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

TABLE OF CONTENTS

Item No.	Description	Page No.
-	Summary of CRCT Results	2
-	Introduction	3
1(a)	Statement of Total Return and Distribution Statement	4 – 7
1(b)(i)	Statement of Financial Position	8
1(b)(ii)	Aggregate Amount of Borrowings and Debt Securities	9
1(c)(i)	Use of proceeds raised pursuant to Chapter 8 of the Listing Manual	9
1(c)(ii)	Statement of Cash Flows	10 – 11
1(d)(i)	Statement of Movements in Unitholders' funds	12 – 13
1(d)(ii)	Details of Any Change in the Units	14
2 & 3	Audit Statement	14
4 & 5	Changes in Accounting Policies	15
6	Earnings Per Unit ("EPU") and Distribution Per Unit ("DPU")	15 - 16
7	Net Asset Value ("NAV") and Net Tangible Asset ("NTA") Per Unit	16
8	Review of the Performance	16 – 18
9	Variance from Previous Forecast / Prospect Statement	18
10	Outlook and Prospects	18 – 19
11 & 12	Distribution	19
13	Interested Person Transactions Mandate	20
14	Confirmation Pursuant to Rule 720(1) of the Listing Manual	20
15	Confirmation Pursuant to Rule 705(5) of the Listing Manual	20

CAPITALAND RETAIL CHINA TRUST
2017 THIRD QUARTER UNAUDITED FINANCIAL STATEMENTS & DISTRIBUTION ANNOUNCEMENT

Summary of CRCT Results^{1, 2}

	3Q 2017	3Q 2016		YTD 2017	YTD 2016	
	Actual S\$'000	Actual S\$'000	Change %	Actual S\$'000	Actual S\$'000	Change %
Gross Revenue ³	55,989	50,606	10.6	175,083	157,676	11.0
Net Property Income ³	35,951	32,766	9.7	116,225	104,959	10.7
Income available for distribution	21,409	20,550	4.2	69,101	66,109	4.5
Distribution Per Unit ("DPU") (cents)						
For the period	2.37	2.36	0.4	7.73	7.68	0.7
Annualised	9.40	9.39	0.1	10.33	10.26	0.7

	3Q 2017	3Q 2016		YTD 2017	YTD 2016	
	Actual RMB'000	Actual RMB'000	Change %	Actual RMB'000	Actual RMB'000	Change %
Gross Revenue	274,959	248,788	10.5	857,354	752,053	14.0
Net Property Income	176,570	161,283	9.5	569,126	500,614	13.7

Footnotes:

- The financial results include contribution from CapitaMall Xinnan which was acquired on 30 September 2016.*
- The financial results exclude CapitaMall Anzhen with effect from 1 July 2017 following the announcement on 27 July 2017 of the disposal of equity interest in CapitaRetail Beijing Anzhen Real Estate Co., Ltd ("Anzhen SPV") which holds CapitaMall Anzhen.*
- Average exchange rate for SGD/RMB*

3Q 2017	3Q 2016	Change %	YTD 2017	YTD 2016	Change %
0.204	0.203	0.5	0.204	0.210	(2.9)

**CAPITALAND RETAIL CHINA TRUST
2017 THIRD QUARTER UNAUDITED FINANCIAL STATEMENTS & DISTRIBUTION ANNOUNCEMENT**

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 September 2017, CRCT owns and invests in a portfolio of 10¹ shopping malls located in seven cities in China. The properties are CapitaMall Xizhimen, CapitaMall Wangjing, CapitaMall Grand Canyon and CapitaMall Shuangjing 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.

Footnote:

1. *Excludes CapitaMall Anzhen following the announcement on 27 July 2017 of the disposal of equity interest in Anzhen SPV which holds CapitaMall Anzhen.*

CAPITALAND RETAIL CHINA TRUST
2017 THIRD QUARTER UNAUDITED FINANCIAL STATEMENTS & DISTRIBUTION ANNOUNCEMENT

1(a)(i) **Statement of total return for the Group (3Q 2017 vs 3Q 2016)**

	Group		
	3Q 2017 S\$'000	3Q 2016 S\$'000	% Change
Gross rental income	51,395	47,010	9.3
Other income ¹	4,594	3,596	27.8
Gross revenue	55,989	50,606	10.6
Land rental	(1,479)	(1,376)	7.5
Property related tax	(5,776)	(5,098)	13.3
Business tax	(294)	(185)	58.9
Property management fees ²	(3,409)	(2,998)	13.7
Other property operating expenses ³	(9,080)	(8,183)	11.0
Total property operating expenses	(20,038)	(17,840)	12.3
Net property income	35,951	32,766	9.7
Manager's management fees – Base fee	(1,751)	(1,510)	16.0
Manager's management fees – Performance fee	(1,445)	(1,317)	9.7
Trustee's fees	(108)	(99)	9.1
Audit fees	(107)	(109)	(1.8)
Valuation fees	(56)	(52)	7.7
Other trust operating income/(expenses) ⁴	279	(299)	N.M.
Finance income ⁵	597	333	79.3
Foreign exchange loss – realised ⁶	(32)	(303)	(89.4)
Finance costs	(5,772)	(5,033)	14.7
Total return before changes in fair value of financial derivatives, investment properties and unrealised foreign exchange gain	27,556	24,377	13.0
Gain on disposal of subsidiary ⁷	52,227	-	N.M.
Foreign exchange gain – unrealised	1,273	809	57.4
Total return before taxation	81,056	25,186	N.M.
Taxation ⁸	(24,879)	(7,102)	N.M.
Total return for the period after taxation	56,177	18,084	N.M.
Attributable to:			
Unitholders	56,162	18,213	N.M.
Non-controlling interest	15	(129)	N.M.
Total return for the period after taxation	56,177	18,084	N.M.

CAPITALAND RETAIL CHINA TRUST
2017 THIRD QUARTER UNAUDITED FINANCIAL STATEMENTS & DISTRIBUTION ANNOUNCEMENT

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

	Group		
	YTD 2017 S\$'000	YTD 2016 S\$'000	% Change
Gross rental income	162,286	147,401	10.1
Other income ¹	12,797	10,275	24.5
Gross revenue	175,083	157,676	11.0
Land rental	(4,469)	(4,518)	(1.1)
Property related tax	(18,198)	(10,894)	67.0
Business tax	(953)	(5,106)	(81.3)
Property management fees ²	(10,572)	(9,227)	14.6
Other property operating expense ³	(24,666)	(22,972)	7.4
Total property operating expenses	(58,858)	(52,717)	11.6
Net property income	116,225	104,959	10.7
Manager's management fees – Base fee	(5,304)	(4,518)	17.4
Manager's management fees – Performance fee	(4,622)	(4,213)	9.7
Trustee's fees	(319)	(291)	9.6
Audit fees	(307)	(334)	(8.1)
Valuation fees	(152)	(143)	6.3
Other trust operating income/(expenses) ⁴	185	(376)	N.M.
Finance income ⁵	1,112	1,095	1.6
Foreign exchange loss – realised ⁶	(261)	(1,114)	N.M.
Finance costs	(17,670)	(15,308)	15.4
Total return before changes in fair value of financial derivatives, investment properties and unrealised foreign exchange gain/(loss)	88,887	79,757	11.4
Change in fair value of investment properties	13,049	18,307	(28.7)
Gain on disposal of subsidiary ⁷	52,227	-	N.M.
Foreign exchange gain/(loss) – unrealised	1,575	(450)	N.M.
Total return before taxation	155,738	97,614	59.5
Taxation ⁸	(48,322)	(26,046)	85.5
Total return for the period after taxation	107,416	71,568	50.1
Attributable to:			
Unitholders	108,586	72,658	49.4
Non-controlling interest	(1,170)	(1,090)	7.3
Total return for the period after taxation	107,416	71,568	50.1

Footnotes:

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

	Group		
	3Q 2017 S\$'000	3Q 2016 S\$'000	% Change
Depreciation and amortisation	(396)	(507)	(21.9)
Write back on trade receivables, net	3	2	50.0
Plant and equipment written off	-	(3)	N.M.

CAPITALAND RETAIL CHINA TRUST
2017 THIRD QUARTER UNAUDITED FINANCIAL STATEMENTS & DISTRIBUTION ANNOUNCEMENT

	Group		
	YTD 2017	YTD 2016	%
	S\$'000	S\$'000	Change
Depreciation and amortisation	(1,345)	(1,643)	(18.1)
Impairment losses on trade receivables	(54)	(145)	(62.8)
Plant and equipment written off	(2)	(15)	(86.7)

4. *Includes reversal of over provision of other trust operating expenses.*
 5. *Finance income relates mainly to gain on interest rate swaps ("IRS") and interest from bank deposits placed with financial institutions.*
 6. *Realised foreign exchange loss relates to the repayment of the USD denominated shareholder's loans interest and receipt of RMB denominated dividends.*
 7. *This relates to gain arising from the disposal of equity interest in Anzhen SPV on 27 July 2017.*
 8. *Includes under provision of taxation from prior years of \$0.4 million in 3Q 2017 and \$1.3 million in YTD 2017, and withholding tax payment of \$14.9 million upon disposal of the equity interest in Anzhen SPV.*
Includes over provision of taxation from prior years of \$0.3 million in 3Q 2016 and \$0.7 million in YTD 2016.
- N.M. – not meaningful*

1(a)(ii) Distribution statement for the Group (3Q 2017 vs 3Q 2016)

	Group		
	3Q 2017	3Q 2016	%
	S\$'000	S\$'000	Change
Total return for the period attributable to Unitholders before distribution	56,162	18,213	N.M.
Distribution adjustments (Note A)	(34,753)	2,337	N.M.
Income available for distribution to Unitholders	21,409	20,550	4.2
Comprises:			
- from operations	(11,208)	12,579	N.M.
- from Unitholders' contribution	32,617	7,971	N.M.
	21,409	20,550	4.2
Note A			
Distribution adjustments			
- Gain on disposal of subsidiary, net of tax	(37,314)	-	N.M.
- Manager's management fees (performance component payable in Units)	1,445	1,317	9.7
- Deferred taxation ¹	3,225	2,364	36.4
- Transfer to general reserve	(1,454)	(1,115)	30.4
- Unrealised foreign exchange gain ¹	(1,041)	(724)	43.8
- Other adjustments ¹	386	495	(22.0)
Net effect of distribution adjustments	(34,753)	2,337	N.M.

**CAPITALAND RETAIL CHINA TRUST
2017 THIRD QUARTER UNAUDITED FINANCIAL STATEMENTS & DISTRIBUTION ANNOUNCEMENT**

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

	Group		
	YTD 2017 S\$'000	YTD 2016 S\$'000	% Change
Total return for the period attributable to Unitholders before distribution	108,586	72,658	49.4
Distribution adjustments (Note A)	(39,485)	(6,549)	N.M
Income available for distribution to Unitholders	69,101	66,109	4.5
Comprises:			
- from operations	(16,011)	14,938	N.M.
- from Unitholders' contribution	85,112	51,171	66.3
	69,101	66,109	4.5
Note A			
Distribution adjustments			
- Gain on disposal of subsidiary, net of tax	(37,314)	-	N.M.
- Manager's management fees (performance component payable in Units)	4,669	4,213	10.8
- Change in fair value of investment properties ¹	(14,094)	(18,558)	(24.1)
- Deferred taxation ¹	11,885	9,500	25.1
- Transfer to general reserve	(4,633)	(3,553)	30.4
- Unrealised foreign exchange (gain)/loss ¹	(1,308)	240	N.M.
- Other adjustments ¹	1,310	1,609	(18.6)
Net effect of distribution adjustments	(39,485)	(6,549)	N.M

N.M. – not meaningful

Footnote:

1. Excludes non-controlling interest's share.

CAPITALAND RETAIL CHINA TRUST
2017 THIRD QUARTER UNAUDITED FINANCIAL STATEMENTS & DISTRIBUTION ANNOUNCEMENT

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

	Group			Trust		
	30 Sep 2017 S\$'000	31 Dec 2016 S\$'000	% Change	30 Sep 2017 S\$'000	31 Dec 2016 S\$'000	% Change
Assets						
Investment properties ¹	2,431,181	2,628,353	(7.5)	-	-	-
Plant and equipment	3,274	4,034	(18.8)	-	-	-
Interests in subsidiaries	-	-	-	1,379,606	1,416,194	(2.6)
Trade and other receivables	12,164	12,829	(5.2)	220	360	(38.9)
Financial derivatives ²	1,096	2,114	(48.2)	1,096	2,114	(48.2)
Cash and cash equivalents ³	353,345	136,137	N.M.	476	1,661	(71.3)
Total assets	2,801,060	2,783,467	0.6	1,381,398	1,420,329	(2.7)
Less						
Liabilities						
Trade and other payables	49,263	64,527	(23.7)	5,979	9,387	(36.3)
Security deposits	51,699	48,769	6.0	-	-	-
Interest-bearing borrowings ⁴	977,371	977,751	-	977,371	918,808	6.4
Deferred tax liabilities	220,893	236,426	(6.6)	-	-	-
Financial derivatives ²	4,038	2,165	86.5	4,038	2,165	86.5
Provision for taxation ⁵	8,177	2,139	N.M.	7	-	N.M.
Total liabilities	1,311,441	1,331,777	(1.5)	987,395	930,360	6.1
Net assets	1,489,619	1,451,690	2.6	394,003	489,969	(19.6)
Represented by:						
Unitholders' funds	1,469,588	1,431,811	2.6	394,003	489,969	(19.6)
Non-controlling interest	20,031	19,879	0.8	-	-	-
	1,489,619	1,451,690	2.6	394,003	489,969	(19.6)

Footnotes:

- The decrease in investment properties as at 30 September 2017 was mainly due to the disposal of equity interest in Anzhen SPV which holds CapitaMall Anzhen.*
- 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 increase in cash and cash equivalents was mainly due to sale proceeds received on divestment of CapitaMall Anzhen.*
- The interest-bearing borrowings (net of transaction costs of \$2.8 million) comprise unsecured term loans of \$925.0 million and short term loans of \$55.2 million drawn down by the Trust to partially finance the acquisition of the properties in CRCT and to utilise as working capital.*
- The increase in provision of taxation was mainly due to higher taxable profits and payment of taxation subsequent to 30 September 2017.*

CAPITALAND RETAIL CHINA TRUST
2017 THIRD QUARTER UNAUDITED FINANCIAL STATEMENTS & DISTRIBUTION ANNOUNCEMENT

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

	Group		Trust	
	30 Sep 2017 S\$'000	31 Dec 2016 ¹ S\$'000	30 Sep 2017 S\$'000	31 Dec 2016 S\$'000
Unsecured borrowings				
- Amount repayable within one year	105,200	445,303	105,200	445,303
- Amount repayable after one year	875,000	475,000	875,000	475,000
Secured borrowings				
- Amount repayable within one year	-	5,170	-	-
- Amount repayable after one year	-	53,773	-	-
	980,200	979,246	980,200	920,303
Less: Transaction costs in relation to the unsecured term loan facilities	(2,829)	(1,495)	(2,829)	(1,495)
	977,371	977,751	977,371	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. The loan was fully repaid and the mortgage was discharged.

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 \$41.4 million was retained from Distribution Reinvestment Plan on 23 March 2017 and 20 September 2017.

Date	Amount retained	Use of proceeds	Amount used
	S\$'million		S\$'million
23-Mar-17	20.6	For repayment of CapitaMall Grand Canyon's RMB denominated interest-bearing borrowing	17.4
19-Jun-17	-	For repayment of CapitaMall Grand Canyon's RMB denominated interest-bearing borrowing	3.2
20-Sep-17	20.8	For repayment of Trust's interest-bearing borrowing	20.8
Total	41.4	-	41.4

CAPITALAND RETAIL CHINA TRUST
2017 THIRD QUARTER UNAUDITED FINANCIAL STATEMENTS & DISTRIBUTION ANNOUNCEMENT

1(c)(ii) **Statement of Cash Flows (3Q 2017 vs 3Q 2016)**

	Group	
	3Q 2017 S\$'000	3Q 2016 S\$'000
Operating activities		
Total return after taxation	56,177	18,084
Adjustments for:		
Finance income	(597)	(333)
Finance costs	5,772	5,033
Depreciation and amortisation	396	507
Taxation	24,879	7,102
Manager's management fees payable in Units	1,445	1,317
Plant and equipment written off	-	3
Gain on disposal of subsidiary	(52,227)	-
Impairment losses on trade receivables, net	(3)	(2)
Operating income before working capital changes	35,842	31,711
Changes in working capital:		
Trade and other receivables	(354)	8,869
Trade and other payables	7,447	(12,070)
Cash generated from operating activities	42,935	28,510
Income tax paid	(8,013)	(4,296)
Net cash from operating activities	34,922	24,214
Investing activities		
Interest received	597	347
Proceeds from disposal of subsidiary, net of tax	216,754	-
Capital expenditure on investment properties	(2,436)	(3,086)
Net cash outflow on acquisition of subsidiaries	-	(289,000)
Purchase of plant and equipment	(101)	(96)
Net cash from/(used in) investing activities	214,814	(291,835)
Financing activities		
Distribution to Unitholders ¹	(26,812)	(23,794)
Payment of financing expenses	(1,855)	(300)
Proceeds from draw down of interest-bearing borrowings	434,800	354,095
Repayment of interest-bearing borrowings	(405,000)	(52,500)
Settlement of derivative contracts	(5,275)	8,711
Interest paid	(5,167)	(4,993)
Net cash (used in)/from financing activities	(9,309)	281,219
Increase in cash and cash equivalents	240,427	13,598
Cash and cash equivalents at beginning of period	110,794	114,027
Effect on exchange rate changes on cash balances	2,124	132
Cash and cash equivalents at end of period	353,345	127,757

Footnote:

- Distribution made to Unitholders in 3Q 2017 was for the period from 1 January 2017 to 30 June 2017 which was paid in September 2017.
Distribution made to Unitholders in 3Q 2016 was for the period from 1 January 2016 to 30 June 2016 which was paid in September 2016.*

CAPITALAND RETAIL CHINA TRUST
2017 THIRD QUARTER UNAUDITED FINANCIAL STATEMENTS & DISTRIBUTION ANNOUNCEMENT

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

	Group	
	YTD 2017 S\$'000	YTD 2016 S\$'000
Operating activities		
Total return after taxation	107,416	71,568
Adjustments for:		
Finance income	(1,112)	(1,095)
Finance costs	17,670	15,308
Depreciation and amortisation	1,345	1,643
Taxation	48,322	26,046
Manager's management fees payable in Units	4,669	4,213
Plant and equipment written off	2	15
Change in fair value of investment properties	(13,049)	(18,307)
Gain on disposal of subsidiary	(52,227)	-
Impairment losses on trade receivables, net	54	145
Operating income before working capital changes	113,090	99,536
Changes in working capital:		
Trade and other receivables	(2,457)	12,427
Trade and other payables	(6,398)	(24,110)
Cash generated from operating activities	104,235	87,853
Income tax paid	(18,582)	(12,653)
Net cash from operating activities	85,653	75,200
Investing activities		
Interest received	1,112	1,094
Proceeds from disposal of subsidiary, net of tax	216,754	-
Capital expenditure on investment properties	(10,971)	(16,523)
Proceed from disposal of plant and equipment	-	1
Net cash outflow on acquisition of subsidiaries	(3,510)	(289,000)
Purchase of plant and equipment	(890)	(265)
Net cash from/(used in) investing activities	202,495	(304,693)
Financing activities		
Distribution to Unitholders ¹	(47,354)	(52,462)
Payment of equity issue expenses	-	(14)
Payment of financing expenses	(2,005)	(1,050)
Proceeds from draw down of interest-bearing borrowings	517,900	516,195
Repayment of interest-bearing borrowings	(515,769)	(215,395)
Settlement of derivative contracts	(6,164)	8,030
Interest paid	(16,570)	(14,817)
Net cash (used in)/from financing activities	(69,962)	240,487
Increase in cash and cash equivalents	218,186	10,994
Cash and cash equivalents at beginning of period	136,137	126,322
Effect on exchange rate changes on cash balances	(978)	(9,559)
Cash and cash equivalents at end of period	353,345	127,757

Footnote:

- Distribution made to Unitholders in YTD 2017 was for the period from 1 July 2016 to 31 December 2016 and 1 January 2017 to 30 June 2017 which were paid in March 2017 and September 2017 respectively. Distribution made to Unitholders in YTD 2016 was for the period from 1 July 2015 to 31 December 2015 and 1 January 2016 to 30 June 2016 which were paid in March 2016 and September 2016 respectively.*

CAPITALAND RETAIL CHINA TRUST
2017 THIRD QUARTER UNAUDITED FINANCIAL STATEMENTS & DISTRIBUTION ANNOUNCEMENT

1(d)(i) **Statement of Movements in Unitholders' Funds (3Q 2017 vs 3Q 2016)**

	Group		Trust	
	3Q 2017 S\$'000	3Q 2016 S\$'000	3Q 2017 S\$'000	3Q 2016 S\$'000
Unitholders' funds as at beginning of period	1,402,743	1,367,201	441,370	485,771
Operations				
Change in Unitholders' funds resulting from operations before distribution	56,162	18,213	(23,291)	2,587
Transfer to general reserve	(1,454)	(1,115)	-	-
Net increase/(decrease) in net assets resulting from operations	54,708	17,098	(23,291)	2,587
Movements in hedging reserve				
Effective portion of changes in fair value of cash flow hedges	1,291	(823)	1,291	(823)
Movement in foreign currency translation reserve				
Translation differences from financial statements of foreign operations	36,414	3,066	-	-
Exchange differences on monetary items forming part of net investment in foreign operations	348	(2,296)	-	-
Exchange differences on hedges of net investment in foreign operations	(2,003)	(2,548)	-	-
Net gain/(loss) recognised directly in Unitholders' funds	36,050	(2,601)	1,291	(823)
Movement in general reserve	1,454	1,115	-	-
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	1,445	1,317	1,445	1,317
Units issued in respect of distribution reinvestment plan	20,825	21,708	20,825	21,708
Distribution to Unitholders ¹	(47,637)	(45,502)	(47,637)	(45,502)
Net decrease in net assets resulting from Unitholders' transactions	(25,367)	(22,477)	(25,367)	(22,477)
Unitholders' funds as at end of period	1,469,588	1,360,336	394,003	465,058

Footnote:

1. Distribution made to Unitholders in 3Q 2017 was for the period from 1 January 2017 to 30 June 2017 which was paid in September 2017.
 Distribution made to Unitholders in 3Q 2016 was for the period from 1 January 2016 to 30 June 2016 which was paid in September 2016.

CAPITALAND RETAIL CHINA TRUST
2017 THIRD QUARTER UNAUDITED FINANCIAL STATEMENTS & DISTRIBUTION ANNOUNCEMENT

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

	Group		Trust	
	YTD 2017 S\$'000	YTD 2016 S\$'000	YTD 2017 S\$'000	YTD 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	108,586	72,658	(49,724)	956
Transfer to general reserve	(4,633)	(3,553)	-	-
Net increase/(decrease) in net assets resulting from operations	103,953	69,105	(49,724)	956
Movements in hedging reserve				
Effective portion of changes in fair value of cash flow hedges	(3,557)	(10,463)	(3,557)	(10,463)
Movement in foreign currency translation reserve				
Translation differences from financial statements of foreign operations	6,053	(121,912)	-	-
Exchange differences on monetary items forming part of net investment in foreign operations	(25,124)	(30,664)	-	-
Exchange differences on hedges of net investment in foreign operations	(5,496)	8,146	-	-
Net loss recognised directly in Unitholders' funds	(28,124)	(154,893)	(3,557)	(10,463)
Movement in general reserve	4,633	3,553	-	-
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	4,669	4,213	4,669	4,213
Units issued in respect of distribution reinvestment plan	41,419	37,142	41,419	37,142
Distribution to Unitholders ¹	(88,773)	(89,604)	(88,773)	(89,604)
Net decrease in net assets resulting from Unitholders' transactions	(42,685)	(48,249)	(42,685)	(48,249)
Unitholders' funds at end of period	1,469,588	1,360,336	394,003	465,058

Footnote:

1. Distribution made to Unitholders in YTD 2017 was for the period from 1 July 2016 to 31 December 2016 and 1 January 2017 to 30 June 2017 which were paid in March 2017 and September 2017 respectively.
Distribution made to Unitholders in YTD 2016 was for the period from 1 July 2015 to 31 December 2015 and 1 January 2016 to 30 June 2016 which were paid in March 2016 and September 2016 respectively.

**CAPITALAND RETAIL CHINA TRUST
2017 THIRD QUARTER UNAUDITED FINANCIAL STATEMENTS & DISTRIBUTION ANNOUNCEMENT**

1(d)(ii) Details of any change in the issued and issuable Units (3Q 2017 vs 3Q 2016)

	Trust	
	3Q 2017 Units	3Q 2016 Units
Balance as at beginning of period	888,745,671	855,296,137
New Units issued:		
- As payment of distribution through distribution reinvestment plan	13,088,230	14,383,496
Issued Units as at end of period	901,833,901	869,679,633
New Units to be issued:		
- As payment of manager's management fees ¹	899,594	838,796
Total issued and issuable Units as at end of period	902,733,495	870,518,429

Footnote:

1. *These were the performance component of the manager's management fees for 3Q 2017 which will be issued in 1Q 2018 and for 3Q 2016 which was issued in March 2017.*

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

	Trust	
	YTD 2017 Units	YTD 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	27,976,952	25,477,712
Issued Units as at end of period	901,833,901	869,679,633
New Units to be issued:		
- As payment of manager's management fees ²	3,015,299	2,821,466
Total issued and issuable Units as at end of period	904,849,200	872,501,099

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 YTD 2017 which will be issued in 1Q 2018 and for YTD 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.

CAPITALAND RETAIL CHINA TRUST
2017 THIRD QUARTER UNAUDITED FINANCIAL STATEMENTS & DISTRIBUTION ANNOUNCEMENT

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	
	3Q 2017	3Q 2016
Earnings per Unit (“EPU”)		
Basic EPU ¹	6.31¢	2.13¢
Weighted average number of Units in issue	890,310,568	856,859,560
Diluted EPU ²	6.29¢	2.12¢
Weighted average number of Units outstanding	893,325,867	859,681,026
Number of Units in issue at end of period	901,833,901	869,679,633
Distribution per unit (“DPU”)³		
Based on the number of Units in issue at end of period	2.37¢	2.36¢

	Group	
	YTD 2017	YTD 2016
Earnings per Unit (“EPU”)		
Basic EPU ¹	12.28¢	8.53¢
Weighted average number of Units in issue	883,937,411	851,921,571
Diluted EPU ²	12.24¢	8.50¢
Weighted average number of Units outstanding	886,952,710	854,743,036
Number of Units in issue at end of period	901,833,901	869,679,633
Distribution per Unit (“DPU”)³		
Based on the number of Units in issue at end of period	7.73¢	7.68¢

**CAPITALAND RETAIL CHINA TRUST
2017 THIRD QUARTER UNAUDITED FINANCIAL STATEMENTS & DISTRIBUTION ANNOUNCEMENT**

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 Sep 2017	31 Dec 2016	30 Sep 2017	31 Dec 2016
NAV/NTA per Unit	\$1.63	\$1.65	\$0.44	\$0.56
Adjusted NAV per Unit (excluding distributable income)	\$1.61	\$1.60	\$0.41	\$0.52

8 Review of the performance

8(i) Breakdown of Gross Revenue – Actual

	3Q 2017 RMB'000	3Q 2016 RMB'000	% Change	3Q 2017 S\$'000	3Q 2016 S\$'000	% Change
<u>Multi-Tenanted Malls</u>						
CapitaMall Xizhimen	73,292	70,314	4.2	14,925	14,314	4.3
CapitaMall Wangjing	56,274	52,401	7.4	11,458	10,651	7.6
CapitaMall Grand Canyon	37,797	34,659	9.1	7,696	7,053	9.1
CapitaMall Xinnan	33,857	-	N.M.	6,895	-	N.M.
CapitaMall Qibao	25,121	27,873	(9.9)	5,116	5,684	(10.0)
CapitaMall Saihan	16,173	15,447	4.7	3,294	3,139	4.9
Subtotal	242,514	200,694	20.8	49,384	40,841	20.9
<u>Malls under Stabilisation</u>						
CapitaMall Minzhongleyuan ¹	6,147	2,589	N.M.	1,251	520	N.M.
CapitaMall Wuhu ²	2,461	2,388	3.1	501	484	3.5
Total	251,122	205,671	22.1	51,136	41,845	22.2
<u>Master-Leased Malls</u>						
CapitaMall Anzhen ³	-	19,872	N.M.	-	4,038	N.M.
CapitaMall Erqi	12,326	12,204	1.0	2,509	2,480	1.2
CapitaMall Shuangjing	11,511	11,041	4.3	2,344	2,243	4.5
Total	23,837	43,117	(44.7)	4,853	8,761	(44.6)
Total Gross Revenue	274,959	248,788	10.5	55,989	50,606	10.6

CAPITALAND RETAIL CHINA TRUST
2017 THIRD QUARTER UNAUDITED FINANCIAL STATEMENTS & DISTRIBUTION ANNOUNCEMENT

8(ii) Breakdown of Net Property Income – Actual

	3Q 2017	3Q 2016	%	3Q 2017	3Q 2016	%
	RMB'000	RMB'000	Change	S\$'000	S\$'000	Change
<u>Multi-Tenanted Malls</u>						
CapitaMall Xizhimen	50,604	49,336	2.6	10,304	10,035	2.7
CapitaMall Wangjing	39,238	35,424	10.8	7,989	7,175	11.3
CapitaMall Grand Canyon	24,341	20,505	18.7	4,956	4,153	19.3
CapitaMall Xinnan	22,602	-	N.M.	4,603	-	N.M.
CapitaMall Qibao	11,689	14,817	(21.1)	2,380	3,031	(21.5)
CapitaMall Saihan	9,749	9,190	6.1	1,986	1,871	6.1
Subtotal	158,223	129,272	22.4	32,218	26,265	22.7
<u>Malls under Stabilisation</u>						
CapitaMall Minzhongleyuan ¹	270	(1,834)	N.M.	54	(375)	N.M.
CapitaMall Wuhu ²	(1,702)	(1,678)	N.M.	(347)	(345)	0.6
Total	156,791	125,760	24.7	31,925	25,545	25.0
<u>Master Leased Malls</u>						
CapitaMall Anzhen ³	-	16,367	N.M.	-	3,327	N.M.
CapitaMall Erqi	10,529	10,302	2.2	2,143	2,096	2.2
CapitaMall Shuangjing	9,250	8,854	4.5	1,883	1,798	4.7
Total	19,779	35,523	(44.3)	4,026	7,221	(44.2)
Total Net Property Income	176,570	161,283	9.5	35,951	32,766	9.7

N.M. – not meaningful

Footnotes:

1. CapitaMall Minzhongleyuan is currently undergoing trade mix adjustments. It was affected by the road closure at Zhongshan Avenue in 2016.
2. CapitaMall Wuhu is currently undergoing trade mix adjustments.
3. Excludes contribution from CapitaMall Anzhen with effect from 1 July 2017 following the announcement on 27 July 2017 of the disposal of equity interest in Anzhen SPV which holds CapitaMall Anzhen.

3Q 2017 vs 3Q 2016

In RMB terms, gross revenue in 3Q 2017 increased by RMB26.2 million, or 10.5% higher than 3Q 2016, mainly due to the contribution from CapitaMall Xinnan which was acquired on 30 September 2016 and rental growth from the multi-tenanted malls. This was partially offset by lower revenue from CapitaMall Qibao due to competitions faced in the vicinity and no contribution from CapitaMall Anzhen with effect from 1 July 2017. In SGD terms, gross revenue for 3Q 2017 increased by \$5.4 million, or 10.6%.

Property expenses for 3Q 2017 increased by \$2.2 million, or 12.3% compared to 3Q 2016, mainly due to inclusion of CapitaMall Xinnan which was acquired in 30 September 2016.

Management fees payable to the manager were 13.1% higher than 3Q 2016, mainly due to higher net property income and deposited properties, arising from the inclusion of CapitaMall Xinnan.

Finance costs in 3Q 2017 increased by \$0.7 million as compared to 3Q 2016. This was mainly due to the additional loans drawn down to finance the acquisition of CapitaMall Xinnan in 30 September 2016.

Taxation in 3Q 2017 increased by \$17.8 million as compared to 3Q 2016. The higher taxation arose mainly from the inclusion of CapitaMall Xinnan, higher corporate tax recognised in 3Q 2017 compared to 3Q 2016 as a result of higher profit, and related taxes paid on the gain on disposal of Anzhen SPV.

**CAPITALAND RETAIL CHINA TRUST
2017 THIRD QUARTER UNAUDITED FINANCIAL STATEMENTS & DISTRIBUTION ANNOUNCEMENT**

YTD 2017 vs YTD 2016

In RMB terms, gross revenue for YTD 2017 increased by RMB105.3 million, or 14.0% over YTD 2016. This was mainly due to the contribution from CapitaMall Xinnan which contributed to 13.1% of the increase and rental growth from the multi-tenanted malls. This was partially offset by lower revenue from CapitaMall Qibao and CapitaMall Wuhu due to competitions faced in the vicinity and tenancy adjustments respectively and no contribution from CapitaMall Anzhen with effect from 1 July 2017. In SGD terms, gross revenue increased by \$17.4 million, or 11.0%. The increase is lower than that in RMB terms due to the stronger SGD against RMB.

Property expenses for YTD 2017 increased by \$6.1 million or 11.6% over YTD 2016. This was mainly due to additional property tax of \$5.8 million for malls in Beijing as a result of the change in tax basis by the local tax authority with effect from July 2016 and higher property management fees of \$1.3 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 payable to the manager were 13.7% higher than YTD 2016, mainly due to higher net property income and deposited properties, arising from the inclusion of CapitaMall Xinnan.

Finance costs in YTD 2017 increased by \$2.4 million compared to YTD 2016. This was mainly due to the additional loans drawn down to finance the acquisition of CapitaMall Xinnan in 30 September 2016.

Taxation in YTD 2017 increased by \$22.3 million as compared to YTD 2016. The higher taxation arose mainly from the inclusion of CapitaMall Xinnan, higher corporate tax recognised in YTD 2017 compared to YTD 2016 as a result of higher profit, and related taxes paid on the gain on disposal of Anzhen SPV.

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 third quarter of 2017, China's economy expanded 6.8% year-on-year to RMB59.3 trillion and retail sales increased 10.4% year-on-year to RMB26.3 trillion. Urban disposable income and expenditure per capita grew 6.6% and 5.9% year-on-year respectively. Consumption became the main driving force for economic growth, contributing 64.5% to the GDP growth in the first nine months of 2017. (Source: National Bureau of Statistics of China)

At the 19th CPC National Party Congress, the Chinese Government maintained confidence in China's sustainable economic growth and focus towards high-quality development. China will continue to promote an open world economy, strengthen financial sector regulation, new development concepts, innovation-driven strategy and urban job creation. Meanwhile, the positive outlook for China was reiterated with a stronger growth projection for China at 6.8% for 2017 by the International Monetary Fund on the back of strengthening global economic activity, buoyant external demand and continued strong domestic demand. (Sources: Xinhua and International Monetary Fund)

CRCT is well-positioned to benefit from the sustainable growth in China's economy and rising consumption amongst China's mass affluent urban population. We continue to focus on optimising our portfolio performance while sourcing 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. For the same period, urban disposable income and expenditure per capita grew 9.0% and 6.3% year-on-year respectively. Retail sales for the first eight months of 2017 increased 5.4% year-on-year to RMB715.2 billion.

In 2Q 2017, one new mall, China World Mall Phase III B, with a GFA of 100,000 sq m was opened in the CBD district. Active expansion was seen from the food & beverage retailers. Demand from domestic and international retailers was also strong this quarter. Domestic retailers accounted for 60% of the leasing demand, while international retailers continued to expand in prime areas. City-wide occupancy rates increased by 0.1 percentage point quarter-on-quarter. First-floor shopping mall rent continued to increase by 0.3% quarter-on-quarter to an average of RMB931.6 per sq m per month.

Three new mid- to high-end shopping malls are expected to debut in the second half of 2017, largely located in non-prime areas. Retailers are expected to accelerate the development of their online-to-offline (O2O) strategies with emphasis on the application of big data technology for enhanced shopping experiences. (Sources: Beijing Municipal Bureau of Statistics and Savills)

**CAPITALAND RETAIL CHINA TRUST
2017 THIRD QUARTER UNAUDITED FINANCIAL STATEMENTS & DISTRIBUTION ANNOUNCEMENT**

Shanghai Retail Market Update

In the first half of 2017, Shanghai's GDP grew 6.9% year-on-year. For the same period, urban disposable income per capita grew 8.6% year-on-year. Retail sales for the first eight months of 2017 increased 7.8% to RMB766.8 billion.

In 2Q 2017, three new shopping malls with a combined GFA of 326,990 sq m were opened in the non-prime areas. Food and beverage remained active in driving leasing demand and there was increased footprint by international fast fashion brands. Overall city-wide vacancy rate increased by 1.1 percentage points quarter-on-quarter to 13.1%. Average rent decreased by 2.5% quarter-on-quarter due to the lower average rents and large new supply in the non-prime areas.

For the remaining of 2017, 10 new shopping malls largely located in the non-prime areas are scheduled for completion. The large volume of non-prime new supply is expected to increase the city's vacancy rate and pose a drag to the average rent in the near-term. The retail market is expected to continue a cyclical upturn in vacancies and downward pressure in rents with another 23 malls in the pipeline till 2019. (Sources: Shanghai Municipal Bureau of Statistics and Colliers International)

Chengdu Retail Market Update

In 2Q 2017, Chengdu's GDP maintained at 8.2% and urban disposable income per capita grew 8.3% year-on-year respectively. Retail sales grew 11.4% year-on-year to RMB412.8 billion in the first eight months of 2017.

In 2Q 2017, two new shopping malls with a combined GFA of 270,000 sq m were launched. Notable leasing activities can be seen in the fashion, food & beverage and sportswear sectors, as Chengdu remains the top choice in terms of international retailer penetration in second tier cities. During the quarter, the overall city-wide vacancy rate increased 3.4 percentage points to 9.0%, following the closure of three department stores and lower-than-average occupancies at the new malls.

For the rest of 2017, six new shopping malls with a total GFA of 430,000 sq m are slated for completion, with five of the malls located in non-prime areas. (Sources: Chengdu Municipal Bureau of Statistics and Savills)

Wuhan Retail Market Update

In 2Q 2017, Wuhan's GDP grew 7.5% year-on-year, while urban disposable income increased 8.8%. Retail sales in the first eight months of 2017 increased 10.8% year-on-year to RMB390.2 billion.

Two new shopping malls were completed in 2Q 2017, bringing 250,000 sq m of new retail supply to the market. The city continues to appeal to fashion retailers with the introduction of new international brands during the quarter. Leasing remains healthy with the food and beverage sector as a key driver, while the overall vacancy rate increased 0.9 percentage points to 3.3% on the back of new supply. Rental growth for the second half of 2017 is expected to remain flat. (Sources: Wuhan Municipal Bureau of Statistics and CBRE)

11 Distribution

11(a) Current Financial Period

Any distribution declared for the current financial period? No.

11(b) Corresponding period of the preceding financial period

Any distribution declared for the corresponding period of the immediate preceding financial period? No.

11(c) Date payable : Not applicable

11(d) Book closure date : Not applicable

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.

**CAPITALAND RETAIL CHINA TRUST
2017 THIRD QUARTER UNAUDITED FINANCIAL STATEMENTS & DISTRIBUTION ANNOUNCEMENT**

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 September 2017, statement of total return and distribution statement, statement of cash flow and statement of movements in Unitholders' funds for the nine 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 Wooi
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
23 October 2017