2Q 2016	Change %	1H 2017 ¹	1H 2016	Change %
	Actual RMB'000	Actual RMB'000		Actual RMB'000	Actual RMB'000	
Gross Revenue	291,530	246,737	18.2	582,395	503,265	15.7
Net Property Income	197,660	169,937	16.3	392,556	339,331	15.7

Footnotes:

1. Includes contribution from CapitaMall Xinnan which was acquired on 30 September 2016.
2. Average exchange rate for SGD/RMB.

2Q 2017	2Q 2016	Change %	1H 2017	1H 2016	Change %
0.202	0.209	(3.3)	0.204	0.213	(4.2)

DISTRIBUTION & BOOK CLOSURE DATE

Distribution	For 1 January 2017 to 30 June 2017
Distribution type	Capital distribution
Distribution rate	5.36 cents per Unit
Book closure date	4 August 2017
Payment date	20 September 2017

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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 2017, CRCT owns and invests in a portfolio of 11 shopping malls located in seven of China’s cities. The properties are CapitaMall Xizhimen, CapitaMall Wangjing, CapitaMall Grand Canyon, CapitaMall Shuangjing and CapitaMall Anzhen in Beijing; CapitaMall Xinnan in Chengdu; 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 2017 vs 2Q 2016)**

	Group		
	2Q 2017 ¹ S\$'000	2Q 2016 S\$'000	% Change
Gross rental income	54,418	48,092	13.2
Other income ²	4,575	3,412	34.1
Gross revenue	58,993	51,504	14.5
Land rental	(1,480)	(1,541)	(4.0)
Property related tax ³	(6,207)	(2,827)	N.M.
Business tax ⁴	(315)	(1,838)	(82.9)
Property management fees ⁵	(3,509)	(3,087)	13.7
Other property operating expenses ⁶	(7,511)	(6,710)	11.9
Total property operating expenses	(19,022)	(16,003)	18.9
Net property income	39,971	35,501	12.6
Manager's management fees – Base fee	(1,682)	(1,478)	13.8
Manager's management fees – Performance fee ⁷	(1,605)	(1,422)	12.9
Trustee's fees	(105)	(94)	11.7
Audit fees	(90)	(111)	(18.9)
Valuation fees	(47)	(45)	4.4
Other trust operating income/(expenses) ⁸	291	293	(0.7)
Finance income ⁹	468	411	13.9
Foreign exchange loss – realised ¹⁰	(180)	(553)	(67.5)
Finance costs	(5,885)	(5,023)	17.2
Total return before changes in fair value of financial derivatives, investment properties and unrealised foreign exchange gain/(loss)	31,136	27,479	13.3
Change in fair value of investment properties	13,049	18,307	(28.7)
Foreign exchange gain/(loss) – unrealised	172	(1,166)	N.M.
Total return before taxation	44,357	44,620	(0.6)
Taxation ¹¹	(13,993)	(11,037)	26.8
Total return for the period after taxation	30,364	33,583	(9.6)
Attributable to:			
Unitholders	31,344	34,081	(8.0)
Non-controlling interest	(980)	(498)	96.8
Total return for the period after taxation	30,364	33,583	(9.6)

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1(a)(i) **Statement of total return for the Group (1H 2017 vs 1H 2016)**

	Group		
	1H 2017¹	1H 2016	%
	S\$'000	S\$'000	Change
Gross rental income	110,891	100,391	10.5
Other income ²	8,203	6,679	22.8
Gross revenue	119,094	107,070	11.2
Land rental	(2,990)	(3,142)	(4.8)
Property related tax ³	(12,422)	(5,796)	N.M.
Business tax ⁴	(659)	(4,921)	(86.6)
Property management fees ⁵	(7,163)	(6,229)	15.0
Other property operating expenses ⁵	(15,586)	(14,789)	5.4
Total property operating expenses	(38,820)	(34,877)	11.3
Net property income	80,274	72,193	11.2
Manager's management fees – Base fee	(3,553)	(3,008)	18.1
Manager's management fees – Performance fee ⁷	(3,177)	(2,896)	9.7
Trustee's fees	(211)	(192)	9.9
Audit fees	(200)	(225)	(11.1)
Valuation fees	(96)	(91)	5.5
Other trust operating expenses ⁸	(94)	(77)	22.1
Finance income ⁹	515	762	(32.4)
Foreign exchange loss – realised ¹⁰	(229)	(811)	(71.8)
Finance costs	(11,898)	(10,275)	15.8
Total return before changes in fair value of financial derivatives, investment properties and unrealised foreign exchange gain/(loss)	61,331	55,380	10.7
Change in fair value of investment properties	13,049	18,307	(28.7)
Foreign exchange gain/(loss) – unrealised	302	(1,259)	N.M.
Total return before taxation	74,682	72,428	3.1
Taxation ¹¹	(23,443)	(18,944)	23.7
Total return for the period after taxation	51,239	53,484	(4.2)
Attributable to:			
Unitholders	52,424	54,445	(3.7)
Non-controlling interest	(1,185)	(961)	23.3
Total return for the period after taxation	51,239	53,484	(4.2)

Footnotes:

1. Includes contribution from CapitaMall Xinnan which was acquired on 30 September 2016.
2. Other income comprises mainly income earned from atrium space, trolley carts and advertisement panels.
3. The basis for property related tax was changed for the properties in Beijing with effect from July 2016.
4. With effect from 1 May 2016, business tax was replaced with Value Added Tax ("VAT") which was netted against gross revenue.
5. Includes reimbursement of expenses to the property manager.

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

	Group		
	2Q 2017 ¹ S\$'000	2Q 2016 S\$'000	% Change
Depreciation and amortisation	(459)	(542)	(15.3)
Impairment losses on trade receivables	(57)	(91)	(37.4)
Plant and equipment written off	-	(4)	N.M.

	Group		
	1H 2017 ¹ S\$'000	1H 2016 S\$'000	% Change
Depreciation and amortisation	(949)	(1,136)	(16.5)
Impairment losses on trade receivables	(57)	(147)	N.M.
Plant and equipment written off	(2)	(12)	(83.3)

7. Management fees paid to the Manager for 2Q 2017 includes an adjustment relating to the performance component of the Manager's management fees for 4Q 2016, which was repaid by the Manager in the form of cash.
8. Includes reversal of over provision of other trust operating expenses in 2Q 2017 and 2Q 2016.
9. Finance income relates mainly to gain on interest rate swaps ("IRS") and interest from bank deposits placed with financial institutions.
10. Realised foreign exchange loss relates to the repayment of the USD denominated shareholder's loans interest and receipt of RMB denominated dividends.
11. Includes under and over provision of tax from prior years of \$889,920 in 1H 2017 and \$370,024 in 1H 2016 respectively.

N.M. – not meaningful

1(a)(ii) Distribution statement for the Group (2Q 2017 vs 2Q 2016)

	Group		
	2Q 2017 ¹ S\$'000	2Q 2016 S\$'000	% Change
Total return for the period attributable to Unitholders before distribution	31,344	34,081	(8.0)
Distribution adjustments (Note A)	(8,007)	(11,707)	(31.6)
Income available for distribution to Unitholders	23,337	22,374	4.3
Comprises:			
- from operations	(2,120)	908	N.M.
- from Unitholders' contribution	25,457	21,466	18.6
	23,337	22,374	4.3
Note A			
Distribution adjustments			
- Manager's management fees (performance component payable in Units)	1,652	1,422	16.2
- Change in fair value of investment properties ²	(14,094)	(18,558)	(24.1)
- Deferred taxation ²	5,703	5,067	12.6
- Transfer to general reserve	(1,566)	(1,247)	25.6
- Unrealised foreign exchange (gain)/loss ²	(149)	1,079	N.M.
- Other adjustments ²	447	530	(15.7)
Net effect of distribution adjustments	(8,007)	(11,707)	(31.6)

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1(a)(ii) **Distribution statement for the Group (1H 2017 vs 1H 2016)**

	Group		
	1H 2017¹ S\$'000	1H 2016 S\$'000	% Change
Total return for the period attributable to Unitholders before distribution	52,424	54,445	(3.7)
Distribution adjustments (Note A)	(4,732)	(8,886)	(46.7)
Income available for distribution to Unitholders	47,692	45,559	4.7
Comprises :			
- from operations	(4,803)	2,359	N.M.
- from Unitholders' contribution	52,495	43,200	21.5
	47,692	45,559	4.7
Note A			
Distribution adjustments			
- Manager's management fees (performance component payable in Units)	3,224	2,896	11.3
- Change in fair value of investment properties ²	(14,094)	(18,558)	(24.1)
- Deferred taxation ²	8,660	7,136	21.4
- Transfer to general reserve	(3,179)	(2,438)	30.4
- Unrealised foreign exchange (gain)/loss ²	(267)	964	N.M.
- Other adjustments ²	924	1,114	(17.1)
Net effect of distribution adjustments	(4,732)	(8,886)	(46.7)

N.M. – not meaningful

Footnotes:

1. *Includes contribution from CapitaMall Xinnan which was acquired on 30 September 2016.*
2. *Excludes non-controlling interest's share.*

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1(b)(i) Statement of financial position as at 30 Jun 2017 vs 31 Dec 2016

	Group			Trust		
	30 Jun 2017 S\$'000	31 Dec 2016 S\$'000	% Change	30 Jun 2017 S\$'000	31 Dec 2016 S\$'000	% Change
Assets						
Investment properties ¹	2,384,492	2,628,353	(9.3)	-	-	-
Assets held for sale ²	209,064	-	N.M.	-	-	-
Plant and equipment	3,533	4,034	(12.4)	-	-	-
Interests in subsidiaries	-	-	-	1,400,676	1,416,194	(1.1)
Trade and other receivables	12,422	12,829	(3.2)	167	360	(53.6)
Financial derivatives ³	489	2,114	(76.9)	489	2,114	(76.9)
Cash and cash equivalents ⁴	108,118	136,137	(20.6)	2,173	1,661	30.8
Total assets	2,718,118	2,783,467	(2.3)	1,403,505	1,420,329	(1.2)
Less						
Liabilities						
Trade and other payables	42,249	64,527	(34.5)	4,952	9,387	(47.2)
Liabilities held for sale ²	26,948	-	N.M.	-	-	-
Security deposits	50,432	48,769	3.4	-	-	-
Interest-bearing borrowings ⁵	949,183	977,751	(2.9)	949,183	918,808	3.3
Deferred tax liabilities	213,780	236,426	(9.6)	-	-	-
Financial derivatives ³	7,993	2,165	N.M.	7,993	2,165	N.M.
Provision for taxation	5,277	2,139	N.M.	7	-	N.M.
Total liabilities	1,295,862	1,331,777	(2.7)	962,135	930,360	3.4
Net assets	1,422,256	1,451,690	(2.0)	441,370	489,969	(9.9)
Represented by:						
Unitholders' funds	1,402,743	1,431,811	(2.0)	441,370	489,969	(9.9)
Non-controlling interest	19,513	19,879	(1.8)	-	-	-
	1,422,256	1,451,690	(2.0)	441,370	489,969	(9.9)

Footnotes:

- The decrease in investment properties as of 30 June 2017 was mainly due to the re-classification of the property held by CapitaRetail Beijing Anzhen Real Estate Co. Ltd to assets held for sale.*
- The assets and liabilities held for sale as at 30 June 2017 relates to the interest in CapitaRetail Beijing Anzhen Real Estate Co. Ltd which is to be divested to an external party. The Company holds CapitaMall Anzhen, which is carried at fair value of RMB1,000.5 million (\$202.2 million) as at 30 June 2017.*
- 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 as hedges of the Group's net investment in China and the IRS are designated to hedge the variable rate borrowings.*
- The decrease was mainly due to repayment of RMB secured term loan facility of RMB200 million (\$40.4 million) in 2017.*
- The interest-bearing borrowings comprise unsecured term loan facilities of \$950.4 million drawn down by the Trust to partially finance the acquisition of the properties in CRCT and to utilise as working capital (net of transaction costs of \$1.2 million).*

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

	Group		Trust	
	30 Jun 2017 S\$'000	31 Dec 2016 ¹ S\$'000	30 Jun 2017 S\$'000	31 Dec 2016 S\$'000
Unsecured borrowings				
- Amount repayable within one year	475,400	445,303	475,400	445,303
- Amount repayable after one year	475,000	475,000	475,000	475,000
Secured borrowings				
- Amount repayable within one year	-	5,170	-	-
- Amount repayable after one year	-	53,773	-	-
	950,400	979,246	950,400	920,303
Less: Transaction costs in relation to the unsecured term loan facilities	(1,217)	(1,495)	(1,217)	(1,495)
	949,183	977,751	949,183	918,808

Footnote:

1. 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 \$20.6 million was retained from Distribution Reinvestment Plan on 23 March 2017.

Date	Amount retained	Use of proceeds	Amount used	Balance
	S\$'million		S\$'million	S\$'million
23-Mar-17	20.6	For repayment of CapitaMall Grand Canyon's RMB denominated interest-bearing borrowing	17.4	3.2
19-Jun-17	-	For repayment of CapitaMall Grand Canyon's RMB denominated interest-bearing borrowing	3.2	-

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1(c)(ii) **Statement of Cash Flows (2Q 2017 vs 2Q 2016)**

	Group	
	2Q 2017 S\$'000	2Q 2016 S\$'000
Operating activities		
Total return after taxation	30,364	33,583
Adjustments for:		
Finance income	(468)	(411)
Finance costs	5,885	5,023
Depreciation and amortisation	459	542
Taxation	13,993	11,037
Manager's management fees payable in Units	1,652	1,422
Plant and equipment written off	-	4
Change in fair value of investment properties	(13,049)	(18,307)
Impairment losses on trade receivables	57	91
Operating income before working capital changes	38,893	32,984
Changes in working capital:		
Trade and other receivables	1,108	3,267
Trade and other payables	(2,790)	22
Cash generated from operating activities	37,211	36,273
Income tax paid	(6,739)	(4,424)
Net cash from operating activities	30,472	31,849
Investing activities		
Interest received	468	445
Capital expenditure on investment properties	(4,688)	(4,573)
Proceed from disposal of plant and equipment	-	1
Purchase of plant and equipment	(136)	(128)
Net cash used in investing activities	(4,356)	(4,255)
Financing activities		
Payment of financing expenses	(150)	(250)
Proceeds from bank loans	53,300	52,500
Repayment of bank loans	(91,915)	(57,650)
Settlement of derivative contracts	(889)	3,884
Interest paid	(5,680)	(4,798)
Net cash used in financing activities	(45,334)	(6,314)
(Decrease)/Increase in cash and cash equivalents	(19,218)	21,280
Cash and cash equivalents at beginning of period	131,383	98,937
Effect on exchange rate changes on cash balances	(1,371)	(6,190)
Reclassification of cash balances to assets held for sale	(2,676)	-
Cash and cash equivalents at end of period	108,118	114,027

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1(c)(ii) **Statement of Cash Flow (1H 2017 vs 1H 2016)**

	Group	
	1H 2017 S\$'000	1H 2016 S\$'000
Operating activities		
Total return after taxation	51,239	53,484
Adjustments for:		
Finance income	(515)	(762)
Finance costs	11,898	10,275
Depreciation and amortisation	949	1,136
Taxation	23,443	18,944
Manager's management fees payable in Units	3,224	2,896
Plant and equipment written off	2	12
Change in fair value of investment properties	(13,049)	(18,307)
Impairment losses on trade receivables	57	147
Operating income before working capital changes	77,248	67,825
Changes in working capital:		
Trade and other receivables	(2,103)	3,558
Trade and other payables	(13,845)	(12,040)
Cash generated from operating activities	61,300	59,343
Income tax paid	(10,569)	(8,357)
Net cash from operating activities	50,731	50,986
Investing activities		
Interest received	515	747
Capital expenditure on investment properties	(8,535)	(13,437)
Net cash outflow on acquisition of subsidiaries	(3,510)	-
Proceed from disposal of plant and equipment	-	1
Purchase of plant and equipment	(789)	(169)
Net cash used in investing activities	(12,319)	(12,858)
Financing activities		
Distribution to Unitholders ¹	(20,542)	(28,668)
Payment of equity issue expenses	-	(14)
Payment of financing expenses	(150)	(750)
Proceeds from bank loans	83,100	162,100
Repayment of bank loans	(110,769)	(162,895)
Settlement of derivative contracts	(889)	(681)
Interest paid	(11,403)	(9,824)
Net cash used in financing activities	(60,653)	(40,732)
Decrease in cash and cash equivalents	(22,241)	(2,604)
Cash and cash equivalents at beginning of period	136,137	126,322
Effect on exchange rate changes on cash balances	(3,102)	(9,691)
Reclassification of cash balances to assets held for sale	(2,676)	-
Cash and cash equivalents at end of period	108,118	114,027

Footnote:

- Distribution made to Unitholders in 1H 2017 was for the period from 1 July 2016 to 31 December 2016 which was paid in March 2017.
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.

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1(d)(i) **Statement of Movements in Unitholders' Funds (2Q 2017 vs 2Q 2016)**

	Group		Trust	
	2Q 2017 S\$'000	2Q 2016 S\$'000	2Q 2017 S\$'000	2Q 2016 S\$'000
Unitholders' funds as at beginning of period	1,400,670	1,428,658	456,820	493,283
Operations				
Change in Unitholders' funds resulting from operations before distribution	31,344	34,081	(14,462)	(6,019)
Transfer to general reserve	(1,566)	(1,247)	-	-
Net increase/(decrease) in net assets resulting from operations	29,778	32,834	(14,462)	(6,019)
Movements in hedging reserve				
Effective portion of changes in fair value of cash flow hedges	(2,640)	(2,915)	(2,640)	(2,915)
Movement in foreign currency translation reserve				
Translation differences from financial statements of foreign operations	(18,549)	(79,044)	-	-
Exchange differences on monetary items forming part of net investment in foreign operations	(6,286)	(19,181)	-	-
Exchange differences on hedges of net investment in foreign operations	(3,448)	4,180	-	-
Net loss recognised directly in Unitholders' funds	(30,923)	(96,960)	(2,640)	(2,915)
Movement in general reserve	1,566	1,247	-	-
Unitholders' transactions				
- Units issued and to be issued as satisfaction of the portion of Manager's management fees payable in Units	1,652	1,422	1,652	1,422
Net increase in net assets resulting from Unitholders' transactions	1,652	1,422	1,652	1,422
Unitholders' funds as at end of period	1,402,743	1,367,201	441,370	485,771

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1(d)(i) **Statement of Movements in Unitholders' Funds (1H 2017 vs 1H 2016)**

	Group		Trust	
	1H 2017 S\$'000	1H 2016 S\$'000	1H 2017 S\$'000	1H 2016 S\$'000
Unitholders' funds as at beginning of period	1,431,811	1,490,820	489,969	522,814
Operations				
Change in Unitholders' funds resulting from operations before distribution	52,424	54,445	(26,433)	(1,631)
Transfer to general reserve	(3,179)	(2,438)	-	-
Net increase in net assets resulting from operations	49,245	52,007	(26,433)	(1,631)
Movements in hedging reserve				
Effective portion of changes in fair value of cash flow hedges	(4,848)	(9,640)	(4,848)	(9,640)
Movement in foreign currency translation reserve				
Translation differences from financial statements of foreign operations	(30,361)	(124,978)	-	-
Exchange differences on monetary items forming part of net investment in foreign operations	(25,472)	(28,368)	-	-
Exchange differences on hedges of net investment in foreign operations	(3,493)	10,694	-	-
Net loss recognised directly in Unitholders' funds	(64,174)	(152,292)	(4,848)	(9,640)
Movement in general reserve	3,179	2,438	-	-
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	3,224	2,896	3,224	2,896
Units issued in respect of distribution reinvestment plan	20,594	15,434	20,594	15,434
Distribution to Unitholders ¹	(41,136)	(44,102)	(41,136)	(44,102)
Net decrease in net assets resulting from Unitholders' transactions	(17,318)	(25,772)	(17,318)	(25,772)
Unitholders' funds at end of period	1,402,743	1,367,201	441,370	485,771

Footnote:

- Distribution made to Unitholders in 1H 2017 was for the period from 1 July 2016 to 31 December 2016 which was paid in March 2017.
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.*

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1(d)(ii) Details of any change in the issued and issuable Units (2Q 2017 vs 2Q 2016)

	Trust	
	2Q 2017 Units	2Q 2016 Units
Balance as at beginning of period	888,745,671	855,296,137
New Units to be issued:		
- As payment of manager's management fees ¹	1,027,821	960,137
Total issued and issuable Units as at end of period	889,773,492	856,256,274

Footnotes:

1. These were the performance component of the manager's management fees for 2Q 2017 which will be issued in 1Q 2018 and for 2Q 2016 which was issued in March 2017.

1(d)(ii) Details of any change in the issued and issuable Units (1H 2017 vs 1H 2016)

	Trust	
	1H 2017 Units	1H 2016 Units
Balance as at beginning of period	869,679,633	843,256,155
New Units issued:		
- As payment of manager's management fees ¹	4,177,316	945,766
- As payment of distribution through distribution reinvestment plan	14,888,722	11,094,216
Issued Units as at end of period	888,745,671	855,296,137
New Units to be issued:		
- As payment of manager's management fees ²	2,115,705	1,982,670
Total issued and issuable Units as at end of period	890,861,376	857,278,807

Footnotes:

1. These were the performance component of the manager's management fees for FY 2016 and 4Q 2015 which were issued in March 2017 and March 2016 respectively. With effect from 2016, the payment of the performance component of the manager's management fees will crystallise on a yearly basis.
2. These were the performance component of the manager's management fees for 1H 2017 which will be issued in 1Q 2018 and for 1H 2016 which was issued in March 2017.

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 2016, except for the adoption of revised Financial Accounting Standards (“FRS”) (including its consequential amendments) and interpretations effective for the financial period beginning 1 January 2017 as follows:

FRS 7 Statement of Cash Flows
FRS 12 Income Taxes

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 2017	2Q 2016
Earnings per Unit (“EPU”)		
Basic EPU ¹	3.53¢	3.98¢
Weighted average number of Units in issue	888,745,671	855,296,137
Diluted EPU ²	3.52¢	3.98¢
Weighted average number of Units outstanding	890,861,376	857,278,807
Number of Units in issue at end of period	888,745,671	855,296,137
Distribution per Unit (“DPU”)³		
Based on the number of Units in issue at end of period	2.62¢	2.61¢

	Group	
	1H 2017	1H 2016
Earnings per Unit (“EPU”)		
Basic EPU ¹	5.95¢	6.41¢
Weighted average number of Units in issue	880,592,679	849,425,444
Diluted EPU ²	5.94¢	6.39¢
Weighted average number of Units outstanding	882,708,384	851,408,114
Number of Units in issue at end of period	888,745,671	855,296,137
Distribution per Unit (“DPU”)³		
Based on the number of Units in issue at end of period	5.36¢	5.32¢

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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 2017	31 Dec 2016	30 Jun 2017	31 Dec 2016
NAV/NTA per Unit	\$1.58	\$1.65	\$0.50	\$0.56
Adjusted NAV per Unit (excluding distributable income)	\$1.52	\$1.60	\$0.44	\$0.52

8 Review of the performance

8(i) Breakdown of Gross Revenue – Actual

	2Q 2017 ¹ RMB'000	2Q 2016 RMB'000	% Change	2Q 2017 ¹ S\$'000	2Q 2016 S\$'000	% Change
<u>Multi-Tenanted Malls</u>						
CapitaMall Xizhimen	72,665	70,057	3.7	14,706	14,641	0.4
CapitaMall Wangjing	55,747	51,611	8.0	11,277	10,760	4.8
CapitaMall Grand Canyon	37,781	32,906	14.8	7,648	6,861	11.5
CapitaMall Xinnan	32,109	-	N.M.	6,497	-	N.M.
CapitaMall Qibao	24,133	25,447	(5.2)	4,883	5,312	(8.1)
CapitaMall Saihan	15,884	15,504	2.5	3,213	3,234	(0.6)
Subtotal	238,319	195,525	21.9	48,224	40,808	18.2
<u>Malls under Stabilisation</u>						
CapitaMall Minzhongleyuan ²	7,415	3,115	N.M.	1,502	647	N.M.
CapitaMall Wuhu ³	2,014	3,030	(33.5)	407	634	(35.8)
Total	247,748	201,670	22.8	50,133	42,089	19.1
<u>Master Leased Malls</u>						
CapitaMall Anzhen	19,926	20,712	(3.8)	4,032	4,327	(6.8)
CapitaMall Erqi	12,377	12,709	(2.6)	2,505	2,654	(5.6)
CapitaMall Shuangjing	11,479	11,646	(1.4)	2,323	2,434	(4.6)
Total	43,782	45,067	(2.9)	8,860	9,415	(5.9)
Total Gross Revenue	291,530	246,737	18.2	58,993	51,504	14.5

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8(ii) Breakdown of Net Property Income – Actual

	2Q 2017 ¹	2Q 2016	%	2Q 2017 ¹	2Q 2016	%
	RMB'000	RMB'000	Change	S\$'000	S\$'000	Change
<u>Multi-Tenanted Malls</u>						
CapitaMall Xizhimen	51,860	52,081	(0.4)	10,485	10,896	(3.8)
CapitaMall Wangjing	40,624	39,083	3.9	8,211	8,151	0.7
CapitaMall Grand Canyon	25,171	23,484	7.2	5,085	4,905	3.7
CapitaMall Xinnan	22,186	-	N.M.	4,486	-	N.M.
CapitaMall Qibao	11,255	12,181	(7.6)	2,277	2,544	(10.5)
CapitaMall Saihan	9,598	8,836	8.6	1,941	1,845	5.2
Subtotal	160,694	135,665	18.4	32,485	28,341	14.6
<u>Malls under Stabilisation</u>						
CapitaMall Minzhongleyuan ²	2,466	(1,922)	N.M.	503	(404)	N.M.
CapitaMall Wuhu ³	(1,721)	(566)	N.M.	(347)	(115)	N.M.
Total	161,439	133,177	21.2	32,641	27,822	17.3
<u>Master Leased Malls</u>						
CapitaMall Anzhen	16,408	16,986	(3.4)	3,320	3,548	(6.4)
CapitaMall Erqi	10,564	10,279	2.8	2,138	2,147	(0.4)
CapitaMall Shuangjing	9,249	9,495	(2.6)	1,872	1,984	(5.6)
Total	36,221	36,760	(1.5)	7,330	7,679	(4.5)
Total Net Property Income	197,660	169,937	16.3	39,971	35,501	12.6

N.M. – not meaningful

Footnotes:

1. Includes contribution from CapitaMall Xinnan which was acquired on 30 September 2016.
2. CapitaMall Minzhongleyuan is currently undergoing trade mix adjustments. It was affected by the road closure at Zhongshan Avenue in 2016.
3. CapitaMall Wuhu is currently undergoing trade mix adjustments.

2Q 2017 vs 2Q 2016

In RMB terms, gross revenue in 2Q 2017 increased by RMB44.8 million, or 18.2% higher than 2Q 2016, mainly due to the new contribution from CapitaMall Xinnan which was acquired on 30 September 2016. This was partially offset by lower revenue due to the implementation of China VAT reform on 1 May 2016 where 5% VAT was netted against gross revenue reported for 2Q 2017. Gross revenue for both CapitaMall Qibao and CapitaMall Wuhu was lower in 2Q 2017 due to competitions faced in the vicinity and tenancy adjustments respectively. In SGD terms, gross revenue for 2Q 2017 increased by \$7.5 million, or 14.5%. The increase is lower than that in RMB terms due to the stronger SGD against RMB.

Property expenses for 2Q 2017 increased by \$3.0 million, or 18.9% compared to 2Q 2016, mainly due to additional property tax of \$2.5 million for malls in Beijing as a result of the change in tax basis by the local tax authority and higher property management fees of \$0.4 million mainly arising from the inclusion of CapitaMall Xinnan. This was partially offset by lower business tax which was replaced with VAT with effect from 1 May 2016 as these were netted against gross revenue.

Management fees consisting of base and performance fees payable to the manager were 13.3% higher than 2Q 2016, due to higher net property income and deposited properties, arising from the inclusion of CapitaMall Xinnan.

Finance costs in 2Q 2017 increased by \$0.9 million as compared to 2Q 2016. This was mainly due to the additional loans drawn down to finance the acquisition of CapitaMall Xinnan in 30 September 2016.

Taxation in 2Q 2017 increased by \$3.0 million as compared to 2Q 2016. The higher taxation arose mainly from the inclusion of CapitaMall Xinnan and higher corporate tax recognised in 2Q 2017 compared to 2Q 2016 as a result of higher profit.

1H 2017 vs 1H 2016

In RMB terms, gross revenue for 1H 2017 increased by RMB79.1 million, or 15.7% over 1H 2016. This was mainly due to the new contribution from CapitaMall Xinnan which contributed to 12.8% of the increase. The rental growth from the multi-tenanted malls was partially offset by lower revenue due to the implementation of China VAT reform on 1 May 2016 where 5% VAT was netted against gross revenue reported for 1H 2017. Gross revenue for both CapitaMall Qibao and CapitaMall Wuhu was lower in 1H 2017 due to competitions faced in the vicinity and tenancy adjustments respectively. In SGD terms, gross revenue increased by \$12.0 million, or 11.2% higher compared to 1H 2016 due to the stronger SGD against RMB.

Property expenses for 1H 2017 increased by \$3.9 million or 11.3% over 1H 2016. This was mainly due to additional property tax of \$5.2 million for malls in Beijing as a result of the change in tax basis by the local tax authority and higher property management fees of \$0.9 million mainly arising from the inclusion of CapitaMall Xinnan. This was partially offset by lower business tax which was replaced with VAT with effect from 1 May 2016 as these were netted against gross revenue.

Management fees consisting of base and performance fees payable to the manager were 14.0% higher than 1H 2016 mainly due to higher net property income from the inclusion of CapitaMall Xinnan.

Finance costs in 1H 2017 increased by \$1.6 million compared to 1H 2016. This was mainly due to the additional loans drawn down to finance the acquisition of CapitaMall Xinnan in 30 September 2016.

Taxation in 1H 2017 increased by \$4.5 million or 23.7% compared to 1H 2016. The higher taxation arose mainly from the inclusion of CapitaMall Xinnan and higher corporate tax recognised in 1H 2017 compared to 1H 2016 as a result of higher profit.

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

In the first half of 2017, China's economy expanded 6.9% year-on-year to RMB38.1 trillion and retail sales increased 10.4% year-on-year to RMB17.2 trillion. Urban disposable income and expenditure per capita grew 6.5% and 5.1% year-on-year respectively. (Source: National Bureau of Statistics of China)

At the recent Annual World Economic Forum held from 27 to 29 June 2017, views on China were largely positive, despite the risks and challenges facing the world's second-largest economy. The optimism was underpinned by the rising purchasing power of domestic consumers, who are increasingly sophisticated. At the event, Chinese Premier Li Keqiang reiterated the importance of innovation to drive the Chinese economy, and reaffirmed the Chinese government's commitment to open up China's markets and ensure job creation. On 3 July 2017, Shanghai-Hong Kong Bond Connect, a streamlined bond trading link for foreign fund managers to access China's debt market, was launched. The link is expected to enhance the internationalisation of China's fixed income market with more foreign institutional investors using it to access Chinese debt. (Sources: CNBC and Financial Times)

The growing stability in China's economy and rising affluence of the population bode well for CRCT's long-term strategy of investing in quality income-producing retail properties in China. We will continue to look for suitable opportunities to expand our market presence.

Beijing Retail Market Update

In the first half of 2017, Beijing's GDP grew 6.8% year-on-year and retail sales increased 5.6% year-on-year to RMB525.7 billion. For the same period, urban disposable income and expenditure per capita grew 9.0% and 6.3% year-on-year respectively.

In 1Q 2017, one new mall, HI-UP, with a GFA of 58,500 sq m was launched in the Wukesong district. In addition, SOLANA-Wukesong, formerly a department store, reopened as a shopping mall in 1Q 2017. There was a slight decrease in leasing demand due to the traditional quiet season during the Chinese New Year holidays. Nevertheless, athleisure and sports retailers expanded actively to capture the pockets of the growing health-conscious crowd. City-wide shopping mall occupancy declined by 1.7 percentage points to 93.3%, mainly due to the lower than average occupancy for the malls in Wukesong district. First-floor shopping mall rents increased marginally by 0.1% quarter-on-quarter to an average of RMB928.8 per sq m per month.

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For the rest of 2017, 13 new mid- to high- end shopping malls with a total GFA of around 1.05 million sq m are expected to launch. Greater divergence among the malls' performance is expected with growing competition. Underpinned by rising income and urbanisation, Beijing's retail market is expected to remain positive in the long-term. (Sources: Beijing Municipal Bureau of Statistics and Savills)

Shanghai Retail Market Update

In the first half of 2017, Shanghai's GDP grew 6.9% year-on-year and retail sales increased 8.1% to RMB567.0 billion. For the same period, urban disposable income per capita grew 8.6% year-on-year.

In 1Q 2017, three new shopping malls with a combined GFA of 292,908 sq m were launched and 90% (by GFA) of the new malls are in non-prime areas. Occupancy in the new malls were high and leasing demand was mainly driven by children-related, beauty and sports fashion retailers. Overall city-wide vacancy rate decreased by 0.1 percentage point quarter-on-quarter to 12.0%. Average rent decreased by 2.3% quarter-on-quarter due to below average rents of the new malls.

For the rest of 2017, nearly 1.5 million sq m of new retail property space is scheduled to open. The large volume of new supply is expected to raise the vacancy rate and pull down average rent as the bulk is located in non-prime areas. (Sources: Shanghai Municipal Bureau of Statistics and Colliers International)

Chengdu Retail Market Update

In 1Q 2017, Chengdu's GDP and urban disposable income per capita grew 8.2% and 8.0% year-on-year respectively. Retail sales grew 11.1% year-on-year to RMB257.4 billion in the first five months of 2017.

No new supply launched in 1Q 2017. Demand for retail space was stable with children-related, consumer electronics and international retailers driving the leasing momentum. The overall vacancy rate increased by 0.9 percentage points quarter-on-quarter to 5.7% as some of the malls underwent renovation. For the rest of 2017, five new shopping malls with a total GFA of 390,000 sq m will be completed. Four of the new malls are in non-prime areas. It is expected that the vacancy will increase and average rent will decrease in the non-prime areas due to the new supply. (Sources: Chengdu Municipal Bureau of Statistics and Colliers International)

Wuhan Retail Market Update

In 1Q 2017, Wuhan's GDP grew 6.9% year-on-year, while urban disposable income increased 8.8%. Retail sales in the first five months of 2017 increased 10.3% year-on-year to RMB239.6 billion.

In 4Q 2016, two shopping malls with a total GFA of 123,000 sqm were opened. The overall city's vacancy rate increased marginally by 0.1% quarter-on-quarter to 8.0% in 4Q 2016 as the two new malls enjoyed high pre-opening commitment rate. Leasing activities continued to be robust while the average rent decreased slightly by 0.9% quarter-on-quarter. The slight fall was because the two new malls are located in the emerging retail submarkets and therefore command lower rental than the city's average rent. (Sources: Wuhan Municipal Bureau of Statistics and Jones Lang LaSalle)

11 Distribution

11(a) Current Financial Period

Any distribution declared for the current financial period? Yes.

Name of distribution : Distribution for 1 January 2017 to 30 June 2017

Distribution type : Capital distribution

Distribution rate : 5.36 cents per Unit

Par value of Units : Not meaningful

Tax rate : 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.

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Remark : The capital distribution from 1 January 2017 to 30 June 2017 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 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

11(c) Date payable : 20 September 2017

11(d) Book closure date : 4 August 2017

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.

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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 2017, 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 Tze Woi
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)

Lee Ju Lin, Audrey
Company Secretary
27 July 2017