

CAPITARETAIL CHINA TRUST
2008 SECOND QUARTER UNAUDITED FINANCIAL STATEMENT AND DISTRIBUTION ANNOUNCEMENT

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In relation to the initial public offering of units in CRCT (“Units”), the Sole Financial Adviser was J.P. Morgan (S.E.A) Limited and the Underwriters and Bookrunners were J.P. Morgan (S.E.A) Limited, UBS, acting through its business group, UBS Investment Bank and China International Capital Corporation Limited.

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Summary of CRCT Results

	5 Feb to 30 Jun 2008			1 Apr to 30 Jun 2008			1H 2008
	Actual S\$'000	Forecast ¹ S\$'000	Change %	Actual S\$'000	Forecast ¹ S\$'000	Change %	Actual S\$'000
Gross Revenue	42,283	42,568	(0.7)	26,364	26,582	(0.8)	49,275
Net Property Income ²	26,628	26,637	-	16,559	16,651	(0.5)	30,880
Income for ³ Distribution	16,833	15,349	9.7	10,542	9,552	10.4	19,335
Distribution Per Unit ("DPU") (cents)							
For the period	2.72	2.48	9.7	1.70	1.54	10.4	3.25
Annualised	6.79	6.19	9.7	6.87	6.22	10.4	6.54

	5 Feb to 30 Jun 2008			1 Apr to 30 Jun 2008			1H 2008
	Actual RMB'000	Forecast ¹ RMB'000	Change %	Actual RMB'000	Forecast ¹ RMB'000	Change %	Actual RMB'000
Gross Revenue	215,325	214,985	0.2	134,385	134,247	0.1	250,681
Net Property Income ²	135,601	134,528	0.8	84,407	84,092	0.4	157,107

Footnotes:

- The forecast is based on the forecast set out in CRCT Offer Information Statement ("OIS") dated 25 January 2008.*
- Net Property Income in S\$ terms was lower than forecast due to the exchange rate of RMB/SGD forecast of 5.05 vis-à-vis actual of 5.10.*
- CRCT remains committed to distribute 100% of its income available for distribution to Unitholders for the full financial year ending 31 December 2008. Significant asset enhancement works is taking place at Saihan Mall and is scheduled to be progressively completed in Second Half 2008. To be prudent, CRCT has retained S\$0.9 million of its Second Quarter 2008 distributable income, so as to help negate the fluctuating income flow in Second Half 2008, thereby providing Unitholders with stable half-yearly distributions in 2008.*

For a meaningful analysis/comparison of the actual results against the forecast as stated in the OIS, please refer to paragraph 9 of this announcement.

DISTRIBUTION & BOOK CLOSURE DATE

Distribution	For 5 February 2008 to 30 June 2008
Distribution type	Capital Distribution and Tax Exempt Income
Distribution rate	2.72 cents per Unit
Book closure date	10 September 2008
Payment date	25 September 2008

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INTRODUCTION

CapitaRetail China Trust (“CRCT”) was established as a private trust on 23 October 2006 under a trust deed entered into between CapitaRetail China Trust Management Limited (as manager of CRCT) (the “Manager”) and HSBC Institutional Trust Services (Singapore) Limited (as trustee of CRCT) (the “Trustee”), and listed on the Singapore Exchange Securities Trading Limited (“SGX-ST”) on 8 December 2006.

CRCT is a Singapore-based real estate investment trust (“REIT”) established 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 2008, CRCT owns and invests in a portfolio of eight retail mall properties located in five key cities of China. The Properties are Xizhimen Mall, Wangjing Mall, Jiulong Mall and Anzhen Mall in Beijing, Qibao Mall in Shanghai, Zhengzhou Mall in Zhengzhou, Saihan Mall (previously known as Jinyu Mall) in Huhehaote, and 51% interest in Xinwu Mall in Wuhu.

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1(a)(i) **Statement of Total Return For the Group (2Q 2008 vs 2Q 2007)**

	Group		
	2Q 2008¹ S\$'000	2Q 2007¹ S\$'000	% Change
Gross rental income	25,525	16,858	51.4
Other income	839	999	(16.0)
Gross revenue	26,364	17,857	47.6
Land rental	(1,063)	(1,070)	(0.7)
Property related tax	(1,961)	(524)	274.2
Business tax	(1,329)	(894)	48.7
Property management fees	(959)	(681)	40.8
Other property operating expenses ²	(4,493)	(2,251)	99.6
Total property operating expenses	(9,805)	(5,420)	80.9
Net property income	16,559	12,437	33.1
Manager's management fees	(1,374)	(959)	43.3
Trustee's fees	(55)	(16)	243.8
Other trust operating expenses	(630)	(304)	107.2
Interest income	306	506	(39.5)
Foreign exchange loss – realised	(301)	(230)	30.9
Finance costs	(1,932)	(1,648)	17.2
Total return before change in fair value of financial derivatives, investment properties and unrealised foreign exchange gain/(loss)	12,573	9,786	28.5
Change in fair value of financial derivatives	(1,994)	(448)	345.1
Change in fair value of investment properties	16,277	-	N.M.
Foreign exchange gain/(loss) – unrealised	1,132	(486)	N.M.
Total return before taxation	27,988	8,852	216.2
Taxation	(7,116)	(3,210)	121.7
Total return for the period after taxation	20,872	5,642	269.9
Minority interest	(22)	(24)	(8.3)
Total return for the period attributable to Unitholders before distribution	20,850	5,618	271.1

Footnotes:

1. *The Group's results for 2Q 2008 includes the consolidated results of Xizhimen Mall, acquired on 5 February 2008 and the 7 properties acquired during the Initial Public Offering ("IPO") exercise on 8 December 2006, namely Anzhen Mall, Jiulong Mall and Wangjing Mall in Beijing, Qibao Mall in Shanghai, Saihan Mall in Huhehaote, Zhengzhou Mall in Zhengzhou and 51% interest in Wuhu ("The Initial Properties"). The Group's results for 2Q 2007 comprise only the Initial Properties.*

2. *Included as part of the other property operating expenses are the following:*

	Group		
	2Q 2008 S\$'000	2Q 2007 S\$'000	% Change
Depreciation and amortisation	(147)	(86)	70.9
(Allowance for)/ recovered doubtful receivables	(155)	4	N.M.

N.M. – not meaningful

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1(a)(i) Statement of Total Return (1H 2008 vs 1H 2007)

	Group		
	1H 2008¹ S\$'000	1H 2007¹ S\$'000	% Change
Gross rental income	47,758	33,725	41.6
Other income	1,517	1,197	26.7
Gross revenue	49,275	34,922	41.1
Land rental	(2,131)	(2,120)	0.5
Property related tax	(3,705)	(1,778)	108.4
Business tax	(2,469)	(1,748)	41.2
Property management fees	(1,765)	(1,317)	34.0
Other property operating expenses ²	(8,325)	(4,833)	72.3
Total property operating expenses	(18,395)	(11,796)	55.9
Net property income	30,880	23,126	33.5
Manager's management fees	(2,646)	(1,870)	41.5
Trustee's fees	(109)	(74)	47.3
Other trust operating expenses	(1,107)	(631)	75.4
Interest income	472	1,153	(59.1)
Foreign exchange loss – realised	(500)	(274)	82.5
Finance costs	(3,897)	(3,419)	14.0
Total return before change in fair value of financial derivatives, investment properties and unrealised foreign exchange gain/(loss)	23,093	18,011	28.2
Change in fair value of financial derivatives	(1,417)	(242)	485.5
Change in fair value of investment properties	16,277	-	N.M.
Foreign exchange gain/(loss) – unrealised	671	(480)	N.M.
Total return before taxation	38,624	17,289	123.4
Taxation	(10,483)	(5,876)	78.4
Total return for the period after taxation	28,141	11,413	146.6
Minority interest	(57)	96	N.M.
Total return for the period attributable to Unitholders before distribution	28,084	11,509	144.0

Footnotes:

1. *The Group's results for 1H 2008 includes the consolidated results of Xizhimen Mall, acquired on 5 February 2008 and the 7 properties acquired during the Initial Public Offering ("IPO") exercise on 8 December 2006, namely Anzhen Mall, Jiulong Mall and Wangjing Mall in Beijing, Qibao Mall in Shanghai, Saihan Mall in Huhehaote, Zhengzhou Mall in Zhengzhou and 51% interest in Wuhu ("The Initial Properties"). The Group's results for 1H 2007 comprise only the Initial Properties.*

2. *Included as part of the other property operating expenses are the following:*

	Group		
	1H 2008 S\$'000	1H 2007 S\$'000	% Change
Depreciation and amortisation	(286)	(172)	66.3
Allowance for doubtful receivables	(218)	(226)	(3.5)

N.M. – not meaningful

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1(a)(ii) Distribution Statement For the Group (2Q 2008 vs 2Q 2007)

	Group		
	2Q 2008 S\$'000	2Q 2007 S\$'000	% Change
Total return for the period attributable to Unitholders before distribution	20,850	5,618	271.1
Distribution adjustments (Note A)	(10,308)	2,464	N.M.
Income for distribution to Unitholders	10,542	8,082	30.4
Comprises :			
- from operations	3,636	4,458	(18.4)
- from Unitholders' contribution	6,906	3,624	90.6
	10,542	8,082	30.4
Note A			
Distribution adjustments			
- Asset management fees (performance component payable in units)	662	497	33.2
- Change in fair value of financial derivatives	1,994	448	345.1
- Change in fair value of investment properties	(16,277)	-	N.M.
- Deferred taxation	5,224	1,267	312.3
- Transfer to general reserve	(49)	(320)	(84.7)
- Unrealised foreign exchange (gain)/loss	(1,132)	486	N.M.
- Amount retained from current quarter's distribution ¹	(877)	-	N.M.
- Other adjustments	147	86	70.9
Net effect of distribution adjustments	(10,308)	2,464	N.M.

N.M. – not meaningful

Footnote:

- CRCT remains committed to distribute 100% of its income available for distribution to Unitholders for the full financial year ending 31 December 2008. Significant asset enhancement works is taking place at Saihan Mall and is scheduled to be progressively completed in Second Half 2008. To be prudent, CRCT has retained S\$0.9 million of its Second Quarter 2008 distributable income, so as to help negate the fluctuating income flow in Second Half 2008, thereby providing Unitholders with stable half-yearly distributions in 2008.*

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1(a)(ii) Distribution Statement For the Group (1H 2008 vs 1H 2007)

	Group		
	1H 2008 S\$'000	1H 2007 S\$'000	% Change
Total return for the period attributable to Unitholders before distribution	28,084	11,509	144.0
Distribution adjustments (Note A)	(8,749)	3,738	N.M.
Income for distribution to Unitholders	19,335	15,247	26.8
Comprises :			
- from operations	6,724	9,149	(26.5)
- from Unitholders' contribution	12,611	6,098	106.8
	19,335	15,247	26.8
Note A			
Distribution adjustments			
- Asset management fees (performance component payable in units)	1,235	925	33.5
- Change in fair value of financial derivatives	1,417	242	485.5
- Change in fair value of investment properties	(16,277)	-	N.M.
- Deferred taxation	6,340	2,646	139.6
- Transfer to general reserve	(202)	(511)	(60.5)
- Unrealised foreign exchange (gain)/loss	(671)	480	N.M.
- Amount retained from current quarter's distribution ¹	(877)	-	N.M.
- Other adjustments	286	(44)	N.M.
Net effect of distribution adjustments	(8,749)	3,738	N.M.

N.M. – not meaningful

Footnote:

- CRCT remains committed to distribute 100% of its income available for distribution to Unitholders for the full financial year ending 31 December 2008. Significant asset enhancement works is taking place at Saihan Mall and is scheduled to be progressively completed in Second Half 2008. To be prudent, CRCT has retained S\$0.9 million of its Second Quarter 2008 distributable income, so as to help negate the fluctuating income flow in Second Half 2008, thereby providing Unitholders with stable half-yearly distributions in 2008.*

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1(b)(i) Balance Sheet as at 30 Jun 2008 vs 31 Dec 2007

	Group			Trust		
	30 Jun 2008 ¹ S\$'000	31 Dec 2007 S\$'000	% Change	30 Jun 2008 S\$'000	31 Dec 2007 S\$'000	% Change
Assets						
Investment properties ²	1,090,981	722,883	50.9	-	-	-
Plant and equipment	3,100	1,673	85.3	-	-	-
Interests in subsidiaries ³	-	-	-	843,983	590,799	42.9
Trade and other receivables	19,903	18,109	9.9	804	813	(1.1)
Cash and cash equivalents	41,548	67,170	(38.1)	8,775	18,656	(53.0)
Total assets	1,155,532	809,835	42.7	853,562	610,268	39.9
Less						
Liabilities						
Trade and other payables ⁴	77,505	42,168	83.8	5,207	1,910	172.6
Security deposits	15,690	8,284	89.4	-	-	-
Interest-bearing borrowings ⁵	317,214	231,811	36.8	259,069	171,104	51.4
Deferred tax liabilities	26,266	19,300	36.1	-	-	-
Financial derivatives ⁶	21,824	11,331	92.6	21,824	11,331	92.6
Provision for taxation	1,664	243	584.8	532	-	N.M.
Total liabilities	460,163	313,137	47.0	286,632	184,345	55.5
Less						
Minority interest	13,698	13,543	1.1	-	-	-
Net assets attributable to Unitholders	681,671	483,155	41.1	566,930	425,923	33.1

Footnotes:

- The Group's net asset attributable to unitholders as at 30 June 2008 includes contribution from Xizhimen Mall, which was acquired on 5 February 2008.
- The increase was principally due to the acquisition of Xizhimen Mall.
- The increase was due to the acquisition of the issued share capital of CapitaRetail China Investments (B) Beta Pte Ltd, arising from the acquisition of Xizhimen Mall.
- Trade and other payables comprises mainly of accrual of asset enhancement works in Qibao Mall and Saihan Mall and amount due to the acquisition of Xizhimen and Jiulong Mall. The increase was due to the acquisition of Xizhimen Mall.
- Interest-bearing borrowings comprise (i) US\$105.0 million (S\$143.6 million) and S\$88.0 million unsecured two-year term loan facilities (collectively known as "Trust Term Loan Facilities") drawn down by the Trust to part finance the acquisition of the Initial Properties and Xizhimen Mall, and utilisation as working capital, (ii) S\$27.5 million unsecured short-term loan facility mainly to finance capital distribution and working capital; (iii) RMB295.0 million (S\$58.1 million) five-year term loan facility secured by a mortgage over Anzhen Mall. The increase was due to the drawn down of loans in relation to acquisition of Xizhimen Mall.
- This relates to financial derivatives entered to hedge CRCT's RMB assets against adverse currency fluctuation. In 1Q 2008, the Trust entered into a new two-year non-deliverable cross-currency interest rate swaps ("NDS") to hedge the S\$88.0 million unsecured two-year term loan facility. The fair value change on the two-year NDS has resulted in financial derivative liabilities of S\$21.8 million as at 30 June 2008 and S\$11.3 million as at 31 December 2007 respectively.

N.M – not meaningful

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1(b)(ii) Aggregate Amount of Borrowings and Debt Securities

	Group		Trust	
	30 Jun 2008 S\$'000	31 Dec 2007 S\$'000	30 Jun 2008 S\$'000	31 Dec 2007 S\$'000
Unsecured borrowing				
- Amount repayable within one year	171,129	171,224	171,129	171,224
Secured borrowing				
- Amount repayable after one year	146,145	60,707	88,000	-
	317,274	231,931	259,129	171,224
Less: Transaction costs in relation to the Trust Term Loan Facilities	(60)	(120)	(60)	(120)
(1)	317,214	231,811	259,069	171,104

Footnote:

1. *The increase in the Group's borrowings as at 30 June 2008 was mainly due to additional bank loan drawn down on new facility in Xizhimen Mall.*

Details of any collateral

As security for the borrowings, CRCT has granted in favour of the lender:

- (i) a legal mortgage over Anzhen Mall;
- (ii) not to, without the prior written consent of the lender, create or have outstanding any mortgage, pledge, lien, hypothecation, assignment or any other encumbrance whatsoever on or over the Group's interest in any of the Properties, except for the property secured under (i) above;
- (iii) in the event of a sale of any of the Properties except for the property secured under (i) above, to repay an amount equal to the proportion of the market value of the property sold to the total market value of the Properties as determined by the lender based on the latest annual valuation reports of the Properties; and
- (iv) not to provide any guarantee for any other entities except for secured borrowings for new properties acquired with existing mortgages.

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1(c) **Consolidated Cash Flow Statements (2Q 2008 vs 2Q 2007)**

	Group	
	2Q 2008 ¹	2Q 2007 ¹
	S\$'000	S\$'000
Operating activities		
Total return after taxation	20,872	5,642
Adjustments for:		
Interest income	(306)	(506)
Finance costs	1,932	1,648
Depreciation and amortisation	147	86
Taxation	7,116	3,210
Asset management fee payable in units	662	497
Change in fair value of financial derivatives	1,994	448
Change in fair value of investment properties	(16,277)	-
Operating income before working capital changes	16,140	11,025
Changes in working capital:		
Trade and other receivables	11,886	(8,888)
Trade and other payables	(3,755)	(90)
Cash generated from operating activities	24,271	2,047
Income tax paid	(1,432)	(852)
Cash flows from operating activities	22,839	1,195
Investing activities		
Interest received	306	488
Net cash outflow on purchase of investment properties	-	(10,823)
Capital expenditure on investment properties	(3,199)	(8,001)
Purchase of plant and equipment	(200)	(310)
Cash flows used in investing activities	(3,093)	(18,646)
Financing activities		
Payment of issue and financing expenses	(1,007)	(2,446)
Repayment of interest-bearing borrowings	(28,620)	-
Interest paid	(752)	(1,540)
Cash flows used in financing activities	(30,379)	(3,986)
Decrease in cash and cash equivalents	(10,633)	(21,437)
Cash and cash equivalents at beginning of period	53,077	84,338
Effect on exchange rate changes on cash balances	(896)	322
Cash and cash equivalents at end of period	41,548	63,223

Footnote:

- The Group's cash flows for 2Q 2008 includes cash flows of Xizhimen Mall, which was acquired on 5 February 2008 and cash flows of the Initial Properties acquired during IPO.
The Group's cash flows for 2Q 2007 include cash flows of the Initial Properties.*

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1(c) **Consolidated Cash Flow Statements (1H 2008 vs 1H 2007)**

	Group	
	1H 2008 ¹	1H 2007 ¹
	S\$'000	S\$'000
Operating activities		
Total return after taxation	28,141	11,413
Adjustments for:		
Interest income	(472)	(1,153)
Finance costs	3,897	3,419
Depreciation and amortisation	286	172
Taxation	10,483	5,876
Asset management fee payable in units	1,235	925
Change in fair value of financial derivatives	1,417	242
Change in fair value of investment properties	(16,277)	-
Operating income before working capital changes	28,710	20,894
Changes in working capital:		
Trade and other receivables	7,764	(13,845)
Trade and other payables	(1,603)	8,613
Cash generated from operating activities	34,871	15,662
Income tax paid	(1,490)	(902)
Cash flows from operating activities	33,381	14,760
Investing activities		
Interest received	472	1,107
Net cash outflow on purchase of investment properties	-	(37,937)
Capital expenditure on investment properties	(10,653)	(11,292)
Net cash outflow on acquisition of assets	(255,392)	-
Purchase of plant and equipment	(246)	(354)
Cash flows used in investing activities	(265,819)	(48,476)
Financing activities		
Proceeds from issuance of new units	188,001	-
Distribution to unitholders	(19,236)	-
Payment of issue and financing expenses	(3,663)	(5,439)
Proceeds from interest-bearing borrowings	105,500	-
Repayment of interest-bearing borrowings	(61,347)	-
Interest paid	(1,708)	(3,475)
Cash flows from / (used in) financing activities	207,547	(8,914)
Decrease in cash and cash equivalents	(24,891)	(42,630)
Cash and cash equivalents at beginning of period	67,170	107,086
Effect on exchange rate changes on cash balances	(731)	(1,233)
Cash and cash equivalents at end of period	41,548	63,223

Footnote:

1. The Group's cash flows for 1H 2008 includes cash flows of Xizhimen Mall, which was acquired on 5 February 2008 and cash flows of the Initial Properties acquired during IPO.

The Group's cash flows for 1H 2007 include cash flows of the Initial Properties.

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1(d)(i) **Statement of Changes in Net Assets Attributable to Unitholders (2Q 2008 vs 2Q 2007)**

	Group		Trust	
	2Q 2008 ¹ S\$'000	2Q 2007 ¹ S\$'000	2Q 2008 S\$'000	2Q 2007 S\$'000
Balance as at beginning of period	653,188	474,466	579,281	449,445
Operations				
Change in net assets attributable to Unitholders resulting from operations before distribution	20,850	5,618	(17,668)	(48)
Transfer to general reserve	(49)	(320)	-	-
Net increase/(decrease) in net assets resulting from operations	20,801	5,298	(17,668)	(48)
Movement in hedging reserve				
Effective portion of changes in fair value of cash flow hedges	4,655	1,077	4,655	1,077
Movement in foreign currency translation reserve				
Translation differences from financial statements of foreign operations	6,114	8,440	-	-
Exchange differences on monetary items forming part of net investment in foreign operations	751	(3,147)	-	-
Exchange differences on hedges of net investment in foreign operations	(4,549)	(2,278)	-	-
Net gain recognised directly in net assets attributable to Unitholders	6,971	4,092	4,655	1,077
Movement in general reserve	49	320	-	-
Unitholders' transactions				
Creation of units				
- Asset management fees paid/payable	662	497	662	497
Net increase in net assets resulting from Unitholders' transactions	662	497	662	497
Net assets attributable to Unitholders at end of period	681,671	484,673	566,930	450,971

Footnote:

1. *The Group's results for 2Q 2008 include consolidation of 100% interest in Xizhimen Mall, which was acquired on 5 February 2008 and the Initial Properties acquired during IPO.
The Group's results for 2Q 2007 include consolidation of the Initial Properties.*

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1(d)(i) Statement of Changes in Net Assets Attributable to Unitholders (1H 2008 vs 1H 2007)

	Group		Trust	
	1H 2008 ¹ S\$'000	1H 2007 ¹ S\$'000	1H 2008 S\$'000	1H 2007 S\$'000
Balance as at beginning of period	483,155	468,681	425,923	448,604
Operations				
Change in net assets attributable to Unitholders resulting from operations before distribution	28,084	11,509	(27,531)	375
Transfer to general reserve	(202)	(511)	-	-
Net increase/(decrease) in net assets resulting from operations	27,882	10,998	(27,531)	375
Movement in hedging reserve				
Effective portion of changes in fair value of cash flow hedges	790	1,049	790	1,067
Movement in foreign currency translation reserve				
Translation differences from financial statements of foreign operations	7,787	9,472	-	-
Exchange differences on monetary items forming part of net investment in foreign operations	3,974	(3,392)	-	-
Exchange differences on hedges of net investment in foreign operations	(9,867)	(3,571)	-	-
Net gain recognised directly in net assets attributable to Unitholders	2,684	3,558	790	1,067
Movement in general reserve	202	511	-	-
Unitholders' transactions				
Proceeds from placement ²	188,001	-	188,001	-
Creation of units				
- Units issued in respect of acquisition fees for Xizhimen Mall ³	3,360	-	3,360	-
- Asset management fees paid/payable	1,235	925	1,235	925
Distribution to Unitholders ⁴	(19,236)	-	(19,236)	-
Issue expenses ⁵	(5,612)	-	(5,612)	-
Net increase in net assets resulting from Unitholders' transactions	167,748	925	167,748	925
Net assets attributable to Unitholders at end of period	681,671	484,673	566,930	450,971

Footnotes:

- The Group's results for 1H 2008 include consolidation of 100% interest in Xizhimen Mall, which was acquired on 5 February 2008 and the Initial Properties acquired during IPO.
The Group's results for 1H 2007 include consolidation of the Initial Properties.*
- 138,236,000 new units were issued via an equity fund raising exercise completed on 5 February 2008 for the purpose of acquisition of Xizhimen Mall through the acquisition of the entire issued share capital of CapitaRetail China Investments (B) Beta Pte Ltd.*
- 2,470,588 new units were issued on 5 February 2008 as payment of acquisition fees for the acquisition of Xizhimen Mall.*
- Cumulative distribution for the period from 1 July 2007 to 4 February 2008 was paid in March 2008.*
- Includes underwriting fees and professional fees paid and payable in connection to the equity fund raising exercise completed on 5 February 2008 for the acquisition of Xizhimen Mall.*

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(d)(ii) Details of Any Change in the Issued and Issueable Units (2Q 2008 vs 2Q 2007)

	Trust	
	2Q 2008 Units	2Q 2007 Units
Balance as at beginning of period	617,077,721	475,630,513
New units issued:		
- As payment of asset management fees ¹	440,152	-
Issued units as at end of period	617,517,873	475,630,513
New units to be issued:		
- As payment of asset management fees ²	508,037	340,243
Total issued and issuable units as at end of period	618,025,910	475,970,756

Footnotes:

1. These were the performance component of the asset management fees for 1Q 2008 which was issued in May 2008.
2. These were the performance component of the asset management fee for 2Q 2008 (which will be issued in 3Q 2008) and 1H 2007 that have been issued in September 2007 respectively.

1(d)(ii) Details of Any Change in the Issued and Issueable Units (1H 2008 vs 1H 2007)

	Trust	
	1H 2008 Units	1H 2007 Units
Balance as at beginning of period	476,147,309	475,630,513
New units issued:		
- In connection with equity fund raising exercise completed on 5 February 2008	138,236,000	-
- As payment of acquisition fees of Xizhimen Mall	2,470,588	-
- As payment of asset management fees ¹	663,976	-
Issued units as at end of period	617,517,873	475,630,513
New units to be issued:		
- As payment of asset management fees ²	508,037	340,243
Total issued and issuable units as at end of period	618,025,910	475,970,756

Footnotes:

1. These were the performance component of the asset management fees for 4Q 2007 & 1Q 2008 which was issued in February 2008 and May 2008.
2. These were the performance component of the asset management fee for 2Q 2008 (which will be issued in 3Q 2008) and 1H 2007 that have been issued in September 2007 respectively.

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 accounting policies and method of computation applied in the financial statement for the current financial period are consistent with those described in the audited financial statements for the period ended 31 December 2007.

5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what had changed, as well as the reasons for, and the effect of, the change

Nil

6 Earnings Per Unit (“EPU”) and Distribution Per Unit (“DPU”) for the Financial Period

In computing the EPU, the weighted average number of units as at the end of each period is used for the computation. The diluted EPU is the same as the basic EPU as there are no dilutive instruments in issue during the period.

In computing the DPU, the number of units as at the end of each period is used.

	Group	
	2Q 2008	2Q 2007
Weighted average number of units in issue	617,305,052	475,630,513
Earnings per unit (“EPU”) ¹		
Based on weighted average number of units in issue	3.32¢	1.18¢
Based on fully diluted basis	3.32¢	1.18¢
Number of units in issue at end of period	617,517,873	475,630,513
Distribution per unit (“DPU”)		
Based on the number of units in issue at end of period	1.70¢	1.70¢

	Group	
	1H 2008	1H 2007
Weighted average number of units in issue	582,345,955	475,630,513
Earnings per unit (“EPU”) ¹		
Based on weighted average number of units in issue	4.76¢	2.42¢
Based on fully diluted basis	4.76¢	2.42¢
Number of units in issue at end of period	617,517,873	475,630,513
Distribution per unit (“DPU”)		
Based on the number of units in issue at end of period	3.25¢	3.21¢

Footnote:

1. EPU is calculated based on net income after tax and minority interest.

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7 Net Asset Value (“NAV”) backing per unit based on issued and issuable units at the end of the period

	Group		Trust	
	30 Jun 2008	31 Dec 2007	30 Jun 2008	31 Dec 2007
NAV per unit	\$1.10	\$1.01	\$0.92	\$0.89
Adjusted NAV per unit (excluding distributable Income)	\$1.07	\$0.98	\$0.89	\$0.86

8 Review of the performance

	Group				
	2Q 2008	2Q 2007	1Q 2008	1H 2008	1H 2007
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
<u>Statement of Total Return for the Group</u>					
Gross revenue	26,364	17,857	22,911	49,275	34,922
Property operating expenses	(9,805)	(5,420)	(8,590)	(18,395)	(11,796)
Net Property Income	16,559	12,437	14,321	30,880	23,126
Manager management fees	(1,374)	(959)	(1,272)	(2,646)	(1,870)
Trustee's fees	(55)	(16)	(54)	(109)	(74)
Other trust operating expenses	(630)	(304)	(477)	(1,107)	(631)
Interest income	306	506	166	472	1,153
Foreign exchange loss - realised	(301)	(230)	(199)	(500)	(274)
Finance costs	(1,932)	(1,648)	(1,965)	(3,897)	(3,419)
Total return before change in fair value of financial derivatives, investment properties and unrealised foreign exchange gain/(loss)	12,573	9,786	10,520	23,093	18,011
Change in fair value of financial derivatives	(1,994)	(448)	577	(1,417)	(242)
Change in fair value of investment properties	16,277	-	-	16,277	-
Foreign exchange gain/(loss) – unrealised	1,132	(486)	(461)	671	(480)
Total return before taxation	27,988	8,852	10,636	38,624	17,289
Taxation	(7,116)	(3,210)	(3,367)	(10,483)	(5,876)
Total return for the period after taxation	20,872	5,642	7,269	28,141	11,413
Minority interest	(22)	(24)	(35)	(57)	96
Total return for the period attributable to Unitholders before distribution	20,850	5,618	7,234	28,084	11,509

	Group				
	2Q 2008	2Q 2007	1Q 2008	1H 2008	1H 2007
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
<u>Distribution Statement for the Group</u>					
Total return for the period attributable to Unitholders before distribution	20,850	5,618	7,234	28,084	11,509
Net effect of distribution adjustments	(10,308)	2,464	1,560	(8,749)	3,738
Income for distribution to Unitholders	10,542	8,082	8,794	19,335	15,247
Distribution per unit (in cents)					
- For the period	1.70 ⁽¹⁾	1.70 ⁽¹⁾	1.55	3.25 ⁽²⁾	3.21 ⁽²⁾
- Annualised	6.87	6.82	6.22	6.54	6.47

Footnote:

(1) Distribution per unit in 2Q 2008 is calculated based on 617,517,873 units (2Q 2007: 475,630,513 units).

(2) Distribution per unit for the period 5 Feb 08 to 30 Jun 08 is 2.72 cents which is after retention of S\$0.9 million for Saihan Mall (5 Feb 2007 to 30 Jun 2007: 2.62 cents).

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2Q 2008 vs 2Q 2007

Gross revenue for 2Q 2008 was S\$26.4 million, an increase of S\$8.5 million or 47.6% over 2Q 2007. This was mainly due to revenue of S\$7.2 million contributed by Xizhimen Mall. The acquisition was completed on 5 February 2008. The other malls accounted for another S\$1.3 million increase mainly due to occupancy growth in Wangjing Mall, Qibao Mall and Xinwu Mall.

Property expenses for 2Q 2008 was S\$9.8 million, an increase of S\$4.4 million or 80.9% over 2Q 2007 mainly due to Xizhimen Mall and a write-back of property tax in Wangjing Mall in 2Q 2007 as the property title was not transferred as at 30 June 2007.

Manager management fees was S\$0.4 million or 43.3% higher than 2Q 2007 as a result of the consolidation of Xizhimen Mall as well as higher net property income and higher deposited property values under management.

Other trust operating expenses was 0.3 million or 107.2% higher than 2Q 2007 mainly due to Xizhimen Mall.

Finance cost was S\$0.3 million or 17.2% higher than 2Q 2007 mainly due to additional loan facilities drawn down by the trust to part finance the acquisition of Xizhimen Mall and loan draw down to finance capital distribution.

Interest income was S\$0.2 million or 39.5% lower than 2Q 2007 mainly due to lower interest income at trust level arising from lower fixed deposit balances placed with financial institutions and correspondingly weaker interest rate.

2Q 2008 vs 1Q 2008

Gross revenue for 2Q 2008 increased by S\$3.5 million or 15.1% over 1Q 2008. This was mainly due to revenue of S\$3.0 million contributed by Xizhimen Mall. The other malls accounted for another S\$0.5 million increase mainly due to new leases.

Property expenses for 2Q 2008 increased by S\$1.2 million or 14.1% over 1Q 2008 mainly due to Xizhimen Mall.

Manager management fees was S\$0.1 million or 8.0% higher than 1Q 2008 as a result of the consolidation of Xizhimen Mall as well as higher net property income and higher deposited property values under management.

Other trust operating expenses was S\$0.2 million or 32% higher than 1Q 2008 mainly due to Xizhimen Mall.

Interest income was S\$0.1 million or 84.3% higher than 1Q 2008 mainly due to higher interest income at trust level arising from higher fixed deposit balances placed with financial institutions.

1H 2008 vs 1H 2007

Gross revenue for 1H 2008 increased by S\$14.4 million or 41.1% over 1H 2007. This was mainly due to revenue of S\$11.4 million contributed by Xizhimen Mall. The other malls accounted for the additional increase of S\$3.0 million mainly due to new leases.

Property expenses for 1H 2008 increased by S\$6.6 million or 55.9% mainly due to the consolidation of Xizhimen Mall and a write-back of property tax in Wangjing Mall in 2Q 2007 as the property title was not transferred as at 30 June 2007.

Manager management fees was S\$0.8 million or 41.5% higher than 1H 2007 as a result of higher net property income contributed from the malls and higher deposited property values under management.

Other trust operating expenses was S\$0.5 million or 75.4% higher than 1H 2007 was mainly due to Xizhimen Mall.

Finance cost was S\$0.5 million or 14.0% higher than 1H 2007. This was mainly due to additional loan facilities drawn down by the trust to part finance the acquisition of Xizhimen Mall, utilisation as working capital, and loan draw down to finance capital distribution.

Interest income was S\$0.7 million or 59.1% lower than 1H 2007 mainly due to lower interest income at trust level arising from lower fixed deposit balances and correspondingly weaker interest rate.

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

This para relates to the review of the Group results.

9(i) Income Statement (Actual vs Forecast)

	Actual 2Q 2008 S\$'000	Forecast ¹ 2Q 2008 S\$'000	% Change
Gross rental income	25,525	26,175	(2.5)
Other income	839	407	106.1
Gross revenue	(a) 26,364	26,582	(0.8)
Land rental	(1,063)	(1,073)	(0.9)
Property related tax	(1,961)	(1,920)	2.1
Business tax	(1,329)	(1,343)	(1.0)
Property management fee	(959)	(973)	(1.4)
Other property operating expenses	(4,493)	(4,622)	(2.8)
Total property operating expenses	(b) (9,805)	(9,931)	(1.3)
Net property income	16,559	16,651	(0.6)
Manager's management fees	(1,374)	(1,435)	(4.3)
Trustee's fees	(55)	(89)	(38.2)
Other trust operating expenses	(630)	(565)	11.5
Interest income	306	-	N.M.
Foreign exchange loss – realised	(c) (301)	-	N.M.
Finance costs	(d) (1,932)	(3,501)	(44.8)
Net income before change in fair value of financial derivative and unrealised foreign exchange gain/(loss)	12,573	11,061	13.7
Change in fair value of financial derivatives	(e) (1,994)	-	N.M.
Change in fair value of investment properties	16,277	-	N.M.
Foreign exchange loss – unrealised	1,132	-	N.M.
Net income before taxation	27,988	11,061	153.0
Taxation	(f) (7,116)	(1,933)	268.1
Total return for the period after taxation	20,872	9,128	128.7
Minority interest	(22)	(90)	(75.6)
Total return for the period attributable to Unitholders before distribution	20,850	9,038	130.7

Footnote:

1. The forecast is based on the forecast shown in the OIS dated 25 January 2008.

N.M. – not meaningful

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9(ii) **Distribution Statement (Actual vs Forecast)**

	Actual 2Q 2008 S\$'000	Forecast ¹ 2Q 2008 S\$'000	% Change
Total return for the period attributable to Unitholders before distribution	20,850	9,038	130.7
Distribution adjustments (Note A)	(10,308)	514	N.M.
Income for distribution to Unitholders	(g) 10,542	9,552	10.4
Comprises :			
- from operations	3,636	3,169	14.7
- from Unitholders' contributions	6,906	6,383	8.2
	10,542	9,552	10.4
Available distribution per unit (in cents)			
For the period	1.70	1.54	10.4
Annualised	6.87	6.22	10.4
Note A			
Distribution adjustments			
- Asset management fees (performance component payable in Units)	662	680	(2.6)
- Change in fair value of financial derivatives	1,994	-	N.M.
- Change in fair value of investment properties	(16,277)	-	N.M.
- Deferred taxation	5,224	-	N.M.
- Transfer to general reserve	(49)	(166)	(70.5)
- Unrealised foreign exchange gain	(1,132)	-	N.M.
- Amount retained from current quarter's distribution	(877)	-	N.M.
- Other adjustments	147	-	N.M.
Net effect of distribution adjustments	(10,308)	514	N.M.

N.M. – not meaningful

Footnotes:

1. The forecast is based on the forecast shown in the OIS dated 25 January 2008.

9(iii) **Breakdown of Gross Revenue - 2Q 2008**

	Actual RMB'000	Forecast RMB'000	% Change	Actual S\$'000	Forecast S\$'000	% Change
Xizhimen Mall	36,538	36,532	-	7,173	7,233	(0.8)
Wangjing Mall	31,657	31,648	-	6,209	6,267	(0.9)
Anzhen Mall	19,127	19,127	-	3,751	3,787	(1.0)
Zhengzhou Mall	11,875	11,875	-	2,329	2,351	(0.9)
Jiulong Mall	9,987	9,881	1.1	1,959	1,957	0.1
Saihan Mall	5,812	5,797	0.3	1,140	1,148	(0.7)
Qibao Mall	14,580	14,579	-	2,860	2,887	(0.9)
Xinwu Mall	4,809	4,808	-	943	952	(0.9)
Gross Revenue	134,385	134,247	0.1	26,364	26,582	(0.8)

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9(iv) Breakdown of Net Property Income – 2Q 2008

	Actual RMB'000	Forecast RMB'000	% Change	Actual S\$'000	Forecast S\$'000	% Change
Xizhimen Mall	23,756	23,756	-	4,664	4,705	(0.9)
Wangjing Mall	21,661	21,547	0.5	4,248	4,266	(0.4)
Anzhen Mall	15,836	15,801	0.2	3,106	3,129	(0.7)
Zhengzhou Mall	9,613	9,577	0.4	1,885	1,896	(0.6)
Jiulong Mall	7,964	7,955	0.1	1,562	1,575	(0.8)
Saihan Mall	1,640	1,633	0.4	321	323	(0.6)
Qibao Mall	2,962	2,858	3.6	582	566	2.8
Xinwu Mall	975	965	1.0	191	191	-
Net Property Income	84,407	84,092	0.4	16,559	16,651	(0.6)

9(v) Review of the Performance

- (a) Gross revenue for the period was S\$26.4 million, which is S\$0.2 million or 0.8% lower than the forecast for the same period. The variance is mainly due to S\$/RMB translation difference. In RMB terms, gross revenue for the period was 0.1% higher than forecast for the same period.
- (b) Property operating expenses for the period was S\$9.8 million, which is S\$0.1 million or 1.3% lower compared with the forecast for the same period. This was mainly due to utilities savings.
- (c) Realised foreign exchange loss of S\$0.3 million recognised in 2Q 2008 was mainly due to the withdrawal of US\$ fixed deposit to repay interest expenses and other trust expenses.
- (d) Finance cost was S\$1.9 million, which is S\$1.6 million or 44.8% lower compared with the forecast for the same period. This was mainly due to interest savings arising from two-year non-deliverable cross-currency interest rate swaps ("NDS") that CRCT has entered into in respect of the US\$105.0 million and S\$88.0 unsecured two-year Trust Term Loan Facilities.
- (e) The fair value change on the NDS resulted in a fair value loss of S\$2.0 million in 2Q 2008. In accordance to the distribution model detailed in the OIS, distribution income has been adjusted to exclude any change in fair value relating to financial instruments.
- (f) Taxation for the period was S\$7.1 million, which is S\$5.2 million higher than the forecast for the same period. This was mainly due to recognition of deferred tax liabilities of S\$5.2 million which has no impact on the distributable income of the trust. If such deferred tax liabilities were excluded, the taxation for the period would have been S\$1.9 million.
- (g) CRCT remains committed to distribute 100% of its income available for distribution to Unitholders for the full financial year ending 31 December 2008. Significant asset enhancement works is taking place at Saihan Mall and is scheduled to be progressively completed in Second Half 2008. To be prudent, CRCT has retained S\$0.9 million of its Second Quarter 2008 distributable income, so as to help negate the fluctuating income flow in Second Half 2008, thereby providing Unitholders with stable half-yearly distributions in 2008.

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

Beijing retail property sector outlook

Retail spending grew 14% year-on-year to hit RMB 377 billion. Though this is still higher than the approximate 12% recorded in previous years, it is lower as compared to last quarter's year-on-year growth of 16%. Urban disposable income in Beijing rose 11.2% year-on-year to reach RMB 21,989 per capita per annum, registering a dip in growth from last quarter's year on year growth of 13.9%.

Higher income and inclination towards affordable international fashion are expected to fuel the retail sector in the coming months, evident in the entry of Jimmy Choo in Beijing, together with Gucci and Zara. Retailers hoping to tap

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into the hype of the Olympic Games through flagship stores and expansions fuel pre-leasing activities, reporting a high net absorption of 250,319 sqm, as compared to the previous quarter of 24,849 sqm of prime retail space. Beijing APM, formally Xin Dong An Plaza, entered the market in 1Q 2008 with 95% of its retail space pre-leased.

New supply in 1Q 2008 amounted to 196,400 sqm, bringing the total prime retail space to 2,458,501 sqm, which represents an increase of 8.7% since 4Q 2007. The new supply does not quell the increasing demand for retail space. Vacancy rates saw a quarter on quarter drop of 3.1% to reach 7.1% in 1Q 2008. The drop in vacancy is partly due to increasing occupancy in established properties, and delays in the completion of other new developments.

Vacancy rate is expected to hit 20% by the end of 2008 in the light of impending supply of approximately 1,500,000 sqm in spite of the low rate in 1Q 2008. It is expected to stabilize after the Olympics, to reach a level between 15% and 18% by the end 2009.

Average net effective rent increased 2.3% quarter-on-quarter, or 6.8% year-on-year. Due to the large supply entering the market this year, there will be an anticipated drop of 4.1% in average rental. The bulk of the drop is expected to come after the Olympics as leasing demand eases after the Olympics hype. Rents are projected to stabilize in 2009.

Strata-titled capital values continue to remain stable. Capital appreciation would most likely increase in view of the preference for developers to hold their properties, causing future investment deals to achieve higher prices.

Shanghai retail property sector outlook

Demand for retail space in 1Q 2008 remains strong in light of diversifying demand as more international brands enter the Shanghai market. The increasing number and wealth of the middle-class will spur the expansion of middle-class retailers to the suburban areas, fuelling intensive retail space competition in the short term.

China's position as the 3rd largest luxury market in the world lures high-end retailers, e.g. a 1,500 sqm high end jewellery and watch corridor opened at the basement of Plaza 66. The expansion of high class furniture silverware, crystal and other retailers are at a relatively faster pace, supporting the opening of Huashan Square Luxury Lifestyle Gallery, the first prime shopping mall in Shanghai focused on luxury homeware.

1Q 2008 saw only an addition of 36,000 sqm of retail space with the opening of Dragon Gate Mall, pushing vacancy rates in the quarter to a historic low of 3.1%, a 0.6 % fall from the previous quarter. Several suburban retail projects are slated for completion in the near future, easing demand in the short term. However, in the medium term, the large gap between supply and demand will continue to exist, thus vacancy rate is expected to be at a low of 5% this year.

Strong demand fueled an increase of 4% quarter-on-quarter, or a 16.3% year-on-year increase in average rents in 1Q 2008. Retailer groups who traditionally pay lower rentals than fashion businesses are prepared to pay more, reflecting the increasing demand and competition for retail space. Rentals will continue to rise moderately, riding on the fast expansion of luxury retail. In response, prime retail sites will be targeted at high end retailers. The expansion of mainstream retailers will also continue to fuel the demand for retail space.

Capital value for 1Q 2008 increased quarter-on-quarter by 4% on the back of a strong rental growth and record low vacancies.

Source: Jones Lang LaSalle Research & CapitaLand Research

11 **Distribution**

11(a) **Current Financial Period**

Any distribution declared for the current financial period? Yes.

Name of distribution : Distribution for 5 February 2008 to 30 June 2008 ¹

Distribution Type	Distribution Rate (cents)
Capital distribution	2.51
Tax Exempt Income	0.21
Total	2.72

Par value of units : Not meaningful

Footnotes:

1. Cumulative distribution for the period from 1 July 2007 to 4 February 2008 was paid in March 2008.

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Tax rate	:	Capital distribution represents a return of capital to unitholders for Singapore income tax purposes and is therefore not subject to Singapore income tax. For unitholders who are liable to Singapore income tax on profits from sale of CRCT units, the amount of capital distribution will be applied to reduce the cost base of their CRCT units for Singapore income tax purposes. Tax exempt income distribution is exempt from Singapore income tax in the hands of all unitholders. No tax will be deducted from this component of the Distribution.
Remark	:	The distribution from 5 February 2008 to 30 June 2008 is expected to be funded from borrowing at the trust level as it is more beneficial for the Group to retain RMB in China for funding its asset enhancement work.

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 23 October 2006 to 30 June 2007

Distribution type : Capital Distribution

Distribution rate : 3.27 cents per unit

Par value of units : Not meaningful

11(c) Date payable : 25 September 2008

11(d) Book closure date : 10 September 2008

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

N.A.

13 Confirmation Pursuant to Rule 705(4) of the Listing Manual

To the best of our knowledge, nothing has come to the attention of the Board of Directors of the manager of CapitaRetail China Trust (the "Manager") which may render the unaudited interim financial results of the Group and Trust (comprising the balance sheets and the result of business, statement of total return & distribution statement, consolidated cash flows statements, statement of changes in unitholders' funds, together with their accompanying notes) as at 30 June 2008, to be false or misleading in any material respect.

On behalf of the Board of the Manager

Mr Kee Teck Koon
Director

Mr Lim Beng Chee
Chief Executive Officer / Director

This release may contain forward-looking statements that involve risks and uncertainties. Actual future performance, outcomes and results may differ materially from those expressed in forward-looking statements as a result of a number of risks, uncertainties and assumptions. Representative examples of these factors include (without limitation) general industry and economic conditions, interest rate trends, cost of capital and capital availability, competition from other companies and venues for the sale/distribution of goods and services, shifts in customer demands, customers and partners, changes in operating expenses, including employee wages, benefits and training, governmental and public policy changes and the continued availability of financing in the amounts and the terms necessary to support future business. You are cautioned not to place undue reliance on these forward looking statements, which are based on current view of management on future events.

BY ORDER OF THE BOARD
CAPITARETAIL CHINA TRUST MANAGEMENT LIMITED
(Company registration no. 200611176D)
(as Manager of CapitaRetail China Trust)

Kannan Malini
Company Secretary
30 July 2008