



CAPITARETAIL CHINA TRUST
2007 THIRD 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

| | 1 Jul to 30 Sep 2007 | | | 1 Jan to 30 Sep 2007 | | | YTD 2007 ¹ |
|--|----------------------|----------------------------------|-------------|----------------------|----------------------------------|-------------|--------------------------|
| | Actual S\$'000 | Forecast ² S\$'000 | Change % | Actual S\$'000 | Forecast ² S\$'000 | Change % | Actual S\$'000 |
| Gross Revenue | 19,013 | 19,961 | (4.7) | 53,935 | 57,426 | (6.1) | 60,275 |
| Net Property Income | 11,740 | 12,924 | (9.2) | 34,866 | 37,305 | (6.5) | 37,287 |
| Available for distribution ³ | 8,156 | 7,484 | 9.0 | 23,405 | 21,397 | 9.4 | 23,702 |
| Distribution Per Unit ("DPU") (cents) | | | | | | | |
| For the period | 1.71 | 1.57 | 9.0 | 4.92 | 4.50 | 9.4 | 4.98 |
| Annualised | 6.80 | 6.24 | 9.0 | 6.58 | 6.01 | 9.4 | N.M. |

Footnotes:

1. YTD 2007 includes private trust period from 23 October 2006 to 7 December 2006 ("Private Trust Period") and public trust period from the date of listing on 8 December 2006 ("Listing Date") to 30 September 2007.
2. The forecast is based on the forecast shown in CRCT Prospectus dated 29 November 2006 (the "Prospectus").
3. After the first distribution payment which was paid on 24 September 2007 and as disclosed in the Prospectus, subsequent distribution will be paid on a semi-annual basis for the six month periods ending 30 June and 31 December of each year within 90 days after each of the said dates.

N.M. – not meaningful

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

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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 September 2007, CRCT owns and invests in a portfolio of seven retail mall properties (the "Properties") located in five key cities of China. The Properties are Wangjing Mall, Jiulong Mall and Anzhen Mall in Beijing, Qibao Mall in Shanghai, Zhengzhou Mall in Zhengzhou, Jinyu Mall in Huhehaote, and 51% interest in Xinwu Mall in Wuhu.

COMPARATIVE STATEMENTS

There are no comparative statements for the corresponding period of the immediately preceding financial year or as at the end of the immediately preceding financial year. As disclosed in the Prospectus, no pro forma consolidated statements of total return, consolidated statement of cash flows and consolidated balance sheet to show the pro forma historical financial performance of CRCT and its subsidiaries (the "Pro Forma Group") have been prepared as:-

1. Wangjing Mall and Xinwu Mall are newly developed and have very limited operating track records. Wangjing Mall was only recently completed while Xinwu Mall only commenced operations in December 2005. As such, the period of operations is too short for the Manager to practicably construct meaningful historical pro forma financial information;
2. Jiulong Mall and Jinyu Mall were acquired from independent third parties and indirectly held by CapitaLand Limited ("the Sponsor") for only a few months prior to the date of this Prospectus. The Sponsor indirectly acquired Anzhen Mall in July 2005 and took a master lease over Qibao Mall in May 2005. Accordingly, the historical financial information relating to these four properties are unavailable from the vendors or lessor (in case of Qibao Mall) and the Sponsor's ownership period or possession period (in the case of Qibao Mall) of these properties is too short for the Manager to construct meaningful historical pro forma financial information;
3. Zhengzhou Mall, Jinyu Mall and Anzhen Mall were wholly-occupied by the vendors for their retail operations prior to their disposal to the Sponsor. Accordingly, even if the historical financial information relating to these properties were made available, the Manager would not be able to identify the property-related expenses of the vendors from the expenses incurred by the vendors in connection with their overall business operations. There would also not be any historical rental income for these properties as they were wholly-occupied by the vendors. Accordingly, the relevant information to prepare the historical pro forma financial information is unavailable to the Manager;
4. Anzhen Mall, Zhengzhou Mall and Jinyu Mall and the majority of the gross rentable area of Jiulong Mall have been under master lease agreements since the Sponsor acquired them from the vendors. The Sponsor has also implemented major asset enhancement initiatives at Qibao Mall (since the Sponsor took possession of the mall in May 2005) to reposition the mall as a "one-stop" retail destination. Accordingly, any attempt to construct historical pro forma financial information based on the historical financial statements of these five properties (in the unlikely event that they are made available to the Manager) may be misleading to investors and not meaningful for comparison purposes as there is an implicit assumption that the Pro Forma Group would achieve the same performance as those presented in the historical pro forma financial information; and
5. Should historical pro forma financial information be prepared based on the terms of the master lease agreements for Anzhen Mall, Zhengzhou Mall, Jinyu Mall and Jiulong Mall, such information will be in the nature of a forecast and will not reflect the historical financial results and position of the Pro Forma Group with respect to these properties. As such, the Manager believes that such historical pro forma financial information may be of little value to investors in deciding whether to acquire the Units and a forecast and projection based on, amongst other things, the terms of the master lease arrangements would be more meaningful to investors.

Accordingly, we have not presented a comparative statement for the announcement as there is no pro forma historical financial information for the corresponding period.

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1(a)(i) Statement of Total Return (For the Group)

| | Group | |
|---|--------------------|----------------------------------|
| | 3Q 2007 S\$'000 | YTD 2007 ¹ S\$'000 |
| Gross rental income | 18,705 | 58,622 |
| Other income | 308 | 1,653 |
| Gross revenue | 19,013 | 60,275 |
| Land rental | (1,090) | (3,812) |
| Property related tax | (999) | (3,156) |
| Business tax | (931) | (2,960) |
| Property management fees | (705) | (2,220) |
| Other property operating expenses | (3,548) | (10,840) |
| Total property operating expenses | (7,273) | (22,988) |
| Net property income | 11,740 | 37,287 |
| Manager's management fees | (1,021) | (3,374) |
| Trustee's fees | (45) | (164) |
| Other trust operating expenses | (267) | (1,386) |
| Interest income | 421 | 2,196 |
| Foreign exchange loss – realised | (29) | (868) |
| Finance costs | (1,794) | (6,142) |
| Net income before change in fair value of derivative financial instruments, investment properties and unrealised foreign exchange loss | 9,005 | 27,549 |
| Change in fair value of derivative financial instruments | (1,960) | (2,565) |
| Change in fair value of investment properties | 27,426 | 48,262 |
| Foreign exchange loss – unrealised | (37) | (212) |
| Net income before taxation | 34,434 | 73,034 |
| Taxation | (16,656) | (22,938) |
| Total return for the period after taxation | 17,778 | 50,096 |
| Minority interest | (5) | 305 |
| Total return for the period attributable to Unitholders before distribution | 17,773 | 50,401 |

Footnotes:

1. YTD 2007 includes Private Trust Period and Public Trust Period from Listing Date to 30 September 2007.
2. Included as part of the other property operating expenses are the following:

| | Group | |
|-------------------------------|--------------------|---------------------|
| | 3Q 2007 S\$'000 | YTD 2007 S\$'000 |
| Assets written off | - | (16) |
| Depreciation and amortisation | (90) | (313) |
| Debts written off | (261) | (487) |

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1(a)(ii) **Distribution Statement (For the Group)**

| | Group | |
|--|----------------|-----------------|
| | 3Q 2007 | YTD 2007 |
| | S\$'000 | S\$'000 |
| Total return for the period attributable to Unitholders before distribution | 17,773 | 50,401 |
| Distribution adjustments (Note A) | (9,617) | (26,699) |
| Income available for distribution to Unitholders | 8,156 | 23,702 |
| Comprises : | | |
| - from operations | 4,506 | 14,507 |
| - from Unitholders' contribution | 3,650 | 9,195 |
| | 8,156 | 23,702 |
| Note A | | |
| Distribution adjustments | | |
| - Asset management fees (performance component payable in units) | 467 | 1,492 |
| - Change in fair value of derivative financial instruments | 1,960 | 2,565 |
| - Change in fair value of investment properties | (27,426) | (48,262) |
| - Deferred taxation | 15,189 | 17,658 |
| - Transfer to general reserve | 66 | (474) |
| - Unrealised foreign exchange loss | 37 | 212 |
| - Other adjustments | 90 | 110 |
| Net effect of distribution adjustments | (9,617) | (26,699) |

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1(b)(i) Balance Sheet

| | Group | Trust |
|---|--------------------|--------------------|
| | 30 Sep 2007 | 30 Sep 2007 |
| | S\$'000 | S\$'000 |
| Non-current assets | | |
| Investment properties ¹ | 734,629 | - |
| Plant and equipment | 1,636 | - |
| Interests in subsidiaries | - | 246,284 |
| Total non-current assets | 736,265 | 246,284 |
| Current assets | | |
| Trade and other receivables | 17,727 | 356,062 |
| Cash and cash equivalents | 74,152 | 21,566 |
| Total current assets | 91,879 | 377,628 |
| Total assets | 828,144 | 623,912 |
| Non-current liabilities | | |
| Interest-bearing borrowings ² | (230,653) | (160,006) |
| Deferred tax liabilities | (16,633) | - |
| Derivative financial instruments | (7,995) | (7,995) |
| Non-current portion of security deposits | (5,725) | - |
| Total non-current liabilities | (261,006) | (168,001) |
| Current liabilities | | |
| Trade and other payables ³ | (41,058) | (1,748) |
| Interest-bearing borrowings ² | (19,100) | (19,100) |
| Provision for taxation | (1,211) | - |
| Total current liabilities | (61,369) | (20,848) |
| Total liabilities | (322,375) | (188,849) |
| Minority interest | 13,846 | - |
| Net assets attributable to Unitholders | 491,923 | 435,063 |

Footnotes:

1. *Based on valuations performed by CB Richard Ellis as at 30 September 2007.*
2. *Interest-bearing liabilities comprise a US\$105.0 million unsecured two-year term loan facility ("Trust Term Loan Facility") taken at the Trust level to partly finance the acquisition of the Properties and for which the balance will be utilised as working capital, a S\$19.1 million unsecured short-term loan facility mainly to finance capital distribution and a RMB350.0 million secured five-year term loan facility secured by a mortgage over Anzhen Mall.*
3. *Trade and other payables mainly pertain to amount in relation to acquisition of Wangjing and Jiulong Mall and accrual of asset enhancement works in Qibao Mall.*

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

| | Group | Trust |
|---|------------------|--------------------|
| | 30 Sep 07 | 30 Sep 2007 |
| | S\$'000 | S\$'000 |
| Unsecured borrowing | | |
| - Amount repayable within one year | 19,100 | 19,100 |
| - Amount repayable after one year | 160,157 | 160,157 |
| Secured borrowing | | |
| - Amount repayable after one year | 70,647 | - |
| Less: Transaction costs in relation to the Trust Term Loan Facility | (151) | (151) |
| | 249,753 | 179,106 |

Details of any collateral

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

- (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, 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**

| | Group | |
|--|--------------------|----------------------------------|
| | 3Q 2007 S\$'000 | YTD 2007 ¹ S\$'000 |
| Operating activities | | |
| Net income after taxation | 17,778 | 50,096 |
| Adjustments for: | | |
| Interest income | (421) | (2,196) |
| Finance costs | 1,794 | 6,142 |
| Depreciation and amortisation | 90 | 313 |
| Taxation | 16,656 | 22,938 |
| Asset management fee payable in units | 467 | 1,492 |
| Change in fair value of derivative financial instruments | 1,960 | 2,565 |
| Change in fair value of investment properties | (27,426) | (48,262) |
| Operating income before working capital changes | 10,898 | 33,088 |
| Changes in working capital: | | |
| Trade and other receivables | 149 | (16,550) |
| Trade and other payables | (980) | 1,803 |
| Cash generated from operating activities | 10,067 | 18,341 |
| Income tax paid | (967) | (1,880) |
| Cash flows from operating activities | 9,100 | 16,461 |
| Investing activities | | |
| Interest received | 403 | 2,180 |
| Net cash outflow on purchase of investment properties | - | (127,974) |
| Net cash outflow on acquisition of subsidiary companies | - | (415,887) |
| Capital expenditure on investment properties | (397) | (12,049) |
| Purchase of plant and equipment | (62) | (860) |
| Cash flows from investing activities | (56) | (554,590) |
| Financing activities | | |
| Proceeds from issuance of new units | - | 466,594 |
| Distribution to Unitholders ² | (15,553) | (15,553) |
| Payment of issue and financing expenses | (65) | (12,627) |
| Proceeds from interest-bearing liabilities | 19,100 | 179,456 |
| Interest paid | (2,094) | (5,589) |
| Cash flows from financing activities | 1,388 | 612,281 |
| Increase in cash and cash equivalent | 10,432 | 74,152 |
| Cash and cash equivalent at beginning of period | 63,223 | - |
| Effect on exchange rate changes on cash balances | 497 | - |
| Cash and cash equivalent at end of period | 74,152 | 74,152 |

Footnote:

1. Include Private Trust Period and Public Trust Period from Listing Date to 30 September 2007.
2. Distribution for the period from 23 October 2006 to 30 June 2007 was paid in September 2007.

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1(d)(i) Statement of Changes in Unitholders' funds

| | Group | | Trust | |
|---|--------------------|---------------------|--------------------|---------------------|
| | 3Q 2007 S\$'000 | YTD 2007 S\$'000 | 3Q 2007 S\$'000 | YTD 2007 S\$'000 |
| Balance as at beginning of period | 484,673 | - | 450,971 | - |
| Operations | | | | |
| Net income | 17,773 | 50,401 | 261 | (4,860) |
| Net increase in net assets resulting from operations | 17,773 | 50,401 | 261 | (4,860) |
| Movement in hedging reserve | (1,083) | (17) | (1,083) | (17) |
| Movement in foreign currency translation reserve | 5,646 | 1,599 | - | - |
| Unitholders' transactions | | | | |
| Issue of new units ¹ | - | 466,594 | - | 466,594 |
| Units to be issued as satisfaction of the portion of asset management fees payable in units | 467 | 1,492 | 467 | 1,492 |
| Distribution to Unitholders | (15,553) | (15,553) | (15,553) | (15,553) |
| Issue expenses ² | - | (12,593) | - | (12,593) |
| Net (decrease)/ increase in net assets resulting from Unitholders' transactions | (15,086) | 439,940 | (15,086) | 439,940 |
| Balance as at end of period | 491,923 | 491,923 | 435,063 | 435,063 |

Footnotes:

1. 475.6 million new units were issued to strategic investors.
2. Relating to expenses incurred for the Initial Public Offering exercise on 8 December 2006.

1(d)(ii) Details of Any Change in the Issued and Issuable Units

| | Trust | |
|--|--------------------|--------------------------------|
| | 3Q 2007 Units | YTD 2007 ¹ Units |
| Balance as at beginning of period | 475,630,513 | - |
| New units issued: | | |
| - Issue of new units | - | 475,630,513 |
| - As payment of asset management fees | 340,243 | 340,243 |
| Issued units as at end of period | 475,970,756 | 475,970,756 |
| New units to be issued: | | |
| - As payment of asset management fees ¹ | 176,553 | 176,553 |
| Total issued and issuable units as at end of period | 476,147,309 | 476,147,309 |

Footnotes:

1. These were the performance component of the asset management fees for 3Q 2007 (which will be issued in 4Q 2007).

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- 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.

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 Prospectus.

- 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 | |
|--|-------------|-------------|
| | 3Q 2007 | YTD 2007 |
| Weighted average number of units in issue | 475,689,686 | 475,646,384 |
| Earnings per unit ("EPU")¹ | | |
| Based on weighted average number of units in issue | 3.74¢ | 10.60¢ |
| Based on fully diluted basis | 3.74¢ | 10.60¢ |
| Number of units in issue at end of period | 475,970,756 | 475,970,756 |
| Available distribution per unit ("DPU") | | |
| Based on the number of units in issue at end of period | 1.71¢ | 4.98¢ |

Footnote:

1. EPU is calculated based on net income after tax.

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

| | Group | Trust |
|---|-------------|-------------|
| | 30 Sep 2007 | 30 Sep 2007 |
| NAV per unit | \$1.03 | \$0.91 |
| Adjusted NAV per unit (excluding the distributable income) | \$1.02 | \$0.90 |

- 8 **Review of the performance**

Please refer to para 9 for a review of actual performance against the forecast as shown in the Prospectus.

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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 3Q 2007 S\$'000 | Forecast ¹ 3Q 2007 S\$'000 | % Change |
|--|---------------------------------------|--|---------------------|
| Gross rental income | 18,705 | 19,763 | (5.4) |
| Other income | 308 | 198 | 55.6 |
| Gross revenue | (b) 19,013 | 19,961 | (4.7) |
| Land rental | (1,090) | (1,082) | (0.7) |
| Property related tax | (999) | (1,445) | (30.9) |
| Business tax | (931) | (1,001) | (7.0) |
| Property management fee | (705) | (741) | (4.9) |
| Other property operating expenses | (3,548) | (2,768) | 28.2 |
| Total property operating expenses | (c) (7,273) | (7,037) | 3.4 |
| Net property income | 11,740 | 12,924 | (9.2) |
| Manager's management fees | (1,021) | (967) | 5.6 |
| Trustee's fees | (45) | (53) | (15.1) |
| Other trust operating expenses | (267) | (380) | (29.7) |
| Interest income | (d) 421 | - | N.M. |
| Foreign exchange loss – realised | (29) | - | N.M. |
| Finance costs | (e) (1,794) | (2,670) | (32.8) |
| Net income before change in fair value of derivative financial instruments and unrealised foreign exchange loss | 9,005 | 8,854 | 1.7 |
| Change in fair value of derivative financial instruments | (f) (1,960) | - | N.M. |
| Change in fair value of investment properties | 27,426 | - | N.M. |
| Foreign exchange loss – unrealised | (37) | - | N.M. |
| Net income before taxation | 34,434 | 8,854 | N.M. |
| Taxation | (g) (16,656) | (1,610) | N.M. |
| Total return for the period after taxation | 17,778 | 7,244 | N.M. |
| Minority interest | (5) | (203) | (97.5) |
| Total return for the period attributable to Unitholders before distribution | 17,773 | 7,041 | 152.4 |

Footnotes:

1. The forecast is based on the forecast shown in the Prospectus.

N.M. – not meaningful

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

| | Actual 3Q 2007 S\$'000 | Forecast ¹ 3Q 2007 S\$'000 | % Change |
|--|---------------------------------------|--|---------------------|
| Total return for the period attributable to Unitholders before distribution | 17,773 | 7,041 | 152.4 |
| Distribution adjustments (Note A) | (9,617) | 443 | N.M. |
| Income available for distribution to Unitholders | 8,156 | 7,484 | 9.0 |
| Comprises : | | | |
| - from operations | 4,506 | 1,873 | N.M. |
| - from Unitholders' contributions | 3,650 | 5,611 | N.M. |
| | 8,156 | 7,484 | 9.0 |
| Available distribution per unit (in cents) | | | |
| For the period | 1.71 | 1.57 | 9.0 |
| Annualised | 6.80 | 6.24 | 9.0 |
| Note A | | | |
| Distribution adjustments | | | |
| - Asset management fees (performance component payable in Units) | 467 | 517 | (9.3) |
| - Change in fair value of derivative financial instruments | 1,960 | - | N.M. |
| - Change in fair value of investment properties | (27,426) | - | N.M. |
| - Deferred taxation | 15,189 | - | N.M. |
| - Transfer to general reserve | 66 | (74) | N.M. |
| - Unrealised foreign exchange loss | 37 | - | N.M. |
| - Other adjustments | 90 | - | N.M. |
| Net effect of distribution adjustments | (9,617) | 443 | N.M. |

N.M. – not meaningful

9(iii) **Breakdown of Gross Revenue**

| | Actual 3Q 2007 RMB'000 | Forecast 3Q 2007 RMB'000 | % Change | Actual 3Q 2007 S\$'000 | Forecast 3Q 2007 S\$'000 | % Change |
|----------------------|---------------------------------------|---|---------------------|---------------------------------------|---|---------------------|
| Wangjing Mall | 28,884 | 30,522 | (5.4) | 5,805 | 6,093 | (4.7) |
| Anzhen Mall | 19,125 | 19,078 | 0.2 | 3,845 | 3,809 | 0.9 |
| Zhengzhou Mall | 11,930 | 11,875 | 0.5 | 2,399 | 2,371 | 1.2 |
| Jiulong Mall | 10,037 | 10,267 | (2.2) | 2,019 | 2,050 | (1.5) |
| Jinyu Mall | 6,753 | 5,250 | 28.6 | 1,358 | 1,048 | 29.6 |
| Xinwu Mall | 3,981 | 5,473 | (27.3) | 799 | 1,092 | (26.9) |
| Qibao Mall | 13,918 | 17,522 | (20.6) | 2,788 | 3,498 | (20.3) |
| Gross Revenue | 94,628 | 99,987 | (5.4) | 19,013 | 19,961 | (4.8) |

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9(iv) Breakdown of Net Property Income

| | Actual 3Q 2007 RMB'000 | Forecast 3Q 2007 RMB'000 | % Change | Actual 3Q 2007 S\$'000 | Forecast 3Q 2007 S\$'000 | % Change |
|----------------------------|---------------------------------------|---|---------------------|---------------------------------------|---|---------------------|
| Wangjing Mall | 20,598 | 20,643 | (0.2) | 4,143 | 4,121 | 0.5 |
| Anzhen Mall | 15,834 | 15,775 | 0.4 | 3,184 | 3,149 | 1.1 |
| Zhengzhou Mall | 9,735 | 9,282 | 4.9 | 1,958 | 1,853 | 5.7 |
| Jiulong Mall | 6,966 | 8,489 | (17.9) | 1,404 | 1,694 | (17.2) |
| Jinyu Mall | 4,944 | 4,057 | 21.9 | 996 | 810 | 23.0 |
| Xinwu Mall | 579 | 2,119 | (72.7) | 115 | 423 | (72.8) |
| Qibao Mall | (274) | 4,378 | N.M. | (60) | 874 | N.M. |
| Net Property Income | 58,382 | 64,743 | (9.8) | 11,740 | 12,924 | (9.2) |

N.M. – not meaningful

9(v) Review of the Performance

- (a) Overall, income for distribution to Unitholders was \$8.2 million, which is \$0.7 million or 9.0% higher than the forecast for the same period.
- (b) Gross revenue for 3Q 2007 was \$19.0 million, which is \$0.9 million or 4.7% lower than the forecast for the same period. This was mainly due to lower revenue in Qibao Mall, Xinwu Mall and Wangjing Mall. At Qibao Mall, the lower revenue was due to delays in commencement of leases in the upper floors of Qibao Mall. To achieve the right mix of tenancy and rental rate, the Management is taking a longer time to sign on new leases. This will allow Qibao Mall to attain a more sustainable longer term yield and the revenue is expected to improve within six to nine months. At Xinwu Mall, the lower revenue was mainly due to downtime resulting from the asset enhancement works on level one.
- At Wangjing Mall, revenue was lower mainly due to some delay in commencement of leases and downtime from a few pre-termination of leases to achieve a better trade mix at the mall. In 3Q 2007, the Management has signed up new leases and Wangjing Mall has achieved an occupancy rate of 99.4%. At Jinyu Mall, revenue was higher than the forecast for the same period mainly due to delay in commencement of assets enhancement work.
- (c) Property operating expenses for the period was \$7.3 million, which is \$0.2 million or 3.4% higher compared with the forecast for the same period. The main reasons were higher marketing expenses in Wangjing Mall and Qibao Mall and provision for doubtful debt in Jiulong Mall. These were partially offset by write-back of property tax for Wangjing Mall as the property title was not transferred as at 30 September 2007, lower property tax assessed for Zhengzhou, Jiulong and Jinyu Malls and utilities savings at Qibao Mall.
- (d) An interest income of \$0.4 million was earned from surplus funds at the trust level.
- (e) Finance cost was \$1.8 million, which is \$0.9 million or 32.8% lower compared with the forecast for the same period. This was mainly due to interest savings arising from a two-year non-deliverable cross-currency interest rate swap (“NDS”) that CRCT has entered into in respect of its US\$105.0 million unsecured two-year term loan facility.
- (f) The application of FRS39 on the NDS resulted in fair value loss of \$2.0 million in 3Q 2007. In accordance to the distribution model detailed in the prospectus, distribution income will be adjusted for any change in fair value relating to financial instruments.
- (g) Taxation for the period was \$16.7 million, which is \$15.0 million higher than the forecast for the same period. This was mainly due to deferred tax liabilities of \$15.2 million in relation to fair value in investment properties, which has no impact on the distribution of the trust. If such deferred tax liabilities were excluded, the taxation for the period would have been \$1.5 million, which is lower than the forecast by 8.9%.

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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

Looking ahead in 2007 and 1H 2008 (i.e. pre-Olympics 2008), the outlook for retail property sector in Beijing remains robust. Overall fixed rentals of prime retail will remain stable with mild increases, subject to the quality of supply, catchment location, and increasingly the quality and brand of shopping centre management. It is anticipated that landlords of several prime modern shopping centres will enjoy higher rental income given buoyant retail sales that underpins their turnover rental.

Shanghai retail property sector outlook

Till the end of 2007, demand in the retail market is expected to remain robust. Luxury and fast-fashion retailers are expected to be the main segments looking for space in prime locations. Demand is also expected to come from international accessories shops. Family-oriented, food & beverages and entertainment tenants would probably choose suburban malls for their expansion.

Increases in retail supply in prime Central Business District areas are expected into 2008 as more projects are repositioned and upgraded. With Shanghai's baking summers and freezing winters, local shoppers are quickly changing their preference to the enclosed shopping environment found in large shopping malls. Plans are afoot for up to 10 new retail centres to come online within the next three years.

China retail sales outlook

According to China's National Bureau of Statistics, China's retail sales in August 2007 posted the strongest growth in more than three years bolstered by rising incomes, stock market gains and a decade-high inflation. Sales climbed 17.1% to RMB 711.7 billion (US\$94.55 billion) in August 2007 after rising 16.4% in July. The pace of growth was the fastest since May 2004.

Growth in retail sales is expected to remain strong, supported by the positive wealth effects from the stock market boom, as well as the rise in minimum wage and reduced taxes. State Information Centre, a research unit of the National Development and Reform Commission estimated that annual retail sales may jump 15.8% to RMB 8.85 trillion for the entire 2007.

Outlook for 2007

The Manager is confident of achieving the projected distribution of 6.13 cents as stated in the Prospectus.

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 distributions declared for the corresponding period of the immediate preceding financial period? No

11(c) Date payable : N.A.

11(d) Book closure date : N.A.

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

N.A.

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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 September 2007, 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
23 October 2007