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

TABLE OF CONTENTS

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

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

Summary of CRCT Results

	1Q 2017¹	1Q 2016	
	Actual S\$'000	Actual S\$'000	Change %
Gross Revenue ²	60,101	55,566	8.2
Net Property Income ²	40,303	36,692	9.8
Income available for distribution	24,355	23,185	5.0
Distribution Per Unit ("DPU") (cents)			
For the period	2.74	2.71	1.1
Annualised	11.11	10.90	1.9

	1Q 2017¹	1Q 2016	
	Actual RMB'000	Actual RMB'000	Change %
Gross Revenue	290,865	256,528	13.4
Net Property Income	194,896	169,394	15.1

Footnotes:

1. Includes contribution from CapitaMall Xinnan which was acquired on 30 September 2016.

2. Average exchange rate for RMB/SGD.

1Q 2017	1Q 2016	Change %
0.207	0.217	(4.6)

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

INTRODUCTION

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

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

As at 31 March 2017, CRCT owns and invests in a portfolio of 11 shopping malls located in seven China’s cities. The properties are CapitaMall Xizhimen, CapitaMall Wangjing, CapitaMall Grand Canyon, CapitaMall Shuangjing and CapitaMall Anzhen in Beijing; CapitaMall Xinnan in Chengdu; CapitaMall Qibao in Shanghai; CapitaMall Erqi in Zhengzhou; CapitaMall Saihan in Huhhot; CapitaMall Minzhongleyuan in Wuhan; and CapitaMall Wuhu in Wuhu in which CRCT has a 51% interest.

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

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

	Group		
	1Q 2017 ¹ S\$'000	1Q 2016 S\$'000	% Change
Gross rental income	56,473	52,299	8.0
Other income ²	3,628	3,267	11.0
Gross revenue	60,101	55,566	8.2
Land rental	(1,510)	(1,601)	(5.7)
Property related tax ³	(6,215)	(2,969)	N.M.
Business tax ⁴	(344)	(3,083)	(88.8)
Property management fees ⁵	(3,654)	(3,142)	16.3
Other property operating expenses ⁶	(8,075)	(8,079)	(0.0)
Total property operating expenses	(19,798)	(18,874)	4.9
Net property income	40,303	36,692	9.8
Manager's management fees – Base fee	(1,871)	(1,530)	22.3
Manager's management fees – Performance fee	(1,572)	(1,474)	6.6
Trustee's fees	(106)	(98)	8.2
Audit fees	(110)	(114)	(3.5)
Valuation fees	(49)	(46)	6.5
Other trust operating expenses	(385)	(370)	4.1
Finance income ⁷	47	351	(86.6)
Foreign exchange loss – realised ⁸	(49)	(258)	(81.0)
Finance costs	(6,013)	(5,252)	14.5
Total return before changes in fair value of financial derivatives, investment properties and unrealised foreign exchange loss	30,195	27,901	8.2
Foreign exchange gain/(loss) – unrealised	130	(93)	N.M.
Total return before taxation	30,325	27,808	9.1
Taxation	(9,450)	(7,907)	19.5
Total return for the period after taxation	20,875	19,901	4.9
Attributable to:			
Unitholders	21,080	20,364	3.5
Non-controlling interest	(205)	(463)	(55.7)
Total return for the period after taxation	20,875	19,901	4.9

Footnotes:

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

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

	Group		
	1Q 2017¹	1Q 2016	%
	S\$'000	S\$'000	Change
Depreciation and amortisation	(490)	(594)	(17.5)
Impairment losses on trade receivables, net	-	(56)	N.M.
Plant and equipment written off	(2)	(8)	(75.0)

7. Finance income relates mainly to gain on interest rate swaps ("IRS") and interest from bank deposits placed with financial institutions.
8. Realised foreign exchange loss relates to the repayment of the USD denominated shareholder's loans interest and receipt of RMB denominated dividends.

N.M. – not meaningful

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

	Group		
	1Q 2017¹	1Q 2016	%
	S\$'000	S\$'000	Change
Total return for the period attributable to Unitholders before distribution	21,080	20,364	3.5
Distribution adjustments (Note A)	3,275	2,821	16.1
Income available for distribution to Unitholders	24,355	23,185	5.0
Comprises:			
- from operations	(2,683)	1,451	N.M.
- from Unitholders' contribution	27,038	21,734	24.4
	24,355	23,185	5.0
Note A			
Distribution adjustments			
- Manager's management fees (performance component payable in units)	1,572	1,474	6.6
- Deferred taxation ²	2,957	2,069	42.9
- Transfer to general reserve	(1,613)	(1,191)	35.4
- Unrealised foreign exchange loss ²	(118)	(115)	2.6
- Other adjustments ²	477	584	(18.3)
Net effect of distribution adjustments	3,275	2,821	16.1

N.M. – not meaningful

Footnote:

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

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

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

	Group			Trust		
	31 Mar 2017 S\$'000	31 Dec 2016 S\$'000	% Change	31 Mar 2017 S\$'000	31 Dec 2016 S\$'000	% Change
Assets						
Investment properties ¹	2,595,439	2,628,353	(1.3)	-	-	-
Plant and equipment ²	3,844	4,034	(4.7)	-	-	-
Interests in subsidiaries	-	-	-	1,411,342	1,416,194	(0.3)
Trade and other receivables	16,812	12,829	31.0	526	360	46.1
Financial derivatives ³	1,326	2,114	(37.3)	1,326	2,114	(37.3)
Cash and cash equivalents	131,383	136,137	(3.5)	622	1,661	(62.6)
Total assets	2,748,804	2,783,467	(1.2)	1,413,816	1,420,329	(0.5)
Less						
Liabilities						
Trade and other payables	46,786	64,527	(27.5)	6,045	9,387	(35.6)
Security deposits	48,995	48,769	0.5	-	-	-
Interest-bearing borrowings ⁴	988,152	977,751	1.1	947,320	918,808	3.1
Deferred tax liabilities	236,463	236,426	-	-	-	-
Financial derivatives ³	3,631	2,165	67.7	3,631	2,165	67.7
Provision for taxation	4,756	2,139	N.M.	-	-	-
Total liabilities	1,328,783	1,331,777	(0.2)	956,996	930,360	2.9
Net assets	1,420,021	1,451,690	(2.2)	456,820	489,969	(6.8)
Represented by:						
Unitholders' funds	1,400,670	1,431,811	(2.2)	456,820	489,969	(6.8)
Non-controlling interest	19,351	19,879	(2.7)	-	-	-
	1,420,021	1,451,690	(2.2)	456,820	489,969	(6.8)

Footnotes:

- The decrease in investment properties as of 31 March 2017 was mainly due to weaker RMB against SGD.*
- The decrease was due to depreciation of plant and equipment.*
- The financial derivative assets and financial derivative liabilities relate to the fair value of the non-deliverable forwards ("NDF") and IRS. The NDF are designated as hedges of the Group's net investment in certain subsidiaries in China and the IRS are designated to hedge the variable rate borrowings.*
- The interest-bearing borrowings comprise (i) unsecured term loan facilities of \$948.6 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 RMB200 million (\$40.8 million) to finance CapitaMall Grand Canyon, net of transaction costs of \$1.3 million.*

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

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

	Group		Trust	
	31 Mar 2017 S\$'000	31 Dec 2016 S\$'000	31 Mar 2017 S\$'000	31 Dec 2016 S\$'000
Unsecured borrowings				
- Amount repayable within one year	473,603	445,303	473,603	445,303
- Amount repayable after one year	475,000	475,000	475,000	475,000
Secured borrowings				
- Amount repayable within one year	5,104	5,170	-	-
- Amount repayable after one year	35,728	53,773	-	-
	989,435	979,246	948,603	920,303
Less: Transaction costs in relation to the unsecured term loan facilities	(1,283)	(1,495)	(1,283)	(1,495)
	988,152	977,751	947,320	918,808

Details of any collateral

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

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

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

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

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

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

	Group	
	1Q 2017 S\$'000	1Q 2016 S\$'000
Operating activities		
Total return after taxation	20,875	19,901
Adjustments for:		
Finance income	(47)	(351)
Finance costs	6,013	5,252
Depreciation and amortisation	490	594
Taxation	9,450	7,907
Manager's management fees payable in units	1,572	1,474
Plant and equipment written off	2	8
Impairment losses on trade receivables, net	-	56
Operating income before working capital changes	38,355	34,841
Changes in working capital:		
Trade and other receivables	(3,211)	291
Trade and other payables	(11,055)	(12,062)
Cash generated from operating activities	24,089	23,070
Income tax paid	(3,830)	(3,933)
Net cash from operating activities	20,259	19,137
Investing activities		
Interest received	47	302
Capital expenditure on investment properties	(3,847)	(8,864)
Net cash outflow on acquisition of subsidiaries	(3,510)	-
Purchase of plant and equipment	(653)	(41)
Net cash used in investing activities	(7,963)	(8,603)
Financing activities		
Distribution to Unitholders ¹	(20,542)	(28,668)
Payment of equity issue expenses	-	(14)
Payment of financing expenses	-	(500)
Proceeds from bank loans	29,800	109,600
Repayment of bank loans	(18,854)	(105,245)
Settlement of derivative contracts	-	(4,565)
Interest paid	(5,723)	(5,026)
Net cash used in financing activities	(15,319)	(34,418)
Decrease in cash and cash equivalents	(3,023)	(23,884)
Cash and cash equivalents at beginning of period	136,137	126,322
Effect on exchange rate changes on cash balances	(1,731)	(3,501)
Cash and cash equivalents at end of period	131,383	98,937

Footnote:

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

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

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

	Group		Trust	
	1Q 2017 S\$'000	1Q 2016 S\$'000	1Q 2017 S\$'000	1Q 2016 S\$'000
Unitholders' funds as at beginning of period	1,431,811	1,490,820	489,969	522,814
Operations				
Change in Unitholders' funds resulting from operations before distribution	21,080	20,364	(11,971)	4,388
Transfer to general reserve	(1,613)	(1,191)	-	-
Net increase/(decrease) in net assets resulting from operations	19,467	19,173	(11,971)	4,388
Movements in hedging reserve				
Effective portion of changes in fair value of cash flow hedges	(2,208)	(6,725)	(2,208)	(6,725)
Movement in foreign currency translation reserve				
Translation differences from financial statements of foreign operations	(11,812)	(45,934)	-	-
Exchange differences on monetary items forming part of net investment in foreign operations	(19,186)	(9,187)	-	-
Exchange differences on hedges of net investment in foreign operations	(45)	6,514	-	-
Net loss recognised directly in Unitholders' funds	(33,251)	(55,332)	(2,208)	(6,725)
Movement in general reserve	1,613	1,191	-	-
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	1,572	1,474	1,572	1,474
Units issued in respect of the distribution reinvestment plan	20,594	15,434	20,594	15,434
Distribution to Unitholders ¹	(41,136)	(44,102)	(41,136)	(44,102)
Net decrease in net assets resulting from Unitholders' transactions	(18,970)	(27,194)	(18,970)	(27,194)
Unitholders' funds at end of period	1,400,670	1,428,658	456,820	493,283

Footnote:

1. Distribution made to unitholders in 1Q 2017 was for the period from 1 July 2016 to 31 December 2016 which was paid in March 2017.
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.

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

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

	Trust	
	1Q 2017 Units	1Q 2016 Units
Balance as at beginning of period	869,679,633	843,256,155
New units issued:		
- As payment of manager's management fees ¹	4,177,316	945,766
- As payment of distribution through distribution reinvestment plan	14,888,722	11,094,216
Issued units as at end of period	888,745,671	855,296,137
New units to be issued:		
- As payment of manager's management fees ²	1,087,884	1,022,533
Total issued and issuable units as at end of period	889,833,555	856,318,670

Footnotes:

1. These were the performance component of the manager's management fees for 4Q 2016 and 4Q 2015 which were issued in March 2017 and March 2016 respectively.
2. These were the performance component of the manager's management fees for 1Q 2017 which will be issued in 1Q 2018 and for 1Q 2016 which was issued in March 2017.

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

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

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

Not applicable.

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

The Group has applied the same accounting policies and methods of computation in the financial statements for the current reporting period as that of the audited financial statements for the year ended 31 December 2016, except for the adoption of revised Financial Accounting Standards ("FRS") (including its consequential amendments) and interpretations effective for the financial period beginning 1 January 2017 as follows:

FRS 7 Statement of Cash Flows
FRS 12 Income Taxes

The Group does not expect any significant financial impact on its financial position or performance from 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.

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

6 Earnings per unit (“EPU”) and distribution per unit (“DPU”) for the financial period

	Group	
	1Q 2017	1Q 2016
Earnings per unit (“EPU”)		
Basic EPU ¹	2.42¢	2.41¢
Weighted average number of units in issue	872,349,099	843,554,751
Diluted EPU ²	2.41¢	2.41¢
Weighted average number of units outstanding	873,436,983	844,577,284
Number of units in issue at end of period	888,745,671	855,296,137
Distribution per unit (“DPU”)³		
Based on the number of units in issue at end of period	2.74¢	2.71¢

Footnote:

1. EPU is calculated based on total return after tax and non-controlling interest and weighted average number of units as at the end of each period/year.
2. Diluted EPU is calculated based on total return after tax and non-controlling interest and weighted average number of units outstanding during the period/year, adjusted for the effects of all dilutive potential units arising from issuance of estimated units for performance component of manager's management fees.
3. DPU is calculated based on the number of units as at the end of each period/year.

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 2017	31 Dec 2016	31 Mar 2017	31 Dec 2016
NAV/NTA per unit	\$1.58	\$1.65	\$0.51	\$0.56
Adjusted NAV per unit (excluding distributable income)	\$1.55	\$1.60	\$0.49	\$0.52

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

8 Review of the performance

8(i) Breakdown of Gross Revenue – Actual

	1Q 2017 ¹ RMB'000	1Q 2016 RMB'000	% Change	1Q 2017 ¹ S\$'000	1Q 2016 S\$'000	% Change
<u>Multi-Tenanted Malls</u>						
CapitaMall Xizhimen	71,612	68,396	4.7	14,797	14,815	(0.1)
CapitaMall Wangjing	57,139	57,015	0.2	11,807	12,350	(4.4)
CapitaMall Grand Canyon	36,484	36,324	0.4	7,539	7,868	(4.2)
CapitaMall Xinnan	32,184	-	N.M.	6,650	-	N.M.
CapitaMall Qibao	24,829	26,418	(6.0)	5,129	5,722	(10.4)
CapitaMall Saihan	15,963	16,645	(4.1)	3,299	3,606	(8.5)
Subtotal	238,211	204,798	16.3	49,221	44,361	11.0
<u>Malls under Stabilisation</u>						
CapitaMall Minzhongleyuan ²	6,999	4,145	68.9	1,446	898	61.0
CapitaMall Wuhu ³	2,080	2,467	(15.7)	430	535	(19.6)
Total multi-tenanted malls	247,290	211,410	17.0	51,097	45,794	11.6
<u>Master Leased Malls</u>						
CapitaMall Anzhen	19,923	20,712	(3.8)	4,117	4,486	(8.2)
CapitaMall Erqi	12,326	12,858	(4.1)	2,547	2,785	(8.5)
CapitaMall Shuangjing	11,326	11,548	(1.9)	2,340	2,501	(6.4)
Total master leased malls	43,575	45,118	(3.4)	9,004	9,772	(7.9)
Total Gross Revenue	290,865	256,528	13.4	60,101	55,566	8.2

8(ii) Breakdown of Net Property Income – Actual

	1Q 2017 ¹ RMB'000	1Q 2016 RMB'000	% Change	1Q 2017 ¹ S\$'000	1Q 2016 S\$'000	% Change
<u>Multi-Tenanted Malls</u>						
CapitaMall Xizhimen	49,576	47,790	3.7	10,258	10,352	(0.9)
CapitaMall Wangjing	40,656	42,533	(4.4)	8,410	9,213	(8.7)
CapitaMall Grand Canyon	24,352	23,810	2.3	5,042	5,157	(2.2)
CapitaMall Xinnan	23,393	-	N.M.	4,834	-	N.M.
CapitaMall Qibao	12,007	12,280	(2.2)	2,480	2,660	(6.8)
CapitaMall Saihan	9,551	9,019	5.9	1,974	1,954	1.0
Subtotal	159,535	135,432	17.8	32,998	29,336	12.5
<u>Malls under Stabilisation</u>						
CapitaMall Minzhongleyuan ²	985	(1,120)	N.M.	203	(243)	N.M.
CapitaMall Wuhu ³	(1,615)	(1,528)	(5.7)	(335)	(331)	(1.2)
Total multi-tenanted malls	158,905	132,784	19.7	32,866	28,762	14.3
<u>Master Leased Malls</u>						
CapitaMall Anzhen	16,405	17,023	(3.6)	3,390	3,687	(8.1)
CapitaMall Erqi	10,502	10,280	2.2	2,170	2,227	(2.6)
CapitaMall Shuangjing	9,084	9,307	(2.4)	1,877	2,016	(6.9)
Total master leased malls	35,991	36,610	(1.7)	7,437	7,930	(6.2)
Total Net Property Income	194,896	169,394	15.1	40,303	36,692	9.8

N.M. – not meaningful

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

Footnotes:

1. *Includes contribution from CapitaMall Xinnan which was acquired on 30 September 2016.*
2. *CapitaMall Minzhongleyuan is recovering from a 2-year road closure to facilitate the construction of a new metro line. On 28 December 2016, the road and the new metro Line 6 have reopened and commenced operations respectively.*
3. *CapitaMall Wuhu is currently undergoing tenancy adjustments to achieve optimal trade mix.*

1Q 2017 vs 1Q 2016

In RMB terms, gross revenue increased by RMB34.3 million, or 13.4% higher than 1Q 2016, mainly due to the new contribution from CapitaMall Xinnan which was acquired on 30 September 2016. This was partially offset by lower revenue from the existing malls due to the implementation of China VAT reform on 1 May 2016 where 5% VAT was netted off against gross revenue reported for 1Q 2017. CapitaMall Qibao's revenue was lower in 1Q 2017 due to weaker sales arising from the strong competitors in the vicinity whereas CapitaMall Wuhu continues to face challenges from the tenancy adjustments. In SGD terms, gross revenue for 1Q 2017 increased by \$4.5 million, or 8.2%. The increase is lower than that in RMB terms due to a weaker RMB against SGD.

Property expenses for 1Q 2017 increased by \$0.9 million, or 4.9% compared to 1Q 2016, mainly due to the additional property tax of \$2.7 million for malls in Beijing as a result of the change in tax basis by the local tax authority and higher property management fees of \$0.5 million mainly arising from the inclusion of CapitaMall Xinnan. This was partially offset by lower business tax which was replaced with VAT with effect from 1 May 2016 as these were netted off against gross revenue.

Management fees payable to the manager were 14.6% higher than 1Q 2016, due to higher net property income and deposited properties, arising from the inclusion of CapitaMall Xinnan.

Finance costs in 1Q 2017 increased by \$0.8 million as compared to 1Q 2016. This was mainly due to the additional loans being drawn down to finance the acquisition of CapitaMall Xinnan in 30 September 2016.

Taxation in 1Q 2017 increased by \$1.5 million as compared to 1Q 2016. The higher taxation arose from the inclusion of CapitaMall Xinnan.

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

CRCT has not disclosed any forecast to the market.

10 Commentary on the competitive conditions of the industry in which the Trust and its investees operates and any known factors or events that may affect the Trust and its investees in the next reporting period and the next 12 months

In the first quarter of 2017, China's GDP grew 6.9% year-on-year, higher than the target set by the Chinese government and market expectation. Retail sales increased 10.0% year-on-year. Urban disposable income and expenditure per capita grew 6.3% and 5.4% year-on-year respectively. (Source: National Bureau of Statistics of China)

In the annual National People's Congress & Chinese People's Political Consultative Conference meeting held in March 2017, various objectives were set by the Chinese government to achieve stable and sound economic development, as well as social harmony and stability. Key objectives include GDP growth of around 6.5%, 11 million new jobs and a cap of 4.5% for urban unemployment rate. In addition, the Chinese government reaffirmed its commitment to boost domestic consumption with a growth target of around 10.0% for retail sales in 2017.

CRCT is well-positioned to benefit from the increase in domestic consumption and continues to be on the lookout for suitable opportunities to expand our market presence.

Beijing Retail Market Update

In 1Q 2017, Beijing's GDP grew 6.9% year-on-year and retail sales increased 6.1% year-on-year. For the same period, urban disposable income and expenditure per capita grew 8.0% and 4.4% year-on-year respectively.

In 4Q 2016, five new malls with a total GFA of around 476,000 sq m were launched. They are located in the suburban areas of Fangshan, Fengtai and Daxing districts. The growing residential population in these districts is expected to fuel the rapid maturity of these new malls. Overall leasing demand in Beijing remained strong in 4Q 2016. Notable expansions by international retailers include Abercrombie & Fitch, Lululemon, Uniqlo and Forever 21. Leasing demand from domestic retailers was driven mainly by food and beverage (F&B) operators and martial arts training centres. City-wide occupancy increased by 0.1 percentage point to 95.0% and the non-prime sector continued to achieve strong rental growth of 1.9% quarter-on-quarter.

For 2017, Beijing is expected to welcome 14 new mid- to high-end shopping malls with a total GFA of 1.1 million sq m and around 80% of them will be located in non-prime and suburban areas. It is expected that international retailers will maintain their demand as they view Beijing as a key entry point to northern China and the more experienced retailers will continue to expand their footprint to the rapidly growing areas. (Sources: Beijing Municipal Bureau of Statistics and Savills)

Shanghai Retail Market Update

In 2016, Shanghai's GDP grew 6.8% year-on-year. For the same period, urban disposable income and expenditure per capita grew 8.9% and 7.9% year-on-year respectively. In addition, retail sales increased 7.6% year-on-year for the first two months of 2017.

Non-prime areas recorded only a slight increase in vacancy rate to 9.8% as at end 2016, despite the large amount of new supply in the market. The leasing demand at the new malls was strong, with many of them achieving more than 80% occupancy at opening. Demand was mainly driven by sports and fast fashion, F&B and children-related retailers.

In 2017, 17 new properties with a total GFA of 1.7 million sq m is expected to launch, 10% of which are in prime locations. Vacancy rates in non-prime areas are expected to remain stable while overall rental growth is expected to remain flat. (Sources: Shanghai Municipal Bureau of Statistics, Colliers International and Savills)

Chengdu Retail Market Update

In 2016, Chengdu's GDP and urban disposable income per capita grew 7.7% and 8.1% year-on-year respectively. Retail sales grew 10.8% year-on-year in the first two months of 2017.

In 4Q 2016, one new shopping mall with GFA of 370,000 sq m entered the market. The first-floor shopping mall rents in Chengdu increased 0.1% quarter-on-quarter and vacancy rate decreased 0.6 percentage points quarter-on-quarter to 5.7% for non-prime areas. The leasing demand was predominantly driven by entertainment, F&B and children-related retailers. In 2017, 22 new properties with a total GFA of 1.7 million sq m will be completed and ready to launch. (Sources: Chengdu Municipal Bureau of Statistics and Colliers International)

Wuhan Retail Market Update

In 2016, Wuhan's GDP grew 7.8% year-on-year, while urban disposable income increased 9.1%. Retail sales in the first two months of 2017 increased 9.5% year-on-year.

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

11 Distribution

11(a) Current Financial Period

Any distribution declared for the current financial period? 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

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

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

Not applicable.

13 If the Group has obtained a general mandate from Unitholders for Interested Person Transactions ("IPT"), the aggregate value of such transactions as required under Rule 920 (1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect

The Group has not obtained a general mandate from Unitholders for IPT.

14 Confirmation Pursuant to Rule 720(1) of the Listing Manual

The Manager confirms that It has procured undertakings from all its Directors and Executive Officers in the format set out in Appendix 7.7 of the Listing Manual of the Singapore Exchange Securities Limited (the "Listing Manual"), as required by Rule 720(1) of the Listing Manual.

15 Confirmation Pursuant to Rule 705(5) of the Listing Manual

To the best of our knowledge, nothing has come to the attention of the Board of Directors of the Manager which may render the unaudited interim financial results of the Group and Trust (comprising the statement of financial position as at 31 March 2017, 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 Tze Wooi
Chief Executive Officer / Director

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

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

Lee Ju Lin, Audrey
Company Secretary
21 April 2017