

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

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Summary of CRCT Results

	1Q 2016	1Q 2015	Change %
	Actual S\$'000	Actual S\$'000	
Gross Revenue	55,566	54,542	1.9
Net Property Income	36,692	34,548	6.2
Income available for distribution	23,185	22,181	4.5
Distribution Per Unit ("DPU") (cents)			
For the period	2.71	2.64	2.7
Annualised	10.90	10.71	1.8

	1Q 2016	1Q 2015	Change %
	Actual RMB'000	Actual RMB'000	
Gross Revenue	256,528	250,354	2.5
Net Property Income	169,394	158,578	6.8

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INTRODUCTION

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

CRCT is a Singapore-based real estate investment trust (“REIT”) constituted with the investment objective of investing on a long term basis in real estate used primarily for retail purposes and located primarily in China, Hong Kong and Macau.

As at 31 March 2016, CRCT owns and invests in a portfolio of ten shopping malls located in six of China’s cities. The properties are CapitaMall Xizhimen, CapitaMall Wangjing, CapitaMall Grand Canyon, CapitaMall Shuangjing and CapitaMall Anzhen in Beijing; CapitaMall Qibao in Shanghai; CapitaMall Erqi in Zhengzhou; CapitaMall Saihan in Huhhot; CapitaMall Minzhongleyuan in Wuhan; and CapitaMall Wuhu in Wuhu in which CRCT has a 51% interest.

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

	Group		
	1Q 2016 S\$'000	1Q 2015 S\$'000	% Change
Gross rental income	52,299	51,724	1.1
Other income ¹	3,267	2,818	15.9
Gross revenue	55,566	54,542	1.9
Land rental	(1,601)	(1,542)	3.8
Property related tax ²	(2,969)	(4,312)	(31.1)
Business tax	(3,083)	(3,074)	0.3
Property management fees ³	(3,142)	(3,026)	3.8
Other property operating expenses ⁴	(8,079)	(8,040)	0.5
Total property operating expenses	(18,874)	(19,994)	(5.6)
Net property income	36,692	34,548	6.2
Manager's management fees – Base fee	(1,530)	(1,468)	4.2
Manager's management fees – Performance fee	(1,474)	(1,382)	6.7
Trustee's fees	(98)	(99)	(1.0)
Audit fees	(114)	(136)	(16.2)
Valuation fees	(46)	(52)	(11.5)
Other trust operating expenses ⁵	(370)	(1,017)	(63.6)
Finance income	351	22	N.M.
Foreign exchange (loss)/gain – realised ⁶	(258)	921	N.M.
Finance costs	(5,252)	(5,021)	4.6
Total return before change in unrealised foreign exchange (loss)/gain	27,901	26,316	6.0
Foreign exchange loss – unrealised	(93)	(151)	(38.4)
Total return before taxation	27,808	26,165	6.3
Taxation	(7,907)	(8,043)	(1.7)
Total return for the period after taxation	19,901	18,122	9.8
Attributable to:			
Unitholders	20,364	18,965	7.4
Non-controlling interest ("NCI")	(463)	(843)	(45.1)
Total return for the period after taxation	19,901	18,122	9.8

Footnotes:

1. Other income comprises mainly income earned from atrium space, trolley carts and advertisement panels.
2. Includes additional provision in CapitaMall Wuhu due to the change in the property tax basis imposed by the local tax authority in 1Q 2015.
3. Includes reimbursement of costs to property manager for centralised services provided.
4. Includes as part of the other property operating expenses were items in the table below.

	Group		
	1Q 2016 S\$'000	1Q 2015 S\$'000	% Change
Depreciation and amortisation	(594)	(686)	(13.4)
Impairment losses on trade receivables, net	(56)	-	N.M.
Plant and equipment written off	(8)	(2)	N.M.

5. Includes provision of additional expenses arising from the acquisition of CapitaMall Grand Canyon in 1Q 2015.
6. Includes realised foreign exchange loss on the repayment of shareholder's loans interest denominated in United States dollars.

N.M. – not meaningful

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

	Group		
	1Q 2016 S\$'000	1Q 2015 S\$'000	% Change
Total return for the period attributable to Unitholders before distribution	20,364	18,965	7.4
Distribution adjustments (Note A)	2,821	3,216	(12.3)
Income available for distribution to Unitholders	23,185	22,181	4.5
Comprises :			
- from operations	1,451	2,390	(39.3)
- from Unitholders' contribution	21,734	19,791	9.8
	23,185	22,181	4.5
Note A			
Distribution adjustments			
- Manager's management fees (performance component payable in units)	1,474	1,382	6.7
- Deferred taxation ¹	2,069	2,507	(17.5)
- Transfer to general reserve	(1,191)	(1,353)	(12.0)
- Unrealised foreign exchange gain ¹	(115)	(8)	N.M.
- Other adjustments ¹	584	688	(15.1)
Net effect of distribution adjustments	2,821	3,216	(12.3)

N.M. – not meaningful

Footnote:

1. Excludes non-controlling interest's share.

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1(b)(i) Statement of financial position as at 31 Mar 2016 vs 31 Dec 2015

	Group			Trust		
	31 Mar 2016 S\$'000	31 Dec 2015 S\$'000	% Change	31 Mar 2016 S\$'000	31 Dec 2015 S\$'000	% Change
Assets						
Investment properties	2,350,338	2,412,626	(2.6)	-	-	-
Plant and equipment ¹	5,175	5,913	(12.5)	-	-	-
Interests in subsidiaries	-	-	-	1,128,764	1,125,068	0.3
Trade and other receivables	13,340	12,813	4.1	269	23,012	(98.8)
Financial derivatives ²	11,790	12,630	(6.7)	11,790	12,630	(6.7)
Cash and cash equivalents ³	98,937	126,322	(21.7)	446	369	20.9
Total assets	2,479,580	2,570,304	(3.5)	1,141,269	1,161,079	(1.7)
Less						
Liabilities						
Trade and other payables	43,335	59,519	(27.2)	4,871	4,687	3.9
Security deposits	42,082	43,348	(2.9)	-	-	-
Interest-bearing borrowings ⁴	707,765	706,006	0.2	641,146	626,417	2.4
Deferred tax liabilities	230,499	236,767	(2.6)	-	-	-
Financial derivatives ²	1,965	7,157	(72.5)	1,965	7,157	(72.5)
Provision for taxation	2,260	2,441	(7.4)	4	4	-
Total liabilities	1,027,906	1,055,238	(2.6)	647,986	638,265	1.5
Net assets	1,451,674	1,515,066	(4.2)	493,283	522,814	(5.6)
Represented by:						
Unitholders' funds	1,428,658	1,490,820	(4.2)	493,283	522,814	(5.6)
Non-controlling interest	23,016	24,246	(5.1)	-	-	-
	1,451,674	1,515,066	(4.2)	493,283	522,814	(5.6)

Footnotes:

- The plant and equipment is net of depreciation.*
- The financial derivative assets and financial derivative liabilities relate to the fair value of the non-deliverable forwards ("NDF") and interest rate swaps ("IRS"). The NDF are designated to hedge the currency exposure on the non-RMB denominated loans and the IRS are designated to hedge the variable rate borrowings.*
- The decrease was mainly due to the repayment of CapitaMall Grand Canyon's RMB denominated interest-bearing borrowing and and distribution payment to Unitholders at Trust level.*
- The interest-bearing borrowings comprise (i) unsecured term loan facilities of \$642.6 million drawn down by the Trust to partially finance the acquisition of the properties in CRCT and to utilise as working capital and (ii) RMB secured term loan facility of RMB310 million (\$66.6 million) to finance CapitaMall Grand Canyon, net of transaction costs of \$1.5 million.*

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

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

	Group		Trust	
	31 Mar 2016 S\$'000	31 Dec 2015 S\$'000	31 Mar 2016 S\$'000	31 Dec 2015 S\$'000
Unsecured borrowings				
- Amount repayable within one year	92,100	177,000	92,100	177,000
- Amount repayable after one year	550,503	450,503	550,503	450,503
Secured borrowings				
- Amount repayable within one year	5,373	5,528	-	-
- Amount repayable after one year	61,246	74,061	-	-
	709,222	707,092	642,603	627,503
Less: Transaction costs in relation to the unsecured term loan facilities	(1,457)	(1,086)	(1,457)	(1,086)
	707,765	706,006	641,146	626,417

Details of any collateral

CapitaMall Grand Canyon was acquired with a legal mortgage in favour of the lender over the property.

1(c)(i) Status on the use of proceeds raised from any offerings pursuant to Chapter 8 and whether the use of proceeds is in accordance with the stated use

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

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

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

	Group	
	1Q 2016 S\$'000	1Q 2015 S\$'000
Operating activities		
Total return after taxation	19,901	18,122
Adjustments for:		
Finance income	(351)	(22)
Finance costs	5,252	5,021
Depreciation and amortisation	594	686
Taxation	7,907	8,043
Manager's management fees payable in units	1,474	1,382
Plant and equipment written off	8	2
Impairment losses on trade receivables, net	56	-
Operating income before working capital changes	34,841	33,234
Changes in working capital:		
Trade and other receivables	291	(4,998)
Trade and other payables	(12,062)	(2,378)
Cash generated from operating activities	23,070	25,858
Income tax paid	(3,933)	(5,172)
Net cash from operating activities	19,137	20,686
Investing activities		
Interest received	302	22
Capital expenditure on investment properties	(8,864)	(3,389)
Purchase of plant and equipment	(41)	(686)
Net cash used in investing activities	(8,603)	(4,053)
Financing activities		
Distribution to Unitholders ¹	(28,668)	(23,051)
Payment of equity issue expenses	(14)	-
Payment of financing expenses	(500)	(400)
Proceeds from bank loans	109,600	117,700
Repayment of bank loans	(105,245)	(108,020)
Settlement of derivative contracts	(4,565)	(7,694)
Interest paid	(5,026)	(4,824)
Net cash used in financing activities	(34,418)	(26,289)
Decrease in cash and cash equivalents	(23,884)	(9,656)
Cash and cash equivalents at beginning of period	126,322	86,626
Effect on exchange rate changes on cash balances	(3,501)	2,085
Cash and cash equivalents at end of period	98,937	79,055

Footnote:

- Distribution made to unitholders in 1Q 2016 was for the period from 1 July 2015 to 31 December 2015 which was paid in March 2016.
Distribution made to unitholders in 1Q 2015 was for the period from 1 July 2014 to 31 December 2014 which was paid in March 2015.*

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

	Group		Trust	
	1Q 2016 S\$'000	1Q 2015 S\$'000	1Q 2016 S\$'000	1Q 2015 S\$'000
Unitholders' funds as at beginning of period	1,490,820	1,349,738	522,814	514,680
Operations				
Change in Unitholders' funds resulting from operations before distribution	20,364	18,965	4,388	11,737
Transfer to general reserve	(1,191)	(1,353)	-	-
Net increase in net assets resulting from operations	19,173	17,612	4,388	11,737
Movements in hedging reserve				
Effective portion of changes in fair value of cash flow hedges	(6,725)	3,047	(6,725)	3,047
Movement in foreign currency translation reserve				
Translation differences from financial statements of foreign operations	(45,934)	29,755	-	-
Exchange differences on monetary items forming part of net investment in foreign operations	(9,187)	15,941	-	-
Exchange differences on hedges of net investment in foreign operations	6,514	(10,595)	-	-
Net (loss)/gain recognised directly in Unitholders' funds	(55,332)	38,148	(6,725)	3,047
Movement in general reserve	1,191	1,353	-	-
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	1,474	1,382	1,474	1,382
Units issued in respect of the distribution reinvestment plan	15,434	16,947	15,434	16,947
Distribution to Unitholders ¹	(44,102)	(39,998)	(44,102)	(39,998)
Net decrease in net assets resulting from Unitholders' transactions	(27,194)	(21,669)	(27,194)	(21,669)
Unitholders' funds at end of period	1,428,658	1,385,182	493,283	507,795

Footnote:

- Distribution made to unitholders in 1Q 2016 was for the period from 1 July 2015 to 31 December 2015 which was paid in March 2016.
Distribution made to unitholders in 1Q 2015 was for the period from 1 July 2014 to 31 December 2014 which was paid in March 2015.*

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

	Trust	
	1Q 2016 Units	1Q 2015 Units
Balance as at beginning of period	843,256,155	828,117,704
New units issued:		
- As payment of manager's management fees ¹	945,766	844,273
- As payment of distribution through distribution reinvestment plan	11,094,216	10,220,054
Issued units as at end of period	855,296,137	839,182,031
New units to be issued:		
- As payment of manager's management fees ²	1,022,533	860,414
Total issued and issuable units as at end of period	856,318,670	840,042,445

Footnotes:

1. These were the performance component of the manager's management fees for 4Q 2015 and 4Q 2014 which were issued in March 2016 and March 2015 respectively.
2. These were the performance component of the manager's management fees for 1Q 2016 which will be issued in 1Q 2017 and for 1Q 2015 which was issued in 2Q 2015.

2 Whether the figures have been audited, or reviewed and in accordance with which standard (eg. the Singapore Standard on Auditing 910 (Engagement to Review Financial Statements), or an equivalent standard)

The figures have not been audited nor reviewed by our auditors.

3 Where the figures have been audited or reviewed, the auditor's report (including any qualifications or emphasis of matter)

Not applicable.

4 Whether the same accounting policies and methods of computation as in the issuer's most recent audited annual financial statements have been complied

The Group has applied the same accounting policies and methods of computation in the financial statements for the current reporting period as that of the audited financial statements for the year ended 31 December 2015, except for the adoption of revised Financial Accounting Standards ("FRS") (including its consequential amendments) and interpretations effective for the financial period beginning 1 January 2016 as follows:

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

The Group does not expect any significant financial impact on its financial position or performance from the adoption of these amendments to FRS.

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

Please refer to item 4 above.

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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	
	1Q 2016	1Q 2015
Weighted average number of units in issue	843,565,988	828,704,426
Earnings per unit (“EPU”)¹		
Based on weighted average number of units in issue	2.41¢	2.29¢
Based on fully diluted basis	2.41¢	2.29¢
Number of units in issue at end of period	855,296,137	839,182,031
Distribution per unit (“DPU”)		
Based on the number of units in issue at end of period	2.71¢	2.64¢

Footnote:

1. EPU is calculated based on total return after taxation and non-controlling interest.

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	
	31 Mar 2016	31 Dec 2015	31 Mar 2016	31 Dec 2015
NAV/NTA per unit	\$1.67	\$1.77	\$0.58	\$0.62
Adjusted NAV per unit (excluding distributable income)	\$1.64	\$1.72	\$0.55	\$0.57

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8 Review of the performance

8(i) Breakdown of Gross Revenue – Actual

	1Q 2016 RMB'000	1Q 2015 RMB'000	% Change	1Q 2016 S\$'000	1Q 2015 S\$'000	% Change
<u>Multi-Tenanted Malls</u>						
CapitaMall Xizhimen	68,396	66,973	2.1	14,815	14,591	1.5
CapitaMall Wangjing	57,015	54,481	4.7	12,350	11,869	4.1
CapitaMall Grand Canyon	36,324	35,632	1.9	7,868	7,763	1.4
CapitaMall Qibao	26,418	24,518	7.7	5,722	5,341	7.1
CapitaMall Saihan	16,645	15,198	9.5	3,606	3,311	8.9
Subtotal	204,798	196,802	4.1	44,361	42,875	3.5
<u>Malls under Stabilisation</u>						
CapitaMall Minzhongleyuan ¹	4,145	3,638	13.9	898	792	13.4
CapitaMall Wuhu ²	2,467	5,268	(53.2)	535	1,148	(53.4)
Total	211,410	205,708	2.8	45,794	44,815	2.2
<u>Master-Leased Malls</u>						
CapitaMall Anzhen	20,712	20,507	1.0	4,486	4,468	0.4
CapitaMall Erqi	12,858	12,730	1.0	2,785	2,773	0.4
CapitaMall Shuangjing	11,548	11,409	1.2	2,501	2,486	0.6
Total	45,118	44,646	1.1	9,772	9,727	0.5
Total Gross Revenue	256,528	250,354	2.5	55,566	54,542	1.9

8(ii) Breakdown of Net Property Income – Actual

	1Q 2016 RMB'000	1Q 2015 RMB'000	% Change	1Q 2016 S\$'000	1Q 2015 S\$'000	% Change
<u>Multi-Tenanted Malls</u>						
CapitaMall Xizhimen	47,790	47,409	0.8	10,352	10,328	0.2
CapitaMall Wangjing	42,533	41,086	3.5	9,213	8,951	2.9
CapitaMall Grand Canyon	23,810	22,374	6.4	5,157	4,875	5.8
CapitaMall Qibao	12,280	11,171	9.9	2,660	2,434	9.3
CapitaMall Saihan	9,019	8,516	5.9	1,954	1,855	5.3
Subtotal	135,432	130,556	3.7	29,336	28,443	3.1
<u>Malls under Stabilisation</u>						
CapitaMall Minzhongleyuan ¹	(1,120)	(2,289)	51.1	(243)	(499)	51.3
CapitaMall Wuhu ²	(1,528)	(5,776)	(73.5)	(331)	(1,258)	(73.7)
Total	132,784	122,491	8.4	28,762	26,686	7.8
<u>Master-Leased Malls</u>						
CapitaMall Anzhen	17,023	16,827	1.2	3,687	3,666	0.6
CapitaMall Erqi	10,280	10,048	2.3	2,227	2,189	1.7
CapitaMall Shuangjing	9,307	9,212	1.0	2,016	2,007	0.4
Total	36,610	36,087	1.4	7,930	7,862	0.9
Total Net Property Income	169,394	158,578	6.8	36,692	34,548	6.2

N.M. – not meaningful

Footnotes:

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

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1Q 2016 vs 1Q 2015

In RMB terms, gross revenue increased by RMB6.2 million, or 2.5% higher than 1Q 2015. This was mainly due to rental growth from the multi-tenanted malls, which was offset by lower revenue at CapitaMall Wuhu due to lower occupancy rate as the mall is undergoing tenancy adjustments. In SGD terms, gross revenue for 1Q 2016 increased by \$1.0 million, or 1.9% compared to 1Q 2015 mainly due to a weaker RMB against SGD.

Property expenses for 1Q 2016 decreased by \$1.1 million, or 5.6% compared to 1Q 2015. This was mainly due to additional property tax incurred in CapitaMall Wuhu due to the change in tax computation basis imposed by the local authority in 1Q 2015.

Management fees payable to the manager were 5.4% higher than 1Q 2015, as net property income and deposited properties were higher.

Finance income earned in 1Q 2016 was \$0.3 million higher than 1Q 2015 due to gain from IRS which were hedged against the variable rate borrowings.

Finance costs in 1Q 2016 increased by \$0.2 million as compared to 1Q 2015. This was mainly due to additional loans being drawn down at Trust level for distribution payment to Unitholders.

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 FY 2015, China's economy grew 6.9% year-on-year to RMB67.7 trillion. Employment remained stable with 13.2 million new urban jobs created. For the first two months of 2016, retail sales increased 10.2% year-on-year to RMB5.3 trillion. (Source: National Bureau of Statistics of China)

The Chinese government has set their growth target for 2016 to be 6.5% to 7.0% during the National People's Congress meeting in March 2016. The focus of the Chinese government for the coming years will be to deepen reforms, to encourage innovation to drive new growth engines and to improve living standards through the creation of new jobs and ensuring personal income growth.

Despite mounting downward pressure on China's economic growth, it has made progress with its reforms efforts. In 2015, consumption contributed 66.4% to its growth and service sector accounted for 50.5% of its GDP. (Source: The National People's Congress of the People's Republic of China)

CRCT is well positioned to benefit from China's transition to a consumption-driven economy. We will continue with our disciplined approach to look for suitable opportunities to expand our market presence.

Beijing Retail Market Update

In FY 2015, Beijing's GDP and retail sales grew 6.9% and 7.3% year-on-year respectively. For the same period, urban disposable income and expenditure per capita increased 8.9% and 8.7% respectively. For the first two months of 2016, retail sales increased 1.0% year-on-year to RMB161.7 billion.

No new retail supply entered the market in 4Q 2015. Average ground floor fixed rent in mid- to high-end retail malls increased marginally by 0.2% quarter-on-quarter. It is driven by the rental growth in prime submarkets, which have strong shopper traffic, subway access and located in matured neighbourhoods. Leasing demand from food and beverage (F&B) and children-related trade categories remained strong as they continued to expand in emerging areas.

Six new retail projects with total GFA of around 730,000 sqm are scheduled to enter the market in 2016. All the new supply will be located in emerging areas with high pre-committed occupancy rates, therefore it is not expected to cause a large fluctuation in the city's average vacancy rate in the short-term. (Sources: Beijing Municipal Bureau of Statistics and Colliers International)

Shanghai Retail Market Update

In FY 2015, Shanghai's GDP and retail sales grew 6.9% and 8.1% year-on-year respectively. For the same period, urban disposable income and expenditure per capita increased 8.4% and 5.0% respectively. From January to February 2016, retail sales grew 7.0% year-on-year to RMB170.2 billion.

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Four new shopping malls with approximately 366,000 sqm opened in 4Q 2015. The below-average rents at the new supply caused the average ground floor fixed rent in mid- to high-end malls to drop 2.1% quarter-on-quarter. Excluding the new supply, the city's average rent increased marginally by 0.3% quarter-on-quarter. In the demand sector, fashion and lifestyle brands continued to expand actively.

For 2016, 11 new projects with nearly 936,000 sqm of retail GFA are scheduled to open. New supply is predominately located in emerging areas and is expected to cause a drop in the city's average ground floor rent. (Sources: Shanghai Municipal Bureau of Statistics and Colliers International)

Wuhan Retail Market Update

In FY 2015, Wuhan's GDP and retail sales increased 8.8% and 11.6% year-on-year respectively. For the same period, urban disposable income grew 9.5% year-on-year.

One new project with GFA of 136,000 sqm opened in 4Q 2015, causing the city's average ground floor rent in mid- to high-end retail malls to drop 3.4% quarter-on-quarter. Excluding the new supply, rental remained largely unchanged. Demand from fashion, F&B and entertainment sectors continued to be strong. In 4Q 2015, several international fashion retailers and popular F&B brands, such as Nanjing Impressions and Victoria's Secret entered the market for the first time.

Seven new projects with GFA of approximately 626,900 sqm are scheduled to launch in 2016. Though experienced developers operate majority of the new projects, it is expected that they will have a drag on the city's average rent and cause overall vacancy rate to go up. (Sources: Wuhan Municipal Bureau of Statistics and Colliers International)

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 : 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.

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14 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 31 March 2016, statement of total return and distribution statement, statement of cash flow and statement of movements in Unitholders' funds for the quarter ended on that date), together with their accompanying notes, to be false or misleading, in any material respect.

On behalf of the Board of the Manager

Mr Ng Kok Siong
Director

Mr Tan Tee Hieong
Chief Executive Officer / Director

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

BY ORDER OF THE BOARD
CAPITALAND RETAIL CHINA TRUST MANAGEMENT LIMITED
(Company registration no. 200611176D)
(as Manager of CapitalLand Retail China Trust)

Lee Ju Lin, Audrey
Company Secretary
13 April 2016