IMPORTANT NOTICE

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The attached document has been made available to you in electronic form. You are reminded that documents transmitted via this medium may be altered or changed during the process of transmission and consequently none of HSBC Institutional Trust Services (Singapore) Limited (in its capacity as trustee of CapitaLand Retail China Trust) (the "**Issuer**"), CapitaLand Retail China Trust Management Limited (the "**CRCT Manager**"), DBS Bank Ltd. nor any person who controls any of them nor any of their respective directors, officers, employees, representatives or affiliates accepts any liability or responsibility whatsoever in respect of any discrepancies between the document distributed to you in electronic format and the hard copy version.

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Except with respect to eligible investors in jurisdictions where such offer is permitted by law, nothing in this electronic transmission constitutes an offer or an invitation by or on behalf of any of the Issuer, the CRCT Manager or DBS Bank Ltd. to subscribe for or purchase any of the securities described therein, and access has been limited so that it shall not constitute in the United States or elsewhere a general solicitation or general advertising (as those terms are used in Regulation D under the Securities Act) or directed selling efforts (within the meaning of Regulation S under the Securities Act).

The attached information memorandum or any materials relating to the offering do not constitute, and may not be used in connection with, an offer or solicitation in any place where offers or solicitations are not permitted by law. If a jurisdiction requires that the offering be made by a licensed broker or dealer and the dealers or any affiliate of the dealers is a licensed broker or dealer in that jurisdiction, the offering shall be deemed to be made by the dealers or such affiliate on behalf of the Issuer in such jurisdiction. The attached information memorandum may only be communicated to persons in the United Kingdom in circumstances where section 21(1) of the Financial Services and Markets Act 2000 does not apply.

You are reminded that you have accessed the attached information memorandum on the basis that you are a person into whose possession this information memorandum may be lawfully delivered in accordance with the laws of the jurisdiction in which you are located and you may not nor are you authorised to deliver this document, electronically or otherwise, to any other person. **If you have gained access to this transmission contrary to the foregoing restrictions, you will be unable to purchase any of the securities described therein.**

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Information Memorandum dated 9 October 2017

CAPITALAND RETAIL CHINA TRUST

(Constituted in the Republic of Singapore pursuant to a trust deed dated 23 October 2006 (as amended))

Managed by

CAPITALAND RETAIL CHINA TRUST MANAGEMENT LIMITED

(UEN/Company Registration No. 200611176D)

S$1,000,000,000
Multicurrency Debt Issuance Programme

This Information Memorandum has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, this Information Memorandum and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of notes (the "**Notes**") and perpetual securities (the "**Perpetual Securities**" and, together with the Notes, the "**Securities**") to be issued from time to time by HSBC Institutional Trust Services (Singapore) Limited (in its capacity as trustee of CapitaLand Retail China Trust ("**CRCT**")) (the "**Issuer**") pursuant to the S$1,000,000,000 Multicurrency Debt Issuance Programme (the "**Programme**") may not be circulated or distributed, nor may the Securities be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor under Section 274 of the Securities and Futures Act, Chapter 289 of Singapore (the "**SFA**"), (ii) to a relevant person pursuant to Section 275(1), or any person pursuant to Section 275(1A), and in accordance with the conditions specified in Section 275, of the SFA or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where the Securities are subscribed or purchased under Section 275 of the SFA by a relevant person which is:

(a) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or

(b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor,

securities (as defined in Section 239(1) of the SFA) of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the Securities pursuant to an offer made under Section 275 of the SFA except:

(1) to an institutional investor or to a relevant person defined in Section 275(2) of the SFA, or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(i)(B) of the SFA;

(2) where no consideration is or will be given for the transfer;

(3) where the transfer is by operation of law;

(4) as specified in Section 276(7) of the SFA; or

(5) as specified in Regulation 32 of the Securities and Futures (Offers of Investments) (Shares and Debentures) Regulations 2005 of Singapore.

Approval in-principle has been received from the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") in respect of the Programme, and application will be made to the SGX-ST for the listing and quotation of any Securities that may be issued under the Programme and which are agreed at or prior to the time of issue thereof to be so listed on the SGX-ST. Such permission will be granted when such Securities have been admitted for listing and quotation on the SGX-ST. The SGX-ST assumes no responsibility for the correctness of any of the statements made, opinions expressed or reports contained herein. Approval in-principle from, and the listing and quotation of any Securities on, the SGX-ST are not to be taken as an indication of the merits of the Issuer, CRCT, the CRCT Manager (as defined herein), their respective subsidiaries (if any), their respective associated companies (if any), their respective joint venture entities (if any), the Programme or such Securities.

THE SECURITIES HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE SECURITIES ACT (AS DEFINED HEREIN) OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES AND THE SECURITIES ARE SUBJECT TO U.S. TAX LAW REQUIREMENTS. SUBJECT TO CERTAIN EXCEPTIONS, THE SECURITIES MAY NOT BE OFFERED, SOLD OR DELIVERED WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS (AS DEFINED IN THE U.S. INTERNAL REVENUE CODE OF 1986, AS AMENDED, AND REGULATIONS THEREUNDER).

Arranger

DBS

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NOTICE

DBS Bank Ltd. (the "**Arranger**") has been authorised by HSBC Institutional Trust Services (Singapore) Limited (in its capacity as trustee of CapitaLand Retail China Trust ("**CRCT**")) (the "**Issuer**") to arrange the S$1,000,000,000 Multicurrency Debt Issuance Programme (the "**Programme**") described herein. Under the Programme, the Issuer may, subject to compliance with all relevant laws, regulations and directives, from time to time issue Notes and Perpetual Securities (the "**Securities**") denominated in Singapore dollars and/or any other currencies.

This Information Memorandum contains information with regard to the Issuer, CRCT, the CRCT Manager (as defined herein), the assets of CRCT, the Group (as defined herein), the Programme and the Securities. The Issuer confirms that this Information Memorandum contains all information relating to HSBC Institutional Trust Services (Singapore) Limited ("**HSBCIT**") which is material in the context of the Programme and the issue and offering of the Securities, that the information in this Information Memorandum relating to HSBCIT is true and accurate in all material respects, that the opinions, expectations and intentions expressed in this Information Memorandum have been carefully considered, are based on all relevant considerations and facts existing at the date of its issue and are fairly, reasonably and honestly held, and that there are no other facts relating to HSBCIT the omission of which in the context of the Programme and the issue and offering of the Securities would make any such information or expressions of opinion, expectation or intention misleading in any material respect. The CRCT Manager confirms that this Information Memorandum contains all information (other than those relating to HSBCIT) which is material in the context of the Programme and the issue and offering of the Securities, that the information in this Information Memorandum (other than those relating to HSBCIT) is true and accurate in all material respects, that the opinions, expectations and intentions expressed in this Information Memorandum have been carefully considered, are based on all relevant considerations and facts existing at the date of its issue and are fairly, reasonably and honestly held, and that there are no other facts (other than those relating to HSBCIT) the omission of which in the context of the Programme and the issue and offering of the Securities would make any such information or expressions of opinion, expectation or intention misleading in any material respect.

Notes may be issued in series having one or more issue dates and the same maturity date, and on identical terms (including as to listing) except (in the case of Notes other than variable rate notes (as described under "Summary of the Programme")) for the issue dates, issue prices and/or the dates of the first payment of interest, or (in the case of variable rate notes) for the issue prices and rates of interest. Each series may be issued in one or more tranches on the same or different issue dates. The Notes will be issued in bearer form or registered form and may be listed on a stock exchange. The Notes will initially be represented by either a Temporary Global Security (as defined herein) in bearer form or a Permanent Global Security (as defined herein) in bearer form or a registered Global Certificate (as defined herein) which will be deposited on the issue date with or registered in the name of, or in the name of a nominee of, either CDP (as defined herein) or a common depositary (the "**Common Depositary**") for Euroclear Bank SA/NV ("**Euroclear**") and Clearstream Banking, S.A. ("**Clearstream, Luxembourg**") or otherwise delivered as agreed between the Issuer and the relevant Dealer (as defined herein). Subject to compliance with all relevant laws, regulations and directives, the Notes may have maturities of such tenor as may be agreed between the Issuer and the relevant Dealer and may be subject to redemption or purchase in whole or in part. The Notes may bear interest at a fixed, floating, variable or hybrid rate or may not bear interest or may be such other notes as may be agreed between the Issuer and the relevant Dealer. The Notes will be repayable at par, at a specified amount above or below par or at an amount determined by reference to a formula, in each case with terms as specified in the Pricing Supplement (as defined herein) issued in relation to each series or tranche of Notes (the "**Redemption Amount**"). Details applicable to each series or tranche of Notes will be specified in the applicable Pricing Supplement which is to be read in conjunction with this Information Memorandum.

Perpetual Securities may be issued in series having one or more issue dates, and on identical terms (including as to listing) except for the issue dates, issue prices and/or the dates of the first payment of distribution. Each series may be issued in one or more tranches on the same or different issue dates. The Perpetual Securities will be issued in bearer form or registered form and may be listed on a stock exchange. The Perpetual Securities will initially be represented by either a Temporary Global Security in bearer form or a Permanent Global Security in bearer form or a registered Global Certificate which will be deposited on the issue date with or registered in the name of, or in the name of a nominee of, either CDP

or the Common Depositary for Euroclear and Clearstream, Luxumbourg or otherwise delivered as agreed between the Issuer and the relevant Dealer(s). Subject to compliance with all relevant laws, regulations and directives, the Perpetual Securities may be subject to redemption or purchase in whole or in part. The Perpetual Securities may confer a right to receive distributions at a fixed or floating rate. Details applicable to each series or tranche of Perpetual Securities will be specified in the applicable Pricing Supplement which is to be read in conjunction with this Information Memorandum.

The maximum aggregate principal amount of the Securities to be issued, when added to the aggregate principal amount of all Securities outstanding (as defined in the Trust Deed referred to herein) shall be S$1,000,000,000 (or its equivalent in any other currencies) or such higher amount as may be notified by the Issuer.

No person has been authorised to give any information or to make any representation other than those contained in this Information Memorandum and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuer, the Arranger or any of the Dealers (as defined herein). Save as expressly stated in this Information Memorandum, nothing contained herein is, or may be relied upon as, a promise or representation as to the future performance or policies of the Issuer, CRCT, its subsidiaries (if any), its associated companies (if any) or its joint venture entities (if any). Neither this Information Memorandum nor any other document or information (or any part thereof) delivered or supplied under or in relation to the Programme may be used for the purpose of, and does not constitute an offer of, or solicitation or invitation by or on behalf of the Issuer, the Arranger or any of the Dealers to subscribe for or purchase, the Securities in any jurisdiction or under any circumstances in which such offer, solicitation or invitation is unlawful, or not authorised or to any person to whom it is unlawful to make such offer, solicitation or invitation. The distribution and publication of this Information Memorandum or any such other document or information and the offer of the Securities in certain jurisdictions may be restricted by law. Persons who distribute or publish this Information Memorandum or any such other document or information or into whose possession this Information Memorandum or any such other document or information comes are required to inform themselves about and to observe any such restrictions and all applicable laws, orders, rules and regulations.

To the fullest extent permitted by law, none of the Dealers or the Arranger accepts any responsibility for the contents of this Information Memorandum or for any other statement, made or purported to be made by the Arranger or a Dealer or on its behalf in connection with the Issuer, or the issue and offering of the Securities. The Arranger and each Dealer accordingly disclaims all and any liability whether arising in tort or contract or otherwise (save as referred to above) which it might otherwise have in respect of this Information Memorandum or any such statement.

The Securities have not been, and will not be, registered under the Securities Act and are subject to U.S. tax law requirements. Subject to certain exceptions, the Securities may not be offered, sold or delivered within the United States or to, or for the account or benefit of, U.S. persons (as defined in the U.S. Internal Revenue Code of 1986, as amended, and regulations thereunder).

Neither this Information Memorandum nor any other document or information (or any part thereof) delivered or supplied under or in relation to the Programme shall be deemed to constitute an offer of, or an invitation by or on behalf of the Issuer, the Arranger or any of the Dealers to subscribe for or purchase, any of the Securities.

This Information Memorandum and any other document or material in relation to the issue, offering or sale of the Securities have been prepared solely for the purpose of the initial sale by the relevant Dealers of the Securities from time to time to be issued pursuant to the Programme. This Information Memorandum and such other documents or materials are made available to the recipients thereof solely on the basis that they are persons falling within the ambit of Section 274 and/or Section 275 of the SFA and may not be relied upon by any person other than persons to whom the Securities are sold or with whom they are placed by the relevant Dealers as aforesaid or for any other purpose. Recipients of this Information Memorandum shall not reissue, circulate or distribute this Information Memorandum or any part thereof in any manner whatsoever.

Neither the delivery of this Information Memorandum (or any part thereof) nor the issue, offering, purchase or sale of the Securities shall, under any circumstances, constitute a representation, or give rise to any implication, that there has been no change in the prospects, results of operations or general

affairs of the Issuer, CRCT, its subsidiaries (if any), its associated companies (if any) or its joint venture entities (if any) or in the information herein since the date hereof or the date on which this Information Memorandum has been most recently amended or supplemented.

The Arranger and the Dealers have not separately verified the information contained in this Information Memorandum. None of the Arranger, any of the Dealers or any of their respective officers or employees is making any representation, warranty or undertaking expressed or implied as to the merits of the Securities or the subscription for, purchase or acquisition thereof, the creditworthiness or financial condition or otherwise of the Issuer, CRCT, its subsidiaries (if any), its associated companies (if any) or its joint venture entities (if any). Further, neither the Arranger nor any of the Dealers makes any representation or warranty and no responsibility or liability is accepted by the Arranger or any of the Dealers as to the Issuer, CRCT, its subsidiaries (if any), its associated companies (if any) or its joint venture entities (if any) or as to the accuracy, reliability or completeness of the information set out herein (including the legal and regulatory requirements pertaining to Sections 274, 275 and 276 or any other provisions of the SFA) and the documents which are incorporated by reference in, and form part of, this Information Memorandum.

Neither this Information Memorandum nor any other document or information (or any part thereof) delivered or supplied under or in relation to the Programme or the issue of the Securities is intended to provide the basis of any credit or other evaluation and should not be considered as a recommendation by the Issuer, the Arranger or any of the Dealers that any recipient of this Information Memorandum or such other document or information (or such part thereof) should subscribe for or purchase any of the Securities. A prospective purchaser shall make its own assessment of the foregoing and other relevant matters including the financial condition and affairs and the creditworthiness of the Issuer, CRCT, its subsidiaries (if any), its associated companies (if any) and its joint venture entities (if any), and obtain its own independent legal or other advice thereon, and its investment shall be deemed to be based on its own independent investigation of the financial condition and affairs and its appraisal of the creditworthiness of the Issuer, CRCT, its subsidiaries (if any), its associated companies (if any) and its joint venture entities (if any). Accordingly, notwithstanding anything herein, none of the Arranger, any of the Dealers or any of their respective officers, employees or agents shall be held responsible for any loss or damage suffered or incurred by the recipients of this Information Memorandum or such other document or information (or such part thereof) as a result of or arising from anything expressly or implicitly contained in or referred to in this Information Memorandum or such other document or information (or such part thereof) and the same shall not constitute a ground for rescission of any purchase or acquisition of any of the Securities by a recipient of this Information Memorandum or such other document or information (or such part thereof).

The following documents published or issued from time to time after the date hereof shall be deemed to be incorporated by reference in, and to form part of, this Information Memorandum: (1) any annual reports, audited consolidated accounts and/or publicly announced unaudited financial statements of the Issuer, CRCT and its subsidiaries (if any) and (2) any supplement or amendment to this Information Memorandum issued by the Issuer. This Information Memorandum is to be read in conjunction with all such documents which are incorporated by reference herein and, with respect to any series or tranche of Securities, any Pricing Supplement in respect of such series or tranche. Any statement contained in this Information Memorandum or in a document deemed to be incorporated by reference herein shall be deemed to be modified or superseded for the purpose of this Information Memorandum to the extent that a statement contained in this Information Memorandum or in such subsequent document that is also deemed to be incorporated by reference herein modifies or supersedes such earlier statement (whether expressly, by implication or otherwise). Any statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this Information Memorandum.

Copies of all documents deemed incorporated by reference herein are available for inspection at the specified office of the Issuing and Paying Agent (as defined herein).

Any purchase or acquisition of the Securities is in all respects conditional on the satisfaction of certain conditions set out in the Programme Agreement (as defined herein) and the issue of the Securities by the Issuer pursuant to the Programme Agreement. Any offer, invitation to offer or agreement made in connection with the purchase or acquisition of the Securities or pursuant to this Information Memorandum shall (without any liability or responsibility on the part of the Issuer, the Arranger or any of the Dealers) lapse and cease to have any effect if (for any other reason whatsoever) the Securities are not issued by the Issuer pursuant to the Programme Agreement.

Any discrepancies in the tables included herein between the listed amounts and totals thereof are due to rounding.

The attention of recipients of this Information Memorandum is drawn to the restrictions on resale of the Securities set out under “Subscription, Purchase and Distribution” on pages 170 to 172 of this Information Memorandum.

Any person(s) who is invited to purchase or subscribe for the Securities or to whom this Information Memorandum is sent shall not make any offer or sale, directly or indirectly, of any Securities or distribute or cause to be distributed any document or other material in connection therewith in any country or jurisdiction except in such manner and in such circumstances as will result in compliance with any applicable laws and regulations.

It is recommended that persons proposing to subscribe for or purchase any of the Securities consult their own legal and other advisers before purchasing or acquiring the Securities.

Prospective purchasers of the Securities are also recommended to consult their own tax advisers concerning the tax consequences of the acquisition, ownership or disposal of the Securities.

FORWARD-LOOKING STATEMENTS

All statements contained in this Information Memorandum that are not statements of historical fact constitute “forward-looking statements”. Some of these statements can be identified by forward-looking terms such as “expect”, “believe”, “plan”, “intend”, “estimate”, “anticipate”, “may”, “will”, “would” and “could” or similar words. However, these words are not the exclusive means of identifying forward-looking statements. All statements regarding the expected financial position, business strategy, plans and prospects of the Issuer, CRCT and/or the Group (including statements as to the Issuer’s, CRCT’s and/or the Group’s revenue and profitability, prospects, future plans and other matters discussed in this Information Memorandum regarding matters that are not historical fact and including the financial forecasts, profit projections, statements as to the expansion plans of the Issuer, CRCT and/or the Group, expected growth in the Issuer, CRCT and/or the Group and other related matters), if any, are forward-looking statements and accordingly, are only predictions. These forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause the actual results, performance or achievements of the Issuer, CRCT and/or the Group to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. These factors are discussed in greater detail under, in particular, but not limited to, the section “Risk Factors” of this Information Memorandum.

Given the risks and uncertainties that may cause the actual future results, performance or achievements of the Issuer, CRCT and/or the Group to be materially different from the results, performance or achievements expected, expressed or implied by the financial forecasts, profit projections and forward-looking statements in this Information Memorandum, undue reliance must not be placed on those forecasts, projections and statements. The Issuer, the Arranger and the Dealers do not represent or warrant that the actual future results, performance or achievements of the Issuer, CRCT and/or the Group will be as discussed in those statements.

Neither the delivery of this Information Memorandum nor the issue of any Securities by the Issuer shall under any circumstances constitute a continuing representation or create any suggestion or implication that there has been no change in the affairs of the Issuer, CRCT and/or the Group or any statement of fact or information contained in this Information Memorandum since the date of this Information Memorandum or the date on which this Information Memorandum has been most recently amended or supplemented.

Further, the Issuer, the Arranger and the Dealers disclaim any responsibility, and undertake no obligation, to update or revise any forward-looking statements contained herein to reflect any changes in the expectations with respect thereto after the date of this Information Memorandum or to reflect any change in events, conditions or circumstances on which any such statements are based.

DEFINITIONS

The following definitions have, where appropriate, been used in this Information Memorandum:

"**Agency Agreement**"	:	The agency agreement dated 9 April 2012 between (1) the Issuer, as issuer, (2) the Issuing and Paying Agent, as issuing and paying agent, (3) the Agent Bank, as agent bank, (4) DBS Bank Ltd., as CMU lodging and paying agent, and (5) the Trustee, as trustee, as amended and restated by the amendment and restatement agency agreement dated 9 October 2017 made between (1) the Issuer, as issuer, (2) the Issuing and Paying Agent, as issuing and paying agent, (3) the Agent Bank, as agent bank, (4) the Registrar, as registrar, (5) the Transfer Agent, as transfer agent, and (6) the Trustee, as trustee, and as further amended, varied or supplemented from time to time.
"**Agent Bank**"	:	DBS Bank Ltd., or its successors in such capacity.
"**Arranger**"	:	DBS Bank Ltd.
"**Bearer Securities**"	:	Securities in bearer form.
"**Business Day**"	:	In respect of each Security: (a) a day (other than a Saturday, Sunday or gazetted public holiday) on which Euroclear, Clearstream, Luxembourg and the Depository, as applicable, are operating; (b) a day (other than a Saturday, Sunday or gazetted public holiday) on which banks and foreign exchange markets are open for general business in the country of the Issuing and Paying Agent's specified office; and (c) (if a payment is to be made on that day): (i) (in the case of Securities denominated in Singapore dollars) a day (other than a Saturday, Sunday or gazetted public holiday) on which banks and foreign exchange markets are open for general business in Singapore; (ii) (in the case of Securities denominated in Euros) a day (other than a Saturday, Sunday or gazetted public holiday) on which the TARGET System is open for settlement in Euros; (iii) (in the case of Securities denominated in Renminbi) a day (other than a Saturday, Sunday or gazetted public holiday) on which banks and foreign exchange markets are open for business (including dealing in foreign exchange and foreign currency deposits) and settlement of Renminbi payments in the Offshore Renminbi Centre; and

(iv) (in the case of Securities denominated in a currency other than Singapore dollars, Euros and Renminbi) a day (other than a Saturday, Sunday or gazetted public holiday) on which banks and foreign exchange markets are open for general business in Singapore and the principal financial centre for that currency.

"**CDP**" or "**Depository**"	:	The Central Depository (Pte) Limited.
"**Certificate**"	:	A registered certificate representing one or more Registered Securities of the same Series and, save as provided in the terms and conditions of the Notes or the terms and conditions of the Perpetual Securities, comprising the entire holding by a holder of Registered Securities of that Series.
"**China**" or "**PRC**"	:	People's Republic of China which, for the purposes of this Information Memorandum, shall exclude Hong Kong, Macau Special Administrative Region of the People's Republic of China and Taiwan.
"**CIS Code**"	:	The Code on Collective Investment Schemes issued by the MAS, as amended, modified or supplemented from time to time.
"**Clearstream, Luxembourg**"	:	Clearstream Banking, S.A.
"**CMA**"	:	CapitaLand Mall Asia Limited.
"**Common Depositary**"	:	In relation to Series of Securities, a depositary common to Euroclear and Clearstream, Luxembourg.
"**Companies Act**"	:	The Companies Act, Chapter 50 of Singapore, as amended or modified from time to time.
"**Conditions**"	:	(a) In relation to the Notes of any Series, the terms and conditions applicable thereto, which shall be substantially in the form set out in Part III of Schedule 1 to the Trust Deed, as modified, with respect to any Notes represented by a Global Security or a Global Certificate, by the provisions of such Global Security or, as the case may be, Global Certificate, shall incorporate any additional provisions forming part of such terms and conditions set out in the Pricing Supplement(s) relating to the Notes of such Series and shall be endorsed on the Definitive Securities or, as the case may be, Certificates, subject to amendment and completion as referred to in the first paragraph appearing after the heading "Terms and Conditions of the Notes" as set out in Part III of Schedule 1 to the Trust Deed, and any reference to a particularly numbered Condition shall be construed accordingly; and (b) in relation to the Perpetual Securities of any Series, the terms and conditions applicable thereto, which shall be substantially in the form set out in Part III of Schedule 5 to the Trust Deed, as modified, with respect to any Perpetual Securities represented by a Global Security or a Global Certificate, by the provisions of such Global Security or,

as the case may be, Global Certificate, shall incorporate any additional provisions forming part of such terms and conditions set out in the Pricing Supplement(s) relating to the Perpetual Securities of such Series and shall be endorsed on the Definitive Securities or, as the case may be, Certificates, subject to amendment and completion as referred to in the first paragraph appearing after the heading "Terms and Conditions of the Perpetual Securities" as set out in Part III of Schedule 5 to the Trust Deed, and any reference to a particularly numbered Condition shall be construed accordingly.

"**Couponholders**"	:	The holders of the Coupons.
"**Coupons**"	:	The bearer coupons appertaining to an interest or distribution bearing Bearer Security.
"**CRCT**"	:	CapitaLand Retail China Trust, a real estate investment trust established in Singapore and constituted by the CRCT Trust Deed.
"**CRCT Manager**"	:	CapitaLand Retail China Trust Management Limited, as manager of CRCT.
"**CRCT Property Manager**"	:	CapitaLand Retail (Shanghai) Management & Consultancy Co., Ltd.
"**CRCT Trust Deed**"	:	The deed of trust constituting CRCT dated 23 October 2006 made between (1) the CRCT Manager, as manager, and (2) HSBCIT, as trustee (as amended and supplemented by (i) a first supplemental trust deed dated 8 November 2006, (ii) a second supplemental trust deed dated 15 April 2010, (iii) a third supplemental trust deed dated 5 April 2012, (iv) a fourth supplemental trust deed dated 14 February 2014, (v) a fifth supplemental trust deed dated 6 May 2015 and (vi) a sixth supplemental trust deed dated 29 April 2016, in each case, made between the same parties) and as further amended, modified or supplemented from time to time.
"**CRCT Trustee**"	:	HSBC Institutional Trust Services (Singapore) Limited (in its capacity as trustee of CRCT).
"**Dealers**"	:	Persons appointed as dealers under the Programme.
"**Definitive Security**"	:	A definitive Bearer Security, being substantially in the form set out in Part I of Schedule 1 or, as the case may be, Part I of Schedule 5 to the Trust Deed and having, where appropriate, Coupons and/or a Talon attached on issue.
"**Euroclear**"	:	Euroclear Bank SA/NV.
"**Extraordinary Resolution**"	:	A resolution passed at a meeting duly convened and held in accordance with the Trust Deed by a majority of at least 75 per cent. of the votes cast.

"**FY**"	:	Financial year ended 31 December.
"**GFA**"	:	Gross floor area.
"**Global Certificate**"	:	A global Certificate representing Registered Securities of one or more Tranches of the same Series that are registered in the name of, or in the name of a nominee of, CDP, the Common Depositary and/or any other clearing system.
"**Global Security**"	:	A global Security representing Bearer Securities of one or more Tranches of the same Series, being a Temporary Global Security and/or, as the context may require, a Permanent Global Security, in each case without Coupons or Talons.
"**GRA**"	:	Gross rentable area.
"**Group**"	:	CRCT and its subsidiaries.
"**HSBCIT**"	:	HSBC Institutional Trust Services (Singapore) Limited.
"**IRAS**"	:	The Inland Revenue Authority of Singapore.
"**Issuer**"	:	HSBC Institutional Trust Services (Singapore) Limited (in its capacity as trustee of CRCT).
"**Issuing and Paying Agent**"	:	DBS Bank Ltd., or its successors in such capacity.
"**ITA**"	:	Income Tax Act, Chapter 134 of Singapore, as amended or modified from time to time.
"**Latest Practicable Date**"	:	25 September 2017.
"**MAS**"	:	The Monetary Authority of Singapore.
"**NLA**"	:	Net lettable area.
"**Noteholders**"	:	The holders of the Notes.
"**Notes**"	:	The multicurrency medium term notes of the Issuer issued or to be issued pursuant to the Programme Agreement and constituted by the Trust Deed (and shall, where the context so admits, include the Global Securities, the Definitive Securities and any related Coupons and Talons, the Global Certificates and the Certificates relating thereto).
"**NPI**"	:	Net property income.
"**Offshore Renminbi Centre(s)**"	:	The offshore Renminbi centre(s) specified as such in the applicable Pricing Supplement.
"**Permanent Global Security**"	:	A Global Security representing Bearer Securities of one or more Tranches of the same Series, either on issue or upon exchange of interests in a Temporary Global Security.

"**Perpetual Securities**"	:	The multicurrency perpetual securities of the Issuer issued or to be issued pursuant to the Programme Agreement and constituted by the Trust Deed (and shall, where the context so admits, include the Global Securities, the Definitive Securities and any related Coupons and Talons, the Global Certificates and the Certificates relating thereto).
"**Perpetual Securityholders**"	:	The holders of the Perpetual Securities.
"**Pricing Supplement**"	:	In relation to a Series or Tranche, a pricing supplement, to be read in conjunction with this Information Memorandum, specifying the relevant issue details in relation to such Series or Tranche.
"**Programme**"	:	The S$1,000,000,000 Multicurrency Debt Issuance Programme of the Issuer.
"**Programme Agreement**"	:	The programme agreement dated 9 April 2012 made between (1) the Issuer, as issuer, (2) the CRCT Manager, as manager of CRCT, (3) DBS Bank Ltd., as arranger, and (4) DBS Bank Ltd., as dealer, as amended and restated by the amendment and restatement programme agreement dated 9 October 2017 made between the same parties and as further amended, varied or supplemented from time to time.
"**Properties**"	:	CapitaMall Xizhimen, CapitaMall Wangjing, CapitaMall Erqi, CapitaMall Shuangjing, CapitaMall Minzhongleyuan, CapitaMall Qibao, CapitaMall Saihan, CapitaMall Wuhu, CapitaMall Grand Canyon and CapitaMall Xinnan.
"**Property Funds Appendix**"	:	Appendix 6 to the CIS Code issued by MAS in relation to real estate investment trusts.
"**Registered Securities**"	:	Securities in registered form.
"**Registrar**"	:	DBS Bank Ltd., or its successors in such capacity.
"**Securities**"	:	The Notes and the Perpetual Securities.
"**Securities Act**"	:	Securities Act of 1933 of the United States.
"**Securityholders**"	:	The Noteholders and the Perpetual Securityholders.
"**Senior Perpetual Securities**"	:	Perpetual Securities which are expressed to rank as senior obligations of the Issuer.
"**Series**"	:	(1) (in relation to Securities other than variable rate notes) a Tranche, together with any further Tranche or Tranches, which are (a) expressed to be consolidated and forming a single series and (b) identical in all respects (including as to listing) except for their respective issue dates, issue prices and/or dates of the first payment of (in the case of Notes other than variable rate notes) interest or (in the case of Perpetual Securities) distribution, and (2) (in relation to variable rate notes) Notes which are identical in all respects (including as to listing) except for their respective issue prices and rates of interest.

"**SFA**"	:	Securities and Futures Act, Chapter 289 of Singapore, as amended or modified from time to time.
"**SGX-ST**"	:	Singapore Exchange Securities Trading Limited.
"**Subordinated Perpetual Securities**"	:	Perpetual Securities which are expressed to rank as subordinated obligations of the Issuer.
"**Subsidiary**" or **"subsidiary**"	:	Any company which is for the time being, a subsidiary (within the meaning of Section 5 of the Companies Act) and, in relation to CRCT, means any company, corporation, trust, fund or other entity (whether or not a body corporate): (i) which is controlled, directly or indirectly, by CRCT; or (ii) more than half the shares or equity interests of which is beneficially owned, directly or indirectly, by the CRCT Trustee; or (iii) which is a subsidiary of any company, corporation, trust, fund or other entity (whether or not a body corporate) to which paragraph (i) or (ii) above applies, and for these purposes, any company, corporation, trust, fund or other entity (whether or not a body corporate) shall be treated as being controlled by CRCT if CRCT (whether through its trustee or otherwise) is able to direct its affairs and/or to control the composition of its board of directors or equivalent body.
"**Talons**"	:	Talons for further Coupons or, as the context may require, a specific number of them and includes any replacement Talons issued pursuant to the Conditions.
"**Temporary Global Security**"	:	A Global Security representing Bearer Securities of one or more Tranches of the same Series on issue, being substantially in the form set out in Schedule 2 to the Trust Deed or, as the case may be, Schedule 6 to the Trust Deed.
"**Tranche**"	:	Securities which are identical in all respects (including as to listing).
"**Transfer Agent**"	:	DBS Bank Ltd., or its successors in such capacity.
"**Trust Deed**"	:	The trust deed dated 9 April 2012 made between (1) the Issuer, as issuer, and (2) the Trustee, as trustee, as amended and restated by the amendment and restatement trust deed dated 9 October 2017 made between the same parties, and as further amended, varied or supplemented from time to time.
"**Trustee**"	:	DBS Trustee Limited, or its successors in such capacity.
"**Unit**"	:	An undivided interest in CRCT as provided for in the CRCT Trust Deed.

"**Unitholder(s)"**	:	The registered holder for the time being of a Unit including persons so registered as joint holders, except that where the registered holder is CDP, the term "Unitholder" shall, in relation to Units registered in the name of CDP, mean, where the context requires, the depositor whose securities account with CDP is credited with such Units.
"**United States**" or "**U.S.**"	:	United States of America.
"**km**"	:	kilometres.
"**%"**	:	per cent.
"**RMB**" or "**Renminbi**"	:	The lawful currency of the PRC.
"**sq m**"	:	square metres.
"**S$**", "**SGD**" or "**$**" and "**cents**"	:	Singapore dollars and cents respectively.
"**US$**", "**US dollar(s)**" or "**USD**"	:	United States dollars.

Words importing the singular shall, where applicable, include the plural and *vice versa*, and words importing the masculine gender shall, where applicable, include the feminine and neuter genders. References to persons shall, where applicable, include corporations. Any reference to a time of day in this Information Memorandum shall be a reference to Singapore time unless otherwise stated. Any reference in this Information Memorandum to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any word defined under the Companies Act or the SFA or any statutory modification thereof and used in this Information Memorandum shall, where applicable, have the meaning ascribed to it under the Companies Act or, as the case may be, the SFA.

CORPORATE INFORMATION

HSBC Institutional Trust Services (Singapore) Limited (in its capacity as trustee of CRCT)

Registered Office	:	21 Collyer Quay #13-02 HSBC Building Singapore 049320
Auditors for CRCT	:	KPMG LLP 16 Raffles Quay #22-00 Hong Leong Building Singapore 048581

CapitaLand Retail China Trust Management Limited (in its capacity as manager of CRCT)

Board of Directors	:	Soh Kim Soon Lim Ming Yan Tan Tze Wooi Fong Heng Boo Christopher Gee Kok Aun Tan Kong Yam Neo Poh Kiat Jason Leow Juan Thong Ng Kok Siong
Company Secretaries	:	Lee Ju Lin, Audrey Tan Lee Nah
Registered Office	:	168 Robinson Road #30-01 Capital Tower Singapore 068912

Arranger of the Programme

DBS Bank Ltd.
12 Marina Boulevard, Level 42
Marina Bay Financial Centre Tower 3
Singapore 018982

Legal Advisers to the Arranger

Allen & Gledhill LLP
One Marina Boulevard #28-00
Singapore 018989

Legal Advisers to the Issuing and Paying Agent, Agent Bank, Registrar, Transfer Agent and Trustee

Allen & Gledhill LLP
One Marina Boulevard #28-00
Singapore 018989

Legal Advisers to the Issuer and the CRCT Manager

Shook Lin & Bok LLP
1 Robinson Road
#18-00 AIA Tower
Singapore 048542

Issuing and Paying Agent, Agent Bank, Registrar and Transfer Agent

DBS Bank Ltd.
10 Toh Guan Road
#04-11 (Level 4B)
DBS Asia Gateway
Singapore 608838

Trustee for the Securityholders

DBS Trustee Limited
12 Marina Boulevard, Level 44
Marina Bay Financial Centre Tower 3
Singapore 018982

SUMMARY OF THE PROGRAMME

The following summary is derived from, and should be read in conjunction with, the full text of this Information Memorandum (and any relevant supplement to this Information Memorandum), the Programme Agreement, the Trust Deed, the Agency Agreement and the relevant Pricing Supplement.

Issuer	:	HSBC Institutional Trust Services (Singapore) Limited (in its capacity as trustee of CRCT).
Arranger	:	DBS Bank Ltd.
Dealer	:	DBS Bank Ltd. and/or such other Dealers as may be appointed by the Issuer in accordance with the Programme Agreement.
Trustee	:	DBS Trustee Limited.
Issuing and Paying Agent, Agent Bank, Registrar and Transfer Agent	:	DBS Bank Ltd.
Description	:	S$1,000,000,000 Multicurrency Debt Issuance Programme.
Programme Size	:	The maximum aggregate principal amount of the Securities outstanding at any time shall be S$1,000,000,000 (or its equivalent in other currencies) or such higher amount as may be agreed between the Issuer, the CRCT Manager and the Arranger.
Currency	:	Subject to compliance with all relevant laws, regulations and directives, Securities may be issued in Singapore dollars or any other currency agreed between the Issuer, the CRCT Manager and the relevant Dealer(s).
Method of Issue	:	Securities may be issued from time to time under the Programme on a syndicated or non-syndicated basis. Each Series may be issued in one or more Tranches, on the same or different issue dates. The specific terms of each Series or Tranche will be specified in the relevant Pricing Supplement.
Issue Price	:	Securities may be issued at par or at a discount, or premium, to par.
Form and Denomination of Securities	:	The Securities will be issued in bearer form or registered form and in such denominations as may be agreed between the Issuer and the relevant Dealer(s). Each Tranche or Series of Bearer Securities may initially be represented by a Temporary Global Security or a Permanent Global Security. Each Temporary Global Security may be deposited on the relevant issue date with, or with a nominee of, CDP, the Common Depositary and/or any other agreed clearing system and will be exchangeable, upon request as described therein, either for a Permanent Global Security or definitive Securities (as indicated in the applicable Pricing Supplement). Each Permanent Global Security may be exchanged, unless otherwise specified in the applicable Pricing Supplement, upon request as described therein, in whole (but not in part) for definitive Securities upon the terms therein. Each Tranche or Series of Registered Securities will initially be represented by a Global Certificate. Each Global Certificate may

be registered in the name of, or in the name of a nominee of, CDP, the Common Depositary and/or any other agreed clearing system. Each Global Certificate may be exchanged, upon request as described therein, in whole (but not in part) for Certificates upon the terms therein. Save as provided in the Conditions of the Securities, a Certificate shall be issued in respect of each Securityholder's entire holding of Registered Securities of one Series.

Custody of the Securities	:	Securities which are to be cleared through CDP are required to be kept with CDP as authorised depository. Securities which are to be cleared through Euroclear and/or Clearstream, Luxembourg are required to be kept with a Common Depositary.
Further Covenants	:	In the Trust Deed, the Issuer has covenanted with the Trustee that so long as any of the Securities remains outstanding, *inter alia,* the Issuer will comply with the Property Funds Appendix.
Taxation	:	All payments in respect of the Securities and the Coupons by the Issuer shall be made free and clear of, and without deduction or withholding for or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or within Singapore or any authority thereof or therein having power to tax, unless such withholding or deduction is required by law. In such event, the Issuer shall pay such additional amounts as will result in the receipt by the Securityholders and the Couponholders of such amounts as would have been received by them had no such deduction or withholding been required, save for certain exceptions. For further details, please see the section "Singapore Taxation" of this Information Memorandum and Condition 8 of the Notes or, as the case may be, Condition 7 of the Perpetual Securities.
Renminbi Fallback	:	If by reason of Illiquidity, Inconvertibility or Non-transferability (each as defined in the relevant Conditions), the Issuer is not able to satisfy payments of principal or interest or, as the case may be, distribution (in whole or in part) in respect of the Securities where the relevant currency is Renminbi, the Issuer may, on giving not less than five nor more than 30 days' irrevocable notice to the Securityholders prior to the due date for payment, settle any such payment (in whole or in part) in Singapore dollars on the due date at the Singapore Dollar Equivalent (as defined in the relevant Conditions) of any such Renminbi denominated amount.
Listing	:	Each Series of the Securities may, if so agreed between the Issuer, the CRCT Manager and the relevant Dealer(s), be listed on the SGX-ST or any stock exchange(s) as may be agreed between the Issuer, the CRCT Manager and the relevant Dealer(s), subject to all necessary approvals having been obtained, or be unlisted. If the application to the SGX-ST to list a particular Series of Securities is approved, for so long as such Securities are listed on the SGX-ST and the rules of the SGX-ST so require, such Securities will be traded on the SGX-ST in a minimum board lot size of at least S$200,000 or its equivalent in foreign currencies.

Selling Restrictions	:	For a description of certain restrictions on offers, sales and deliveries of Securities and the distribution of offering material relating to the Securities, see the section "Subscription, Purchase and Distribution" of this Information Memorandum. Further restrictions may apply in connection with any particular Series or Tranche of Securities.
Governing Law	:	The Programme and any Securities issued under the Programme will be governed by, and construed in accordance with, the laws of Singapore.

NOTES

Maturities	:	Subject to compliance with all relevant laws, regulations and directives, Notes may have maturities of such tenor as may be agreed between the Issuer, the CRCT Manager and the relevant Dealer.
Mandatory Redemption	:	Unless previously redeemed or purchased and cancelled, each Note will be redeemed at its redemption amount on the maturity date shown on its face.
Interest Basis	:	Notes may bear interest at fixed, floating, variable or hybrid rates or may not bear interest.
Fixed Rate Notes	:	Fixed Rate Notes will bear a fixed rate of interest which will be payable in arrear on specified dates and at maturity.
Floating Rate Notes	:	Floating Rate Notes which are denominated in Singapore dollars will bear interest to be determined separately for each Series by reference to S$ SIBOR or S$ SWAP RATE (or in any other case such other benchmark as may be agreed between the Issuer, the CRCT Manager and the relevant Dealer(s)), as adjusted for any applicable margin. Interest periods in relation to the Floating Rate Notes will be agreed between the Issuer, the CRCT Manager and the relevant Dealer(s) prior to their issue. Floating Rate Notes which are denominated in other currencies will bear interest to be determined separately for each Series by reference to such other benchmark as may be agreed between the Issuer, the CRCT Manager and the relevant Dealer(s).
Variable Rate Notes	:	Variable Rate Notes will bear interest at a variable rate determined in accordance with the Conditions of the Notes. Interest periods in relation to the Variable Rate Notes will be agreed between the Issuer, the CRCT Manager and the relevant Dealer(s) prior to their issue.
Hybrid Notes	:	Hybrid Notes will bear interest, during the fixed rate period to be agreed between the Issuer, the CRCT Manager and the relevant Dealer(s), at a fixed rate of interest which will be payable in arrear on specified dates and, during the floating rate period to be agreed between the Issuer, the CRCT Manager and the relevant Dealer(s), at the rate of interest to be determined by reference to S$ SIBOR or S$ SWAP RATE (or such other benchmark as may be agreed between the Issuer, the CRCT Manager and the relevant Dealer(s)), as adjusted for any applicable margin (provided that if the Hybrid Notes are denominated in a currency

other than Singapore dollars, such Hybrid Notes will bear interest to be determined separately by reference to such benchmark as may be agreed between the Issuer, the CRCT Manager and the relevant Dealer(s)), in each case payable at the end of each interest period to be agreed between the Issuer, the CRCT Manager and the relevant Dealer(s).

Zero Coupon Notes	:	Zero Coupon Notes may be issued at their nominal amount or at a discount to it and will not bear interest other than in the case of late payment.
Status of the Notes	:	The Notes and Coupons of all Series will constitute direct, unconditional, unsubordinated and unsecured obligations of the Issuer and shall at all times rank *pari passu*, without any preference or priority among themselves, and *pari passu* with all other present and future unsecured obligations (other than subordinated obligations and priorities created by law) of the Issuer from time to time outstanding.
Redemption and Purchase	:	If so provided on the face of the Note and the relevant Pricing Supplement, Notes may be redeemed (either in whole or in part) prior to their stated maturity at the option of the Issuer and/or the holders of the Notes. Further, if so provided on the face of the Note and the relevant Pricing Supplement, Notes may be purchased by the Issuer (either in whole or in part) prior to their stated maturity at the option of the Issuer and/or the holders of the Notes.
Redemption for Taxation Reasons	:	The Notes may be redeemed at the option of the Issuer in whole, but not in part, on any Interest Payment Date or, if so specified on the face of the Note and the relevant Pricing Supplement, at any time on giving not less than 30 nor more than 60 days' notice to the Noteholders (which notice shall be irrevocable), at their Redemption Amount or (in the case of Zero Coupon Notes) Early Redemption Amount (as defined in Condition 6(h) of the Notes) (together with interest accrued to (but excluding) the date fixed for redemption), if:

(i) the Issuer has or will become obliged to pay additional amounts as provided or referred to in Condition 8 of the Notes, or increase the payment of such additional amounts, as a result of any change in, or amendment to, the laws (or any regulations, rulings or other administrative pronouncements promulgated thereunder) of Singapore or any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws, regulations, rulings or other administrative pronouncements, which change or amendment is made public on or after the Issue Date or any other date specified in the Pricing Supplement, and

(ii) such obligations cannot be avoided by the Issuer taking reasonable measures available to it, provided that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer would be obliged to pay such additional amounts were a payment in respect of the Notes then due.

Redemption upon Cessation or Suspension of Trading of Units	:	In the event that (i) the units of CRCT cease to be traded on the SGX-ST or (ii) trading in the units of CRCT on the SGX-ST is suspended for a continuous period of more than seven days (other than by reason of holiday, statutory or otherwise), the Issuer shall, at the option of the holder of any Note, redeem such Note at its Redemption Amount together with interest accrued to the date fixed for redemption on any date on which interest is due to be paid on such Notes or, if earlier, the date falling 45 days after (in the case of (i)) the date of cessation of trading or (in the case of (ii)) the business day immediately following the expiry of such continuous period of seven days.
Negative Pledge of Issuer	:	The Issuer has covenanted with the Trustee in the Trust Deed that, so long as any of the Notes remains outstanding (as defined in the Trust Deed), it will not, and will procure that none of the Principal Subsidiaries (as defined in the Conditions of the Notes) will create or have outstanding any security ("**Subsequent Security**") over any Existing Secured Assets (as defined below), which ranks in point of priority, completely after the security created over such Existing Secured Asset, except for any security created or outstanding with the prior consent in writing of the Trustee or the Noteholders by way of an Extraordinary Resolution. For the avoidance of doubt, nothing in the foregoing paragraph shall prohibit: (i) any new first ranking security to be created over any Existing Secured Asset (whether in connection with a refinancing or otherwise) provided that the security over such Existing Secured Asset is discharged contemporaneously with the creation of such new security; and (ii) any first ranking security over any units or shares in any company, trust or other entity which are not secured notwithstanding that the undertaking, assets, property or revenues belonging to such company, trust or entity may be secured. For the purposes of the Conditions of the Notes, "**Existing Secured Asset**" means any of the undertaking, assets, property or revenues or rights to receive dividends of the Issuer and/or the Principal Subsidiaries over which a first ranking security by way of an assignment and/or a charge and/or mortgage exists at the time of creation of the Subsequent Security over such undertaking, assets, property or revenues.
Events of Default	:	See Condition 10 of the Notes.

PERPETUAL SECURITIES

No Fixed Maturity	:	The Perpetual Securities are perpetual securities in respect of which there is no fixed redemption date and the Issuer shall only have the right to redeem or purchase them in accordance with the provisions of the terms and conditions of the Perpetual Securities.

Distribution Basis	:	Perpetual Securities may confer a right to receive distribution at fixed or floating rates.
Fixed Rate Perpetual Securities	:	Fixed Rate Perpetual Securities will confer a right to receive distribution at a fixed rate which will be payable in arrear on specified dates. If so provided on the face of the Fixed Rate Perpetual Securities, the distribution rate may be reset on such dates and bases as may be set out in the applicable Pricing Supplement.
Floating Rate Perpetual Securities	:	Floating Rate Perpetual Securities which are denominated in Singapore dollars will confer a right to receive distribution at a rate to be determined separately for each Series by reference to S$ SIBOR or S$ SWAP RATE (or in any other case such other benchmark as may be agreed between the Issuer, the CRCT Manager and the relevant Dealer(s)), as adjusted for any applicable margin. Distribution periods in relation to the Floating Rate Perpetual Securities will be agreed between the Issuer, the CRCT Manager and the relevant Dealer(s) prior to their issue. Floating Rate Perpetual Securities which are denominated in other currencies will confer a right to receive distribution at a rate to be determined separately for each Series by reference to such other benchmark as may be agreed between the Issuer, the CRCT Manager and the relevant Dealer(s).
Distribution Discretion	:	If Optional Payment is set out on the face of the Perpetual Security and the relevant Pricing Supplement, the Issuer may, at its sole discretion, elect not to pay a distribution (or to pay only part of a distribution) which is scheduled to be paid on a Distribution Payment Date by giving notice to the Trustee, the Issuing and Paying Agent and the Perpetual Securityholders (in accordance with Condition 14 of Perpetual Securities) not more than 15 nor less than five business days (or such other notice period as may be specified on the face of the Perpetual Security and the relevant Pricing Supplement) prior to a scheduled Distribution Payment Date. If a Dividend Pusher is set out on the face of the Perpetual Security and the relevant Pricing Supplement, the Issuer may not elect to defer any distribution if during the Reference Period (as specified in the applicable Pricing Supplement) ending on the day before that scheduled Distribution Payment Date, either or both of the following (each such event a "**Compulsory Distribution Payment Event**") have occurred: (i) a dividend, distribution or other payment has been declared or paid on or in respect of any of the Issuer's Junior Obligations or (except on a *pro rata* basis) any of the Issuer's Specified Parity Obligations; or (ii) any of the Issuer's Junior Obligations has been redeemed, reduced, cancelled, bought back or acquired for any consideration or (except on a *pro rata* basis) any of the Issuer's Specified Parity Obligations has been redeemed, reduced, cancelled, bought back or acquired for any consideration,

in each case, other than (1) in connection with any employee benefit plan or similar arrangements with or for the benefit of the employees, officers, consultants or directors of the Group, (2) as a result of the exchange or conversion of Specified Parity Obligations of the Issuer for Junior Obligations of the Issuer and/or as otherwise specified in the applicable Pricing Supplement.

For the purposes of the Conditions of the Perpetual Securities:

(a) "**Junior Obligation**" means (aa) in respect of Perpetual Securities which are Senior Perpetual Securities, any class of equity capital in CRCT and any other instrument or security issued, entered into or guaranteed by the Issuer (including without limitation any preferred units or subordinated perpetual securities) that ranks or is expressed to rank, by its terms or by operation of law, junior to all unsecured obligations of the Issuer from time to time outstanding and (bb) in respect of Perpetual Securities which are Subordinated Perpetual Securities, any class of equity capital in CRCT and any other instrument or security issued, entered into or guaranteed by the Issuer, other than any instrument or security (including without limitation any preferred units) ranking in priority in payment and in all other respects to the ordinary units of CRCT; and

(b) "**Specified Parity Obligations**" means any instrument or security (including without limitation any preference shares) issued, entered into or guaranteed by the Issuer (aa) which ranks or is expressed to rank, by its terms or by operation of law, *pari passu* with the relevant Perpetual Securities and (bb) the terms of which provide that the making of payments thereon or distributions in respect thereof are fully at the discretion of the Issuer and/or, in the case of an instrument or security guaranteed by the Issuer, the issuer thereof.

Non-Cumulative Deferral and Cumulative Deferral : If Non-Cumulative Deferral is set out on the face of the Perpetual Security and the relevant Pricing Supplement, any distribution deferred pursuant to Condition 4(IV) of the Perpetual Securities is non-cumulative and will not accrue interest. The Issuer is not under any obligation to pay that or any other distributions that have not been paid in whole or in part. The Issuer may, at its sole discretion, and at any time, elect to pay an amount up to the amount of distribution which is unpaid ("**Optional Distribution**") (in whole or in part) by complying with the notice requirements in Condition 4(IV)(e) of the Perpetual Securities. There is no limit on the number of times or the extent of the amount with respect to which the Issuer can elect not to pay distributions pursuant to Condition 4(IV) of the Perpetual Securities.

Any partial payment of outstanding Optional Distribution by the Issuer shall be shared by the holders of all outstanding Perpetual Securities and the Coupons related to them on a *pro rata* basis.

If Cumulative Deferral is set out on the face of the Perpetual Security and the relevant Pricing Supplement, any distribution deferred pursuant to Condition 4(IV) of the Perpetual Securities shall constitute "**Arrears of Distribution**". The Issuer may, at its sole discretion, elect to (in the circumstances set out in Condition 4(IV)(a) of the Perpetual Securities) further defer any Arrears of Distribution by complying with the foregoing notice requirement applicable to any deferral of an accrued distribution. The Issuer is not subject to any limit as to the number of times distributions and Arrears of Distribution can or shall be deferred pursuant to Condition 4(IV) of the Perpetual Securities except that Condition 4(IV)(c) of the Perpetual Securities shall be complied with until all outstanding Arrears of Distribution have been paid in full.

If Additional Distribution is set out on the face of the Perpetual Security and the relevant Pricing Supplement, each amount of Arrears of Distribution shall bear interest as if it constituted the principal of the Perpetual Securities at the Distribution Rate or Rate of Distribution (as the case may be) and the amount of such interest (the "**Additional Distribution Amount**") with respect to Arrears of Distribution shall be due and payable pursuant to Condition 4 of the Perpetual Securities and shall be calculated by applying the applicable Distribution Rate or Rate of Distribution (as the case may be) to the amount of the Arrears of Distribution and otherwise *mutatis mutandis* as provided in the provisions of Condition 4 of the Perpetual Securities. The Additional Distribution Amount accrued up to any Distribution Payment Date shall be added, for the purpose of calculating the Additional Distribution Amount accruing thereafter, to the amount of Arrears of Distribution remaining unpaid on such Distribution Payment Date so that it will itself become Arrears of Distribution.

Restrictions in the case of Non-Payment : If Dividend Stopper is set out on the face of the Perpetual Security and the relevant Pricing Supplement and on any Distribution Payment Date, payments of all distribution scheduled to be made on such date are not made in full by reason of Condition 4(IV) of the Perpetual Securities, the Issuer shall not and shall procure that none of the subsidiaries of CRCT shall:

(i) declare or pay any dividends, distributions or make any other payment on, and will procure that no dividend, distribution or other payment is made on, any of the Issuer's Junior Obligations or (except on a *pro rata* basis) any of the Issuers' Specified Parity Obligations; or

(ii) redeem, reduce, cancel, buy-back or acquire for any consideration, and will procure that no redemption, reduction, cancellation, buy-back or acquisition for any consideration is made in respect of, any of the Issuer's Junior Obligations or (except on a *pro rata* basis) any of the Issuer's Specified Parity Obligations,

in each case, other than (1) in connection with any employee benefit plan or similar arrangements with or for the benefit of the employees, officers, consultants or directors of the Group and (2) as a result of the exchange or conversion of Specified

Parity Obligations of the Issuer for Junior Obligations of the Issuer, unless and until (A) (if Cumulative Deferral is specified as being applicable in the applicable Pricing Supplement) the Issuer has satisfied in full all outstanding Arrears of Distribution, (B) (if Non-Cumulative Deferral is specified as being applicable in the applicable Pricing Supplement) a redemption of all the outstanding Perpetual Securities has occurred, the next scheduled distribution has been paid in full or an Optional Distribution equal to the amount of a distribution payable with respect to the most recent Distribution Payment Date that was unpaid in full or in part, has been paid in full or (C) the Issuer is permitted to do so (or to procure or permit the subsidiaries of CRCT to do so) by an Extraordinary Resolution of the Perpetual Securityholders and/or as otherwise specified in the applicable Pricing Supplement.

Status of the Senior Perpetual Securities	:	The Senior Perpetual Securities and Coupons relating to them constitute direct, unconditional, unsubordinated and unsecured obligations of the Issuer and shall at all times rank *pari passu*, without any preference or priority among themselves, and *pari passu* with all other present and future unsecured obligations (other than subordinated obligations and priorities created by law) of the Issuer from time to time outstanding.
Status of the Subordinated Perpetual Securities	:	The Subordinated Perpetual Securities and Coupons relating to them will constitute direct, unconditional, subordinated and unsecured obligations of the Issuer and shall at all times rank *pari passu*, without any preference or priority among themselves, and *pari passu* with any Parity Obligations of the Issuer. For the purposes of the Conditions of the Perpetual Securities, "**Parity Obligation**" means any instrument or security (including without limitation any preference units in CRCT) issued, entered into or guaranteed by the Issuer (1) which ranks or is expressed to rank, by its terms or by operation of law, *pari passu* with a CRCT Notional Preferred Unit (as defined below) and (2) the terms of which provide that the making of payments thereon or distributions in respect thereof are fully at the discretion of the Issuer and/or, in the case of an instrument or security guaranteed by the Issuer, the issuer thereof.
Subordination of the Subordinated Perpetual Securities	:	Subject to the insolvency laws of Singapore and other applicable laws, in the event of the Winding-Up (as defined in Condition 9(a) of the Perpetual Securities) of CRCT, there shall be payable by the Issuer in respect of each Subordinated Perpetual Security (in lieu of any other payment by the Issuer), such amount, if any, as would have been payable to such Perpetual Securityholder if, on the day prior to the commencement of the Winding-Up of CRCT, and thereafter, such Perpetual Securityholder were the holder of one of a class of preferred units in the capital of CRCT (and if more than one class of preferred units is outstanding, the most junior ranking class of such preferred units) (the "**CRCT Notional Preferred Units**") having an equal right to return of assets in the Winding-Up of CRCT and so ranking *pari passu* with the holders of that class or classes of preferred units (if any) which have a preferential right to return of assets in the Winding-Up of

CRCT, and so rank ahead of the holders of Junior Obligations of the Issuer but junior to the claims of all other present and future creditors of the Issuer (other than Parity Obligations of the Issuer), on the assumption that the amount that such Perpetual Securityholder was entitled to receive in respect of each CRCT Notional Preferred Unit on a return of assets in such Winding-Up of CRCT were an amount equal to the principal amount (and any applicable premium outstanding) of the relevant Subordinated Perpetual Security together with distributions accrued and unpaid since the immediately preceding Distribution Payment Date or the Issue Date (as the case may be) and any unpaid Optional Distributions (as defined in Condition 4(IV)(c) of the Perpetual Securities) in respect of which the Issuer has given notice to the Perpetual Securityholders in accordance with the Conditions of the Perpetual Securities.

No set-off in relation to the Subordinated Perpetual Securities	:	Subject to applicable law, no holder of Subordinated Perpetual Securities or any Coupons relating to them may exercise, claim or plead any right of set-off, deduction, withholding or retention in respect of any amount owed to it by the Issuer in respect of, or arising under or in connection with the Subordinated Perpetual Securities or Coupons relating to them, and each holder of Subordinated Perpetual Securities or any Coupons relating to them shall, by virtue of his holding of any Subordinated Perpetual Securities or Coupons relating to them, be deemed to have waived all such rights of set-off, deduction, withholding or retention against the Issuer. Notwithstanding the preceding sentence, if any of the amounts owing to any holder of Subordinated Perpetual Securities or any Coupons relating to them by the Issuer in respect of, or arising under or in connection with the Subordinated Perpetual Securities or Coupons relating to them is discharged by set-off, such holder of Subordinated Perpetual Securities or any Coupons relating to them shall, subject to applicable law, immediately pay an amount equal to the amount of such discharge to the Issuer (or, in the event of CRCT's Winding-Up, the liquidator or, as appropriate, administrator of CRCT) and, until such time as payment is made, shall hold such amount in trust for the Issuer (or the liquidator or, as appropriate, administrator of CRCT) and accordingly any such discharge shall be deemed not to have taken place.
Redemption at the Option of the Issuer	:	If so provided on the face of the Perpetual Security and the relevant Pricing Supplement, the Issuer may, on giving irrevocable notice to the Perpetual Securityholders falling within the Issuer's Redemption Option Period shown on the face thereof, redeem all or, if so provided, some of the Perpetual Securities at their Redemption Amount and on the date or dates so provided. Any such redemption of Perpetual Securities shall be at their Redemption Amount, together with distribution (including any Arrears of Distribution and any Additional Distribution Amount) accrued to (but excluding) the date fixed for redemption.
Redemption for Taxation Reasons	:	The Perpetual Securities may be redeemed at the option of the Issuer in whole, but not in part, on any Distribution Payment Date or, if so specified on the face of the Perpetual Security and the relevant Pricing Supplement, at any time on giving not less than 30 nor more than 60 days' notice to the Perpetual Securityholders

(which notice shall be irrevocable), at their Redemption Amount (together with distributions (including any Arrears of Distribution and any Additional Distribution Amount) accrued to (but excluding) the date fixed for redemption), if:

(i) the Issuer receives a ruling by the Comptroller of Income Tax in Singapore (or other relevant authority) which confirms that:

(1) the Perpetual Securities will not be regarded as "debt securities" for the purposes of Section 43N(4) of the Income Tax Act, Chapter 134 of Singapore ("**ITA**") and Regulation 2 of the Income Tax (Qualifying Debt Securities) Regulations; or

(2) the distributions (including any Arrears of Distribution and any Additional Distribution Amount) will not be regarded as interest payable by the Issuer for the purposes of the withholding tax exemption on interest for "qualifying debt securities" under the ITA; or

(ii) (1) the Issuer has or will become obliged to pay additional amounts as provided or referred to in Condition 7 of the Perpetual Securities, or increase the payment of such additional amounts, as a result of any change in, or amendment to, the laws (or any regulations, rulings or other administrative pronouncements promulgated thereunder) of Singapore or any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws, regulations, rulings or other administrative pronouncements, which change or amendment is made public on or after the Issue Date or any other date specified in the Pricing Supplement, and (2) such obligations cannot be avoided by the Issuer taking reasonable measures available to it, provided that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer would be obliged to pay such additional amounts were a payment in respect of the Perpetual Securities then due.

Redemption for Accounting Reasons : If so provided on the face of the Perpetual Security and the relevant Pricing Supplement, the Perpetual Securities may be redeemed at the option of the Issuer in whole, but not in part, on any Distribution Payment Date or, if so specified thereon, at any time on giving not less than 30 nor more than 60 days' notice to the Perpetual Securityholders (which notice shall be irrevocable), at their Redemption Amount (together with distribution (including any Arrears of Distribution and any Additional Distribution Amount) accrued to (but excluding) the date fixed for redemption) if, on such Distribution Payment Date or at any time after that Distribution Payment Date, as a result of any changes or amendments to Singapore Financial Reporting Standards issued by the Singapore Accounting Standards Council (as amended from time to time, the "**SFRS**") or any other accounting standards that may replace SFRS for the purposes of the consolidated financial statements of CRCT (the "**Relevant Accounting Standard**"), the Perpetual Securities will not or will no longer be recorded as "equity" of CRCT pursuant to the Relevant Accounting Standard.

Redemption for Tax Deductibility : If so provided on the face of the Perpetual Security and the relevant Pricing Supplement, the Perpetual Securities may be redeemed at the option of the Issuer in whole, but not in part, on any Distribution Payment Date or, if so specified thereon, at any time on giving not less than 30 nor more than 60 days' notice to the Perpetual Securityholders (which notice shall be irrevocable), at their Redemption Amount (together with distributions (including any Arrears of Distribution and any Additional Distribution Amount) accrued to (but excluding) the date fixed for redemption) if:

(i) the Issuer satisfies the Trustee immediately before giving such notice that, as a result of:

(1) any amendment to, or change in, the laws (or any rules or regulations thereunder) of Singapore or any political subdivision or any taxing authority thereof or therein which is enacted, promulgated, issued or becomes effective on or after the Issue Date;

(2) any amendment to, or change in, an official and binding interpretation of any such laws, rules or regulations by any legislative body, court, governmental agency or regulatory authority (including the enactment of any legislation and the publication of any judicial decision or regulatory determination) which is enacted, promulgated, issued or becomes effective on or after the Issue Date; or

(3) any generally applicable official interpretation or pronouncement which is issued or announced on or after the Issue Date that provides for a position with respect to such laws or regulations that differs from the previously generally accepted position which is announced before the Issue Date,

the distributions (including any Arrears of Distribution and any Additional Distribution Amount) by the Issuer are no longer, or would in the Distribution Period immediately following that Distribution Payment Date no longer be, regarded as sums "payable by way of interest upon any money borrowed" for the purpose of Section 14(1)(a) of the ITA, provided that no such notice of redemption may be given earlier than 90 days prior to such effective date on which the distributions (including any Arrears of Distribution and any Additional Distribution Amount) would not be regarded as such sums; or

(ii) the Issuer receives a ruling by the Comptroller of Income Tax in Singapore (or other relevant authority) which confirms that the distributions (including any Arrears of Distribution and any Additional Distribution Amount) will not be regarded as sums "payable by way of interest upon any money borrowed" for the purpose of Section 14(1)(a) of the ITA.

Redemption in the case of Minimal Outstanding Amount	:	If so provided on the face of the Perpetual Security and the relevant Pricing Supplement, the Perpetual Securities may be redeemed at the option of the Issuer in whole, but not in part, on any Distribution Payment Date or, if so specified thereon, at any time on giving not less than 30 nor more than 60 days' notice to the Perpetual Securityholders (which notice shall be irrevocable), at their Redemption Amount (together with distribution (including any Arrears of Distribution and any Additional Distribution Amount) accrued to (but excluding) the date fixed for redemption) if, immediately before giving such notice, the aggregate principal amount of the Perpetual Securities outstanding is less than 20 per cent. of the aggregate principal amount originally issued.
Redemption upon Cessation or Suspension of Trading of Units	:	If so provided on the face of the Perpetual Security and the relevant Pricing Supplement, in the event that (i) the units of CRCT cease to be traded on the SGX-ST or (ii) trading in the units of CRCT on the SGX-ST is suspended for a continuous period of more than seven days (other than by reason of holiday, statutory or otherwise), the Perpetual Securities may be redeemed at the option of the Issuer in whole, but not in part, on the date on which distribution is due to be paid on such Perpetual Securities or, if earlier, the date falling 45 days after (in the case of (i)) the date of cessation of listing or trading or (in the case of (ii)) the business day immediately following the expiry of such continuous period of seven days at their Redemption Amount (together with distribution (including Arrears of Distribution and any Additional Distribution Amount) accrued to (but excluding) the date fixed for redemption).
Redemption upon a Regulatory Event	:	If so provided on the face of the Perpetual Security and the relevant Pricing Supplement, the Issuer may, at its option, redeem the Perpetual Securities in whole, but not in part, at any time at their principal amount, together with distributions (including any Arrears of Distribution and any Additional Distribution Amount) accrued from the immediately preceding Distribution Payment Date to (but excluding) the date fixed for redemption, on the Issuer giving not less than 30 nor more than 60 days' notice to the Perpetual Securityholders and the Trustee (which notice shall be irrevocable), if the Issuer satisfies the Trustee immediately prior to the giving of such notice that as a result of any change in, or amendment to, the Property Funds Appendix, or any change in the application or official interpretation of the Property Funds Appendix, the Perpetual Securities count or will count towards the Aggregate Leverage under the Property Funds Appendix (a "**Regulatory Event**"), provided that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Perpetual Securities will count towards the Aggregate Leverage.

Redemption upon a Ratings Event	:	If so provided on the face of the Perpetual Security and the relevant Pricing Supplement, the Perpetual Securities may be redeemed at the option of the Issuer in whole, but not in part, on any Distribution Payment Date or, if so specified thereon, at any time on giving not less than 30 nor more than 60 days' notice to the Perpetual Securityholders (which notice shall be irrevocable), at their Redemption Amount (together with distribution (including any Arrears of Distribution and any Additional Distribution Amount) accrued to (but excluding) the date fixed for redemption) if, on such Distribution Payment Date or any time after that Distribution Payment Date, an amendment, clarification or change has occurred or will occur in the equity credit criteria, guidelines or methodology of any Rating Agency (as defined in the Trust Deed) requested from time to time by the Issuer to grant an equity classification to the Perpetual Securities and in each case, any of their respective successors to the rating business thereof, which amendment, clarification or change results in a lower equity credit for the Perpetual Securities than the equity credit assigned on the Issue Date or, if equity credit is not assigned on the Issue Date, at the date when equity credit is assigned for the first time ("**Ratings Event**").
Limited right to institute proceedings in relation to Perpetual Securities	:	Notwithstanding any of the provisions in Condition 9 of the Perpetual Securities, the right to institute proceedings for Winding-Up (as defined in Condition 9(a) of the Perpetual Securities) in respect of CRCT is limited to circumstances where payment under the Perpetual Securities has become due. In the case of any distribution, such distribution will not be due if the Issuer has elected not to pay that distribution in accordance with Condition 4(IV) of the Perpetual Securities.
Proceedings for Winding-Up	:	If (i) a final and effective order is made or an effective resolution is passed for the Winding-Up of CRCT or (ii) the Issuer does not pay any principal payable by it under any of the Perpetual Securities at the place at and in the currency in which it is expressed to be payable when due and such default continues for three business days after the due date or any distribution or other amounts (other than principal) payable by it under any of the Perpetual Securities at the place at and in the currency in which it is expressed to be payable when due and such default continues for three business days after the due date, the Issuer shall be deemed to be in default under the Trust Deed and the Perpetual Securities and the Trustee may, subject to the provisions of Condition 9(d) of the Perpetual Securities, institute proceedings for the Winding-Up of CRCT, prove in the Winding-Up of CRCT and/or claim in the liquidation of CRCT for such payment.

RISK FACTORS

Prior to making an investment or divestment decision, prospective investors in or existing holders of the Securities should carefully consider all the information set forth in this Information Memorandum including the risk factors set out below. Any of the following risks could adversely affect the Issuer, CRCT and/or the Group's business, assets, financial condition, results of operations or prospects, and investors could, as a result, lose all or part of their investment.The risk factors set out below do not purport to be complete or comprehensive of all the risks that may be involved in the businesses of the Issuer, CRCT and/or the Group or any decision to purchase, own or dispose of the Securities. Additional risks and uncertainties which the Issuer is currently unaware of may also impair the businesses, assets, financial condition, performance or prospects of the Issuer, CRCT and/or the Group. If any of the following risk factors develop into actual events, the business, assets, financial condition, results of operations or prospects of the Issuer, CRCT and/or the Group could be materially and adversely affected. In such cases, the ability of the Issuer to comply with its obligations under the Trust Deed and the Securities may be adversely affected.

Limitations of this Information Memorandum

This Information Memorandum does not purport to nor does it contain all information that a prospective investor in or existing holder of the Securities may require in investigating the Issuer, CRCT and/or the Group, prior to making an investment or divestment decision in relation to the Securities issued under the Programme. Neither this Information Memorandum nor any other document or information (or any part thereof) delivered or supplied under or in relation to the Programme or the Securities is intended to provide the basis of any credit or other evaluation and should not be considered as a recommendation by the Issuer, the Arranger or any of the Dealers that any recipient of this Information Memorandum or any such other document or information (or such part thereof) should subscribe for or purchase or sell any of the Securities. This Information Memorandum is not, and does not purport to be, investment advice. A prospective investor should make an investment in the Securities only after it has determined that such investment is suitable for its investment objectives. Determining whether an investment in the Securities is suitable is a prospective investor's responsibility, even if the investor has received information to assist it in making such a determination. Each person receiving this Information Memorandum acknowledges that such person has not relied on the Issuer, CRCT, the CRCT Manager, their respective subsidiaries (if any), their respective associated companies (if any), their respective joint venture entities (if any), the Arranger, any of the Dealers or any person affiliated with each of them in connection with its investigation of the accuracy or completeness of the information contained herein or of any additional information considered by it to be necessary in connection with its investment or divestment decision. Any recipient of this Information Memorandum contemplating subscribing for or purchasing or selling any of the Securities should determine for itself the relevance of the information contained in this Information Memorandum and any such other document or information (or any part thereof), and its investment or divestment should be, and shall be deemed to be, based solely upon its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness, of the Issuer, CRCT, the CRCT Manager, their respective subsidiaries (if any), their respective associated companies (if any), their respective joint venture entities (if any), the terms and conditions of the Securities and any other factors relevant to its decision, including the merits and risks involved. A prospective investor should consult with its legal, tax and/or other advisers prior to deciding to make an investment in the Securities.

INVESTMENT CONSIDERATIONS ASSOCIATED WITH INVESTMENT IN THE SECURITIES

The Securities may not be a suitable investment for all investors

Each potential investor in the Securities must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor should:

- have sufficient knowledge and experience to make a meaningful evaluation of the Securities, the merits and risks of investing in the Securities and the information contained, or incorporated by reference, in this Information Memorandum or any applicable supplement to this Information Memorandum;

- have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Securities and the impact such investment will have on its overall investment portfolio;

- have sufficient financial resources and liquidity to bear all of the risks of an investment in the Securities, including Securities with principal or interest or distribution payable in one or more currencies, or where the currency for principal or interest or distribution payments is different from the potential investor's currency;

- understand thoroughly the terms of the Securities and be familiar with the behaviour of any relevant indices and financial markets; and

- be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

Some Securities are complex financial instruments. Sophisticated investors generally do not purchase complex financial instruments as standalone investments. They purchase complex financial instruments as a way to reduce risk or enhance yield with an understood, measured, appropriate addition of risk to their overall portfolios. A potential investor should not invest in the Securities which are complex financial instruments, unless it has the expertise (either alone or with a financial adviser) to evaluate how the Securities will perform under changing conditions, the resulting effects on the value of such Securities and the impact such investment will have on the potential investor's overall investment portfolio.

Investment activities may be subject to legal investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal advisers to determine whether and to what extent: (1) the Securities are legal investments for them, (2) the Securities can be used as collateral for various types of borrowing and (3) other restrictions apply to its purchase of any of the Securities. Financial institutions should consult their legal advisers or the appropriate regulators to determine the appropriate treatment of the Securities under any applicable risk-based capital or similar rules.

Lack of public market and limited liquidity for the Securities

There can be no assurance as to the liquidity of the Securities or that an active trading market will develop. If such a market were to develop, the Securities may trade at prices that may be higher or lower than the initial issue price depending on many factors, including, amongst other things, prevailing interest rates, the Issuer's, CRCT's and/or the Group's operations and the market for similar securities. Therefore, investors may not be able to sell their Securities easily or at prices that will provide them with a yield comparable to similar investments that have a developed secondary market. This is particularly the case for Securities that are especially sensitive to interest rate, currency or market risks, are designed for specific investment objectives or strategies or have been structured to meet the investment requirements of limited categories of investors. These types of Securities generally would have a more limited secondary market and more price volatility than conventional debt securities.

Liquidity may have an adverse effect on the market value of the Securities. Although the issue of additional Securities may increase the liquidity of the Securities, there can be no assurance that the price of such Securities will not be adversely affected by the issue in the market of such additional Securities. The Dealers are not obliged to make a market in the Securities and any such market making, if commenced, may be discontinued at any time at the sole discretion of the relevant Dealer(s). No assurance can be given as to the liquidity of, or trading market for, the Securities.

Fluctuation of market value of Securities issued under the Programme

Trading prices of the Securities are influenced by numerous factors, including (i) the operating results and/or financial condition of the Issuer, CRCT and/or its subsidiaries (if any), associated companies (if any) and/or joint venture entities (if any), (ii) political, economic or financial conditions and (iii) the market for similar securities and any other factors that can affect the capital markets, the industry, the Issuer, CRCT and/or its subsidiaries (if any), associated companies (if any) and/or joint venture entities (if any) generally. Adverse economic developments, in Singapore as well as countries in which the Issuer, CRCT and/or its subsidiaries (if any), associated companies (if any) and/or joint venture entities (if any) operate or have

business dealings, could have a material adverse effect on the Singapore economy and the economies in which the Issuer, CRCT and/or its subsidiaries (if any), associated companies (if any) and/or joint venture entities (if any) operate or have business dealings and the operating results and/or the financial condition of the Issuer, CRCT and/or its subsidiaries (if any), associated companies (if any) and/or joint venture entities (if any).

Interest rate risk

Securityholders may suffer unforeseen losses due to fluctuations in interest rates. Generally, a rise in interest rates may cause a fall in debt security prices, resulting in a capital loss for the Securityholders. However, the Securityholders may reinvest the interest or distribution payments at higher prevailing interest rates. Conversely, when interest rates fall, debt security prices may rise. Securityholders may enjoy a capital gain but interest or distribution payments received may be reinvested at lower prevailing interest rates.

Inflation risk

Securityholders may suffer erosion on the return of their investments due to inflation. Securityholders would have an anticipated rate of return based on expected inflation rates on the purchase of the Securities. An unexpected increase in inflation could reduce the actual returns.

The Securities may be issued at a substantial discount or premium

The market value of Securities issued at a substantial discount or premium from their principal amount tend to fluctuate more in relation to general changes in interest rates than do prices for conventional interest-bearing Securities. Generally, the longer the remaining term of the Securities, the greater the price volatility as compared to conventional interest-bearing Securities with comparable maturities.

Modification

The terms and conditions of the Securities contain provisions for calling meetings of Securityholders to consider matters affecting their interests generally. These provisions permit defined majorities to bind all Securityholders, including Securityholders who did not attend and vote at the relevant meeting and Securityholders who voted in a manner contrary to the majority.

The terms and conditions of the Securities also provide that the Trustee may agree, without the consent of the Securityholders or Couponholders, to (i) any modification of any of the provisions of the Trust Deed or any of the other Issue Documents (as defined in the Trust Deed) which in the opinion of the Trustee is of a formal, minor or technical nature, is made to correct a manifest error or to comply with mandatory provisions of Singapore law or is required by Euroclear and/or Clearstream, Luxembourg and/or the Depository and/or any other clearing system in which the Securities may be held and (ii) any other modification (except as mentioned in the Trust Deed) to the Trust Deed and any of the other Issue Documents, and any waiver or authorisation of any breach or proposed breach, of any of the provisions of the Trust Deed or any of the other Issue Documents, which is in the opinion of the Trustee not materially prejudicial to the interests of the Securityholders. Any such modification, authorisation or waiver shall be binding on the Securityholders and the Couponholders and, (in the case of a modification) unless the Trustee otherwise agrees in writing or (in the case of an authorisation or a waiver) if the Trustee shall so require, such modification, authorisation or waiver shall be notified to the Securityholders as soon as practicable thereafter.

The Securities may be represented by Global Securities or Global Certificates and holders of a beneficial interest in a Global Security or Global Certificate must rely on the procedures of the relevant Clearing System (as defined below)

Securities issued under the Programme may be represented by one or more Global Securities or Global Certificates. Such Global Securities or Global Certificates will be deposited with or registered in the name of, or in the name of a nominee of, a Common Depositary, CDP and/or such other clearing system (each of Euroclear, Clearstream, Luxembourg, CDP and/or such other clearing system, a "**Clearing System**"). Except in the circumstances described in the relevant Global Security or Global Certificate, investors will not be entitled to receive Definitive Securities or Certificates. The relevant Clearing System will maintain

records of their accountholders in relation to the Global Securities and Global Certificates. While the Securities are represented by one or more Global Securities or Global Certificates, investors will be able to trade their beneficial interests only through the relevant Clearing System.

While the Securities are represented by one or more Global Securities or Global Certificates, the Issuer will discharge its payment obligations under the Securities by making payments to the relevant Clearing System, for distribution to their accountholders or, as the case may be, to the Issuing and Paying Agent for distribution to the holders as appearing in the records of the relevant Clearing System. A holder of a beneficial interest in a Global Security or Global Certificate must rely on the procedures of the relevant Clearing System to receive payments under the relevant Securities. The Issuer bears no responsibility or liability for the records relating to, or payments made in respect of, beneficial interests in the Global Securities or Global Certificates.

Holders of beneficial interests in the Global Securities and Global Certificates will not have a direct right to vote in respect of the relevant Securities. Instead, such holders will be permitted to act only to the extent that they are enabled by the relevant Clearing System to appoint appropriate proxies.

Changes in market interest rates may adversely affect the value of fixed rate Securities

Investment in fixed rate Securities involves the risk that subsequent changes in market interest rates may adversely affect the value of fixed rate Securities.

Exchange rate risks and exchange controls may result in Securityholders receiving less interest, distributions and/or principal than expected

The Issuer will pay principal and interest or distribution on the Securities in the currency specified. This presents certain risks relating to currency conversions if Securityholders' financial activities are denominated principally in a currency or currency unit (the "**Investor's Currency**") other than the currency in which the Securities are denominated. These include the risk that exchange rates may significantly change (including changes due to devaluation of the currency in which the Securities are denominated or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency may impose or modify exchange controls. An appreciation in the value of the Investor's Currency relative to the currency in which the Securities are denominated would decrease (a) the Investor's Currency equivalent yield on the Securities, (b) the Investor's Currency equivalent value of the principal payable on the Securities, if any, and (c) the Investor's Currency equivalent market value of the Securities.

Government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate. As a result, Securityholders may receive less principal, interest and/or distribution than expected, or no principal, interest and/or distribution at all.

The Securities are not secured

The Securities and Coupons of all Series constitute unsecured obligations of the Issuer. Accordingly, on a winding-up or termination of CRCT at any time prior to maturity of any Securities, the Securityholders will not have recourse to any specific assets of CRCT or any of its subsidiaries (if any), associated companies (if any) and/or joint venture entities (if any) as security for outstanding payment or other obligations under the Securities and/or Coupons owed to the Securityholders and there can be no assurance that there would be sufficient value in the assets of CRCT, after meeting all claims ranking ahead of the Securities, to discharge all outstanding payment and other obligations under the Securities and/or Coupons owed to the Securityholders.

Enforcement against the Issuer is subject to limitations

Securityholders should note that the Securities are issued by the Issuer and not CRCT, as the latter is not a legal entity. Securityholders should note that under the terms of the Securities, Securityholders shall only have recourse to the assets of, or held on trust for, CRCT over which HSBCIT, in its capacity as trustee of CRCT, has recourse and not to any personal or other assets of HSBCIT or any assets held by HSBCIT as trustee of any other trust. Furthermore, Securityholders do not have direct access to the assets of CRCT but may only have recourse to such assets through the Issuer and if necessary seek

to subrogate the Issuer's right of indemnity out of the assets of CRCT, and accordingly, any claim of the Securityholders to such assets is derivative in nature. A Securityholder's right of subrogation could be limited by the Issuer's right of indemnity under the CRCT Trust Deed. Securityholders should also note that such right of indemnity of the Issuer may be limited or lost by virtue of fraud, gross negligence or wilful default of the Issuer or breach of any provisions of the CRCT Trust Deed or breach of trust by the Issuer.

The value of the Securities could be adversely affected by a change in Singapore law or administrative practice

The terms and conditions of the Securities are based on Singapore law in effect as at the date of this Information Memorandum. No assurance can be given as to the impact of any possible judicial decision or change to Singapore law or administrative practice after the date of this Information Memorandum and any such change could materially adversely impact the value of any Securities affected by it.

Performance of contractual obligations by the Issuer is dependent on other parties

The ability of the Issuer to make payments in respect of the Securities may depend upon the due performance by the other parties to the Trust Deed and the Agency Agreement of their obligations thereunder including the performance by the CRCT Manager, the Trustee, the Issuing and Paying Agent, the Transfer Agent, the Registrar and/or the Agent Bank of their respective obligations. Whilst the non-performance of any relevant parties will not relieve the Issuer of its obligations to make payments in respect of the Securities, the Issuer may not, in such circumstances, be able to fulfill its obligations to the Securityholders and Couponholders.

Securityholders should be aware that Securities which have a denomination that is not an integral multiple of the minimum Denomination Amount may be illiquid and difficult to trade

In relation to any issue of Securities which have a denomination consisting of a minimum Denomination Amount (as described in the applicable Pricing Supplement) plus a higher integral multiple of another smaller amount, it is possible that the Securities may be traded in amounts in excess of the minimum Denomination Amount that are not integral multiples of such minimum Denomination Amount. In such a case a Securityholder who, as a result of trading such amounts, holds (in his account with the relevant Clearing System at the relevant time) a principal amount which is less than the minimum Denomination Amount will not receive a Definitive Security or Certificate in respect of such holding (should Definitive Securities or Certificates be printed) and would need to purchase a principal amount of Securities such that it holds an amount equal to one or more Denomination Amounts. Securities which have a denomination that is not an integral multiple of the minimum Denomination Amount may be illiquid and difficult to trade. Definitive Securities will in no circumstances be issued to any person holding Securities in an amount lower than the minimum Denomination Amount and such Securities will be cancelled and holders will have no rights against the Issuer (including rights to receive principal or interest or distribution or to vote or attend meetings of Securityholders) in respect of such Securities.

The Trustee may request Securityholders to provide an indemnity and/or security to its satisfaction

In certain circumstances (including, without limitation, pursuant to Condition 11 of the Notes and Condition 9 of the Perpetual Securities, as the case may be), the Trustee may request Securityholders to provide an indemnity and/or security to its satisfaction before it takes action on behalf of Securityholders. The Trustee shall not be obliged to take any such action if not first indemnified and/or secured to its satisfaction. Negotiating and agreeing to an indemnity and/or security can be a lengthy process and may impact on when such actions can be taken.

The Trustee may not be able to take action, notwithstanding the provision of an indemnity and/or security to it, in breach of the terms of the Trust Deed and in circumstances where there is uncertainty or dispute as to the applicable laws or regulations and, to the extent permitted by the agreements and the applicable law, it will be for the Securityholders to take such action directly.

INVESTMENT CONSIDERATIONS ASSOCIATED WITH INVESTMENT IN THE NOTES

Singapore tax risk

The Notes to be issued from time to time under the Programme during the period from the date of this Information Memorandum to 31 December 2018 are intended to be "qualifying debt securities" for the purposes of the ITA, subject to the fulfillment of certain conditions more particularly described in the section "Singapore Taxation" of this Information Memorandum.

However, there is no assurance that such Notes will continue to enjoy the tax concessions in connection therewith should the relevant tax laws be amended or revoked at any time.

Notes subject to optional redemption by the Issuer may have a lower market value than Notes that cannot be redeemed

An optional redemption feature is likely to limit the market value of the Notes. During any period when the Issuer may elect to redeem the Notes, the market value of those Notes generally will not rise substantially above the price at which they can be redeemed. This also may be true prior to any redemption period.

The Issuer may be expected to redeem the Notes when its cost of borrowing is lower than the interest rate on the Notes. At such times, Noteholders generally would not be able to reinvest the redemption proceeds at an effective interest rate as high as the interest rate on the Notes being redeemed, and may only be able to do so at a significantly lower rate. Potential investors should consider reinvestment risk in light of other investments available at that time.

INVESTMENT CONSIDERATIONS ASSOCIATED WITH INVESTMENT IN THE PERPETUAL SECURITIES

Perpetual Securities may be issued for which investors have no right to require redemption

The Perpetual Securities are perpetual and have no fixed final maturity date. Perpetual Securityholders have no right to require the Issuer to redeem Perpetual Securities at any time, and an investor who acquires Perpetual Securities may only dispose of such Perpetual Securities by sale. Perpetual Securityholders who wish to sell their Perpetual Securities may be unable to do so at a price at or above the amount they have paid for them, or at all. Therefore, potential investors should be aware that they may be required to bear the financial risks of an investment in Perpetual Securities for an indefinite period of time.

If specified in the relevant Pricing Supplement, Perpetual Securityholders may not receive distribution payments if the Issuer elects not to pay all or a part of a distribution under the terms and conditions of the Perpetual Securities

If Optional Payment is specified in the relevant Pricing Supplement, the Issuer may, at its sole discretion and subject to certain conditions, elect not to pay any scheduled distribution on the Perpetual Securities in whole or in part for any period of time. The Issuer is not subject to any limit as to the number of times or the amount with respect to which the Issuer can elect not to pay distributions under the Perpetual Securities. While the Issuer may, at its sole discretion, and at any time, elect to pay an Optional Distribution, being an optional amount equal to the amount of distribution which is unpaid in whole or in part, there is no assurance that the Issuer will do so, and distributions which are not paid in whole or in part may remain unpaid for an indefinite period of time. Any non-payment of a distribution in whole or in part shall not constitute a default for any purpose. Any election by the Issuer not to pay a distribution in whole or in part, will likely have an adverse effect on the market price of the Perpetual Securities. In addition, as a result of the potential non-cumulative distribution feature of the Perpetual Securities and the Issuer's ability to elect not to pay a distribution in whole or in part, the market price of the Perpetual Securities may be more volatile than the market prices of other debt securities on which original issue discount or interest accrues that are not subject to such election not to pay and may be more sensitive generally to adverse changes in the Issuer's or Group's financial condition.

If specified in the relevant Pricing Supplement, the Perpetual Securities may be redeemed at the Issuer's option at date(s) specified in the relevant Pricing Supplement or on the occurrence of certain other events

The Perpetual Securities are perpetual and have no fixed final redemption date. If specified in the relevant Pricing Supplement, the Perpetual Securities may be redeemed at the option of the Issuer on certain date(s) specified in the relevant Pricing Supplement at their principal amount (or such other redemption amount stated in the relevant Pricing Supplement) together with all outstanding Arrears of Distribution, Additional Distribution Amounts and distribution accrued to (but excluding) the date fixed for redemption. In addition, if specified in the relevant Pricing Supplement, the Issuer may, at its option, redeem the Perpetual Securities in whole, but not in part, on any Distribution Payment Date, or any time after such Distribution Payment Date, upon the occurrence of certain other events. See the section "Terms and Conditions of the Perpetual Securities – Redemption and Purchase" of this Information Memorandum.

The date on which the Issuer elects to redeem the Perpetual Securities may not accord with the preference of individual Perpetual Securityholders. This may be disadvantageous to Perpetual Securityholders in light of market conditions or the individual circumstances of the Perpetual Securityholder. In addition, an investor may not be able to reinvest the redemption proceeds in comparable securities at an effective distribution rate at the same level as that of the Perpetual Securities.

There are limited remedies for non-payment under the Perpetual Securities

Any scheduled distribution will not be due if the Issuer elects not to pay all or a part of that distribution pursuant to the terms and conditions of the Perpetual Securities. Notwithstanding any of the provisions relating to non-payment defaults, the right to institute Winding-Up (as defined in Condition 9(a) of the Perpetual Securities) proceedings in respect of CRCT is limited to circumstances where payment under the Perpetual Securities has become due and the Issuer fails to make the payment in respect of the Perpetual Securities when due and such default continues for a period of three business days. The only remedy against the Issuer available to the Trustee or, where the Trustee has failed to proceed against the Issuer as provided in the terms and conditions of the Perpetual Securities, to any Perpetual Securityholder for recovery of amounts in respect of the Perpetual Securities following the occurrence of a non-payment default after any sum becomes due in respect of the Perpetual Securities will be instituting proceedings for the Winding-Up and/or proving in such Winding-Up and/or claiming in the liquidation of CRCT in respect of any payment obligations of the Issuer and CRCT arising from the Perpetual Securities.

The Issuer may raise or redeem other capital which affects the price of the Perpetual Securities

The Issuer may raise additional capital through the issue of other securities or other means. There is no restriction, contractual or otherwise, on the amount of securities or other liabilities which the Issuer may issue or incur and which rank senior to, or *pari passu* with, the Perpetual Securities. Similarly, subject to compliance with the terms and conditions of the Perpetual Securities, the Issuer may redeem securities that rank junior to, *pari passu* with, or senior to the Perpetual Securities. The issue of any such securities or the incurrence of any such other liabilities or the redemption of any such securities may reduce the amount (if any) recoverable by Perpetual Securityholders on a Winding-Up of CRCT, and may increase the likelihood of a deferral of distribution under the Perpetual Securities. The issue of any such securities or the incurrence of any such other liabilities or the redemption of any such securities might also have an adverse impact on the trading price of the Perpetual Securities and/or the ability of Perpetual Securityholders to sell their Perpetual Securities.

The obligations of the Issuer under the Subordinated Perpetual Securities are subordinated

The Subordinated Perpetual Securities will constitute unsecured and subordinated obligations of the Issuer. Subject to the insolvency laws of Singapore and other applicable laws, in the event of the Winding-Up of CRCT, there shall be payable by the Issuer in respect of each Subordinated Perpetual Security (in lieu of any other payment by the Issuer), such amount, if any, as would have been payable to such Perpetual Securityholder if, on the day prior to the commencement of the Winding-Up of CRCT, and thereafter, such Perpetual Securityholder were the holder of one of a class of preferred units in the capital of CRCT (and if more than one class of preferred units is outstanding, the most junior ranking class of such preferred units) (the "**CRCT Notional Preferred Units**") having an equal right to return of assets in the Winding-Up of CRCT and so ranking *pari passu* with the holders of that class or classes

of preferred units (if any) which have a preferential right to return of assets in the Winding-Up of CRCT, and so rank ahead of the holders of Junior Obligations of the Issuer but junior to the claims of all other present and future creditors of the Issuer (other than Parity Obligations of the Issuer), on the assumption that the amount that such Perpetual Securityholder was entitled to receive in respect of each CRCT Notional Preferred Unit on a return of assets in such Winding-Up of CRCT were an amount equal to the principal amount (and any applicable premium outstanding) of the relevant Subordinated Perpetual Security together with distributions accrued and unpaid since the immediately preceding Distribution Payment Date or the Issue Date (as the case may be) and any unpaid Optional Distributions (as defined in Condition 4(IV)(c) of the Perpetual Securities) in respect of which the Issuer has given notice to the Perpetual Securityholders in accordance with the Conditions of the Perpetual Securities. In the event of a shortfall of funds or a Winding-Up of CRCT, there is a real risk that an investor in the Subordinated Perpetual Securities will lose all or some of its investment and will not receive a full return of the principal amount or any unpaid or accrued distributions.

In addition, subject to the limit on the aggregate principal amount of Securities that can be issued under the Programme (which can be amended from time to time by the Issuer without the consent of the Securityholders), there is no restriction on the amount of unsubordinated securities or other liabilities which the Issuer may issue or incur and which rank senior to, or *pari passu* with, the Subordinated Perpetual Securities. The issue of any such securities or the incurrence of any such other liabilities may reduce the amount (if any) recoverable by holders of Subordinated Perpetual Securities on a Winding-Up of CRCT and/or may increase the likelihood of a non-payment of distribution under the Subordinated Perpetual Securities.

Any future change in the accounting treatment of the Perpetual Securities may entitle the Issuer to redeem such Securities

Any changes or amendments to the Singapore Financial Reporting Standards issued by the Singapore Accounting Standards Council (as amended from time to time, the "**SFRS**") or any other accounting standards that may replace SFRS for the purposes of the consolidated financial statements of CRCT which results in the Perpetual Securities not being regarded as "equity" of CRCT will allow the Issuer to redeem such Perpetual Securities if so provided in the relevant Pricing Supplement.

The date on which the Issuer elects to redeem the Perpetual Securities may not accord with the preference of individual Perpetual Securityholders. This may be disadvantageous to Perpetual Securityholders in light of market conditions or the individual circumstances of the Perpetual Securityholder. In addition, an investor may not be able to reinvest the redemption proceeds in comparable securities at an effective distribution rate at the same level as that of the Perpetual Securities.

Tax treatment of the Perpetual Securities is unclear

It is not clear whether any particular tranche of the Perpetual Securities (the "**Relevant Tranche of the Perpetual Securities**") will be regarded as "debt securities" by the IRAS for the purposes of the ITA and whether the tax exemptions or tax concessions available for qualifying debt securities under the qualifying debt securities scheme (as set out in the section "Singapore Taxation" of this Information Memorandum) would apply to the Relevant Tranche of the Perpetual Securities.

If the Relevant Tranche of the Perpetual Securities is not regarded as "debt securities" for the purposes of the ITA and holders thereof are not eligible for the tax concessions under the qualifying debt securities scheme, the tax treatment to Perpetual Securityholders may differ. In addition, in the event that the IRAS does not regard the Relevant Tranche of the Perpetual Securities issued by the Issuer as "debt securities" for Singapore income tax purposes, payments in respect of the Relevant Tranche of the Perpetual Securities (including, without limitation, the distributions, Optional Distributions, Arrears of Distribution and Additional Distribution Amounts) may be subject to Singapore income tax in the same manner as distributions on ordinary units of CRCT, and the Issuer may be obliged (in certain circumstances) to withhold or deduct tax at the prevailing rate (currently 10.0% or 17.0%) under Section 45G of the ITA on such payments. In that event, the Issuer will not pay any additional amounts in respect of any such withholding or deduction from such payments in respect of the Relevant Tranche of the Perpetual Securities in connection therewith for or on account of any such taxes or duties. Perpetual Securityholders are thus advised to consult their own professional advisers regarding the tax treatment of payments made

to them under the Relevant Tranche of Perpetual Securities (including, without limitation, the distributions, Optional Distributions, Arrears of Distribution and Additional Distribution Amounts) including the risk of such payments being subject to Singapore withholding tax.

For further details of the tax treatment of Perpetual Securities, see the section "Singapore Taxation" of this Information Memorandum.

INVESTMENT CONSIDERATIONS ASSOCIATED WITH INVESTMENT IN RENMINBI-DENOMINATED SECURITIES

Securities denominated in RMB ("**RMB Securities**") may be issued under the Programme. RMB Securities contain particular risks for potential investors.

Renminbi is not freely convertible; there are significant restrictions on remittance of Renminbi into and outside the PRC

Renminbi is not freely convertible at present. The PRC government continues to regulate conversion between Renminbi and foreign currencies, including the Hong Kong dollar and U.S. dollar, despite the significant reduction over the years by the PRC government of control over foreign exchange transactions.

On 3 December 2013, the Ministry of Commerce of the PRC ("**MOFCOM**") promulgated the *Notice on Issues in relation to Cross-border Renminbi Foreign Direct Investment* (the "**MOFCOM RMB FDI Notice**"). Pursuant to the MOFCOM RMB FDI Notice, cross-border Renminbi Foreign Direct Investments (the "**RMB FDIs**") shall meet the requirements of the PRC laws on foreign investment and comply with the national industrial policies on foreign investment, the relevant provisions on the security review of mergers and acquisitions by foreign investors and the anti-monopoly examination. The MOFCOM RMB FDI Notice also requires that the proceeds of RMB FDI may not be used towards investment in securities, financial derivatives or entrustment loans in the PRC, except for investments in PRC domestic listed companies through private placements or shares transfers by agreement. On 13 October 2011, *Measures on the Administration of Renminbi Settlement for Foreign Direct Investment* (the "**PBOC Measures**") issued by the People's Bank of China ("**PBOC**") and amended on 5 June 2015 set out operating procedures for PRC banks to handle Renminbi settlement relating to RMB FDI and borrowing by foreign invested enterprises of offshore Renminbi loans. Prior to the PBOC Measures, cross-border Renminbi settlement for the RMB FDI required approvals from the PBOC on a case-by-case basis. The new rules replace the PBOC approval requirement with appropriate bank's examination and a less onerous registration and filing requirement. Under the new rules, commercial banks can remit a foreign investor's RMB proceeds from distribution (dividends or otherwise) by its PRC subsidiaries out of the PRC after reviewing certain requisite documents.

As the above measures and notices are still relatively new, how they will be applied in practice still remains subject to the interpretation by the relevant PRC authorities.

Subject to obtaining all necessary approvals from and registration with the relevant PRC government authorities (including but not limited to MOFCOM or its local counterparts and foreign exchange administrations), the Issuer may decide to remit the proceeds arising from the issue of the Securities under the Programme into the PRC in Renminbi or other currencies. However, there is no assurance that the necessary approvals from and registration with the relevant PRC government authorities will be obtained on a timely basis, or at all or, if obtained, they will not be revoked or amended in the future.

There is no assurance that the PRC government will continue to gradually liberalise control over cross-border Renminbi remittances in the future or that new PRC regulations will not be promulgated in the future which have the effect of restricting or eliminating the remittance of Renminbi into or outside the PRC. In the event that the Group is not able to repatriate funds outside the PRC in Renminbi, the Issuer will need to source Renminbi offshore to finance its obligations under the RMB Securities, and its ability to do so will be subject to the overall availability of Renminbi outside the PRC.

There is only limited availability of Renminbi outside the PRC, which may affect the liquidity of RMB Securities and the Issuer's ability to source Renminbi outside the PRC to service such RMB Securities

As a result of the restrictions by the PRC government on cross-border Renminbi fund flows, the availability of Renminbi outside the PRC is limited. Since February 2004, in accordance with arrangements between the PRC central government and the Hong Kong government, licensed banks in Hong Kong may offer limited Renminbi-denominated banking services to Hong Kong residents and specified business customers. The PBOC, the central bank of the PRC, has also established a Renminbi clearing and settlement system for participating banks in Hong Kong. On 19 July 2010, further amendments were made to the Settlement Agreement on the Clearing of Renminbi Business (the "**Settlement Agreement**") between the PBOC and Bank of China (Hong Kong) Limited (the "**RMB Clearing Bank**") to further expand the scope of Renminbi business for participating banks in Hong Kong. Pursuant to the revised arrangements, all corporations are allowed to open Renminbi accounts in Hong Kong; there is no longer any limit (other than as provided in the following paragraph) on the ability of corporations to convert Renminbi; and there will no longer be any restriction on the transfer of Renminbi funds between different accounts in Hong Kong.

However, the current size of Renminbi-denominated financial assets outside the PRC is limited. In addition, participating banks are also required by the Hong Kong Monetary Authority to maintain a total amount of Renminbi (in the form of cash and its settlement account balance with the RMB Clearing Bank) of no less than 25.0% of their Renminbi deposits, which further limits the availability of Renminbi that participating banks can utilise for conversion services for their customers. Renminbi business participating banks do not have direct Renminbi liquidity support from the PBOC. The RMB Clearing Bank only has access to onshore liquidity support from the PBOC to square open positions of participating banks for limited types of transactions. The RMB Clearing Bank is not obliged to square for participating banks any open positions resulting from other foreign exchange transactions or conversion services and the participating banks will need to source Renminbi from the offshore market to square such open positions.

Although it is expected that the offshore Renminbi market will continue to grow in depth and size, its growth is subject to many constraints as a result of PRC laws and regulations on foreign exchange. There is no assurance that new PRC regulations will not be promulgated or the Settlement Agreement will not be terminated or amended in the future which will have the effect of restricting availability of Renminbi offshore. The limited availability of Renminbi outside the PRC may affect the liquidity of the Securities. To the extent the Issuer is required to source Renminbi in the offshore market to service the Securities, there is no assurance that the Issuer will be able to source such Renminbi on satisfactory terms, if at all.

Investment in RMB Securities is subject to exchange rate risks

The value of Renminbi against the U.S. dollar and other foreign currencies fluctuates and is affected by changes in the PRC and international political and economic conditions and by many other factors. All payments of interest or distribution and principal will be made with respect to RMB Securities in Renminbi. If an investor measures its investment returns by reference to a currency other than Renminbi, an investment in the RMB Securities entails foreign exchange related risks, including possible significant changes in the value of Renminbi relative to the currency by reference to which an investor measures its investment returns. Depreciation of the Renminbi against such currency could cause a decrease in the effective yield of the RMB Securities below their stated coupon rates and could result in a loss when the return on the RMB Securities is translated into such currency. In addition, there may be tax consequences for investors as a result of any foreign currency gains resulting from any investment in the Securities.

Payments in respect of RMB Securities will only be made to investors in the manner specified in such RMB Securities

All payments to investors in respect of RMB Securities will solely be made (i) in the case of RMB Securities which are represented by Global Securities, by transfer to a Renminbi bank account maintained in an Offshore Renminbi Centre in accordance with the rules and procedures of the relevant clearing system, or (ii) in the case of RMB Securities which are in definitive form, by transfer to a Renminbi bank account maintained in an Offshore Renminbi Centre in accordance with prevailing rules and regulations, unless payment in Singapore dollars at the Singapore Dollar Equivalent are permitted in the circumstances described in Condition 7(i) of the Notes or, as the case may be, Condition 6(h) of the

Perpetual Securities. Subject to the Conditions, the Issuer cannot be required to make payment by any other means (including in any other currency or in bank notes, by cheque or draft or by transfer to a bank account in the PRC).

Investment in the RMB Securities is subject to currency risk

If the Issuer is not able, or it is impracticable for it, to satisfy its obligation to pay interest (in respect of Notes) or distributions (in respect of Perpetual Securities), as applicable, or principal on the RMB Securities as a result of Illquidity, Inconvertibility, or Non-transferability (each as defined in the relevant Conditions), the Issuer shall be entitled, on giving not less than five or more than 30 days' irrevocable notice to the Securityholders prior to the due date for payment, to settle any such payment (in whole or in part) in Singapore dollars on the due date at the Singapore Dollar Equivalent (as defined in the relevant Conditions) of any such Renminbi denominated account.

Holders of RMB Securities may not receive payments under such RMB Securities in Renminbi

Restrictions imposed by the PRC government from time to time on cross-border Renminbi fund flows and foreign exchange may limit the availability of Renminbi outside of the PRC. To the extent that the Issuer is required to source Renminbi in the offshore market to service and in the final case, redeem its RMB Securities, there is no assurance that the Issuer will be able to source such Renminbi on satisfactory terms, if at all. If Renminbi is not available in certain circumstances as described under the Condition 7(i) of the Notes or, as the case may be, Condition 6(h) of the Perpetual Securities, the Issuer can make payments under such RMB Securities in Singapore dollars instead of Renminbi and any payment made under such circumstances in Singapore dollars will constitute valid payment and will not constitute a default in respect of the Securities.

RISKS RELATING TO CRCT'S GENERAL BUSINESS AND OPERATIONS

Uncertainties and instability in global financial and credit markets may adversely affect CRCT's business, financial condition, results of operations and prospects

The global financial markets have experienced, and may continue to experience, volatility and liquidity disruptions, which have resulted in the consolidation, failure or near failure of a number of institutions in the banking and insurance industries. Concerns, *inter alia*, about the outlook for the economy in China, the implementation and impact of the departure of the United Kingdom from the European Union (Brexit), and the expectations of an interest rate hike in the U.S. have continued to have a significant impact on the global credit and financial markets as a whole. Further, other events, such as the significant volatility and weak outlook in oil prices, have had significant impact not only on the global capital markets associated with asset-backed securities but also on the global credit and financial markets as a whole.

These events could adversely affect CRCT, insofar as they result in:

- a negative impact on the ability of its tenants to pay their rents in a timely manner or to continue their leases, thereby reducing CRCT's cash flow;
- decreases in valuations of the properties in which CRCT has interests ("**CRCT's properties**"), resulting in deteriorating operating cash flow and/or widening capitalisation rates;
- decreases in rental or occupancy rates;
- a general increase in counterparty risk, resulting in defaults, non-payment and non-performance of essential services;
- the insolvency of contractors, resulting in construction delays;
- an increased likelihood that one or more of CRCT's lenders or insurers may be unable to honour their commitments; and
- excessive inflation in China, resulting in a reduction of its real income.

In addition, all the Properties are situated in China, which exposes CRCT to the risk of a downturn in economic and property market conditions in China as a whole. The value of CRCT's properties may be adversely affected by a number of local property market conditions, such as oversupply, the performance of other competing retail properties or reduced demand for retail space. As a result, CRCT's revenues and results of operations depend, to a large extent, on the performance of the economy of China which may be subject to the overall health and performance of the global markets and economies. An economic downturn in China could adversely affect CRCT's business, financial condition, results of operations and future growth.

CRCT operates in a capital intensive industry that relies on the availability of sizeable amounts of capital

CRCT may require additional financing to fund working capital requirements, support the future growth of its business and/or refinance its existing debt obligations. The availability of external financing for CRCT's capital investments depends on many factors outside of its control, including money and capital market conditions and the overall performance of the economies in which it operates or has property investments. In particular, investors should note that the willingness of financial institutions to make capital commitments by way of investing in debt or equity instruments may be adversely affected for prolonged periods of time as a result of various events, as experienced in the past during the global financial crisis, the debt crisis in Europe, and the political instability in the Middle East. CRCT accordingly may face difficulties in raising funds for working capital purposes, to refinance existing debt or to finance future acquisitions of yield-accretive assets. If CRCT does not have sufficient internal cash or external financing on acceptable terms, it may be unable to develop or enhance its portfolio by acquiring assets when the opportunity arises, fund potential asset enhancements and any on-going capital expenditure requirements or to refinance its existing debt as it falls due. Furthermore, future credit facilities may contain covenants that limit CRCT's operating and financing activities and require the creation of security interests over assets. Accordingly, CRCT's ability to meet payment obligations, refinance maturing debt and fund planned capital expenditure may depend solely on the success of its business strategy and its ability to generate sufficient revenue to satisfy its obligations, which are subject to many uncertainties and contingencies beyond its control, including those highlighted herein. As a result, CRCT's business, financial condition, results of operations and prospects may be adversely affected.

There is no assurance that CRCT will be able to implement its investment strategies

The successful implementation of CRCT's investment strategies will entail, *inter alia*, actively managing CRCT's shopping malls, identifying suitable acquisition opportunities and making such acquisitions, undertaking asset enhancement initiatives, securing tenants for CRCT's shopping malls and raising funds in the capital or credit markets. CRCT's ability to successfully implement its strategies is also dependent on various other factors, including but not limited to the competition it faces in its business, which may affect its ability to acquire retail real estate properties and secure tenants on terms acceptable to it, and its ability to retain its key employees. CRCT's ability to expand into China, Hong Kong and Macau is dependent on its ability to adapt its experience and expertise and to understand and navigate the new environment.

CRCT may rely on external sources of funding to expand its portfolio, and there is no assurance that such funding will be available on favourable terms or at all. Even if CRCT were able to complete additional property investments successfully, there is no assurance that CRCT will achieve its intended return on such investments.

Since the amount of debt CRCT can incur to finance acquisitions is limited, such acquisitions may be dependent on CRCT's ability to raise equity capital. Potential vendors may also view the necessity of raising equity capital to fund any such purchase negatively and may prefer other potential purchasers.

There can be no assurance that CRCT will be able to implement all or any of its investment strategies, and the failure to do so may materially adversely affect its business, financial condition, results of operations and prospects.

CRCT may not be able to manage its growth successfully

There can be no assurance that CRCT will be able to grow successfully. CRCT's ability to achieve future growth will depend, *inter alia*, on its ability to acquire, develop or enhance its existing or new shopping malls. CRCT will rely on a combination of internal cash flows and resources and external sources of funding to acquire, develop or enhance its existing or new shopping malls, which may not be available on commercially reasonable terms or at all. Even if CRCT is successful in securing new shopping malls or in developing or enhancing its existing or new shopping malls, there can be no assurance that CRCT will be able to achieve the intended returns or generate the intended revenue from such assets. Furthermore, CRCT may face significant competition from other real estate companies or investors and managers of real estate assets in the acquisition, enhancement and management of shopping malls. There can be no assurance that CRCT will be able to compete effectively, or to secure such opportunities on commercially reasonable terms or at all.

The anticipated future growth in CRCT's business and assets may also challenge its managerial, operational, financial and other resources. The risks associated with CRCT's anticipated future growth include, *inter alia*, the increasing operating complexity of its business and the increasing responsibility of its management. In turn, this will require the continued development of financial and management controls and systems and CRCT's implementation of these systems across its business. Furthermore, CRCT may face additional challenges in ensuring that adequate internal controls and supervisory procedures are in place. If CRCT is unable to successfully manage the impact of CRCT's growth on CRCT's operational and managerial resources and control systems, this could have a material adverse effect on its business, financial condition, results of operations and prospects.

CRCT depends on certain key personnel, and the loss of any key personnel may adversely affect its business, financial condition, results of operations and prospects

CRCT's success depends, in part, upon the continued service and performance of the members of the CRCT Manager's senior management team and certain key senior personnel. These persons may leave the CRCT Manager in the future or compete with it and CRCT. The loss of any of these individuals without suitable and timely replacement could have a material adverse effect on CRCT's business, financial condition, results of operations and prospects.

CRCT is subject to interest rate fluctuations

Some of CRCT's existing debt, and CRCT's future borrowings may, carry floating interest rates. Consequently, the interest cost to CRCT for such loans will be subject to fluctuations in interest rates. There is no certainty that interest rates will not increase to CRCT's detriment and the risk of increase in short-term interest rates may adversely affect the borrowings by CRCT which are pegged to floating rates.

As part of CRCT's active capital management strategies, it has entered into some hedging transactions to partially mitigate the risk of such interest rate fluctuations. However, such hedging, or CRCT's hedging policy, may not adequately cover its exposure to interest rate fluctuations or any increase in interest rates in new loans or refinancing of existing loans.

Consequently, interest rate fluctuations could have a material adverse effect on CRCT's business, financial condition, results of operations and prospects.

CRCT is subject to risks relating to foreign currency exchange rate fluctuations

CRCT receives income and incurs expenses in Renminbi, US dollars and Singapore dollars. CRCT's revenue, property expenses and property values are affected by fluctuations in the exchange rates of the Renminbi. The impact of future exchange rate fluctuations on CRCT's liabilities and property expenses cannot be accurately predicted and some of these currencies may not be readily convertible or exchangeable or may be subject to exchange controls.

There is also the risk that movements in the US dollar/Renminbi exchange rate may adversely affect repayments or repatriation of funds from the PRC to Barbados.

In addition, CRCT's financial statements are presented in Singapore dollars. Exchange rate gains or losses will arise when the assets and liabilities in foreign currencies are translated or exchanged into Singapore dollars for financial reporting. If the foreign currencies depreciate against the Singapore dollar, this may materially adversely affect CRCT's reported financial results.

Regulatory issues and changes in law and accounting standards may have an adverse impact on CRCT's business

CRCT is subject to the usual business risk that there may be changes in laws that reduce its income or increase its property expenses. For example, there could be changes in tenancy laws that limit CRCT's recovery of certain property operating expenses that cannot be recovered from CRCT's tenants, changes in laws that restrict foreign entities from acquiring shopping malls in the PRC or its ability to repatriate its profits offshore in the form of dividends or changes in environmental laws that require significant capital expenditure.

Additionally, new and revised accounting standards and pronouncements may be issued from time to time. The application of such standards and pronouncements to CRCT's financial statements may result in a change in the presentation and measurement of financial information, and thus may result in a change in the way CRCT records its revenues, expenses, assets, liabilities or reserves. CRCT cannot predict the impact of these changes in accounting standards and pronouncements. These changes could adversely affect CRCT's reported financial results and positions and adversely affect the comparability of CRCT's future financial statements with those relating to prior periods.

The property market in China may be volatile

CRCT is subject to property market conditions in China generally and, in particular, the areas where CRCT's properties are located. Private ownership of property in China is still at a relatively early stage of development. Although there is a perception that economic growth in China and the higher standard of living resulting from such growth will lead to a greater demand for properties, it is not possible to predict with certainty that such a correlation exists as many social, economic, political and other factors may affect the development of the property market.

The property market in China may be volatile and may experience oversupply and property price fluctuations. The central and local governments in China may adjust monetary and other economic policies from time to time to prevent and curtail the overheating of China and local economies. Such economic adjustments may affect the property market in the regions where CRCT's properties are located, as well as other parts of China. The central and local governments in China may also make policy adjustments and adopt new regulatory measures from time to time in a direct effort to control the over-development of the property market in China. Such policies may lead to changes in market conditions, including price instability and imbalance of supply and demand, which may materially and adversely affect CRCT's business, financial condition, results of operations and prospects. Moreover, there is no assurance that there will not be over-development in the property sector in the areas where CRCT's properties are located and other parts of China in the future. Any future over-development in the property sector in these areas and other parts of China may result in an oversupply of properties and a fall in property prices as well as rental rates, which could adversely affect CRCT's business, financial condition, results of operations and prospects.

CRCT faces risks associated with debt financing and the debt facilities

CRCT may, from time to time, require additional debt financing to achieve the CRCT Manager's investment strategies.

CRCT will typically distribute at least 90.0% of its distributable income in relation to a distribution period in each financial year. As a result of this distribution policy, CRCT may not be able to meet all of its obligations to repay principal on its debt obligations through its cash flow from operations. As such, CRCT may be required to repay maturing debt with funds from additional debt or equity financing or both.

There can be no assurance that such financing will be available on acceptable terms or at all.

If CRCT, the Issuer or the relevant special purpose project company which is a wholly foreign-owned enterprise or equity joint venture in China whose primary purpose is to hold or own shopping malls located in China (each, a "**Project Company**" and together, the "**Project Companies**") (depending on whether a loan facility is taken at the trust level or Project Company level), is unable to make payments due under such loan facilities, the relevant lenders may be able to declare an event of default and initiate enforcement proceedings in respect of any security provided in respect of such borrowings and/or call upon the guarantees provided. If CRCT's property is mortgaged to secure payment of indebtedness and the Issuer or the relevant Project Company is unable to meet interest or principal payments, such mortgaged property could be foreclosed by such lenders or such lenders could require a forced sale of the mortgaged property with a consequent loss of income and asset value to CRCT.

In addition, CRCT may be subject to certain covenants in connection with any future borrowings that may limit or otherwise adversely affect the operations of the Project Companies or such other special purpose vehicles (the "**SPVs**"). Such covenants may restrict CRCT's ability to acquire properties or the ability of the Project Companies to undertake capital expenditures or may require them to set aside funds for maintenance or repayment of security deposits.

If principal amounts due for repayment at maturity cannot be refinanced, extended or paid with proceeds of other capital transactions, such as new equity capital, CRCT will not be able to pay distributions at expected levels or to repay all maturing debt. Further, if prevailing interest rates or other factors at the time of refinancing result in higher interest rates upon refinancing, the interest expense relating to such refinanced indebtedness would increase, thereby adversely affecting CRCT's cash flow.

The amount CRCT may borrow is limited, which may affect the operations of CRCT

Under the Property Funds Appendix, CRCT is permitted to borrow up to 45.0% of the value of all the assets of CRCT, including the Properties and all the authorised investments of CRCT for the time being held or deemed to be held upon the trusts under the CRCT Trust Deed (the "**Deposited Property**") at the time the borrowing is incurred. A decline in the value of the Deposited Property may affect CRCT's ability to make further borrowings.

CRCT may face adverse business consequences as a result of this limitation on borrowings, and these may include:

- an inability to fund capital expenditure requirements in relation to CRCT's existing portfolio or in relation to the acquisition by CRCT of further properties to expand its portfolio; and

- cash flow shortages (including with respect to making distributions) which CRCT might otherwise be able to resolve by borrowing funds.

CRCT may have a higher level of leverage than certain other types of unit trusts

CRCT may have a higher level of borrowings as compared to certain other types of unit trusts, such as non-specialised collective investment schemes which invest in equities and/or fixed income instruments. Investment risk is known to increase with higher leverage. An increase in leverage will subject CRCT to the risk of changing economic climate. For example, in a climate of rising interest rates, the costs of financing of CRCT's investments (including indebtedness) will increase and this could in turn adversely affect the CRCT Manager's ability to effectively carry out its strategies.

The CRCT Manager's planned asset enhancement initiatives may not materialise

The CRCT Manager may from time to time plan asset enhancement initiatives on some of CRCT's properties. However, there is no assurance that such proposed plans for asset enhancement will materialise, or in the event that they materialise, that the proposed plans will achieve their desired results or will not incur significant costs unnecessarily.

CRCT's strategy of investing primarily in retail assets may entail a higher level of risk compared to other types of unit trusts that have a more diverse range of investments

CRCT's principal strategy is to invest in a diversified portfolio of income-producing real estate used primarily for retail purposes and located primarily in China, Hong Kong and Macau. As such, CRCT will be subject to risks inherent in concentrating on investments in a single industry. The level of risk could be higher compared to other types of unit trusts that have a more diverse range of investments.

A concentration of investments in a portfolio of such specific real estate assets primarily in China exposes CRCT to both a downturn in the retail real estate industry and in China. Any economic slowdown in China could negatively affect the performance of the retail market. A lagging economy could lead to retrenchments and job losses which could in turn lead to a reduction in consumer spending.

The renewal of leases in CRCT's operating shopping malls will depend, in part, upon the success of the tenants. Any decline in the overall retail sector may cause higher levels of non-renewals of leases or vacancies as a result of failures or defaults by tenants or the market pressures exerted by an increase in available retail space. There can be no assurance that the tenants of CRCT's operating shopping malls will renew their leases or that the new lease terms will be as favourable as the existing leases. In the event that a tenant does not renew its lease, a replacement tenant or tenants would need to be identified.

This could subject CRCT's operating shopping malls to periods of vacancy and/or costly re-fittings, during which periods CRCT could experience reductions in rental income. Such downturns may have an adverse impact on the results of operations and the financial condition of CRCT.

CRCT is exposed to various types of taxes in China, Barbados and Singapore

The income and gains derived by CRCT, directly or indirectly, from its investments in real estate in China are exposed to various types of taxes in China, Barbados and Singapore. These include property tax, income tax, withholding tax, capital gains tax and other taxes specifically imposed for the ownership of such assets. While the CRCT Manager intends to manage the taxation in each of these countries efficiently, there can be no assurance that the desired tax outcome will necessarily be achieved. In addition, the level of taxation in each of these countries is subject to changes in laws and regulations, and changes which lead to an increase in tax rates or the introduction of new taxes could adversely affect and erode the returns from CRCT's investments.

CRCT may incur losses arising from claims brought against the Project Companies in connection with the operations of CRCT's properties

In addition to ownership of or, as the case may be, having a master lease over the Properties, each Project Company currently employs or is expected to employ personnel to provide certain operational services in relation to the relevant Property, which will include certain property management, retail management and financial services. There is no assurance that claims will not be brought against the Project Companies for damage, losses or injuries suffered by the employees of the Project Companies or by third parties in connection with the provision of such services. Any significant claims which are not covered by CRCT's insurance policies may materially and adversely affect its business, financial condition and results of operations.

The CRCT Manager may change CRCT's investment strategy

CRCT's policies with respect to certain activities, including investments and acquisitions, will be determined by the CRCT Manager, subject to applicable laws and regulations. While the CRCT Manager has stated its intention to invest in a diversified portfolio of income-producing real estate used primarily for retail purposes and located primarily in China, Hong Kong and Macau, the CRCT Trust Deed gives the CRCT Manager wide powers to invest in other types of assets, including any real estate, real estate-related assets as well as listed and unlisted securities in China and other jurisdictions. There are risks and uncertainties with respect to the selection of investments and with respect to the investments themselves.

There may be potential conflicts of interests between CRCT, the CRCT Manager and CapitaLand Limited and its subsidiaries and associates

As at the Latest Practicable Date, CapitaLand Limited, through its subsidiaries and associates, has an aggregate indirect interest in 355,226,968 Units, which is equivalent to approximately 39.39% of the existing Units in issue. As a result, the overall interests of CapitaLand Limited may influence the strategy and activities of CRCT. Further, CapitaLand Limited may also exercise influence over the activities of CRCT through the CRCT Manager, which is a wholly-owned subsidiary of CapitaLand Limited.

CapitaLand Limited, through its subsidiaries and associates, is engaged in the development of real estate products and services. Its diversified global real estate portfolio includes, amongst others, integrated developments and shopping malls. Some of these properties in its real estate portfolio which are located in China may compete directly with CRCT's properties for tenants. Further, CapitaLand Limited, its subsidiaries and/or its associates may in the future invest in or sponsor other REITs which may also compete directly with CRCT.

RISKS RELATING TO CRCT'S PROPERTIES

CRCT faces risks relating to the quality and extent of the title to or interests in the properties in its portfolio

The quality, nature and extent of the title to the land and properties in CRCT's portfolio of property interests varies depending on a number of factors, including:

- the location of the property;
- the laws and regulations that apply to the property;
- the stage of development of the property;
- the extent to which the contract pursuant to which the property interest was acquired has been performed, the extent to which the terms and conditions thereunder have been complied with, and the amount of the purchase consideration which has been paid;
- the extent of compliance by CRCT or any other relevant party (including previous owners, the vendor of the property and the entity in which CRCT has invested that has acquired or is acquiring the property) with all relevant laws and regulations relating to the ownership, use, sale, development or construction of the property;
- the manner under which the interest in the property is held, whether through a joint venture or asset-backed securities, or pursuant to a development agreement, a master lease, an option to purchase or a sale and purchase agreement, or otherwise;
- in the case where the property interests are leasehold interests, the extent of compliance by CRCT or any other relevant party (including previous lessees or lessors, the vendor of the property and the entity in which CRCT has invested that has acquired or is acquiring the property) with the terms and conditions of the state or head lease or any other document under which the title of the property is derived; and
- the capacity, power, authority and general creditworthiness of the counterparties to the contractual and other arrangements through which CRCT has acquired its interest in the property.

As some of CRCT's current and future property interests may be derived through or subject to various contractual arrangements, these property interests may be subject to, and dependent on, (i) the legality, validity, binding effect and enforceability of the relevant contracts, (ii) the performance and observance of the terms and conditions set out in the contracts by the parties thereto, (iii) the capacity, power, authority and creditworthiness of such parties, (iv) the fulfilment of any conditions precedent to the parties' obligations under the contracts, and (v) compliance by the parties with all relevant laws and regulations relating to the sale, development and construction of the relevant properties.

There can be no assurance (a) that the legality, validity, binding effect and enforceability of the contractual arrangements from which CRCT derives its property interests will not be challenged, (b) that the conditions precedent stated in the contract will be fulfilled or (c) that the parties to the contract (including the entities in which it has invested that may be parties to the contract) will perform and comply with the terms thereof and will not have disagreements among each other in respect of the interpretation and implementation of the contract. If any of these events occur, CRCT's interest in the property and the value thereof may be adversely affected.

The execution of a sale and purchase agreement may be subject to regulatory approvals and agreement among the parties to the terms of the sale and purchase agreement, and other conditions. In the event a sale and purchase agreement is not executed, the deposit may be returned or may be forfeited, which may have an adverse effect on CRCT's business, financial condition, results of operations and prospects.

The limitations described above on the quality, nature and extent of the title to the land and properties in CRCT's portfolio of property interests impact CRCT's ability to deal with and have control over CRCT's property interests, and the conditions under which CRCT may own, develop, operate or manage the properties. There can be no assurance that the quality, nature and extent of the title to CRCT's property interests will not be challenged or adversely impacted or will not adversely affect its ability to deal with its property interests and in turn the value of its investment in these properties.

The properties in which CRCT has interests are currently located in China, and the extent and quality of title depends on the laws of that jurisdiction. As such, there is potential for dispute over the quality, existence and nature of the title purchased from previous land owners or property owners. In addition, CRCT may be engaged in protracted negotiations each time it acquires land or property, which may result in purchases of property (and thereby the obtaining of title) being delayed or not proceeding in the event that negotiations are unsuccessful. In addition, title insurance is not generally available in China, and CRCT's property interests are not covered by title insurance. In the event CRCT is not able to obtain, or there is a delay in obtaining, clear title to the land and properties it has an interest in, or CRCT's claim to title is the subject of a dispute, CRCT's business, financial condition, results of operations and prospects may be adversely affected.

The properties held by CRCT may be revalued downwards

The uncertain global economy may cause CRCT's property values to fluctuate, and this in turn may have an adverse impact on its business, results of operations, financial condition and prospects. There can be no assurance that property prices in China will not decrease such that a downward revaluation of CRCT's properties is required.

Real estate assets are inherently difficult to value. As a result, valuations are subject to substantial uncertainty and subjective judgments and are made on the basis of assumptions which may not be correct. Additionally, the inspections of CRCT's properties and other work undertaken in connection with a valuation exercise may not identify all material defects, breaches of contracts, laws and regulations, and other deficiencies and factors that could affect the valuation. There can be no assurance that CRCT's property interests will retain the price at which it may be valued or that CRCT's investment in such properties will be realised at the valuations or property values it has recorded or reflected in its financial statements.

Due diligence on CRCT's properties may not identify all material defects, breaches of laws and regulations and other deficiencies

There is no assurance that CRCT's reviews, surveys or inspections (or the relevant review, survey or inspection reports on which it has relied) would have revealed all defects or deficiencies affecting the properties in which it has interests or manages, including defects in the title thereof. As such, these properties may have defects or deficiencies requiring repair or maintenance (including design, construction or other latent property or equipment defects in such properties which may require additional capital expenditure, special repair or maintenance expenses) or be affected by breaches of laws and regulations. The costs or liabilities arising from such defects, deficiencies or breaches of laws and regulations may involve significant and potentially unpredictable patterns and levels of expenditure. These could in turn have a material adverse effect on CRCT's earnings and cash flow.

The representations, warranties and indemnities granted in favour of CRCT by the vendors of CRCT's properties may be subject to limitations as to their scope and as to the amount and timing of claims which can be made. Additionally, the time frame for such claims to be made may have expired. There is no assurance that CRCT will be entitled to be reimbursed under such representations, warranties and indemnities for any losses or liabilities suffered or incurred by it as a result of its acquisition of these properties.

Potential liability for environmental problems could result in substantial costs

CRCT is subject to a variety of laws and regulations concerning the protection of health and the environment that may require a current or previous owner of real estate to investigate and clean up hazardous or toxic substances on a property. Owners and operators of real estate may be liable for the costs of removal or remediation of certain hazardous substances or other regulated materials on or in such property. Such laws often impose liability without regard to whether the owner or operator knew of, or was responsible for, the presence of such substances or materials. The cost of investigation, remediation or removal of these substances may be substantial. CRCT has not provided for such potential obligations in its consolidated financial statements. Environmental laws and regulations may also impose compliance obligations on owners and operators of properties with respect to the management of hazardous substances and other regulated materials. Failure to comply with these laws can result in penalties or other sanctions.

Existing environmental reports and investigations with respect to any of CRCT's properties may not reveal all environmental liabilities, whether owners or operators of the properties had created any material environmental condition not known to CRCT or whether a material environmental condition exists in any one or more of CRCT's properties. There also exists the risk that material environmental conditions, liabilities or compliance concerns may have arisen after the review was completed or may arise in the future. Future laws, ordinances or regulations and future interpretations of existing laws, ordinances or regulations may impose additional material environmental liability.

There can be no assurance that more stringent requirements for environmental protection will not be imposed by the relevant governmental authorities in the future. If CRCT fails to comply with existing or future environmental laws and regulations in the jurisdictions in which it operates or fails to meet the expectations of society with regard to environmental issues, its reputation may be damaged or it may be required to pay penalties or fines or take remedial actions and this could have a material adverse effect on its business, financial condition, results of operations and prospects.

The occurrence of natural or other catastrophes, severe weather conditions or other acts of God, terrorist attacks, other acts of violence or war or adverse political developments may materially disrupt CRCT's operations

There can be no assurance that the occurrence of natural or other catastrophes, severe weather conditions or other acts of God, terrorist attacks, other acts of violence or war or adverse political developments will not materially disrupt CRCT's operations. These factors, which are not within CRCT's control, could potentially have significant effects on the properties and projects in which CRCT has interests, many of which are large, complex buildings or developments that are susceptible to structural damage and failure. The occurrence of such events may also lead to reductions in shopper traffic, loss of income for CRCT's tenants and ultimately, possible defaults on lease payments, resulting in an adverse effect on CRCT's business, financial condition, results of operations and prospects.

The outbreak of an infectious disease or the occurrence of any other serious public health concerns in the countries and/or regions in which CRCT operates could adversely affect CRCT's business, financial condition, results of operations and prospects

An outbreak of infectious diseases or the occurrence of any serious public health concerns in the countries and/or regions in which CRCT operates could adversely affect CRCT's business, financial condition, results of operations and prospects. As most of CRCT's activities are concentrated in the PRC, the outbreak of an infectious disease in the PRC or in the regions in which CRCT operates, together with any resulting restrictions on travel and/or imposition of quarantines, could have a negative impact on the economies and business activities in the PRC or the affected regions, and thereby adversely impact the business, financial condition, results of operations and prospects of CRCT.

CRCT is exposed to operating risks of the retail real estate industry

CRCT's financial performance is influenced by conditions in the retail real estate market in the countries in which it operates. Such markets and/or individual properties have historically been, and could in the future be, adversely affected by any of the following:

- cyclical downturns arising from changes in general and local economic conditions;
- periodic oversupply of shopping malls;
- the recurring need for renovation, refurbishment and improvement of the shopping malls;
- increases in interest rates and inflation;
- weaknesses in the national, regional and local economies;
- the adverse financial condition of some large retail companies;
- changes in wages, prices, energy costs and construction and maintenance costs that may result from inflation, government regulations, changes in interest rates or currency fluctuations;
- availability of financing for operating or capital requirements;
- consolidation of retail operators in the retail sector;
- strikes, work stoppages and labour-related disputes;
- changes in consumer spending patterns;
- changes in consumer preference in relation to property design and interior decoration or location;
- unemployment levels;
- an increase in consumer purchases from mail-order or internet purchases and a consequent reduction in demand for retail space in commercial properties;
- competition from warehouse and outlet stores and competitors with new business models;
- transportation infrastructure developments in new areas;
- extreme weather conditions or acts of terrorism;
- any changes in taxation and zoning laws; and
- adverse government regulation.

The retail real estate industry is highly competitive

CRCT's properties compete for tenants with numerous developers, owners and managers of shopping malls, many of which own properties similar to, or which compete with, CRCT's. This competition may affect the occupancy rates and rental rates of, as well as the shopper traffic to, CRCT's properties. The competition may result in CRCT having to lower its rental rates or incur additional capital expenditure to improve the properties. The competitive business environment among retailers in the markets in which CRCT operates may also have a detrimental effect on tenants' businesses and, consequently, their ability to pay rent. CRCT also competes with other real estate companies and insurance funds for property acquisitions and property-related investments. An inability to compete effectively could affect CRCT's ability to grow and thus adversely affect CRCT's business, financial condition, results of operations and prospects.

CRCT's properties may be subject to increases in operating and other costs

CRCT's business, financial condition, results of operations and prospects could be adversely affected if the operating and other costs relating to its properties increase without a corresponding increase in revenue. Factors which could increase operating and other costs include:

- increases in property tax assessments and other statutory charges;
- changes in statutory laws, regulations or government policies which increase the cost of compliance with such laws, regulations or policies;
- increases in sub-contracted service costs;
- increases in labour costs;
- increases in repair and maintenance costs;
- increases in the rate of inflation;
- increases in insurance premiums; and
- increases in cost of utilities.

Renovation, asset enhancement works, physical damage or latent building or equipment defects to CRCT's properties may disrupt the operations of such properties and the collection of rental income or otherwise result in an adverse impact on CRCT's financial condition

The quality and design of a shopping mall has an influence on the demand for space in, and the rental rates of, the property, as well as its ability to attract strong shopper traffic. CRCT's properties may need to undergo renovation or asset enhancement works from time to time to retain their attractiveness to tenants as well as shoppers and may also require unforeseen *ad hoc* maintenance or repairs in respect of faults or problems that may develop or because of new planning laws or regulations. The costs of maintaining a retail property and the risk of unforeseen maintenance or repair requirements tend to increase over time as the building ages. The business and operations of the properties may suffer some disruption and it may not be possible to collect the full rate of (or any) rental income on space affected by such renovation works. Shopper traffic may also be adversely affected by such renovation and/or repair works.

In addition, physical damage to CRCT's properties resulting from fire or other causes and design, construction or other latent defects in such properties may lead to additional capital expenditure, special repair or maintenance expenditure, business interruption, or payment of damages or other obligations to third parties. These may in turn result in an adverse impact on CRCT's business, financial condition, results of operations and prospects.

CRCT is subject to third-party litigation risk by visitors, contractors and tenants of its shopping malls which could result in significant liabilities and damage its reputation

In general, as owner and/or manager of CRCT's properties, CRCT is exposed to the risk of litigation or claims by visitors, contractors and tenants of its shopping malls. Such litigation or claims may arise for a variety of reasons, including (i) any accidents or injuries that may be suffered by visitors, contractors and tenants while at its properties, (ii) CRCT's tenants' inability to enjoy the use of the properties in accordance with the terms of their lease and (iii) CRCT's failure to perform any of its obligations under any lease, construction or other contracts or agreements entered into with contractors, tenants or other third parties. If CRCT is required to bear all or a portion of the costs arising out of litigation or investigations as a result of inadequate insurance proceeds, this may have a material adverse effect on its business, financial condition, results of operations and prospects.

As Beijing Hualian Group Investment Holding Co., Ltd. and its subsidiaries and associates (the "Beijing Hualian Group") is the master lessee of CapitaMall Erqi and the anchor tenant of three of the Properties, CRCT will accordingly, be dependent on the Beijing Hualian Group for a significant source of its income

CapitaMall Erqi has been leased to the Beijing Hualian Group under a master lease agreement and the Beijing Hualian Group is also an anchor tenant of CapitaMall Wangjing, CapitaMall Xizhimen and CapitaMall Saihan. As the Beijing Hualian Group is the sole tenant of CapitaMall Erqi, rental payments for CapitaMall Erqi will depend solely on the ability of the Beijing Hualian Group to make rental payments. Further, as the Beijing Hualian Group is the anchor tenant of CapitaMall Wangjing, CapitaMall Xizhimen and CapitaMall Saihan, the aggregate rental of these malls will be affected by the ability of the Beijing Hualian Group to make rental payments.

The prospects of the Beijing Hualian Group's other businesses, aside from those relating to CRCT, could also impact on its ability to make rental payments to CRCT.

Factors that affect the ability of the Beijing Hualian Group to meet its obligations include, but are not limited to:

- the financial position of the Beijing Hualian Group;
- local economic conditions;
- local competitors and competition in the China retail industry;
- unfavourable publicity;
- material losses in excess of insurance proceeds; and
- a possibility of union activities disrupting the operations of the Properties in which the Beijing Hualian Group operates, severely impacting its reputation and ability to function normally.

There can be no assurance that the Beijing Hualian Group will have sufficient assets, income and access to financing to enable it to satisfy its obligations towards CRCT under the master lease agreement and leases.

The Beijing Hualian Group may not renew its master lease of CapitaMall Erqi or its leases at CapitaMall Wangjing, CapitaMall Xizhimen and CapitaMall Saihan

There is no assurance that the Beijing Hualian Group will renew its master lease of CapitaMall Erqi, or its leases at CapitaMall Wangjing, CapitaMall Xizhimen and CapitaMall Saihan, upon the expiry of such leases. Should the Beijing Hualian Group elect not to renew its leases with CRCT, there is no assurance that CRCT will be able to locate a suitable replacement master lessee or lessee (as the case may be) for the relevant Properties in a timely manner and on satisfactory terms, if at all.

The failure by the Beijing Hualian Group to renew such leases, or the termination by the Beijing Hualian Group of any of such leases, may have a material adverse effect on CRCT's Gross Rent (as defined below), carpark income and other income (collectively, "**Gross Revenue**").

The loss of key tenants of any of CRCT's properties or a downturn in the businesses of CRCT's key tenants could have an adverse effect on its financial conditions and results of operations.

Based on all current leases in respect of the Properties as at 31 December 2016 including letters of offer which are to be followed up with tenancy agreements to be signed by the parties as at 31 December 2016, the 10 largest tenants of the Properties (in terms of their contributions to the total rental income) accounted for approximately 23.6% of the total base rental income (after rent rebates, refunds, credit or discounts and rebates for rent-free periods, where applicable, but excluding turnover rent), and service charge payable by tenants which, unless expressly stated, excludes advertising and promotion levy and turnover rent ("**Gross Rent**") of the Properties.

Accordingly, CRCT's financial condition and results of operations may be adversely affected by the bankruptcy, insolvency or downturn in the businesses of one or more of these tenants, as well as the decision by one or more of these tenants not to renew its lease or to terminate its lease before it expires. The CRCT Manager expects that CRCT will continue to be dependent upon these tenants for a significant portion of its Gross Revenue. If a key tenant terminates its lease or does not renew its lease at expiry, it may be difficult to secure replacement tenants at short notice or on similar tenancy terms. In addition, the amount of rent and the terms on which lease renewals and new leases are agreed may be less favourable than current leases.

The loss of key tenants in any one of CRCT's properties could result in periods of vacancy, which could therefore adversely affect the revenue of the relevant property, consequently impacting the Project Companies' and the SPVs' ability to make distributions to CRCT.

CapitaRetail Dragon Mall (Shanghai) Co., Ltd. ("CapitaRetail Dragon") may not be able to transfer its rights under the master lease to a third party and is subject to further restrictions

Under the terms of the master lease between Shanghai Jin Qiu (Group) Co., Ltd ("**Jin Qiu**") and CapitaRetail Dragon, CapitaRetail Dragon may only transfer its rights under such master lease to a third party with the written approval of Jin Qiu. In the event that there is any appreciation in the value of CapitaMall Qibao, CRCT, through CapitaRetail Dragon, may not be able to enjoy such appreciation in value by transferring its rights under the master lease to a third party, if no written approval is obtained from Jin Qiu for the transfer of CapitaRetail Dragon's rights under the master lease to the third party.

CRCT is subject to the risk of non-renewal, non-replacement or early termination of leases

If a large number of tenants in CRCT's properties do not renew their leases at the end of a lease cycle or a significant number of early terminations occur, and replacement tenants cannot be found, there is likely to be a material adverse effect on these properties, which could affect CRCT's business, financial condition, results of operations and prospects.

CRCT's properties may face increased competition from future retail developments in China

The retail property industry is competitive and may become increasingly so. Each of the Properties is located in an area that has other competing shopping malls and may also compete with shopping malls in China that may be developed in the future. The income from, and market value of, CRCT's properties will be largely dependent on the ability of these properties to compete against other shopping malls in China in attracting and retaining tenants. An increase in the number of competitive shopping malls in China, particularly in the areas where CRCT's properties are located, could have a material adverse effect on the revenue of the properties, as such increased competition may adversely impact the ability of the lessees or master lessees of the properties to make rental payments.

Furthermore, the increase in popularity of e-commerce in China may cause a decline in profits for brick-and-mortar businesses, which could lead to a decrease in demand for retail space. This may have an adverse effect on the demand and the rental rates for CRCT's properties and adversely affect CRCT's business, financial condition, results of operations and prospects.

Amenities and transportation infrastructure near CRCT's properties may be closed or relocated

The proximity of amenities and transportation infrastructure such as train stations and bus interchanges to CRCT's properties provide convenient access to these properties and a constant flow of shopper traffic. There is no assurance that the amenities and transportation infrastructure and shuttle services will not be closed, relocated or terminated in the future. Such closure, relocation or termination may adversely affect the accessibility of the properties which will reduce the flow of shopper traffic to the properties. This may then have an adverse effect on the demand and the rental rates for the properties and adversely affect CRCT's business, financial condition, results of operations and prospects.

A substantial number of the leases of the Properties (not under master leases) are for terms of two to three years, which exposes the Properties to significant rates of lease expiries each year

A substantial number of the leases for the Properties are for terms of two to three years, which reflects the general practice in the China retail property market. As a result, the Properties experience lease cycles in which a substantial number of such leases expire each year. This exposes CRCT to certain risks, including the risk that vacancies following the non-renewal of leases may lead to reduced occupancy rates, which will in turn reduce CRCT's Gross Revenue.

CRCT's properties or parts thereof may be compulsorily acquired by the Chinese government

The Chinese government has the power to compulsorily acquire any land in China for public interest pursuant to the provisions of applicable legislation. In the event of any compulsory acquisition of property in China, the amount of compensation to be awarded is based on the open market value of a property and is assessed on the basis prescribed in the relevant laws and regulations. If any of CRCT's properties were compulsorily acquired by the Chinese government, the level of compensation paid to CRCT through the relevant Project Companies pursuant to this basis of calculation may be less than the price which CRCT, through the relevant Project Companies, paid for such properties.

TERMS AND CONDITIONS OF THE NOTES

The following is the text of the terms and conditions which, subject to completion and amendment and as supplemented or varied in accordance with the provisions of the relevant Pricing Supplement, will be endorsed on the Notes in definitive form (if any) issued in exchange for the Global Security(ies) or the Global Certificate(s) representing each Series. Either (i) the full text of these terms and conditions together with the relevant provisions of the relevant Pricing Supplement or (ii) these terms and conditions as so completed, amended, supplemented or varied (and subject to simplification by the deletion of non-applicable provisions), shall be endorsed on such Notes. Unless otherwise stated, all capitalised terms that are not defined in these Conditions will have the meanings given to them in the relevant Pricing Supplement. Those definitions will be endorsed on such Bearer Notes or on the Certificates relating to such Registered Notes. References in the Conditions to "Notes" are to the Notes of one Series only, not to all Notes that may be issued under the Programme, details of the relevant Series being shown on the face of the relevant Notes and in the relevant Pricing Supplement.

The Notes are constituted by a trust deed dated 9 April 2012 made between (1) HSBC Institutional Trust Services (Singapore) Limited (in its capacity as trustee of CapitaRetail China Trust (now known as CapitaLand Retail China Trust, "**CRCT**")) (the "**Issuer**"), as issuer, and (2) DBS Trustee Limited (the "**Trustee**", which expression shall wherever the context so admits include such company and all other persons for the time being the trustee or trustees of the Trust Deed), as trustee (as amended and restated by an amendment and restatement trust deed dated 9 October 2017, made between (1) the Issuer, as issuer, and (2) the Trustee, as trustee for the holders of the Securities (as defined therein), and as further amended, restated or supplemented from time to time, the "**Trust Deed**"), and (where applicable) the Notes are issued with the benefit of a deed of covenant dated 9 April 2012 (as amended, varied or supplemented by a supplemental deed of covenant dated 9 October 2017 and as further amended, restated or supplemented from time to time, the "**Deed of Covenant**"), relating to the Notes executed by the Issuer. These terms and conditions include summaries of, and are subject to, the detailed provisions of the Trust Deed, which includes the form of the Bearer Notes, Certificates, Coupons and Talons referred to below. The Issuer has entered into an agency agreement dated 9 April 2012 made between (1) the Issuer, as issuer, (2) DBS Bank Ltd., as issuing and paying agent, (3) DBS Bank Ltd., as agent bank, (4) DBS Bank Ltd., as CMU lodging and paying agent, and (5) the Trustee, as trustee (as amended and restated by an amendment and restatement agency agreement dated 9 October 2017 made between (1) the Issuer, (2) DBS Bank Ltd., as issuing and paying agent (in such capacity, the "**Issuing and Paying Agent**" and, together with any other paying agents that may be appointed, the "**Paying Agents**"), (3) DBS Bank Ltd., as agent bank (in such capacity, the "**Agent Bank**"), (4) DBS Bank Ltd., as transfer agent (and, together with any other transfer agents that may be appointed, the "**Transfer Agents**"), (5) DBS Bank Ltd., as registrar (in such capacity, the "**Registrar**"), and (6) the Trustee, as trustee for the holders of the Securities, and as further amended, restated or supplemented from time to time, the "**Agency Agreement**"). The Noteholders and the holders (the "**Couponholders**") of the coupons (the "**Coupons**") appertaining to the interest-bearing Notes in bearer form and, where applicable in the case of such Notes, talons for further Coupons (the "**Talons**") are bound by and are deemed to have notice of all of the provisions of the Trust Deed, the Agency Agreement and the Deed of Covenant.

Copies of the Trust Deed, the Agency Agreement and the Deed of Covenant are available for inspection at the principal office of the Trustee for the time being and at the specified office of the Issuing and Paying Agent for the time being.

1. Form, Denomination and Title

(a) Form and Denomination

(i) The Notes of the Series of which this Note forms part (in these Conditions, the "**Notes**") are issued in bearer form ("**Bearer Notes**") or in registered form ("**Registered Notes**"), in each case in the Denomination Amount shown hereon.

(ii) This Note is a Fixed Rate Note, a Floating Rate Note, a Variable Rate Note, a Hybrid Note or a Zero Coupon Note (depending upon the Interest Basis shown on its face).

(iii) Bearer Notes are serially numbered and issued with Coupons (and, where appropriate, a Talon) attached, save in the case of Notes that do not bear interest in which case references to interest (other than in relation to default interest referred to in Condition 7(h)) in these Conditions are not applicable.

(iv) Registered Notes are represented by registered certificates ("**Certificates**") and, save as provided in Condition 2(c), each Certificate shall represent the entire holding of Registered Notes by the same holder.

(b) Title

(i) Title to the Bearer Notes and the Coupons and Talons appertaining thereto shall pass by delivery. Title to the Registered Notes shall pass by registration in the register that the Issuer shall procure to be kept by the Registrar in accordance with the provisions of the Agency Agreement (the "**Register**").

(ii) Except as ordered by a court of competent jurisdiction or as required by law, the holder of any Note, Coupon or Talon shall be deemed to be and may be treated as the absolute owner of such Note, Coupon or Talon, as the case may be, for the purpose of receiving payment thereof or on account thereof and for all other purposes, whether or not such Note, Coupon or Talon shall be overdue and notwithstanding any notice of ownership, theft, loss or forgery thereof, trust, interest therein or any writing thereon made by anyone, and no person shall be liable for so treating the holder.

(iii) For so long as any of the Notes is represented by a Global Security (as defined below) or, as the case may be, a Global Certificate (as defined below), and such Global Security or Global Certificate is held by a common depositary for Euroclear Bank SA/NV ("**Euroclear**") and Clearstream Banking S.A. ("**Clearstream, Luxembourg**"), The Central Depository (Pte) Limited (the "**Depository**") and/or any other clearing system, each person who is for the time being shown in the records of Euroclear, Clearstream, Luxembourg, the Depository and/or such other clearing system as the holder of a particular principal amount of such Notes (in which regard any certificate or other document issued by Euroclear, Clearstream, Luxembourg, the Depository and/or such other clearing system as to the principal amount of such Notes standing to the account of any person shall be conclusive and binding for all purposes save in the case of manifest error) shall be treated by the Issuer, the Issuing and Paying Agent, the other Paying Agents, the Agent Bank, the Registrar, the other Transfer Agents and all other agents of the Issuer and the Trustee as the holder of such principal amount of Notes other than with respect to the payment of principal, premium, interest, distribution, redemption, purchase and/or any other amounts in respect of the Notes, for which purpose the bearer of the Global Security or, as the case may be, the person whose name is shown on the Register shall be treated by the Issuer, the Issuing and Paying Agent, the other Paying Agents, the Registrar, the other Transfer Agents and all other agents of the Issuer and the Trustee as the holder of such Notes in accordance with and subject to the terms of the Global Security or, as the case may be, the Global Certificate (and the expressions "**Noteholder**" and "**holder of Notes**" and related expressions shall be construed accordingly).

Notes which are represented by the Global Security or, as the case may be, Global Certificate will be transferable only in accordance with the rules and procedures for the time being of Euroclear, Clearstream, Luxembourg, the Depository and/or such other clearing system.

(iv) In these Conditions, "**Global Security**" means the relevant Temporary Global Security representing each Series or the relevant Permanent Global Security representing each Series, "**Global Certificate**" means the relevant Global Certificate representing such Series that is registered in the name of, or in the name of a nominee of, (1) a common depositary for Euroclear and/or Clearstream, Luxembourg, (2) the Depository and/or (3) any other clearing system, "**Noteholder**" means the bearer of any Bearer Note or the person in whose name a Registered Note is registered (as the case may be) and "**holder**" (in relation to a Note, Coupon or Talon) means the bearer of any Bearer Note, Coupon or Talon or the

person in whose name the relevant Registered Note is registered (as the case may be), "**Series**" means (A) (in relation to Notes other than Variable Rate Notes) a Tranche, together with any further Tranche or Tranches, which are (aa) expressed to be consolidated and forming a single series and (bb) identical in all respects (including as to listing) except for their respective issue dates, issue prices and/or dates of the first payment of interest and (B) (in relation to Variable Rate Notes) Notes which are identical in all respects (including as to listing) except for their respective issue prices and rates of interest and "**Tranche**" means Notes which are identical in all respects (including as to listing).

(v) Words and expressions defined in the Trust Deed or used in the applicable Pricing Supplement (as defined in the Trust Deed) shall have the same meanings where used in these Conditions unless the context otherwise requires or unless otherwise stated and provided that, in the event of inconsistency between the Trust Deed and the applicable Pricing Supplement, the applicable Pricing Supplement will prevail.

2. No Exchange of Notes and Transfers of Registered Notes

(a) No Exchange of Notes

Registered Notes may not be exchanged for Bearer Notes. Bearer Notes of one Denomination Amount may not be exchanged for Bearer Notes of another Denomination Amount. Bearer Notes may not be exchanged for Registered Notes.

(b) Transfer of Registered Notes

Subject to Conditions 2(e) and 2(f) below, one or more Registered Notes may be transferred upon the surrender (at the specified office of the Registrar or any other Transfer Agent) of the Certificate representing such Registered Notes to be transferred, together with the form of transfer endorsed on such Certificate (or another form of transfer substantially in the same form and containing the same representations and certifications (if any), unless otherwise agreed by the Issuer) duly completed and executed and any other evidence as the Registrar or such other Transfer Agent may require to prove the title of the transferor and the authority of the individuals that have executed the form of transfer. In the case of a transfer of part only of a holding of Registered Notes represented by one Certificate, a new Certificate shall be issued to the transferee in respect of the part transferred and a further new Certificate in respect of the balance of the holding not transferred shall be issued to the transferor. All transfers of Registered Notes and entries on the Register will be made subject to the detailed regulations concerning transfers of Registered Notes scheduled to the Agency Agreement. The regulations may be changed by the Issuer, with the prior written approval of the Registrar, the Transfer Agent and the Trustee. A copy of the current regulations will be made available by the Registrar, at the cost and expense of the Issuer, to any Noteholder upon request.

(c) Exercise of Options or Partial Redemption or Purchase in Respect of Registered Notes

In the case of an exercise of the Issuer's or Noteholders' option in respect of, or a partial redemption of or purchase of, a holding of Registered Notes represented by a single Certificate, a new Certificate shall be issued to the holder to reflect the exercise of such option or in respect of the balance of the holding not redeemed or purchased. In the case of a partial exercise of an option resulting in Registered Notes of the same holding having different terms, separate Certificates shall be issued in respect of those Notes of that holding that have the same terms. New Certificates shall only be issued against surrender of the existing Certificates to the Registrar or any other Transfer Agent. In the case of a transfer of Registered Notes to a person who is already a holder of Registered Notes, a new Certificate representing the enlarged holding shall only be issued against surrender of the Certificate representing the existing holding.

(d) Delivery of New Certificates

Each new Certificate to be issued pursuant to Condition 2(b) or 2(c) shall be available for delivery within seven business days of receipt of the form of transfer or Exercise Notice (as defined in Condition 6(e)) and surrender of the Certificate for exchange. Delivery of the new Certificate(s)

shall be made at the specified office of the Registrar or such other Transfer Agent (as the case may be) to whom delivery or surrender of such form of transfer, Exercise Notice or Certificate shall have been made or, at the option of the holder making such delivery or surrender as aforesaid and as specified in the relevant form of transfer, Exercise Notice or otherwise in writing, be mailed by uninsured post at the risk of the holder entitled to the new Certificate to such address as may be so specified, unless such holder requests otherwise and pays in advance to the Registrar or the relevant Transfer Agent the costs of such other method of delivery and/or such insurance as it may specify. In this Condition 2(d) only, "**business day**" means a day (other than a Saturday, Sunday or gazetted public holiday) on which banks are open for business in the place of the specified office of the Registrar or the other relevant Transfer Agent (as the case may be).

(e) Transfers Free of Charge

Transfers of Notes and Certificates on registration, transfer, exercise of an option or partial redemption (as applicable) shall be effected without charge by or on behalf of the Issuer, the Registrar or the other Transfer Agents, but upon payment by the Noteholder of any tax or other governmental charges that may be imposed in relation to it (or the giving by the Noteholder of such indemnity and/or security and/or prefunding as the Registrar or the other relevant Transfer Agent may require) in respect of tax or charges.

(f) Closed Periods

No Noteholder may require the transfer of a Registered Note to be registered (i) during the period of 15 days prior to any date on which Notes may be called for redemption by the Issuer at its option pursuant to Condition 6(d), (ii) after any such Note has been called for redemption or (iii) during the period of seven days ending on (and including) any Record Date (as defined in Condition 7(b)(ii)).

3. Status

The Notes and Coupons of all Series constitute direct, unconditional, unsubordinated and unsecured obligations of the Issuer and shall at all times rank *pari passu*, without any preference or priority among themselves, and *pari passu* with all other present and future unsecured obligations (other than subordinated obligations and priorities created by law) of the Issuer from time to time outstanding.

4. Negative Pledge

The Issuer has covenanted that, so long as any of the Notes remains outstanding (as defined in the Trust Deed), it will not, and will procure that none of the Principal Subsidiaries (as defined in Condition 10) will create or have outstanding any security ("**Subsequent Security**") over any Existing Secured Assets (as defined below), which ranks in point of priority, completely after the security created over such Existing Secured Asset, except for any security created or outstanding with the prior consent in writing of the Trustee or the Noteholders by way of an Extraordinary Resolution(as defined in the Trust Deed).

In these Conditions, "**Existing Secured Asset**" means any of the undertaking, assets, property or revenues or rights to receive dividends of the Issuer and/or the Principal Subsidiaries over which a first ranking security by way of an assignment and/or a charge and/or mortgage exists at the time of creation of the Subsequent Security over such undertaking, assets, property or revenues.

For the avoidance of doubt, nothing in this Condition 4 shall prohibit:

(a) any new first ranking security to be created over any Existing Secured Asset (whether in connection with a refinancing or otherwise) provided that the security over such Existing Secured Asset is discharged contemporaneously with the creation of such new security; and

(b) any first ranking security over any units or shares in any company, trust or other entity which are not secured notwithstanding that the undertaking, assets, property or revenues belonging to such company, trust or entity may be secured.

5. (I) Interest on Fixed Rate Notes

(a) Interest Rate and Accrual

Each Fixed Rate Note bears interest on its outstanding principal amount from (and including) the Interest Commencement Date in respect thereof and as shown on the face of such Note at the rate per annum (expressed as a percentage) equal to the Interest Rate shown on the face of such Note payable in arrear on each Interest Payment Date or Interest Payment Dates shown on the face of such Note in each year and on the Maturity Date shown on the face of such Note if that date does not fall on an Interest Payment Date.

The first payment of interest will be made on the Interest Payment Date next following the Interest Commencement Date (and if the Interest Commencement Date is not an Interest Payment Date, will amount to the Initial Broken Amount shown on the face of such Note), unless the Maturity Date falls before the date on which the first payment of interest would otherwise be due. If the Maturity Date is not an Interest Payment Date, interest from the preceding Interest Payment Date (or from the Interest Commencement Date, as the case may be) to the Maturity Date will amount to the Final Broken Amount shown on the face of the Note.

Interest will cease to accrue on each Fixed Rate Note from the due date for redemption thereof unless, upon due presentation and subject to the provisions of the Trust Deed, payment of principal (or Redemption Amount, as the case may be) is improperly withheld or refused, in which event interest at such rate will continue to accrue (as well after as before judgment) at the rate and in the manner provided in this Condition 5(I) to the Relevant Date (as defined in Condition 8).

(b) Calculations

In the case of a Fixed Rate Note, interest in respect of a period of less than one year will be calculated on the Day Count Fraction shown on the face of the Note. The amount of interest payable per Calculation Amount (as defined in Condition 5(II)(e)) for any Fixed Rate Interest Period in respect of any Fixed Rate Note shall be calculated by multiplying the product of the Interest Rate and the Calculation Amount, by the Day Count Fraction shown on the face of the Note and rounding the resultant figure to the nearest sub-unit of the Relevant Currency.

For the purposes of these Conditions, "**Fixed Rate Interest Period**" means the period beginning on (and including) the Interest Commencement Date and ending on (but excluding) the first Interest Payment Date and each successive period beginning on (and including) an Interest Payment Date and ending on (but excluding) the next succeeding Interest Payment Date.

(II) Interest on Floating Rate Notes or Variable Rate Notes

(a) Interest Payment Dates

Each Floating Rate Note or Variable Rate Note bears interest on its outstanding principal amount from the Interest Commencement Date in respect thereof and as shown on the face of such Note, and such interest will be payable in arrear on each interest payment date ("**Interest Payment Date**"). Such Interest Payment Date(s) is/are either shown hereon as Specified Interest Payment Date(s) or, if no Specified Interest Payment Date(s) is/are shown hereon, Interest Payment Date shall mean each date which (save as mentioned in these Conditions) falls the number of months specified as the Interest Period (as defined below) on the face of the Note (the "**Specified Number of Months**") after the preceding Interest Payment Date or, in the case of the first Interest Payment Date, after the Interest Commencement Date (and which corresponds numerically with such preceding Interest Payment Date or the Interest Commencement Date, as the case may be), provided that the Agreed Yield (as defined in Condition 5(II)(c)) in respect of any Variable Rate Note for any Interest Period relating to that Variable Rate Note shall be payable on the first day of that Interest Period. If any Interest Payment Date referred to in these Conditions that is

specified to be subject to adjustment in accordance with a Business Day Convention would otherwise fall on a day that is not a business day (as defined below), then if the Business Day Convention specified is (1) the Floating Rate Business Day Convention, such date shall be postponed to the next day which is a business day unless it would thereby fall into the next calendar month, in which event (i) such date shall be brought forward to the immediately preceding business day and (ii) each subsequent such date shall be the last business day of the month in which such date would have fallen had it not been subject to adjustment, (2) the Following Business Day Convention, such date shall be postponed to the next day that is a business day, (3) the Modified Following Business Day Convention, such date shall be postponed to the next day that is a business day unless it would thereby fall into the next calendar month, in which event such date shall be brought forward to the immediately preceding business day or (4) the Preceding Business Day Convention, such date shall be brought forward to the immediately preceding business day.

The period beginning on (and including) the Interest Commencement Date and ending on (but excluding) the first Interest Payment Date and each successive period beginning on (and including) an Interest Payment Date and ending on (but excluding) the next succeeding Interest Payment Date is herein called an "**Interest Period**".

Interest will cease to accrue on each Floating Rate Note or Variable Rate Note from the due date for redemption thereof unless, upon due presentation and subject to the provisions of the Trust Deed, payment of the Redemption Amount is improperly withheld or refused, in which event interest will continue to accrue (as well after as before judgment) at the rate and in the manner provided in this Condition 5(II) to the Relevant Date.

(b) Rate of Interest - Floating Rate Notes

(i) Each Floating Rate Note bears interest at a floating rate determined by reference to a Benchmark as stated on the face of such Floating Rate Note, being (in the case of Notes which are denominated in Singapore dollars) SIBOR (in which case such Note will be a SIBOR Note) or Swap Rate (in which case such Note will be a Swap Rate Note) or in any other case (or in the case of Notes which are denominated in a currency other than Singapore dollars) such other Benchmark as is set out on the face of such Note.

Such floating rate may be adjusted by adding or subtracting the Spread (if any) stated on the face of such Note. The "**Spread**" is the percentage rate per annum specified on the face of such Note as being applicable to the rate of interest for such Note. The rate of interest so calculated shall be subject to Condition 5(V)(a) below.

The rate of interest payable in respect of a Floating Rate Note from time to time is referred to in these Conditions as the "**Rate of Interest**".

(ii) The Rate of Interest payable from time to time in respect of each Floating Rate Note will be determined by the Agent Bank on the basis of the following provisions:

(1) in the case of Floating Rate Notes which are SIBOR Notes:

(A) the Agent Bank will, at or about the Relevant Time on the relevant Interest Determination Date in respect of each Interest Period, determine the Rate of Interest for such Interest Period which shall be the offered rate for deposits in Singapore dollars for a period equal to the duration of such Interest Period which appears on the Reuters Screen ABSIRFIX01 Page under the caption "ABS SIBOR FIX – SIBOR AND SWAP OFFER RATES – RATES AT 11:00HRS SINGAPORE TIME" and under the column headed "SGD SIBOR" (or such other replacement page thereof for the purpose of displaying SIBOR or such other Screen Page (as defined below) as may be provided hereon) and as adjusted by the Spread (if any);

(B) if on any Interest Determination Date no such rate appears on the Reuters Screen ABSIRFIX01 Page under the column headed "SGD SIBOR" (or such other replacement page as aforesaid) or if the Reuters Screen ABSIRFIX01 Page (or such other replacement page as aforesaid) is unavailable for any reason, the Agent Bank will request the principal Singapore offices of each of the Reference Banks to provide the Agent Bank with the rate at which deposits in Singapore dollars are offered by it at approximately the Relevant Time on the Interest Determination Date to prime banks in the Singapore interbank market for a period equivalent to the duration of such Interest Period commencing on such Interest Payment Date in an amount comparable to the aggregate principal amount of the relevant Floating Rate Notes. The Rate of Interest for such Interest Period shall be the arithmetic mean (rounded up, if necessary, to the nearest 1/16 per cent.) of such offered quotations and as adjusted by the Spread (if any), as determined by the Agent Bank;

(C) if on any Interest Determination Date, two but not all the Reference Banks provide the Agent Bank with such quotations, the Rate of Interest for the relevant Interest Period shall be determined in accordance with (B) above on the basis of the quotations of those Reference Banks providing such quotations; and

(D) if on any Interest Determination Date, one only or none of the Reference Banks provides the Agent Bank with such quotation, the Rate of Interest for the relevant Interest Period shall be the rate per annum which the Agent Bank determines to be the arithmetic mean (rounded up, if necessary, to the nearest 1/16 per cent.) of the prime lending rates for Singapore dollars quoted by the Reference Banks at or about the Relevant Time on such Interest Determination Date and as adjusted by the Spread (if any);

(2) in the case of Floating Rate Notes which are Swap Rate Notes:

(A) the Agent Bank will, at or about the Relevant Time on the relevant Interest Determination Date in respect of each Interest Period, determine the Rate of Interest for such Interest Period as being the rate which appears on the Reuters Screen ABSFIX01 Page under the caption "SGD SOR rates as of 11:00hrs London Time" and under the column headed "SGD SOR" (or such replacement page thereof for the purpose of displaying the swap rates of leading reference banks) at or about the Relevant Time on such Interest Determination Date and for a period equal to the duration of such Interest Period and as adjusted by the Spread (if any);

(B) if on any Interest Determination Date no such rate is quoted on the Reuters Screen ABSFIX01 Page (or such other replacement page as aforesaid) or the Reuters Screen ABSFIX01 Page (or such other replacement page as aforesaid) is unavailable for any reason, the Agent Bank will determine the Rate of Interest for such Interest Period as being the rate (or, if there is more than one rate which is published, the arithmetic mean of those rates (rounded up, if necessary, to the nearest 1/16 per cent.)) for a period equal to the duration of such Interest Period published by a recognised industry body where such rate is widely used (after taking into account the industry practice at that time), or by such other relevant authority as may be agreed between the Agent Bank and the Issuer and as adjusted by the Spread (if any); and

(C) if on any Interest Determination Date the Agent Bank is otherwise unable to determine the Rate of Interest under paragraph (b)(ii)(2)(B) above or if no agreement on the relevant authority is reached between the Agent Bank and the Issuer under paragraph (b)(ii)(2)(B) above, the

Rate of Interest shall be determined by the Agent Bank to be the rate per annum equal to the arithmetic mean (rounded up, if necessary, to the nearest 1/16 per cent.) of the rates quoted by the Singapore offices of the Reference Banks or those of them (being at least two in number) to the Agent Bank at or about 11.00 a.m. (Singapore time) on the first business day following such Interest Determination Date as being their cost (including the cost occasioned by or attributable to complying with reserves, liquidity, deposit or other requirements imposed on them by any relevant authority or authorities) of funding, for the relevant Interest Period, an amount equal to the aggregate principal amount of the relevant Floating Rate Notes for such Interest Period by whatever means they determine to be most appropriate and as adjusted by the Spread (if any), or if on such day one only or none of the Singapore offices of the Reference Banks provides the Agent Bank with such quotation, the Rate of Interest for the relevant Interest Period shall be the rate per annum equal to the arithmetic mean (rounded up, if necessary, to the nearest 1/16 per cent.) of the prime lending rates for Singapore dollars quoted by the Singapore offices of the Reference Banks at or about 11.00 a.m. (Singapore time) on such Interest Determination Date and as adjusted by the Spread (if any); and

(3) in the case of Floating Rate Notes which are not SIBOR Notes or Swap Rate Notes or which are denominated in a currency other than Singapore dollars, the Agent Bank will determine the Rate of Interest in respect of any Interest Period at or about the Relevant Time on the Interest Determination Date in respect of such Interest Period as follows:

(A) if the Primary Source (as defined below) for the Floating Rate Notes is a Screen Page, subject as provided below, the Rate of Interest in respect of such Interest Period shall be:

(aa) the Relevant Rate (as defined below) (where such Relevant Rate on such Screen Page is a composite quotation or is customarily supplied by one entity); or

(bb) the arithmetic mean of the Relevant Rates of the persons whose Relevant Rates appear on that Screen Page, in each case appearing on such Screen Page at the Relevant Time on the Interest Determination Date,

and as adjusted by the Spread (if any);

(B) if the Primary Source for the Floating Rate Notes is Reference Banks or if paragraph (b)(ii)(3)(A)(aa) applies and no Relevant Rate appears on the Screen Page at the Relevant Time on the Interest Determination Date or if paragraph (b)(ii)(3)(A)(bb) applies and fewer than two Relevant Rates appear on the Screen Page at the Relevant Time on the Interest Determination Date, subject as provided below, the Rate of Interest shall be the rate per annum which the Agent Bank determines to be the arithmetic mean (rounded up, if necessary, to the nearest 1/16 per cent.) of the Relevant Rates that each of the Reference Banks is quoting to leading banks in the Relevant Financial Centre (as defined below) at the Relevant Time on the Interest Determination Date and as adjusted by the Spread (if any); and

(C) if paragraph (b)(ii)(3)(B) applies and the Agent Bank determines that fewer than two Reference Banks are so quoting Relevant Rates, the Rate of Interest shall be the Rate of Interest determined on the previous Interest Determination Date.

(iii) On the last day of each Interest Period, the Issuer will pay interest on each Floating Rate Note to which such Interest Period relates at the Rate of Interest for such Interest Period.

(iv) For the avoidance of doubt, in the event that the Rate of Interest as determined in accordance with the foregoing in relation to any Interest Period is less than zero, the Rate of Interest in relation to such Interest Period shall be equal to zero.

(c) Rate of Interest – Variable Rate Notes

(i) Each Variable Rate Note bears interest at a variable rate determined in accordance with the provisions of this paragraph (c). The interest payable in respect of a Variable Rate Note on the first day of an Interest Period relating to that Variable Rate Note is referred to in these Conditions as the "**Agreed Yield**" and the rate of interest payable in respect of a Variable Rate Note on the last day of an Interest Period relating to that Variable Rate Note is referred to in these Conditions as the "**Rate of Interest**".

(ii) The Agreed Yield or, as the case may be, the Rate of Interest payable from time to time in respect of each Variable Rate Note for each Interest Period shall, subject as referred to in paragraph (c)(iv) below, be determined as follows:

(1) not earlier than 9.00 a.m. (Singapore time) on the ninth business day nor later than 3.00 p.m. (Singapore time) on the third business day prior to the commencement of each Interest Period, the Issuer and the Relevant Dealer (as defined below) shall endeavour to agree on the following:

(A) whether interest in respect of such Variable Rate Note is to be paid on the first day or the last day of such Interest Period;

(B) if interest in respect of such Variable Rate Note is agreed between the Issuer and the Relevant Dealer to be paid on the first day of such Interest Period, an Agreed Yield in respect of such Variable Rate Note for such Interest Period (and, in the event of the Issuer and the Relevant Dealer so agreeing on such Agreed Yield, the Interest Amount (as defined below) for such Variable Rate Note for such Interest Period shall be zero); and

(C) if interest in respect of such Variable Rate Note is agreed between the Issuer and the Relevant Dealer to be paid on the last day of such Interest Period, a Rate of Interest in respect of such Variable Rate Note for such Interest Period (an "**Agreed Rate**") and, in the event of the Issuer and the Relevant Dealer so agreeing on an Agreed Rate, such Agreed Rate shall be the Rate of Interest for such Variable Rate Note for such Interest Period; and

(2) if the Issuer and the Relevant Dealer shall not have agreed either an Agreed Yield or an Agreed Rate in respect of such Variable Rate Note for such Interest Period by 3.00 p.m. (Singapore time) on the third business day prior to the commencement of such Interest Period, or if there shall be no Relevant Dealer during the period for agreement referred to in (1) above, the Rate of Interest for such Variable Rate Note for such Interest Period shall automatically be the rate per annum equal to the Fall Back Rate (as defined below) for such Interest Period.

(iii) The Issuer has undertaken to the Issuing and Paying Agent and the Agent Bank that it will as soon as possible after the Agreed Yield or, as the case may be, the Agreed Rate in respect of any Variable Rate Note is determined but not later than 10.30 a.m. (Singapore time) on the next following business day:

(1) notify the Issuing and Paying Agent and the Agent Bank of the Agreed Yield or, as the case may be, the Agreed Rate for such Variable Rate Note for such Interest Period; and

(2) cause such Agreed Yield or, as the case may be, Agreed Rate for such Variable Rate Note to be notified by the Issuing and Paying Agent to the relevant Noteholder at its request.

(iv) For the purposes of sub-paragraph (ii) above, the Rate of Interest for each Interest Period for which there is neither an Agreed Yield nor Agreed Rate in respect of any Variable Rate Note or no Relevant Dealer in respect of the Variable Rate Note(s) shall be the rate (the "**Fall Back Rate**") determined by reference to a Benchmark as stated on the face of such Variable Rate Note(s), being (in the case of Variable Rate Notes which are denominated in Singapore dollars) SIBOR (in which case such Variable Rate Note(s) will be SIBOR Note(s)) or Swap Rate (in which case such Variable Rate Note(s) will be Swap Rate Note(s)) or (in any other case or in the case of Variable Rate Notes which are denominated in a currency other than Singapore dollars) such other Benchmark as is set out on the face of such Variable Rate Note(s).

Such rate may be adjusted by adding or subtracting the Spread (if any) stated on the face of such Variable Rate Note. The "**Spread**" is the percentage rate per annum specified on the face of such Variable Rate Note as being applicable to the rate of interest for such Variable Rate Note. The rate of interest so calculated shall be subject to Condition 5(V)(a) below.

The Fall Back Rate payable from time to time in respect of each Variable Rate Note will be determined by the Agent Bank in accordance with the provisions of Condition 5(II)(b)(ii) above (*mutatis mutandis*) and references therein to "**Rate of Interest**" shall mean "**Fall Back Rate**".

(v) If interest is payable in respect of a Variable Rate Note on the first day of an Interest Period relating to such Variable Rate Note, the Issuer will pay the Agreed Yield applicable to such Variable Rate Note for such Interest Period on the first day of such Interest Period. If interest is payable in respect of a Variable Rate Note on the last day of an Interest Period relating to such Variable Rate Note, the Issuer will pay the Interest Amount for such Variable Rate Note for such Interest Period on the last day of such Interest Period.

(vi) For the avoidance of doubt, in the event that the Rate of Interest as determined in accordance with the foregoing in relation to any Interest Period is less than zero, the Rate of Interest in relation to such Interest Period shall be equal to zero.

(d) Minimum Rate of Interest

If the applicable Pricing Supplement specifies a Minimum Rate of Interest for any Interest Period, then, in the event that the Rate of Interest in respect of such Interest Period determined in accordance with Condition 5(II)(b) or Condition 5(II)(c) above is less than such Minimum Rate of Interest, the Rate of Interest for such Interest Period shall be such Minimum Rate of Interest.

(e) Definitions

As used in these Conditions:

"**Benchmark**" means the rate specified as such in the applicable Pricing Supplement;

"**business day**" means, in respect of each Note:

(i) a day (other than a Saturday, Sunday or gazetted public holiday) on which Euroclear, Clearstream, Luxembourg and the Depository, as applicable, are operating;

(ii) a day (other than a Saturday, Sunday or gazetted public holiday) on which banks and foreign exchange markets are open for general business in the country of the Issuing and Paying Agent's specified office; and

(iii) (if a payment is to be made on that day):

(1) (in the case of Notes denominated in Singapore dollars) a day (other than a Saturday, Sunday or gazetted public holiday) on which banks and foreign exchange markets are open for general business in Singapore;

(2) (in the case of Notes denominated in Euros) a day (other than a Saturday, Sunday or gazetted public holiday) on which the TARGET System is open for settlement in Euros;

(3) (in the case of Notes denominated in Renminbi) a day (other than a Saturday, Sunday or gazetted public holiday) on which banks and foreign exchange markets are open for business (including dealing in foreign exchange and foreign currency deposits) and settlement of Renminbi payments in the Offshore Renminbi Centre; and

(4) (in the case of Notes denominated in a currency other than Singapore dollars, Euros and Renminbi) a day (other than a Saturday, Sunday or gazetted public holiday) on which banks and foreign exchange markets are open for general business in Singapore and the principal financial centre for that currency;

"**Calculation Amount**" means the amount specified as such on the face of any Note or if no such amount is so specified, the Denomination Amount of such Note as shown on the face thereof;

"**Day Count Fraction**" means, in respect of the calculation of an amount of interest in accordance with Condition 5:

(i) if "Actual/Actual" is specified in the applicable Pricing Supplement, the actual number of days in (in the case of Fixed Rate Notes or Hybrid Notes during the Fixed Rate Period) the Fixed Rate Interest Period or (in the case of Floating Rate Notes, Variable Rate Notes or Hybrid Notes during the Floating Rate Period) the Interest Period divided by 365 (or, if any portion of that Fixed Rate Interest Period or, as the case may be, Interest Period falls in a leap year, the sum of (1) the actual number of days in that portion of the Fixed Rate Interest Period or, as the case may be, Interest Period falling in a leap year divided by 366 and (2) the actual number of days in that portion of the Fixed Rate Interest Period or, as the case may be, Interest Period falling in a non-leap year divided by 365);

(ii) if "Actual/360" is specified in the applicable Pricing Supplement, the actual number of days in (in the case of Fixed Rate Notes or Hybrid Notes during the Fixed Rate Period) the Fixed Rate Interest Period or (in the case of Floating Rate Notes, Variable Rate Notes or Hybrid Notes during the Floating Rate Period) the Interest Period in respect of which payment is being made divided by 360; and

(iii) if "Actual/365 (Fixed)" is specified in the applicable Pricing Supplement, the actual number of days in (in the case of Fixed Rate Notes or Hybrid Notes during the Fixed Rate Period) the Fixed Rate Interest Period or (in the case of Floating Rate Notes, Variable Rate Notes or Hybrid Notes during the Floating Rate Period) the Interest Period in respect of which payment is being made divided by 365;

"**Euro**" means the lawful currency of the member states of the European Union that adopt the single currency in accordance with the Treaty establishing the European Community, as amended from time to time;

"**Interest Commencement Date**" means the Issue Date or such other date as may be specified as the Interest Commencement Date on the face of the relevant Note;

"**Interest Determination Date**" means, in respect of any Interest Period, the date falling that number of business days prior thereto as is set out in the applicable Pricing Supplement or on the face of the relevant Note;

"**Offshore Renminbi Centre(s)**" means the offshore Renminbi centre(s) specified as such in the applicable Pricing Supplement;

"**PRC**" means the People's Republic of China which, for the purposes of these Conditions, shall exclude Hong Kong, the Macau Special Administrative Region of the People's Republic of China and Taiwan;

"**Primary Source**" means (i) the Screen Page specified as such in the applicable Pricing Supplement and (in the case of any Screen Page provided by any information service other than the Reuters Monitor Money Rates Service ("**Reuters**")) agreed by the Agent Bank or (ii) the Reference Banks, as the case may be;

"**Reference Banks**" means the institutions specified as such hereon or, if none, three major banks selected by the Agent Bank in the interbank market that is most closely connected with the Benchmark;

"**Renminbi**" means the lawful currency of the PRC;

"**Relevant Currency**" means the currency in which the Notes are denominated;

"**Relevant Dealer**" means, in respect of any Variable Rate Note, the Dealer party to the Programme Agreement referred to in the Agency Agreement with whom the Issuer has concluded or is negotiating an agreement for the issue of such Variable Rate Note pursuant to the Programme Agreement;

"**Relevant Financial Centre**" means, in the case of interest to be determined on an Interest Determination Date with respect to any Floating Rate Note or Variable Rate Note, the financial centre with which the relevant Benchmark is most closely connected or, if none is so connected, Singapore;

"**Relevant Rate**" means the Benchmark for a Calculation Amount of the Relevant Currency for a period (if applicable or appropriate to the Benchmark) equal to the relevant Interest Period;

"**Relevant Time**" means, with respect to any Interest Determination Date, the local time in the Relevant Financial Centre at which it is customary to determine bid and offered rates in respect of deposits in the Relevant Currency in the interbank market in the Relevant Financial Centre;

"**Screen Page**" means such page, section, caption, column or other part of a particular information service (including, but not limited to, Reuters) as may be specified hereon for the purpose of providing the Benchmark, or such other page, section, caption, column or other part as may replace it on that information service or on such other information service, in

each case as may be nominated by the person or organisation providing or sponsoring the information appearing there for the purpose of displaying rates or prices comparable to the Benchmark; and

"**TARGET System**" means the Trans-European Automated Real-Time Gross Settlement Express Transfer (known as TARGET 2) System which was launched on 19 November 2007 or any successor thereto.

(III) Interest on Hybrid Notes

(a) Interest Rate and Accrual

Each Hybrid Note bears interest on its outstanding principal amount from the Interest Commencement Date in respect thereof and as shown on the face of such Note.

(b) Fixed Rate Period

(i) In respect of the Fixed Rate Period shown on the face of such Note, each Hybrid Note bears interest on its outstanding principal amount from the first day of the Fixed Rate Period at the rate per annum (expressed as a percentage) equal to the Interest Rate shown on the face of such Note payable in arrear on each Interest Payment Date or Interest Payment Dates shown on the face of the Note in each year and on the last day of the Fixed Rate Period if that date does not fall on an Interest Payment Date.

(ii) The first payment of interest will be made on the Interest Payment Date next following the first day of the Fixed Rate Period (and if the first day of the Fixed Rate Period is not an Interest Payment Date, will amount to the Initial Broken Amount shown on the face of such Note), unless the last day of the Fixed Rate Period falls before the date on which the first payment of interest would otherwise be due. If the last day of the Fixed Rate Period is not an Interest Payment Date, interest from the preceding Interest Payment Date (or from the first day of the Fixed Rate Period, as the case may be,) to the last day of the Fixed Rate Period will amount to the Final Broken Amount shown on the face of the Note.

(iii) Where the due date of redemption of any Hybrid Note falls within the Fixed Rate Period, interest will cease to accrue on the Note from the due date for redemption thereof unless, upon due presentation and subject to the provisions of the Trust Deed, payment of principal (or Redemption Amount, as the case may be) is improperly withheld or refused, in which event interest at such rate will continue to accrue (as well after as before judgment) at the rate and in the manner provided in this Condition 5(III) to the Relevant Date.

(iv) In the case of a Hybrid Note, interest in respect of a period of less than one year will be calculated on the Day Count Fraction shown on the face of the Note during the Fixed Rate Period.

(c) Floating Rate Period

(i) In respect of the Floating Rate Period shown on the face of such Note, each Hybrid Note bears interest on its outstanding principal amount from the first day of the Floating Rate Period, and such interest will be payable in arrear on each interest payment date ("**Interest Payment Date**"). Such Interest Payment Date(s) is/are either shown hereon as Specified Interest Payment Dates or, if no Specified Interest Payment Date(s) is/are shown hereon, Interest Payment Date shall mean each date which (save as mentioned in these Conditions) falls the number of months specified as the Interest Period on the face of the Note (the "**Specified Number of Months**") after the preceding Interest Payment Date or, in the case of the first Interest Payment Date, after the first day of the Floating Rate Period (and which corresponds numerically with such preceding Interest Payment Date or the first day of the Floating Rate Period, as the case may be). If any Interest Payment Date referred to in these Conditions that is

specified to be subject to adjustment in accordance with a Business Day Convention would otherwise fall on a day that is not a business day, then if the Business Day Convention specified is (1) the Floating Rate Business Day Convention, such date shall be postponed to the next day which is a business day unless it would thereby fall into the next calendar month, in which event (i) such date shall be brought forward to the immediately preceding business day and (ii) each subsequent such date shall be the last business day of the month in which such date would have fallen had it not been subject to adjustment, (2) the Following Business Day Convention, such date shall be postponed to the next day that is a business day, (3) the Modified Following Business Day Convention, such date shall be postponed to the next day that is a business day unless it would thereby fall into the next calendar month, in which event such date shall be brought forward to the immediately preceding business day or (4) the Preceding Business Day Convention, such date shall be brought forward to the immediately preceding business day.

(ii) The period beginning on (and including) the first day of the Floating Rate Period and ending on (but excluding) the first Interest Payment Date and each successive period beginning on (and including) an Interest Payment Date and ending on (but excluding) the next succeeding Interest Payment Date is herein called an "**Interest Period**".

(iii) Where the due date of redemption of any Hybrid Note falls within the Floating Rate Period, interest will cease to accrue on the Note from the due date for redemption thereof unless, upon due presentation thereof, payment of principal (or Redemption Amount, as the case may be) is improperly withheld or refused, in which event interest will continue to accrue (as well after as before judgment) at the rate and in the manner provided in this Condition 5(III) and the Agency Agreement to the Relevant Date.

(iv) The provisions of Condition 5(II)(b) shall apply to each Hybrid Note during the Floating Rate Period as though references therein to Floating Rate Notes are references to Hybrid Notes.

(IV) Zero Coupon Notes

Where a Note the Interest Basis of which is specified to be Zero Coupon is repayable prior to the Maturity Date and is not paid when due, the amount due and payable prior to the Maturity Date shall be the Early Redemption Amount of such Note (determined in accordance with Condition 6(h)). As from the Maturity Date, the rate of interest for any overdue principal of such a Note shall be a rate per annum (expressed as a percentage) equal to the Amortisation Yield (as determined in accordance with Condition 6(h)).

(V) Calculations

(a) Determination of Rate of Interest and Calculation of Interest Amounts

The Agent Bank will, as soon as practicable after the Relevant Time on each Interest Determination Date, determine the Rate of Interest and calculate the amount of interest payable (the "**Interest Amounts**") in respect of each Calculation Amount of the relevant Floating Rate Notes, Variable Rate Notes or (where applicable) Hybrid Notes for the relevant Interest Period. The amount of interest payable per Calculation Amount in respect of any Note shall be calculated by multiplying the product of the Rate of Interest and the Calculation Amount, by the Day Count Fraction shown on the Note and rounding the resultant figure to the nearest sub-unit of the Relevant Currency. The determination of any rate or amount, the obtaining of each quotation and the making of each determination or calculation by the Agent Bank shall (in the absence of manifest error) be final and binding upon all parties.

(b) Notification

The Agent Bank will cause the Rate of Interest and the Interest Amounts for each Interest Period and the relevant Interest Payment Date to be notified to the Issuing and Paying Agent, the Trustee, the Registrar, the other Paying Agents (if any) and the Issuer as soon as

possible after their determination but in no event later than the fourth business day thereafter. In the case of Floating Rate Notes, the Issuing and Paying Agent will at the request and expense of the Issuer also cause the Rate of Interest and the Interest Amounts for each Interest Period and the relevant Interest Payment Date to be notified to Noteholders in accordance with Condition 16 as soon as possible after their determination. The Interest Amounts and the Interest Payment Date so notified may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without notice in the event of an extension or shortening of the Interest Period by reason of any Interest Payment Date not being a business day. If the Floating Rate Notes, Variable Rate Notes or, as the case may be, Hybrid Notes become due and payable under Condition 10, the Rate of Interest and Interest Amounts payable in respect of the Floating Rate Notes, Variable Rate Notes or, as the case may be, Hybrid Notes shall nevertheless continue to be calculated as previously in accordance with this Condition but no publication of the Rate of Interest and Interest Amounts need to be made unless the Trustee requires otherwise.

(c) Determination or Calculation by the Trustee

If the Agent Bank does not at any material time determine or calculate the Rate of Interest for an Interest Period or any Interest Amount, the Trustee shall do so. In doing so, the Trustee shall apply the foregoing provisions of this Condition, with any necessary consequential amendments, to the extent that, in its opinion, it can do so, and, in all other respects, it shall do so in such manner as it shall deem fair and reasonable in all the circumstances.

(d) Agent Bank and Reference Banks

The Issuer will procure that, so long as any Floating Rate Note, Variable Rate Note or Hybrid Note remains outstanding, there shall at all times be three Reference Banks (or such other number as may be required) and, so long as any Floating Rate Note, Variable Rate Note, Hybrid Note or Zero Coupon Note remains outstanding, there shall at all times be an Agent Bank. If any Reference Bank (acting through its relevant office) is unable or unwilling to continue to act as a Reference Bank or the Agent Bank is unable or unwilling to act as such or if the Agent Bank fails duly to establish the Rate of Interest for any Interest Period or to calculate the Interest Amounts, the Issuer will appoint another bank with an office in the Relevant Financial Centre to act as such in its place. The Agent Bank may not resign from its duties without a successor having been appointed as aforesaid.

6. Redemption and Purchase

(a) Final Redemption

Unless previously redeemed or purchased and cancelled as provided below, this Note will be redeemed at its Redemption Amount on the Maturity Date shown on its face (if this Note is shown on its face to be a Fixed Rate Note, Hybrid Note (during the Fixed Rate Period) or Zero Coupon Note) or on the Interest Payment Date falling in the Redemption Month shown on its face (if this Note is shown on its face to be a Floating Rate Note, Variable Rate Note or Hybrid Note (during the Floating Rate Period)).

(b) Purchase at the Option of Issuer

If so provided hereon, the Issuer shall have the option to purchase all or any of the Fixed Rate Notes, Floating Rate Notes, Variable Rate Notes or Hybrid Notes at their Redemption Amount on any date on which interest is due to be paid on such Notes and the Noteholders shall be bound to sell such Notes to the Issuer accordingly. To exercise such option, the Issuer shall give irrevocable notice to the Noteholders within the Issuer's Purchase Option Period shown on the face hereof. Such Notes may be held, resold or surrendered to the Issuing and Paying Agent, or, as the case may be, the Registrar for cancellation. The Notes so purchased, while held by or on behalf of the Issuer, shall not entitle the holder to vote at any meetings of the Noteholders and shall not be deemed to be outstanding for the purposes of calculating quorums at meetings of the Noteholders or for the purposes of Conditions 10, 11 and 12.

In the case of a purchase of some only of the Notes, the notice to Noteholders shall also contain the certificate numbers of the Bearer Notes or, in the case of Registered Notes, shall specify the principal amount of Registered Notes drawn and the holder(s) of such Registered Notes, to be purchased, which shall have been drawn by or on behalf of the Issuer in such place and in such manner as may be agreed between the Issuer and the Trustee, subject to compliance with any applicable laws. So long as the Notes are listed on the Singapore Exchange Securities Trading Limited (the "**SGX-ST**"), the Issuer shall comply with the rules of such Stock Exchange (as defined in the Trust Deed) in relation to the publication of any notice of purchase of such Notes.

(c) Purchase at the Option of Noteholders

(i) Each Noteholder shall have the option to have all or any of his Variable Rate Notes purchased by the Issuer at their Redemption Amount on any Interest Payment Date and the Issuer will purchase such Variable Rate Notes accordingly. To exercise such option, a Noteholder shall deposit (in the case of Bearer Notes) such Variable Rate Notes to be purchased (together with all unmatured Coupons and unexchanged Talons) with the Issuing and Paying Agent or any other paying agent at its specified office or (in the case of Registered Notes) the Certificate representing such Variable Rate Note(s) to be purchased with the Registrar or the Transfer Agent at its specified office, together with a duly completed option exercise notice in the form obtainable from the Issuing and Paying Agent, any paying agent, the Registrar or the Transfer Agent (as applicable) within the Noteholders' VRN Purchase Option Period shown on the face of such Note. Any Variable Rate Notes or Certificates representing such Variable Rate Notes so deposited may not be withdrawn (except as provided in the Agency Agreement) without the prior consent of the Issuer. Such Variable Rate Notes may be held, resold or surrendered for cancellation, in the case of Bearer Notes, by surrendering each such Variable Rate Note (together with all unmatured Coupons and unexchanged Talons) to the Issuing and Paying Agent and, in the case of Registered Notes, by surrendering the Certificate representing such Variable Rate Notes to the Registrar. The Variable Rate Notes so purchased, while held by or on behalf of the Issuer, shall not entitle the holder to vote at any meetings of the Noteholders and shall not be deemed to be outstanding for the purposes of calculating quorums at meetings of the Noteholders or for the purposes of Conditions 10, 11 and 12.

(ii) If so provided hereon, each Noteholder shall have the option to have all or any of his Fixed Rate Notes, Floating Rate Notes or Hybrid Notes purchased by the Issuer at their Redemption Amount on any date on which interest is due to be paid on such Notes and the Issuer will purchase such Notes accordingly. To exercise such option, a Noteholder shall deposit (in the case of Bearer Notes) such Note to be purchased (together with all unmatured Coupons and unexchanged Talons) with the Issuing and Paying Agent or any other paying agent at its specified office or (in the case of Registered Notes) the Certificate representing such Note(s) to be purchased with the Registrar or the Transfer Agent at its specified office, together with a duly completed option exercise notice in the form obtainable from the Issuing and Paying Agent, any paying agent, the Registrar or the Transfer Agent (as applicable) within the Noteholders' Purchase Option Period shown on the face hereof. Any Notes or Certificates so deposited may not be withdrawn (except as provided in the Agency Agreement) without the prior consent of the Issuer. Such Notes may be held, resold or surrendered for cancellation, in the case of Bearer Notes, by surrendering such Note (together with all unmatured Coupons and unexchanged Talons) to the Issuing and Paying Agent and, in the case of Registered Notes, by surrendering the Certificate representing such Notes to the Registrar. The Notes so purchased, while held by or on behalf of the Issuer, shall not entitle the holder to vote at any meetings of the Noteholders and shall not be deemed to be outstanding for the purposes of calculating quorums at meetings of the Noteholders or for the purposes of Conditions 10, 11 and 12.

(d) Redemption at the Option of the Issuer

If so provided hereon, the Issuer may, on giving irrevocable notice to the Noteholders falling within the Issuer's Redemption Option Period shown on the face hereof, redeem all or, if so provided, some of the Notes at their Redemption Amount and on the date or dates so provided. Any such redemption of Notes shall be at their Redemption Amount, together with interest accrued to (but excluding) the date fixed for redemption.

All Notes in respect of which any such notice is given shall be redeemed on the date specified in such notice in accordance with this Condition.

In the case of a partial redemption of the Notes, the notice to Noteholders shall also contain the certificate numbers of the Bearer Notes or, in the case of Registered Notes, shall specify the principal amount of Registered Notes drawn and the holder(s) of such Registered Notes, to be redeemed, which shall have been drawn by or on behalf of the Issuer in such place and in such manner as may be agreed between the Issuer and the Trustee, subject to compliance with any applicable laws. So long as the Notes are listed on the SGX-ST, the Issuer shall comply with the rules of such Stock Exchange in relation to the publication of any notice of redemption of such Notes.

(e) Redemption at the Option of Noteholders

If so provided hereon, the Issuer shall, at the option of the holder of any Note, redeem such Note on the date or dates so provided at its Redemption Amount, together with interest accrued to the date fixed for redemption. To exercise such option, the holder must deposit (in the case of Bearer Notes) such Note (together with all unmatured Coupons and unexchanged Talons) with the Issuing and Paying Agent or any other paying agent at its specified office or (in the case of Registered Notes) the Certificate representing such Note(s) with the Registrar or the Transfer Agent at its specified office, together with a duly completed option exercise notice in the form obtainable from the Issuing and Paying Agent, any other paying agent, the Registrar or the Transfer Agent (as applicable) within the Noteholders' Redemption Option Period shown on the face hereof. Any Note or Certificate so deposited may not be withdrawn (except as provided in the Agency Agreement) without the prior consent of the Issuer.

(f) Redemption for Taxation Reasons

The Notes may be redeemed at the option of the Issuer in whole, but not in part, on any Interest Payment Date or, if so specified hereon, at any time on giving not less than 30 nor more than 60 days' notice to the Noteholders (which notice shall be irrevocable), at their Redemption Amount or (in the case of Zero Coupon Notes) Early Redemption Amount (as defined in Condition 6(h) below) (together with interest accrued to (but excluding) the date fixed for redemption), if (i) the Issuer has or will become obliged to pay additional amounts as provided or referred to in Condition 8, or increase the payment of such additional amounts, as a result of any change in, or amendment to, the laws (or any regulations, rulings or other administrative pronouncements promulgated thereunder) of Singapore or any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws, regulations, rulings or other administrative pronouncements, which change or amendment is made public on or after the Issue Date or any other date specified in the Pricing Supplement, and (ii) such obligations cannot be avoided by the Issuer taking reasonable measures available to it, provided that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer would be obliged to pay such additional amounts were a payment in respect of the Notes then due. Prior to the publication of any notice of redemption pursuant to this paragraph, the Issuer shall deliver to the Issuing and Paying Agent a certificate signed by two duly authorised signatories of the Issuer stating that the Issuer is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of the Issuer so to redeem have occurred, and an opinion of independent legal advisers of recognised standing to the effect that the Issuer has or is likely to become obliged to pay such additional amounts as a result of such change or amendment.

(g) Purchases

The Issuer and/or any of the respective related corporations of the Issuer and CRCT may at any time purchase Notes at any price (provided that they are purchased together with all unmatured Coupons and unexchanged Talons relating to them) in the open market or otherwise, provided that in any such case such purchase or purchases is in compliance with all relevant laws, regulations and directives. The Notes so purchased, while held by or on behalf of the Issuer and/or any of the respective related corporations of the Issuer and CRCT shall not entitle the holder to vote at any meetings of the Noteholders and shall not be deemed to be outstanding for the purposes of calculating quorums at meetings of the Noteholders or for the purposes of Conditions 10, 11 and 12.

Notes purchased by the Issuer and/or any of the respective related corporations of the Issuer and/or CRCT may be surrendered by the purchaser to, in the case of Bearer Notes, the Issuing and Paying Agent and, in the case of Registered Notes, the Registrar for cancellation or may at the option of the Issuer and/or relevant related corporation be held or resold.

For the purposes of these Conditions, "**directive**" includes any present or future directive, regulation, request, requirement, rule or credit restraint programme of any relevant agency, authority, central bank department, government, legislative, minister, ministry, official public or statutory corporation, self-regulating organisation, or stock exchange.

(h) Early Redemption of Zero Coupon Notes

(i) The Early Redemption Amount payable in respect of any Zero Coupon Note, the Early Redemption Amount of which is not linked to an index and/or formula, upon redemption of such Note pursuant to Condition 6(f) or upon it becoming due and payable as provided in Condition 10, shall be the Amortised Face Amount (calculated as provided below) of such Note unless otherwise specified hereon.

(ii) Subject to the provisions of sub-paragraph (iii) below, the Amortised Face Amount of any such Note shall be the scheduled Redemption Amount of such Note on the Maturity Date discounted at a rate per annum (expressed as a percentage) equal to the Amortisation Yield (which, if none is shown hereon, shall be such rate as would produce an Amortised Face Amount equal to the issue price of the Notes if they were discounted back to their issue price on the Issue Date) compounded annually.

(iii) If the Early Redemption Amount payable in respect of any such Note upon its redemption pursuant to Condition 6(f) or upon it becoming due and payable as provided in Condition 10 is not paid when due, the Early Redemption Amount due and payable in respect of such Note shall be the Amortised Face Amount of such Note as defined in sub-paragraph (ii) above, except that such sub-paragraph shall have effect as though the date on which the Note becomes due and payable were the Relevant Date. The calculation of the Amortised Face Amount in accordance with this sub-paragraph will continue to be made (as well after as before judgment) until the Relevant Date, unless the Relevant Date falls on or after the Maturity Date, in which case the amount due and payable shall be the scheduled Redemption Amount of such Note on the Maturity Date together with any interest which may accrue in accordance with Condition 5(IV).

Where such calculation is to be made for a period of less than one year, it shall be made on the basis of the Day Count Fraction shown hereon.

(i) Redemption upon Termination of CRCT

In the event that CRCT is terminated in accordance with the provisions of the CRCT Trust Deed (as defined in the Trust Deed), the Issuer shall redeem all (and not some only) of the Notes at their Redemption Amount together with interest accrued to the date fixed for redemption on any date on which interest is due to be paid on such Notes or, if earlier, the date of termination of CRCT.

The Issuer shall forthwith notify the Trustee, the Issuing and Paying Agent, the Registrar, the Transfer Agent and the Noteholders of the termination of CRCT.

(j) Redemption upon Cessation or Suspension of Trading of Units of CRCT

In the event that (i) the units of CRCT cease to be traded on the SGX-ST or (ii) trading in the units of CRCT on the SGX-ST is suspended for a continuous period of more than seven days (other than by reason of holiday, statutory or otherwise), the Issuer shall, at the option of the holder of any Note, redeem such Note at its Redemption Amount together with interest accrued to the date fixed for redemption on any date on which interest is due to be paid on such Notes or, if earlier, the date falling 45 days after (in the case of (i)) the date of cessation of trading or (in the case of (ii)) the business day immediately following the expiry of such continuous period of seven days. To exercise such option, the holder must deposit (in the case of Bearer Notes) such Note (together with all unmatured Coupons and unexchanged Talons) with the Issuing and Paying Agent, or any other paying agent at its specified office or (in the case of Registered Notes) the Certificate representing such Note(s) with the Registrar or the Transfer Agent at its specified office, together with a duly completed option exercise notice in the form obtainable from the Issuing and Paying Agent, any other paying agent, the Registrar or the Transfer Agent (as applicable), no later than 15 days prior to the date fixed for redemption. Any Note or Certificate so deposited may not be withdrawn (except as provided in the Agency Agreement) without the prior consent of the Issuer.

(k) Cancellation

All Notes purchased by or on behalf of the Issuer and/or any of the respective related corporations of the Issuer and CRCT may be surrendered for cancellation, in the case of Bearer Notes, by surrendering each such Note together with all unmatured Coupons and all unexchanged Talons to the Issuing and Paying Agent at its specified office and, in the case of Registered Notes, by surrendering the Certificate representing such Notes to the Registrar and, in each case, if so surrendered, shall, together with all Notes redeemed by the Issuer, be cancelled forthwith (together with all unmatured Coupons and unexchanged Talons attached thereto or surrendered therewith). Any Notes or Certificates so surrendered for cancellation may not be reissued or resold.

7. Payments

(a) Principal and Interest in respect of Bearer Notes

Payments of principal and interest (which shall include the Redemption Amount and the Early Redemption Amount) in respect of Bearer Notes will, subject as mentioned below, be made against presentation and surrender of the relevant Notes or, as the case may be, Coupons:

(i) (in the case of a currency other than Renminbi) at the specified office of any Paying Agent by a cheque drawn in the currency in which payment is due on, or, at the option of the holders, by transfer to an account maintained by the holder in that currency with, a bank in the principal financial centre for that currency; and

(ii) (in the case of Renminbi) by transfer to a Renminbi account maintained by or on behalf of the holder with a bank in the Offshore Renminbi Centre which processes payments in Renminbi in the Offshore Renminbi Centre.

(b) Principal and Interest in respect of Registered Notes

(i) Payments of principal in respect of Registered Notes will, subject as mentioned below, be made against presentation and surrender of the relevant Certificates at the specified office of the Registrar or any of the other Transfer Agents and in the manner provided in Condition 7(b)(ii).

(ii) Interest on Registered Notes shall be paid to the person shown on the Register as the holder thereof at the close of business on the fifteenth day before the due date for payment thereof (the "**Record Date**"). Payments of interest on each Registered Note shall be made:

(1) (in the case of a currency other than Renminbi) by a cheque drawn in the currency in which payment is due and mailed to the holder (or to the first named of joint holders) of such Note at its address appearing in the Register. Upon application by the holder to the specified office of the Registrar or any other Transfer Agent before the Record Date, such payment of interest may be made by transfer to an account maintained by the holder in that currency with a bank in the principal financial centre for that currency; and

(2) (in the case of Renminbi) by transfer to a Renminbi account maintained by or on behalf of the holder with a bank in the Offshore Renminbi Centre which processes payments in Renminbi in the Offshore Renminbi Centre.

(c) Payments subject to law etc.

All payments are subject in all cases to any applicable fiscal or other laws, regulations and directives, but without prejudice to the provisions of Condition 8. No commission or expenses shall be charged to the Noteholders or Couponholders in respect of such payments.

(d) Appointment of Agents

The Issuing and Paying Agent, the Agent Bank, the Transfer Agent and the Registrar initially appointed by the Issuer and their respective specified offices are listed below. The Issuer reserves the right at any time to vary or terminate the appointment of the Issuing and Paying Agent, any other Paying Agent, the Agent Bank, any Transfer Agent and the Registrar and to appoint additional or other Issuing and Paying Agents, Paying Agents, Agent Banks, Transfer Agents and Registrars, provided that it will at all times maintain (i) an Issuing and Paying Agent having a specified office in Singapore, (ii) an Agent Bank having a specified office in Singapore, (iii) a Transfer Agent in relation to Registered Notes having a specified office in Singapore and (iv) a Registrar in relation to Registered Notes having a specified office in Singapore. Notice of any such change or any change of any specified office will promptly be given by the Issuer to the Noteholders in accordance with Condition 16.

The Agency Agreement may be amended by the Issuer, the Issuing and Paying Agent, the Agent Bank, the Transfer Agent, the Registrar and the Trustee, without the consent of any holder, for the purpose of curing any ambiguity or of curing, correcting or supplementing any defective provision contained therein or in any manner which the Issuer, the Issuing and Paying Agent, the Agent Bank, the Transfer Agent, the Registrar and the Trustee may mutually deem necessary or desirable and which does not, in the reasonable opinion of the Issuer, the Issuing and Paying Agent, the Agent Bank, the Transfer Agent, the Registrar and the Trustee, materially and adversely affect the interests of the holders of the Notes or the Coupons. Any such amendment shall be binding on the Noteholders and the Couponholders.

(e) Unmatured Coupons and Unexchanged Talons

(i) Bearer Notes which comprise Fixed Rate Notes and Hybrid Notes should be surrendered for payment together with all unmatured Coupons (if any) relating to such Notes (and, in the case of Hybrid Notes, relating to interest payable during the Fixed Rate Period), failing which an amount equal to the face value of each missing unmatured Coupon (or, in the case of payment not being made in full, that proportion of the amount of such missing unmatured Coupon which the sum of principal so paid bears to the total principal due) will be deducted from the Redemption Amount due for payment. Any amount so deducted will be paid in the manner mentioned above against surrender of such missing Coupon within a period of three years from the Relevant Date for the payment of such principal (whether or not such Coupon has become void pursuant to Condition 9).

(ii) Subject to the provisions of the relevant Pricing Supplement, upon the due date for redemption of any Bearer Notes comprising a Floating Rate Note, Variable Rate Note or Hybrid Note, unmatured Coupons relating to such Note (and, in the case of Hybrid Notes, relating to interest payable during the Floating Rate Period) (whether or not attached) shall become void and no payment shall be made in respect of them.

(iii) Upon the due date for redemption of any Bearer Note, any unexchanged Talon relating to such Note (whether or not attached) shall become void and no Coupon shall be delivered in respect of such Talon.

(iv) Where any Bearer Note comprising a Floating Rate Note, Variable Rate Note or Hybrid Note is presented for redemption without all unmatured Coupons, and where any Bearer Note is presented for redemption without any unexchanged Talon relating to it (and, in the case of Hybrid Notes, relating to interest payable during the Floating Rate Period), redemption shall be made only against the provision of such indemnity as the Issuer may require.

(v) If the due date for redemption or repayment of any Note is not a due date for payment of interest, interest accrued from the preceding due date for payment of interest or the Interest Commencement Date, as the case may be, shall only be payable against presentation (and surrender if appropriate) of the relevant Bearer Note or Certificate.

(f) Talons

On or after the Interest Payment Date for the final Coupon forming part of a Coupon sheet issued in respect of any Bearer Note, the Talon forming part of such Coupon sheet may be surrendered at the specified office of the Issuing and Paying Agent on any business day in exchange for a further Coupon sheet (and if necessary another Talon for a further Coupon sheet) (but excluding any Coupons that may have become void pursuant to Condition 9).

(g) Non-business days

Subject as provided in the relevant Pricing Supplement or subject as otherwise provided in these Conditions, if any date for the payment in respect of any Note or Coupon is not a business day, the holder shall not be entitled to payment until the next following business day and shall not be entitled to any further interest or other payment in respect of any such delay.

(h) Default Interest

If on or after the due date for payment of any sum in respect of the Notes, payment of all or any part of such sum is not made against due presentation of the Notes or, as the case may be, the Coupons, the Issuer shall pay interest on the amount so unpaid from such due date up to the day of actual receipt by the relevant Noteholders or, as the case may be, Couponholders (as well after as before judgment) at a rate per annum determined by the Issuing and Paying Agent to be equal to two per cent. per annum above (in the case of a Fixed Rate Note or a Hybrid Note during the Fixed Rate Period) the Interest Rate applicable to such Note, (in the case of a Floating Rate Note or a Hybrid Note during the Floating Rate Period) the Rate of Interest applicable to such Note or (in the case of a Variable Rate Note) the variable rate by which the Agreed Yield applicable to such Note is determined or, as the case may be, the Rate of Interest applicable to such Note, or in the case of a Zero Coupon Note, as provided for in the relevant Pricing Supplement. So long as the default continues then such rate shall be re-calculated on the same basis at intervals of such duration as the Issuing and Paying Agent may select, save that the amount of unpaid interest at the above rate accruing during the preceding such period shall be added to the amount in respect of which the Issuer is in default and itself bear interest accordingly. Interest at the rate(s) determined in accordance with this paragraph shall be calculated on the Day Count Fraction specified hereon and the actual number of days elapsed, shall accrue on a daily basis and shall be immediately due and payable by the Issuer.

(i) Payment of Singapore Dollar Equivalent

Notwithstanding the foregoing, if by reason of Illiquidity, Inconvertibility or Non-transferability, the Issuer is not able to satisfy payments of principal or interest (in whole or in part) in respect of Notes where the Relevant Currency is Renminbi, the Issuer may, on giving not less than five nor more than 30 days' irrevocable notice to the Noteholders prior to the due date for payment, settle any such payment (in whole or in part) in Singapore dollars on the due date at the Singapore Dollar Equivalent of any such Renminbi denominated amount. Payments of the Singapore Dollar Equivalent of the relevant Renminbi denominated amount shall be made by transfer to a Singapore dollar denominated account maintained by the payee with, or by a Singapore dollar denominated cheque drawn on, a bank in Singapore. Any payment made under such circumstances in Singapore dollars will constitute valid payment and will not constitute a default in respect of the Notes.

For the purposes of this Condition 7(i),

"**Determination Business Day**" means a day (other than a Saturday or Sunday) on which commercial banks are open for general business (including dealings in foreign exchange) in Singapore;

"**Determination Date**" means the day which is two Determination Business Days before the due date of the relevant amount under these Conditions;

"**Governmental Authority**" means any *de facto* or *de jure* government (or any agency or instrumentality thereof), court, tribunal, administrative or other governmental authority or any other entity (private or public) charged with the regulation of the financial markets (including the central bank) of Singapore;

"**Illiquidity**" means the general Renminbi exchange market in Singapore becomes illiquid as a result of which the Issuer cannot obtain sufficient Renminbi in order to satisfy its obligation to pay interest and principal (in whole or in part) in respect of the Notes as determined by the Issuer in good faith and in a commercially reasonable manner;

"**Inconvertibility**" means the occurrence of any event that makes it impossible for the Issuer to convert any amount due in respect of the Notes in the general Renminbi exchange market in Singapore, other than where such impossibility is due solely to the failure of the Issuer to comply with any law, rule or regulation enacted by any Governmental Authority (unless such law, rule or regulation is enacted after the date of the agreement for the issue of the Notes and it is impossible for the Issuer, due to an event beyond its control, to comply with such law, rule or regulation);

"**Non-transferability**" means the occurrence of any event that makes it impossible for the Issuer to deliver Renminbi between accounts inside Singapore or from an account inside Singapore to an account outside Singapore, other than where such impossibility is due solely to the failure of the Issuer to comply with any law, rule or regulation enacted by any Governmental Authority (unless such law, rule or regulation is enacted after the date of the agreement for the issue of the Notes and it is impossible for the Issuer, due to an event beyond its control, to comply with such law, rule or regulation);

"**Singapore Dollar Equivalent**" means the relevant Renminbi amount converted into Singapore dollars using the relevant Spot Rate for the relevant Determination Date;

"**Spot Rate**" means, for a Determination Date, the spot Renminbi/Singapore dollar exchange rate as determined by the Agent Bank at or around 11.00 a.m. (Singapore time) on such date, and if a spot rate is not readily available, the Agent Bank will determine the rate taking into consideration all available information which the Agent Bank deems relevant, including pricing information obtained from the Renminbi non-deliverable exchange market in Singapore or elsewhere and the PRC domestic foreign exchange market in Singapore.

All determinations made for the purposes of the provisions of this Condition 7(i) by the Agent Bank will (in the absence of wilful default, fraud, gross negligence or manifest error) be binding on the Issuer, the Agents and all holders.

8. Taxation

All payments in respect of the Notes and the Coupons by the Issuer shall be made free and clear of, and without deduction or withholding for or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or within Singapore or any authority thereof or therein having power to tax, unless such withholding or deduction is required by law. In such event, the Issuer shall pay such additional amounts as will result in the receipt by the Noteholders and the Couponholders of such amounts as would have been received by them had no such deduction or withholding been required, except that no such additional amounts shall be payable in respect of any Note or Coupon presented (or in respect of which the Certificate representing it is presented) for payment:

(a) by or on behalf of a holder who is subject to such taxes, duties, assessments or governmental charges by reason of his being connected with Singapore otherwise than by reason only of the holding of such Note or Coupon or the receipt of any sums due in respect of such Note or Coupon (including, without limitation, the holder being a resident of, or a permanent establishment in, Singapore);

(b) more than 30 days after the Relevant Date except to the extent that the holder thereof would have been entitled to such additional amounts on presenting the same for payment on the last day of such period of 30 days; or

(c) by or on behalf of a holder who would be able to lawfully avoid (but has not so avoided) such deduction or withholding by making a declaration or any other statement including, but not limited to, a declaration of residence or non-residence but fails to do so.

As used in these Conditions, "**Relevant Date**" in respect of any Note or Coupon means the date on which payment in respect thereof first becomes due or (if any amount of the money payable is improperly withheld or refused) the date on which payment in full of the amount outstanding is made or (if earlier) the date falling seven days after that on which notice is duly given to the Noteholders in accordance with Condition 16 that, upon further presentation of the Note (or relative Certificate) or Coupon being made in accordance with the Conditions, such payment will be made, provided that payment is in fact made upon presentation, and references to "**principal**" shall be deemed to include any premium payable in respect of the Notes, all Redemption Amounts, Early Redemption Amounts and all other amounts in the nature of principal payable pursuant to Condition 6, "**interest**" shall be deemed to include all Interest Amounts and all other amounts payable pursuant to Condition 5 and any reference to "**principal**" and/or "**premium**" and/or "**Redemption Amounts**" and/or "**interest**" and/or "**Early Redemption Amounts**" shall be deemed to include any additional amounts which may be payable under these Conditions.

9. Prescription

Claims against the Issuer for payment in respect of the Notes and Coupons (which, for this purpose, shall not include Talons) shall be prescribed and become void unless made within three years from the appropriate Relevant Date for payment.

10. Events of Default

If any of the following events ("**Events of Default**") occurs the Trustee at its discretion may, and if so requested by holders of at least 25 per cent. in aggregate principal amount of the Notes then outstanding or if so directed by an Extraordinary Resolution shall, give notice in writing to the Issuer that the Notes are immediately repayable, whereupon the Redemption Amount of such Notes or (in the case of Zero Coupon Notes) the Early Redemption Amount of such Notes together with accrued interest to the date of payment shall become immediately due and payable:

(a) the Issuer does not pay any sum payable by it under any of the Notes or the Issue Documents (as defined in the Trust Deed) within three business days of its due date;

(b) the Issuer does not perform or comply with any one or more of its obligations (other than the payment obligation of the Issuer referred to in paragraph (a)) under any of the Issue Documents or any of the Notes and, if in the opinion of the Trustee that default is capable of remedy, it is not in the opinion of the Trustee remedied within 30 days after notice of such default shall have been given by the Trustee to the Issuer;

(c) any representation, warranty or statement by the Issuer in any of the Issue Documents or any of the Notes or in any document delivered under any of the Issue Documents or any of the Notes is not complied with in any respect or is or proves to have been incorrect in any respect when made or deemed repeated and if the event resulting in such non-compliance is, in the opinion of the Trustee, capable of remedy, it is not in the opinion of the Trustee remedied within 30 days after notice thereof shall have been given by the Trustee to the Issuer;

(d) (i) any other indebtedness of the Issuer, CRCT or any of its Principal Subsidiaries in respect of borrowed money is or is declared to be due and payable prior to its stated maturity by reason of any event of default or the like (however described) or is not paid when due (or within any originally applicable grace period) or, as a result of any event of default or the like (however described), any facility relating to any such indebtedness is or is declared to be cancelled or terminated before its normal expiry date or any person otherwise entitled to use any such facility is not so entitled; or

(ii) the Issuer, CRCT or any of its Principal Subsidiaries fails to pay when due, any amount payable by it under any present or future guarantee for, or indemnity in respect of, any moneys borrowed or raised,

provided however that no Event of Default will occur under this paragraph (d) unless and until the aggregate amount of the indebtedness in respect of which one or more of the events mentioned above in this paragraph (d) has/have occurred equals or exceeds S$50,000,000 or its equivalent in other currency or currencies;

(e) (i) the Issuer, CRCT or any of its Principal Subsidiaries (1) is (or is deemed by law or a court to be) insolvent or unable to pay its debts, stops, suspends or threatens to stop or suspend payment of all or any material part of (or of a particular type of) its indebtedness (other than those contested in good faith and by appropriate proceedings), (2) begins negotiations or takes any other step with a view to the deferral, rescheduling or other readjustment of all or any material part of (or of a particular type of) its indebtedness (or of any material part which it will otherwise be unable to pay when due), (3) applies for a moratorium in respect of or affecting all or any material part of its indebtedness or (4) proposes or makes a general assignment or an arrangement or composition with or for the benefit of the relevant creditors or (ii) a moratorium is agreed, effected or declared or otherwise arises in respect of or affecting all or any material part of (or of a particular type of) the indebtedness or property of the Issuer, CRCT or any of its Principal Subsidiaries;

(f) a distress, attachment, execution or other legal process is levied, enforced or sued out on or against all or any material part of the assets of the Issuer, CRCT or any of its Principal Subsidiaries and is not discharged or stayed within 30 days;

(g) any security on or over the whole or any material part of the assets of the Issuer, CRCT or any of its Principal Subsidiaries becomes enforceable;

(h) a meeting is convened, a petition or originating summons is presented, an order is made or a resolution is passed for the winding-up or termination of the Issuer, CRCT or any of its Principal Subsidiaries (except (i) for any petition or originating summons which is discontinued, withdrawn, dismissed or struck out within 30 days of the presentation of such petition or originating summons or (ii) (in the case of a Principal Subsidiary only) for the purpose of and followed by a reconstruction, amalgamation, reorganisation, merger or consolidation (1) which would not have a material adverse effect on the Issuer or (2) on terms approved by the Trustee or by an Extraordinary Resolution of the Noteholders), or

for the appointment of a liquidator (including a provisional liquidator), receiver, trustee, administrator, judicial manager, or similar officer over all or any material part of the assets of the Issuer, CRCT or any of its Principal Subsidiaries;

(i) CRCT shall cease or threaten to cease to carry on its principal business of the ownership and operation of retail properties;

(j) an official order is made with a view to the seizure, compulsory acquisition, expropriation or nationalisation of all or any part of the assets of the Issuer, CRCT or any of its Principal Subsidiaries or all or any part of the assets of the Issuer, CRCT or any of the Principal Subsidiaries is seized, compulsorily acquired, expropriated or nationalised, and, in each case, such seizure, compulsory acquisition, expropriation or nationalisation will have a material adverse effect on the Issuer or CRCT;

(k) any action, condition or thing (including the obtaining of any necessary consent) at any time required to be taken, fulfilled or done for any of the purposes stated in Clause 15.6 of the Trust Deed is not taken, fulfilled or done, or any such consent ceases to be in full force and effect without modification or any condition in or relating to any such consent is not complied with (unless that consent or condition is no longer required or applicable);

(l) it is or will become unlawful for the Issuer to perform or comply with any one or more of its obligations under any of the Issue Documents or any of the Notes;

(m) any of the Issue Documents to which it is a party or any of the Notes ceases for any reason (or is claimed by the Issuer not) to be the legal and valid obligations of the Issuer, binding upon it in accordance with its terms;

(n) any litigation, arbitration or administrative proceeding (other than those which are of a frivolous or vexatious nature) is current or pending against the Issuer, CRCT or any of its Principal Subsidiaries (i) to restrain the exercise of any of the rights and/or the performance or enforcement of or compliance with any of the obligations of the Issuer under any of the Issue Documents or any of the Notes or (ii) which has or is reasonably likely to have a material adverse effect on the Issuer or CRCT;

(o) if (i)(1) the CRCT Trustee (as defined in the Trust Deed) resigns or is removed; (2) an order is made for the winding-up of the CRCT Trustee or a receiver, judicial manager, administrator, agent or similar officer of the CRCT Trustee is appointed; and/or (3) there is a declaration, imposition or promulgation in Singapore or in any relevant jurisdiction of a moratorium, any form of exchange control or any law, directive or regulation of any agency or the amalgamation, reconstruction or reorganisation of the CRCT Trustee which prevents or restricts the ability of the Issuer to perform its obligations under any of the Issue Documents or any of the Notes and (ii) the replacement or substitute trustee of CRCT is not appointed in accordance with the terms of the CRCT Trust Deed;

(p) the CRCT Manager (as defined in the Trust Deed) is removed pursuant to the terms of the CRCT Trust Deed, and the replacement or substitute manager is not appointed in accordance with the terms of the CRCT Trust Deed;

(q) any event occurs which, under the law of any relevant jurisdiction, has an analogous or equivalent effect to any of the events mentioned in paragraph (e), (f), (g), (h), (i) or (j);

(r) the Issuer or any of the Principal Subsidiaries of CRCT is declared by the Minister of Finance to be a declared company under the provisions of Part IX of the Companies Act, Chapter 50 of Singapore; or

(s) the CRCT Trustee loses its right to be indemnified out of the assets of CRCT in respect of all liabilities, claims, demands and actions under or in connection with any of the Issue Documents or the Notes.

In these Conditions:

(I) "**Principal Subsidiaries**" means any subsidiary of CRCT whose total assets, as shown by the accounts of such subsidiary (consolidated in the case of a company which itself has subsidiaries), based upon which the latest audited consolidated accounts of the Group have been prepared, are at least 20 per cent. of the total assets of the Group as shown by such audited consolidated accounts; provided that if any such subsidiary (the "**transferor**") shall at any time transfer the whole or a substantial part of its business, undertaking or assets to another subsidiary or CRCT (the "**transferee**") then:

(aa) if the whole of the business, undertaking and assets of the transferor shall be so transferred, the transferor shall thereupon cease to be a Principal Subsidiary and the transferee (unless it is the Issuer) shall thereupon become a Principal Subsidiary; and

(bb) if a substantial part only of the business, undertaking and assets of the transferor shall be so transferred, the transferor shall remain a Principal Subsidiary and the transferee (unless it is the Issuer) shall thereupon become a Principal Subsidiary.

Any subsidiary which becomes a Principal Subsidiary by virtue of (aa) above or which remains or becomes a Principal Subsidiary by virtue of (bb) above shall continue to be a Principal Subsidiary until the date of issue of the first audited consolidated accounts of the Group prepared as at a date later than the date of the relevant transfer which show the total assets of such subsidiary as shown by the accounts of such subsidiary (consolidated (if any) in the case of a company which itself has subsidiaries), based upon which such audited consolidated accounts have been prepared, to be less than 20 per cent. of the total assets of the Group, as shown by such audited consolidated accounts. A report by the Auditors (as defined in the Trust Deed), who shall also be responsible for producing any pro-forma accounts required for the above purposes, that in their opinion a subsidiary is or is not a Principal Subsidiary shall, in the absence of manifest error, be conclusive; and

(II) "**Subsidiary**" or "**subsidiary**" has the meaning ascribed to it in the Trust Deed.

11. Enforcement of Rights

At any time after the Notes shall have become due and payable, the Trustee may, at its discretion and without further notice to the Issuer, institute such proceedings against the Issuer as it may think fit to enforce repayment of the Notes, together with accrued interest, but it shall not be bound to take any such proceedings unless (a) it shall have been so directed by an Extraordinary Resolution of the Noteholders or so requested in writing by Noteholders holding not less than 25 per cent. in principal amount of the Notes outstanding and (b) it shall have been indemnified and/or secured to its satisfaction. No Noteholder or Couponholder shall be entitled to proceed directly against the Issuer unless the Trustee, having become bound to do so, fails or neglects to do so within a reasonable period and such failure or neglect shall be continuing.

12. Meeting of Noteholders and Modifications

The Trust Deed contains provisions for convening meetings of Noteholders of a Series to consider any matter affecting their interests, including modification by Extraordinary Resolution of the Notes of such Series (including these Conditions insofar as the same may apply to such Notes) or any of the provisions of the Trust Deed.

The Trustee or the Issuer at any time may, and the Trustee upon the request in writing by Noteholders holding not less than one-tenth of the principal amount of the Notes of any Series for the time being outstanding shall, convene a meeting of the Noteholders of that Series. An Extraordinary Resolution duly passed at any such meeting shall be binding on all the Noteholders of the relevant Series, whether present or not and on all relevant Couponholders, except that any Extraordinary Resolution proposed, *inter alia*, (a) to amend the dates of maturity or redemption of the Notes or any date for payment of interest or Interest Amounts on the Notes, (b) to reduce or cancel the principal amount of, or any premium payable on redemption of, the Notes, (c) to reduce the rate or rates of interest in respect of the Notes or to vary the method or basis of calculating the

rate or rates of interest or the basis for calculating any Interest Amount in respect of the Notes, (d) to vary any method of, or basis for, calculating the Redemption Amount or the Early Redemption Amount including the method of calculating the Amortised Face Amount, (e) to vary the currency or currencies of payment or denomination of the Notes, (f) to take any steps that as specified hereon may only be taken following approval by an Extraordinary Resolution to which the special quorum provisions apply or (g) to modify the provisions concerning the quorum required at any meeting of Noteholders or the majority required to pass the Extraordinary Resolution, will only be binding if passed at a meeting of the Noteholders of the relevant Series (or at any adjournment thereof) at which a special quorum (provided for in the Trust Deed) is present.

The Trustee may agree, without the consent of the Noteholders or Couponholders, to (i) any modification of any of the provisions of the Trust Deed or any of the other Issue Documents which in the opinion of the Trustee is of a formal, minor or technical nature, is made to correct a manifest error or to comply with mandatory provisions of Singapore law or is required by Euroclear and/or Clearstream, Luxembourg and/or the Depository and/or any other clearing system in which the Notes may be held and (ii) any other modification (except as mentioned in the Trust Deed) to the Trust Deed or any of the other Issue Documents, and any waiver or authorisation of any breach or proposed breach, of any of the provisions of the Trust Deed or any of the other Issue Documents, which is in the opinion of the Trustee not materially prejudicial to the interests of the Noteholders. Any such modification, authorisation or waiver shall be binding on the Noteholders and the Couponholders and, (in the case of a modification) unless the Trustee otherwise agrees in writing or (in the case of authorisation or waiver) if the Trustee shall so require, such modification, authorisation or waiver shall be notified to the Noteholders as soon as practicable.

In connection with the exercise of its functions (including but not limited to those in relation to any proposed modification, waiver, authorisation or substitution) the Trustee shall have regard to the interests of the Noteholders as a class and shall not have regard to the consequences of such exercise for individual Noteholders or Couponholders.

These Conditions may be amended, modified, or varied in relation to any Series of Notes by the terms of the relevant Pricing Supplement in relation to such Series.

13. Replacement of Notes, Certificates, Coupons and Talons

If a Note, Certificate, Coupon or Talon is lost, stolen, mutilated, defaced or destroyed it may be replaced, subject to applicable laws, regulations and stock exchange requirements or other relevant authority regulations at the specified office of the Issuing and Paying Agent (in the case of Bearer Notes, Coupons or Talons) and of the Registrar (in the case of Certificates), or at the specified office of such other Paying Agent or Transfer Agent, as the case may be, as may from time to time be designated by the Issuer for the purpose and notice of whose designation is given to Noteholders in accordance with Condition 16, on payment by the claimant of the fees and costs incurred in connection therewith and on such terms as to evidence, undertaking, security and indemnity (which may provide, *inter alia*, that if the allegedly lost, stolen or destroyed Note, Certificate, Coupon or Talon is subsequently presented for payment, there will be paid to the Issuer on demand the amount payable by the Issuer in respect of such Note, Certificate, Coupon or Talon) and otherwise as the Issuer may require. Mutilated or defaced Notes, Certificates, Coupons or Talons must be surrendered before replacements will be issued.

14. Further Issues

The Issuer may from time to time without the consent of the Noteholders or Couponholders create and issue further notes having the same terms and conditions as the Notes in all respects (or in all respects except for the first payment of interest on them) and so that such further issue shall be consolidated and form a single series with the outstanding notes of any series (including the Notes) or upon such terms as the Issuer may determine at the time of their issue. References in these Conditions to the Notes include (unless the context requires otherwise) any other notes issued pursuant to this Condition 14 and forming a single series with the Notes. Any further notes forming a single series with the outstanding notes of any series (including the Notes) constituted by the

Trust Deed or any deed supplemental to it shall, and any other securities may, be constituted by the Trust Deed. The Trust Deed contains provisions for convening a single meeting of the Noteholders and the holders of notes of other series where the Trustee so decides.

15. Indemnification of the Trustee

The Trust Deed contains provisions for the indemnification of the Trustee and for its relief from responsibility, including provisions relieving it from taking proceedings to enforce repayment unless indemnified and/or secured to its satisfaction. The Trust Deed also contains a provision entitling the Trustee to enter into business transactions with the Issuer or any of the respective related corporations of the Issuer and CRCT without accounting to the Noteholders or Couponholders for any profit resulting from such transactions.

16. Notices

Notices to the holders of Registered Notes shall be valid if mailed to them at their respective addresses in the Register and deemed to have been given on the fourth weekday (being a day other than a Saturday or a Sunday) after the date of mailing. Notwithstanding the foregoing, notices to the holders of Notes will be valid if published in a leading newspaper of general circulation in Singapore (or, if the holders of any Series of Notes can be identified, notices to such holders will also be valid if they are given to each of such holders). It is expected that such publication will be made in The Business Times. Notices will, if published more than once or on different dates, be deemed to have been given on the date of the first publication in such newspaper as provided above.

In the case where the Issuer is listed on the SGX-ST or where the Notes are listed on the SGX-ST, notices to the holders of such Notes shall also be valid if made by way of an announcement on the SGX-ST. Any such notice shall be deemed to have been given to the Noteholders on the date on which the said notice was uploaded as an announcement on the SGX-ST. Couponholders shall be deemed for all purposes to have notice of the contents of any notice to the holders of Bearer Notes in accordance with this Condition 16.

So long as the Notes are represented by a Global Security or a Global Certificate and such Global Security or Global Certificate is held in its entirety on behalf of Euroclear, Clearstream, Luxembourg, the Depository and/or any other clearing system, there may be substituted for such publication in such newspapers the delivery of the relevant notice to Euroclear, Clearstream, Luxembourg, (subject to the agreement of the Depository) the Depository and/or such other clearing system for communication by it to the Noteholders, except that if the Notes are listed on the SGX-ST and the rules of such exchange so require, notice will in any event be published in accordance with the first paragraph of this Condition 16. Any such notice shall be deemed to have been given to the Noteholders on the seventh day after the day on which the said notice was given to Euroclear, Clearstream, Luxembourg, the Depository and/or such other clearing system.

Notices to be given by any Noteholder pursuant hereto (including to the Issuer) shall be in writing and given by lodging the same, together with the relative Note or Notes, with the Issuing and Paying Agent (in the case of Bearer Notes) or the Registrar (in the case of Certificates). Whilst the Notes are represented by a Global Security or a Global Certificate, such notice may be given by any Noteholder to the Issuing and Paying Agent or, as the case may be, the Registrar through Euroclear, Clearstream, Luxembourg, the Depository and/or such other clearing system in such manner as the Issuing and Paying Agent or, as the case may be, the Registrar and Euroclear, Clearstream, Luxembourg, the Depository and/or such other clearing system may approve for this purpose.

Notwithstanding the other provisions of this Condition, in any case where the identity and addresses of all the Noteholders are known to the Issuer, notices to such holders may be given individually by recorded delivery mail to such addresses and will be deemed to have been given when received at such addresses.

17. Contracts (Rights of Third Parties) Act

No person shall have any right to enforce any term or condition of the Notes under the Contracts (Rights of Third Parties) Act, Chapter 53B of Singapore.

18. Acknowledgement

(a) Acknowledgement

Notwithstanding any provision to the contrary in the Trust Deed, the Notes and the Coupons, the Trustee, the Noteholders and the Couponholders acknowledge that HSBC Institutional Trust Services (Singapore) Limited ("**HSBCIT**") has entered into the Trust Deed only in its capacity as trustee of CRCT and not in its personal capacity and all references to the Issuer in the Trust Deed, the Notes and the Coupons shall be construed accordingly. Accordingly, notwithstanding any provision to the contrary in the Trust Deed, the Notes and the Coupons, HSBCIT has assumed all obligations under the Trust Deed, the Notes and the Coupons in its capacity as trustee of CRCT and not in its personal capacity and any liability of or indemnity, covenant, undertaking, representation and/or warranty given by the Issuer under the Trust Deed, the Notes and the Coupons is given by HSBCIT only in its capacity as trustee of CRCT and not in its personal capacity and any power and right conferred on any receiver, attorney, agent and/or delegate under the Trust Deed, the Notes and the Coupons is limited to the assets of CRCT over which HSBCIT, in its capacity as trustee of CRCT, has recourse and shall not extend to any personal or other assets of HSBCIT or any assets held by HSBCIT as trustee of any other trust (other than CRCT). Any obligation, matter, act, action or thing required to be done, performed or undertaken by HSBCIT under the Trust Deed, the Notes and the Coupons shall only be in connection with matters relating to CRCT (and shall not extend to the obligations of HSBCIT in respect of any other trust or real estate investment trust of which it is a trustee). The foregoing shall not restrict or prejudice the rights or remedies of the Trustee, the Noteholders and the Couponholders under law or equity whether in connection with any negligence, fraud or breach of trust of the Issuer or otherwise.

(b) Corporate Obligations

Notwithstanding any provision to the contrary in the Trust Deed, the Notes and the Coupons, it is hereby agreed that the Issuer's obligations under the Trust Deed, the Notes and the Coupons will be solely the corporate obligations of the Issuer and there shall be no recourse against the shareholders, directors, officers or employees of HSBCIT for any claims, losses, damages, liabilities or other obligations whatsoever in connection with any of the transactions contemplated by the provisions of the Trust Deed, the Notes and the Coupons. The foregoing shall not restrict or prejudice the rights or remedies of the Trustee, the Noteholders and the Couponholders under law or equity whether in connection with any negligence, fraud or breach of trust of the Issuer or otherwise.

(c) Proceedings

For the avoidance of doubt, any legal action or proceedings commenced against the Issuer whether in Singapore or elsewhere pursuant to the Trust Deed, the Notes and the Coupons shall be brought against HSBCIT in its capacity as trustee of CRCT and not in its personal capacity. The foregoing shall not restrict or prejudice the rights or remedies of the Trustee, the Noteholders and the Couponholders under law or equity whether in connection with any negligence, fraud or breach of trust of the Issuer or otherwise.

(d) Applicability

This Condition 18 shall survive the termination or rescission of the Trust Deed and the Notes. The provisions of this Condition 18 shall also apply, *mutatis mutandis*, to any notice, certificate or other document which the Issuer may issue under or pursuant to the Trust Deed and the Notes, as if expressly set out therein.

19. Governing Law and Jurisdiction

(a) Governing Law

The Trust Deed, the Notes, the Coupons and the Talons shall be governed by, and shall be construed in accordance with, the laws of Singapore.

(b) Jurisdiction

The courts of Singapore are to have jurisdiction to settle any disputes that may arise out of or in connection with the Trust Deed, the Notes, the Coupons and the Talons and accordingly any legal action or proceedings arising out of or in connection with the Trust Deed, any Notes, Coupons or Talons ("**Proceedings**") may be brought in such courts. The Issuer irrevocably submits to the jurisdiction of such courts and waives any objections to Proceedings in such courts on the ground of venue or on the ground that the Proceedings have been brought in an inconvenient forum. These submissions are made for the benefit of each of the Trustee, the Noteholders and the Couponholders and shall not limit the right of any of them to take Proceedings in any other court of competent jurisdiction nor shall the taking of Proceedings in one or more jurisdictions preclude the taking of Proceedings in any other jurisdiction (whether concurrently or not).

Issuing and Paying Agent, Agent Bank, Registrar and Transfer Agent
DBS Bank Ltd.
10 Toh Guan Road
#04-11 (Level 4B)
DBS Asia Gateway
Singapore 608838

TERMS AND CONDITIONS OF THE PERPETUAL SECURITIES

The following is the text of the terms and conditions which, subject to completion and amendment and as supplemented or varied in accordance with the provisions of the relevant Pricing Supplement, will be endorsed on the Perpetual Securities in definitive form (if any) issued in exchange for the Global Security(ies) or the Global Certificate(s) representing each Series. Either (i) the full text of these terms and conditions together with the relevant provisions of the relevant Pricing Supplement or (ii) these terms and conditions as so completed, amended, supplemented or varied (and subject to simplification by the deletion of non-applicable provisions), shall be endorsed on such Perpetual Securities. Unless otherwise stated, all capitalised terms that are not defined in these Conditions will have the meanings given to them in the relevant Pricing Supplement. Those definitions will be endorsed on such Bearer Perpetual Securities or on the Certificates relating to such Registered Perpetual Securities. References in the Conditions to "Perpetual Securities" are to the Perpetual Securities of one Series only, not to all Perpetual Securities that may be issued under the Programme, details of the relevant Series being shown on the face of the relevant Perpetual Securities and in the relevant Pricing Supplement.

The Perpetual Securities are constituted by a trust deed dated 9 April 2012 made between (1) HSBC Institutional Trust Services (Singapore) Limited (in its capacity as trustee of CapitaRetail China Trust (now known as CapitaLand Retail China Trust, "**CRCT**")) (the "**Issuer**"), as issuer, and (2) DBS Trustee Limited (the "**Trustee**", which expression shall wherever the context so admits include such company and all other persons for the time being the trustee or trustees of the Trust Deed), as trustee (as amended and restated by an amendment and restatement trust deed dated 9 October 2017, made between (1) the Issuer, as issuer, and (2) the Trustee, as trustee for the holders of the Securities (as defined therein), and as further amended, restated or supplemented from time to time, the "**Trust Deed**"), and (where applicable) the Perpetual Securities are issued with the benefit of a deed of covenant dated 9 April 2012 (as amended, varied or supplemented by a supplemental deed of covenant dated 9 October 2017 and as further amended, restated or supplemented from time to time, the "**Deed of Covenant**") relating to the Perpetual Securities executed by the Issuer. These terms and conditions include summaries of, and are subject to, the detailed provisions of the Trust Deed, which includes the form of the Bearer Perpetual Securities, Certificates, Coupons and Talons referred to below. The Issuer has entered into an agency agreement dated 9 April 2012 made between (1) the Issuer, as issuer, (2) DBS Bank Ltd., as issuing and paying agent, (3) DBS Bank Ltd., as agent bank, (4) DBS Bank Ltd., as CMU lodging and paying agent, and (5) the Trustee, as trustee (as amended and restated by an amendment and restatement agency agreement dated 9 October 2017 made between (1) the Issuer, as issuer, (2) DBS Bank Ltd., as issuing and paying agent (in such capacity, the "**Issuing and Paying Agent**" and, together with any other paying agents that may be appointed, the "**Paying Agents**"), (3) DBS Bank Ltd., as agent bank (in such capacity, the "**Agent Bank**"), (4) DBS Bank Ltd., as transfer agent (and, together with any other transfer agents that may be appointed, the "**Transfer Agents**"), (5) DBS Bank Ltd., as registrar (in such capacity, the "**Registrar**"), and (6) the Trustee, as trustee for the holders of the Securities, and as further amended, restated or supplemented from time to time, the "**Agency Agreement**").The Perpetual Securityholders and the holders (the "**Couponholders**") of the distribution coupons (the "**Coupons**") appertaining to the Perpetual Securities in bearer form and, where applicable in the case of such Perpetual Securities, talons for further Coupons (the "**Talons**") are bound by and are deemed to have notice of all of the provisions of the Trust Deed, the Agency Agreement and the Deed of Covenant.

Copies of the Trust Deed, the Agency Agreement and the Deed of Covenant are available for inspection at the principal office of the Trustee for the time being and at the specified office of the Issuing and Paying Agent for the time being.

1. Form, Denomination and Title

(a) Form and Denomination

(i) The Perpetual Securities of the Series of which this Perpetual Security forms part (in these Conditions, the "**Perpetual Securities**") are issued in bearer form ("**Bearer Perpetual Securities**") or in registered form ("**Registered Perpetual Securities**"), in each case in the Denomination Amount shown hereon.

(ii) This Perpetual Security is a Fixed Rate Perpetual Security or a Floating Rate Perpetual Security (depending upon the Distribution Basis shown on its face).

(iii) Bearer Perpetual Securities are serially numbered and issued with Coupons (and, where appropriate, a Talon) attached.

(iv) Registered Perpetual Securities are represented by registered certificates ("**Certificates**") and, save as provided in Condition 2(c), each Certificate shall represent the entire holding of Registered Perpetual Securities by the same holder.

(b) Title

(i) Title to the Bearer Perpetual Securities and the Coupons and Talons appertaining thereto shall pass by delivery. Title to the Registered Perpetual Securities shall pass by registration in the register that the Issuer shall procure to be kept by the Registrar in accordance with the provisions of the Agency Agreement (the "**Register**").

(ii) Except as ordered by a court of competent jurisdiction or as required by law, the holder of any Perpetual Security, Coupon or Talon shall be deemed to be and may be treated as the absolute owner of such Perpetual Security, Coupon or Talon, as the case may be, for the purpose of receiving payment thereof or on account thereof and for all other purposes, whether or not such Perpetual Security, Coupon or Talon shall be overdue and notwithstanding any notice of ownership, theft, loss or forgery thereof, trust, interest therein or any writing thereon made by anyone, and no person shall be liable for so treating the holder.

(iii) For so long as any of the Perpetual Securities is represented by a Global Security (as defined below) or, as the case may be, a Global Certificate (as defined below) and such Global Security or Global Certificate is held by a common depositary for Euroclear Bank SA/NV ("**Euroclear**") and Clearstream Banking S.A. ("**Clearstream, Luxembourg**"), The Central Depository (Pte) Limited (the "**Depository**") and/or any other clearing system, each person who is for the time being shown in the records of Euroclear, Clearstream, Luxembourg, the Depository and/or such other clearing system as the holder of a particular principal amount of such Perpetual Securities (in which regard any certificate or other document issued by Euroclear, Clearstream, Luxembourg, the Depository and/or such other clearing system as to the principal amount of such Perpetual Securities standing to the account of any person shall be conclusive and binding for all purposes save in the case of manifest error) shall be treated by the Issuer, the Issuing and Paying Agent, the other Paying Agents, the Agent Bank, the Registrar, the other Transfer Agents and all other agents of the Issuer and the Trustee as the holder of such principal amount of Perpetual Securities other than with respect to the payment of principal, premium, interest, distribution, redemption, purchase and/or any other amounts in respect of the Perpetual Securities, for which purpose the bearer of the Global Security or, as the case may be, the person whose name is shown on the Register shall be treated by the Issuer, the Issuing and Paying Agent, the other Paying Agents, the Registrar, the other Transfer Agents and all other agents of the Issuer and the Trustee as the holder of such Perpetual Securities in accordance with and subject to the terms of the Global Security or, as the case may be, the Global Certificate (and the expressions "**Perpetual Securityholder**" and "**holder of Perpetual Securities**" and related expressions shall be construed accordingly). Perpetual Securities which are represented by the Global Security or, as the case may be, the Global Certificate will be transferable only in accordance with the rules and procedures for the time being of Euroclear, Clearstream, Luxembourg, the Depository and/or such other clearing system.

(iv) In these Conditions, "**Global Security**" means the relevant Temporary Global Security representing each Series or the relevant Permanent Global Security representing each Series, "**Global Certificate**" means the relevant Global Certificate representing such Series that is registered in the name of, or in the name of a nominee of, (1) a common depositary for Euroclear and/or Clearstream, Luxembourg, (2) the Depository and/or (3) any other clearing system, "**Perpetual Securityholder**" means the bearer of any Bearer Perpetual Security or the person in whose name a Registered Perpetual Security is registered (as the

case may be) and "**holder**" (in relation to a Perpetual Security, Coupon or Talon) means the bearer of any Bearer Perpetual Security, Coupon or Talon or the person in whose name the relevant Registered Perpetual Security is registered (as the case may be), "**Series**" means a Tranche, together with any further Tranche or Tranches, which are (A) expressed to be consolidated and forming a single series and (B) identical in all respects (including as to listing) except for their respective issue dates, issue prices and/or dates of the first payment of distribution and "**Tranche**" means Perpetual Securities which are identical in all respects (including as to listing).

(v) Words and expressions defined in the Trust Deed or used in the applicable Pricing Supplement (as defined in the Trust Deed) shall have the same meanings where used in these Conditions unless the context otherwise requires or unless otherwise stated and provided that, in the event of inconsistency between the Trust Deed and the applicable Pricing Supplement, the applicable Pricing Supplement will prevail.

2. No Exchange of Perpetual Securities and Transfers of Registered Perpetual Securities

(a) No Exchange of Perpetual Securities

Registered Perpetual Securities may not be exchanged for Bearer Perpetual Securities. Bearer Perpetual Securities of one Denomination Amount may not be exchanged for Bearer Perpetual Securities of another Denomination Amount. Bearer Perpetual Securities may not be exchanged for Registered Perpetual Securities.

(b) Transfer of Registered Perpetual Securities

Subject to Conditions 2(e) and 2(f) below, one or more Registered Perpetual Securities may be transferred upon the surrender (at the specified office of the Registrar or any other Transfer Agent) of the Certificate representing such Registered Perpetual Securities to be transferred, together with the form of transfer endorsed on such Certificate (or another form of transfer substantially in the same form and containing the same representations and certifications (if any), unless otherwise agreed by the Issuer) duly completed and executed and any other evidence as the Registrar or such other Transfer Agent may require to prove the title of the transferor and the authority of the individuals that have executed the form of transfer. In the case of a transfer of part only of a holding of Registered Perpetual Securities represented by one Certificate, a new Certificate shall be issued to the transferee in respect of the part transferred and a further new Certificate in respect of the balance of the holding not transferred shall be issued to the transferor. All transfers of Registered Perpetual Securities and entries on the Register will be made subject to the detailed regulations concerning transfers of Registered Perpetual Securities scheduled to the Agency Agreement. The regulations may be changed by the Issuer, with the prior written approval of the Registrar, the Transfer Agent and the Trustee. A copy of the current regulations will be made available by the Registrar, at the cost and expense of the Issuer, to any Perpetual Securityholder upon request.

(c) Exercise of Options or Partial Redemption or Purchase in Respect of Registered Perpetual Securities

In the case of an exercise of the Issuer's option in respect of, or a partial redemption of or purchase of, a holding of Registered Perpetual Securities represented by a single Certificate, a new Certificate shall be issued to the holder to reflect the exercise of such option or in respect of the balance of the holding not redeemed or purchased. In the case of a partial exercise of an option resulting in Registered Perpetual Securities of the same holding having different terms, separate Certificates shall be issued in respect of those Perpetual Securities of that holding that have the same terms. New Certificates shall only be issued against surrender of the existing Certificates to the Registrar or any other Transfer Agent. In the case of a transfer of Registered Perpetual Securities to a person who is already a holder of Registered Perpetual Securities, a new Certificate representing the enlarged holding shall only be issued against surrender of the Certificate representing the existing holding.

(d) Delivery of New Certificates

Each new Certificate to be issued pursuant to Condition 2(b) or 2(c) shall be available for delivery within seven business days of receipt of the form of transfer and surrender of the Certificate for exchange. Delivery of the new Certificate(s) shall be made at the specified office of the Registrar or such other Transfer Agent (as the case may be) to whom delivery or surrender of such form of transfer or Certificate shall have been made or, at the option of the holder making such delivery or surrender as aforesaid and as specified in the relevant form of transfer or otherwise in writing, be mailed by uninsured post at the risk of the holder entitled to the new Certificate to such address as may be so specified, unless such holder requests otherwise and pays in advance to the Registrar or the relevant Transfer Agent the costs of such other method of delivery and/or such insurance as it may specify. In this Condition 2(d) only, "**business day**" means a day (other than a Saturday, Sunday or gazetted public holiday) on which banks are open for business in the place of the specified office of the Registrar or the other relevant Transfer Agent (as the case may be).

(e) Transfers Free of Charge

Transfers of Perpetual Securities and Certificates on registration, transfer, exercise of an option or partial redemption (as applicable) shall be effected without charge by or on behalf of the Issuer, the Registrar or the other Transfer Agents, but upon payment by the Perpetual Securityholder of any tax or other governmental charges that may be imposed in relation to it (or the giving by the Perpetual Securityholder of such indemnity and/or security and/or prefunding as the Registrar or the other relevant Transfer Agent may require) in respect of tax or charges.

(f) Closed Periods

No Perpetual Securityholder may require the transfer of a Registered Perpetual Security to be registered (i) during the period of 15 days prior to any date on which Perpetual Securities may be called for redemption by the Issuer at its option pursuant to Condition 5(b), (ii) after any such Perpetual Security has been called for redemption or (iii) during the period of seven days ending on (and including) any Record Date (as defined in Condition 6(b)(ii)).

3. Status

(a) Senior Perpetual Securities

This Condition 3(a) applies to Perpetual Securities that are Senior Perpetual Securities (being the Perpetual Securities that specify their status as senior in the applicable Pricing Supplement).

The Senior Perpetual Securities and Coupons relating to them constitute direct, unconditional, unsubordinated and unsecured obligations of the Issuer and shall at all times rank *pari passu*, without any preference or priority among themselves, and *pari passu* with all other present and future unsecured obligations (other than subordinated obligations and priorities created by law) of the Issuer from time to time outstanding.

(b) Subordinated Perpetual Securities

This Condition 3(b) applies to Perpetual Securities that are Subordinated Perpetual Securities (being the Perpetual Securities that specify their status as subordinated in the applicable Pricing Supplement).

(i) Status of Subordinated Perpetual Securities

The Subordinated Perpetual Securities and Coupons relating to them constitute direct, unconditional, subordinated and unsecured obligations of the Issuer and shall at all times rank *pari passu*, without any preference or priority among themselves, and *pari passu* with any Parity Obligations of the Issuer. The rights and claims of the Perpetual Securityholders and Couponholders in respect of the Subordinated Perpetual Securities are subordinated as provided in this Condition 3(b).

In these Conditions, "**Parity Obligation**" means any instrument or security (including without limitation any preference units in CRCT) issued, entered into or guaranteed by the Issuer (1) which ranks or is expressed to rank, by its terms or by operation of law, *pari passu* with a CRCT Notional Preferred Unit (as defined below) and (2) the terms of which provide that the making of payments thereon or distributions in respect thereof are fully at the discretion of the Issuer and/or, in the case of an instrument or security guaranteed by the Issuer, the issuer thereof.

(ii) Ranking of claims on Winding-Up

Subject to the insolvency laws of Singapore and other applicable laws, in the event of the Winding-Up (as defined in Condition 9(a)) of CRCT, there shall be payable by the Issuer in respect of each Subordinated Perpetual Security (in lieu of any other payment by the Issuer), such amount, if any, as would have been payable to such Perpetual Securityholder if, on the day prior to the commencement of the Winding-Up of CRCT, and thereafter, such Perpetual Securityholder were the holder of one of a class of preferred units in the capital of CRCT (and if more than one class of preferred units is outstanding, the most junior ranking class of such preferred units) (the "**CRCT Notional Preferred Units**") having an equal right to return of assets in the Winding-Up of CRCT and so ranking *pari passu* with the holders of that class or classes of preferred units (if any) which have a preferential right to return of assets in the Winding-Up of CRCT, and so rank ahead of the holders of Junior Obligations of the Issuer but junior to the claims of all other present and future creditors of the Issuer (other than Parity Obligations of the Issuer), on the assumption that the amount that such Perpetual Securityholder was entitled to receive in respect of each CRCT Notional Preferred Unit on a return of assets in such Winding-Up of CRCT were an amount equal to the principal amount (and any applicable premium outstanding) of the relevant Subordinated Perpetual Security together with distributions accrued and unpaid since the immediately preceding Distribution Payment Date or the Issue Date (as the case may be) and any unpaid Optional Distributions (as defined in Condition 4(IV)(c)) in respect of which the Issuer has given notice to the Perpetual Securityholders in accordance with these Conditions.

(iii) No set-off

Subject to applicable law, no holder of Subordinated Perpetual Securities or any Coupons relating to them may exercise, claim or plead any right of set-off, deduction, withholding or retention in respect of any amount owed to it by the Issuer in respect of, or arising under or in connection with the Subordinated Perpetual Securities or Coupons relating to them, and each holder of Subordinated Perpetual Securities or any Coupons relating to them shall, by virtue of his holding of any Subordinated Perpetual Securities or Coupons relating to them, be deemed to have waived all such rights of set-off, deduction, withholding or retention against the Issuer. Notwithstanding the preceding sentence, if any of the amounts owing to any holder of Subordinated Perpetual Securities or any Coupons relating to them by the Issuer in respect of, or arising under or in connection with the Subordinated Perpetual Securities or Coupons relating to them is discharged by set-off, such holder of Subordinated Perpetual Securities or any Coupons relating to them shall, subject to applicable law, immediately pay an amount equal to the amount of such discharge to the Issuer (or, in the event of CRCT's Winding-Up, the liquidator or, as appropriate, administrator of CRCT) and, until such time as payment is made, shall hold such amount in trust for the Issuer (or the liquidator or, as appropriate, administrator of CRCT) and accordingly any such discharge shall be deemed not to have taken place.

4. Distribution and other Calculations

(I) Distribution on Fixed Rate Perpetual Securities

(a) Distribution Rate and Accrual

Each Fixed Rate Perpetual Security confers a right to receive distribution on its outstanding principal amount from (and including) the Distribution Commencement Date in respect thereof and as shown on the face of such Perpetual Security at the rate per annum (expressed as

a percentage) equal to the Distribution Rate shown on the face of such Perpetual Security payable in arrear on each Distribution Payment Date or Distribution Payment Dates shown on the face of such Perpetual Security in each year.

The first payment of distribution will be made on the Distribution Payment Date next following the Distribution Commencement Date (and if the Distribution Commencement Date is not a Distribution Payment Date, will amount to the Initial Broken Amount shown on the face of such Perpetual Security).

Distribution will cease to accrue on each Fixed Rate Perpetual Security from the due date for redemption thereof unless, upon due presentation and subject to the provisions of the Trust Deed, payment of principal (or Redemption Amount, as the case may be) is improperly withheld or refused, in which event distribution at such rate will continue to accrue (as well after as before judgment) at the rate and in the manner provided in this Condition 4(I) to the Relevant Date (as defined in Condition 7).

(b) Distribution Rate

The Distribution Rate applicable to each Fixed Rate Perpetual Security shall be:

(i) (if no Reset Date is specified in the applicable Pricing Supplement),

(1) if no Step-Up Margin is specified in the applicable Pricing Supplement, the rate shown on the face of such Perpetual Security; or

(2) if a Step-Up Margin is specified in the applicable Pricing Supplement, (A) for the period from (and including) the Distribution Commencement Date to (but excluding) the Step-Up Date specified in the applicable Pricing Supplement, the rate shown on the face of such Perpetual Security and (B) for the period from (and including) the Step-Up Date specified in the applicable Pricing Supplement, the rate shown on the face of such Perpetual Security plus the Step-Up Margin (as specified in the applicable Pricing Supplement); and

(ii) (if a Reset Date is specified in the applicable Pricing Supplement), (1) for the period from, and including, the Distribution Commencement Date to, but excluding, the First Reset Date specified in the applicable Pricing Supplement, the rate shown on the face of such Perpetual Security and (2) for the period from, and including, the First Reset Date and each Reset Date (as shown in the applicable Pricing Supplement) falling thereafter to, but excluding, the immediately following Reset Date, the Reset Distribution Rate,

provided always that if a Cessation or Suspension of Trading Event (as defined in Condition 5(g)) is specified on the face of such Perpetual Security and a Cessation or Suspension of Trading Event Margin is specified in the applicable Pricing Supplement, in the event that a Cessation or Suspension of Trading Event has occurred, so long as the Issuer has not already redeemed the Perpetual Securities in accordance with Condition 5(g), the then prevailing Distribution Rate shall be increased by the Cessation or Suspension of Trading Event Margin with effect from (and including) the Distribution Payment Date immediately following the date on which the Cessation or Suspension of Trading Event occurred (or, if the Cessation or Suspension of Trading Event occurs on or after the date which is two business days prior to the immediately following Distribution Payment Date, the next following Distribution Payment Date).

For the purposes of these Conditions:

"**Reset Distribution Rate**" means the Swap Offer Rate or such other Relevant Rate to be specified in the applicable Pricing Supplement with respect to the relevant Reset Date plus the Initial Spread (as specified in the applicable Pricing Supplement) plus the Step-Up Margin (if applicable, as specified in the applicable Pricing Supplement) plus the Cessation or Suspension of Trading Event Margin (if applicable); and

"**Swap Offer Rate**" means:

(aa) the rate per annum (expressed as a percentage) notified by the Agent Bank to the Issuer equal to the swap offer rate published by the Association of Banks in Singapore (or such other equivalent body) for a period equal to the duration of the Reset Period specified in the applicable Pricing Supplement on the second business day prior to the relevant Reset Date (the "**Reset Determination Date**");

(bb) if on the Reset Determination Date, there is no swap offer rate published by the Association of Banks in Singapore (or such other equivalent body), the Agent Bank will determine the swap offer rate for such Reset Period (determined by the Agent Bank to be the rate per annum equal to the arithmetic mean (rounded up, if necessary, to the nearest 1/16 per cent.) of the rates (excluding the highest and the lowest rates) which appears on the Reuters Screen ABSFIX01 Page under the caption "SGD SOR rates as of 11:00 hrs London Time" and under the column headed "SGD SOR" (or if the Agent Bank determines that such page has ceased to be the commonly accepted page for determining the swap offer rate, such other replacement page as may be specified by the Agent Bank after taking into account the industry practice at that relevant time and the recommendations by the Association of Banks in Singapore (or such other equivalent body)) at the close of business on each of the five consecutive business days prior to and ending on the Reset Determination Date);

(cc) if on the Reset Determination Date, rates are not available on the Reuters Screen ABSFIX01 Page under the caption "SGD SOR rates as of 11:00 hrs London Time" and under the column headed "SGD SOR" (or if the Agent Bank determines that such page has ceased to be the commonly accepted page for determining the swap offer rate, such other replacement page as may be specified by the Agent Bank after taking into account the industry practice at that relevant time and the recommendations by the Association of Banks in Singapore (or such other equivalent body)) at the close of business on one or more of the said five consecutive business days, the swap offer rate will be the rate per annum notified by the Agent Bank to the Issuer equal to the arithmetic mean (rounded up, if necessary, to the nearest 1/16 per cent.) of the rates which are available in such five-consecutive-business-day period or, if only one rate is available in such five-consecutive-business-day period, such rate; and

(dd) if on the Reset Determination Date, no rate is available on the Reuters Screen ABSFIX01 Page under the caption "SGD SOR rates as of 11:00 hrs London Time" and under the column headed "SGD SOR" (or if the Agent Bank determines that such page has ceased to be the commonly accepted page for determining the swap offer rate, such other replacement page as may be specified by the Agent Bank after taking into account the industry practice at that relevant time and the recommendations by the Association of Banks in Singapore (or such other equivalent body)) at the close of business in such five-consecutive-business-day period, the Agent Bank will request the principal Singapore offices of the Reference Banks to provide the Agent Bank with quotation(s) of their swap offer rates for a period equivalent to the duration of the Reset Period at the close of business on the Reset Determination Date. The swap offer rate for such Reset Period shall be the arithmetic mean (rounded up, if necessary, to the nearest 1/16 per cent.) of such offered quotations, as determined by the Agent Bank or, if only one of the Reference Banks provides the Agent Bank with such quotation, such rate quoted by that Reference Bank,

provided that, in each case, in the event the Swap Offer Rate is less than zero, the Swap Offer Rate shall be equal to zero.

(c) Calculation of Distribution Rate or Reset Distribution Rate

The Agent Bank will, on the second business day prior to each Fixed Rate Determination Date, calculate the applicable Reset Distribution Rate or (if a Cessation or Suspension of Trading Event has occurred) the applicable Distribution Rate payable in respect of each

Perpetual Security. The determination of any rate, the obtaining of each quotation and the making of each determination or calculation by the Agent Bank shall (in the absence of manifest error) be final and binding upon all parties.

For the purposes of this Condition 4(I)(c), "**Fixed Rate Determination Date**" means each Step-Up Date, each Reset Date or (if a Cessation or Suspension of Trading Event has occurred) the Distribution Payment Date immediately following the date on which the Cessation or Suspension of Trading Event occurred (or if the Cessation or Suspension of Trading Event occurs on or after the date which is two business days prior to the immediately following Distribution Payment Date, the next following Distribution Payment Date).

(d) Publication of Distribution Rate or Reset Distribution Rate

The Agent Bank will cause the applicable Reset Distribution Rate or (if a Cessation or Suspension of Trading Event has occurred or if a Step-Up Margin is specified in the applicable Pricing Supplement) the applicable Distribution Rate to be notified to the Issuing and Paying Agent, the Trustee, the Registrar, the other Paying Agents (if any) and the Issuer as soon as possible after its determination but in no event later than the fourth business day thereafter. The Issuing and Paying Agent shall at the request and expense of the Issuer cause notice of the then applicable Reset Distribution Rate or (if a Cessation or Suspension of Trading Event has occurred) the applicable Distribution Rate to be notified to the Perpetual Securityholders in accordance with Condition 14 as soon as possible after determination thereof. All notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of this Condition 4 by the Agent Bank will (in the absence of manifest error) be binding on the Issuer, the Issuing and Paying Agent, the other Paying Agents, the Registrar, the Transfer Agent, the Trustee and the Perpetual Securityholders and (except as provided in the Agency Agreement) no liability to any such person will attach to the Agent Bank in connection with the exercise or non-exercise by it of its powers, duties and discretions for such purposes.

(e) Determination or Calculation by Trustee

If the Agent Bank does not at any material time determine or calculate the applicable Distribution Rate or the applicable Reset Distribution Rate (as the case may be), the Trustee shall do so or otherwise procure the determination or calculation of such Distribution Rate or Reset Distribution Rate. In doing so, the Trustee shall apply the provisions of this Condition 4(I), with any necessary consequential amendments, to the extent that, in its opinion, it can do so, and in all other respects, it shall do so in such manner as it shall deem fair and reasonable in all the circumstances.

(f) Calculations

In the case of a Fixed Rate Perpetual Security, distribution in respect of a period of less than one year will be calculated on the Day Count Fraction shown on the face of the Perpetual Security. The amount of distribution payable per Calculation Amount (as defined in Condition 4(II)(d)) for any Fixed Rate Distribution Period in respect of any Fixed Rate Perpetual Security shall be calculated by multiplying the product of the Distribution Rate or Reset Distribution Rate and the Calculation Amount, by the Day Count Fraction shown on the face of the Perpetual Security and rounding the resultant figure to the nearest sub-unit of the Relevant Currency.

For the purposes of these Conditions, "**Fixed Rate Distribution Period**" means the period beginning on (and including) the Distribution Commencement Date and ending on (but excluding) the first Distribution Payment Date and each successive period beginning on (and including) a Distribution Payment Date and ending on (but excluding) the next succeeding Distribution Payment Date.

(II) Distribution on Floating Rate Perpetual Securities

(a) Distribution Payment Dates

Each Floating Rate Perpetual Security confers a right to receive distribution on its outstanding principal amount from the Distribution Commencement Date in respect thereof and as shown on the face of such Perpetual Security, and such distribution will be payable in arrear on each distribution payment date ("**Distribution Payment Date**"). Such Distribution Payment Date(s) is/are either shown hereon as Specified Distribution Payment Date(s) or, if no Specified Distribution Payment Date(s) is/are shown hereon, Distribution Payment Date shall mean each date which (save as mentioned in these Conditions) falls the number of months specified as the Distribution Period (as defined below) on the face of the Perpetual Security (the "**Specified Number of Months**") after the preceding Distribution Payment Date or, in the case of the first Distribution Payment Date, after the Distribution Commencement Date (and which corresponds numerically with such preceding Distribution Payment Date or the Distribution Commencement Date, as the case may be). If any Distribution Payment Date referred to in these Conditions that is specified to be subject to adjustment in accordance with a Business Day Convention would otherwise fall on a day that is not a business day (as defined below), then if the Business Day Convention specified is (1) the Floating Rate Business Day Convention, such date shall be postponed to the next day which is a business day unless it would thereby fall into the next calendar month, in which event (i) such date shall be brought forward to the immediately preceding business day and (ii) each subsequent such date shall be the last business day of the month in which such date would have fallen had it not been subject to adjustment, (2) the Following Business Day Convention, such date shall be postponed to the next day that is a business day, (3) the Modified Following Business Day Convention, such date shall be postponed to the next day that is a business day unless it would thereby fall into the next calendar month, in which event such date shall be brought forward to the immediately preceding business day or (4) the Preceding Business Day Convention, such date shall be brought forward to the immediately preceding business day.

The period beginning on (and including) the Distribution Commencement Date and ending on (but excluding) the first Distribution Payment Date and each successive period beginning on (and including) a Distribution Payment Date and ending on (but excluding) the next succeeding Distribution Payment Date is herein called a "**Distribution Period**".

Distribution will cease to accrue on each Floating Rate Perpetual Security from the due date for redemption thereof unless, upon due presentation and subject to the provisions of the Trust Deed, payment of the Redemption Amount is improperly withheld or refused, in which event distribution will continue to accrue (as well after as before judgment) at the rate and in the manner provided in this Condition 4(II) to the Relevant Date.

(b) Rate of Distribution - Floating Rate Perpetual Securities

(i) Each Floating Rate Perpetual Security confers a right to receive distribution on its outstanding principal amount at a floating rate determined by reference to a Benchmark as stated on the face of such Floating Rate Perpetual Security, being (in the case of Perpetual Securities which are denominated in Singapore dollars) SIBOR (in which case such Perpetual Security will be a SIBOR Perpetual Security) or Swap Rate (in which case such Perpetual Security will be a Swap Rate Perpetual Security) or in any other case (or in the case of Perpetual Securities which are denominated in a currency other than Singapore dollars) such other Benchmark as is set out on the face of such Perpetual Security.

Such floating rate may be adjusted by adding or subtracting the Spread (if any) and the Step-Up Spread (if any) stated on the face of such Perpetual Security. The "Spread" and the "Step-Up Spread" are the percentage rate per annum specified on the face of such Perpetual Security as being applicable to the rate of distribution for such Perpetual Security. The rate of distribution so calculated shall be subject to Condition 4(III)(a) below.

The rate of distribution payable in respect of a Floating Rate Perpetual Security from time to time is referred to in these Conditions as the "**Rate of Distribution**".

(ii) The Rate of Distribution payable from time to time in respect of each Floating Rate Perpetual Security will be determined by the Agent Bank on the basis of the following provisions:

(1) in the case of Floating Rate Perpetual Securities which are SIBOR Perpetual Securities:

(A) the Agent Bank will, at or about the Relevant Time on the relevant Distribution Determination Date in respect of each Distribution Period, determine the Rate of Distribution for such Distribution Period which shall be the offered rate for deposits in Singapore dollars for a period equal to the duration of such Distribution Period which appears on the Reuters Screen ABSIRFIX01 Page under the caption "ABS SIBOR FIX - SIBOR AND SWAP OFFER RATES - RATES AT 11:00 HRS SINGAPORE TIME" and under the column headed "SGD SIBOR" (or such other replacement page thereof for the purpose of displaying SIBOR or such other Screen Page (as defined below) as may be provided hereon) and as adjusted by the Spread (if any) and the Step-Up Spread (if any);

(B) if on any Distribution Determination Date no such rate appears on the Reuters Screen ABSIRFIX01 Page under the column headed "SGD SIBOR" (or such other replacement page as aforesaid) or if the Reuters Screen ABSIRFIX01 Page (or such other replacement page as aforesaid) is unavailable for any reason, the Agent Bank will request the principal Singapore offices of each of the Reference Banks to provide the Agent Bank with the rate at which deposits in Singapore dollars are offered by it at approximately the Relevant Time on the Distribution Determination Date to prime banks in the Singapore interbank market for a period equivalent to the duration of such Distribution Period commencing on such Distribution Payment Date in an amount comparable to the aggregate principal amount of the relevant Floating Rate Perpetual Securities. The Rate of Distribution for such Distribution Period shall be the arithmetic mean (rounded up, if necessary, to the nearest 1/16 per cent.) of such offered quotations and as adjusted by the Spread (if any) and the Step-Up Spread (if any), as determined by the Agent Bank;

(C) if on any Distribution Determination Date, two but not all the Reference Banks provide the Agent Bank with such quotations, the Rate of Distribution for the relevant Distribution Period shall be determined in accordance with (B) above on the basis of the quotations of those Reference Banks providing such quotations; and

(D) if on any Distribution Determination Date, one only or none of the Reference Banks provides the Agent Bank with such quotation, the Rate of Distribution for the relevant Distribution Period shall be the rate per annum which the Agent Bank determines to be the arithmetic mean (rounded up, if necessary, to the nearest 1/16 per cent.) of the prime lending rates for Singapore dollars quoted by the Reference Banks at or about the Relevant Time on such Distribution Determination Date and as adjusted by the Spread (if any) and the Step-Up Spread (if any);

(2) in the case of Floating Rate Perpetual Securities which are Swap Rate Perpetual Securities:

(A) the Agent Bank will, at or about the Relevant Time on the relevant Distribution Determination Date in respect of each Distribution Period, determine the Rate of Distribution for such Distribution Period as being

the rate which appears on the Reuters Screen ABSFIX01 Page under the caption “SGD SOR rates as of 11:00hrs London Time” and under the column headed “SGD SOR” (or such replacement page thereof for the purpose of displaying the swap rates of leading reference banks) at or about the Relevant Time on such Distribution Determination Date and for a period equal to the duration of such Distribution Period and as adjusted by the Spread (if any) and the Step-Up Spread (if any);

(B) if on any Distribution Determination Date no such rate is quoted on the Reuters Screen ABSFIX01 Page (or such other replacement page as aforesaid) or the Reuters Screen ABSFIX01 Page (or such other replacement page as aforesaid) is unavailable for any reason, the Agent Bank will determine the Rate of Distribution for such Distribution Period as being the rate (or, if there is more than one rate which is published, the arithmetic mean of those rates (rounded up, if necessary, to the nearest 1/16 per cent.)) for a period equal to the duration of such Distribution Period published by a recognised industry body where such rate is widely used (after taking into account the industry practice at that time), or by such other relevant authority as may be agreed between the Agent Bank and the Issuer and as adjusted by the Spread (if any) and the Step-Up Spread (if any); and

(C) if on any Distribution Determination Date the Agent Bank is otherwise unable to determine the Rate of Distribution under paragraph (b)(ii)(2)(B) above or if no agreement on the relevant authority is reached between the Agent Bank and the Issuer under paragraph (b)(ii)(2)(B) above, the Rate of Distribution shall be determined by the Agent Bank to be the rate per annum equal to the arithmetic mean (rounded up, if necessary, to the nearest 1/16 per cent.) of the rates quoted by the Singapore offices of the Reference Banks or those of them (being at least two in number) to the Agent Bank at or about 11.00 a.m. (Singapore time) on the first business day following such Distribution Determination Date as being their cost (including the cost occasioned by or attributable to complying with reserves, liquidity, deposit or other requirements imposed on them by any relevant authority or authorities) of funding, for the relevant Distribution Period, an amount equal to the aggregate principal amount of the relevant Floating Rate Perpetual Securities for such Distribution Period by whatever means they determine to be most appropriate and as adjusted by the Spread (if any), or if on such day one only or none of the Singapore offices of the Reference Banks provides the Agent Bank with such quotation, the Rate of Distribution for the relevant Distribution Period shall be the rate per annum equal to the arithmetic mean (rounded up, if necessary, to the nearest 1/16 per cent.) of the prime lending rates for Singapore dollars quoted by the Singapore offices of the Reference Banks at or about 11.00 a.m. (Singapore time) on such Distribution Determination Date and as adjusted by the Spread (if any) and the Step-Up Spread (if any);

(3) in the case of Floating Rate Perpetual Securities which are not SIBOR Perpetual Securities or Swap Rate Perpetual Securities or which are denominated in a currency other than Singapore dollars, the Agent Bank will determine the Rate of Distribution in respect of any Distribution Period at or about the Relevant Time on the Distribution Determination Date in respect of such Distribution Period as follows:

(A) if the Primary Source (as defined below) for the Floating Rate Perpetual Securities is a Screen Page, subject as provided below, the Rate of Distribution in respect of such Distribution Period shall be:

(aa) the Relevant Rate (as defined below) (where such Relevant Rate on such Screen Page is a composite quotation or is customarily supplied by one entity); or

(bb) the arithmetic mean of the Relevant Rates of the persons whose Relevant Rates appear on that Screen Page, in each case appearing on such Screen Page at the Relevant Time on the Distribution Determination Date,

and as adjusted by the Spread (if any) and the Step-Up Spread (if any);

(B) if the Primary Source for the Floating Rate Perpetual Securities is Reference Banks or if paragraph (b)(ii)(3)(A)(aa) applies and no Relevant Rate appears on the Screen Page at the Relevant Time on the Distribution Determination Date or if paragraph (b)(ii)(3)(A)(bb) applies and fewer than two Relevant Rates appear on the Screen Page at the Relevant Time on the Distribution Determination Date, subject as provided below, the Rate of Distribution shall be the rate per annum which the Agent Bank determines to be the arithmetic mean (rounded up, if necessary, to the nearest 1/16 per cent.) of the Relevant Rates that each of the Reference Banks is quoting to leading banks in the Relevant Financial Centre (as defined below) at the Relevant Time on the Distribution Determination Date and as adjusted by the Spread (if any) and the Step-Up Spread (if any); and

(C) if paragraph (b)(ii)(3)(B) applies and the Agent Bank determines that fewer than two Reference Banks are so quoting Relevant Rates, the Rate of Distribution shall be the Rate of Distribution determined on the previous Distribution Determination Date.

(iii) On the last day of each Distribution Period, the Issuer will pay distribution on each Floating Rate Perpetual Security to which such Distribution Period relates at the Rate of Distribution for such Distribution Period.

(iv) For the avoidance of doubt, in the event that the Rate of Distribution as determined in accordance with the foregoing in relation to any Distribution Period is less than zero, the Rate of Distribution in relation to such Distribution Period shall be equal to zero.

(c) Minimum Rate of Distribution

If the applicable Pricing Supplement specifies a Minimum Rate of Distribution for any Distribution Period, then, in the event that the Rate of Distribution in respect of such Distribution Period determined in accordance with Condition 4(II)(b) above is less than such Minimum Rate of Distribution, the Rate of Distribution for such Distribution Period shall be such Minimum Rate of Distribution.

(d) Definitions

As used in these Conditions:

"**Benchmark**" means the rate specified as such in the applicable Pricing Supplement;

"**business day**" means, in respect of each Perpetual Security:

(i) a day (other than a Saturday, Sunday or gazetted public holiday) on which Euroclear, Clearstream, Luxembourg and the Depository, as applicable, are operating;

(ii) a day (other than a Saturday, Sunday or gazetted public holiday) on which banks and foreign exchange markets are open for general business in the country of the Issuing and Paying Agent's specified office; and

(iii) (if a payment is to be made on that day):

(1) (in the case of Perpetual Securities denominated in Singapore dollars) a day (other than a Saturday, Sunday or gazetted public holiday) on which banks and foreign exchange markets are open for general business in Singapore;

(2) (in the case of Perpetual Securities denominated in Euros) a day (other than a Saturday, Sunday or gazetted public holiday) on which the TARGET System is open for settlement in Euros;

(3) (in the case of Perpetual Securities denominated in Renminbi) a day (other than a Saturday, Sunday or gazetted public holiday) on which banks and foreign exchange markets are open for business (including dealing in foreign exchange and foreign currency deposits) and settlement of Renminbi payments in the Offshore Renminbi Centre; and

(4) (in the case of Perpetual Securities denominated in a currency other than Singapore dollars, Euros and Renminbi) a day (other than a Saturday, Sunday or gazetted public holiday) on which banks and foreign exchange markets are open for general business in Singapore and the principal financial centre for that currency;

"**Calculation Amount**" means the amount specified as such on the face of any Perpetual Security or if no such amount is so specified, the Denomination Amount of such Perpetual Security as shown on the face thereof;

"**Day Count Fraction**" means, in respect of the calculation of an amount of distribution in accordance with Condition 5:

(i) if "Actual/Actual" is specified in the applicable Pricing Supplement, the actual number of days in (in the case of Fixed Rate Perpetual Securities) the Fixed Rate Distribution Period or (in the case of Floating Rate Perpetual Securities) the Distribution Period divided by 365 (or, if any portion of that Fixed Rate Distribution Period or, as the case may be, Distribution Period falls in a leap year, the sum of (1) the actual number of days in that portion of the Fixed Rate Distribution Period or, as the case may be, Distribution Period falling in a leap year divided by 366 and (2) the actual number of days in that portion of the Fixed Rate Distribution Period or, as the case may be, Distribution Period falling in a non-leap year divided by 365);

(ii) if "Actual/360" is specified in the applicable Pricing Supplement, the actual number of days in (in the case of Fixed Rate Perpetual Securities) the Fixed Rate Distribution Period or (in the case of Floating Rate Perpetual Securities) the Distribution Period in respect of which payment is being made divided by 360; and

(iii) if "Actual/365 (Fixed)" is specified in the applicable Pricing Supplement, the actual number of days in (in the case of Fixed Rate Perpetual Securities) the Fixed Rate Distribution Period or (in the case of Floating Rate Perpetual Securities) the Distribution Period in respect of which payment is being made divided by 365;

"**Distribution Commencement Date**" means the Issue Date or such other date as may be specified as the Distribution Commencement Date on the face of the relevant Perpetual Security;

"**Distribution Determination Date**" means, in respect of any Distribution Period, the date falling that number of business days prior thereto as is set out in the applicable Pricing Supplement or on the face of the relevant Perpetual Security;

"**Euro**" means the lawful currency of the member states of the European Union that adopt the single currency in accordance with the Treaty establishing the European Community, as amended from time to time;

"**Offshore Renminbi Centre(s)**" means the offshore Renminbi centre(s) specified as such in the applicable Pricing Supplement;

"**PRC**" means the People's Republic of China which, for the purposes of these Conditions, shall exclude Hong Kong, the Macau Special Administrative Region of the People's Republic of China and Taiwan;

"**Primary Source**" means (i) the Screen Page specified as such in the applicable Pricing Supplement and (in the case of any Screen Page provided by any information service other than the Reuters Monitor Money Rates Service ("**Reuters**")) agreed by the Agent Bank or (ii) the Reference Banks, as the case may be;

"**Reference Banks**" means the institutions specified as such hereon or, if none, three major banks selected by the Agent Bank in the interbank market that is most closely connected with the Benchmark;

"**Renminbi**" means the lawful currency of the PRC;

"**Relevant Currency**" means the currency in which the Perpetual Securities are denominated;

"**Relevant Financial Centre**" means, in the case of distribution to be determined on a Distribution Determination Date with respect to any Floating Rate Perpetual Security, the financial centre with which the relevant Benchmark is most closely connected or, if none is so connected, Singapore;

"**Relevant Rate**" means the Benchmark for a Calculation Amount of the Relevant Currency for a period (if applicable or appropriate to the Benchmark) equal to the relevant Distribution Period;

"**Relevant Time**" means, with respect to any Distribution Determination Date, the local time in the Relevant Financial Centre at which it is customary to determine bid and offered rates in respect of deposits in the Relevant Currency in the interbank market in the Relevant Financial Centre;

"**Screen Page**" means such page, section, caption, column or other part of a particular information service (including, but not limited to, Reuters) as may be specified hereon for the purpose of providing the Benchmark, or such other page, section, caption, column or other part as may replace it on that information service or on such other information service, in each case as may be nominated by the person or organisation providing or sponsoring the information appearing there for the purpose of displaying rates or prices comparable to the Benchmark; and

"**TARGET System**" means the Trans-European Automated Real-Time Gross Settlement Express Transfer (known as TARGET 2) System which was launched on 19 November 2007 or any successor thereto.

(III) Calculations

(a) Determination of Rate of Distribution and Calculation of Distribution Amounts

The Agent Bank will, as soon as practicable after the Relevant Time on each Distribution Determination Date, determine the Rate of Distribution and calculate the amount of distribution payable (the "**Distribution Amounts**") in respect of each Calculation Amount of the relevant Floating Rate Perpetual Securities for the relevant Distribution Period. The amount of distribution payable per Calculation Amount in respect of any Perpetual Security shall be calculated by multiplying the product of the Rate of Distribution and the Calculation Amount, by the Day Count Fraction shown on the Perpetual Security and rounding the resultant figure to the nearest sub-unit of the Relevant Currency. The determination of any

rate or amount, the obtaining of each quotation and the making of each determination or calculation by the Agent Bank shall (in the absence of manifest error) be final and binding upon all parties.

(b) Notification

The Agent Bank will cause the Rate of Distribution and the Distribution Amounts for each Distribution Period and the relevant Distribution Payment Date to be notified to the Issuing and Paying Agent, the Trustee, the Registrar and the Issuer as soon as possible after their determination but in no event later than the fourth business day thereafter. In the case of Floating Rate Perpetual Securities, the Issuing and Paying Agent will at the request and expense of the Issuer also cause the Rate of Distribution and the Distribution Amounts for each Distribution Period and the relevant Distribution Payment Date to be notified to Perpetual Securityholders in accordance with Condition 14 as soon as possible after their determination. The Distribution Amounts and the Distribution Payment Date so notified may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without notice in the event of an extension or shortening of the Distribution Period by reason of any Distribution Payment Date not being a business day. If an Enforcement Event occurs in relation to the Floating Rate Perpetual Securities, the Rate of Distribution and Distribution Amounts payable in respect of the Floating Rate Perpetual Securities shall nevertheless continue to be calculated as previously in accordance with this Condition but no publication of the Rate of Distribution and Distribution Amounts need to be made unless the Trustee requires otherwise.

(c) Determination or Calculation by the Trustee

If the Agent Bank does not at any material time determine or calculate the Rate of Distribution for a Distribution Period or any Distribution Amount, the Trustee shall do so. In doing so, the Trustee shall apply the foregoing provisions of this Condition, with any necessary consequential amendments, to the extent that, in its opinion, it can do so, and, in all other respects, it shall do so in such manner as it shall deem fair and reasonable in all the circumstances.

(d) Agent Bank and Reference Banks

The Issuer will procure that, so long as any Floating Rate Perpetual Security remains outstanding, there shall at all times be three Reference Banks (or such other number as may be required) and, so long as any Floating Rate Perpetual Security remains outstanding, there shall at all times be an Agent Bank. If any Reference Bank (acting through its relevant office) is unable or unwilling to continue to act as a Reference Bank or the Agent Bank is unable or unwilling to act as such or if the Agent Bank fails duly to establish the Rate of Distribution for any Distribution Period or to calculate the Distribution Amounts, the Issuer will appoint another bank with an office in the Relevant Financial Centre to act as such in its place. The Agent Bank may not resign from its duties without a successor having been appointed as aforesaid.

(IV) Distribution Discretion

(a) Optional Payment

If Optional Payment is set out hereon, the Issuer may, at its sole discretion, elect not to pay a distribution (or to pay only part of a distribution) which is scheduled to be paid on a Distribution Payment Date by giving notice (an "**Optional Payment Notice**") to the Trustee, the Issuing and Paying Agent and the Perpetual Securityholders (in accordance with Condition 14) not more than 15 nor less than five business days (or such other notice period as may be specified hereon) prior to a scheduled Distribution Payment Date.

If a Dividend Pusher is set out hereon, the Issuer may not elect to defer any distribution if during the Reference Period (as specified in the applicable Pricing Supplement) ending on the day before that scheduled Distribution Payment Date, either or both of the following (each such event a "**Compulsory Distribution Payment Event**") have occurred:

(i) a dividend, distribution or other payment has been declared or paid on or in respect of any of the Issuer's Junior Obligations or (except on a *pro rata* basis) any of the Issuer's Specified Parity Obligations; or

(ii) any of the Issuer's Junior Obligations has been redeemed, reduced, cancelled, bought back or acquired for any consideration or (except on a *pro rata* basis) any of the Issuer's Specified Parity Obligations has been redeemed, reduced, cancelled, bought back or acquired for any consideration,

in each case, other than (1) in connection with any employee benefit plan or similar arrangements with or for the benefit of the employees, officers, consultants or directors of the Group (as defined in the Trust Deed), (2) as a result of the exchange or conversion of Specified Parity Obligations of the Issuer for Junior Obligations of the Issuer and/or as otherwise specified in the applicable Pricing Supplement.

In these Conditions:

(A) "**Junior Obligation**" means:

(aa) in respect of Perpetual Securities which are Senior Perpetual Securities, any class of equity capital in CRCT and any other instrument or security issued, entered into or guaranteed by the Issuer (including without limitation any preferred units or subordinated perpetual securities) that ranks or is expressed to rank, by its terms or by operation of law, junior to all unsecured obligations of the Issuer from time to time outstanding; and

(bb) in respect of Perpetual Securities which are Subordinated Perpetual Securities, any class of equity capital in CRCT and any other instrument or security issued, entered into or guaranteed by the Issuer, other than any instrument or security (including without limitation any preferred units) ranking in priority in payment and in all other respects to the ordinary units of CRCT; and

(B) "**Specified Parity Obligations**" means any instrument or security (including without limitation any preference shares) issued, entered into or guaranteed by the Issuer (aa) which ranks or is expressed to rank, by its terms or by operation of law, *pari passu* with the relevant Perpetual Securities and (bb) the terms of which provide that the making of payments thereon or distributions in respect thereof are fully at the discretion of the Issuer and/or, in the case of an instrument or security guaranteed by the Issuer, the issuer thereof.

If Dividend Pusher is set out hereon, each Optional Payment Notice shall be accompanied, in the case of the notice to the Trustee and the Issuing and Paying Agent, by a certificate signed by two duly authorised signatories of the Issuer confirming that no Compulsory Distribution Payment Event has occurred during the relevant Reference Period. Any such certificate shall be conclusive evidence that no Compulsory Distribution Payment Event has occurred during the relevant Reference Period and the Trustee and the Issuing and Paying Agent shall be entitled to rely without any obligation to verify the same and without liability to any Perpetual Securityholder or any other person on any Optional Payment Notice or any certificate as aforementioned. Each Optional Payment Notice shall be conclusive and binding on the Perpetual Securityholders.

(b) No Obligation to Pay

If Optional Payment is set out hereon and subject to Condition 4(IV)(c) and Condition 4(IV)(d), the Issuer shall have no obligation to pay any distribution on any Distribution Payment Date and any failure to pay a distribution in whole or in part shall not constitute a default of the Issuer in respect of the Perpetual Securities.

(c) Non-Cumulative Deferral and Cumulative Deferral

(i) If Non-Cumulative Deferral is set out hereon, any distribution deferred pursuant to this Condition 4(IV) is non-cumulative and will not accrue interest. The Issuer is not under any obligation to pay that or any other distributions that have not been paid in whole or in part. The Issuer may, at its sole discretion, and at any time, elect to pay an amount up to the amount of distribution which is unpaid ("**Optional Distribution**") (in whole or in part) by complying with the notice requirements in Condition 4(IV)(e). There is no limit on the number of times or the extent of the amount with respect to which the Issuer can elect not to pay distributions pursuant to this Condition 4(IV).

Any partial payment of outstanding Optional Distribution by the Issuer shall be shared by the holders of all outstanding Perpetual Securities and the Coupons related to them on a *pro rata* basis.

(ii) If Cumulative Deferral is set out hereon, any distribution deferred pursuant to this Condition 4(IV) shall constitute "**Arrears of Distribution**". The Issuer may, at its sole discretion, elect to (in the circumstances set out in Condition 4(IV)(a)) further defer any Arrears of Distribution by complying with the foregoing notice requirement applicable to any deferral of an accrued distribution. The Issuer is not subject to any limit as to the number of times distributions and Arrears of Distribution can or shall be deferred pursuant to this Condition 4(IV) except that this Condition 4(IV)(c) shall be complied with until all outstanding Arrears of Distribution have been paid in full.

(iii) If Additional Distribution is set out hereon, each amount of Arrears of Distribution shall bear interest as if it constituted the principal of the Perpetual Securities at the Distribution Rate or Rate of Distribution (as the case may be) and the amount of such interest (the "**Additional Distribution Amount**") with respect to Arrears of Distribution shall be due and payable pursuant to this Condition 4 and shall be calculated by applying the applicable Distribution Rate or Rate of Distribution (as the case may be) to the amount of the Arrears of Distribution and otherwise *mutatis mutandis* as provided in the foregoing provisions of this Condition 4. The Additional Distribution Amount accrued up to any Distribution Payment Date shall be added, for the purpose of calculating the Additional Distribution Amount accruing thereafter, to the amount of Arrears of Distribution remaining unpaid on such Distribution Payment Date so that it will itself become Arrears of Distribution.

(d) Restrictions in the case of Non-Payment

If Dividend Stopper is set out hereon and on any Distribution Payment Date, payments of all distribution scheduled to be made on such date are not made in full by reason of this Condition 4(IV), the Issuer shall not and shall procure that none of the subsidiaries of CRCT shall:

(i) declare or pay any dividends, distributions or make any other payment on, and will procure that no dividend, distribution or other payment is made on, any of the Issuer's Junior Obligations or (except on a *pro rata* basis) any of the Issuer's Specified Parity Obligations; or

(ii) redeem, reduce, cancel, buy-back or acquire for any consideration, and will procure that no redemption, reduction, cancellation, buy-back or acquisition for any consideration is made in respect of, any of the Issuer's Junior Obligations or (except on a *pro rata* basis) any of the Issuer's Specified Parity Obligations,

in each case, other than (1) in connection with any employee benefit plan or similar arrangements with or for the benefit of the employees, officers, consultants or directors of the Group and (2) as a result of the exchange or conversion of Specified Parity Obligations of the Issuer for Junior Obligations of the Issuer, unless and until (A) (if Cumulative Deferral is specified as being applicable in the applicable Pricing Supplement) the Issuer has satisfied in full all outstanding Arrears of Distribution, (B) (if Non-Cumulative Deferral is specified as being applicable in the applicable Pricing Supplement) a redemption of all the outstanding Perpetual Securities has occurred, the next scheduled distribution has been paid in full or an Optional Distribution equal to the amount of a distribution payable with respect to the most recent Distribution Payment Date that was unpaid in full or in part, has been paid in full or (C) the Issuer is permitted to do so (or to procure or permit the subsidiaries of CRCT to do so) by an Extraordinary Resolution (as defined in the Trust Deed) of the Perpetual Securityholders and/or as otherwise specified in the applicable Pricing Supplement.

(e) Satisfaction of Optional Distribution or Arrears of Distribution

The Issuer:

(i) may, at its sole discretion, satisfy an Optional Distribution or Arrears of Distribution, as the case may be (in whole or in part) at any time by giving notice of such election to the Trustee, the Issuing and Paying Agent and the Perpetual Securityholders (in accordance with Condition 14) not more than 20 nor less than 10 business days (or such other notice period as may be specified hereon) prior to the relevant payment date specified in such notice (which notice is irrevocable and shall oblige the Issuer to pay the relevant Optional Distribution or Arrears of Distribution on the payment date specified in such notice); and

(ii) in any event shall satisfy any outstanding Arrears of Distribution (in whole but not in part) on the earliest of:

(1) the date of redemption of the Perpetual Securities in accordance with the redemption events set out in Condition 5 (as applicable);

(2) the next Distribution Payment Date following the occurrence of a breach of Condition 4(IV)(d) or the occurrence of a Compulsory Distribution Payment Event; and

(3) the date such amount becomes due under Condition 9 or on a Winding-Up of CRCT.

Any partial payment of an Optional Distribution or Arrears of Distribution, as the case may be, by the Issuer shall be shared by the Perpetual Securityholders of all outstanding Perpetual Securities on a *pro-rata* basis.

(f) No Default

Notwithstanding any other provision in these Conditions, the non-payment of any distribution payment in accordance with this Condition 4(IV) shall not constitute a default for any purpose (including, without limitation, pursuant to Condition 9) on the part of the Issuer under the Perpetual Securities.

5. Redemption and Purchase

(a) No Fixed Redemption Date

The Perpetual Securities are perpetual securities in respect of which there is no fixed redemption date and the Issuer shall (subject to the provisions of Condition 3 and without prejudice to Condition 9) only have the right (but not the obligation) to redeem or purchase them in accordance with the following provisions of this Condition 5.

(b) Redemption at the Option of the Issuer

If so provided hereon, the Issuer may, on giving irrevocable notice to the Perpetual Securityholders falling within the Issuer's Redemption Option Period shown on the face hereof, redeem all or, if so provided, some of the Perpetual Securities at their Redemption Amount and on the date or dates so provided. Any such redemption of Perpetual Securities shall be at their Redemption Amount, together with distribution (including any Arrears of Distribution and any Additional Distribution Amount) accrued to (but excluding) the date fixed for redemption.

All Perpetual Securities in respect of which any such notice is given shall be redeemed on the date specified in such notice in accordance with this Condition.

In the case of a partial redemption of the Perpetual Securities, the notice to Perpetual Securityholders shall also contain the certificate numbers of the Bearer Perpetual Securities or, in the case of Registered Perpetual Securities, shall specify the principal amount of Registered Perpetual Securities drawn and the holder(s) of such Registered Perpetual Securities, to be redeemed, which shall have been drawn by or on behalf of the Issuer in such place and in such manner as may be agreed between the Issuer and the Trustee, subject to compliance with any applicable laws. So long as the Perpetual Securities are listed on the Singapore Exchange Securities Trading Limited (the "**SGX-ST**"), the Issuer shall comply with the rules of such Stock Exchange (as defined in the Trust Deed) in relation to the publication of any notice of redemption of such Perpetual Securities.

(c) Redemption for Taxation Reasons

The Perpetual Securities may be redeemed at the option of the Issuer in whole, but not in part, on any Distribution Payment Date or, if so specified hereon, at any time on giving not less than 30 nor more than 60 days' notice to the Perpetual Securityholders (which notice shall be irrevocable), at their Redemption Amount (together with distributions (including any Arrears of Distribution and any Additional Distribution Amount) accrued to (but excluding) the date fixed for redemption), if:

(i) the Issuer receives a ruling by the Comptroller of Income Tax in Singapore (or other relevant authority) which confirms that:

(1) the Perpetual Securities will not be regarded as "debt securities" for the purposes of Section 43N(4) of the Income Tax Act, Chapter 134 of Singapore ("**ITA**") and Regulation 2 of the Income Tax (Qualifying Debt Securities) Regulations; or

(2) the distributions (including any Arrears of Distribution and any Additional Distribution Amount) will not be regarded as interest payable by the Issuer for the purposes of the withholding tax exemption on interest for "qualifying debt securities" under the ITA; or

(ii) (1) the Issuer has or will become obliged to pay additional amounts as provided or referred to in Condition 7, or increase the payment of such additional amounts, as a result of any change in, or amendment to, the laws (or any regulations, rulings or other administrative pronouncements promulgated thereunder) of Singapore or any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws, regulations, rulings or other administrative pronouncements, which change or amendment is made public on or after the Issue Date or any other date specified in the Pricing Supplement, and (2) such obligations cannot be avoided by the Issuer taking reasonable measures available to it, provided that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer would be obliged to pay such additional amounts were a payment in respect of the Perpetual Securities then due.

Prior to the publication of any notice of redemption pursuant to this Condition 5(c)(ii), the Issuer shall deliver to the Trustee (with a copy to the Issuing and Paying Agent):

(A) a certificate signed by two duly authorised signatories of the Issuer stating that the Issuer is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of the Issuer so to redeem have occurred; and

(B) an opinion of independent legal or tax adviser of recognised standing to the effect that the Issuer has or is likely to become obliged to pay such additional amounts as a result of such change or amendment to the laws (or any regulations, rulings or other administrative pronouncements promulgated thereunder) of Singapore or any political subdivision or any authority thereof or therein having power to tax,

and the Trustee shall be entitled to accept such certificate and opinion as sufficient evidence of the satisfaction of the conditions precedent set out above, in which event it shall be conclusive and binding on the Perpetual Securityholders.

(d) Redemption for Accounting Reasons

If so provided hereon, the Perpetual Securities may be redeemed at the option of the Issuer in whole, but not in part, on any Distribution Payment Date or, if so specified hereon, at any time on giving not less than 30 nor more than 60 days' notice to the Perpetual Securityholders (which notice shall be irrevocable), at their Redemption Amount (together with distribution (including any Arrears of Distribution and any Additional Distribution Amount) accrued to (but excluding) the date fixed for redemption) if, on such Distribution Payment Date or at any time after that Distribution Payment Date, as a result of any changes or amendments to Singapore Financial Reporting Standards issued by the Singapore Accounting Standards Council (as amended from time to time, the "**SFRS**") or any other accounting standards that may replace SFRS for the purposes of the consolidated financial statements of CRCT (the "**Relevant Accounting Standard**"), the Perpetual Securities will not or will no longer be recorded as "equity" of CRCT pursuant to the Relevant Accounting Standard.

Prior to the publication of any notice of redemption pursuant to this Condition 5(d), the Issuer shall deliver to the Trustee (with a copy to the Issuing and Paying Agent):

(i) a certificate, signed by two duly authorised signatories of the Issuer stating that the circumstances referred to above prevail and setting out the details of such circumstances; and

(ii) an opinion of the Issuer's independent auditors stating that the circumstances referred to above prevail and the date on which the relevant change or amendment to the Relevant Accounting Standard is due to take effect,

and the Trustee shall be entitled to accept such certificate and opinion as sufficient evidence of the satisfaction of the conditions precedent set out above, in which event it shall be conclusive and binding on the Perpetual Securityholders.

Upon the expiry of any such notice as is referred to in this Condition 5(d), the Issuer shall be bound to redeem the Perpetual Securities in accordance with this Condition 5(d).

(e) Redemption for Tax Deductibility

If so provided hereon, the Perpetual Securities may be redeemed at the option of the Issuer in whole, but not in part, on any Distribution Payment Date or, if so specified hereon, at any time on giving not less than 30 nor more than 60 days' notice to the Perpetual Securityholders (which notice shall be irrevocable), at their Redemption Amount (together with distributions (including any Arrears of Distribution and any Additional Distribution Amount) accrued to (but excluding) the date fixed for redemption) if:

(i) the Issuer satisfies the Trustee immediately before giving such notice that, as a result of:

(1) any amendment to, or change in, the laws (or any rules or regulations thereunder) of Singapore or any political subdivision or any taxing authority thereof or therein which is enacted, promulgated, issued or becomes effective on or after the Issue Date;

(2) any amendment to, or change in, an official and binding interpretation of any such laws, rules or regulations by any legislative body, court, governmental agency or regulatory authority (including the enactment of any legislation and the publication of any judicial decision or regulatory determination) which is enacted, promulgated, issued or becomes effective on or after the Issue Date; or

(3) any generally applicable official interpretation or pronouncement which is issued or announced on or after the Issue Date that provides for a position with respect to such laws or regulations that differs from the previously generally accepted position which is announced before the Issue Date,

the distributions (including any Arrears of Distribution and any Additional Distribution Amount) by the Issuer are no longer, or would in the Distribution Period immediately following that Distribution Payment Date no longer be, regarded as sums "payable by way of interest upon any money borrowed" for the purpose of Section 14(1)(a) of the ITA, provided that no such notice of redemption may be given earlier than 90 days prior to such effective date on which the distributions (including any Arrears of Distribution and any Additional Distribution Amount) would not be regarded as such sums; or

(ii) the Issuer receives a ruling by the Comptroller of Income Tax in Singapore (or other relevant authority) which confirms that the distributions (including any Arrears of Distribution and any Additional Distribution Amount) will not be regarded as sums "payable by way of interest upon any money borrowed" for the purpose of Section 14(1)(a) of the ITA.

Prior to the publication of any notice of redemption pursuant to this Condition 5(e)(i), the Issuer shall deliver or procure that there is delivered to the Trustee (with a copy to the Issuing and Paying Agent):

(A) a certificate, signed two duly authorised signatories of the Issuer stating that the circumstances referred to above prevail and setting out the details of such circumstances; and

(B) an opinion of the Issuer's independent tax or legal adviser of recognised standing stating that the circumstances referred to above prevail and the date on which the relevant change, amendment, interpretation or pronouncement has taken place or is due to take effect,

and the Trustee shall be entitled to accept such certificate and opinion as sufficient evidence of the satisfaction of the conditions precedent set out above, in which event it shall be conclusive and binding on the Perpetual Securityholders.

Upon the expiry of any such notice as is referred to in this Condition 5(e), the Issuer shall be bound to redeem all the Perpetual Securities in accordance with this Condition 5(e).

(f) Redemption in the case of Minimal Outstanding Amount

If so provided hereon, the Perpetual Securities may be redeemed at the option of the Issuer in whole, but not in part, on any Distribution Payment Date or, if so specified hereon, at any time on giving not less than 30 nor more than 60 days' notice to the Perpetual Securityholders (which notice shall be irrevocable), at their Redemption Amount (together with distribution (including any Arrears of Distribution and any Additional Distribution Amount) accrued to (but excluding) the date fixed for redemption) if, immediately before giving such notice, the aggregate principal amount of the Perpetual Securities outstanding is less than 20 per cent. of the aggregate principal amount originally issued.

Upon expiry of any such notice as is referred to in this Condition 5(f), the Issuer shall be bound to redeem all the Perpetual Securities in accordance with this Condition 5(f).

(g) Redemption upon Cessation or Suspension of Trading of Units

If so provided hereon, in the event that (i) the units of CRCT cease to be traded on the SGX-ST or (ii) trading in the units of CRCT on the SGX-ST is suspended for a continuous period of more than seven days (other than by reason of holiday, statutory or otherwise) (each, a "**Cessation or Suspension of Trading Event**"), the Perpetual Securities may be redeemed at the option of the Issuer in whole, but not in part, on the date on which distribution is due to be paid on such Perpetual Securities or, if earlier, the date falling 45 days after (in the case of (i)) the date of cessation of listing or trading or (in the case of (ii)) the business day immediately following the expiry of such continuous period of seven days at their Redemption Amount (together with distribution (including Arrears of Distribution and any Additional Distribution Amount) accrued to (but excluding) the date fixed for redemption). The Issuer shall forthwith notify the Trustee, the Issuing and Paying Agent and the Perpetual Securityholders of such cessation or listing or trading and the proposed date of redemption of the Perpetual Securities.

(h) Redemption upon a Regulatory Event

If so provided hereon, the Issuer may, at its option, redeem the Perpetual Securities in whole, but not in part, at any time at their principal amount, together with distributions (including any Arrears of Distribution and any Additional Distribution Amount) accrued from the immediately preceding Distribution Payment Date to (but excluding) the date fixed for redemption, on the Issuer giving not less than 30 nor more than 60 days' notice to the Perpetual Securityholders and the Trustee (which notice shall be irrevocable), if the Issuer satisfies the Trustee immediately prior to the giving of such notice that as a result of any change in, or amendment to, the Property Funds Appendix, or any change in the application or official interpretation of the Property Funds Appendix, the Perpetual Securities count or will count towards the Aggregate Leverage under the Property Funds Appendix (a "**Regulatory Event**"), provided that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Perpetual Securities will count towards the Aggregate Leverage.

Prior to the publication of any notice of redemption pursuant to this Condition 5(h), the Issuer shall deliver, or procure that there is delivered to the Trustee (with a copy to the Issuing and Paying Agent):

(i) a certificate, signed by two duly authorised signatories of the Issuer stating that the circumstances referred to above prevail and setting out the details of such circumstances; and

(ii) an opinion of the Issuer's independent legal adviser of recognised standing stating that the circumstances referred to above prevail and the date on which the relevant change or amendment to, or change in application or interpretation of, the Property Funds Appendix, took, or is due to take, effect,

and the Trustee shall be entitled to accept such certificate and opinion as sufficient evidence of the satisfaction of the conditions precedent set out above, in which event it shall be conclusive and binding on the Perpetual Securityholders.

Upon the expiry of any such notice as is referred to in this Condition 5(h), the Issuer shall be bound to redeem the Perpetual Securities in accordance with this Condition 5(h).

For the purposes of this Condition 5(h):

(1) "**Aggregate Leverage**" means, as defined under the Property Funds Appendix, the total borrowings and deferred payments of a real estate investment trust, or such other definition as may from time to time be provided for under the Property Funds Appendix; and

(2) "**Property Funds Appendix**" means Appendix 6 of the Code on Collective Investment Schemes, issued by the Monetary Authority of Singapore.

(i) Redemption upon a Ratings Event

If so provided hereon, the Perpetual Securities may be redeemed at the option of the Issuer in whole, but not in part, on any Distribution Payment Date or, if so specified hereon, at any time on giving not less than 30 nor more than 60 days' notice to the Perpetual Securityholders (which notice shall be irrevocable), at their Redemption Amount (together with distribution (including any Arrears of Distribution and any Additional Distribution Amount) accrued to (but excluding) the date fixed for redemption) if, on such Distribution Payment Date or any time after that Distribution Payment Date, an amendment, clarification or change has occurred or will occur in the equity credit criteria, guidelines or methodology of any Rating Agency (as defined in the Trust Deed) requested from time to time by the Issuer to grant an equity classification to the Perpetual Securities and in each case, any of their respective successors to the rating business thereof, which amendment, clarification or change results in a lower equity credit for the Perpetual Securities than the equity credit assigned on the Issue Date or, if equity credit is not assigned on the Issue Date, at the date when equity credit is assigned for the first time ("**Ratings Event**").

Prior to the publication of any notice of redemption pursuant to this Condition 5(i), the Issuer shall deliver, or procure to be delivered, to the Trustee (with a copy to the Issuing and Paying Agent) a certificate, signed by two duly authorised signatories of the Issuer, stating that the circumstances referred to above prevail and setting out the details of such circumstances, and the Trustee shall be entitled to accept such certificate and opinion as sufficient evidence of the satisfaction of the conditions precedent set out above, in which event it shall be conclusive and binding on the Perpetual Securityholders.

Upon the expiry of any such notice as is referred to in this Condition 5(i), the Issuer shall be bound to redeem the Perpetual Securities in accordance with this Condition 5(i).

(j) Purchases

The Issuer and/or any of the respective related corporations of the Issuer and CRCT may at any time purchase Perpetual Securities at any price (provided that they are purchased together with all unmatured Coupons and unexchanged Talons relating to them) in the open market or otherwise, provided that in any such case such purchase or purchases is in compliance with all relevant laws, regulations and directives. The Perpetual Securities so purchased, while held by or on behalf of the Issuer and/or any of the respective related corporations of the Issuer and CRCT shall not entitle the holder to vote at any meetings of the Perpetual Securityholders and shall not be deemed to be outstanding for the purposes of calculating quorums at meetings of the Perpetual Securityholders or for the purposes of Conditions 9 and 10.

Perpetual Securities purchased by the Issuer and/or any of the respective related corporations of the Issuer or CRCT may be surrendered by the purchaser to, in the case of Bearer Perpetual Securities, the Issuing and Paying Agent and, in the case of Registered Perpetual Securities, the Registrar for cancellation or may at the option of the Issuer and/or relevant related corporation be held or resold.

For the purposes of these Conditions, "**directive**" includes any present or future directive, regulation, request, requirement, rule or credit restraint programme of any relevant agency, authority, central bank department, government, legislative, minister, ministry, official public or statutory corporation, self-regulating organisation, or stock exchange.

(k) Cancellation

All Perpetual Securities purchased by or on behalf of the Issuer and/or any of the respective related corporations of the Issuer and CRCT may be surrendered for cancellation, in the case of Bearer Perpetual Securities, by surrendering each such Perpetual Security together with all unmatured Coupons and all unexchanged Talons to the Issuing and Paying Agent at its specified office and, in the case of Registered Perpetual Securities, by surrendering the Certificate representing such Perpetual Securities to the Registrar and, in each case, if so surrendered, shall, together with all

Perpetual Securities redeemed by the Issuer, be cancelled forthwith (together with all unmatured Coupons and unexchanged Talons attached thereto or surrendered therewith). Any Perpetual Securities or Certificates so surrendered for cancellation may not be reissued or resold.

6. Payments

(a) Principal and Distribution in respect of Bearer Perpetual Securities

Payments of principal and distribution in respect of Bearer Perpetual Securities will, subject as mentioned below, be made against presentation and surrender of the relevant Perpetual Securities or, as the case may be, Coupons:

(i) (in the case of a currency other than Renminbi) at the specified office of any Paying Agent by a cheque drawn in the currency in which payment is due on, or, at the option of the holders, by transfer to an account maintained by the holder in that currency with, a bank in the principal financial centre for that currency; and

(ii) (in the case of Renminbi) by transfer to a Renminbi account maintained by or on behalf of the holder with a bank in the Offshore Renminbi Centre which processes payments in Renminbi in the Offshore Renminbi Centre.

(b) Principal and Distribution in respect of Registered Perpetual Securities

(i) Payments of principal in respect of Registered Perpetual Securities will, subject as mentioned below, be made against presentation and surrender of the relevant Certificates at the specified office of the Registrar or any of the other Transfer Agents and in the manner provided in Condition 6(b)(ii).

(ii) Distribution on Registered Perpetual Securities shall be paid to the person shown on the Register as the holder thereof at the close of business on the fifteenth day before the due date for payment thereof (the "**Record Date**"). Payments of distribution on each Registered Perpetual Security shall be made:

(1) (in the case of a currency other than Renminbi) by a cheque drawn in the currency in which payment is due and mailed to the holder (or to the first named of joint holders) of such Perpetual Security at its address appearing in the Register. Upon application by the holder to the specified office of the Registrar or any other Transfer Agent before the Record Date, such payment of distribution may be made by transfer to an account maintained by the holder in that currency with a bank in the principal financial centre for that currency; and

(2) (in the case of Renminbi) by transfer to a Renminbi account maintained by or on behalf of the holder with a bank in the Offshore Renminbi Centre which processes payments in Renminbi in the Offshore Renminbi Centre.

(c) Payments subject to law etc.

All payments are subject in all cases to any applicable fiscal or other laws, regulations and directives, but without prejudice to the provisions of Condition 7. No commission or expenses shall be charged to the Perpetual Securityholders or Couponholders in respect of such payments.

(d) Appointment of Agents

The Issuing and Paying Agent, the Agent Bank, the Transfer Agent and the Registrar initially appointed by the Issuer and their respective specified offices are listed below. The Issuer reserves the right at any time to vary or terminate the appointment of the Issuing and Paying Agent, any other Paying Agent, the Agent Bank, any Transfer Agent and the Registrar and to appoint additional or other Issuing and Paying Agents, Paying Agents, Agent Banks, Transfer Agents and Registrars, provided that it will at all times maintain (i) an Issuing and Paying Agent having a specified office in

Singapore, (ii) an Agent Bank having a specified office in Singapore, (iii) a Transfer Agent in relation to Registered Perpetual Securities having a specified office in Singapore and (iv) a Registrar in relation to Registered Perpetual Securities having a specified office in Singapore.

Notice of any such change or any change of any specified office will promptly be given by the Issuer to the Perpetual Securityholders in accordance with Condition 14.

The Agency Agreement may be amended by the Issuer, the Issuing and Paying Agent, the Agent Bank, the Transfer Agent, the Registrar and the Trustee, without the consent of any holder, for the purpose of curing any ambiguity or of curing, correcting or supplementing any defective provision contained therein or in any manner which the Issuer, the Issuing and Paying Agent, the Agent Bank, the Transfer Agent, the Registrar and the Trustee may mutually deem necessary or desirable and which does not, in the reasonable opinion of the Issuer, the Issuing and Paying Agent, the Agent Bank, the Transfer Agent, the Registrar and the Trustee, materially and adversely affect the interests of the holders of the Perpetual Securities or the Coupons. Any such amendment shall be binding on the Perpetual Securityholders and the Couponholders.

(e) Unmatured Coupons and Unexchanged Talons

(i) Bearer Perpetual Securities which comprise Fixed Rate Perpetual Securities should be surrendered for payment together with all unmatured Coupons (if any) relating to such Perpetual Securities, failing which an amount equal to the face value of each missing unmatured Coupon (or, in the case of payment not being made in full, that proportion of the amount of such missing unmatured Coupon which the sum of principal so paid bears to the total principal due) will be deducted from the Redemption Amount due for payment. Any amount so deducted will be paid in the manner mentioned above against surrender of such missing Coupon within a period of three years from the Relevant Date for the payment of such principal (whether or not such Coupon has become void pursuant to Condition 8).

(ii) Subject to the provisions of the relevant Pricing Supplement, upon the due date for redemption of any Bearer Perpetual Security comprising a Floating Rate Perpetual Security, unmatured Coupons relating to such Perpetual Security (whether or not attached) shall become void and no payment shall be made in respect of them.

(iii) Upon the due date for redemption of any Bearer Perpetual Security, any unexchanged Talon relating to such Perpetual Security (whether or not attached) shall become void and no Coupon shall be delivered in respect of such Talon.

(iv) Where any Bearer Perpetual Security comprising a Floating Rate Perpetual Security is presented for redemption without all unmatured Coupons, and where any Bearer Perpetual Security is presented for redemption without any unexchanged Talon relating to it, redemption shall be made only against the provision of such indemnity as the Issuer may require.

(v) If the due date for redemption or repayment of any Perpetual Security is not a due date for payment of distribution, distribution accrued from the preceding due date for payment of distribution or the Distribution Commencement Date, as the case may be, shall only be payable against presentation (and surrender if appropriate) of the relevant Bearer Perpetual Security or Certificate.

(f) Talons

On or after the Distribution Payment Date for the final Coupon forming part of a Coupon sheet issued in respect of any Bearer Perpetual Security, the Talon forming part of such Coupon sheet may be surrendered at the specified office of the Issuing and Paying Agent on any business day in exchange for a further Coupon sheet (and if necessary another Talon for a further Coupon sheet) (but excluding any Coupons that may have become void pursuant to Condition 8).

(g) Non-business days

Subject as provided in the relevant Pricing Supplement or subject as otherwise provided in these Conditions, if any date for the payment in respect of any Perpetual Security or Coupon is not a business day, the holder shall not be entitled to payment until the next following business day and shall not be entitled to any further distribution or other payment in respect of any such delay.

(h) Payment of Singapore Dollar Equivalent

Notwithstanding the foregoing, if by reason of Illiquidity, Inconvertibility or Non-transferability, the Issuer is not able to satisfy payments of principal or distribution (in whole or in part) in respect of Perpetual Securities where the Relevant Currency is Renminbi, the Issuer may, on giving not less than five nor more than 30 days' irrevocable notice to the Perpetual Securityholders prior to the due date for payment, settle any such payment (in whole or in part) in Singapore dollars on the due date at the Singapore Dollar Equivalent of any such Renminbi denominated amount. Payments of the Singapore Dollar Equivalent of the relevant Renminbi denominated amount shall be made by transfer to a Singapore dollar denominated account maintained by the payee with, or by a Singapore dollar denominated cheque drawn on, a bank in Singapore. Any payment made under such circumstances in Singapore dollars will constitute valid payment and will not constitute a default in respect of the Perpetual Securities.

For the purposes of this Condition 6(h),

"**Determination Business Day**" means a day (other than a Saturday or Sunday) on which commercial banks are open for general business (including dealings in foreign exchange) in Singapore;

"**Determination Date**" means the day which is two Determination Business Days before the due date of the relevant amount under these Conditions;

"**Governmental Authority**" means any *de facto* or de jure government (or any agency or instrumentality thereof), court, tribunal, administrative or other governmental authority or any other entity (private or public) charged with the regulation of the financial markets (including the central bank) of Singapore;

"**Illiquidity**" means the general Renminbi exchange market in Singapore becomes illiquid as a result of which the Issuer cannot obtain sufficient Renminbi in order to satisfy its obligation to pay distribution and principal (in whole or in part) in respect of the Perpetual Securities as determined by the Issuer in good faith and in a commercially reasonable manner;

"**Inconvertibility**" means the occurrence of any event that makes it impossible for the Issuer to convert any amount due in respect of the Perpetual Securities in the general Renminbi exchange market in Singapore, other than where such impossibility is due solely to the failure of the Issuer to comply with any law, rule or regulation enacted by any Governmental Authority (unless such law, rule or regulation is enacted after the date of the agreement for the issue of the Perpetual Securities and it is impossible for the Issuer, due to an event beyond its control, to comply with such law, rule or regulation);

"**Non-transferability**" means the occurrence of any event that makes it impossible for the Issuer to deliver Renminbi between accounts inside Singapore or from an account inside Singapore to an account outside Singapore, other than where such impossibility is due solely to the failure of the Issuer to comply with any law, rule or regulation enacted by any Governmental Authority (unless such law, rule or regulation is enacted after the date of the agreement for the issue of the Perpetual Securities and it is impossible for the Issuer, due to an event beyond its control, to comply with such law, rule or regulation);

"**Singapore Dollar Equivalent**" means the relevant Renminbi amount converted into Singapore dollars using the relevant Spot Rate for the relevant Determination Date;

"**Spot Rate**" means, for a Determination Date, the spot Renminbi/Singapore dollar exchange rate as determined by the Agent Bank at or around 11.00 a.m. (Singapore time) on such date, and if a spot rate is not readily available, the Agent Bank will determine the rate taking into consideration all available information which the Agent Bank deems relevant, including pricing information obtained from the Renminbi non-deliverable exchange market in Singapore or elsewhere and the PRC domestic foreign exchange market in Singapore.

All determinations made for the purposes of the provisions of this Condition 6(h) by the Agent Bank will (in the absence of wilful default, fraud, gross negligence or manifest error) be binding on the Issuer, the Agents and all holders.

7. Taxation

All payments in respect of the Perpetual Securities and the Coupons by the Issuer shall be made free and clear of, and without deduction or withholding for or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or within Singapore or any authority thereof or therein having power to tax, unless such withholding or deduction is required by law. In such event, the Issuer shall pay such additional amounts as will result in the receipt by the Perpetual Securityholders and the Couponholders of such amounts as would have been received by them had no such deduction or withholding been required, except that no such additional amounts shall be payable in respect of any Perpetual Security or Coupon presented (or in respect of which the Certificate representing it is presented) for payment:

(a) by or on behalf of a holder who is subject to such taxes, duties, assessments or governmental charges by reason of his being connected with Singapore otherwise than by reason only of the holding of such Perpetual Security or Coupon or the receipt of any sums due in respect of such Perpetual Security or Coupon (including, without limitation, the holder being a resident of, or a permanent establishment in, Singapore);

(b) more than 30 days after the Relevant Date except to the extent that the holder thereof would have been entitled to such additional amounts on presenting the same for payment on the last day of such period of 30 days; or

(c) by or on behalf of a holder who would be able to lawfully avoid (but has not so avoided) such deduction or withholding by making a declaration or any other statement including, but not limited to, a declaration of residence or non-residence but fails to do so.

Where the Perpetual Securities are not recognised as debt securities for Singapore income tax purposes, all payments in respect of the Perpetual Securities and the Coupons by or on behalf of the Issuer may be subject to any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or within Singapore or any authority thereof or therein having power to tax in the same manner as distributions on ordinary units of CRCT, and CRCT may be obliged (in certain circumstances) to withhold or deduct tax at the prevailing rate (currently 10% or 17%) under Section 45G of the Income Tax Act, Chapter 134 of Singapore. In that event, the Issuer will not pay any additional amounts in respect of any such withholding or deduction from payments in respect of the Perpetual Securities and the Coupons for or on account of any such taxes or duties.

As used in these Conditions, "**Relevant Date**" in respect of any Perpetual Security or Coupon means the date on which payment in respect thereof first becomes due or (if any amount of the money payable is improperly withheld or refused) the date on which payment in full of the amount outstanding is made or (if earlier) the date falling seven days after that on which notice is duly given to the Perpetual Securityholders in accordance with Condition 14 that, upon further presentation of the Perpetual Security (or relative Certificate) or Coupon being made in accordance with the Conditions, such payment will be made, provided that payment is in fact made upon presentation, and references to "**principal**" shall be deemed to include any premium payable in respect of the Perpetual Securities, all Redemption Amounts and all other amounts in the nature of principal payable pursuant to Condition 5, "**distribution**" shall be deemed to include all Distribution Amounts

and all other amounts payable pursuant to Condition 4 and any reference to "**principal**" and/or "**premium**" and/or "**Redemption Amounts**" and/or "**distribution**" shall be deemed to include any additional amounts which may be payable under these Conditions.

8. Prescription

Claims against the Issuer for payment in respect of the Perpetual Securities and Coupons (which, for this purpose, shall not include Talons) shall be prescribed and become void unless made within three years from the appropriate Relevant Date for payment.

9. Non-payment

(a) Non-payment when Due

Notwithstanding any of the provisions below in this Condition 9, the right to institute proceedings for the bankruptcy, termination, winding-up, liquidation, receivership, administration or similar proceedings (the "**Winding-Up**") in respect of CRCT is limited to circumstances where payment under the Perpetual Securities has become due. In the case of any distribution, such distribution will not be due if the Issuer has elected not to pay that distribution in accordance with Condition 4(IV). In addition, nothing in this Condition 9, including any restriction on commencing proceedings, shall in any way restrict or limit the rights of the Trustee or any of its directors, officers, employees or agents to claim from or to otherwise take any action against the Issuer in respect of any costs, charges, fees, expenses or liabilities incurred by such party pursuant to or in connection with the Perpetual Securities or the Trust Deed.

(b) Proceedings for Winding-Up

If (i) a final and effective order is made or an effective resolution is passed for the Winding-Up of CRCT or (ii) the Issuer does not pay any principal payable by it under any of the Perpetual Securities at the place at and in the currency in which it is expressed to be payable when due and such default continues for three business days after the due date or any distribution or other amounts (other than principal) payable by it under any of the Perpetual Securities at the place at and in the currency in which it is expressed to be payable when due and such default continues for three business days after the due date (together, the "**Enforcement Events**"), the Issuer shall be deemed to be in default under the Trust Deed and the Perpetual Securities and the Trustee may, subject to the provisions of Condition 9(d), institute proceedings for the Winding-Up of CRCT, prove in the Winding-Up of CRCT and/or claim in the liquidation of CRCT for such payment.

(c) Enforcement

Without prejudice to Condition 9(b) but subject to the provisions of Condition 9(d), the Trustee may, at its discretion and without further notice to the Issuer, institute such proceedings against the Issuer as it may think fit to enforce any term or condition binding on the Issuer under the Perpetual Securities or the Trust Deed, as the case may be, (other than any payment obligation of the Issuer under or arising from the Perpetual Securities, including, without limitation, payment of any principal or premium or satisfaction of any distributions (including any damages awarded for breach of any obligations)) and in no event shall the Issuer, by virtue of the institution of any such proceedings, be obliged to pay any sum or sums, in cash or otherwise, sooner than the same would otherwise have been payable by it.

(d) Entitlement of Trustee

The Trustee shall not and shall not be obliged to take any of the actions referred to in Condition 9(b) or Condition 9(c) against the Issuer to enforce the terms of the Trust Deed or the Perpetual Securities unless (i) it shall have been so directed by an Extraordinary Resolution of the Perpetual Securityholders or so requested in writing by Perpetual Securityholders holding not less than 25 per cent. in principal amount of the Perpetual Securities outstanding and (ii) it shall have been indemnified and/or secured to its satisfaction.

(e) Right of Perpetual Securityholders or Couponholder

No Perpetual Securityholder or Couponholder shall be entitled to proceed directly against the Issuer or to institute proceedings for the Winding-Up or claim in the liquidation of CRCT or to prove in such Winding-Up unless the Trustee, having become bound to do so, fails or neglects to do so within a reasonable period and such failure or neglect shall be continuing, in which case the Perpetual Securityholder or Couponholder shall have only such rights against the Issuer and/or CRCT as those which the Trustee is entitled to exercise as set out in this Condition 9.

(f) Extent of Perpetual Securityholders' Remedy

No remedy against the Issuer, other than as referred to in this Condition 9, shall be available to the Trustee or the Perpetual Securityholders or Couponholders, whether for the recovery of amounts owing in respect of the Trust Deed or the Perpetual Securities (as applicable) or in respect of any breach by the Issuer of any of its other obligations under or in respect of the Trust Deed or the Perpetual Securities (as applicable).

(g) Damages subject to Subordination

If any court awards money, damages or other restitution for any default with respect to the performance by the Issuer of its obligation contained in the Trust Deed and the Perpetual Securities, the payment of such money, damages or other restitution shall be subject to the subordination provisions set out in these Conditions and in Clause 8.3 of the Trust Deed.

10. Meeting of Perpetual Securityholders and Modifications

The Trust Deed contains provisions for convening meetings of Perpetual Securityholders of a Series to consider any matter affecting their interests, including modification by Extraordinary Resolution of the Perpetual Securities of such Series (including these Conditions insofar as the same may apply to such Perpetual Securities) or any of the provisions of the Trust Deed.

The Trustee or the Issuer at any time may, and the Trustee upon the request in writing by Perpetual Securityholders holding not less than one-tenth of the principal amount of the Perpetual Securities of any Series for the time being outstanding shall, convene a meeting of the Perpetual Securityholders of that Series. An Extraordinary Resolution duly passed at any such meeting shall be binding on all the Perpetual Securityholders of the relevant Series, whether present or not and on all relevant Couponholders, except that any Extraordinary Resolution proposed, *inter alia*, (a) to amend the dates of redemption of the Perpetual Securities or any date for payment of distribution or Distribution Amounts on the Perpetual Securities, (b) to reduce or cancel the principal amount of, or any premium payable on redemption of, the Perpetual Securities, (c) to reduce the rate or rates of distribution in respect of the Perpetual Securities or to vary the method or basis of calculating the rate or rates of distribution or the basis for calculating any Distribution Amount in respect of the Perpetual Securities, (d) to vary any method of, or basis for, calculating the Redemption Amount, (e) to vary the currency or currencies of payment or denomination of the Perpetual Securities, (f) to amend the subordination provisions of the Perpetual Securities, (g) to take any steps that as specified hereon may only be taken following approval by an Extraordinary Resolution to which the special quorum provisions apply or (h) to modify the provisions concerning the quorum required at any meeting of Perpetual Securityholders or the majority required to pass the Extraordinary Resolution, will only be binding if passed at a meeting of the Perpetual Securityholders of the relevant Series (or at any adjournment thereof) at which a special quorum (provided for in the Trust Deed) is present.

The Trustee may agree, without the consent of the Perpetual Securityholders or Couponholders, to (i) any modification of any of the provisions of the Trust Deed or any of the other Issue Documents which in the opinion of the Trustee is of a formal, minor or technical nature, is made to correct a manifest error or to comply with mandatory provisions of Singapore law or is required by Euroclear and/or Clearstream, Luxembourg and/or the Depository and/or any other clearing system in which the Perpetual Securities may be held and (ii) any other modification (except as mentioned in the Trust Deed) to the Trust Deed and any of the other Issue Documents, and any waiver or authorisation of any breach or proposed breach, of any of the provisions of the Trust

Deed or any of the other Issue Documents, which is in the opinion of the Trustee not materially prejudicial to the interests of the Perpetual Securityholders. Any such modification, authorisation or waiver shall be binding on the Perpetual Securityholders and the Couponholders and, (in the case of a modification) unless the Trustee otherwise agrees in writing or (in the case of authorisation or waiver) if the Trustee shall so require, such modification, authorisation or waiver shall be notified to the Perpetual Securityholders as soon as practicable.

In connection with the exercise of its functions (including but not limited to those in relation to any proposed modification, waiver, authorisation or substitution) the Trustee shall have regard to the interests of the Perpetual Securityholders as a class and shall not have regard to the consequences of such exercise for individual Perpetual Securityholders or Couponholders.

These Conditions may be amended, modified, or varied in relation to any Series of Perpetual Securities by the terms of the relevant Pricing Supplement in relation to such Series.

11. Replacement of Perpetual Securities, Certificates, Coupons and Talons

If a Perpetual Security, Certificate, Coupon or Talon is lost, stolen, mutilated, defaced or destroyed it may be replaced, subject to applicable laws, regulations and stock exchange requirements or other relevant authority regulations at the specified office of the Issuing and Paying Agent (in the case of Bearer Perpetual Securities, Coupons or Talons) and of the Registrar (in the case of Certificates), or at the specified office of such other Paying Agent or Transfer Agent, as the case may be, as may from time to time be designated by the Issuer for the purpose and notice of whose designation is given to Perpetual Securityholders in accordance with Condition 14, on payment by the claimant of the fees and costs incurred in connection therewith and on such terms as to evidence, undertaking, security and indemnity (which may provide, *inter alia*, that if the allegedly lost, stolen or destroyed Perpetual Security, Certificate, Coupon or Talon is subsequently presented for payment, there will be paid to the Issuer on demand the amount payable by the Issuer in respect of such Perpetual Security, Certificate, Coupon or Talon) and otherwise as the Issuer may require. Mutilated or defaced Perpetual Securities, Certificates, Coupons or Talons must be surrendered before replacements will be issued.

12. Further Issues

The Issuer may from time to time without the consent of the Perpetual Securityholders or Couponholders create and issue further perpetual securities either having the same terms and conditions as the Perpetual Securities in all respects (or in all respects except for the first payment of distribution on them) and so that such further issue shall be consolidated and form a single series with the outstanding perpetual securities of any series (including the Perpetual Securities) or upon such terms as the Issuer may determine at the time of their issue. References in these Conditions to the Perpetual Securities include (unless the context requires otherwise) any other perpetual securities issued pursuant to this Condition 12 and forming a single series with the Perpetual Securities. Any further perpetual securities forming a single series with the outstanding perpetual securities of any series (including the Perpetual Securities) constituted by the Trust Deed or any deed supplemental to it shall, and any other securities may, be constituted by the Trust Deed. The Trust Deed contains provisions for convening a single meeting of the Perpetual Securityholders and the holders of perpetual securities of other series where the Trustee so decides.

13. Indemnification of the Trustee

The Trust Deed contains provisions for the indemnification of the Trustee and for its relief from responsibility, including provisions relieving it from taking proceedings to enforce repayment unless indemnified and/or secured to its satisfaction. The Trust Deed also contains a provision entitling the Trustee to enter into business transactions with the Issuer or any of the respective related corporations of the Issuer and CRCT without accounting to the Perpetual Securityholders or Couponholders for any profit resulting from such transactions.

14. Notices

Notices to the holders of Registered Perpetual Securities shall be valid if mailed to them at their respective addresses in the Register and deemed to have been given on the fourth weekday (being a day other than a Saturday or a Sunday) after the date of mailing. Notwithstanding the foregoing, notices to the holders of Perpetual Securities will be valid if published in a leading newspaper of general circulation in Singapore (or, if the holders of any Series of Perpetual Securities can be identified, notices to such holders will also be valid if they are given to each of such holders). It is expected that such publication will be made in The Business Times. Notices will, if published more than once or on different dates, be deemed to have been given on the date of the first publication in such newspaper as provided above.

In the case where the Issuer is listed on the SGX-ST or where the Perpetual Securities are listed on the SGX-ST, notices to the holders of such Perpetual Securities shall also be valid if made by way of an announcement on the SGX-ST. Any such notice shall be deemed to have been given to the Perpetual Securityholders on the date on which the said notice was uploaded as an announcement on the SGX-ST. Couponholders shall be deemed for all purposes to have notice of the contents of any notice to the holders of Bearer Perpetual Securities in accordance with this Condition 14.

So long as the Perpetual Securities are represented by a Global Security or a Global Certificate and such Global Security or Global Certificate is held in its entirety on behalf of Euroclear, Clearstream, Luxembourg, the Depository and/or any other clearing system, there may be substituted for such publication in such newspapers the delivery of the relevant notice to Euroclear, Clearstream, Luxembourg, (subject to the agreement of the Depository) the Depository and/or such other clearing system for communication by it to the Perpetual Securityholders, except that if the Perpetual Securities are listed on the SGX-ST and the rules of such exchange so require, notice will in any event be published in accordance with the first paragraph of this Condition 14. Any such notice shall be deemed to have been given to the Perpetual Securityholders on the seventh day after the day on which the said notice was given to Euroclear, Clearstream, Luxembourg, the Depository and/or such other clearing system.

Notices to be given by any Perpetual Securityholder pursuant hereto (including to the Issuer) shall be in writing and given by lodging the same, together with the relative Perpetual Security or Perpetual Securities, with the Issuing and Paying Agent (in the case of Bearer Perpetual Securities) or the Registrar (in the case of Certificates). Whilst the Perpetual Securities are represented by a Global Security or a Global Certificate, such notice may be given by any Perpetual Securityholder to the Issuing and Paying Agent or, as the case may be, the Registrar through Euroclear, Clearstream, Luxembourg, the Depository and/or such other clearing system in such manner as the Issuing and Paying Agent or, as the case may be, the Registrar and Euroclear, Clearstream, Luxembourg, the Depository and/or such other clearing system may approve for this purpose.

Notwithstanding the other provisions of this Condition, in any case where the identity and addresses of all the Perpetual Securityholders are known to the Issuer, notices to such holders may be given individually by recorded delivery mail to such addresses and will be deemed to have been given when received at such addresses.

15. Contracts (Rights of Third Parties) Act

No person shall have any right to enforce any term or condition of the Perpetual Securities under the Contracts (Rights of Third Parties) Act, Chapter 53B of Singapore.

16. Acknowledgement

(a) Acknowledgement

Notwithstanding any provision to the contrary in the Trust Deed, the Perpetual Securities and the Coupons, the Trustee, the Perpetual Securityholders and the Couponholders acknowledge that HSBC Institutional Trust Services (Singapore) Limited ("**HSBCIT**") has entered into the Trust Deed only in its capacity as trustee of CRCT and not in its personal capacity and all references

to the "Issuer" in the Trust Deed, the Perpetual Securities and the Coupons shall be construed accordingly. Accordingly, notwithstanding any provision to the contrary in the Trust Deed, the Perpetual Securities and the Coupons, HSBCIT has assumed all obligations under the Trust Deed, the Perpetual Securities and the Coupons in its capacity as trustee of CRCT and not in its personal capacity and any liability of or indemnity, covenant, undertaking, representation and/or warranty given by the Issuer under the Trust Deed, the Perpetual Securities and the Coupons is given by HSBCIT only in its capacity as trustee of CRCT and not in its personal capacity and any power and right conferred on any receiver, attorney, agent and/or delegate under the Trust Deed, the Perpetual Securities and the Coupons is limited to the assets of CRCT over which HSBCIT, in its capacity as trustee of CRCT, has recourse and shall not extend to any personal or other assets of HSBCIT or any assets held by HSBCIT as trustee of any other trust (other than CRCT). Any obligation, matter, act, action or thing required to be done, performed or undertaken by HSBCIT under the Trust Deed, the Perpetual Securities and the Coupons shall only be in connection with matters relating to CRCT (and shall not extend to the obligations of HSBCIT in respect of any other trust or real estate investment trust of which it is a trustee). The foregoing shall not restrict or prejudice the rights or remedies of the Trustee, the Perpetual Securityholders and the Couponholders under law or equity whether in connection with any negligence, fraud or breach of trust of the Issuer or otherwise.

(b) Corporate Obligations

Notwithstanding any provision to the contrary in the Trust Deed, the Perpetual Securities and the Coupons, it is hereby agreed that the Issuer's obligations under the Trust Deed, the Perpetual Securities and the Coupons will be solely the corporate obligations of the Issuer and there shall be no recourse against the shareholders, directors, officers or employees of HSBCIT for any claims, losses, damages, liabilities or other obligations whatsoever in connection with any of the transactions contemplated by the provisions of the Trust Deed, the Perpetual Securities and the Coupons. The foregoing shall not restrict or prejudice the rights or remedies of the Trustee, the Perpetual Securityholders and the Couponholders under law or equity whether in connection with any negligence, fraud or breach of trust of the Issuer or otherwise.

(c) Proceedings

For the avoidance of doubt, any legal action or proceedings commenced against the Issuer whether in Singapore or elsewhere pursuant to the Trust Deed, the Perpetual Securities and the Coupons shall be brought against HSBCIT in its capacity as trustee of CRCT and not in its personal capacity. The foregoing shall not restrict or prejudice the rights or remedies of the Trustee, the Perpetual Securityholders and the Couponholders under law or equity whether in connection with any negligence, fraud or breach of trust of the Issuer or otherwise.

(d) Applicability

This Condition 16 shall survive the termination or rescission of the Trust Deed and the Perpetual Securities. The provisions of this Condition 16 shall also apply, *mutatis mutandis*, to any notice, certificate or other document which the Issuer may issue under or pursuant to the Trust Deed and the Perpetual Securities, as if expressly set out therein.

17. Governing Law and Jurisdiction

(a) Governing Law

The Trust Deed, the Perpetual Securities, the Coupons and the Talons shall be governed by, and shall be construed in accordance with, the laws of Singapore.

(b) Jurisdiction

The courts of Singapore are to have jurisdiction to settle any disputes that may arise out of or in connection with the Trust Deed, the Perpetual Securities, the Coupons and the Talons and accordingly any legal action or proceedings arising out of or in connection with the Trust Deed, any Perpetual Securities, Coupons or Talons ("**Proceedings**") may be brought in such courts. The Issuer irrevocably submits to the jurisdiction of such courts and waives any objections to

Proceedings in such courts on the ground of venue or on the ground that the Proceedings have been brought in an inconvenient forum. These submissions are made for the benefit of each of the Trustee, the Perpetual Securityholders and the Couponholders and shall not limit the right of any of them to take Proceedings in any other court of competent jurisdiction nor shall the taking of Proceedings in one or more jurisdictions preclude the taking of Proceedings in any other jurisdiction (whether concurrently or not).

Issuing and Paying Agent, Agent Bank, Registrar and Transfer Agent

DBS Bank Ltd.
10 Toh Guan Road
#04-11 (Level 4B)
DBS Asia Gateway
Singapore 608838

CAPITALAND RETAIL CHINA TRUST

OVERVIEW

CRCT is the first China shopping mall real estate investment trust ("**REIT**") listed in Singapore. It was established with the objective of investing on a long-term basis in a diversified portfolio of income-producing real estate used primarily for retail purposes and located primarily in China, Hong Kong and Macau. CRCT was listed on the Mainboard of the SGX-ST on 8 December 2006.

CRCT is managed by an external manager, CapitaLand Retail China Trust Management Limited, which is an indirect wholly-owned subsidiary of CapitaLand Limited, one of Asia's largest real estate companies headquartered and listed in Singapore.

CRCT currently owns and invests in a portfolio of 10[1] income-producing shopping malls located in seven cities in China. The Properties are strategically located within large population catchment areas and are accessible via major transportation routes or access points. The Properties are positioned as one-stop family-oriented shopping, dining and entertainment destinations for the sizeable population catchment areas in which they are located. The Properties are CapitaMall Xizhimen, CapitaMall Wangjing, CapitaMall Grand Canyon and CapitaMall Shuangjing in Beijing, CapitaMall Xinnan in Chengdu, Sichuan Province, CapitaMall Qibao in Shanghai, CapitaMall Minzhongleyuan in Wuhan, Hubei Province, CapitaMall Erqi in Zhengzhou, Henan Province, CapitaMall Saihan in Hohhot, Inner Mongolia and CapitaMall Wuhu in Wuhu, Anhui Province.

As at 31 December 2016, the Properties have an aggregate GRA of 614,263 sq m and a portfolio occupancy rate of 95.5% (based on committed leases as at 31 December 2016). A significant portion of the Properties' tenancies consists of major international and domestic retailers such as Beijing Hualian Group, Carrefour and Wal-Mart under master leases or long-term leases. The anchor tenants are complemented by popular specialty brands such as Haagen-Dazs, innisfree, KFC, Nanjing Impressions, Nike, Pandora, Sephora, Starbucks, UNIQLO, Watsons and ZARA.

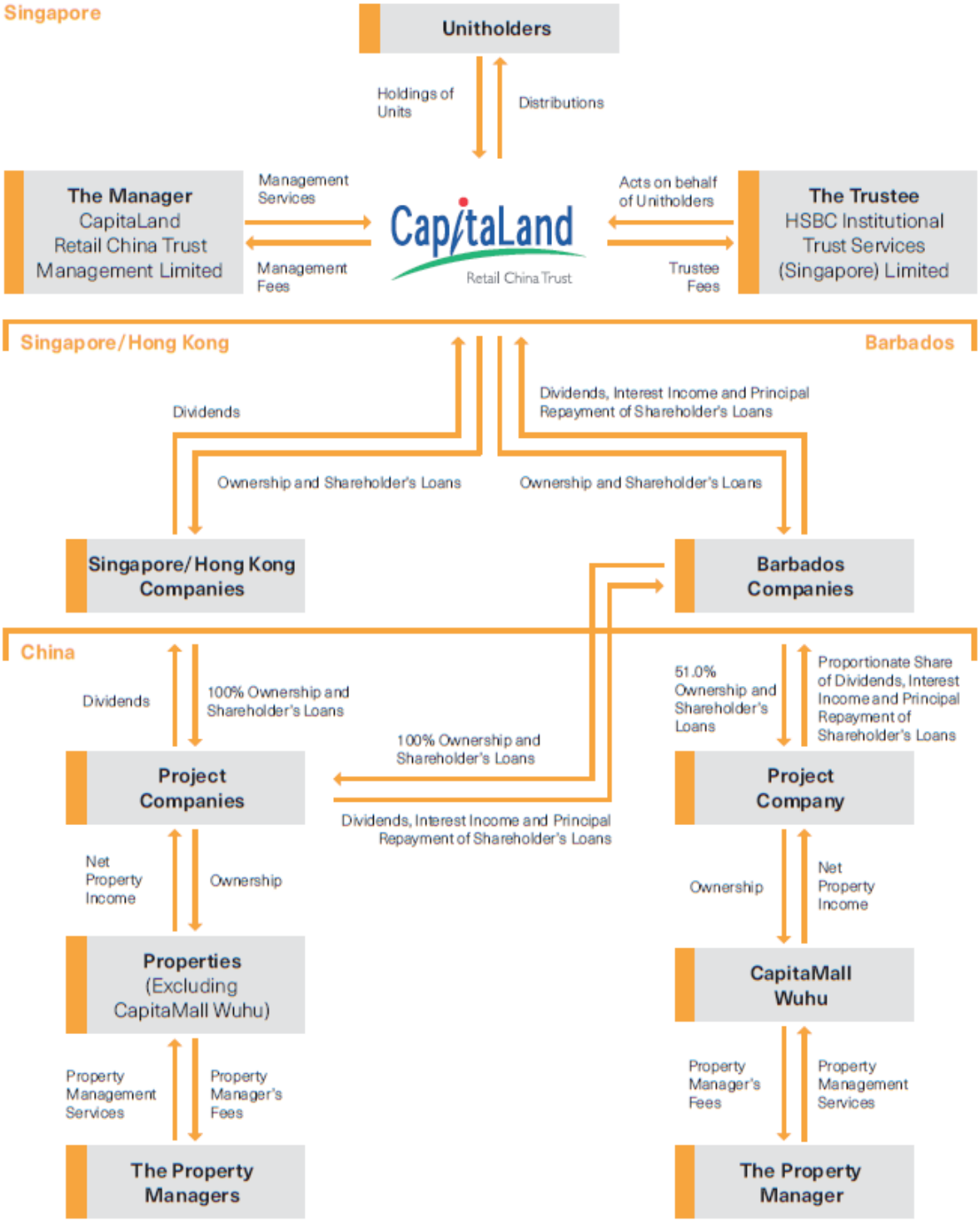
[1] This figure, and all other information on the Properties, excludes CapitaMall Anzhen which has been divested as of 14 September 2017.

1. HISTORY AND BACKGROUND

The CRCT Trust Deed was entered into on 23 October 2006 between the CRCT Manager and the CRCT Trustee and was last amended and supplemented on 29 April 2016. Units in CRCT commenced trading on the SGX-ST on 8 December 2006.

2. STRUCTURE OF CRCT

The following chart sets out the structure of CRCT and the roles and responsibilities carried out by each party:



THE TRUSTEE OF CRCT – HSBC INSTITUTIONAL TRUST SERVICES (SINGAPORE) LIMITED

The trustee of CRCT is HSBC Institutional Trust Services (Singapore) Limited ("**HSBCIT**"). HSBCIT is a company incorporated in Singapore and registered as a trust company under the Trust Companies Act, Chapter 336 of Singapore. It is approved to act as a trustee for authorised collective investment schemes under the SFA. As at the Latest Practicable Date, HSBCIT has a paid-up capital of S$5,150,000 and its registered address is 21 Collyer Quay, #13-02, HSBC Building, Singapore 049320.

Powers, duties and obligations of the CRCT Trustee

The CRCT Trustee's powers, duties and obligations are set out in the CRCT Trust Deed. The powers and duties of the CRCT Trustee include:

- acting as the trustee of CRCT on behalf of the Unitholders and, in such capacity, safeguarding the rights and interests of the Unitholders;
- holding the assets of CRCT on trust for the benefit of the Unitholders in accordance with the CRCT Trust Deed; and
- exercising all the powers of a trustee and the powers that are incidental to the ownership of the assets of CRCT.

The CRCT Trustee has covenanted in the CRCT Trust Deed that it will exercise all due care, diligence and vigilance in carrying out its functions and duties, and in safeguarding the rights and interests of the Unitholders.

In the exercise of its powers under the CRCT Trust Deed, the CRCT Trustee may (on the recommendation of the CRCT Manager), and subject to the provisions of the CRCT Trust Deed, acquire or dispose of any property, borrow or encumber any asset.

The CRCT Trustee may, subject to the provisions of the CRCT Trust Deed, appoint and engage:

- any person or entity as may be necessary, usual or desirable for the purpose of exercising its powers or performing its obligations; and
- any real estate agents or managers, including a related party of the CRCT Manager, in relation to the management, development, leasing, purchase or sale of any real estate assets and real estate-related assets.

The CRCT Manager may direct the CRCT Trustee to lend, borrow, raise money or obtain other financial accommodation for the purposes of CRCT, both on a secured and unsecured basis, subject to the CRCT Trust Deed and Property Funds Appendix.

The CRCT Trustee is not personally liable to a Unitholder in connection with the office of the CRCT Trustee except in respect of its own fraud, gross negligence, wilful default, breach of the CRCT Trust Deed or breach of trust by the CRCT Trustee. Any liability incurred and any indemnity to be given by the CRCT Trustee shall be limited to the assets of CRCT over which the CRCT Trustee has recourse, provided that the CRCT Trustee has acted without fraud, gross negligence or wilful default. The CRCT Trust Deed contains certain indemnities in favour of the CRCT Trustee and its directors and officers under which they will not be liable to Unitholders or any other persons for certain acts or omissions. These indemnities are subject to any applicable laws.

Retirement and replacement of the CRCT Trustee

The CRCT Trustee may retire or be replaced under the following circumstances:

(1) The CRCT Trustee shall not be entitled to retire voluntarily except upon the appointment of a new trustee (such appointment to be made in accordance with the provisions of the CRCT Trust Deed).

(2) The CRCT Trustee may be removed by notice in writing by the CRCT Manager in any of the following events:

(a) if the CRCT Trustee goes into liquidation (except a voluntary liquidation for the purpose of reconstruction or amalgamation upon terms previously approved in writing by the CRCT Manager) or if a receiver is appointed over any of its assets or if a judicial manager is appointed in respect of the CRCT Trustee;

(b) if the CRCT Trustee ceases to carry on business;

(c) if the CRCT Trustee fails or neglects after reasonable notice from the CRCT Manager to carry out or satisfy any material obligation imposed on the CRCT Trustee by the CRCT Trust Deed;

(d) if the Unitholders, by an Extraordinary Resolution (as defined in the CRCT Trust Deed) duly passed at a meeting of Unitholders held in accordance with the provisions contained in the CRCT Trust Deed decide that the CRCT Trustee be removed; and

(e) if MAS directs that the CRCT Trustee be removed.

THE CRCT MANAGER – CAPITALAND RETAIL CHINA TRUST MANAGEMENT LIMITED

The CRCT Manager is an indirect wholly-owned subsidiary of CapitaLand Limited, one of Asia's largest real estate companies headquartered and listed in Singapore.

The following chart sets out the organisational structure of the CRCT Manager:

Organisation Structure

The CRCT Manager has general powers of management over the assets of CRCT.

The CRCT Manager's primary responsibility is to manage the assets and liabilities of CRCT for the benefit of Unitholders. The CRCT Manager's focus is on generating rental income and enhancing asset value over time so as to maximise returns from the investments of CRCT and ultimately the distributions and total returns to Unitholders.

The CRCT Manager sets the strategic direction of CRCT and makes recommendations to the CRCT Trustee on the acquisition, divestment or enhancement of the assets of CRCT in accordance with CRCT's stated investment strategy.

Other functions and responsibilities of the CRCT Manager include:

- Using its best endeavours to carry on and conduct CRCT's business in a proper and efficient manner.

- Preparing annual business plans for review by the board of directors of the CRCT Manager (the "**CRCT Board**"). Such plans typically include forecasts on revenue, net income and capital expenditure, explanations of any major variances to previous years' financial results, written commentaries on key issues and underlying assumptions on rental rates, operating expenses and any other relevant assumptions.

- Ensuring compliance with the relevant laws and regulations, including the Listing Manual of the SGX-ST, the CIS Code, the SFA, written directions, notices, codes and other guidelines that MAS may issue from time to time, and the tax rulings issued by the Inland Revenue Authority of Singapore on the taxation of CRCT and its Unitholders.

- Attending to all regular communications with Unitholders.

- Supervising the CRCT Property Manager, which performs the day-to-day property management functions (including leasing, marketing, promotion, co-ordination and property management) for the Properties pursuant to the relevant Property Management Agreements (as defined herein).

The CRCT Manager appoints experienced and well-qualified personnel to run its day-to-day operations.

CapitaLand Retail China Trust Management Limited was appointed as manager of CRCT in accordance with the terms of the CRCT Trust Deed. The CRCT Trust Deed outlines certain circumstances under which the CRCT Manager can be removed, including by notice in writing given by the CRCT Trustee upon the occurrence of certain events, or by a resolution passed by a simple majority of Unitholders present and voting at a meeting of Unitholders duly convened and held in accordance with the CRCT Trust Deed.

BOARD OF DIRECTORS OF THE CRCT MANAGER

The CRCT Board oversees the affairs of the CRCT Manager in furtherance of the CRCT Manager's primary responsibility to manage the assets and liabilities of CRCT for the benefit of Unitholders. The CRCT Board is supported by board committees which assist it in the discharge of its functions and appropriate delegation of authority and approval sub-limits are also provided at management level to facilitate operational efficiency.

Information on the business and working experience of each of the members on the CRCT Board is set out below:

MR SOH KIM SOON
Chairman and Non-Executive Independent Director

Bachelor of Arts (Honours), University of Singapore
Associate, Chartered Institute of Bankers

Date of first appointment as a director: 20 April 2017
Date of appointment as Chairman: 20 April 2017
Length of service as a director (as at 30 June 2017): 2 months

Board committee served on

- Corporate Disclosure Committee (Chairman)

Present directorship in other listed company

- Frasers Centrepoint Asset Management Ltd. (manager of Frasers Centrepoint Trust)

Present principal commitments (other than directorship in other listed company)

- ORIX Investment and Management Private Limited (Chairman)
- ORIX Leasing Singapore Limited (Chairman)

Past directorship in other listed company held over the preceding three years

- Engro Corporation Limited

Background and working experience

- Senior Managing Director of DBS Bank Ltd. (Was with DBS Bank Ltd. from 1971 to 2000 where he held various senior management positions)

Awards

- Public Service Medal (2007)
- May Day Award (Friend of Labour) (2012)

MR LIM MING YAN
Deputy Chairman and Non-Executive Non-Independent Director

Bachelor of Engineering (Mechanical) and Economics (First Class Honours), University of Birmingham, UK

Date of first appointment as a director: 1 January 2013
Date of appointment as Deputy Chairman: 1 January 2013
Length of service as a director (as at 30 June 2017): 4 years 6 months

Board committees served on

- Corporate Disclosure Committee (Member)
- Executive Committee (Chairman)

Present directorships in other listed companies

- Ascott Residence Trust Management Limited (manager of Ascott Residence Trust) (Deputy Chairman)
- CapitaLand Commercial Trust Management Limited (manager of CapitaLand Commercial Trust) (Deputy Chairman)
- CapitaLand Limited
- CapitaLand Mall Trust Management Limited (manager of CapitaLand Mall Trust) (Deputy Chairman)

Present principal commitments (other than directorships in other listed companies)

- Business China (Director)
- CapitaLand China Holdings Pte Ltd (Chairman)
- CapitaLand Hope Foundation (Director)
- CapitaLand Limited (President & Group Chief Executive Officer)
- CapitaLand Mall Asia Limited (Chairman)
- CapitaLand Regional Investments Limited (Chairman)
- CapitaLand Singapore Limited (Chairman)
- CTM Property Trust, Steering Committee (Chairman)
- Future Economy Council (Member)
- LFIE Holding Limited (Co-Chairman)
- Shanghai YiDian Holding (Group) Company (Director)
- Singapore Tourism Board (Member of the Board)
- The Ascott Limited (Chairman)
- Workforce Singapore Agency (Chairman)

Background and working experience

- Chief Operating Officer of CapitaLand Limited (From May 2011 to December 2012)
- Chief Executive Officer of The Ascott Limited (From July 2009 to February 2012)
- Chief Executive Officer of CapitaLand China Holdings Pte Ltd (From July 2000 to June 2009)

Awards

- Outstanding Chief Executive (Overseas) at the Singapore Business Awards 2006
- Magnolia Award by the Shanghai Municipal Government in 2003 and 2005

MR TAN TZE WOOI
Chief Executive Officer and Executive Non-Independent Director

Bachelor of Accountancy (Honours), Nanyang Technological University of Singapore

Date of first appointment as a director: 1 April 2017
Length of service as a director (as at 30 June 2017): 3 months

Board committee served on

- Executive Committee (Member)

Background and working experience

- Chief Executive Officer (Designate), CapitaLand Retail China Trust Management Limited (March 2017)
- Deputy Chief Executive Officer, CapitaLand Retail China Trust Management Limited (From December 2016 to February 2017)
- Regional General Manager, North China, CapitaMalls Asia Limited (now known as CapitaLand Mall Asia Limited) (From March 2014 to February 2017)
- Regional Deputy General Manager, North China, CapitaMalls Asia Limited (From July 2013 to February 2014)
- General Manager, Investment & Asset Management, North China, CapitaMalls Asia Limited (From September 2011 to July 2013)
- Deputy Head, Investment & Asset Management, CapitaMalls Asia Limited (From April 2010 to September 2011)
- Vice President, Investment & Asset Management, CapitaRetail China Trust Management Limited (From October 2008 to December 2014)
- Senior Manager, CapitaRetail China Trust Management Limited (From January 2007 to September 2008)

MR FONG HENG BOO
Non-Executive Independent Director

Bachelor of Accountancy (Honours), University of Singapore

Date of first appointment as a director: 1 January 2013
Length of service as a director (as at 30 June 2017): 4 years 6 months

Board committee served on

- Audit Committee (Chairman)

Present directorships in other listed companies

- Asian American Medical Group Limited
- Colex Holdings Limited
- Sapphire Corporation Limited

Present principal commitments (other than directorships in other listed companies)

- CapitaLand Township Development Fund Pte. Ltd. (Director)
- CapitaLand Township Development Fund II Pte. Ltd. (Director)
- Certis CISCO Security Pte. Ltd. (Director)
- Eastern Health Alliance Pte. Ltd. (Director)

- Singapore Turf Club (Member, Management Committee)
- Surbana Jurong Private Limited (Director)

Past directorship in other listed company held over the preceding three years
- Pteris Global Limited

Background and working experience
- Director, Special Duties of Singapore Totalisator Board (From July 2004 to December 2014)
- Senior Vice President, Corporate Services of Singapore Turf Club (From May 2000 to June 2004)
- Deputy General Manager, Corporate Services of Singapore Turf Club (From May 1998 to May 2000)
- Chief Financial Officer of Easycall International Pte Ltd/Matrix Telecommunications Ltd (From June 1996 to April 1998)
- General Manager, Corporate Services of Amcol Holdings Limited (From October 1993 to May 1996)
- Assistant Auditor-General of Auditor-General's Office (From February 1987 to September 1993)
- Divisional Director of Auditor-General's Office (From May 1980 to January 1987)
- Auditor of Auditor-General's Office (From November 1975 to April 1979)

Award
- Institute of Certified Public Accountants of Singapore Silver Medal (1999)

MR CHRISTOPHER GEE KOK AUN
Non-Executive Independent Director

Bachelor of Arts in Law (Honours), University of Nottingham, UK
Chartered Financial Analyst® and Member, The Institute of Chartered Financial Analysts

Date of first appointment as a director: 24 January 2014
Length of service as director (as at 30 June 2017): 3 years 5 months

Board committee served on
- Audit Committee (Member)

Present principal commitments
- Institute of Policy Studies, Lee Kuan Yew School of Public Policy, National University of Singapore (Senior Research Fellow)
- Institute of Real Estate Studies, National University of Singapore (Senior Research Fellow)
- Manas Asian Equities Value Fund (Director)

Background and working experience
- Head, Singapore Equities Research of J.P. Morgan Securities Singapore Private Limited (From July 2002 to February 2012)
- Head, Asia Real Estate Equities Research of J.P. Morgan Securities Singapore Private Limited (From September 2006 to February 2012)
- Head, Singapore and Malaysia Equities Research of ING Barings Securities (From June 2000 to June 2002)
- Head, Malaysia Equities Research and Investment Analyst of ING Barings Securities Malaysia Sdn. Bhd. (From June 1994 to June 2000)
- Audit and Corporate Recovery of Price Waterhouse, London (From September 1990 to March 1994)

PROFESSOR TAN KONG YAM
Non-Executive Independent Director

Bachelor in Economics, Princeton University
PhD in Economics, Stanford University

Date of first appointment as a director: 31 October 2014
Length of service as a director (as at 30 June 2017): 2 years 8 months

Board committee served on
- Audit Committee (Member)

Present principal commitments
- APS Asset Management Pte Ltd (Director)
- Ascendas-Singbridge Pte. Ltd. (Director)
- Changi Airport Group (Singapore) Pte. Ltd. (Director)
- EMR Capital Investment (No. 3B) Pte. Ltd. (Director)
- EMR Capital Investment (No. 4B) Pte. Ltd. (Director)
- Nanyang Technological University of Singapore (Professor of Economics)
- Surbana Jurong Private Limited (Director)

Background and working experience
- Senior Economist, Beijing Office of World Bank (From July 2002 to July 2005)
- Member, Expert Group on the 11th Five Year Plan of World Bank (2004)
- Chief Economist of The Ministry of Trade and Industry (From July 1999 to June 2002)
- Head, Department of Business Policy at NUS Business School of National University of Singapore (From 1988 to 1999)

MR NEO POH KIAT
Non-Executive Independent Director

Bachelor of Commerce (Honours), Nanyang University

Date of first appointment as a director: 20 April 2017
Length of service as a director (as at 30 June 2017): 2 months

Present directorship in other listed company
- China Yuchai International Limited (NYSE)

Present principal commitments (other than directorship in other listed company)
- Octagon Advisors Pte. Ltd. (Managing Director, Advisory Services)
- Octagon Advisors (Shanghai) Co., Ltd. (Managing Director)

Background and working experience
- Country Officer (China) and Head, Corporate Banking (Greater China) of United Overseas Bank Ltd (From July 2001 to January 2005)
- Executive Director of DBS Kwong On Bank Ltd (From 1999 to July 2001)
- Managing Director, General Manager (Hong Kong Branch) and Supervising Director, DBS Asia Capital Ltd (From 1997 to July 2001)
- Managing Director of DBS Asia Ltd (From August 1996 to April 1997)
- General Manager (Leasing and Corporate Services) of Sino Land Co Ltd (From January 1994 to August 1996)
- Executive Director of DBS Securities Hong Kong Ltd (From November 1998 to December 1993)
- General Manager of DBS Asia Ltd (From May 1985 to November 1988)
- Assistant Vice President and Deputy General Manager of DBS Bank, Tokyo Branch (From December 1983 to May 1985)
- Treasurer/Assistant Vice President of DBS Bank Ltd., Bills and Remittance Department (From January 1982 to December 1983)
- Officer/Treasurer, DBS Finance Ltd (From January 1976 to December 1981)

MR JASON LEOW JUAN THONG
Non-Executive Non-Independent Director

Executive Master in Business Administration, Fudan University
Chartered Accountant of Singapore and a member of the Institute of Singapore Chartered Accountants
Advanced Management Program, Harvard Business School

Date of first appointment as a director: 20 April 2017
Length of service as a director (as at 30 June 2017): 2 months

Board committee served on
- Executive Committee (Member)

Present directorships in other listed companies
- CapitaLand Malaysia Mall REIT Management Sdn. Bhd. (manager of CapitaLand Malaysia Mall Trust)
- CapitaLand Mall Trust Management Limited (manager of CapitaLand Mall Trust)

Present principal commitment (other than directorships in other listed companies)
- CapitaLand Mall Asia Limited (Chief Executive Officer)

Past directorship in other listed company held over the preceding three years
- Central China Real Estate Limited

Background and working experience
- Chief Executive Officer of CapitaLand China Holdings Pte. Ltd. (From July 2009 to September 2014)
- Deputy Chief Executive Officer of CapitaLand China Holdings Pte. Ltd. (From July 2005 to June 2009)
- General Manager, Business Development of CapitaLand Residential Limited (From July 2002 to June 2005)

MR NG KOK SIONG
Non-Executive Non-Independent Director

Bachelor of Accountancy (Honours), Nanyang Technological University of Singapore

Date of first appointment as a director: 21 July 2009
Length of service as a director (as at 30 June 2017): 7 years 11 months

Board committees served on
- Audit Committee (Member)
- Corporate Disclosure Committee (Member)
- Executive Committee (Member)

Present directorship in other listed company
- CapitaLand Malaysia Mall REIT Management Sdn. Bhd. (manager of CapitaLand Malaysia Mall Trust)

Present principal commitment (other than directorship in other listed company)
- CapitaLand Limited (Chief Corporate Development Officer)

Background and working experience

- Chief Financial Officer of CapitaLand Mall Asia Limited (From November 2009 to August 2014)
- Senior Vice President, Strategic Finance of CapitaLand Limited (From October 2008 to September 2009)
- Senior Vice President, CapitaLand Eurasia of CapitaLand Limited (From January 2007 to October 2008)
- Vice President, Office of the President of CapitaLand Limited (From September 2005 to January 2007)
- Strategy and Portfolio Manager of Shell Oil Products East (From August 2003 to September 2005)
- Planning and Appraisal Advisor of Shell Oil Products East (From July 2001 to August 2003)
- Regional Advisor of Exxon Mobil Asia Pacific Pte Ltd (From May 2000 to July 2001)
- Global Analyst of Esso Coordination Centre N.V. (From January 1999 to May 2000)
- Senior Planning Analyst of Esso Singapore Private Limited (From July 1998 to January 1999)

THE CRCT PROPERTY MANAGER

In relation to each Property, the CRCT Property Manager has entered into property management agreements (each, a "**Property Management Agreement**") with the relevant Project Company. Each Project Company is a special purpose project company established either as a wholly foreign-owned enterprise in China or an equity joint venture whose primary purpose is to hold or own a retail property located in China. Each Project Company also holds the relevant Property under which the CRCT Property Manager will provide, among other things:

- property management services for that Property, subject to the overall management of the Project Company's property management services, including (i) establishing operating budgets and annual plans for the operation, management, marketing and maintenance of that Property, (ii) operating and maintaining that Property in accordance with such operating budgets and annual plans (and revisions thereof) and (iii) co-ordinating, reviewing and maintaining at all times certain insurance coverage with the assistance of insurance advisers; and

- lease management services, including (i) recommending leasing strategy and negotiating leases, licences and concessions, (ii) supervising and controlling all collections and receipts, payments and expenditure relating to that Property, and (iii) lease administration.

Additionally, the CRCT Property Manager will have dedicated personnel for each Property under management and also a centralised team of personnel that provides expertise on leasing, technical services, tenancy co-ordination, marketing and communications to the Properties. This is to provide strategic support to the Properties, for example, in establishing strategic relationships with key tenants and tenancy co-ordination work.

3. COMPETITIVE STRENGTHS

(a) **The Properties enjoy a number of competitive strengths**

- *Quality shopping malls in strategic locations with large and growing population catchments*

  The current portfolio consists of quality shopping malls strategically located in large, well-established and growing population catchment areas with access to public transportation facilities such as metro lines, additional train stations and bus stations for both local and inter-provincial transport routes.

  Each of the Properties offer a one-stop shopping mall experience encompassing a wide array of goods and services including family-oriented shopping, dining and entertainment options.

- *Geographical diversification*

  The Properties are located in various cities of China, providing exposure to the rapidly expanding retail markets of Beijing, Chengdu, Shanghai, Zhengzhou, Hohhot, Wuhan and Wuhu. The geographical diversification of the Properties reduces CRCT's dependence on any single regional market and, accordingly, enhances the stability of future earnings.

- *Stable and quality tenant base*

  The Properties benefit from the well-established brand names of their anchor tenants and their market leadership in their respective trade sectors. A significant portion of the Properties' tenancies consists of major international and domestic retailers such as Beijing Hualian Group, Carrefour and Wal-Mart under master leases or long-term leases.

  The Properties have a large combined tenant base with the tenants mentioned above and other tenants in the Properties include brands such as BreadTalk, innisfree, KFC, Nanjing Impressions, Nike, Sephora, Starbucks, UNIQLO, Watsons and ZARA. These tenants represent a wide variety of consumer trade sectors and provide trade and product diversification for the Properties.

- *Favourable lease structure with upside potential*

  One of the Properties, CapitaMall Erqi, and the majority of the GRA of a second Property, CapitaMall Shuangjing, are let out under master leases. The master leases are on a typical tenure of 20 years which helps to ensure stable cash flows. The long-term master lease over CapitaMall Erqi also contains provisions for upside in rental revenues through step-ups in the base rent, with the master lease over CapitaMall Erqi providing for an additional potential upside through a percentage of tenants' gross sales turnover if the turnover exceeds an agreed threshold.

  For the remaining Properties which are not under master leases, the typical lease term is 15 to 20 years for anchor tenants, five to seven years for mini-anchor tenants and up to three years for specialty tenants. Most of the leases have an annual step-up in the base rent. In addition, most of the leases also contain provisions for rent to be payable at the-then applicable base rent or at a percentage of gross sales turnover, whichever is higher. These lease structures help to provide stability and potential upside in rental revenues for CRCT.

  In order to ensure timeliness, accuracy and accountability in the calculation of turnover rent of the Properties, there is in place a point-of-sale system at CapitaMall Xizhimen, CapitaMall Wangjing and CapitaMall Grand Canyon which automatically records the amount of sales achieved by the tenants.

- *Potential for asset enhancement in the future*

  The CRCT Manager may identify potential asset enhancement opportunities for the master-leased malls to enhance and improve their operating returns, subject to it obtaining the requisite approvals from the relevant authorities.

(b) **Experienced professional management**

CRCT benefits from a management team with executive officers who have long and proven track records in managing, investing in, developing and enhancing shopping malls, as well as in-depth understanding of and experience in running a public company.

CRCT's management team consists of highly experienced multi-disciplinary professionals who are able to deliver a steady cashflow and maximise property returns to investors. The CRCT Manager has a strong track record in delivering stable distributions and sustainable total returns to the investors. Since its listing in December 2006, CRCT's distribution per Unit has grown from 6.72 cents in FY 2007 to 10.05 cents in FY 2016.

(c) **Efficient capital management**

CRCT's optimal capital management strategy and relatively conservative debt structure are in line with its long-term REIT investors' preferences and provide earnings stability in a rising interest rate environment. As at 31 December 2016, CRCT's total borrowing was approximately S$979.2 million, with gearing at a low 35.3% and a healthy interest cover of 6.0 times. The average cost of debt was 2.81%.

(d) **Strong and committed sponsor**

CapitaLand Limited is one of Asia's largest real estate companies. Headquartered and listed in Singapore, it is an owner and manager of a global portfolio worth more than S$78.0 billion as at 31 December 2016, comprising integrated developments, shopping malls, serviced residences, offices, homes, REITS and funds.

As at 31 December 2016, CapitaLand Limited owns and manages 104 shopping malls across 52 cities in Singapore, China, Malaysia, Japan and India, with a total property value of approximately S$42.3 billion and a total GFA of about 99.4 million square feet.

As at 31 December 2016, CapitaLand Limited has a net asset value of approximately S$24.3 billion and market capitalisation of approximately S$12.8 billion.

4. STRATEGY

The CRCT Manager implements the principal investment strategy in accordance with the Property Funds Appendix. Investments are generally made pursuant to a long-term investment horizon and the investment portfolio of CRCT comprises primarily income-producing real estate and real estate related assets. The Properties within CRCT's portfolio are used for retail purposes and investments are made depending on investment opportunities in China, Hong Kong and Macau.

CRCT's strategy comprises the following:

(a) *Enhancing organic growth through proactive asset management*

Most of CRCT's leases provide for an annual step-up in the base rent and for rent to be payable on the basis of the higher of either base rent or a percentage of tenants' gross sales turnover, thereby providing stability and potential upside in rental income. Apart from organic growth through rental receipts, the CRCT Manager works closely with the mall managers to identify improvements to the malls' retail offerings and tenant mix, and carry out marketing and promotional initiatives to drive up shopper traffic and non-rental income.

(b) *Creating new value through innovative asset enhancement strategies*

The CRCT Manager actively explores innovative asset enhancement initiatives to improve the returns of CRCT's malls. These include the reconfiguration of the retail units or floor plates to achieve better efficiency and higher rental potential, retro-fitting and refurbishing the malls to maintain their appeal to tenants and shoppers.

(c) *Capitalising on yield-accretive acquisitions growth model*

The CRCT Manager regularly identifies and evaluates yield-accretive acquisition opportunities from its secured and proprietary pipeline and other third-party vendors.

CRCT derives long-term growth potential from its rights of first refusal to purchase assets held by CapitaLand Mall China Income Fund I, CapitaLand Mall China Income Fund II, CapitaLand Mall China Income Fund III, CapitaLand Mall Development Fund III, as well as CMA, which is the wholly-owned shopping mall business unit of CapitaLand Limited, one of Asia's largest listed real estate companies.

In evaluating acquisition opportunities, the CRCT Manager focuses on factors such as whether the properties in question can maintain or enhance CRCT's distribution yield, have potential asset enhancement opportunities and have the potential to demonstrate strong growth in occupancy rates, sustainable rental yields, quality tenant and lease profile.

(d) *Capitalising on an integrated retail real estate platform*

CRCT enjoys access to CapitaLand Limited's integrated shopping mall business model, with in-house capabilities in retail real estate investment, development, mall operations, asset management and fund management. The CRCT Manager takes a holistic approach to the management of CRCT, and strives to not only manage the Properties well through specialised divisions handling property management, retail management and operational leasing, strategic marketing and design and development management but also to be in a good position to manage the funds raised by CRCT through its divisions handling asset management, strategic planning, investment and fund structuring and management as depicted diagrammatically in the integrated shopping mall business model below:

In addition, the CRCT Manager has a professional and experienced team of fund and asset managers who work closely with each other to:

- formulate medium and long-term strategies and initiatives to deliver higher sustainable returns;
- enhance the shopping experience to attract and increase shopper traffic;
- review space usage to optimise income;
- manage and monitor rental arrears to minimise bad debts;
- manage projects to ensure timely completion within budgets;
- manage and monitor property expenses to maximise net property income;
- address all key operational issues to ensure alignment with the CRCT Manager's strategies; and
- manage lease renewals and new leases diligently to minimise rental voids.

(e) *Capital and risk management*

The CRCT Manager reviews its debt and capital management and financing policies regularly so as to optimise CRCT's funding structure and strategy. The CRCT Manager also monitors its exposure to various risk elements by closely adhering to clearly established management policies and procedures.

5. PROPERTIES

(A) Summary of selected information on the Properties[1]

Name	Address	GFA (as at 31 December 2016) (sq m)	GRA (as at 31 December 2016) (sq m)	NLA (as at 31 December 2016) (sq m)	Number of Leases (as at 31 December 2016	Land Use Right Expiry	Market Valuation[2] (as at 31 December 2016) (RMB Million)	Property Purchase Price (RMB Million)	Acquisition Date[3]	Committed Occupancy Rate (as at 31 December 2016) (%)	Shopper Traffic for 2016[4] (Million)	Major Tenants	Gross Revenue for 2016 (RMB Million)	NPI for 2016 (RMB Million)
CapitaMall Xizhimen 凯德MALL●西直门	No. 1, Xizhimenwai Road, Xicheng District, Beijing	83,075	83,075	50,278	256	23 August 2044 23 August 2054	2,951.0	1,851.4	Phase 1: 5 February 2008 Phase 2: 29 September 2008	97.8	38.5	Beijing Hualian Supermarket / Costa Coffee / Vero Moda / Only / Selected / Jack & Jones / UNIQLO / 为之味（夹拣成厨麻辣烫/金汤玉线/川成元麻辣香锅/姑姑宴）/ KFC / GAP / Nanjing Impressions / 绿茶	279.6	195.8
CapitaMall Wangjing 凯德MALL●望京	No. 33, Guangshun North Road, Chaoyang District, Beijing	83,768	68,010	53,959	223	15 May 2043 15 May 2053	2,285.0	1,102.0	1 December 2006	99.6	11.1	Beijing Hualian Group (Department Store & Supermarket) / UNIQLO Vero Moda / Only / Selected / Jack & Jones / 为之味（夹拣成厨麻辣烫/金汤玉线/川成元麻辣香锅/姑姑宴）/ ZARA / Nanjing Impressions	214.0	153.3
CapitaMall Grand Canyon 凯德MALL●大峡谷	No. 16, South Third Ring West Road, Fengtai District, Beijing	92,918	69,967	45,348	165	29 August 2044 29 August 2054	2,068.0	1,740.0	30 December 2013	96.6	10.5	Carrefour / Poly Cinema / H&M / GAP / Vero Moda / Only / Selected / Jack & Jones / Nanjing Impressions	139.8	89.4
CapitaMall Xinnan 凯德广场●新南	No. 99, Shenghe Yi Road, Gaoxin District, Chengdu, Sichuan Province	91,816	53,619	36,190	229	17 October 2047	1,527.0	1,500.0	30 September 2016	98.2	2.1[5]	Golden Harvest Cinema / UNIQLO / H&M / ZARA / Selected / Jack & Jones / J.Lindeberg / Swarovski / Sephora	27.5[6]	15.2[6]

Name	Address	GFA (as at 31 December 2016) (sq m)	GRA (as at 31 December 2016) (sq m)	NLA (as at 31 December 2016) (sq m)	Number of Leases (as at 31 December 2016	Land Use Right Expiry	Market Valuation[2] (as at 31 December 2016) (RMB Million)	Property Purchase Price (RMB Million)	Acquisition Date[3]	Committed Occupancy Rate (as at 31 December 2016) (%)	Shopper Traffic for 2016[4] (Million)	Major Tenants	Gross Revenue for 2016 (RMB Million)	NPI for 2016 (RMB Million)
CapitaMall Qibao 凯德七宝购物广场	No. 3655, Qixin Road, Minhang District, Shanghai	83,986	72,729	51,176	169	10 March 2043[7]	495.0	264.0	8 November 2006	94.1	15.1	七宝大光明影城 (Cinema) / Carrefour / UNIQLO / 宝大祥 (Kids) / Haoledi (KTV)	105.4	50.7
CapitaMall Saihan 凯德MALL●赛罕	No. 26, Ordos Road, Saihan District, Hohhot, Inner Mongolia Autonomous Region	41,938	41,938	30,984	185	11 March 2041 20 March 2041	445.0	315.0	1 December 2006	100.0	9.3	Beijing Hualian Supermarket / Jinyi Cinema / Nike / UNIQLO Vero Moda / Only / Jack & Jones / KFC / Pizza Hut / Starbucks	62.7	35.8
CapitaMall Minzhongleyuan 凯德新民众乐园	No. 704, Zhongshan Avenue, Jianghan District, Wuhan, Hubei Province	41,717	37,472	22,731	219	30 June 2044[8] 15 September 2045	525.0	395.0	30 June 2011	93.6	2.6[9]	UA Cinemas / UrWork / Skechers / Starbucks / adidas Originals	12.3	(9.0)[9]
CapitaMall Wuhu 凯德广场●芜湖	No. 37, Zhongshan North Road, Jinghu District, Wuhu, Anhui Province	59,624	45,634	36,550	25	29 May 2044	207.0	130.0	8 November 2006	64.4[10]	2.9[10]	Wal-Mart / KFC	9.4	(6.5)[10]
CapitaMall Erqi 凯德广场●二七	No. 3, Minzhu Road, Erqi District, Zhengzhou, Henan Province	92,356	92,356	92,356	2	31 May 2042	631.0	454.0	1 December 2006	100.0	–	Beijing Hualian Department Store / Beijing Hualian Supermarket	50.0	41.5
CapitaMall Shuangjing 凯德MALL●双井	No. 31, Guangqu Road, Chaoyang District, Beijing	49,463	49,463	51,227[11]	9	10 July 2042	573.0	414.0	1 December 2006	100.0	–	Carrefour / B&Q	45.6	36.7

Notes:

1 This table, and all other information on the Properties, excludes CapitaMall Anzhen which has been divested as of 14 September 2017.

2 Independent valuations of CapitaMall Xizhimen, CapitaMall Wangjing and CapitaMall Erqi were conducted by DTZ Debenham Tie Leung International Property Advisers (Shanghai) CO., Ltd.
Independent valuations of CapitaMall Grand Canyon, CapitaMall Xinnan, CapitaMall Qibao, CapitaMall Minzhongleyuan and CapitaMall Wuhu were conducted by Savills Valuation & Professional Services (S) Pte Ltd.
Independent valuation of CapitaMall Saihan was conducted by CBRE Limited.
Independent valuation of CapitaMall Shuangjing was conducted by Knight Frank Petty Limited.

3 Refers to the completion of the acquisition of the special purpose vehicles which own the properties.

4 CapitaMall Erqi and CapitaMall Shuangjing do not have traffic counters.

5 CapitaMall Xinnan's shopper traffic for October 2016 and November 2016 was based on previous owner's traffic counter system. Shopper traffic for December 2016 was based on CRCT's traffic counter system.

6 CapitaMall Xinnan was acquired on 30 September 2016, hence gross revenue and NPI figures are for the period 1 October 2016 to 31 December 2016.

7 CapitaMall Qibao is indirectly held by CRCT under a master lease with Shanghai Jin Qiu (Group) Co., Ltd, the legal owner of Qibao Mall. The master lease expires in January 2024, with the right to renew for a further term of 19 years and two months. Accordingly, the land use right is owned by the legal owner.

8 The conserved building is under a lease from the Wuhan Cultural Bureau.

9 CapitaMall Minzhongleyuan was affected by road closure to facilitate the construction of metro Line 6. On 28 December 2016, the road and the new metro Line 6 have reopened and commenced operations respectively.

10 CapitaMall Wuhu is affected by the ongoing tenancy adjustments.

11 Including the area zoned for civil defense but certified for commercial use.

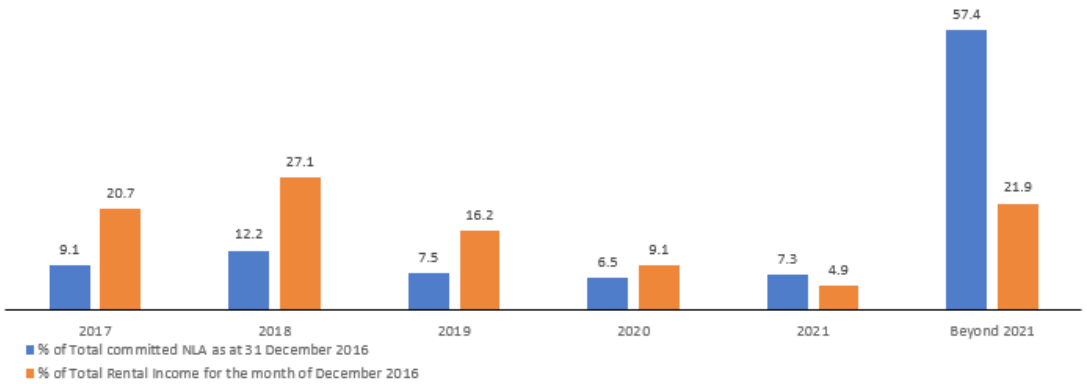
Lease expiry profile of the Properties

CapitaMall Erqi and the majority of the GRA of CapitaMall Shuangjing are let out under master leases. The master leases are on a typical tenure of 20 years which helps to ensure stable cash flows. For tenants which are not under master leases, the typical lease term is 15 to 20 years for anchor tenants, five to seven years for mini-anchor tenants and up to three years for specialty tenants. Most of the leases for the anchor tenants, mini-anchors and specialty tenants have an annual step-up in the base rent. In addition, most of the leases also contain provisions for rent to be payable at the-then applicable base rent or at a percentage of sales turnover, whichever is higher.

As at 31 December 2016, the Properties have 708[2] committed leases.

The graph below illustrates the committed lease expiry profile of the Properties by monthly total rental income as at 31 December 2016:

Portfolio Lease Expiry Profile (%)
As at 31 December 2016



[2] This figure excludes the master leases over CapitaMall Erqi and CapitaMall Shuangjing.

Top 10 retail tenants and trade sector analysis of the Properties

The table below provides a breakdown of the top ten retail tenants of the Properties as at 31 December 2016:

TOP 10 TENANTS
(Based on percentage of Total Rental Income in the month of December 2016)

Tenant [1]	Brand Name	Trade Sector	Lease Expiry [2]	NLA sq m	Committed NLA	Total Rental Income
BHG(北京)百货有限公司	Beijing Hualian Department Store	Department Store	Feb/2017	141,937	31.6%	9.1%
华联咖世家(北京)餐饮管理有限公司	Beijing Hualian Supermarket	Supermarket	Dec/2018			
北京华联综合超市股份有限公司	Costa Coffee	Food & Beverages	Oct/2019			
北京华联呼和浩特金宇综合超市有限公司			Sep/2020 Nov/2026 Sep/2028 Jun/2029			
北京家乐福商业有限公司 上海联家超市有限公司	Carrefour	Supermarket	Jan/2024 Mar/2024 Dec/2030	60,077	13.4%	4.0%
绫致时装（天津）有限公司	Only	Fashion & Accessories	Feb/2017	5,764	1.3%	3.2%
金林德伯格（天津）有限公司	Jack & Jones Vero Moda Selected J.Lindeberg		Mar/2017 Apr/2017 Aug/2017 Nov/2017 Mar/2018 Apr/2018 Oct/2018 Nov/2018 Dec/2018 Jan/2019 Apr/2019 Aug/2019 Jan/2020			
优衣库商贸有限公司	UNIQLO	Fashion & Accessories	May/2017	7,722	1.7%	1.8%
迅销（中国）商贸有限公司			Nov/2018 Mar/2019 Aug/2020 Apr/2021 Aug/2023 May/2024			
北京百安居装饰建材有限公司	B&Q	Houseware & Furnishings	Apr/2024	17,429	3.9%	1.3%

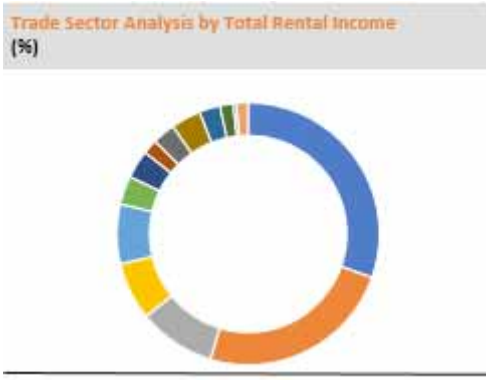
Tenant [1]	Brand Name	Trade Sector	Lease Expiry[2]	NLA sq m	Committed NLA	Total Rental Income
北京为之味餐饮有限公司	夹拣成厨麻辣烫	Food & Beverages	Apr/2017	1,597	0.4%	1.0%
北京为之味餐饮有限公司第三分公司 富迪康(北京)餐饮管理有限公司	姑姑宴 川成元麻辣香锅 金汤玉线 港仔驿栈		Mar/2018 Sep/2018 Oct/2018 Aug/2019 Oct/2019 May/2020 Nov/2021			
北京必胜客比萨饼有限公司	KFC	Food & Beverages	Apr/2017	2,737	0.6%	1.0%
北京肯德基有限公司 天津肯德基有限公司内蒙古分公司 北京必胜客比萨饼有限公司内蒙古分公司 上海肯德基有限公司 铜陵金坛餐饮有限公司芜湖分公司	Pizza Hut		May/2017 Jul/2017 Sep/2017 Dec/2021 Apr/2022 Apr/2026			
上海拉夏贝尔休闲服饰有限公司	La Chapelle (拉夏贝尔)	Fashion & Accessories	Oct/2017	1,929	0.4%	0.8%
拉夏贝尔服饰（太仓）有限公司	LA Chapelle kids		Dec/2017 Feb/2018 Mar/2018 Nov/2018			
北京联郡餐饮管理有限公司	南京大牌档	Food & Beverages	Feb/2023 Jun/2024 Oct/2024	3,043	0.7%	0.7%
盖璞（北京）商业有限公司	GAP	Fashion & Accessories	Sep/2018 Apr/2021	2153	0.5%	0.6%

Notes:

1 Tenants that are under the same group of companies are listed together.

2 Some of the tenants have signed more than one tenancy agreement, hence the different lease expiry dates.

The chart below provides a breakdown by monthly total rental income of the different trade sectors represented in the Properties as at 31 December 2016:



	%
Fashion & Accessories	30.4
Food & Beverages	24.3
Department Store	9.5
Supermarket	7.1
Beauty & Healthcare	7.3
Shoes & Bags	3.6
Education	3.4
Houseware & furnishings	1.8
Leisure & Entertainment	2.8
Sundry & Services	3.7
Sporting Goods & Apparel	2.6
Jewellery / Watches /Pens	1.6
Information & Technology	0.4
Others	1.4

(B) Summary of selected information on individual Properties

(I) CapitaMall Xizhimen

CapitaMall Xizhimen is strategically located at Xizhimen transportation hub and it is well-served by Beijing's metro Line 2, Line 4 and Line 13, as well as the national rail and bus interchange. The mall is at the retail podium of an integrated development, which is well-supported by a large shopper catchment from commuters passing through the busy Xizhimen transportation hub and middle-class residents from the vicinity of the mall. The basement of CapitaMall Xizhimen is connected to three Beijing metro lines and North railway stations, allowing commuters and shoppers to enjoy direct access to the mall from the metro and train stations. The mall attracts working professionals and students from the nearby Beijing Finance Street, Beijing's financial district and the universities and technological zones of Zhongguancun district.

The following is a summary of the key property information on CapitaMall Xizhimen:

Property Information

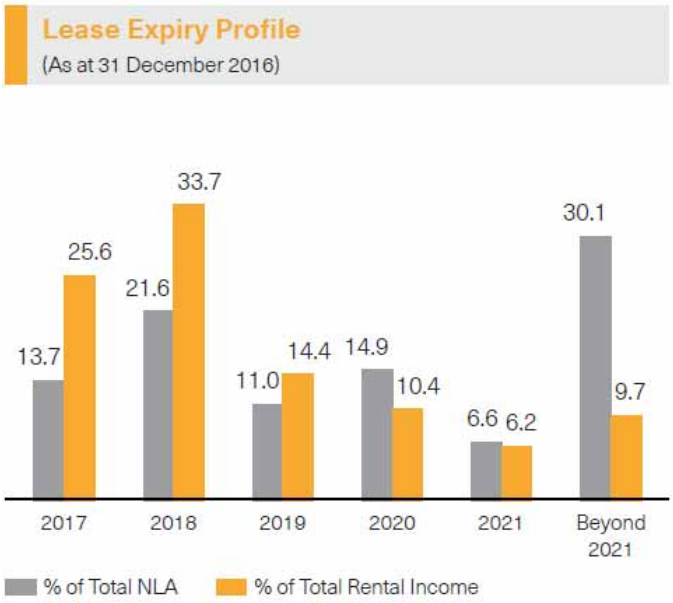
Description	Six-storey retail mall with two-storey basement.
GRA	83,075 sq m
Number of Leases	256
Land Use Right Expiry	23 August 2044 23 August 2054
Market Valuation	RMB2,951.0 million[1]
Gross Revenue	RMB279.6 million
Net Property Income	RMB195.8 million
Committed Occupancy	97.8%
Shopper Traffic	38.5
Key Tenants	Beijing Hualian Supermarket / Costa Coffee / Vero Moda / Only / Selected / Jack & Jones / UNIQLO / 为之味 (夹拣成厨麻辣烫/金汤玉线/川成元麻辣香锅/姑姑宴) / KFC / GAP / Nanjing Impressions /绿茶

Data as at 31 December 2016. Gross revenue, net property income and shopper traffic are for the year ended 31 December 2016.

[1] Independent valuation of CapitaMall Xizhimen was conducted by DTZ Debenham Tie Leung International Property Advisers (Shanghai) CO., Ltd.

Lease expiry profile of CapitaMall Xizhimen

The following chart sets out the annual lease expiry profile of CapitaMall Xizhimen for the period 2017 to 2021 and beyond, expressed as a percentage of the total NLA and total rental income as at 31 December 2016:



Trade sector analysis of CapitaMall Xizhimen

The tenant profile of CapitaMall Xizhimen comprises a diverse set of tenants from a wide variety of trade sectors. The mall is anchored by Beijing Hualian Supermarket with prominent tenants including GAP, L'Occitane, Pandora, Sephora and UNIQLO.

The following table sets out the breakdown of both the committed NLA and the total rental income by sector at the Property as at 31 December 2016:

Trade Sector Analysis
(As at 31 December 2016)

Trade Sector	By Committed NLA (%)	By Total Rental Income (%)
Fashion & Accessories	24.9	36.2
Food & Beverage	30.7	30.3
Beauty & Healthcare	7.1	10.8
Education	7.0	4.9
Shoes & Bags	1.6	3.6
Supermarket	20.8	3.5
Sundry & Services	1.7	3.3
Houseware & Furnishings	1.3	2.1
Jewellery / Watches / Pens	0.6	1.9
Sporting Goods & Apparel	0.9	1.4
Gifts & Souvenirs	0.3	0.6
Information Technology	0.3	0.6
Toys & Hobbies	0.2	0.3
Leisure & Entertainment	0.8	0.2
Books & Stationery	1.3	0.2
Warehouse	0.2	0.1
Office	0.3	0.0

(II) CapitaMall Wangjing

CapitaMall Wangjing is a five-level retail podium with a seven-level tower above. It is a comprehensive shopping mall located in the densely populated residential suburb of Wangjing, which is approximately 13 km north-east of the Beijing central business district.

The mall is accessible by key highways such as the airport expressway, Jingcheng Expressway and the major 4th and 5th Ring Roads. It is well-served by numerous bus routes and is in close proximity to the Futong and Wangjingxi train stations, which provide access to metro Line 14 and Line 15 respectively.

CapitaMall Wangjing is amongst the first comprehensive multi-tenanted one-stop shopping, dining and entertainment destinations in the locality attracting shoppers from all age groups and income levels, as well as the large expatriate population in the Wangjing locality.

CRCT will recover approximately 4,700 sq m of space on level four of CapitaMall Wangjing from the mall's anchor tenant Beijing Hualian Group. CRCT plans to convert the recovered space to house higher-yielding specialty stores and introduce more experiential retail offerings that will inject greater vibrancy to the mall. The recovered space will undergo

reconfiguration works in the fourth quarter of 2017, and is expected to progressively contribute income from the second quarter of 2018. Beijing Hualian Group has also committed to refresh the existing department store, which occupies parts of levels one to three, to a higher-end format that will better appeal to the mall's target demographics of middle- to high-income families.

The following is a summary of the key property information on CapitaMall Wangjing:

Property Information

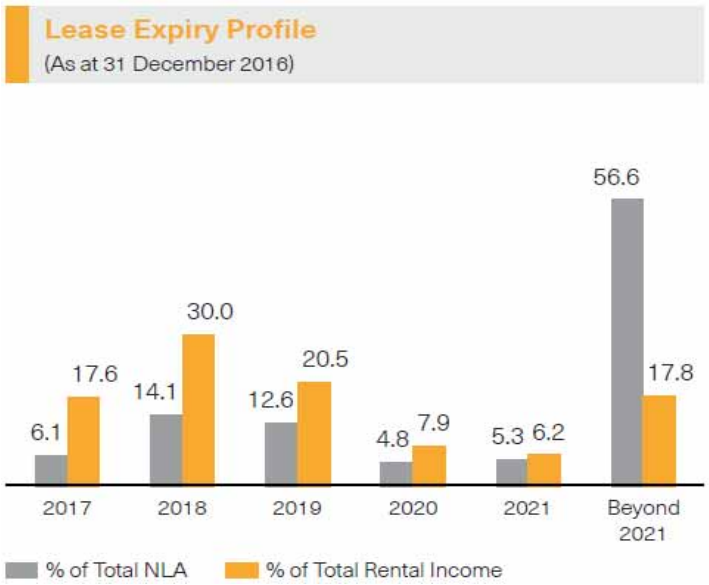
Description	Five-level retail podium with a seven-level tower above the podium.
GRA	68,010 sq m
Number of Leases	223
Car Park Lots	400
Land Use Right Expiry	15 May 2043 15 May 2053
Market Valuation	RMB2,285.0 million[1]
Gross Revenue	RMB214.0 million
Net Property Income	RMB153.3 million
Committed Occupancy	99.6%
Shopper Traffic	11.1 million
Key Tenants	Beijing Hualian Group (Department Store & Supermarket) / UNIQLO / Vero Moda / Only / Selected / Jack & Jones / 为之味 (夹拣成厨麻辣烫/金汤玉线/川成元麻辣香锅/姑 姑宴) / ZARA / Nanjing Impressions

Data as at 31 December 2016. Gross revenue, net property income and shopper traffic are for the year ended 31 December 2016.

1 Independent valuation of CapitaMall Wangjing was conducted by DTZ Debenham Tie Leung International Property Advisers (Shanghai) CO., Ltd.

Lease expiry profile of CapitaMall Wangjing

The following chart sets out the annual lease expiry profile of CapitaMall Wangjing for the period 2017 to 2021 and beyond, expressed as a percentage of the total NLA and total rental income as at 31 December 2016:



Trade sector analysis of CapitaMall Wangjing

The tenant profile of CapitaMall Wangjing comprises a diverse set of tenants from a wide variety of trade sectors. The mall is anchored by the Beijing Hualian Group, which is one of the largest retailers in China, and includes several internationally renowned brand names such as Calvin Klein, Pandora, Tommy Hilfiger and ZARA.

The following table sets out the breakdown of both the committed NLA and the total rental income by sector at the Property as at 31 December 2016:

Trade Sector Analysis
(As at 31 December 2016)

Trade Sector	By Committed NLA (%)	By Total Rental Income (%)
Fashion & Accessories	14.7	33.4
Food & Beverage	15.8	24.2
Department Store	35.2	11.0
Beauty & Healthcare	6.3	9.3
Sundry & Services	4.3	6.8
Education	2.2	3.4
Supermarket	16.4	2.9
Jewellery / Watches / Pens	0.5	2.2
Houseware & Furnishings	1.0	1.7
Shoes & Bags	0.5	1.2
Sporting Goods & Apparel	0.4	1.0
Toys & Hobbies	0.5	0.8
Leisure & Entertainment	0.8	0.7
Information Technology	0.3	0.6
Warehouse	0.9	0.3
Gifts & Souvenirs	0.1	0.2
Books & Stationery	0.0	0.2
Electronics	0.1	0.1

(III) CapitaMall Grand Canyon

CapitaMall Grand Canyon is a five-level retail mall with four basement levels strategically located in South Beijing, Fengtai District, one of six core districts in Beijing. Facing the busy South Third Ring West road, the shopping mall is easily accessible from the Majiapu metro station and Beijing South Railway station.

CapitaMall Grand Canyon is one of the pioneer shopping malls in South Beijing and is well-established among the local community with its comprehensive offerings.

The following is a summary of the key property information on CapitaMall Grand Canyon:

Property Information

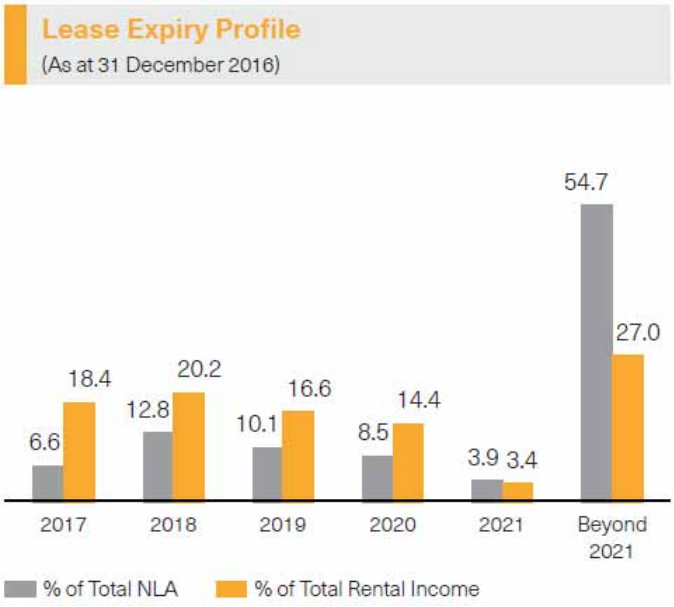
Description	Five-level retail mall with four basement levels.
GRA	69,967 sq m
Number of Leases	165
Car Park Lots	394
Land Use Right Expiry	29 August 2044 29 August 2054
Market Valuation	RMB2,068.0 million[1]
Gross Revenue	RMB139.8 million
Net Property Income	RMB89.4 million
Committed Occupancy	96.6%
Shopper Traffic	10.5 million
Key Tenants	Carrefour / Poly Cinema / H&M / GAP / Vero Moda / Only / Selected / Jack & Jones / Nanjing Impressions

Data as at 31 December 2016. Gross revenue, net property income and shopper traffic are for the year ended 31 December 2016.

1 Independent valuation of CapitaMall Grand Canyon was conducted by Savills Valuation & Professional Services (S) Pte Ltd.

Lease expiry profile of CapitaMall Grand Canyon

The following chart sets out the annual lease expiry profile of CapitaMall Grand Canyon for the period 2017 to 2021 and beyond, expressed as a percentage of the total NLA and total rental income as at 31 December 2016:



Trade sector analysis of CapitaMall Grand Canyon

Positioned as a one-stop shopping mall, CapitaMall Grand Canyon is a multi-tenanted mall with a tenant profile consisting of international and local brands. Established tenants include Carrefour, GAP, H&M, Nanjing Impressions and Poly Cinema.

The following table sets out the breakdown of both the committed NLA and the total rental income by sector at the Property as at 31 December 2016:

Trade Sector Analysis
(As at 31 December 2016)

Trade Sector	By Committed NLA (%)	By Total Rental Income (%)
Fashion & Accessories	20.4	30.0
Food & Beverage	18.9	25.8
Supermarket	31.6	9.1
Leisure & Entertainment	13.3	7.5
Beauty & Healthcare	3.6	7.2
Education	5.3	5.4
Sporting Goods & Apparel	2.6	4.5
Shoes & Bags	1.4	3.8
Sundry & Services	0.6	2.3
Houseware & Furnishings	0.7	1.6
Jewellery / Watches / Pens	0.4	1.0
Toys & Hobbies	0.3	0.7
Music & Videos	0.4	0.5
Information Technology	0.0	0.2
Gifts & Souvenirs	0.1	0.2
Warehouse	0.4	0.2

(IV) CapitaMall Xinnan

CapitaMall Xinnan is a six-storey shopping mall with four levels above ground and two basement levels. It is strategically located in the centre of Xinnan Tiandi retail precinct, one of the most established shopping belts in Chengdu that comprises a complementary mix of big box retailers and shopping malls which collectively draws shoppers from the immediate vicinity and across Chengdu.

The mall is surrounded by densely-populated residential developments and office buildings and is accessible via public transport networks, key highways and metro lines. Located within the precinct is the Chengdu South Railway Metro Interchange, which is currently served by Line 1 – the main metro line linking the city's northern and southern areas. Line 7, an inner city line, and Line 18, which connects to the future Tianfu International Airport, will also serve Chengdu South Railway Metro Interchange when they become operational at the end of 2017 and in early 2020 respectively. Chengdu South Railway station, a major railway station which connects Chengdu to nearby cities, is also located in the area.

CapitaMall Xinnan is a popular one-stop shopping, dining and entertainment destination that enjoys strong synergy with neighbouring retail options.

The following is a summary of the key property information on CapitaMall Xinnan:

Property Information

Description	Four-storey shopping mall with two-storey basement.
GRA	53,619 sq m
Number of Leases	229
Car Park Lots	900
Land Use Right Expiry	17 October 2047
Market Valuation	RMB1,527.0 million[1]
Gross Revenue	RMB27.5 million[2]
Net Property Income	RMB15.2 million[2]
Committed Occupancy	98.2%
Shopper Traffic	2.1 million[3]
Key Tenants	Golden Harvest Cinema / UNIQLO / H&M / ZARA / Selected / Jack & Jones / Swarovski / Sephora

Data as at 31 December 2016. Gross revenue, net property income and shopper traffic are for the year ended 31 December 2016.

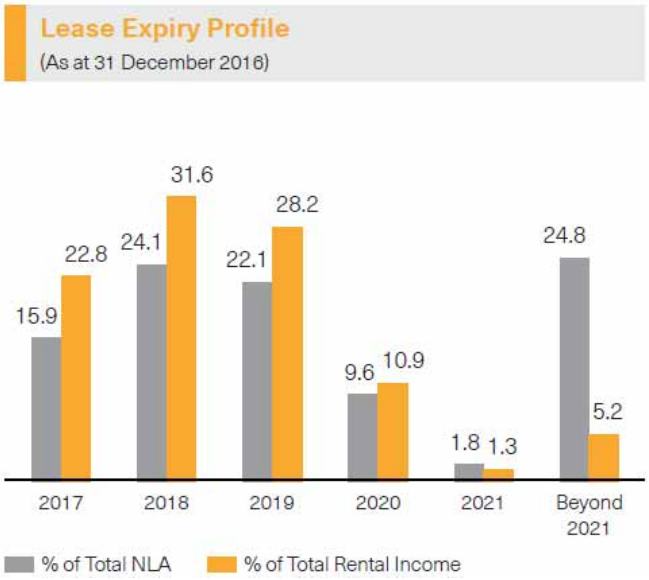
1 Independent valuation of CapitaMall Xinnan was conducted by Savills Valuation & Professional Services (S) Pte Ltd.

2 CapitaMall Xinnan was acquired on 30 September 2016, hence gross revenue and NPI figures are for the period 1 October to 31 December 2016.

3 CapitaMall Xinnan's shopper traffic for October and November 2016 was based on previous owner's traffic counter system. Shopper traffic for December 2016 was based on CRCT's traffic counter system.

Lease expiry profile of CapitaMall Xinnan

The following chart sets out the annual lease expiry profile of CapitaMall Xinnan for the period 2017 to 2021 and beyond, expressed as a percentage of the total NLA and total rental income as at 31 December 2016:



Trade sector analysis of CapitaMall Xinnan

Positioned as a modern and trendy retail destination offering a wide range of fashion, food and beverage and entertainment options, the six-storey mall houses well-known international brands such as Golden Harvest cinema, H&M, Pull&Bear, Sephora, UNIQLO and ZARA.

The following table sets out the breakdown of both the committed NLA and the total rental income by sector at the Property as at 31 December 2016:

Trade Sector Analysis
(As at 31 December 2016)

Trade Sector	By Committed NLA (%)	By Total Rental Income (%)
Fashion & Accessories	42.4	45.7
Food & Beverage	25.1	23.7
Shoes & Bags	3.8	7.4
Beauty & Healthcare	4.4	6.1
Leisure & Entertainment	13.3	4.6
Sporting Goods & Apparel	5.0	4.5
Jewellery / Watches / Pens	0.7	2.4
Sundry & Services	1.5	2.2
Information Technology	0.4	0.7
Books & Stationery	1.0	0.6
Electronics	0.2	0.5
Toys & Hobbies	0.4	0.5
Warehouse	1.7	0.5
Gifts & Souvenirs	0.1	0.4
Houseware & Furnishings	0.0	0.1
Music & Videos	0.0	0.1

(V) CapitaMall Qibao

CapitaMall Qibao is a four-level retail mall located in Shanghai's Minhang district, a growing mid-to-high-end residential locality to the west of the Shanghai central business district, and popular with the expatriate community due to its proximity to international schools and the airport.

CapitaMall Qibao is located near the Hongqiao transportation hub and provides nearby residents with a one-stop family destination with its shopping, dining and entertainment options. The mall introduced the first cinema to the Qibao vicinity and also houses the popular fashion retailer UNIQLO's first duplex store in the Minhang district.

The following is a summary of the key property information on CapitaMall Qibao:

Property Information

Description	Four-level retail mall.
GRA	72,729 sq m
Number of Leases	169
Car Park Lots	535
Land Use Right Expiry	10 March 2043[1]
Market Valuation	RMB495.0 million[2]
Gross Revenue	RMB105.4 million
Net Property Income	RMB50.7 million
Committed Occupancy	94.1%
Shopper Traffic	15.1 million
Key Tenants	七宝大光明影城 (Cinema) / Carrefour / UNIQLO / 宝大祥 (Kids) / Haoledi (KTV)

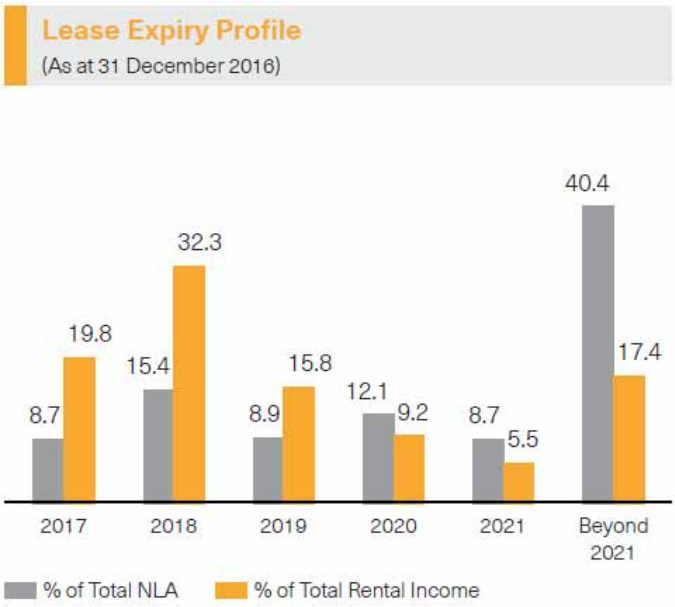
Data as at 31 December 2016. Gross revenue, net property income and shopper traffic are for the year ended 31 December 2016.

1 CapitaMall Qibao is indirectly held by CRCT under a master lease with Shanghai Jin Qiu (Group) Co., Ltd, the legal owner of Qibao Mall. The master lease expires in January 2024, with the right to renew for a further term of 19 years and two months. Accordingly, the land use right is owned by the legal owner.

2 Independent valuation of CapitaMall Qibao was conducted by Savills Valuation & Professional Services (S) Pte Ltd.

Lease expiry profile of CapitaMall Qibao

The following chart sets out the annual lease expiry profile of CapitaMall Qibao for the period 2017 to 2021 and beyond, expressed as a percentage of the total NLA and total rental income as at 31 December 2016:



Trade sector analysis of CapitaMall Qibao

The tenant profile of CapitaMall Qibao is diverse and represents a wide variety of trade sectors, targeting the middle income and family-oriented segment of the retail market in the vicinity. The mall is anchored by Carrefour which enjoys strong brand presence and recognition in China. Other prominent tenants include UNIQLO and Bao Da Xiang Kids Department Store.

The following table sets out the breakdown of both the committed NLA and the total rental income by sector at the Property as at 31 December 2016:

Trade Sector Analysis
(As at 31 December 2016)

Trade Sector	By Committed NLA (%)	By Total Rental Income (%)
Food & Beverage	22.5	37.1
Fashion & Accessories	16.3	26.1
Leisure & Entertainment	15.0	9.0
Education	6.5	6.3
Supermarket	30.4	5.9
Beauty & Healthcare	3.3	4.9
Sundry & Services	1.1	2.9
Shoes & Bags	0.6	2.1
Houseware & Furnishings	0.4	1.6
Sporting Goods & Apparel	2.5	1.3
Jewellery / Watches / Pens	0.2	0.9
Information Technology	0.2	0.8
Warehouse	0.7	0.5
Toys & Hobbies	0.2	0.3
Gifts & Souvenirs	0.1	0.3

(VI) CapitaMall Saihan

CapitaMall Saihan is a popular one-stop shopping destination in Hohhot. It is located near to the heart of Hohhot's main retail cluster and is well-served by public transportation. The range of retail offerings has widened since the mall was transformed from a master-leased mall to a multi-tenanted mall in 2009.

The following is a summary of the key property information on CapitaMall Saihan:

Property Information

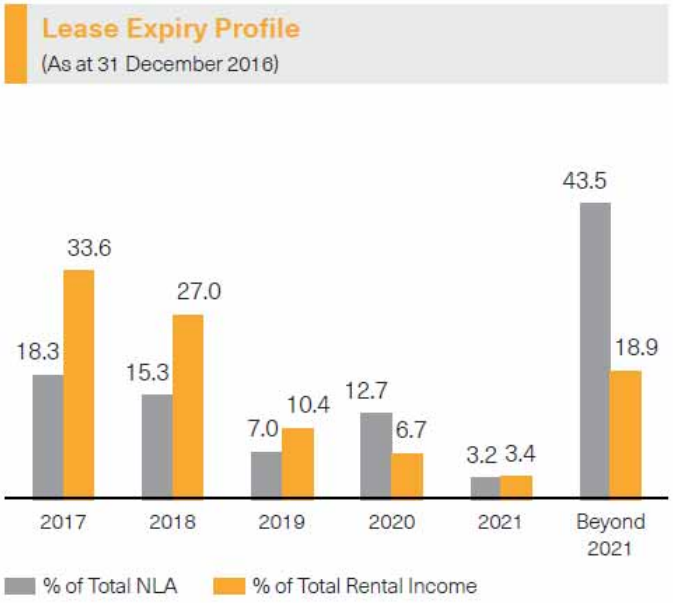
Description	Four-level retail mall.
GRA	41,938 sq m
Number of Leases	185
Car Park Lots	45
Land Use Right Expiry	11 March 2041 20 March 2041
Market Valuation	RMB445.0 million[1]
Gross Revenue	RMB62.7 million
Net Property Income	RMB35.8 million
Committed Occupancy	100.0%
Shopper Traffic	9.3 million
Key Tenants	Beijing Hualian Supermarket / Jinyi Cinema / Nike / UNIQLO / Vero Moda / Only / Jack & Jones / KFC / Pizza Hut / Starbucks

Data as at 31 December 2016. Gross revenue, net property income and shopper traffic are for the year ended 31 December 2016.

1 Independent valuation of CapitaMall Saihan was conducted by CBRE Limited.

Lease expiry profile of CapitaMall Saihan

The following chart sets out the annual lease expiry profile of CapitaMall Saihan for the period 2017 to 2021 and beyond, expressed as a percentage of the total NLA and total rental income as at 31 December 2016:



Trade sector analysis of CapitaMall Saihan

CapitaMall Saihan has been successfully converted from a master-leased mall into the first one-stop family shopping, dining and entertainment destination of its kind in Hohhot. The mall has consistently improved its operating performance since its conversion, recording an occupancy rate of 100.0% as at 31 December 2016. CapitaMall Saihan is anchored by Beijing Hualian Supermarket, with other popular tenants including KFC, Nike, Starbucks and UNIQLO.

The following table sets out the breakdown of both the committed NLA and the total rental income by sector at the Property as at 31 December 2016:

Trade Sector Analysis
(As at 31 December 2016)

Trade Sector	By Committed NLA (%)	By Total Rental Income (%)
Fashion & Accessories	19.7	34.6
Food & Beverage	13.8	15.8
Shoes & Bags	6.0	12.6
Supermarket	35.9	11.8
Sporting Goods & Apparel	5.9	10.0
Beauty & Healthcare	1.8	3.9
Leisure & Entertainment	10.2	3.6
Houseware & Furnishings	1.2	2.1
Jewellery / Watches / Pens	0.6	1.7
Sundry & Services	0.5	1.1
Education	1.5	1.0
Toys & Hobbies	0.4	0.7
Information Technology	0.3	0.5
Warehouse	2.2	0.4
Books & Stationery	0.0	0.2

(VII) CapitaMall Minzhongleyuan

CapitaMall Minzhongleyuan is strategically located along Zhongshan Avenue, an established shopping and entertainment belt in Wuhan that enjoys strong retail activities and pedestrian flow. It is easily accessible via public bus routes and metro Line 2 and Line 6.

The following is a summary of the key property information on CapitaMall Minzhongleyuan:

Property Information

Description	Six-storey building with one-storey basement.
GRA	37,472 sq m
Number of Leases	219
Car Park Lots	78
Land Use Right Expiry	30 June 2044[1] 15 September 2045
Market Valuation	RMB525.0 million[2]
Gross Revenue	RMB12.3 million
Net Property Income	RMB(9.0) million[3]
Committed Occupancy	93.6%
Shopper Traffic	2.6 million[3]
Key Tenants	UA Cinemas / UrWork / Skechers / Starbucks / adidas Originals

Data as at 31 December 2016. Gross revenue, net property income and shopper traffic are for the year ended 31 December 2016.

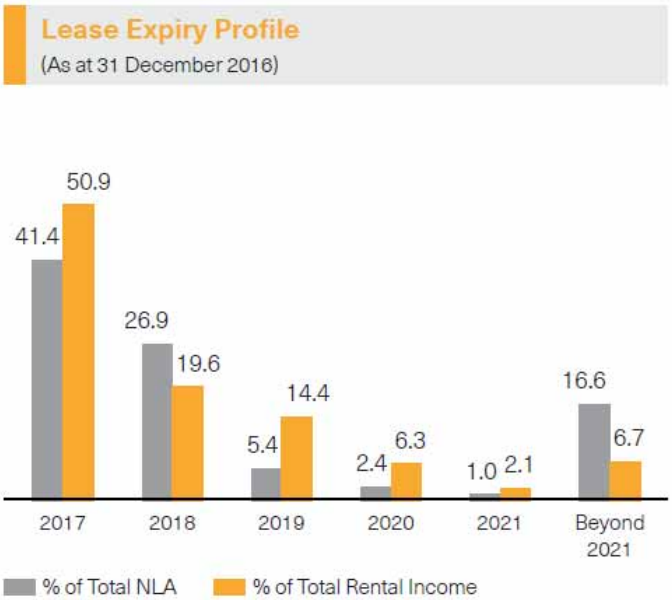
1 The conserved building is under a lease from the Wuhan Cultural Bureau.

2 Independent valuation of CapitaMall Minzhongleyuan was conducted by Savills Valuation & Professional Services (S) Pte Ltd.

3 CapitaMall Minzhongleyuan was affected by road closure to facilitate the construction of metro Line 6. On 28 December 2016, the road and the new metro Line 6 have reopened and commenced operations respectively.

Lease expiry profile of CapitaMall Minzhongleyuan

The following chart sets out the annual lease expiry profile of CapitaMall Minzhongleyuan for the period 2017 to 2021 and beyond, expressed as a percentage of the total NLA and total rental income as at 31 December 2016:



Trade sector analysis of CapitaMall Minzhongleyuan

CapitaMall Minzhongleyuan has a strong and diverse tenant base with a committed occupancy of 93.6% as at 31 December 2016. Its tenant base comprises quality and well-known tenants such as innisfree, Nike, Skechers, Starbucks and UA Cinemas (环艺影城) (Wuhan) – the operator of IMAX Screen, as well as local fashion retailers offering young and trendy apparel, accessories and services.

The following table sets out the breakdown of both the committed NLA and the total rental income by sector at the Property as at 31 December 2016:

Trade Sector Analysis
(As at 31 December 2016)

Trade Sector	By Committed NLA (%)	By Total Rental Income (%)
Fashion & Accessories	23.8	32.3
Food & Beverage	16.4	27.5
Sporting Goods & Apparel	2.7	11.2
Beauty & Healthcare	7.2	10.4
Leisure & Entertainment	28.4	5.6
Shoes & Bags	2.0	3.4
Sundry & Services	14.5	2.9
Jewellery / Watches / Pens	1.6	2.3
Houseware & Furnishings	1.4	1.8
Information Technology	0.5	1.0
Art Gallery	0.4	0.5
Music & Videos	0.4	0.4
Gifts & Souvenirs	0.1	0.3
Toys & Hobbies	0.4	0.2
Warehouse	0.2	0.2

(VIII) CapitaMall Wuhu

CapitaMall Wuhu is a four-level retail mall with a one-level basement. The mall is located at the intersection of Zhongshan North Road and Yinhu South Road which is approximately 1 km north of Wuhu's central business district. The mall is also in the vicinity of the Fenghuang Food Street and Zhongshan Road Shopping Street, both of which are well-known locations in the city.

The mall's main target market is the local residential catchment and the mall also benefits from its location in downtown Wuhu which allows it to attract shoppers from the working community.

CapitaMall Wuhu is amongst the first one-stop shopping, dining and entertainment destinations in the locality and is positioned as a destination for students, young working adults and families. The mall's anchor tenant, Wal-Mart, positions the mall as a desirable destination for middle class shoppers and fits in well with the targeted population catchment demographic profile. The mall is currently undergoing tenancy adjustments.

The following is a summary of the key property information on CapitaMall Wuhu:

Property Information

Description	Four-level plus one-level basement shopping mall.
GRA	45,634 sq m
Number of Leases	25
Car Park Lots	368
Land Use Right Expiry	29 May 2044
Market Valuation	RMB207.0 million[1]
Gross Revenue	RMB9.4 million
Net Property Income	RMB(6.5) million[2]
Committed Occupancy	64.4%
Shopper Traffic	2.9 million[2]
Key Tenants	Wal-Mart / KFC

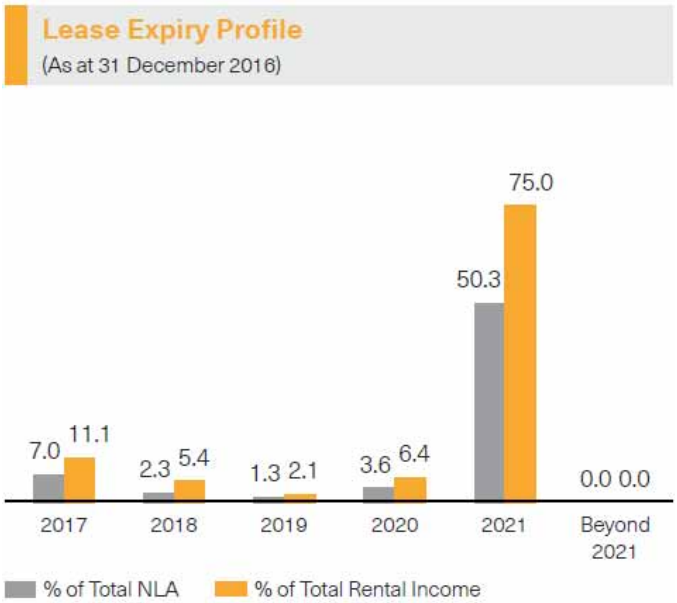
Data as at 31 December 2011. Gross revenue, net property income and shopper traffic are for the year ended 31 December 2011.

1 Independent valuation of CapitaMall Wuhu was conducted by Savills Valuation & Professional Services (S) Pte Ltd.

2 CapitaMall Wuhu is affected by the ongoing tenancy adjustments.

Lease expiry profile of CapitaMall Wuhu

The following chart sets out the annual lease expiry profile of CapitaMall Wuhu for the period 2017 to 2021 and beyond, expressed as a percentage of the total NLA and total rental income as at 31 December 2016:



Trade sector analysis of CapitaMall Wuhu

The mall has a diverse mix of tenants offering a wide variety of products and services, including food and beverage outlets and fashion stores. The mall is anchored by Wal-Mart. Other prominent tenants include Watsons and KFC.

The following table sets out the breakdown of both the committed NLA and the total rental income by sector at the Property as at 31 December 2016:

Trade Sector Analysis
(As at 31 December 2016)

Trade Sector	By Committed NLA (%)	By Total Rental Income (%)
Supermarket	78.1	74.9
Food & Beverage	4.9	6.9
Education	7.1	6.0
Sundry & Services	1.6	4.1
Sporting Goods & Apparel	0.4	2.4
Fashion & Accessories	2.5	2.2
Jewellery / Watches / Pens	0.4	1.2
Shoes & Bags	0.8	1.1
Beauty & Healthcare	1.1	0.8
Houseware & Furnishings	0.2	0.4
Leisure & Entertainment	2.9	0.0

(IX) CapitaMall Erqi

CapitaMall Erqi is a seven-level retail mall located in Zhengzhou's central business district, at the heart of Erqi District, Zhengzhou's premier shopping district.

The mall has an adjacent open area of approximately 6,910 sq m (approximately 26.0% of the total land area) currently used as an open-air carpark. The mall is easily accessible via key arterial roads and draws shoppers from all over the city. In addition, the mall's central location in the retail cluster of the city allows it to benefit from a regular crowd of shoppers who are mainly residents and office workers in the vicinity, as well as visitors to the province.

CapitaMall Erqi is leased to the Beijing Hualian Group under a master lease.

The following is a summary of the key property information on CapitaMall Erqi:

Property Information	
Description	Seven-level retail mall.
GRA	92,356 sq m
Number of Leases	2
Car Park Lots	198
Land Use Right Expiry	31 May 2042
Market Valuation	RMB631.0 million[1]
Gross Revenue	RMB50.0 million
Net Property Income	RMB41.5 million
Committed Occupancy	100.0%
Key Tenants	Beijing Hualian Department Store / Beijing Hualian Supermarket

Data as at 31 December 2016. Gross revenue and net property income are for the year ended 31 December 2016. CapitaMall Erqi does not have traffic counters.

1 Independent valuation of CapitaMall Erqi was conducted by DTZ Debenham Tie Leung International Property Advisers (Shanghai) CO., Ltd.

(X) CapitaMall Shuangjing

CapitaMall Shuangjing is a four-level retail mall in the Chaoyang District of Beijing, and is in close proximity to the Beijing central business district.

The mall is well-served by bus routes and is in close proximity to two metro stations, Guomao and Dawanglu, which are approximately 1.8 km and 1.9 km to the north of the mall respectively. The accessibility of the mall coupled with its strong residential catchment and proximity to the central business district enables the mall to attract significant shopper traffic throughout the year.

The broad spectrum of tenants at the mall provides shoppers with a one-stop shopping experience, which differentiates the positioning of the mall from smaller existing retail outlets in the locality. The mall is the only one-stop shopping destination in the locality and has a strong supermarket tenant that draws significant shopper traffic from the nearby central business district and neighbouring residential areas.

The majority of the GRA of CapitaMall Shuangjing is leased to Carrefour, a global chain of supermarkets, under a master lease.

The following is a summary of the key property information on CapitaMall Shuangjing:

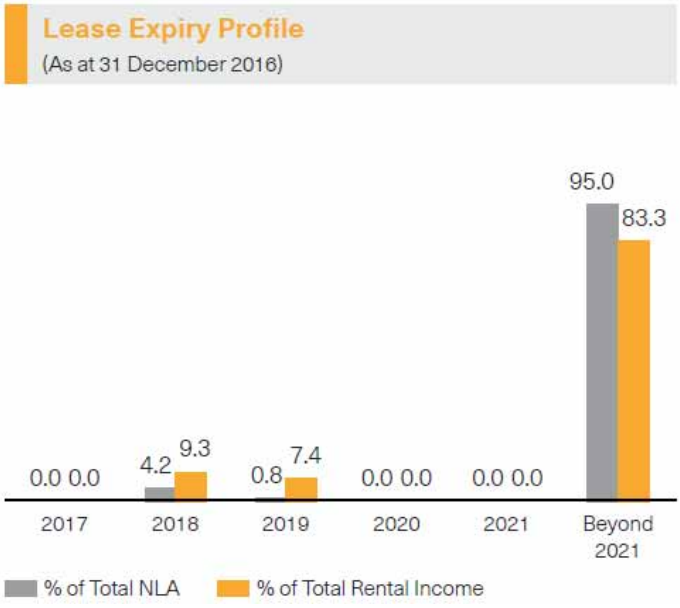
Property Information	
Description	Four-level retail mall.
GRA	49,463 sq m
Number of Leases	9
Car Park Lots	334
Land Use Right Expiry	10 July 2042
Market Valuation	RMB573.0 million[1]
Gross Revenue	RMB45.6 million
Net Property Income	RMB36.7 million
Committed Occupancy	100.0%
Key Tenants	Carrefour / B&Q

Data as at 31 December 2016. Gross revenue and net property income are for the year ended 31 December 2016. CapitaMall Shuangjing does not have traffic counters.

[1] Independent valuation of CapitaMall Shuangjing was conducted by Knight Frank Petty Limited.

Lease expiry profile of CapitaMall Shuangjing

The following chart sets out the annual lease expiry profile of CapitaMall Shuangjing for the period 2017 to 2021 and beyond, expressed as a percentage of the total NLA and total rental income as at 31 December 2016:



Trade sector analysis of CapitaMall Shuangjing

The tenant profile of CapitaMall Shuangjing consists of a few key tenants catering to the mass market, such as Carrefour and B&Q. The mall is anchored by Carrefour which occupies part of the ground floor, and the whole of the second and third floors. B&Q, another anchor tenant, is an internationally renowned hardware products retailer which occupies the whole of the basement floor and part of the ground floor.

The following table sets out the breakdown of both the committed NLA and the total rental income by sector at the Property as at 31 December 2016:

Trade Sector Analysis
(As at 31 December 2016)

Trade Sector	By Committed NLA (%)	By Total Rental Income (%)
Supermarket	61.0	59.1
Houseware & Furnishings	34.1	28.3
Sundry & Services	1.1	9.0
Food & Beverage	0.6	3.6
Fashion & Accessories	3.2	0.0

SELECTED FINANCIAL INFORMATION

CapitaLand Retail China Trust – Statements of Total Returns

The following tables set forth the consolidated statements of total return of the Group for FY 2014, FY 2015, FY 2016 and the second financial quarters ended 30 June 2017 ("**2Q 2017**") and 30 June 2016 ("**2Q 2016**") and the consolidated statements of financial position of the Group for FY 2014, FY 2015, FY 2016 and 2Q 2017. The selected financial information for FY 2014, FY 2015 and FY 2016 should be read in conjunction with the audited financial statements of the Group including the notes thereto for FY 2014, FY 2015 and FY 2016.

	Group				
	2Q 2017 S$'000	**2Q 2016 S$'000**	**FY 2016 S$'000**	**FY 2015 S$'000**	**FY 2014 S$'000**
Gross rental income	54,418	48,092	200,164	206,919	189,088
Other income	4,575	3,412	14,208	13,415	14,174
Gross revenue	**58,993**	**51,504**	**214,372**	**220,334**	**203,262**
Land rental	(1,480)	(1,541)	(5,908)	(5,987)	(5,620)
Property related tax	(6,207)	(2,827)	(17,329)	(12,937)	(10,943)
Business tax	(315)	(1,838)	(5,448)	(12,338)	(11,272)
Property management fees	(3,509)	(3,087)	(12,751)	(12,129)	(10,951)
Other property operating expenses	(7,511)	(6,710)	(33,198)	(35,858)	(32,111)
Total property operating expenses	**(19,022)**	**(16,003)**	**(74,634)**	**(79,249)**	**(70,897)**
Net property income	**39,971**	**35,501**	**139,738**	**141,085**	**132,365**
Manager's management fees – Base fee	(1,682)	(1,478)	(6,257)	(6,153)	(5,527)
Manager's management fees – Performance fee	(1,605)	(1,422)	(5,663)	(5,646)	(5,295)
Trustee's fees	(105)	(94)	(398)	(389)	(362)
Audit fees	(90)	(111)	(453)	(431)	(479)
Valuation fees	(47)	(45)	(195)	(105)	(188)
Other trust operating expenses	291	293	(864)	(1,890)	(2,157)
Finance income	468	411	1,777	1,481	874
Foreign exchange (loss)/gain – realised	(180)	(553)	(927)	989	1,371
Finance costs	(5,885)	(5,023)	(21,212)	(20,660)	(21,926)
Total return before change in fair value of financial derivatives, investment properties and unrealised foreign exchange (loss)/gain	**31,136**	**27,479**	**105,546**	**108,281**	**98,676**
Change in fair value of investment properties	13,049	18,307	41,151	44,834	104,829
Foreign exchange gain/(loss) – unrealised	172	(1,166)	(1,049)	(437)	(41)
Total return before taxation	**44,357**	**44,620**	**145,648**	**152,678**	**203,464**
Taxation	(13,993)	(11,037)	(41,641)	(43,380)	(57,109)
Total return for the year after taxation	**30,364**	**33,583**	**104,007**	**109,298**	**146,355**
Attributable to:					
Unitholders	31,344	34,081	106,614	113,999	144,598
Non-controlling interest	(980)	(498)	(2,607)	(4,701)	1,757
Total return for the year after taxation	**30,364**	**33,583**	**104,007**	**109,298**	**146,355**

CapitaLand Retail China Trust – Statements of Financial Position

	Group			
	30 June 2017 S$'000	31 December 2016 S$'000	31 December 2015 S$'000	31 December 2014 S$'000
Assets				
Investment properties	2,384,492	2,628,353	2,412,626	2,250,783
Assets held for sale	209,064	-	-	-
Plant and equipment	3,533	4,034	5,913	7,759
Interests in subsidiaries	-	-	-	-
Trade and other receivables	12,422	12,829	12,813	11,347
Financial derivatives	489	2,114	12,630	1,547
Cash and cash equivalents	108,118	136,137	126,322	86,626
Total assets	**2,718,118**	**2,783,467**	**2,570,304**	**2,358,062**
Less				
Liabilities				
Trade and other payables	42,249	64,527	59,519	51,140
Liabilities held for sale	26,948	-	-	-
Security deposits	50,432	48,769	43,348	41,158
Interest-bearing borrowings	949,183	977,751	706,006	671,713
Deferred tax liabilities	213,780	236,426	236,767	204,923
Financial derivatives	7,993	2,165	7,157	8,605
Provision for taxation	5,277	2,139	2,441	2,707
Total liabilities	**1,295,862**	**1,331,777**	**1,055,238**	**980,246**
Net assets	**1,422,256**	**1,451,690**	**1,515,066**	**1,377,816**
Represented by:				
Unitholders' funds	1,402,743	1,431,811	1,490,820	1,349,738
Non-controlling interest	19,513	19,879	24,246	28,078
	1,422,256	**1,451,690**	**1,515,066**	**1,377,816**

2Q 2017 vs 2Q 2016

In RMB terms, gross revenue in 2Q 2017 increased by RMB44.8 million, or 18.2% higher than 2Q 2016, mainly due to the new contribution from CapitaMall Xinnan which was acquired on 30 September 2016. This was partially offset by lower revenue due to the implementation of China Value Added Tax ("**VAT**") reform on 1 May 2016 where 5% VAT was netted against gross revenue reported for 2Q 2017. Gross revenue for both CapitaMall Qibao and CapitaMall Wuhu was lower in 2Q 2017 due to competitions faced in the vicinity and tenancy adjustments respectively. In SGD terms, gross revenue for 2Q 2017 increased by $7.5 million, or 14.5%. The increase is lower than that in RMB terms due to the stronger SGD against RMB.

Property expenses for 2Q 2017 increased by $3.0 million, or 18.9% compared to 2Q 2016, mainly due to additional property tax of $2.5 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 $0.4 million mainly arising from the inclusion of CapitaMall Xinnan. This was partially offset by lower business tax which was replaced with VAT with effect from 1 May 2016 as these were netted against gross revenue.

Management fees consisting of base and performance fees payable to the CRCT Manager were 13.3% higher than 2Q 2016, due to higher net property income and deposited properties, arising from the inclusion of CapitaMall Xinnan.

Finance costs in 2Q 2017 increased by $0.9 million as compared to 2Q 2016. This was mainly due to the additional loans drawn down to finance the acquisition of CapitaMall Xinnan on 30 September 2016.

Taxation in 2Q 2017 increased by $3.0 million as compared to 2Q 2016. The higher taxation arose mainly from the inclusion of CapitaMall Xinnan and higher corporate tax recognised in 2Q 2017 compared to 2Q 2016 as a result of higher profit.

FY 2016 vs FY 2015

In RMB terms, gross revenue for FY 2016 increased by RMB22.4 million, or 2.2% over FY 2015, mainly due to the new contribution from CapitaMall Xinnan which was acquired on 30 September 2016. This was partially offset by the lower revenue in CapitaMall Grand Canyon due to lower actual occupancy rate as there was delay in opening by food and beverage tenants. CapitaMall Minzhongleyuan and CapitaMall Wuhu continued to face challenges from the road closure and tenancy adjustments respectively. In SGD terms, gross revenue decreased by $6.0 million, or 2.7% compared to FY 2015 due to weaker RMB against SGD.

Property expenses for FY 2016 decreased by $4.6 million or 5.8% over FY 2015, mainly due to lower business tax which was replaced with VAT with effect from 1 May 2016 and these were netted off against revenue from May to December 2016. This was partially offset by the additional property tax of $5.3 million for malls in Beijing as a result of the change in tax basis by the local tax authority and inclusion of property expenses of CapitaMall Xinnan.

Management fees payable to the CRCT Manager were 1.0% higher than FY 2015 mainly due to higher net property income and deposited properties, arising from the inclusion of CapitaMall Xinnan and increase in fair value of the existing investment properties.

Taxation in FY 2016 decreased by $1.7 million or 4.0% compared to FY 2015. This was mainly due to lower deferred tax liabilities as a result of lower fair value gain in investment properties and withholding tax on lower declared dividend in FY 2016 as compared to FY 2015.

FY 2015 vs FY 2014

In RMB terms, gross revenue for FY 2015 increased by RMB17.5 million, or 1.8% over FY 2014. This was mainly due to rental growth from the multi-tenanted malls. This increase was partially offset by lower revenue from CapitaMall Minzhongleyuan, which was impacted by the road closure for the construction work of a new subway line and lower revenue at CapitaMall Wuhu due to lower occupancy rate as the mall was undergoing tenancy adjustments. In SGD terms, gross revenue increased by $17.1 million, or 8.4% compared to FY 2014 mainly due to stronger RMB against SGD.

Property expenses for FY 2015 increased by $8.4 million or 11.8% over FY 2014. This was mainly due to higher business tax and property management fees as a result of higher gross revenue, and a provision for compensation payment to a tenant of CapitaMall Minzhongleyuan which was impacted by the asset enhancement work. There were also additional property tax incurred at CapitaMall Saihan and CapitaMall Wuhu due to the change in tax computation basis imposed by the local authority.

Management fees payable to the CRCT Manager were 9.0% higher than FY 2014 mainly due to higher net property income and deposited properties.

Finance income earned in FY 2015 increased by $0.6 million over FY 2014 mainly due to gain from IRS which were hedged against the variable rate borrowings.

Finance costs in FY 2015 decreased by $1.3 million over FY 2014. This was mainly due to the repayment of RMB denominated interest bearing loans in FY 2015.

Taxation in FY 2015 decreased by $13.7 million over FY 2014. This was mainly due to lower deferred tax liabilities recognised in FY 2015 as a result of lower gain in fair value of investment properties.

USE OF PROCEEDS

The net proceeds arising from each issue of the Securities under the Programme (after deducting issue expenses) will be used to (a) refinance the existing borrowings of the Group, (b) finance or refinance the acquisitions and/or investments of CRCT, (c) on-lend to any trust, fund or entity in which CRCT has an interest, (d) finance or refinance any asset enhancement works initiated by CRCT or (e) finance general working capital purposes of the Group, or for such other purpose as may be specified in the relevant Pricing Supplement.

CLEARING AND SETTLEMENT

Clearing and Settlement under the Depository System

In respect of Securities which are accepted for clearance by CDP in Singapore, clearance will be effected through an electronic book-entry clearance and settlement system for the trading of debt securities ("**Depository System**") maintained by CDP. Securities that are to be listed on the SGX-ST may be cleared through CDP.

CDP, a wholly-owned subsidiary of Singapore Exchange Limited, is incorporated under the laws of Singapore and acts as a depository and clearing organisation. CDP holds securities for its accountholders and facilitates the clearance and settlement of securities transactions between accountholders through electronic book-entry changes in the securities accounts maintained by such accountholders with CDP.

In respect of Securities which are accepted for clearance by CDP, the entire issue of the Securities is to be held by CDP in the form of a Global Security or Global Certificate for persons holding the Securities in securities accounts with CDP ("**Depositors**"). Delivery and transfer of Securities between Depositors is by electronic book-entries in the records of CDP only, as reflected in the securities accounts of Depositors. Although CDP encourages settlement on the third business day following the trade date of debt securities, market participants may mutually agree on a different settlement period if necessary.

Settlement of over-the-counter trades in the Securities through the Depository System may only be effected through certain corporate depositors ("**Depository Agents**") approved by CDP under the SFA to maintain securities sub-accounts and to hold the Securities in such securities sub-accounts for themselves and their clients. Accordingly, Securities for which trade settlement is to be effected through the Depository System must be held in securities sub-accounts with Depository Agents. Depositors holding the Securities in direct securities accounts with CDP, and who wish to trade Securities through the Depository System, must transfer the Securities to be traded from such direct securities accounts to a securities sub-account with a Depository Agent for trade settlement.

CDP is not involved in money settlement between Depository Agents (or any other persons) as CDP is not a counterparty in the settlement of trades of debt securities. However, CDP will make payment of interest and distribution and repayment of principal on behalf of issuers of debt securities.

Although CDP has established procedures to facilitate transfer of interests in the Securities in global form among Depositors, it is under no obligation to perform or continue to perform such procedures, and such procedures may be discontinued at any time. None of the Issuer, the Issuing and Paying Agent or any other agent will have the responsibility for the performance by CDP of its obligations under the rules and procedures governing its operations.

Clearing and Settlement under Euroclear and/or Clearstream, Luxembourg

Euroclear and Clearstream, Luxembourg each holds securities for participating organisations and facilitates the clearance and settlement of securities transactions between their respective participants through electronic book-entry changes in the accounts of such participants, thereby eliminating the need for physical movements of certificates and any risks from lack of simultaneous transfer. Euroclear and Clearstream, Luxembourg provide to their respective participants, among other things, services for safekeeping, administration, clearance and settlement of internationally-traded securities and securities lending and borrowing. Euroclear and Clearstream, Luxembourg each also deals with domestic securities markets in several countries through established depository and custodial relationships. The respective systems of Euroclear and Clearstream, Luxembourg have established an electronic bridge between their two systems which enables their respective participants to settle trades with one another. Euroclear and Clearstream, Luxembourg participants are financial institutions throughout the world, including underwriters, securities brokers and dealers, banks, trust companies, clearing corporations and certain other organisations. Indirect access to Euroclear or Clearstream, Luxembourg is also available to other financial institutions, such as banks, brokers, dealers and trust companies which clear through or maintain a custodial relationship with a Euroclear or Clearstream, Luxembourg participant, either directly or indirectly.

A participant's overall contractual relations with either Euroclear or Clearstream, Luxembourg are governed by the respective rules and operating procedures of Euroclear or Clearstream, Luxembourg and any applicable laws. Both Euroclear and Clearstream, Luxembourg act under those rules and operating procedures only on behalf of their respective participants, and have no record of, or relationship with, persons holding any interests through their respective participants. Payments of principal, interest or distributions with respect to book-entry interests in the Securities held through Euroclear or Clearstream, Luxembourg will be credited, to the extent received by the Issuing and Paying Agent, to the cash accounts of the relevant Euroclear or Clearstream, Luxembourg participants in accordance with the relevant system's rules and procedures.

SINGAPORE TAXATION

The statements below are general in nature and are based on certain aspects of current tax laws in Singapore and administrative guidelines and circulars issued by the IRAS and MAS in force as at the date of this Information Memorandum and are subject to any changes in such laws, administrative guidelines or circulars, or the interpretation of those laws, guidelines or circulars, occurring after such date, which changes could be made on a retroactive basis. These laws, guidelines and circulars are also subject to various interpretations and the relevant tax authorities or the courts could later disagree with the explanations or conclusions set out below. Neither these statements nor any other statements in this Information Memorandum are intended or are to be regarded as advice on the tax position of any holder of the Securities or of any person acquiring, selling or otherwise dealing with the Securities *or on any tax implications arising from the acquisition, sale or other dealings in respect of the* Securities*. The statements made herein do not purport to be a comprehensive or exhaustive description of all the tax considerations that may be relevant to a decision to subscribe for, purchase, own or dispose of the* Securities *and do not purport to deal with the tax consequences applicable to all categories of investors, some of which (such as dealers in securities or financial institutions in Singapore which have been granted the relevant Financial Sector Incentive(s)) may be subject to special rules or tax rates.The statements should not be regarded as advice on the tax position of any person and should be treated with appropriate caution. Prospective holders of the* Securities *are advised to consult their own professional tax advisers as to the Singapore or other tax consequences of the subscription for, ownership of or disposal of the* Securities*, including, in particular, the effect of any foreign, state or local tax laws to which they are subject. It is emphasised that none of the Issuer, the Arranger or any other persons involved in the Programme accepts responsibility for any tax effects or liabilities resulting from the subscription for, purchase, holding or disposal of the* Securities*.*

1. Taxation relating to payments on Notes

Subject to the following paragraphs, under Section 12(6) of the ITA, the following payments are deemed to be derived from Singapore:

(a) any interest, commission, fee or any other payment in connection with any loan or indebtedness or with any arrangement, management, guarantee, or service relating to any loan or indebtedness which is (i) borne, directly or indirectly, by a person resident in Singapore or a permanent establishment in Singapore (except in respect of any business carried on outside Singapore through a permanent establishment outside Singapore or any immovable property situated outside Singapore) or (ii) deductible against any income accruing in or derived from Singapore; or

(b) any income derived from loans where the funds provided by such loans are brought into or used in Singapore.

Such payments, where made to a person not known to the paying party to be a resident in Singapore for tax purposes, are generally subject to withholding tax in Singapore. The rate at which tax is to be withheld for such payments (other than those subject to the 15.0% final withholding tax described below) to non-resident persons (other than non-resident individuals) is currently 17.0%. The applicable rate for non-resident individuals is currently 22.0%. However, if the payment is derived by a person not resident in Singapore otherwise than from any trade, business, profession or vocation carried on or exercised by such person in Singapore and is not effectively connected with any permanent establishment in Singapore of that person, the payment is subject to a final withholding tax of 15.0%. The rate of 15.0% may be reduced by applicable tax treaties.

However, certain Singapore-sourced investment income derived by individuals from financial instruments is exempt from tax, including:

(a) interest from debt securities derived on or after 1 January 2004;

(b) discount income (not including discount income arising from secondary trading) from debt securities derived on or after 17 February 2006; and

(c) prepayment fee, redemption premium and break cost from debt securities derived on or after 15 February 2007,

except where such income is derived through a partnership in Singapore or is derived from the carrying on of a trade, business or profession.

The terms "**prepayment fee**", "**redemption premium**" and "**break cost**" are defined in the ITA as follows:

> "prepayment fee", in relation to debt securities or qualifying debt securities, means any fee payable by the Issuer of the securities on the early redemption of the securities, the amount of which is determined by the terms of the issuance of the securities;
>
> "redemption premium", in relation to debt securities or qualifying debt securities, means any premium payable by the Issuer of the securities on the redemption of the securities upon their maturity; and
>
> "break cost", in relation to debt securities or qualifying debt securities, means any fee payable by the Issuer of the securities on the early redemption of the securities, the amount of which is determined by any loss or liability incurred by the holder of the securities in connection with such redemption.

References to "prepayment fee", "redemption premium" and "break cost" in this Singapore tax disclosure have the same meaning as defined in the ITA.

In addition, as the Programme as a whole was arranged by DBS Bank Ltd., which was a Financial Sector Incentive (Bond Market) Company (as defined in the ITA) at such time, any tranche of the Notes issued as debt securities under the Programme during the period from the date of this Information Memorandum to 31 December 2018 ("**Relevant Notes**") would be, pursuant to the ITA and the Income Tax (Qualifiying Debt Securities) Regulations (the "**QDS Regulations**") qualifying debt securities ("**QDS**") for the purposes of the ITA, to which the following treatment shall apply:

(i) subject to certain prescribed conditions having been fulfilled (including the furnishing by the Issuer, or such other person as MAS may direct, to MAS of a return on debt securities for the Relevant Notes within such period as MAS may specify and such other particulars in connection with the Relevant Notes as MAS may require and the inclusion by the Issuer in all offering documents relating to the Relevant Notes of a statement to the effect that where interest, discount income, prepayment fee, redemption premium or break cost from the Relevant Notes is derived by any person who is not resident in Singapore and who carries on any operation in Singapore through a permanent establishment in Singapore, the tax exemption for QDS shall not apply if the non-resident person acquires the Relevant Notes using the funds and profits of such person's operations through the Singapore permanent establishment), interest, discount income (not including discount income arising from secondary trading), prepayment fee, redemption premium and break cost (collectively, the "**Qualifying Income**") from the Relevant Notes paid by the Issuer and derived by a holder who is not resident in Singapore and who (aa) does not have any permanent establishment in Singapore or (bb) carries on any operation in Singapore through a permanent establishment in Singapore but the funds used by that person to acquire the Relevant Notes are not obtained from such person's operation through a permanent establishment in Singapore, are exempt from Singapore tax;

(ii) subject to certain conditions having been fulfilled (including the furnishing by the Issuer, or such other person as MAS may direct, to MAS of a return on debt securities for the Relevant Notes within such period as MAS may specify and such other particulars in connection with the Relevant Notes as MAS may require), Qualifying Income from the Relevant Notes derived by any company or body of persons (as defined in the ITA) in Singapore, other than any non-resident who qualifies for tax exemption as described in paragraph (i) above, is subject to tax at a concessionary rate of 10.0% (except for holders of the relevant Financial Sector Incentive(s) who may be taxed at different rates); and

(iii) subject to:

(aa) the Issuer including in all offering documents relating to the Relevant Notes a statement to the effect that any person whose interest, discount income, prepayment fee, redemption premium or break cost (i.e. the Qualifying Income) derived from the Relevant Notes is not exempt from tax shall include such income in a return of income made under the ITA; and

(bb) the furnishing by the Issuer, or such other person as MAS may direct, to MAS of a return on debt securities for the Relevant Notes within such period as MAS may specify and such other particulars in connection with the Relevant Notes as MAS may require,

Qualifying Income derived from the Relevant Notes is not subject to withholding of tax by the Issuer.

Notwithstanding the foregoing:

(A) if during the primary launch of the Relevant Notes, such Relevant Notes are issued to fewer than four persons and 50.0% or more of the issue of such Relevant Notes is beneficially held or funded, directly or indirectly, by related parties of the Issuer or the CRCT Manager, such Relevant Notes would not qualify as QDS; and

(B) even though the Relevant Notes are QDS, if, at any time during the tenure of such tranche of Relevant Notes, 50.0% or more of the issue of such Relevant Notes which are outstanding during the life of their issue is beneficially held or funded, directly or indirectly, by related parties of the Issuer or the CRCT Manager, Qualifying Income derived from such Relevant Notes held by:

(I) any related party of the Issuer or the CRCT Manager; or

(II) any other person where the funds used by such person to acquire such Relevant Notes are obtained, directly or indirectly, from any related party of the Issuer or the CRCT Manager,

shall not be eligible for the tax exemption or concessionary rate of tax at 10.0% as described above.

The term “related party”, in relation to a person, means any other person who, directly or indirectly, controls that person, or is controlled, directly or indirectly, by that person, or where he and that other person, directly or indirectly, are under the control of a common person.

Where interest, discount income, prepayment fee, redemption premium or break cost (i.e. the Qualifying Income) is derived from any of the Relevant Notes by any person who is not resident in Singapore and who carries on any operations in Singapore through a permanent establishment in Singapore, the tax exemption available for QDS under the ITA (as mentioned above) shall not apply if such person acquires such Relevant Notes using the funds of such person’s operations through a permanent establishment in Singapore.

Notwithstanding that the Issuer is permitted to make payments of Qualifying Income in respect of the Relevant Notes without deduction or withholding of tax under Section 45 or 45A of the ITA, any person whose interest, discount income, prepayment fee, redemption premium or break cost (i.e. the Qualifying Income) derived from the Relevant Notes is not exempt from tax is required to include such income in a return of income made under the ITA.

Under the Qualifying Debt Securities Plus Scheme (“**QDS Plus Scheme**”), subject to certain conditions having been fulfilled (including the furnishing by the Issuer, or such other person as MAS may direct, to MAS of a return on debt securities in respect of the QDS within such period

as MAS may specify and such other particulars in connection with the QDS as MAS may require), income tax exemption is granted on Qualifying Income derived by any investor from QDS (excluding Singapore Government Securities) which:-

(a) are issued during the period from 16 February 2008 to 31 December 2018;

(b) have an original maturity of not less than 10 years;

(c) cannot have their tenure shortened to less than 10 years from the date of their issue, except where:

  (i) the shortening of the tenure is a result of any early termination pursuant to certain specified early termination clauses which the Issuer included in any offering document for such QDS and which falls within the types of early termination clause prescribed in the QDS Regulations; and

  (ii) the QDS do not contain any call, put, conversion, exchange or similar option that can be triggered at specified dates or at specified prices which have been priced into the value of the QDS at the time of their issue; and

(d) cannot be re-opened with a resulting tenure of less than 10 years to the original maturity date.

Where the shortening of the tenure of the QDS to less than 10 years occurs under the circumstances prescribed by the QDS Regulations, the tax exemption under the QDS Plus Scheme shall not apply to Qualifying Income derived on or after the date on which the tenure of any portion of the QDS is shortened to less than 10 years from the date of its issue. Holders of any outstanding QDS may still enjoy the tax benefits under the QDS scheme, i.e. tax exemption or concessionary rate of tax as applicable, if the QDS conditions continue to be met.

In determining an investor's income that is to be exempted from tax under the QDS Plus Scheme, prescribed conditions apply in relation to how the investor's losses, expenses and capital allowances which are attributable to exempt income are to be treated.

However, even if the Relevant Notes are QDS which qualify under the QDS Plus Scheme, if, at any time during the tenure of such Relevant Notes, 50.0% or more of such Relevant Notes which are outstanding at any time during the life of their issue is beneficially held or funded, directly or indirectly, by related parties of the Issuer or the CRCT Manager, Qualifying Income from such Relevant Notes derived by:

(i) any related party of the Issuer or the CRCT Manager; or

(ii) any other person where the funds used by such person to acquire such Relevant Notes are obtained, directly or indirectly, from any related party of the Issuer or the CRCT Manager,

shall not be eligible for the tax exemption under the QDS Plus Scheme as described above.

2. Taxation relating to payments on Perpetual Securities

Singapore tax classification of Hybrid Instruments

The ITA does not contain specific provisions on how financial instruments that exhibit both debt-like and equity-like features, i.e. hybrid instruments, should be treated for income tax purposes. However, the IRAS has published an e-Tax Guide: Income Tax Treatment of Hybrid Instruments on 19 May 2014 (the "**Hybrid Instruments e-Tax Guide**") which sets out the income tax treatment of hybrid instruments, including the factors that the IRAS will generally use to determine whether such instruments are debt or equity instruments for income tax purposes.

Among others, the IRAS has stated in the Hybrid Instruments e-Tax Guide that:

(a) whether or not a hybrid instrument will be treated as debt or equity security for income tax purposes will firstly depend on its legal form, to be determined based on an examination of the legal rights and obligations attached to the instrument;

(b) a hybrid instrument is generally characterised as equity if the legal terms of the instrument indicate ownership interests in the issuer. If the legal form of a hybrid instrument is not indicative of or does not reflect the legal rights and obligations, the facts and circumstances surrounding the instrument and a combination of factors, not limited to the following, would have to be examined to ascertain the nature of the instrument for income tax purposes.

These factors include (but are not limited to):

(i) nature of interest acquired;

(ii) investor's right to participate in issuer's business;

(iii) voting rights conferred by the instrument;

(iv) obligation to repay the principal amount;

(v) payout;

(vi) investor's right to enforce payment;

(vii) classification by other regulatory authority; and

(viii) ranking for repayment in the event of liquidation or dissolution;

(c) if a hybrid instrument is characterised as a debt instrument for income tax purposes, distributions from the issuer to the investors are regarded as interest;

(d) if a hybrid instrument issued by a company or a Real Estate Investment Trust (REIT) (as defined in the ITA) is characterised as an equity instrument for income tax purposes, distributions from the issuer to the investors are regarded as dividends or REIT distributions; and

(e) in respect of REIT distributions, the tax treatment depends on the underlying receipts from which such distributions are made and the profile of the investors.

The IRAS has also stated in the Hybrid Instruments e-Tax Guide that where a hybrid instrument is issued by a foreign issuer, the Comptroller of Income Tax in Singapore will examine the facts and circumstances, including the characterisation of the hybrid instrument in the country of the issuer, and the factors indicated above for the purpose of determining the characterisation of the distribution derived by investors in Singapore.

Tax treatment if the Perpetual Securities are characterised as debt instruments

In the event that any tranche of the Perpetual Securities is characterised as debt instruments for income tax purposes, payment of distributions (including Optional Distributions and Arrears of Distribution) in respect of such tranche of the Perpetual Securities (hereafter referred to as "**Distributions**") and Additional Distribution Amounts should be regarded as interest payments and the disclosure under "Taxation relating to payments on Notes" summarises the income tax treatment that may be applicable on the Distributions and Additional Distributions Amounts. For the purposes of such application, all references to "Notes" and "Relevant Notes" in the disclosure under "Taxation relating to payments on Notes" shall be construed as references to "Perpetual Securities" and "Relevant Perpetual Securities" and all references to "Qualifying Income" in the aforesaid disclosure shall include Distributions.

Tax treatment if the Perpetual Securities are characterised as equity instruments

In the event that any tranche of the Perpetual Securities is characterised as equity instruments for Singapore income tax purposes and the Distributions are to be treated as capital distributions in the hands of Perpetual Securityholders, the payment of Distributions will not be subject to withholding of tax, irrespective of the profile of Perpetual Securityholders. The amount of such Distributions therefrom will be treated as a return of capital in the hands of Perpetual Securityholders and will be applied to reduce the cost of their investment in the Perpetual Securities for Singapore income tax purposes. Where Perpetual Securityholders, based on their own circumstances, are subject to Singapore income tax on gains from the disposal of the Perpetual Securities, the reduced cost of their investments will be used for the purposes of computing such gains. If the amount of Distributions exceeds the cost (or reduced cost, as the case may be) of their investment in the Perpetual Securities, the excess will be subject to tax and the sale proceeds from the subsequent sale of the Perpetual Securities will be fully taxable.

In the event that any tranche of the Perpetual Securities is characterised as equity instruments for Singapore income tax purposes but the Distributions are to be treated in the same manner as distributions on ordinary units of CRCT, the disclosure under "Taxation of distributions on ordinary units", which summarises the income tax treatment currently applicable to distributions made on ordinary units of CRCT, will be applicable to the Distributions.

Additional Distribution Amounts from Perpetual Securities

Additional Distribution Amounts, where made to a person not known to the paying party to be a resident in Singapore for tax purposes, may be subject to withholding tax in Singapore on the basis that such amounts are interest in nature. The rate at which tax is to be withheld for such payments (other than those subject to the 15.0% final withholding tax described below) to non-resident persons (other than non-resident individuals) is currently 17.0%. The applicable rate for non-resident individuals is currently 22.0%. However, if the payment is derived by a person not resident in Singapore otherwise than from any trade, business, profession or vocation carried on or exercised by such person in Singapore and is not effectively connected with any permanent establishment in Singapore of that person, the payment is subject to a final withholding tax of 15.0%. The rate of 15.0% may be reduced by applicable tax treaties.

Taxation of distributions on ordinary units

Based on the current investment portfolio of CRCT, distributions on ordinary units of CRCT may comprise all, or a combination, of the following types of distributions:

(a) tax-exempt income distribution;

(b) capital distribution; and

(c) other gains distribution.

CRCT does not currently make taxable income distributions and hence current distributions are not subject to any withholding tax under Section 45G of the ITA.

Prospective holders of the relevant tranche of Perpetual Securities are advised to consult their own professional tax advisers as to the tax consequences that they may be subject to, in particular on the Distributions on the relevant tranche of Perpetual Securities, where such Distributions are treated in the same manner as distributions on ordinary units of CRCT. The statements below provide a summary of the tax treatment of distributions on ordinary units of CRCT.

Tax-exempt income distribution

Tax-exempt income distributions are exempt from tax in the hands of all Unitholders. Tax is not withheld or deducted from such distributions.

Capital distribution

Capital distributions are returns of capital to Unitholders and are therefore not income subject to tax or withholding of tax. The amount received as capital distributions will be applied to reduce the cost of Unitholder's investment in the Units for income tax purposes. Where Unitholders, based on their own circumstances, are subject to Singapore income tax on gains from the disposal of the Units, the reduced cost of their investments will be used for the purposes of computing such gains. If the amount of capital distributions exceeds the cost (or reduced cost, as the case may be) of their investment in the Units, the excess will be subject to tax and the sale proceeds from the subsequent sale of those Units will be fully taxable.

Other gains distribution

Other gains distributions are not taxable in the hands of Unitholders and are not subject to withholding of tax.

Application for tax ruling

The Issuer may apply to the IRAS for an advance tax ruling to confirm the classification of any tranche of the Perpetual Securities for Singapore income tax purposes and the Singapore tax treatment of the payment of the Distributions.

If such an application is made, the Issuer will provide relevant details of the tax ruling issued by the IRAS on its website www.crct.com.sg or via an announcement shortly after the receipt of the tax ruling.

3. Gains on disposal of Securities

Singapore does not impose tax on capital gains. Any gains considered to be in the nature of capital arising from the sale of the Securities will not be taxable in Singapore. However, any gains derived by any person from the sale of the Securities which are gains from any trade, business, profession or vocation carried on by that person, if accruing in or derived from Singapore, may be taxable as such gains are considered revenue in nature.

There are no specific laws or regulations which deal with the characterisation of capital gains. The characterisation of the gains arising from the sale of the Securities will depend on the facts and circumstances of each Securityholder (as the case may be). Holders of the Securities who have adopted or are adopting the Singapore Financial Reporting Standard 39 – Financial Instruments: Recognition and Measurement ("**FRS 39**"), may for Singapore income tax purposes be required to recognise gains or losses (not being gains or losses in the nature of capital) on the Securities, irrespective of disposal, in accordance with FRS 39. Please see the section below on "Adoption of FRS 39 Treatment for Singapore Income Tax Purposes".

3. Adoption of FRS 39 Treatment for Singapore Income Tax Purposes

The IRAS has published an e-Tax Guide: "Income Tax Implications Arising from the Adoption of FRS 39 - Financial Instruments: Recognition & Measurement" (the "**FRS 39 e-Tax Guide**"). Legislative amendments to give legislative effect to the tax treatment set out in the FRS 39 e-Tax Guide have been enacted in Section 34A of the ITA.

The FRS 39 e-Tax Guide and Section 34A of the ITA generally apply, subject to certain "opt-out" provisions, to taxpayers who are required to comply with FRS 39 for financial reporting purposes.

Holders of the Securities who may be subject to the tax treatment under the FRS 39 e-Tax Guide and Section 34A of the ITA should consult their own accounting and tax advisers regarding the Singapore income tax consequences of their acquisition, holding or disposal of the Securities.

The Accounting Standards Council has issued a new financial reporting standard for financial instruments, FRS 109 – Financial Instruments, which will become mandatorily effective for annual periods beginning on or after 1 January 2018. The Income Tax (Amendment) Bill 2017 introduced

in Parliament on 11 September 2017 incorporates proposed legislative amendments to the ITA, including the amendment for the introduction of the tax treatment under FRS 109. Based on the Bill, the tax treatment under FRS 109 largely aligns the tax treatment of financial instruments to the accounting treatment. Holders and prospective holders of the Securities should consult their own accounting and tax advisers on the tax treatment to understand the implications and consequences that may be applicable to them.

4. Estate Duty

Singapore estate duty has been abolished for all deaths occurring on or after 15 February 2008.

SUBSCRIPTION, PURCHASE AND DISTRIBUTION

The Programme Agreement provides for Securities to be offered from time to time through one or more Dealers. The price at which a Series or Tranche will be issued will be determined prior to its issue between the Issuer, the CRCT Manager and the relevant Dealer(s). The obligations of the Dealers under the Programme Agreement will be subject to certain conditions set out in the Programme Agreement. Each Dealer (acting as principal) will subscribe or procure subscribers for Securities from the Issuer pursuant to the Programme Agreement.

The Arranger, the Dealers or any of their respective affiliates may have performed certain banking and advisory services for the Issuer, the CRCT Manager, CRCT and/or their respective affiliates from time to time for which they have received customary fees and expenses and may, from time to time, engage in transactions with and perform services for the Issuer, the CRCT Manager, CRCT and/or their respective affiliates in the ordinary course of the Issuer's, the CRCT Manager's, CRCT's or their respective affiliates' business. The Issuer may also from time to time agree with the relevant Dealer(s) that the Issuer may pay certain third party commissions (including, without limitation, rebates to private banks as specified in the applicable Pricing Supplement).

The Dealers and their affiliates are full service financial institutions engaged in various activities which may include securities trading, commercial and investment banking, financial advice, investment management, principal investment, hedging, financing and brokerage activities. Each of the Dealers may have engaged in, and may in the future engage in, investment banking and other commercial dealings in the ordinary course of business with the Issuer, the CRCT Manager, CRCT or their respective subsidiaries, jointly controlled entities or associated companies from time to time. In the ordinary course of their various business activities, the Dealers and their affiliates may make or hold (on their own account, on behalf of clients or in their capacity of investment advisers) a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers and may at any time hold long and short positions in such securities and instruments and enter into other transactions, including credit derivatives (such as asset swaps, repackaging and credit default swaps) in relation thereto. Such transactions, investments and securities activities may involve securities and instruments of the Issuer, the CRCT Manager, CRCT or their respective subsidiaries, jointly controlled entities or associated companies, including Securities issued under the Programme, may be entered into at the same time or proximate to offers and sales of Securities or at other times in the secondary market and be carried out with counterparties that are also purchasers, holders or sellers of Securities. Securities issued under the Programme may be purchased by or be allocated to any Dealer or an affiliate for asset management and/or proprietary purposes but not with a view to distribution.

United States

The Securities have not been and will not be registered under the Securities Act, and the Securities may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except in transactions not subject to the registration requirements of Regulation S of the Securities Act ("**Regulation S**"). Terms used in this paragraph have the meaning given to them by Regulation S.

Bearer Securities are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to a United States person, except in certain transactions permitted by U.S. tax regulations. Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code of 1986, as amended, and regulations thereunder.

Each Dealer has agreed that, and each further Dealer appointed under the Programme will be required to agree that, except as permitted by the Programme Agreement, it will not offer, sell or, in the case of Bearer Securities, deliver Securities, (i) as part of their distribution at any time or (ii) otherwise until 40 days after the completion of the distribution of an identifiable tranche of which such Securities are a part, as determined and certified to the Issuing and Paying Agent by such Dealer (or, in the case of an identifiable tranche of Securities sold to or through more than one Dealer, by each of such Dealers with respect to Securities of an identifiable tranche purchased by or through it, in which case the Issuing and Paying Agent shall notify such Dealer when all such Dealers have so certified), within the United States or to, or for the account or benefit of, U.S. persons, and it will have sent to each Dealer to which

it sells Securities during the distribution compliance period a confirmation or other notice setting out the restrictions on offers and sales of the Securities within the United States or to, or for the account or benefit of, U.S. persons. Terms used in the preceding sentence have the meanings given to them by Regulation S.

The Securities are being offered and sold outside the United States to non-U.S. persons in reliance on Regulation S.

In addition, until 40 days after the commencement of the offering, an offer or sale of any identifiable tranche of Securities within the United States by any dealer that is not participating in the offering of such tranche of Securities may violate the registration requirements of the Securities Act.

This Information Memorandum has been prepared by the Issuer for use in connection with the offer and sale of the Securities outside the United States. The Issuer and the Dealers reserve the right to reject any offer to purchase the Securities, in whole or in part, for any reason. This Information Memorandum does not constitute an offer to any person in the United States. Distribution of this Information Memorandum by any non-U.S. person outside the United States to any U.S. person or to any other person within the United States, is unauthorised and any disclosure without the prior written consent of the Issuer of any of its contents to any such U.S. person or other person within the United States, is prohibited.

Hong Kong

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent, warrant and agree, that:

(i) it has not offered or sold and will not offer or sell in Hong Kong, by means of any document, any Securities other than (a) to “professional investors” as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong and any rules made under that Ordinance; or (b) in other circumstances which do not result in the document being a “prospectus” as defined in the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong or which do not constitute an offer to the public within the meaning of that Ordinance; and

(ii) it has not issued or had in its possession for the purposes of issue, and will not issue or have in its possession for the purposes of issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to the Securities, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Securities which are or are intended to be disposed of only to persons outside Hong Kong or only to “professional investors” as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong and any rules made under that Ordinance.

PRC

Each Dealer has represented, warranted and agreed that the Securities are not being offered or sold and may not be offered or sold, directly or indirectly, in the PRC, except as permitted by the securities laws and other relevant laws and regulations of the PRC.

Singapore

Each Dealer has acknowledged that this Information Memorandum has not been registered as a prospectus with the MAS. Accordingly, each Dealer has represented and agreed that it has not offered or sold any Securities or caused the Securities to be made the subject of an invitation for subscription or purchase and will not offer or sell any Securities or cause the Securities to be made the subject of an invitation for subscription or purchase, and has not circulated or distributed, nor will it circulate or distribute, this Information Memorandum or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Securities, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor under Section 274 of the SFA, (ii) to a relevant person pursuant to Section 275(1), or to any person pursuant to Section 275(1A), and in accordance with the conditions specified in Section 275 of the SFA, or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

General

Each Dealer understands that no action has been taken in any jurisdiction that would permit a public offering of any of the Securities, or possession or distribution of this Information Memorandum or any other document or any Pricing Supplement, in any country or jurisdiction (other than Singapore) where action for that purpose is required.

Each Dealer has agreed that it will comply with all applicable securities laws, regulations and directives in each jurisdiction in which it subscribes for, purchases, offers, sells or delivers Securities or any interest therein or rights in respect thereof or has in its possession or distributes this Information Memorandum, any other document or any Pricing Supplement.

Any person who may be in doubt as to the restrictions set out in the SFA or the laws, regulations and directives in each jurisdiction in which it subscribes for, purchases, offers, sells or delivers the Securities *or any interest therein or rights in respect thereof and the consequences arising from a contravention thereof should consult his own professional advisers and should make his own inquiries as to the laws, regulations and directives in force or applicable in any particular jurisdiction at any relevant time.*

GENERAL AND OTHER INFORMATION

WORKING CAPITAL

1. The Directors of the CRCT Manager are of the opinion that, as at the date of this Information Memorandum, after taking into account the present banking facilities and the net proceeds of the issue of the Securities, CRCT will have adequate working capital for its present requirements.

CHANGES IN ACCOUNTING POLICIES

2. As at the date of this Information Memorandum, there are no significant changes in the accounting policies of CRCT and the Group since its audited consolidated financial accounts for the financial year ended 31 December 2016.

LITIGATION

3. As at the date of this Information Memorandum, there are no legal or arbitration proceedings pending or, so far as the Directors of the CRCT Manager are aware, threatened against the Issuer, the CRCT Manager, CRCT or any of their respective subsidiaries the outcome of which, in the opinion of the Directors of the CRCT Manager, may have or have had during the 12 months prior to the date of this Information Memorandum a material adverse effect on the financial position of the Issuer, CRCT or the Group.

MATERIAL ADVERSE CHANGE

4. As at the date of this Information Memorandum, there has been no material adverse change in the financial condition or business of the Issuer, CRCT or the Group since 31 December 2016.

CONSENT

5. KPMG LLP have given and have not withdrawn their written consent to the issue of this Information Memorandum with the references herein to their name and, where applicable, reports in the form and context in which they appear in this Information Memorandum.

DOCUMENTS AVAILABLE FOR INSPECTION

6. Copies of the following documents may be inspected at 168 Robinson Road #30-01 Capital Tower Singapore 068912 during normal business hours for a period of six months from the date of this Information Memorandum:

   (a) the Constitution of the Issuer;

   (b) the Trust Deed;

   (c) the audited consolidated accounts of CRCT and its subsidiaries for the financial year ended 31 December 2016; and

   (d) the unaudited consolidated accounts of CRCT and its subsidiaries for the second quarter ended 30 June 2017.

FUNCTIONS, RIGHTS AND OBLIGATIONS OF THE TRUSTEE

7. The functions, rights and obligations of the Trustee are set out in the Trust Deed.

AUDITED FINANCIAL STATEMENTS OF CAPITALAND RETAIL CHINA TRUST FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

The information in this Appendix II has been extracted and reproduced from the audited financial statements of CRCT for the financial year ended 31 December 2015 and has not been specifically prepared for inclusion in this Information Memorandum.

CapitaLand Retail China Trust
(formerly known as CapitaRetail China Trust)
and its Subsidiaries

(Constituted in the Republic of Singapore pursuant to a trust deed dated 23 October 2006 (As amended))

Financial Statements
Year ended 31 December 2015

KPMG LLP (Registration No. T08LL1267L), an accounting limited liability partnership registered in Singapore under the Limited Liability Partnership Act (Chapter 163A) and a member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity.

Report of the Trustee

HSBC Institutional Trust Services (Singapore) Limited (the "Trustee") is under a duty to take into custody and hold the assets of CapitaLand Retail China Trust (formerly known as CapitaRetail China Trust) (the "Trust") in trust for the Unitholders. In accordance with the Securities and Futures Act (Cap. 289), its subsidiary legislation and the Code on Collective Investment Schemes, the Trustee shall monitor the activities of CapitaLand Retail China Trust Management Limited (formerly known as CapitaRetail China Trust Management Limited) (the "Manager") for compliance with the limitations imposed on the investment and borrowing powers as set out in the Trust Deed dated 23 October 2006 (as amended by a first supplemental deed dated 8 November 2006, a second supplemental deed dated 15 April 2010, a third supplemental deed dated 5 April 2012 , a fourth supplemental deed dated 14 February 2014 and a fifth supplemental deed 6 May 2015) (collectively the "Trust Deed") between the Manager and the Trustee in each annual accounting period and report thereon to Unitholders in an annual report.

To the best knowledge of the Trustee, the Manager has, in all material respects, managed the Trust during the year covered by these financial statements, set out on pages FS1 to FS66, in accordance with the limitations imposed on the investment and borrowing powers set out in the Trust Deed.

For and on behalf of the Trustee,
HSBC Institutional Trust Services (Singapore) Limited

Esther Fong
Senior Vice President, Trustee Services

Singapore

25 February 2016

Statement by the Manager

In the opinion of the directors of CapitaLand Retail China Trust Management Limited (formerly known as CapitaRetail China Trust Management Limited) (the "Manager"), the accompanying financial statements set out on pages FS1 to FS66 comprising the statements of financial position, statements of total return, distribution statements and statements of movements in Unitholders' funds of the CapitaLand Retail China Trust (formerly known as CapitaRetail China Trust) (the "Trust") and its subsidiaries (the "Group") and of the Trust, the portfolio statement and statement of cash flows of the Group and a summary of significant accounting policies and other explanatory information, are drawn up so as to present fairly, in all material respects, the financial position of the Group and of the Trust and the portfolio of the Group as at 31 December 2015, the total return, distributable income and movements in Unitholders' funds of the Group and of the Trust and cash flows of the Group for the year ended on that date in accordance with the recommendations of Statement of Recommended Accounting Practice 7 *"Reporting Framework for Unit Trusts"* issued by the Institute of Singapore Chartered Accountants and the provisions of the Trust Deed. At the date of this statement, there are reasonable grounds to believe that the Group will be able to meet its financial obligations as and when they materialise.

For and on behalf of the Manager,
CapitaLand Retail China Trust Management Limited
(formerly known as CapitaRetail China Trust Management Limited)

Tan Tee Hieong
Director

Singapore

25 February 2016

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Independent auditors' report

Unitholders of CapitaLand Retail China Trust
(formerly known as CapitaRetail China Trust)
(Constituted under a trust deed dated 23 October 2006 (as amended) in the Republic of Singapore)

We have audited the accompanying financial statements of CapitaLand Retail China Trust (formerly known as CapitaRetail China Trust) (the "Trust") and its subsidiaries (the "Group"), which comprise the statements of financial position of the Group and of the Trust and the portfolio statement of the Group as at 31 December 2015, the statements of total return, distribution statements and statements of movements in Unitholders' funds of the Group and of the Trust and the statement of cash flows of the Group for the year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages FS1 to FS66.

Manager's responsibility for the financial statements

CapitaLand Retail China Trust Management Limited (formerly known as CapitaRetail China Trust Management Limited) the Manager of the Trust (the "Manager") is responsible for the preparation and fair presentation of these financial statements in accordance with the recommendations of Statement of Recommended Accounting Practice 7 *"Reporting Framework for Unit Trusts"* issued by the Institute of Singapore Chartered Accountants, and for such internal control as the Manager determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Singapore Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Manager, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

KPMG LLP (Registration No. T08LL1267L), an accounting limited liability partnership registered in Singapore under the Limited Liability Partnership Act (Chapter 163A) and a member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity.

Opinion

In our opinion, the consolidated financial statements of the Group and the statement of financial position, statement of total return, distribution statement and statement of movements in Unitholders' funds of the Trust present fairly, in all material respects, the financial position of the Group and the Trust as at 31 December 2015 and the total return, distributable income, and movements in Unitholders' funds of the Group and of the Trust and the cash flows of the Group for the year then ended in accordance with the recommendations of Statement of Recommended Accounting Practice 7 *"Reporting Framework for Unit Trusts"* issued by the Institute of Singapore Chartered Accountants.

KPMG LLP
Public Accountants and
Chartered Accountants

Singapore

25 February 2016

Statements of financial position
As at 31 December 2015

	Note	Group 2015 $'000	Group 2014 $'000	Trust 2015 $'000	Trust 2014 $'000
Assets					
Investment properties	4	2,412,626	2,250,783	–	–
Plant and equipment	5	5,913	7,759	–	–
Interests in subsidiaries	6	–	–	1,125,068	1,093,523
Trade and other receivables	7	12,813	11,347	23,012	201
Financial derivatives	11	12,630	1,547	12,630	1,547
Cash and cash equivalents	8	126,322	86,626	369	238
		2,570,304	**2,358,062**	**1,161,079**	**1,095,509**
Less:					
Liabilities					
Trade and other payables	9	59,519	51,140	4,687	5,386
Security deposits		43,348	41,158	–	–
Interest-bearing borrowings	10	706,006	671,713	626,417	566,823
Financial derivatives	11	7,157	8,605	7,157	8,605
Deferred tax liabilities	12	236,767	204,923	–	–
Provision for taxation		2,441	2,707	4	15
		1,055,238	**980,246**	**638,265**	**580,829**
Net assets		**1,515,066**	**1,377,816**	**522,814**	**514,680**
Represented by:					
Unitholders' funds	13	1,490,820	1,349,738	522,814	514,680
Non-controlling interest	14	24,246	28,078	–	–
		1,515,066	**1,377,816**	**522,814**	**514,680**
Units in issue ('000)	15	**843,256**	**828,118**	**843,256**	**828,118**
Net asset value per unit attributable to Unitholders ($)		**1.77**	**1.63**	**0.62**	**0.62**

The accompanying notes form an integral part of these financial statements.

Statements of total return
Year ended 31 December 2015

	Note	Group 2015 $'000	Group 2014 $'000	Trust 2015 $'000	Trust 2014 $'000
Gross rental income		206,919	189,088	–	–
Other income		13,415	14,174	–	–
Gross revenue		**220,334**	**203,262**	**–**	**–**
Land rental		(5,987)	(5,620)	–	–
Property related tax		(12,937)	(10,943)	–	–
Business tax		(12,338)	(11,272)	–	–
Property management fees & reimbursables		(12,129)	(10,951)	–	–
Other property operating expenses	17	(35,858)	(32,111)	–	–
Total property operating expenses		**(79,249)**	**(70,897)**	**–**	**–**
Net property income		**141,085**	**132,365**	**–**	**–**
Manager's management fees					
- Base fee	18	(6,153)	(5,527)	(6,153)	(5,527)
- Performance fee	18	(5,646)	(5,295)	(5,646)	(5,295)
Trustee's fees		(389)	(362)	(389)	(362)
Audit fees		(431)	(479)	(148)	(164)
Valuation fees		(105)	(188)	–	–
Other trust operating (expenses)/income	19	(1,890)	(2,157)	467	(543)
Dividend income		–	–	22,713	–
Foreign exchange gain - realised		989	1,371	1,659	675
Finance income		1,481	874	26,905	24,405
Finance costs		(20,660)	(21,926)	(15,371)	(12,470)
Net finance (costs)/income	20	(19,179)	(21,052)	11,534	11,935
Total return before change in fair value of financial derivatives, investment properties and unrealised foreign exchange (loss)/gain		**108,281**	**98,676**	**24,037**	**719**
Change in fair value of financial derivatives		–	–	(1,871)	(6,977)
Change in fair value of investment properties	4	44,834	104,829	–	–
Foreign exchange (loss)/gain - unrealised		(437)	(41)	41,281	16,406
Total return for the year before taxation		**152,678**	**203,464**	**63,447**	**10,148**
Taxation	21	(43,380)	(57,109)	(6)	(8)
Total return for the year after taxation		**109,298**	**146,355**	**63,441**	**10,140**
Attributable to:					
Unitholders		113,999	144,598	63,441	10,140
Non–controlling interest	14	(4,701)	1,757	–	–
Total return for the year after taxation		**109,298**	**146,355**	**63,441**	**10,140**
Earnings per unit (cents)	22				
- Basic		**13.61**	**17.69**		
- Diluted		**13.61**	**17.69**		

The accompanying notes form an integral part of these financial statements.

Distribution statements
Year ended 31 December 2015

	Note	Group 2015 $'000	Group 2014 $'000	Trust 2015 $'000	Trust 2014 $'000
Amount available for distribution to Unitholders at beginning of the year		**40,150**	**34,902**	**40,150**	**34,902**
Total return for the year attributable to Unitholders		113,999	144,598	63,441	10,140
Distribution adjustments	A	(24,780)	(63,716)	25,778	70,742
Income for the year available for distribution to Unitholders	B	89,219	80,882	89,219	80,882
Amount available for distribution to Unitholders		**129,369**	**115,784**	**129,369**	**115,784**
Distribution to Unitholders during the year:					
- Distribution of 4.83 cents per unit for the period from 1 July 2014 to 31 December 2014		(39,998)	–	(39,998)	–
- Distribution of 5.37 cents per unit for the period from 1 January 2015 to 30 June 2015		(45,110)	–	(45,110)	–
- Distribution of 4.33 cents per unit for the period from 1 July 2013 to 31 December 2013		–	(34,771)	–	(34,771)
- Distribution of 4.99 cents per unit for the period from 1 January 2014 to 30 June 2014		–	(40,863)	–	(40,863)
		(85,108)	(75,634)	(85,108)	(75,634)
Amount available for distribution to Unitholders at end of the year		**44,261**	**40,150**	**44,261**	**40,150**
Distribution per Unit (cents)	*	10.60	9.82		

* The Distribution per Unit relates to the distributions in respect of the relevant financial year. The distribution relating to 1 July 2015 to 31 December 2015 will be paid within 90 days from the end of the distribution period, in accordance with the provisions of the Trust Deed.

The accompanying notes form an integral part of these financial statements.

Note A – Distribution adjustments

	Note	Group 2015 $'000	Group 2014 $'000	Trust 2015 $'000	Trust 2014 $'000
Distribution adjustment items:					
- Manager's management fees (performance component paid/payable in Units)		5,646	5,295	5,646	5,295
- Change in fair value of financial derivatives		–	–	1,871	6,977
- Change in fair value of investment properties [1]		(49,319)	(103,960)	–	–
- Deferred taxation [1]		21,081	36,364	–	–
- Transfer to general reserve		(4,871)	(4,244)	–	–
- Unrealised foreign exchange loss/(gain) [1]		99	(6)	(41,281)	(16,406)
- Other adjustments [1]		2,584	2,835	–	–
- Net overseas income not distributed to the Trust		–	–	59,542	74,876
Net effect of distribution adjustments		**(24,780)**	**(63,716)**	**25,778**	**70,742**

[1] Excludes non-controlling interest's share.

Note B – Income for the year available for distribution to Unitholders

Comprises:					
- from operations		29,678	6,006	29,678	6,006
- from Unitholders' contribution		59,541	74,876	59,541	74,876
Total Unitholders' distribution	16	**89,219**	**80,882**	**89,219**	**80,882**

The accompanying notes form an integral part of these financial statements.

Statements of movements in Unitholders' funds
Year ended 31 December 2015

	Group		Trust	
	2015	**2014**	**2015**	**2014**
	$'000	**$'000**	**$'000**	**$'000**
Operations				
Unitholders' funds as at beginning of the year	1,349,738	1,186,951	514,680	542,413
Change in Unitholders' funds resulting from operations	113,999	144,598	63,441	10,140
Transfer to general reserve	(4,871)	(4,244)	–	–
Net increase in net assets resulting from operations	**109,128**	**140,354**	**63,441**	**10,140**
Movements in hedging reserve				
Effective portion of changes in fair value of cash flow hedges	5,114	2,251	5,114	2,251
Movements in foreign currency translation reserve				
Translation differences from financial statements of foreign operations	53,412	46,749	–	–
Exchange differences on monetary items forming part of net investment in foreign operations	30,849	16,290	–	–
Exchange differences on hedges of net investment in foreign operations	(1,871)	(6,977)	–	–
Net gain recognised directly in Unitholders' funds	**87,504**	**58,313**	**5,114**	**2,251**
Movement in general reserve	**4,871**	**4,244**	**–**	**–**
Unitholders' transactions				
Creation of Units paid/payable to manager				
- Units issued and to be issued as satisfaction of the portion of Manager's management fees payable in Units	5,646	5,295	5,646	5,295
- Units issued in respect of acquisition fee for CapitaMall Grand Canyon	–	3,562	–	3,562
Units issued in respect of the distribution reinvestment plan	19,041	26,653	19,041	26,653
	24,687	35,510	24,687	35,510
Distributions to Unitholders	(85,108)	(75,634)	(85,108)	(75,634)
Net decrease in net assets resulting from Unitholders' transactions	**(60,421)**	**(40,124)**	**(60,421)**	**(40,124)**
Unitholders' funds as at end of the year	**1,490,820**	**1,349,738**	**522,814**	**514,680**

The accompanying notes form an integral part of these financial statements.

Portfolio statement
As at 31 December 2015

Group

Description of leasehold property	Location	Term of lease (years)	Lease expiry	Valuation 2015 RMB'000	Valuation 2014 RMB'000	Valuation 2015 $'000	Valuation 2014 $'000	Percentage of Unitholders' funds 2015 %	Percentage of Unitholders' funds 2014 %
CapitaMall Xizhimen	No. 1 Xizhimenwai Avenue, Xicheng District, Beijing	40 - 50	August 2044/2054	2,882,000	2,777,000	637,152	588,446	42.7	43.6
CapitaMall Wangjing	No. 33 Guangshun North Street, Blk 213 & 215, Chaoyang District, Beijing	38 - 48	May 2043/2053	2,156,000	2,050,000	476,648	434,395	32.0	32.2
CapitaMall Grand Canyon	No. 16 Nansanhuan Xi Road, Fengtai District, Beijing	40 - 50	August 2044/2054	2,020,000	1,948,000	446,582	412,781	30.0	30.5
CapitaMall Anzhen	Section 5 No. 4 of Anzhen Xi Li, Chaoyang District, Beijing	29 - 37	October 2034/March and June 2042	995,000	973,000	219,975	206,179	14.8	15.3
CapitaMall Erqi	No. 3 Minzhu Road, Erqi District, Zhengzhou, Henan Province	38	May 2042	615,000	606,000	135,964	128,411	9.1	9.5
CapitaMall Shuangjing	No. 31 Guangqu Road, Chaoyang District, Beijing	40	July 2042	568,000	558,000	125,573	118,240	8.4	8.8
CapitaMall Minzhongleyuan[(1)]	No. 704 Zhongshan Avenue, Jianghan District, Hankou, Wuhan, Hubei Province	40	June 2044/ September 2044	535,911	564,911	118,479	119,705	7.9	8.9
CapitaMall Qibao[(2)]	No. 3655 Qi Xin Road, Minhang District, Shanghai	39	March 2043	495,000	485,000	109,435	102,772	7.3	7.6
CapitaMall Saihan	No. 26 Ordos Street, Saihan District, Huhhot, Inner Mongolia Autonomous Region	35	March 2041	425,000	400,000	93,959	84,760	6.3	6.3
Balance carried forward				10,691,911	10,361,911	2,363,767	2,195,689	158.5	162.7

The accompanying notes form an integral part of these financial statements.

Portfolio statement
As at 31 December 2015

Group

Description of leasehold property	Location	Term of lease (years)	Lease expiry	Valuation 2015 RMB'000	Valuation 2014 RMB'000	Valuation 2015 $'000	Valuation 2014 $'000	Percentage of Unitholders' funds 2015 %	Percentage of Unitholders' funds 2014 %
Balance brought forward				10,691,911	10,361,911	2,363,767	2,195,689	158.5	162.7
CapitaMall Wuhu	No. 37 Zhongshan North Road, Jinghu District, Wuhu, Anhui Province	40	May 2044	221,000	260,000	48,859	55,094	3.3	4.1
Investment properties, at valuation				10,912,911	10,621,911	2,412,626	2,250,783	161.8	166.8
Other assets and liabilities (net)						(897,560)	(872,967)	(60.2)	(64.7)
						1,515,066	1,377,816	101.6	102.1
Net assets attributable to non-controlling interests						(24,246)	(28,078)	(1.6)	(2.1)
Net assets attributable to Unitholders						1,490,820	1,349,738	100.0	100.0

Notes:

(1) The carrying amount of CapitaMall Minzhongleyuan includes the valuation of the retail mall and carrying amount of three residential units.

(2) CapitaMall Qibao is held under a master lease by CapitaRetail Dragon Mall (Shanghai) Co., Ltd, a subsidiary of CapitaRetail China Investments (B) Alpha Pte. Ltd. The master lease was entered with Shanghai Jin Qiu (Group) Co., Ltd ("Jin Qiu"), the legal owner of CapitaMall Qibao and expires in January 2024, with the right to renew for a further term of 19 years and two months from January 2024 at the option of the Group. Accordingly, the land use rights is held by Jin Qiu.

Consolidated statement of cash flows
Year ended 31 December 2015

	Note	Group 2015 $'000	2014 $'000
Operating activities			
Total return for the year after taxation		109,298	146,355
Adjustments for:			
Finance income		(1,481)	(874)
Finance costs		20,660	21,926
Depreciation and amortisation		2,640	2,754
Impairment losses on trade receivables, net		117	28
Taxation		43,380	57,109
Manager's management fees paid/payable in Units	A(i)	5,646	5,295
Plant and equipment written off		32	81
Change in fair value of investment properties		(44,834)	(104,829)
Operating income before working capital changes		**135,458**	**127,845**
Changes in working capital:			
Trade and other receivables		(12,664)	(60)
Trade and other payables		15,163	2,083
Cash generated from operating activities		**137,957**	**129,868**
Income tax paid		(20,236)	(18,452)
Net cash from operating activities		**117,721**	**111,416**
Investing activities			
Interest received		1,417	874
Capital expenditure on investment properties	A(ii)	(16,127)	(14,597)
Proceeds from disposal of plant and equipment		57	13
Purchase of plant and equipment		(1,337)	(2,960)
Net cash used in investing activities		**(15,990)**	**(16,670)**
Financing activities			
Distribution to Unitholders		(66,067)	(48,981)
Payment of equity issue expenses		–	(460)
Payment of financing expenses		(417)	(774)
Proceeds from draw down of interest–bearing borrowings		168,800	250,900
Repayment of interest–bearing borrowings		(138,824)	(294,797)
Settlement of derivative contracts		(9,287)	(832)
Interest paid		(19,994)	(22,317)
Net cash used in financing activities		**(65,789)**	**(117,261)**
Increase/(decrease) in cash and cash equivalents		**35,942**	**(22,515)**
Cash and cash equivalents at 1 January		86,626	105,457
Effect of foreign exchange rate changes on cash balances		3,754	3,684
Cash and cash equivalents at 31 December	8	**126,322**	**86,626**

The accompanying notes form an integral part of these financial statements.

Notes:

(A) Significant non–cash and other transactions

(i) $4.2 million (2014: $4.0 million) of $5.6 million (2014: $5.3 million) relating to the performance component of the Manager's management fee was paid during the year through the issue of 2,743,923 Units (2014: 2,682,096 Units). The remaining $1.4 million (2014: $1.3 million) will be paid through the issue of 945,766 new Units (2014: 844,273 new Units) subsequent to the year end.

(ii) The Group enhanced its investment properties during the year, of which $11.7 million (2014: $3.4 million) was paid. During the year, the Group paid $4.4 million (2014: $11.2 million) of the prior years unpaid balance.

Notes to the financial statements

These notes form an integral part of the financial statements.

The financial statements were authorised for issue by the Manager and the Trustee on 25 February 2016.

1. General

CapitaLand Retail China Trust (formerly known as CapitaRetail China Trust) (the "Trust") is a Singapore–domiciled unit trust constituted pursuant to the trust deed dated 23 October 2006 (as amended by a first supplemental deed dated 8 November 2006, a second supplemental deed dated 15 April 2010, a third supplemental deed dated 5 April 2012, a fourth supplemental deed dated 14 February 2014 and a fifth supplemental deed dated 6 May 2015) (collectively the "Trust Deed") between CapitaLand Retail China Trust Management Limited (formerly known as CapitaRetail China Management Limited) (the "Manager") and HSBC Institutional Trust Services (Singapore) Limited (the "Trustee"). The Trust Deed is governed by the laws of the Republic of Singapore. The Trustee is under a duty to take into custody and hold the assets of the Trust held by it or through its subsidiaries (the "Group") in trust for the holders ("Unitholders") of Units in the Trust (the "Units").

The Trust was formally admitted to the Official List of the Singapore Exchange Securities Trading Limited (the "SGX-ST") on 8 December 2006 (the "Listing Date") and was included under the Central Provident Fund ("CPF") Investment Scheme on 8 December 2006.

The principal activities of the Trust are those relating to investment in a diversified portfolio of income–producing properties located primarily in the People's Republic of China ("China"), Hong Kong and Macau and used primarily for retail purposes.

The principal activities of the subsidiaries are those of investment holding of properties located in China and used for retail purposes.

The Group has entered into several service agreements in relation to the management of the Trust and its property operations. The fee structures for these services are as follows:

(a) Trustee's fees

Pursuant to Clause 14.3 of the Trust Deed, the Trustee's fee shall not exceed 0.03% per annum of the value of all the assets of the Group ("Deposited Property"), subject to a minimum of $15,000 per month, excluding out of pocket expenses and Goods and Service Tax.

(b) Manager's management fees

The Manager is entitled under Clauses 14.1.3, 14.1.4 and 14.1.6 of the Trust Deed to the following management fees:

- a base fee of 0.25% per annum of the value of the Deposited Property;

- a performance fee of 4.0% per annum of the net property income in the relevant financial year (calculated before accounting for the performance fee in that financial year); and
- an authorised investment management fee of 0.5% per annum of the value of authorised investments which are not real estate. Where such authorised investment is an interest in a property fund (either a real estate investment trust or private property fund) wholly managed by a wholly-owned subsidiary of CapitaLand Limited, no authorised investment management fee shall be payable in relation to such authorised investment.

The Manager may, in accordance with Clause 14.1.8(i) of the Trust Deed elect to receive the management fees in cash or Units or a combination of cash and/or Units (as it may in its sole discretion determine). Pursuant to Clauses 14.1.3 and 14.1.4 of the Trust Deed, the management fees are computed and payable on a quarterly basis.

(c) Property management fees

Under the property management agreements in respect of each property, the property managers will provide lease management services, property tax services and marketing co–ordination services in relation to that property. The property managers are entitled to the following fees:

- 2.0% per annum of the gross revenue;
- 2.0% per annum of the net property income; and
- 0.5% per annum of the net property income in lieu of leasing commissions otherwise payable to the property managers and/or third party agents.

(d) Acquisition fee

For any authorised investment acquired from time to time by the Trustee on behalf of the Trust, the acquisition fee payable to the Manager under Clause 14.2 of the Trust Deed shall be:

- up to 1.5% of the purchase price in the case of any authorised investment (as defined in the Trust Deed) acquired by the Trust for less than $200 million; and
- 1.0% of the purchase price in the case of any authorised investment acquired by the Trust for $200 million or more.

The acquisition fee payable in respect of any authorised investment acquired from time to time by the Trustee on behalf of the Trust from CapitaLand Mall China Income Fund I (formerly known as CapitaMalls China Income Fund), CapitaLand Mall China Income Fund II (formerly known as CapitaMalls China Income Fund II), CapitaLand Mall China Income Fund III (formerly known as CapitaMalls China Income Fund III), CapitaLand Mall China Development Fund III (formerly known as CapitaMalls China Development Fund III), or CapitaLand Mall Asia Limited (formerly known as CapitaMalls Asia Limited) shall be 1.0% of the purchase price paid by the Trust.

No acquisition fee was payable for the acquisition of the initial property portfolio of the Trust.

The acquisition fee is payable to the Manager in the form of cash and/or Units (as the Manager may elect) at the prevailing market price provided that in respect of any acquisition of real estate assets from interested parties, such a fee should, if required by the applicable laws, rules and/or regulations, be in the form of Units issued by the Trust at prevailing market price(s) and subject to such transfer restrictions as may be imposed.

Any payment to third party agents or brokers in connection with the acquisition of any authorised investments for the Trust shall be paid by the Manager to such persons out of the Deposited Property of the Trust or the assets of the relevant special purpose vehicle, and not out of the acquisition fee received or to be received by the Manager.

(e) Divestment fee

Under Clause 14.2 of the Trust Deed, the Manager is entitled to receive a divestment fee of 0.5% of the sale price of any authorised investment disposed directly or indirectly by the Trust, prorated if applicable to the proportion of the Trust's interest.

The divestment fee is payable to the Manager in the form of cash and/or Units (as the Manager may elect) at the prevailing market price provided that in respect of any divestment of real estate assets to interested parties, such a fee should, if required by the applicable laws, rules and/or regulations, be in the form of Units issued by the Trust at prevailing market price(s) and subject to such transfer restrictions as may be imposed.

Any payment to third party agents or brokers in connection with the divestment of any authorised investments for the Trust shall be paid by the Manager to such persons out of the Deposited Property of the Trust or the assets of the relevant special purpose vehicle, and not out of the divestment fee received or to be received by the Manager.

2. Basis of preparation

(a) Statement of compliance

The financial statements have been prepared in accordance with the recommendations of the Statement of Recommended Accounting Practice ("RAP") 7 *"Reporting Framework for Unit Trusts"* issued by the Institute of Singapore Chartered Accountants, the applicable requirements of the Code on Collective Investment Schemes (the "CIS Code") issued by the Monetary Authority of Singapore ("MAS") and the provisions of the Trust Deed. RAP 7 requires that accounting policies adopted should generally comply with the principles relating to recognition and measurement of the Singapore Financial Reporting Standards ("FRS").

(b) Basis of measurement

The financial statements have been prepared on the historical cost basis except for the following material items on the statement of financial position:

- derivative financial instruments are measured at fair value;
- investment properties are measured at fair value.

(c) Functional and presentation currency

Items included in the financial statements of each entity in the Group are measured using the currency that best reflects the economic substance of the underlying events and circumstances relevant to that entity (the "functional currency"). The consolidated financial statements of the Group are presented in Singapore dollars, which is the functional currency of the Trust. All financial information presented in Singapore dollars has been rounded to the nearest thousand, unless otherwise stated.

(d) Use of estimates and judgements

The preparation of financial statements in conformity with RAP 7 requires the Manager to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying amounts of assets and liabilities that are not readily apparent from other sources.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and any future periods affected.

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment within the next financial year are included in the following notes:

- Note 4 – Valuation of investment properties;
- Note 27 – Valuation of financial instruments.

Measurement of fair values

A number of the Group's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement (with Level 3 being the lowest).

The Group recognises transfers between levels of the fair value hierarchy as of the end of the reporting period during which the change has occurred.

Further information about the assumptions made in measuring fair values is included in the following notes:

- Note 4 – Investment properties;
- Note 27 – Valuation of financial instruments.

3. Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements, and have been applied consistently by Group entities.

(a) Basis of consolidation

(i) Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

The Group's acquisition of subsidiaries are primarily accounted for as acquisitions of assets as the subsidiaries are special purpose vehicles established for the sole purpose of holding assets.

(ii) Loss of control

Upon the loss of control, the Trust derecognises the assets and liabilities of the subsidiary, any non-controlling interest and the other components of equity related to the subsidiary. Any surplus or deficit arising on the loss of control is recognised in the statement of total return.

If the Group retains any interest in the previous subsidiary, then such interest is measured at fair value at the date that control is lost. Subsequently, it is accounted for as an equity-accounted investee or as an available-for-sale financial asset depending on the level of influence retained.

(iii) Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income or expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements. Unrealised gains arising from transactions with equity accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

(iv) Accounting for subsidiaries by the Trust

Investments in subsidiaries are stated in the Trust's statement of financial position at cost less accumulated impairment losses.

(b) Foreign currency

(i) Foreign currency transactions

Transactions in foreign currencies are translated at the foreign exchange rates ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated at the foreign exchange rates at that date. Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated at the foreign exchange rates at the date that the fair value was determined. Non-monetary items in a foreign currency that are measured in terms of historical cost are translated using the exchange rate at the date of the transaction.

Foreign currency differences arising on retranslation are recognised in the statement of total return, except for differences arising on the retranslation of monetary items that in substance form part of the Group's net investment in a foreign operation (see Note 3(b)(iii)) and financial derivatives designated as hedges of the net investment in a foreign operation (see Note 3(b)(iv)).

(ii) Foreign operations

The assets and liabilities of foreign operations are translated to Singapore dollars at exchange rates at the reporting date. The income and expenses of foreign operations are translated to Singapore dollars at exchange rates at the dates of the transactions. Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the exchange rate at the reporting date.

Foreign currency differences are recognised in the foreign currency translation reserve. When a foreign operation is disposed of, in part or in full, the relevant amount is transferred to the statement of total return.

(iii) Net investment in a foreign operation

When the settlement of a monetary item receivable from or payable to a foreign operation is neither planned nor likely in the foreseeable future, foreign exchange gains and losses arising from such a monetary item are considered to form part of a net investment in a foreign operation. These are recognised in Unitholders' funds and are presented in the foreign currency translation reserve.

(iv) Hedge of net investment in foreign operation

Foreign currency differences arising on the retranslation of a financial instrument designated as a hedge of a net investment in a foreign operation are recognised in Unitholders' funds to the extent that the hedge is effective, and are presented in the foreign currency translation reserve. To the extent that the hedge is ineffective, such differences are recognised in the statement of total return. When the hedged net investment is disposed of, the cumulative amount in the foreign currency translation reserve is transferred to the statement of total return as an adjustment to the gain or loss arising on disposal.

(c) Financial instruments

(i) Non-derivative financial assets

The Group initially recognises loans and receivables and deposits on the date that they are originated. All other financial assets are recognised initially on the trade date at which the Group becomes a party to the contractual provisions of the instrument.

The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in transferred financial assets that is created or retained by the Group is recognised as a separate asset or liability.

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

The Group has loans and receivables as its non-derivative financial assets.

Loans and receivables

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method, less any impairment losses.

Loans and receivables comprise non-trade amounts due from subsidiaries, trade and other receivables excluding prepayments and cash and cash equivalents.

Cash and cash equivalents comprise cash balances and bank deposits.

(ii) Non-derivative financial liabilities

Financial liabilities are recognised initially on the trade date at which the Group becomes a party to the contractual provisions of the instrument.

The Group derecognises a financial liability when its contractual obligations are discharged, cancelled or expired.

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

The Group has the following non-derivative financial liabilities: trade and other payables, security deposits and interest-bearing borrowings.

Such financial liabilities are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, these financial liabilities are measured at amortised cost using the effective interest method.

(iii) Derivative financial instruments, including hedge accounting

The Group holds derivative financial instruments to hedge its foreign currency and interest rate risk exposures. Embedded derivatives are separated from the host contract and accounted for separately if the economic characteristics and risks of the host contract and the embedded derivative are not closely related, a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative, and the combined instrument is not measured at fair value through the statement of total return.

On initial designation of the hedge, the Group formally documents the relationship between the hedging instrument and hedged item, including the risk management objectives and strategy in undertaking the hedge transaction and the hedged risk, together with the methods that will be used to assess the effectiveness of the hedging relationship. The Group makes an assessment, both at the inception of the hedge relationship as well as on an ongoing basis, of whether the hedging instruments are expected to be "highly effective" in offsetting the changes in the fair value or cash flows of the respective hedged items attributable to the hedged risk, and whether the actual results of each hedge are within a range of 80%-125%. For a cash flow hedge of a forecast transaction, the transaction should be highly probable to occur and should present an exposure to variations in cash flows that could ultimately affect the statement of total return.

Derivatives are recognised initially at fair value; attributable transaction costs are recognised in the statement of total return when incurred. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are accounted for as described below.

Cash flow hedges

When a derivative is designated as the hedging instrument in a hedge of the variability in cash flows attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction that could affect total return, the effective portion of changes in the fair value of the derivative is recognised and presented in the hedging reserve in Unitholders' fund. Any ineffective portion of changes in the fair value of the derivative is recognised immediately in the statement of total return.

. When the hedged item is a non–financial asset, the amount recognised in the hedging reserve is transferred to the carrying amount of the asset when it is recognised. In other cases, the amount recognised in the hedging reserve is transferred to the statement of total return in the same period that the hedged item affects the statement of total return. If the hedging instrument no longer meets the criteria for hedge accounting, expires or is sold, terminated or exercised, or the designation is revoked, then the hedge accounting is discontinued prospectively. The cumulative gain or loss previously recognised and presented in the hedging reserve in Unitholders' fund remains there until the forecast transaction occurs. If the forecast transaction is no longer expected to occur, then the balance in the hedging reserve is recognised immediately in the statement of total return.

(d) Investment properties

Investment properties are properties held either to earn rental income or capital appreciation or both. Investment properties are accounted for as non-current assets and are stated at initial cost on acquisition and at fair value thereafter. The cost of a purchased property comprises its purchase price and any directly attributable expenditure. Transaction costs are included in the initial measurement. Fair value is determined in accordance with the Trust Deed, which requires the investment properties to be valued by independent registered valuers at least once a year in accordance with the CIS Code issued by the MAS.

Any increase or decrease on revaluation is credited or charged to the statement of total return as a net change in fair value of the investment properties.

Subsequent expenditure relating to investment properties that have already been recognised is added to the carrying amount when it is probable that future economic benefits, in excess of the originally assessed standard of performance of the existing asset will flow to the Group.

All other subsequent expenditure is recognised as an expense in the period in which it is incurred.

When an investment property is disposed of, the resulting gain or loss recognised in the statement of total return is the difference between the net disposal proceeds and the carrying amount of the property.

Investment properties are not depreciated. The properties are subject to continued maintenance and regularly revalued on the basis set out above.

(e) Plant and equipment

(i) Recognition and measurement

Plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the asset.

When parts of an item of plant and equipment have different useful lives, they are accounted for as separate items (major components) of plant and equipment.

Gains or losses arising from the retirement or disposal of plant and equipment are determined as the difference between the estimated net disposal proceeds and the carrying amount of the asset and are recognised in the statement of total return on the date of retirement or disposal.

(ii) Subsequent costs

The cost of replacing part of an item of plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group and its cost can be measured reliably. The cost of the day-to-day servicing of plant and equipment are recognised in the statement of total return as incurred.

(iii) Depreciation

Depreciation is provided on a straight-line basis so as to write off items of plant and equipment, and major components that are accounted for separately, over their estimated useful lives as follows:

Improvement to premises	-	5 years
Plant and machinery	-	3 to 5 years
Motor vehicles	-	5 years
Furniture, fittings and equipment	-	2 to 5 years

Depreciation methods, useful lives and residual values are reviewed, and adjusted as appropriate, at each reporting date.

(f) Impairment

(i) Financial assets (including receivables)

A financial asset not carried at fair value through the statement of total return is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

Objective evidence that financial assets are impaired can include default or delinquency by a debtor, restructuring of an amount due to the Group on terms that the Group would not consider otherwise, indications that a debtor will enter bankruptcy.

The Group considers evidence of impairment for receivables at both a specific asset and collective level. All individually significant receivables are assessed for specific impairment. All individually significant receivables found not to be specifically impaired are then collectively assessed for any impairment that has been incurred but not yet identified. Receivables that are not individually significant are collectively assessed for impairment by grouping together receivables with similar risk characteristics.

In assessing collective impairment, the Group uses historical trends of the probability of default, timing of recoveries and the amount of loss incurred, adjusted for management's judgement as to whether current economic and credit conditions are such that the actual losses are likely to be greater or less than suggested by historical trends.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Losses are recognised in the statement of total return and reflected in an allowance account against receivables. Interest on the impaired asset continues to be recognised. When the Group considers that there are no realistic prospects of recovery of the asset, the relevant amounts are written off. If the amount of impairment loss subsequently decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, then the previously recognised impairment loss is reversed through the statement of total return.

(ii) Non-financial assets

The carrying amounts of the Group's non–financial assets, other than investment properties, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

The recoverable amount of an asset or cash-generating unit ("CGU") is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs.

An impairment loss is recognised if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognised in the statement of total return. Impairment losses recognised in respect of the CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the CGU (group of CGUs), and then to reduce the carrying amounts of the other assets in the CGU (group of CGUs) on a *pro rata* basis.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

(g) Unitholders' funds

Unitholders' funds represent the residual interests in the Group's net assets upon termination and are classified as equity.

Expenses incurred in connection with the issuance of Units in the Trust are deducted directly against the Unitholders' funds.

(h) Employee benefits

(i) Defined contribution plans

Obligations for contributions to defined contribution pension plans are recognised as an expense in the statement of total return as incurred.

(ii) Short-term benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided.

A provision is recognised for the amount expected to be paid under short-term cash bonus if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

(i) Distribution policy

The Trust's distribution policy is to distribute at least 90.0% of its distributable income in each financial year to Unitholders, other than from the sale of properties that are determined by Inland Revenue Authority of Singapore to be trading gains.

(j) Revenue recognition

(i) Rental income

Rental income receivable under operating leases is recognised on a straight–line basis over the term of the lease, except where an alternative basis is more representative of the pattern of benefits to be derived from the leased assets. Lease incentives granted are recognised as an integral part of the total rental to be received. Contingent rentals, which include gross turnover rental, are recognised as income in the accounting period on an earned basis. No contingent rental is recognised if there are uncertainties due to the possible return of the amounts received.

(ii) Dividend income

Dividend income is recognised when the right to receive payment is established.

(k) Lease payments

Payment made under operating leases are recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives received are recognised as an integral part of the total lease expense, over the term of the lease.

Contingent lease payments are accounted for by revising the minimum lease payments over the remaining term of the lease when the lease adjustment is confirmed.

(l) Expenses

(i) Property expenses

Property expenses are recognised on an accrual basis.

(ii) Manager's management fees, property management fees and Trustee's fees

These are recognised on an accrual basis based on the applicable formula stipulated in Note 1.

(m) Finance income and finance costs

Finance income comprises interest income recognised in the statement of total return as it accrues, using the effective interest method and gain on hedging instruments that are recognised in the statement of total return.

Finance costs which comprise interest expense on borrowings and expense incurred in connection with borrowings are recognised in the statement of total return, using the effective interest method over the period of the borrowings and loss on hedging instruments that are recognised in the statement of total return.

(n) Taxation

Taxation on the returns for the year comprises current and deferred tax. Taxation is recognised in the statement of total return except to the extent that it relates to items recognised directly in Unitholders' fund.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit; and
- temporary differences relating to investments in subsidiaries to the extent that it is probable that they will not reverse in the foreseeable future.

Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the unused tax losses and credits can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefits will be realised.

Except for the tax exemption as described below, income earned by the Trust will be subject to Singapore income tax at the Trust level at the prevailing corporate tax rate.

The Trust is exempted from Singapore income tax under Section 13(12) of the Singapore Income Tax Act on the following income:

(i) dividends; and

(ii) interest on shareholders' loans,

payable by its subsidiaries in Barbados and Singapore out of underlying rental income derived from the investment properties in China.

This exemption is granted subject to certain conditions, including the condition that the Trustee is a tax resident of Singapore.

The tax exemption also applies to dividends payable by these subsidiaries out of gains, if any, derived from the disposal of their shares in the subsidiaries in China.

(o) Earnings per unit

The Group presents basic and diluted earnings per unit ("EPU") data for its Units. Basic EPU is calculated by dividing the total return attributable to Unitholders of the Group by the weighted average number of ordinary Units outstanding during the period. Diluted EPU is determined by adjusting the total return attributable to Unitholders and the weighted average number of Units outstanding for the effects of all dilutive potential Units.

(p) Segment reporting

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision–Makers ("CODMs"). The CODMs has been identified as the Chief Executive Officer ("CEO") and Head of Finance.

Segment results that are reported to the CODMs include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly financial derivative assets and liabilities, other receivables, cash and cash equivalents, trade and other payables, and interest-bearing borrowings.

Segment capital expenditure is the total cost incurred during the year to acquire plant and equipment and capital expenditure on investment properties.

(q) New standards, interpretations and revised recommended accounting practice not yet adopted

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after 1 January 2015, and have not been applied in preparing these financial statements. The Group is currently assessing the potential impact of adopting these new standards and interpretations, on the financial statements of the Group.

These new standards include, among others, FRS 115 *Revenue from Contracts with Customers* and FRS 109 *Financial Instruments* which are mandatory for adoption by the Company on 1 January 2018.

- FRS 115 establishes a comprehensive framework for determining whether, how much and when revenue is recognised. It also introduces new cost guidance which requires certain costs of obtaining and fulfilling contracts to be recognised as separate assets when specified criteria are met. When effective, FRS 115 replaces existing revenue recognition guidance, including FRS 18 *Revenue*, FRS 11 *Construction Contracts*, INT FRS 113 *Customer Loyalty Programmes*, INT FRS 115 *Agreement Agreements for the Construction of Real Estate*, INT FRS 118 *Transfers of Assets from Customers* and INT FRS 31 *Revenue – Barter Transactions Involving Advertising Services*.

- FRS 109 replaces most of the existing guidance in FRS 39 *Financial Instruments: Recognition and Measurement.* It includes revised guidance on classification and measurement of financial instruments, a new expected credit loss model for calculating impairment on financial assets, and new general hedge accounting requirements.

As FRS 115 and FRS 109, when effective, will change the existing accounting standards and guidance applied by the Company in accounting for revenue and financial instruments, these standards are expected to be relevant to the Company. The Company does not plan to adopt these standards early.

4. Investment properties

	Group	
	2015	**2014**
	$'000	**$'000**
At beginning of year	2,250,783	2,058,094
Expenditure capitalised	19,122	12,478
	2,269,905	2,070,572
Changes in fair value	44,834	104,829
Translation differences	97,887	75,382
At the end of the year	2,412,626	2,250,783

Investment properties are stated at fair value based on valuation performed by independent professional valuers having appropriate recognised professional qualifications and recent experience in the location and category of property being valued. In determining the fair value, the valuers have used valuation methods which involve certain estimates. The Manager reviews the key valuation parameters and underlying data including market-corroborated capitalisation rates, term and reversion rates and discount rates adopted by the valuers and is of the view that the valuation methods and estimates are reflective of the current market conditions.

The fair values are based on open market values, being the estimated amount for which a property could be exchanged on the date of the valuation between a willing buyer and a willing seller in an arm's length transaction wherein the parties had each acted knowledgably and without compulsion.

The valuers have considered valuation techniques including the capitalisation, discounted cash flows and/or term and reversion approaches in arriving at the open market value as at the reporting date.

The capitalisation approach capitalises an income stream into a present value using revenue multipliers or single-year capitalisation rates. The discounted cash flow method involves the estimation and projection of an income stream over a period and discounting the income stream with a risk adjusted discount rates to arrive at the market value. The term and reversion approach capitalises net rental income on a fully leased basis with regards to the current passing rental income from existing tenancies and potential future reversionary income at the market level.

Fair value of the investment properties were based on independent professional full valuations carried out by the following valuers on the dates stated below:

Valuers	Valuation Date	Valuation Date
DTZ Debenham Tie Leung International Property Advisers (Shanghai) Co., Ltd.	31 December 2015	31 December 2014
Knight Frank Petty Limited	31 December 2015	31 December 2014
CBRE Limited	31 December 2015	31 December 2014
Colliers International (Hong Kong) Limited	–	31 December 2014
Savills Valuation and Professional Services (S) Pte. Ltd.	31 December 2015	–

Investment properties comprise retail properties that are held mainly for use by tenants under operating leases. Most leases contain an initial non-cancellable period of within 1 to 3 years (2014: within 1 to 3 years).

Contingent rents, representing income based on certain sales achieved by tenants, recognised in the statement of total return during the year amounted to $12.5 million (2014: $11.9 million).

Level 3 fair values

The following table shows the significant unobservable inputs used in the valuation models:

Valuation methods	Significant unobservable inputs	Inter-relationship between key unobservable inputs and fair value measurement
Capitalisation approach	• Capitalisation rate (from 5.50% to 6.50%) (2014: 5.75%)	The fair value increases as capitalisation rates decreases.
Discounted cash flows approach	• Discount rates (from 7.00% to 10.00%) (2014: from 7.00% to 11.00%) • Terminal rates (from 4.00% to 6.75%) (2014: from 4.00% to 6.50%)	The fair value increases as discount rates and terminal rates decreases.
Term and reversion approach	• Term and reversion rates (from 4.25% to 11.50%) (2014: from 4.25% to 10.50%)	The fair value increases as term and reversion rates decreases.

5. Plant and equipment

	Improvement to premises $'000	Plant and machinery $'000	Motor vehicles $'000	Furniture, fittings and equipment $'000	Total $'000
Group					
Cost					
At 1 January 2014	8,094	335	201	6,496	15,126
Additions	2,387	–	–	663	3,050
Disposal/written off	(46)	(36)	(68)	(910)	(1,060)
Translation difference on consolidation	283	10	4	203	500
At 31 December 2014	10,718	309	137	6,452	17,616
Additions	–	–	–	509	509
Disposal/written off	(43)	(6)	(142)	(358)	(549)
Translation difference on consolidation	465	14	5	275	759
At 31 December 2015	11,140	317	–	6,878	18,335
Less: Accumulated depreciation					
At 1 January 2014	3,874	220	157	3,550	7,801
Charge for the year	1,586	45	16	1,050	2,697
Disposal/written off	(35)	(33)	(55)	(843)	(966)
Translation difference on consolidation	181	8	4	132	325
At 31 December 2014	5,606	240	122	3,889	9,857
Charge for the year	1,808	40	4	727	2,579
Disposal/written off	(2)	(5)	(130)	(323)	(460)
Translation difference on consolidation	259	11	4	172	446
At 31 December 2015	7,671	286	–	4,465	12,422
Carrying amounts					
At 1 January 2014	4,220	115	44	2,946	7,325
At 31 December 2014	5,112	69	15	2,563	7,759
At 31 December 2015	3,469	31	–	2,413	5,913

6. Interests in subsidiaries

	Trust	
	2015	**2014**
	$'000	**$'000**
(a) Unquoted equity, at cost	385,035	385,035
(b) Loans to subsidiaries	355,118	326,428
Non-trade amounts due from subsidiaries	384,915	382,060
	740,033	708,488
	1,125,068	1,093,523

(a) Details of the subsidiaries are as follows:

Name of subsidiaries	Principal activities	Place of incorporation/ business	Effective equity held by the Group	
			2015	**2014**
			%	**%**
(i) Direct subsidiaries				
* CapitaRetail China Investments (B) Pte. Ltd.	Investment holding	Barbados	100	100
* CapitaRetail China Investments (B) Alpha Pte. Ltd.	Investment holding	Barbados	100	100
* CapitaRetail China Investments (B) Beta Pte. Ltd.	Investment holding	Barbados	100	100
* CapitaRetail China Investments (B) Gamma Pte. Ltd.	Investment holding	Barbados	100	100
** CapitaRetail China Investments (BVI) Alpha Limited	Investment holding	British Virgin Islands	100	100
*** Somerset (Wuhan) Investments Pte Ltd	Investment holding	Singapore	100	100
*** CapitaLand Retail Investments (SY) Pte Ltd	Investment holding	Singapore	100	100

	Name of subsidiaries	Principal activities	Place of incorporation/ business	Effective equity held by the Group 2015 %	2014 %
	(ii) Indirect subsidiaries				
	Subsidiary of CapitaRetail China Investments (B) Pte. Ltd.				
*	CapitaRetail Beijing Wangjing Real Estate Co., Ltd.	Property investment	China	100	100
	Subsidiaries of CapitaRetail China Investments (B) Alpha Pte. Ltd.				
*	CapitaRetail Beijing Anzhen Real Estate Co., Ltd.	Property investment	China	100	100
*	CapitaRetail Dragon Mall (Shanghai) Co., Ltd.	Property investment	China	100	100
*	CapitaRetail Beijing Shuangjing Real Estate Co., Ltd.	Property investment	China	100	100
*	CapitaRetail Henan Zhongzhou Real Estate Co., Ltd.	Property investment	China	100	100
*	Huaxin Saihan Huhhot Real Estate Co., Ltd.	Property investment	China	100	100
	Subsidiary of CapitaRetail China Investments (B) Beta Pte. Ltd.				
*	CapitaRetail Beijing Xizhimen Real Estate Co., Ltd.	Property investment	China	100	100

	Name of subsidiaries	Principal activities	Place of incorporation/ business	Effective equity held by the Group 2015 %	2014 %
	(ii) Indirect subsidiaries (Continued)				
	Subsidiary of CapitaRetail China Investments (B) Gamma Pte. Ltd.				
*	CapitaMalls Wuhu Commercial Property Co., Ltd.	Property investment	China	51	51
	Subsidiary of Somerset (Wuhan) Investments Pte Ltd				
*	Wuhan New Minzhong Leyuan Co., Ltd.	Property investment	China	100	100
	Subsidiary of CapitaLand Retail Investments (SY) Pte Ltd				
*	Beijing Huakun Real Estate Management Co., Ltd.	Property investment	China	100	100

* Audited by other member firms of KPMG International.

** This subsidiary is not required to be audited by the laws of the country of incorporation.

*** Audited by KPMG LLP Singapore.

(b) The loans to subsidiaries, amounting to $355.1 million (2014: $326.4 million) and the non-trade amounts due from subsidiaries amounting to $375.4 million (2014: $363.4 million) are unsecured and settlement is neither planned nor likely to occur in the foreseeable future. As these amounts are, in substance, a part of the Trust's net investments in the subsidiaries, they are stated at cost, less accumulated impairment. The remaining $9.5 million (2014: $18.7 million) of the non-trade amounts due from subsidiaries are unsecured, interest-free and repayable on demand. The loans to subsidiaries bear interest fixed at 7.5% (2014: 7.5%).

7. Trade and other receivables

	Group		Trust	
	2015	**2014**	**2015**	**2014**
	$'000	**$'000**	**$'000**	**$'000**
Trade receivables	1,143	2,302	–	–
Impairment losses	(241)	(141)	–	–
	902	2,161	–	–
Other receivables	3,342	2,549	235	201
Dividend income receivable	–	–	22,713	–
Interest receivables	64	–	64	–
Deposits	1,199	1,150	–	–
Loans and receivables	5,507	5,860	23,012	201
Prepayments	7,306	5,487	–	–
	12,813	11,347	23,012	201

Concentration of credit risk relating to loans and receivables is limited as the Group has many varied tenants located in several cities in China and a credit policy of obtaining security deposits from tenants for the lease of units in the Group's investment properties. These tenants comprise retailers engaged in a wide variety of consumer trades.

The maximum exposure to credit risk for loans and receivables at the reporting date (by geographical area in China) is:

	Group	
	2015	**2014**
	$'000	**$'000**
Inner Mongolia	46	31
Beijing	3,388	3,626
Shanghai	1,274	1,277
Others	500	725
	5,208	5,659

Impairment losses

The ageing of loans and receivables at the reporting date is:

	Gross		Impairment	
	2015	**2014**	**2015**	**2014**
	$'000	**$'000**	**$'000**	**$'000**
Group				
Not past due	5,043	4,460	–	–
Past due 1 - 30 days	200	369	–	–
Past due 31 - 60 days	98	297	–	–
Past due 61 - 90 days	33	225	–	–
More than 90 days past due	374	650	241	141
	5,748	6,001	241	141

	Gross		Impairment	
	2015	**2014**	**2015**	**2014**
	$'000	**$'000**	**$'000**	**$'000**
Trust				
Not past due	23,012	201	–	–

The movement in the allowance for impairment in respect of trade receivables during the year is as follows:

		Group	
	Note	**2015**	**2014**
		$'000	**$'000**
At 1 January		141	351
Impairment losses on trade receivables, net	17	117	28
Allowance utilised		(24)	(244)
Translation difference		7	6
At 31 December		241	141

The majority of the trade receivables are mainly from tenants that have good credit records with the Group. The allowance account in respect of trade receivables is used to record impairment losses unless the Group is satisfied that no recovery of the amount owing is possible; at that point the amounts are considered irrecoverable and are written off against the financial asset directly. During the year ended 31 December 2015, the Group collected $nil million (2014: $0.1 million) of its impaired trade receivables.

The Group's historical experience in the collection of loans and receivables falls within the recorded allowances. The Manager believes that no additional credit risk beyond the amounts provided for collection losses is inherent in the Group's loans and receivables, based on historical payment behaviours and the security deposits held (if applicable).

8. Cash and cash equivalents

	Group		Trust	
	2015	**2014**	**2015**	**2014**
	$'000	**$'000**	**$'000**	**$'000**
Cash at banks and in hand	53,430	58,992	369	238
Fixed deposits with financial institutions	72,892	27,634	–	–
	126,322	86,626	369	238

9. Trade and other payables

	Group		Trust	
	2015	**2014**	**2015**	**2014**
	$'000	**$'000**	**$'000**	**$'000**
Trade payable	334	650	15	–
Accrued operating expenses	13,603	11,187	1,445	2,582
Accrued development expenditure	10,738	7,528	–	–
Amounts due to related parties (trade)	2,585	2,344	1,627	1,467
Other deposits and advances	27,652	24,069	–	–
Interest payable	1,715	1,564	1,600	1,337
Other payables	2,892	3,798	–	–
	59,519	51,140	4,687	5,386

Included in amounts due to related parties (trade) are amounts due to the Manager, Property and Project Managers of $1.6 million (2014: $1.5 million), $0.7 million (2014: $0.7 million) and $0.3 million (2014: $nil) respectively.

10. Interest–bearing borrowings

		Group		Trust	
	Note	**2015**	**2014**	**2015**	**2014**
		$'000	**$'000**	**$'000**	**$'000**
Unsecured term loans	(a)	550,503	538,503	550,503	538,503
Secured loan	(b)	79,589	104,890	–	–
Money market facilities		77,000	29,500	77,000	29,500
Less: Unamortised transactions costs		(1,086)	(1,180)	(1,086)	(1,180)
		706,006	671,713	626,417	566,823

(a) As at 31 December 2015, unsecured term loans comprise a $100.0 million, a $50.5 million, five $50.0 million, two $75.0 million fixed/floating rate trust term loans (collectively known as "Trust Term Loan Facilities"). These facilities have negative pledge covenants which require the Trust, amongst others:

(i) not to, without the prior written consent of the lender, create or have outstanding any security on or over the Group's interest in any of the investment properties;

(ii) in the event of a sale of any of the investment properties, to repay an amount equal to the proportion of the market value of the investment properties sold to the total market value of the investment properties as determined by the lender based on the latest annual valuation reports of the investment properties; and

(iii) not to provide any guarantee for any other entities except for secured borrowings for new investment properties acquired with existing mortgages.

The Trust Term Loan Facilities are repayable in full at maturity, although the Trust has the option to make early prepayments.

In respect of the unsecured RMB term loan, it was fully repaid on 30 June 2014.

(b) At the reporting date, secured loan comprises a RMB term loan of $79.6 million (RMB360.0 million) (2014: $104.9 million (RMB495.0 million)). Interest rates for the term loan bear interest referenced against 3 to 5 years People's Bank of China ("PBOC") base lending rate.

As security for the loan, the Trust has granted in favour of the lender the following:

(i) a mortgage over CapitaMall Grand Canyon;

(ii) an assignment of the rental revenue of CapitaMall Grand Canyon; and

(iii) an assignment of the insurance policies relating to CapitaMall Grand Canyon.

In respect of the secured RMB term loan, RMB12.5 million is payable on a semi-annual basis from June 2014. The outstanding loan balance of RMB297.5 million is payable in full upon maturity on 19 December 2018. The RMB bridge loan of RMB540.0 million was fully repaid in 2014.

Terms and debt repayment schedule

Terms and conditions of the outstanding interest–bearing borrowings are as follows:

	Nominal interest rate per annum %	**Year of maturity**	**Face value $'000**	**Carrying amount $'000**
2015				
Group				
S$ unsecured floating rate money market facility	1.33-2.42	2016	70,000	70,000
S$ unsecured floating rate money market facility	1.50-2.42	2016	7,000	7,000
S$ unsecured fixed rate loan	2.35-2.45	2016	50,000	49,996
S$ unsecured floating rate loan	1.84-2.79	2016	50,000	49,979
S$ unsecured floating rate loan	2.00-2.94	2017	50,503	50,431
S$ unsecured floating rate loan	1.59-2.66	2017	75,000	74,850
S$ unsecured fixed rate loan	2.75	2018	50,000	49,879
RMB secured floating rate term loan	4.75-6.00	2018	79,589	79,589
S$ unsecured floating rate loan	1.90-2.54	2019	50,000	49,846
S$ unsecured floating rate loan	1.90-2.54	2019	50,000	49,846
S$ unsecured floating rate loan	1.71-2.72	2019	75,000	74,788
S$ unsecured floating rate loan	1.65-2.80	2020	100,000	99,802
			707,092	706,006

	Nominal interest rate per annum %	Year of maturity	Face value $'000	Carrying amount $'000
2015				
Trust				
S$ unsecured floating rate money market facility	1.33-2.42	2016	70,000	70,000
S$ unsecured floating rate money market facility	1.50-2.42	2016	7,000	7,000
S$ unsecured fixed rate loan	2.35-2.45	2016	50,000	49,996
S$ unsecured floating rate loan	1.84-2.79	2016	50,000	49,979
S$ unsecured floating rate loan	2.00-2.94	2017	50,503	50,431
S$ unsecured floating rate loan	1.59-2.66	2017	75,000	74,850
S$ unsecured fixed rate loan	2.75	2018	50,000	49,879
S$ unsecured floating rate loan	1.90-2.54	2019	50,000	49,846
S$ unsecured floating rate loan	1.90-2.54	2019	50,000	49,846
S$ unsecured floating rate loan	1.71-2.72	2019	75,000	74,788
S$ unsecured floating rate loan	1.65-2.80	2020	100,000	99,802
			627,503	626,417
2014				
Group				
S$ unsecured floating rate money market facility	1.54	2015	29,500	29,500
S$ unsecured floating rate loan	1.85-1.91	2015	88,000	87,996
S$ unsecured fixed rate loan	2.35-2.45	2016	50,000	49,946
S$ unsecured floating rate loan	1.37-1.84	2016	50,000	49,929
S$ unsecured floating rate loan	1.52-2.00	2017	50,503	50,381
S$ unsecured floating rate loan	1.31-1.59	2017	75,000	74,775
S$ unsecured fixed rate loan	2.75	2018	50,000	49,829
RMB secured floating rate term loan	6.00-6.40	2018	104,890	104,890
S$ unsecured floating rate loan	1.46-1.71	2019	75,000	74,713
S$ unsecured floating rate loan	1.65	2020	100,000	99,754
			672,893	671,713
Trust				
S$ unsecured floating rate money market facility	1.54	2015	29,500	29,500
S$ unsecured floating rate loan	1.85-1.91	2015	88,000	87,996
S$ unsecured fixed rate loan	2.35-2.45	2016	50,000	49,946
S$ unsecured floating rate loan	1.37-1.84	2016	50,000	49,929
S$ unsecured floating rate loan	1.52-2.00	2017	50,503	50,381
S$ unsecured floating rate loan	1.31-1.59	2017	75,000	74,775
S$ unsecured fixed rate loan	2.75	2018	50,000	49,829
S$ unsecured floating rate loan	1.46-1.71	2019	75,000	74,713
S$ unsecured floating rate loan	1.65	2020	100,000	99,754
			568,003	566,823

The following are the contractual maturities of non–derivative financial liabilities, including estimated interest payments and excluding the impact of netting agreements:

	Carrying amount $'000	Contractual cash flow $'000	Within 1 year $'000	Within 2 to 5 years $'000	After 5 years $'000
2015					
Group					
S$ unsecured floating rate money market facility	70,000	(70,144)	(70,144)	–	–
S$ unsecured floating rate money market facility	7,000	(7,018)	(7,018)	–	–
S$ unsecured fixed rate loan	49,996	(50,588)	(50,588)	–	–
S$ unsecured floating rate loan	49,979	(50,674)	(50,674)	–	–
S$ unsecured floating rate loan	50,431	(52,804)	(1,503)	(51,301)	–
S$ unsecured floating rate loan	74,850	(79,481)	(2,077)	(77,404)	–
S$ unsecured fixed rate loan	49,879	(53,319)	(1,379)	(51,940)	–
RMB secured floating rate term loan	79,589	(90,100)	(9,304)	(80,796)	–
S$ unsecured floating rate loan	74,788	(83,176)	(2,109)	(81,067)	–
S$ unsecured floating rate loan	49,846	(53,586)	(1,000)	(52,586)	–
S$ unsecured floating rate loan	49,846	(55,388)	(1,403)	(53,985)	–
S$ unsecured floating rate loan	99,802	(115,791)	(2,978)	(112,813)	–
Trade and other payables (Note 9)	59,519	(59,519)	(59,519)	–	–
Security deposits	43,348	(43,348)	(16,145)	(23,203)	(4,000)
	808,873	(864,936)	(275,841)	(585,095)	(4,000)
Trust					
S$ unsecured floating rate money market facility	70,000	(70,144)	(70,144)	–	–
S$ unsecured floating rate money market facility	7,000	(7,018)	(7,018)	–	–
S$ unsecured fixed rate loan	49,996	(50,588)	(50,588)	–	–
S$ unsecured floating rate loan	49,979	(50,674)	(50,674)	–	–
S$ unsecured floating rate loan	50,431	(52,804)	(1,503)	(51,301)	–
S$ unsecured floating rate loan	74,850	(79,481)	(2,077)	(77,404)	–
S$ unsecured fixed rate loan	49,879	(53,319)	(1,379)	(51,940)	–
S$ unsecured floating rate loan	74,788	(83,176)	(2,109)	(81,067)	–
S$ unsecured floating rate loan	49,846	(53,586)	(1,000)	(52,586)	–
S$ unsecured floating rate loan	49,846	(55,388)	(1,403)	(53,985)	–
S$ unsecured floating rate loan	99,802	(115,791)	(2,978)	(112,813)	–
Trade and other payables (Note 9)	4,687	(4,687)	(4,687)	–	–
	631,104	(676,656)	(195,560)	(481,096)	–

	Carrying amount $'000	Contractual cash flow $'000	Within 1 year $'000	Within 2 to 5 years $'000	After 5 years $'000
2014					
Group					
S$ unsecured floating rate money market facility	29,500	(29,541)	(29,541)	–	–
S$ unsecured floating rate loan	87,996	(88,410)	(88,410)	–	–
S$ unsecured fixed rate loan	49,946	(51,721)	(1,182)	(50,539)	–
S$ unsecured floating rate loan	49,929	(51,474)	(945)	(50,529)	–
S$ unsecured floating rate loan	50,381	(53,622)	(1,030)	(52,592)	–
S$ unsecured floating rate loan	74,775	(80,500)	(1,378)	(79,122)	–
S$ unsecured fixed rate loan	49,829	(54,640)	(1,375)	(53,265)	–
RMB secured floating rate term loan	104,890	(128,173)	(11,597)	(116,576)	–
S$ unsecured floating rate loan	74,713	(84,147)	(1,484)	(82,663)	–
S$ unsecured floating rate loan	99,754	(116,347)	(1,924)	(13,978)	(100,445)
Trade and other payables (Note 9)	51,140	(51,140)	(51,140)	–	–
Security deposits	41,158	(41,158)	(15,309)	(21,643)	(4,206)
	764,011	(830,873)	(205,315)	(520,907)	(104,651)
Trust					
S$ unsecured floating rate money market facility	29,500	(29,541)	(29,541)	–	–
S$ unsecured floating rate loan	87,996	(88,410)	(88,410)	–	–
S$ unsecured fixed rate loan	49,946	(51,721)	(1,182)	(50,539)	–
S$ unsecured floating rate loan	49,929	(51,474)	(945)	(50,529)	–
S$ unsecured floating rate loan	50,381	(53,622)	(1,030)	(52,592)	–
S$ unsecured floating rate loan	74,775	(80,500)	(1,378)	(79,122)	–
S$ unsecured fixed rate loan	49,829	(54,640)	(1,375)	(53,265)	–
S$ unsecured floating rate loan	74,713	(84,147)	(1,484)	(82,663)	–
S$ unsecured floating rate loan	99,754	(116,347)	(1,924)	(13,978)	(100,445)
Trade and other payables (Note 9)	5,386	(5,386)	(5,386)	–	–
	572,209	(615,788)	(132,655)	(382,688)	(100,445)

It is not expected that the cash flows included in the maturity analysis could occur significantly earlier, or at significantly different amounts.

11. Financial derivatives

	Group and Trust	
	2015	**2014**
	$'000	**$'000**
Financial derivative assets	12,630	1,547
Financial derivative liabilities	(7,157)	(8,605)

The following are the contractual maturities of financial derivative assets and liabilities, including estimated interest payments:

	Carrying amount $'000	**Contractual cash flow $'000**	**Within 1 year $'000**	**Within 2 to 5 years $'000**
Group and Trust				
Financial derivative assets				
2015				
Interest rate swaps	6,578	7,458	1,714	5,744
Non-deliverable forward	6,052	6,052	6,052	–
	12,630	13,510	7,766	5,744
2014				
Interest rate swaps	1,481	1,793	(1,111)	2,904
Non-deliverable forward	66	66	–	66
	1,547	1,859	(1,111)	2,970
Financial derivative liabilities				
2015				
Non-deliverable forward	(7,157)	(7,157)	(5,730)	(1,427)
2014				
Interest rate swaps	(19)	(48)	(48)	–
Non-deliverable forward	(8,586)	(8,586)	(5,669)	(2,917)
	(8,605)	(8,634)	(5,717)	(2,917)

It is not expected that the cash flows included in the maturity analysis could occur significantly earlier, or at significantly different amounts.

The table also indicates the periods in which the cash flows associated with derivatives that are expected to occur and impact the statement of total return and Unitholders' funds.

12. Deferred tax liabilities

The movement in deferred tax liabilities during the financial year is as follows:

Group	At 1 January 2014 $'000	Statement of total return (Note 21) $'000	Translation difference $'000	At 31 December 2014 $'000	Statement of total return (Note 21) $'000	Translation difference $'000	At 31 December 2015 $'000
Deferred tax liabilities							
Investment properties	154,876	34,364	8,722	197,962	19,211	11,736	228,909
Tax on unrepatriated profits	4,744	2,217	–	6,961	897	–	7,858
	159,620	36,581	8,722	204,923	20,108	11,736	236,767

Deferred tax assets have not been recognised in respect of the following item because it is not probable that future taxable profit will be available against which the Group can utilise the benefits therefrom:

	Group	
	2015 $'000	2014 $'000
Tax losses	51,551	48,500

The tax losses are subject to agreement by the tax authorities and compliance with tax regulations in the country in which the subsidiaries operate. These tax losses can be carried forward up to five consecutive years and will expire on the fifth year from which the tax losses arise.

13. Unitholders' funds

	Note	Group		Trust	
		2015 $'000	2014 $'000	2015 $'000	2014 $'000
Net assets resulting from operations		877,390	768,262	78,103	14,662
Hedging reserve	(a)	6,573	1,459	6,573	1,459
Foreign currency translation reserve	(b)	148,433	66,043	–	–
Unitholders' transactions		438,138	498,559	438,138	498,559
General reserve	(c)	20,286	15,415	–	–
		1,490,820	1,349,738	522,814	514,680

(a) The hedging reserve comprises the effective portion of the cumulative net change in the fair value of cash flow hedging instruments relating to forecast hedged transactions.

(b) The foreign currency translation reserve comprises:

(i) foreign exchange differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from the functional currency of the Trust;

(ii) the gains or losses on financial instruments used to hedge the Group's net investment in foreign operations that are determined to be effective hedges; and

(iii) the foreign exchange differences on monetary items which form part of the Group's net investment in foreign operations, provided certain conditions are met.

(c) General reserve

The subsidiaries incorporated in China are required to transfer 10% of their profits after taxation, as determined under the accounting principles and relevant financial regulations of China to the general reserve until the reserve balance reaches 50% of registered capital. The transfer to this reserve must be made before distribution of dividends to its shareholders.

General reserve can be used to make good previous years' losses, if any, and may be converted to registered capital in proportion to the existing interests of the shareholders, provided that the balance after such conversion is not less than 25% of the registered capital.

14. Non-controlling interest

The following summarises the financial information of the Group's significant subsidiary with material non-controlling interest. At the reporting date, the Group only had one subsidiary with significant non-controlling interest of 49% (2014: 49%), CapitaMalls Wuhu Commercial Property Co., Ltd..

	Group	
	2015	**2014**
	$'000	**$'000**
Non-current assets	52,748	58,980
Current assets	3,092	5,790
Non-current liabilities	(19,502)	(20,576)
Current liabilities	(26,235)	(23,882)
Net assets	10,103	20,312
Net assets based on percentage shareholdings	4,950	9,952
Add non-controlling interest loans in respect of the Group's investment in a subsidiary in China:	19,296	18,126
Net assets attributable to non-controlling interest	**24,246**	**28,078**

	Group	
	2015	**2014**
	$'000	**$'000**
Revenue	3,457	6,802
Total return after taxation	(11,158)	2,007
Attributable to non-controlling interest:		
Total return after taxation	(5,467)	983
Add interest relating to non-controlling interest loans in respect of the Group's investment in a subsidiary in China:	766	774
Total return allocated to non-controlling interest	(4,701)	1,757
Cash flows (used in)/ from operating activities	(2,018)	1,211
Cash flows used in investing activities	(630)	(136)
Cash flows used in financing activities	(285)	(2,376)
Net decrease in cash and cash equivalents	(2,933)	(1,301)

There are no dividends paid to non-controlling interests in 2015 and 2014.

15. Units in issue

	2015	**2014**
	Number of Units	**Number of Units**
Balance as at beginning of year	828,117,704	803,026,588
New Units issued:		
- as payment of acquisition fee for CapitaMall Grand Canyon	–	2,735,125
- as payment of Manager's management fees	3,588,196	3,468,568
- as payment of distribution through distribution reinvestment plan	11,550,255	18,887,423
Total issued Units as at end of the year	843,256,155	828,117,704
New Units to be issued:		
- as payment of Manager's management fees	945,766	844,273
Total issued and issuable Units as at end of the year	844,201,921	828,961,977

Units issued during the year ended 31 December 2015 are as follows:

(a) On 26 March 2015, the Trust issued 10,220,054 new Units at an issue price of $1.6580 per Unit as payment of distribution under distribution reinvestment plan for the period from 1 July 2014 to 31 December 2014;

(b) On 30 March 2015, the Trust issued 844,273 new Units at an issue price of $1.5894 per Unit as payment of the performance component of the management fee for the period from 1 October 2014 to 31 December 2014;

(c) On 11 June 2015, the Trust issued 860,414 new Units at an issue price of $1.6061 per Unit as payment of the performance component of the management fee for the period from 1 January 2015 to 31 March 2015;

(d) On 22 September 2015, the Trust issued 1,330,201 new Units at an issue price of $1.5730 per Unit as payment of distribution under distribution reinvestment plan for the period from 1 January 2015 to 30 June 2015;

(e) On 28 September 2015, the Trust issued 848,218 new Units at an issue price of $1.7018 per Unit as payment of the performance component of the management fee for the period from 1 April 2015 to 30 June 2015;

(f) On 24 November 2015, the Trust issued 1,035,291 new Units at an issue price of $1.3647 per Unit as payment of the performance component of the management fee for the period from 1 July 2015 to 30 September 2015.

Units issued during the year ended 31 December 2014 are as follows:

(a) On 10 February 2014, the Trust issued 2,735,125 new Units at an issue price of $1.3023 per Unit as payment of the related acquisition fees of CapitaMall Grand Canyon;

(b) On 27 March 2014, the Trust issued 11,408,589 new Units at an issue price of $1.276 per Unit as payment of distribution under distribution reinvestment plan for the period from 1 July 2013 to 31 December 2013;

(c) On 31 March 2014, the Trust issued 786,472 new Units at an issue price of $1.311 per Unit as payment of the performance component of the management fee for the period from 1 October 2013 to 31 December 2013;

(d) On 5 June 2014, the Trust issued 933,248 new Units at an issue price of $1.3861 per Unit as payment of the performance component of the management fee for the period from 1 January 2014 to 31 March 2014;

(e) On 25 September 2014, the Trust issued 7,478,834 new Units at an issue price of $1.617 per Unit as payment of distribution under distribution reinvestment plan for the period from 1 January 2014 to 30 June 2014;

(f) On 29 September 2014, the Trust issued 930,416 new Units at an issue price of $1.4709 per Unit as payment of the performance component of the management fee for the period from 1 April 2014 to 30 June 2014;

(g) On 25 November 2014, the Trust issued 818,432 new Units at an issue price of $1.5769 per Unit as payment of the performance component of the management fee for the period from 1 July 2014 to 30 September 2014.

The issue prices were determined based on the volume weighted average traded price for all trades done on the SGX–ST in the ordinary course of trading for the last 10 business days of the relevant periods in which the management fees accrue.

Each Unit in the Trust represents an undivided interest in the Trust. The rights and interests of Unitholders are contained in the Trust Deed and include the right to:

- one vote per Unit;
- receive income and other distributions attributable to the Units held;
- participate in the termination of the Trust by receiving a share of all net cash proceeds derived from the realisation of the assets of the Trust less any liabilities, in accordance with their proportionate interests in the Trust. However, a Unitholder has no equitable or proprietary interest in the underlying assets of the Trust and is not entitled to the transfer of any assets (or part thereof) or any estate or interest in any asset (or part thereof) of the Trust; and
- attend all Unitholders' meetings. The Trustee or the Manager may (and the Manager shall at the request in writing of not less than 50 Unitholders or one–tenth in number of Unitholders, whichever is lesser) at any time convene a meeting of Unitholders in accordance with the provisions of the Trust Deed.

The restrictions of a Unitholder include the following:

- a Unitholder's right is limited to the right to require due administration of the Trust in accordance with the provisions of the Trust Deed; and
- a Unitholder has no right to request the Manager to redeem his Units while the Units are listed on the SGX-ST.

A Unitholder's liability is limited to the amount paid or payable for any unit in the Trust. The provisions of the Trust Deed provide that no Unitholder will be personally liable to indemnify the Trustee or any creditor of the Trustee in the event that the liabilities of the Trust exceed its assets.

16. Total Unitholders' distribution

Unitholders' distribution for the year is accounted for as distribution from operations and distribution from Unitholders' contributions:

(a) Distribution from operations

This refers to distribution made by the Trust that is represented by income received or receivable during the financial year, as the case may be, net of expenses. Such income comprises mainly the following:

- dividend from subsidiaries in Barbados and Singapore paid out of dividend declared by the subsidiaries in China;
- dividend from subsidiaries in Barbados and Singapore paid out of net interest income earned by subsidiaries in Barbados and Singapore on shareholders' loans extended to subsidiaries in China; and
- interest income earned by the Trust on shareholders' loans extended to subsidiaries in Barbados and Singapore.

The above income originates from income derived by the subsidiaries in China in respect of the current financial year.

(b) Distribution from Unitholders' contributions

This refers to the amount of distribution made by the Trust for the financial year where the underlying cash is not, or may not be, received or receivable as income by the Trust during that period. Such distribution comprises mainly the following:

- profits from operations arising from the investment properties which are declared as dividend income after the financial year, as the case may be, and accordingly also received as dividends by the Trust after that year;
- profits from operations arising from the investment properties which cannot be declared as dividends;
- adjustment for depreciation expenses of the investment properties; and
- adjustments for trust expenses that are paid in Units, foreign currency differences attributable to net investment hedges undertaken by the Trust and certain unrealised expenses.

Income available for distribution to Unitholders at end of the year

Distributions are made on a semi-annual basis, with the amount calculated as at 30 June and 31 December each year for the six–month period ending on each of the said dates. In accordance with the provisions of the Trust Deed, the Manager is required to pay distributions within 90 days from the end of each distribution period. Distributions, when paid, will be in Singapore dollars.

Distributions for the period from 1 January 2015 to 30 June 2015 had been paid on 22 September 2015. Distributions for the period from 1 July 2015 to 31 December 2015 will be paid within 90 days of the end of the distribution period, in accordance with the provisions of the Trust Deed.

17. Other property operating expenses

		Group	
	Note	**2015**	**2014**
		$'000	**$'000**
Utilities		7,544	7,223
Advertising and promotion		4,827	3,989
Maintenance		8,749	7,925
Staff costs		9,808	9,060
Depreciation of plant and equipment	5	2,579	2,697
Impairment losses on trade receivables, net	7	117	28
Amortisation of deferred expenditure included in other receivables		61	57
Plant and equipment written off		32	81
Others		2,141	1,051
		35,858	32,111

Included in staff costs is contribution to defined contribution plans of $2.0 million (2014: $1.7 million).

18. Manager's management fees

Manager's management fees comprise base fee of $6.2 million (2014: $5.5 million) and performance fee of $5.6 million (2014: $5.3 million). The Manager has elected to receive all performance fee in the form of Units. $4.2 million (2014: $4.0 million) of $5.6 million (2014: $5.3 million) relating to the performance component of the Manager's management fee was paid during the year through the issue of 2,743,923 Units (2014: 2,682,096 Units). The remaining $1.4 million (2014: $1.3 million) will be paid through the issue of 945,766 new Units (2014: 844,273 new Units) subsequent to the year end.

19. Other trust operating expenses/(income)

	Group		Trust	
	2015	**2014**	**2015**	**2014**
	$'000	**$'000**	**$'000**	**$'000**
Professional fees	86	191	86	28
Acquisition related expenses	1,785	888	–	–
Non-deal roadshow expenses	6	10	6	10
Others	13	1,068	(559)	505
	1,890	2,157	(467)	543

20. Finance income and finance costs

	Group		Trust	
	2015	**2014**	**2015**	**2014**
	$'000	**$'000**	**$'000**	**$'000**
Interest income:				
- financial institutions	1,481	874	469	29
- subsidiaries	–	–	26,436	24,376
Finance income	1,481	874	26,905	24,405
Interest expenses	(20,148)	(21,212)	(14,877)	(11,980)
Other finance costs	(512)	(714)	(494)	(490)
Finance costs	(20,660)	(21,926)	(15,371)	(12,470)
Net finance (costs)/income recognised in statement of total return	(19,179)	(21,052)	11,534	11,935

21. Taxation

	Note	Group 2015 $'000	Group 2014 $'000	Trust 2015 $'000	Trust 2014 $'000
Current taxation					
Current year		23,368	19,487	–	–
(Over)/under provision in prior years		(96)	1,041	6	8
		23,272	20,528	6	8
Deferred taxation					
Origination of temporary differences	12	20,108	36,581	–	–
Income tax expense		43,380	57,109	6	8

Reconciliation of effective tax rate

	Group 2015 $'000	Group 2014 $'000	Trust 2015 $'000	Trust 2014 $'000
Total return for the year before taxation	152,678	203,464	63,447	10,148
Tax calculated using Singapore tax rate of 17%	25,955	34,589	10,786	1,725
Adjustments:				
Effect of different tax rates in foreign jurisdictions	5,545	10,157	–	–
Income not subject to tax	(246)	(27)	(15,617)	(6,959)
Expenses not deductible for tax purposes	–	–	318	1,186
Deferred tax assets not recognised	1,739	562	–	–
Utilisation of previously unrecognised tax losses	(1,010)	–	–	–
Tax losses not allowed to be carried forward	4,514	4,049	4,513	4,048
Foreign tax suffered	6,979	6,738	–	–
(Over)/under provision in prior years	(96)	1,041	6	8
	43,380	57,109	6	8

22. Earnings per unit

The calculation of basic earnings per unit is based on weighted average number of Units during the year and total return for the year after taxation and non–controlling interest before distribution.

	Group	
	2015	**2014**
	$'000	**$'000**
Total return for the year after taxation and non–controlling interest before distribution	113,999	144,598

	Trust	
	Number of Units 2015 '000	**Number of Units 2014 '000**
Issued Units at beginning of year	828,118	803,027
Effect of creation of new Units:		
- As payment of acquisition fee of CapitaMall Grand Canyon	–	2,428
- Manager's management fees paid/payable in Units	1,443	1,449
- As payment of distribution under distribution reinvestment plan	8,204	10,708
Weighted average number of issued and issuable Units at end of the year	837,765	817,612

Diluted earnings per unit is the same as the basic earnings per unit as there are no dilutive instruments in issue during the year.

	Group	
	2015	**2014**
	$'000	**$'000**
Amount available for distribution to Unitholders at end of the year	89,219	80,882

23. Related party transactions

For the purposes of these financial statements, parties are considered to be related to the Group if the Group has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group and the party are subject to common significant influence. Related parties may be individuals or other entities. The Manager, being CapitaLand Retail China Trust Management Limited (formerly known as CapitaRetail China Management Limited) is an indirect wholly-owned subsidiary of a substantial Unitholder of the Trust. The Property and Project Managers, being CapitaLand Retail (Shanghai) Management & Consulting Co., Ltd. and CapitaLand Retail (Beijing) Facilities & Projects Consulting Co., Ltd. are indirect wholly–owned subsidiaries of a substantial Unitholder of the Trust.

In the normal course of the operations of the Trust, the Manager's management fees and the Trustee's fees have been paid or are payable to the Manager and Trustee respectively. The property management fees, reimbursables and project management fees have been paid or are payable to the Property and Project Managers respectively.

24. Financial ratios

	Group	
	2015	**2014**
	%	**%**
Ratio of expenses to average net asset value [1]		
- including performance component of Manager's management fees	0.88	1.03
- excluding performance component of Manager's management fees	0.49	0.61
Portfolio turnover rate [2]	–	–

Notes:

[1] The annualised ratio is computed in accordance with the guidelines of the Investment Management Association of Singapore. The expenses used in the computation relate to expenses at the Group level, excluding property related expenses and borrowing costs.

[2] The annualised ratio is computed based on the lesser of purchases or sales of underlying investment properties of the Group expressed as a percentage of weighted average net asset value.

25. Operating segments

The Group has ten reportable segments, as described below, which are the Group's investment properties. The investment properties are managed separately because they require different operating and marketing strategies. For each of the investment properties, the CODMs review internal management reports on a monthly basis.

All of the Group's reportable segments are investment properties located in China used primarily for retail purposes. The reporting segments are as follows:

- CapitaMall Xizhimen
- CapitaMall Wangjing
- CapitaMall Grand Canyon
- CapitaMall Anzhen
- CapitaMall Erqi
- CapitaMall Minzhongleyuan
- CapitaMall Shuangjing
- CapitaMall Qibao
- CapitaMall Saihan
- CapitaMall Wuhu

Segment revenue comprises mainly income generated from its tenants. Segment net property income represents the income earned by each segment after allocating property operating expenses. This is the measure reported to the CODMs for the purpose of assessment of segment performance. In addition, the CODMs monitor the non–financial assets as well as financial assets attributable to each segment when assessing segment performance.

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly the Trust's financial assets and liabilities and its expenses. Segment capital expenditure is the total cost incurred during the year to acquire segment assets that are expected to be used for more than one year.

Information regarding the Group's reportable segments is presented in the tables in the following pages.

For the purpose of monitoring segment performance, the Group's CODMs monitor the non–financial assets as well as financial assets attributable to each segment.

Information about reportable segments

	CapitaMall Xizhimen		CapitaMall Wangjing		CapitaMall Grand Canyon		CapitaMall Anzhen		CapitaMall Erqi		Sub Total	
	2015 $'000	**2014 $'000**	**2015 $'000**	**2014 $'000**	**2015 $'000**	**2014 $'000**	**2015 $'000**	**2014 $'000**	**2015 $'000**	**2014 $'000**	**2015 $'000**	**2014 $'000**
External revenues:												
- Gross rental income	56,855	50,255	43,401	37,942	29,022	25,046	18,061	16,788	11,173	10,385	158,512	140,416
- Others	2,969	3,723	3,299	3,158	2,808	3,384	2	6	10	–	9,088	10,271
- Gross revenue	59,824	53,978	46,700	41,100	31,830	28,430	18,063	16,794	11,183	10,385	167,600	150,687
Segment net property income	41,922	37,988	33,947	29,557	20,457	17,815	14,524	13,777	8,890	8,336	119,740	107,473
Finance income	232	203	169	146	47	58	221	97	56	43	725	547
Finance costs	–	–	–	–	(5,289)	(9,709)	–	(717)	–	–	(5,289)	(10,426)
Reportable segment total return before taxation	63,754	74,322	51,363	60,038	20,980	20,248	19,523	18,114	10,688	11,331	166,308	184,053
Segment assets	662,259	609,155	517,320	449,088	472,916	422,550	227,295	214,877	144,779	146,577	2,024,569	1,842,247
Segment liabilities	95,805	81,993	92,681	80,052	116,672	131,578	32,484	28,097	18,770	16,632	356,412	338,352
Other segment items:												
Depreciation and amortisation	(830)	(796)	(658)	(613)	(350)	(606)	(41)	(44)	(86)	(89)	(1,965)	(2,148)
(Impairment losses)/write-back on trade receivables, net	–	–	(68)	–	5	110	–	–	–	–	(63)	110
Net change in fair value of investment properties	21,945	36,162	17,673	29,872	7,645	13,098	4,823	4,940	1,861	3,004	53,947	87,076
Capital expenditure	(1,151)	(925)	(5,710)	(1,508)	(8,284)	(1,348)	–	–	(112)	(322)	(15,257)	(4,103)

	CapitaMall Minzhongleyuan		CapitaMall Shuangjing		CapitaMall Qibao		CapitaMall Saihan		CapitaMall Wuhu		Sub Total		Grand Total	
	2015 $'000	**2014 $'000**	**2015 $'000**	**2014 $'000**	**2015 $'000**	**2014 $'000**	**2015 $'000**	**2014 $'000**	**2015 $'000**	**2014 $'000**	**2015 $'000**	**2014 $'000**	**2015 $'000**	**2014 $'000**
External revenues:														
- Gross rental income	3,302	4,910	10,004	9,331	19,971	17,648	11,988	10,531	3,142	6,252	48,407	48,672	206,919	189,088
- Others	186	240	54	15	2,425	2,173	1,347	925	315	550	4,327	3,903	13,415	14,174
- Gross revenue	3,488	5,150	10,058	9,346	22,396	19,821	13,335	11,456	3,457	6,802	52,734	52,575	220,334	203,262
Segment net property income	(2,404)	271	8,108	7,529	10,120	8,543	6,924	6,155	(1,403)	2,394	21,345	24,892	141,085	132,365
Finance income	18	40	62	48	128	125	50	49	28	36	286	298	1,011	845
Finance costs	–	–	–	–	–	–	–	–	–	–	–	–	(5,289)	(10,426)
Reportable segment total return before taxation	(9,333)	3,522	9,937	10,402	10,200	11,008	11,881	14,025	(10,968)	4,247	11,717	43,204	178,025	227,257
Segment assets	120,484	121,898	135,175	123,405	120,518	115,867	103,122	91,091	52,313	61,335	531,612	513,596	2,556,181	2,355,843
Segment liabilities	8,546	11,520	18,127	16,110	19,199	18,840	11,964	9,747	2,671	4,770	60,507	60,987	416,919	399,339
Other segment items														
Depreciation and amortisation	(132)	(98)	(11)	(10)	(107)	(106)	(251)	(211)	(174)	(181)	(675)	(606)	(2,640)	(2,754)
Impairment losses on trade receivables, net	–	(26)	–	–	–	–	–	–	(54)	(112)	(54)	(138)	(117)	(28)
Net change in fair value of investment properties	(6,891)	3,259	1,976	2,942	54	2,101	4,902	7,679	(9,154)	1,772	(9,113)	17,753	44,834	104,829
Capital expenditure	(575)	(9,710)	(219)	(149)	(2,261)	(626)	(635)	(765)	(684)	(175)	(4,373)	(11,425)	(19,631)	(15,528)

Reconciliations of reportable segment revenue, total return, assets and liabilities and other material items

	2015 $'000	2014 $'000
Revenue		
Total revenue for reporting segments	220,334	203,262
Total return		
Total return for reportable segments before taxation	178,025	227,257
Unallocated amounts:		
- Other corporate expenses	(25,347)	(23,793)
Total return before taxation	152,678	203,464
Assets		
Total assets for reportable segments	2,556,181	2,355,843
Other unallocated amounts	14,123	2,219
Consolidated assets	2,570,304	2,358,062
Liabilities		
Total liabilities for reportable segments	416,919	399,339
Other unallocated amounts	638,319	580,907
Consolidated liabilities	1,055,238	980,246

	Reportable segment totals $'000	Unallocated amounts $'000	Consolidated totals $'000
Other material items 2015			
Finance income	1,011	470	1,481
Finance costs	(5,289)	(15,371)	(20,660)
Other material items 2014			
Finance income	845	29	874
Finance costs	(10,426)	(11,500)	(21,926)

Geographical segments

All of the Group's investment properties are used for retail purposes and are located in China.

Major tenant

Revenue from one tenant of the Group represents approximately $39.3 million (2014: $36.6 million) of the Group's total revenue.

26. Commitments

(a) Capital commitments

	Group	
	2015	**2014**
	$'000	**$'000**
Payable:		
- contracted but not provided for	11,355	3,636

(b) The Group leases out its investment properties. Operating lease rentals are receivable as follows:

	Group	
	2015	**2014**
	$'000	**$'000**
Receivable:		
- within 1 year	177,580	175,125
- after 1 year but within 5 years	391,402	414,530
- after 5 years	326,366	372,730
	895,348	962,385

(c) The Group has non–cancellable leases with rentals payable as follows:

	Group	
	2015	**2014**
	$'000	**$'000**
Payable:		
- within 1 year	5,173	4,782
- after 1 year but within 5 years	30,419	25,386
- after 5 years	18,587	27,795
	54,179	57,963

27. Capital and financial risk management

Capital management

The Group's objectives when managing capital are to optimise Unitholders' value through the combination of available capital sources which include debt and equity instruments whilst complying with statutory and constitutional capital and distribution requirements, maintaining aggregate leverage and interest service coverage ratio within approved limits. As a key part of the Group's overall strategy, the Board of the Manager reviews the Group and the Trust's debt and capital management cum financing policy regularly so as to optimise the Group and the Trust's funding structure. The Board also monitors the Group and the Trust's exposure to various risk elements by closely adhering to clearly established management policies and procedures.

The Group is subject to the aggregate leverage limit as defined in Appendix 6 of the CIS Code ("Property Fund Appendix"). The Property Fund Appendix stipulates that the total borrowings and deferred payments (together, the "Aggregate Leverage") of a property fund should not exceed 35.0% of its Deposited Property except that the Aggregate Leverage of a property fund may exceed 35.0% of its Deposited Property (up to a maximum of 60.0%) if a credit rating of the property fund from Fitch Inc., Moody's or Standard and Poor's is obtained and disclosed to the public. The Group's aggregate leverage limit did not exceed 35.0% during the year, and was 27.7% (2014: 28.7%) as at 31 December 2015. In computing the aggregate leverage, the Trust has considered the effect of hedging the net assets denominated in RMB.

There were no changes in the Group's approach to capital management during the financial year.

Financial risk management

Overview

The Group's returns are primarily from net operating income and capital appreciation of its assets. However, these returns are exposed to financial risks including credit, liquidity, interest rate and foreign currency risks.

Financial risk management is integral to the whole business of the Group. The Group adopts an integrated approach to manage the financial risks arising in the normal course of the Group's business. The Group has written risk management policies and guidelines, and established processes to monitor and manage significant exposures. Risk management policies and processes are reviewed regularly to reflect changes in market conditions and the Group's activities.

The Group adheres to standardised accounting and financial policies and exercises effective controls over the financial affairs of its subsidiaries. This is achieved by ensuring group–wide adherence to a comprehensive set of guidelines covering contracts, policies and procedures and other requirements. Adequate measures are in place to ensure that the reliability and integrity of financial information compiled from subsidiaries are kept intact.

Credit risk

While it is necessary to assume a certain level of tenant credit risks to remain competitive in China, the Group has established credit limits for tenants and monitors their balances on an ongoing basis. Risks associated with credit limits are reflected in the level of security deposits and bank guarantees placed as collateral in respect of the leases. Appropriate risk mitigating actions are in place to manage trade receivables.

The Group establishes an allowance for impairment that represents its estimate of incurred losses in respect of trade and other receivables. The main components of this allowance are a specific loss component that relates to individually significant exposures, and a collective loss component established for groups of similar assets in respect of losses that have been incurred but not yet identified. The collective loss allowance is determined based on historical data of payment statistics for similar financial assets.

The allowance account in respect of trade and other receivables is used to record impairment losses unless the Group is satisfied that no recovery of the amount owing is possible. At that point, the financial asset is considered irrecoverable and the amount charged to the allowance account is written off against the carrying amount of the impaired financial asset.

Cash and fixed deposits are placed with banks and financial institutions which are regulated.

Liquidity risk

The Group monitors its liquidity risk and maintains a level of cash and cash equivalents deemed adequate by management to finance the Group's operations and to mitigate the effects of fluctuations in cash flows. Typically the Group ensures that it has sufficient cash on demand to meet expected operational expenses for a reasonable period, including the servicing of financial obligations.

In addition, the Group maintains the following debt facilities and programme as at 31 December 2015:

Chinese Renminbi ("RMB") denominated facility:
- RMB360.0 million five–year secured term loan facility

S$ denominated facilities:
- S$151.0 million money market line facilities
- S$50.0 million three–year trust term loan facility
- S$150.0 million four–year trust term loan facilities
- S$50.5 million four–year trust term loan facility
- S$75.0 million four–year trust term loan facility
- S$50.0 million five–year trust term loan facility
- S$75.0 million five–year trust term loan facility
- S$100.0 million five–year trust term loan facility

United States dollar ("US$") denominated facilities:
- US$50.0 million money market line facility
- US$20.0 million money market line facility

Multicurrency Medium Term Notes:
- $500.0 million multicurrency Medium Term Note ("MTN") Programme

As at 31 December 2015, the Group has drawn down $550.5 million of its trust term loan facilities and $77.0 million of the money market line facilities. The Group has also drawn down RMB360.0 million of the five-year secured term loan facility.

The Group also monitors and observes the Property Fund Appendix issued by MAS concerning limits on total borrowings.

Interest rate risk

The Manager adopts a proactive interest rate management policy to manage the risk associated with changes in interest rates on the Group's loan facilities while also seeking to ensure that the ongoing cost of debt remains competitive.

As at 31 December 2015, the Group has interest rate swaps ("IRS") with notional contract amount of $425.5 million (2014: $388.5 million). The Group pays a fixed rate interest and receives a variable rate equal to the Swap Offer Rate ("SOR") on the notional contract amount. The Group classifies the IRS as cash flow hedges to hedge the exposure in interest rate fluctuations on certain of its term loans.

The term loans and the underlying IRS have the same terms and conditions.

The Manager proactively seeks to minimise the level of interest rate risk by locking the majority of the Group's borrowings at fixed rates. As at 31 December 2015, the Group has locked in approximately 74.3% (2014: 72.6%) of its borrowings at fixed rates.

Fair value sensitivity analysis for fixed rate instruments

The Group does not account for any fixed rate financial liabilities at fair value through profit or loss and the Group does not designate interest rate derivatives as hedging instruments under a fair value hedge accounting model. Therefore a change in interest rates at the reporting date would not affect the statement of total return.

Cash flow sensitivity analysis for variable rate instruments

The net change in fair value of the interest component of IRS as at 31 December 2015 of $5.1 million (2014: $2.3 million), representing the effective portion of the cash flow hedge, has been recognised directly in hedging reserves.

Effects of a 100 basis point ("bp")* movement in interest rate at the reporting date would increase/(decrease) statement of total return and Unitholders' funds by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency rates, remain constant. The analysis is performed on the same basis for 2014.

** 100 basis point is equivalent to 1 percentage point*

	Statement of total return		Unitholders' funds	
	100 bp increase $'million	**100 bp decrease $'million**	**100 bp increase $'million**	**100 bp decrease $'million**
Group and Trust				
2015				
Interest rate swaps	–	–	4.1	(4.1)
Variable rate instruments	(1.8)	1.8	–	–
Cash flow sensitivity (net)	(1.8)	1.8	4.1	(4.1)
2014				
Interest rate swaps	–	–	3.1	(3.1)
Variable rate instruments	(1.8)	1.8	–	–
Cash flow sensitivity (net)	(1.8)	1.8	3.1	(3.1)

Foreign currency risk

The Group is exposed to foreign currency risk on cash holdings and operating expenses that are denominated in a currency other than the respective functional currencies of the Group entities. The currencies giving rise to this risk are primarily the US$ and RMB.

As the Trust intends to be a long term investor in China, the Manager has taken a view not to hedge the RMB equity exposure arising from its investments in China unless certain risks are specifically identified. The Manager's strategy is to achieve a natural hedge through local RMB financing and any non–RMB denominated loan will be hedged into RMB where possible, to protect the going concern of the Trust in the event of large currency fluctuation. However, the Manager will hedge the RMB cash flow from operations if it is determined with certainty that they are to be remitted back to Singapore for distribution purposes.

The Group's and Trust's exposures to foreign currency are as follows:

	US$ S$'000	**RMB S$'000**	**Total S$'000**
Group			
2015			
Cash and cash equivalents	186	125	311
2014			
Cash and cash equivalents	193	94	287

	US$ S$'000	RMB S$'000	Total S$'000
Trust			
2015			
Loans to subsidiaries	355,118	–	355,118
Non-trade amounts due from subsidiaries	167,970	–	167,970
Cash and cash equivalents	10	108	118
	523,098	108	523,206
2014			
Loans to subsidiaries	326,428	–	326,428
Non-trade amounts due from subsidiaries	165,060	–	165,060
Cash and cash equivalents	31	79	110
	491,519	79	491,598

Sensitivity analysis

A 10% strengthening of Singapore dollar against the US$ and RMB at the reporting date would increase/(decrease) total return after tax by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant. The analysis is performed on the same basis for 2014.

	Statements of total return	
	Group $'000	Trust $'000
2015		
US$	(19)	(52,310)
RMB	(13)	(11)
2014		
US$	(19)	(49,152)
RMB	(9)	(8)

A 10% weakening of Singapore dollar against the US$ and RMB would have had equal but opposite effect on the US$ and RMB to the amounts shown above, on the basis that all other variables remain constant.

Hedge of net investment in foreign operation

The non–deliverable forwards ("NDF") of $390.0 million (2014: $258.0 million) are designated as hedges of the Group's net investment in certain subsidiaries in China.

The net change in fair value of the net investment hedge comprised the effective portion of $1.9 million (2014: $7.0 million) which was recognised in the foreign currency translation reserve.

Sensitivity analysis

For NDF (accounted for as net investment hedges), a 10% strengthening/weakening of Singapore dollar against the RMB at the reporting date would increase/(decrease) Unitholders' funds as at 31 December 2015 by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant. The analysis is performed on the same basis for 2014.

	Unitholders' funds	
	$'million	**$'million**
Group		
2015		
Non-deliverable forwards	29.5	(36.1)
2014		
Non-deliverable forwards	20.1	(24.6)

Accounting classifications and fair values

The carrying amounts and fair values of financial assets and liabilities, including their levels in the fair value hierarchy are as follows. It does not include fair value information for financial assets and liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

		Carrying amount				Fair value			
Group	**Note**	**Loans and receivables $'000**	**Fair value – hedging instruments $'000**	**Other financial liabilities within scope of FRS 39 $'000**	**Total carrying amount $'000**	**Level 1 $'000**	**Level 2 $'000**	**Level 3 $'000**	**Total $'000**
2015									
Financial assets not measured at fair value									
Trade and other receivables	7	5,507	–	–	5,507	–	–	–	–
Cash and cash equivalents	8	126,322	–	–	126,322	–	–	–	–
		131,829	–	–	131,829				
Financial assets measured at fair value									
Financial derivative assets	11	–	12,630	–	12,630	–	12,630	–	12,630
Financial liabilities not measured at fair value									
Trade and other payables	9	–	–	59,519	59,519	–	–	–	–
Security deposits		–	–	43,348	43,348	–	41,194	–	41,194
Interest-bearing borrowings	10	–	–	706,006	706,006	–	704,732	–	704,732
		–	–	808,873	808,873				
Financial liabilities measured at fair value									
Financial derivative liabilities	11	–	7,157	–	7,157	–	7,157	–	7,157

		Carrying amount				Fair value			
Group	**Note**	**Loans and receivables $'000**	**Fair value – hedging instruments $'000**	**Other financial liabilities within scope of FRS 39 $'000**	**Total carrying amount $'000**	**Level 1 $'000**	**Level 2 $'000**	**Level 3 $'000**	**Total $'000**
2014									
Financial assets not measured at fair value									
Trade and other receivables	7	5,860	–	–	5,860	–	–	–	–
Cash and cash equivalents	8	86,626	–	–	86,626	–	–	–	–
		92,486	–	–	92,486				
Financial assets measured at fair value									
Financial derivative assets	11	–	1,547	–	1,547	–	1,547	–	1,547
Financial liabilities not measured at fair value									
Trade and other payables	9	–	–	51,140	51,140	–	–	–	–
Security deposits		–	–	41,158	41,158	–	39,782	–	39,782
Interest-bearing borrowings	10	–	–	671,713	671,713	–	672,943	–	672,943
		–	–	764,011	764,011				
Financial liabilities measured at fair value									
Financial derivative liabilities	11	–	8,605	–	8,605	–	8,605	–	8,605

		Carrying amount				Fair value			
Trust	**Note**	**Loans and receivables $'000**	**Fair value – hedging instruments $'000**	**Other financial liabilities within scope of FRS 39 $'000**	**Total carrying amount $'000**	**Level 1 $'000**	**Level 2 $'000**	**Level 3 $'000**	**Total $'000**
2015									
Financial assets not measured at fair value									
Non-trade amounts due from subsidiaries	6	9,465	–	–	9,465	–	–	–	–
Trade and other receivables	7	23,012	–	–	23,012	–	–	–	–
Cash and cash equivalents	8	369	–	–	369	–	–	–	–
		32,846	–	–	32,846				
Financial assets measured at fair value									
Financial derivative assets	11	–	12,630	–	12,630	–	12,630	–	12,630
Financial liabilities not measured at fair value									
Trade and other payables	9	–	–	4,687	4,687	–	–	–	–
Interest-bearing borrowings	10	–	–	626,417	626,417	–	625,143	–	625,143
		–	–	631,104	631,104				
Financial liabilities measured at fair value									
Financial derivative liabilities	11	–	7,157	–	7,157	–	7,157	–	7,157

		Carrying amount				Fair value			
Trust	**Note**	**Loans and receivables $'000**	**Fair value – hedging instruments $'000**	**Other financial liabilities within scope of FRS 39 $'000**	**Total carrying amount $'000**	**Level 1 $'000**	**Level 2 $'000**	**Level 3 $'000**	**Total $'000**
2014									
Financial assets not measured at fair value									
Non-trade amounts due from subsidiaries	6	18,693	–	–	18,693	–	–	–	–
Trade and other receivables	7	201	–	–	201	–	–	–	–
Cash and cash equivalents	8	238	–	–	238	–	–	–	–
		19,132	–	–	19,132				
Financial assets measured at fair value									
Financial derivative assets	11	–	1,547	–	1,547	–	1,547	–	1,547
Financial liabilities not measured at fair value									
Trade and other payables	9	–	–	5,386	5,386	–	–	–	–
Interest-bearing borrowings	10	–	–	566,823	566,823	–	568,053	–	568,053
		–	–	572,209	572,209				
Financial liabilities measured at fair value									
Financial derivative liabilities	11	–	8,605	–	8,605	–	8,605	–	8,605

Estimation of fair value

The following summarises the significant methods and assumptions used in estimating the fair values of financial instruments of the Group and Trust.

Financial derivatives

The fair values of non-deliverable forwards and interest rates are based on banks' quotes. These quotes are tested for reasonableness by discounting estimated future cash flows based on the terms and maturity of each contract and using market interest rates for a similar instrument at the measurement date. Fair values reflect the credit risk of the Group entity and counterparties when appropriate.

Interest–bearing borrowings

Fair value, which is determined for disclosure purposes, is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the reporting date.

Other financial assets and liabilities

The carrying amounts of financial assets and liabilities (including non-trade amounts due from subsidiaries, trade and other receivables, cash and cash equivalents, trade and other payables and current security deposits) are assumed to approximate their fair values because they are either short term in nature, or effect of discounting is immaterial. All other financial assets and liabilities (non-current security deposits) are discounted to determine their fair values.

Interest rates used in determining fair values

The interest rates used to discount estimated cash flows, where applicable, are based on the forward yield curve as at 31 December 2015 plus an adequate constant credit spread, and are as follows:

	2015	**2014**
	% p.a.	**% p.a.**
Interest–bearing borrowings	1.33 – 6.00	1.31 – 6.40
Security deposits	2.79	1.84

Offsetting financial assets and financial liabilities

The disclosures set out in the tables below include financial assets and financial liabilities that:

- are offset in the Trust's statements of financial position; or
- are subject to an enforceable master netting arrangement, irrespective of whether they are offset in the statement of financial position

Financial instruments such as loans and receivables and financial liabilities are not disclosed in the tables below unless they are offset in the statements of financial position.

The Trust's derivative transactions that are not transacted on an exchange are entered into under International Swaps and Derivatives Association ("ISDA") Master Agreements. In certain circumstances, for example when a termination event such as a default occurs, all outstanding transactions under the agreement are terminated, the termination value is assessed and only a single net amount is due or payable in settlement of all transactions.

Under the agreements signed, the Trust and its counterparties neither have a legal obligation nor intend to settle on a net basis or to realise the assets and settle the liabilities simultaneously. In addition, the right of set-off of recognised amounts is enforceable only following the occurrence of a termination event as set out in the agreements. Accordingly, the ISDA agreements do not meet the criteria for offsetting and the derivatives financial instruments presented below are not offset in the Statement of Financial Position.

Financial assets and liabilities subject to offsetting and enforceable master netting arrangement under termination events

	Gross amounts of recognised financial instruments $'000	Gross amount of recognised financial instruments offset in the statement of financial position $'000	Net amounts of financial instruments presented in the statement of financial position $'000	Related amounts not offset in the statement of financial position $'000	Net amounts $'000
31 December 2015					
Financial assets					
Interest rate swaps	6,578	–	6,578	–	6,578
Non-deliverable forward	6,052	–	6,052	(987)	5,065
	12,630	–	12,630	(987)	11,643
Financial liabilities					
Non-deliverable forward	7,157	–	7,157	(987)	6,170
31 December 2014					
Financial assets					
Interest rate swaps	1,481	–	1,481	(13)	1,468
Non-deliverable forward	66	–	66	(66)	–
	1,547	–	1,547	(79)	1,468
Financial liabilities					
Interest rate swaps	19	–	19	(13)	6
Non-deliverable forward	8,586	–	8,586	(66)	8,520
	8,605	–	8,605	(79)	8,526

28. Subsequent events

On 4 February 2016, the Manager declared a distribution of 5.23 cents per Unit to Unitholders in respect of the period from 1 July 2015 to 31 December 2015.

AUDITED FINANCIAL STATEMENTS OF CAPITALAND RETAIL CHINA TRUST FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016

The information in this Appendix III has been extracted and reproduced from the audited financial statements of CRCT for the financial year ended 31 December 2016 and has not been specifically prepared for inclusion in this Information Memorandum.

CapitaLand Retail China Trust
and its Subsidiaries

(Constituted in the Republic of Singapore pursuant to a trust deed dated 23 October 2006 (As amended))

Financial Statements
Year ended 31 December 2016

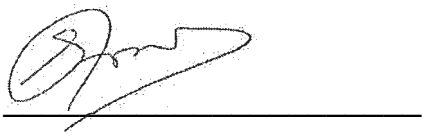
KPMG LLP (Registration No. T08LL1267L), an accounting limited liability partnership registered in Singapore under the Limited Liability Partnership Act (Chapter 163A) and a member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity.

Report of the Trustee

HSBC Institutional Trust Services (Singapore) Limited (the "Trustee") is under a duty to take into custody and hold the assets of CapitaLand Retail China Trust (the "Trust") in trust for the Unitholders. In accordance with the Securities and Futures Act (Cap. 289), its subsidiary legislation and the Code on Collective Investment Schemes, the Trustee shall monitor the activities of CapitaLand Retail China Trust Management Limited (the "Manager") for compliance with the limitations imposed on the investment and borrowing powers as set out in the Trust Deed dated 23 October 2006 (as amended by a first supplemental deed dated 8 November 2006, a second supplemental deed dated 15 April 2010, a third supplemental deed dated 5 April 2012, a fourth supplemental deed dated 14 February 2014, a fifth supplemental deed dated 6 May 2015 and a sixth supplemental deed dated 29 April 2016) (collectively the "Trust Deed") between the Manager and the Trustee in each annual accounting period and report thereon to Unitholders in an annual report.

To the best knowledge of the Trustee, the Manager has, in all material respects, managed the Trust during the year covered by these financial statements, set out on pages FS1 to FS65, in accordance with the limitations imposed on the investment and borrowing powers set out in the Trust Deed.

For and on behalf of the Trustee,
HSBC Institutional Trust Services (Singapore) Limited



Esther Fong
Senior Vice President, Trustee Services

Singapore
24 February 2017

Statement by the Manager

In the opinion of the directors of CapitaLand Retail China Trust Management Limited (the "Manager"), the accompanying financial statements set out on pages FS1 to FS65 comprising the statements of financial position, statements of total return, distribution statements and statements of movements in Unitholders' funds of the CapitaLand Retail China Trust (the "Trust") and its subsidiaries (the "Group") and of the Trust, the portfolio statement and statement of cash flows of the Group and a summary of significant accounting policies and other explanatory information, are drawn up so as to present fairly, in all material respects, the financial position of the Group and of the Trust and the portfolio of the Group as at 31 December 2016, the total return, distributable income and movements in Unitholders' funds of the Group and of the Trust and cash flows of the Group for the year ended on that date in accordance with the recommendations of Statement of Recommended Accounting Practice 7 *"Reporting Framework for Unit Trusts"* issued by the Institute of Singapore Chartered Accountants and the provisions of the Trust Deed. At the date of this statement, there are reasonable grounds to believe that the Group will be able to meet its financial obligations as and when they materialise.

For and on behalf of the Manager,
CapitaLand Retail China Trust Management Limited

Tan Tee Hieong
Director

Singapore
24 February 2017

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Independent auditors' report

Unitholders of CapitaLand Retail China Trust
(Constituted under a trust deed dated 23 October 2006 (as amended) in the Republic of Singapore)

Report on the audit of the financial statements

Opinion

We have audited the accompanying financial statements of CapitaLand Retail China Trust (the "Trust") and its subsidiaries (the "Group"), which comprise the consolidated statement of financial position and consolidated portfolio statement of the Group and the statement of financial position of the Trust as at 31 December 2016, the consolidated statement of total return, consolidated distribution statement, consolidated statement of movements in Unitholders' funds and consolidated statement of cash flows of the Group and the statement of total return, distribution statement and statement of movements in Unitholders' funds of the Trust for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages FS1 to FS65.

In our opinion, the consolidated financial statements of the Group and the statement of financial position, statement of total return, distribution statement and statement of movements in Unitholders' funds of the Trust present fairly, in all material respects, the consolidated financial position and the portfolio holdings of the Group and the financial position of the Trust as at 31 December 2016 and the consolidated total return, consolidated distributable income, consolidated movements in Unitholders' funds and consolidated cash flows of the Group and the total return, distributable income, and movements in Unitholders' funds of the Trust for the year then ended in accordance with the recommendations of Statement of Recommended Accounting Practice 7 "*Reporting Framework for Unit Trusts*" ("RAP 7") issued by the Institute of Singapore Chartered Accountants.

Basis for opinion

We conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). Our responsibilities under those standards are further described in the '*Auditors' responsibilities for the audit of the financial statements*' section of our report. We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority *Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities* ("ACRA Code") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

KPMG LLP (Registration No. T08LL1267L), an accounting limited liability partnership registered in Singapore under the Limited Liability Partnership Act (Chapter 163A) and a member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Valuation of investment properties
(Refer to Portfolio Statement and Note 4 to the financial statements)

Risk

The Group owns and invests in a portfolio of 11 shopping malls located in 7 cities in China. Investment properties represent the largest asset item on the consolidated statement of financial position, at S$2.63 billion as at 31 December 2016.

The investment properties are stated at their fair value based on independent external valuations. The valuation process involves significant judgement in determining the appropriate valuation methodologies and in estimating the underlying assumptions to be applied in the valuations. Any changes in the key assumptions applied could result in a material impact to the financial statements.

Our response

We evaluated the objectivity, qualifications and competence of the external valuers and held discussions with the valuers to understand their valuation approaches, assumptions used and basis of valuations. We considered the valuation methodologies against those applied by other valuers for similar property type.

We compared the projected cash flows used in the valuation to supporting leases and other documents. We evaluated the appropriateness of the discount, capitalisation and terminal yield rates used in the valuation by comparing them against historical trends and available industry data, taking into consideration comparability and market factors. Where the rates were outside the expected range, we undertook further procedures to understand the effect of additional factors and, when necessary, held further discussions with the valuers.

Our findings

We found the external valuers to be objective and competent. The valuers are members of generally-recognised professional bodies for valuers. The valuation methodologies used are in line with generally accepted market practices and the key assumptions used are supported by market data.

Other information

CapitaLand Retail China Trust Management Limited, the Manager of the Trust (the "Manager"), is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditors' report thereon.

Our opinion on the financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditors' report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibility of the Manager for the financial statements

The Manager is responsible for the preparation and fair presentation of these financial statements in accordance with the recommendations of RAP 7 issued by the Institute of Singapore Chartered Accountants, and for such internal control as the management of the Manager determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Manager is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Manager either intends to terminate the Group or to cease operations, or has no realistic alternative but to do so.

The responsibilities of the Manager include overseeing the Group's financial reporting process.

Auditors' responsibility for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.

- Obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Manager.

- Conclude on the appropriateness of the use of the going concern basis of accounting by the Manager and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Manager regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal controls that we identify during our audit.

We also provide the Manager with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Manager, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless the law or regulations preclude public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditors' report is Ronald Tay Ser Teck.

KPMG LLP
Public Accountants and
Chartered Accountants

Singapore
24 February 2017

Statements of financial position
As at 31 December 2016

	Note	Group 2016 $'000	Group 2015 $'000	Trust 2016 $'000	Trust 2015 $'000
Assets					
Investment properties	4	2,628,353	2,412,626	–	–
Plant and equipment	5	4,034	5,913	–	–
Interests in subsidiaries	6	–	–	1,416,194	1,125,068
Trade and other receivables	7	12,829	12,813	360	23,012
Financial derivatives	11	2,114	12,630	2,114	12,630
Cash and cash equivalents	8	136,137	126,322	1,661	369
		2,783,467	**2,570,304**	**1,420,329**	**1,161,079**
Less:					
Liabilities					
Trade and other payables	9	64,527	59,519	9,387	4,687
Security deposits		48,769	43,348	–	–
Interest-bearing borrowings	10	977,751	706,006	918,808	626,417
Financial derivatives	11	2,165	7,157	2,165	7,157
Deferred tax liabilities	12	236,426	236,767	–	–
Provision for taxation		2,139	2,441	–	4
		1,331,777	**1,055,238**	**930,360**	**638,265**
Net assets		**1,451,690**	**1,515,066**	**489,969**	**522,814**
Represented by:					
Unitholders' funds	13	1,431,811	1,490,820	489,969	522,814
Non-controlling interest	14	19,879	24,246	–	–
		1,451,690	**1,515,066**	**489,969**	**522,814**
Units in issue ('000)	15	**869,680**	**843,256**	**869,680**	**843,256**
Net asset value per unit attributable to Unitholders ($)		**1.65**	**1.77**	**0.56**	**0.62**

The accompanying notes form an integral part of these financial statements.

Statements of total return
Year ended 31 December 2016

	Note	Group 2016 $'000	Group 2015 $'000	Trust 2016 $'000	Trust 2015 $'000
Gross rental income		200,164	206,919	–	–
Other income		14,208	13,415	–	–
Gross revenue		**214,372**	**220,334**	**–**	**–**
Land rental		(5,908)	(5,987)	–	–
Property related tax		(17,329)	(12,937)	–	–
Business tax		(5,448)	(12,338)	–	–
Property management fees and reimbursables		(12,751)	(12,129)	–	–
Other property operating expenses	17	(33,198)	(35,858)	–	–
Total property operating expenses		**(74,634)**	**(79,249)**	**–**	**–**
Net property income		**139,738**	**141,085**	**–**	**–**
Manager's management fees					
- Base fee	18	(6,257)	(6,153)	(6,257)	(6,153)
- Performance fee	18	(5,663)	(5,646)	(5,663)	(5,646)
Manager's acquisition fee		–	–	(3,064)	–
Trustee's fees		(398)	(389)	(398)	(389)
Audit fees		(453)	(431)	(161)	(148)
Valuation fees		(195)	(105)	–	–
Other trust operating (expenses)/income	19	(864)	(1,890)	137	467
Dividend income		–	–	17,272	22,713
Foreign exchange (loss)/gain - realised		(927)	989	142	1,659
Finance income		1,777	1,481	23,403	26,905
Finance costs		(21,212)	(20,660)	(18,042)	(15,371)
Net finance (costs)/income	20	(19,435)	(19,179)	5,361	11,534
Total return before change in fair value of financial derivatives, investment properties and unrealised foreign exchange (loss)/gain		**105,546**	**108,281**	**7,369**	**24,037**
Change in fair value of financial derivatives		–	–	8,430	(1,871)
Change in fair value of investment properties	4	41,151	44,834	–	–
Foreign exchange (loss)/gain - unrealised		(1,049)	(437)	4,078	41,281
Total return for the year before taxation		**145,648**	**152,678**	**19,877**	**63,447**
Taxation	21	(41,641)	(43,380)	–	(6)
Total return for the year after taxation		**104,007**	**109,298**	**19,877**	**63,441**
Attributable to:					
Unitholders		106,614	113,999	19,877	63,441
Non–controlling interest	14	(2,607)	(4,701)	–	–
Total return for the year after taxation		**104,007**	**109,298**	**19,877**	**63,441**
Earnings per unit (cents)	22				
- Basic		**12.45**	**13.61**		
- Diluted		**12.39**	**13.61**		

The accompanying notes form an integral part of these financial statements.

Distribution statements
Year ended 31 December 2016

	Note	Group 2016 $'000	Group 2015 $'000	Trust 2016 $'000	Trust 2015 $'000
Amount available for distribution to Unitholders at beginning of the year		**44,261**	**40,150**	**44,261**	**40,150**
Total return for the year attributable to Unitholders		106,614	113,999	19,877	63,441
Distribution adjustments	A	(19,882)	(24,780)	66,855	25,778
Income for the year available for distribution to Unitholders	B	86,732	89,219	86,732	89,219
Amount available for distribution to Unitholders		**130,993**	**129,369**	**130,993**	**129,369**
Distribution to Unitholders during the year:					
- Distribution of 5.23 cents per unit for the period from 1 July 2015 to 31 December 2015		(44,102)	–	(44,102)	–
- Distribution of 5.32 cents per unit for the period from 1 January 2016 to 30 June 2016		(45,502)	–	(45,502)	–
- Distribution of 4.83 cents per unit for the period from 1 July 2014 to 31 December 2014		–	(39,998)	–	(39,998)
- Distribution of 5.37 cents per unit for the period from 1 January 2015 to 30 June 2015		–	(45,110)	–	(45,110)
		(89,604)	(85,108)	(89,604)	(85,108)
Amount available for distribution to Unitholders at end of the year		**41,389**	**44,261**	**41,389**	**44,261**
Distribution per Unit (cents)	*	**10.05**	**10.60**		

* The Distribution per Unit relates to the distributions in respect of the relevant financial year. The distribution relating to 1 July 2016 to 31 December 2016 will be paid within 90 days from the end of the distribution period, in accordance with the provisions of the Trust Deed.

The accompanying notes form an integral part of these financial statements.

Distribution statements (cont'd)
Year ended 31 December 2016

Note A – Distribution adjustments

	Group		Trust	
	2016	**2015**	**2016**	**2015**
	$'000	**$'000**	**$'000**	**$'000**
Distribution adjustment items:				
- Manager's management fees (performance component paid/payable in Units)	5,663	5,646	5,663	5,646
- Change in fair value of financial derivatives	–	–	(8,430)	1,871
- Change in fair value of investment properties [(1)]	(42,739)	(49,319)	–	–
- Deferred taxation [(1)]	19,357	21,081	–	–
- Transfer to general reserve	(4,986)	(4,871)	–	–
- Unrealised foreign exchange loss/(gain) [(1)]	652	99	(4,078)	(41,281)
- Other adjustments [(1)]	2,171	2,584	–	–
- Net overseas income not distributed to the Trust	–	–	73,700	59,542
Net effect of distribution adjustments	**(19,882)**	**(24,780)**	**66,855**	**25,778**

[(1)] Excludes non-controlling interest's share.

Note B – Income for the year available for distribution to Unitholders

		Group		Trust	
	Note	**2016**	**2015**	**2016**	**2015**
		$'000	**$'000**	**$'000**	**$'000**
Comprises:					
- from operations		13,033	29,678	13,033	29,678
- from Unitholders' contribution		73,699	59,541	73,699	59,541
Total Unitholders' distribution	16	**86,732**	**89,219**	**86,732**	**89,219**

The accompanying notes form an integral part of these financial statements.

Statements of movements in Unitholders' funds
Year ended 31 December 2016

	Group		Trust	
	2016	**2015**	**2016**	**2015**
	$'000	**$'000**	**$'000**	**$'000**
Operations				
Unitholders' funds as at beginning of the year	1,490,820	1,349,738	522,814	514,680
Change in Unitholders' funds resulting from operations	106,614	113,999	19,877	63,441
Transfer to general reserve	(4,986)	(4,871)	–	–
Net increase in net assets resulting from operations	**101,628**	**109,128**	**19,877**	**63,441**
Movements in hedging reserve				
Effective portion of changes in fair value of cash flow hedges	(5,923)	5,114	(5,923)	5,114
Movements in foreign currency translation reserve				
Translation differences from financial statements of foreign operations	(104,764)	53,412	–	–
Exchange differences on monetary items forming part of net investment in foreign operations	(16,567)	30,849	–	–
Exchange differences on hedges of net investment in foreign operations	8,430	(1,871)	–	–
Net (loss)/gain recognised directly in Unitholders' funds	**(118,824)**	**87,504**	**(5,923)**	**5,114**
Movement in general reserve	**4,986**	**4,871**	–	**–**
Unitholders' transactions				
Creation of Units paid/payable to manager				
- Units issued and to be issued as satisfaction of the portion of Manager's management fees payable in Units	5,663	5,646	5,663	5,646
Units issued in respect of the distribution reinvestment plan	37,142	19,041	37,142	19,041
	42,805	24,687	42,805	24,687
Distributions to Unitholders	(89,604)	(85,108)	(89,604)	(85,108)
Net decrease in net assets resulting from Unitholders' transactions	**(46,799)**	**(60,421)**	**(46,799)**	**(60,421)**
Unitholders' funds as at end of the year	**1,431,811**	**1,490,820**	**489,969**	**522,814**

The accompanying notes form an integral part of these financial statements.

Portfolio statement
As at 31 December 2016

Description of leasehold property	Location	Term of lease (years)	Lease expiry	Valuation 2016 RMB'000	Valuation 2015 RMB'000	Valuation 2016 $'000	Valuation 2015 $'000	Percentage of Unitholders' funds 2016 %	Percentage of Unitholders' funds 2015 %
Group									
CapitaMall Xizhimen	No. 1, Xizhimenwai Road, Xicheng District, Beijing	40 - 50	August 2044/2054	2,951,000	2,882,000	610,326	637,152	42.6	42.7
CapitaMall Wangjing	No. 33, Guangshun North Road, Chaoyang District, Beijing	38 - 48	May 2043/2053	2,285,000	2,156,000	472,584	476,648	33.0	32.0
CapitaMall Grand Canyon	No. 16, South Third Ring West Road, Fengtai District, Beijing	40 - 50	August 2044/2054	2,068,000	2,020,000	427,703	446,582	29.9	30.0
CapitaMall Xinnan	No. 99, Shenghe Yi Road, Gaoxin District, Chengdu, Sichuan Province	40	October 2047	1,527,000	–	315,814	–	22.0	–
CapitaMall Anzhen	Building 4, Zone 5, Anzhenxili, Chaoyang District, Beijing	29 - 37	October 2034/March and June 2042	1,000,500	995,000	206,923	219,975	14.5	14.8
CapitaMall Erqi	No. 3, Minzhu Road, Erqi District, Zhengzhou, Henan Province	38	May 2042	631,000	615,000	130,503	135,964	9.1	9.1
CapitaMall Shuangjing	No. 31, Guangqu Road, Chaoyang District, Beijing	40	July 2042	573,000	568,000	118,508	125,573	8.3	8.4
CapitaMall Minzhongleyuan[(1)]	No. 704, Zhongshan Avenue, Jianghan District, Wuhan, Hubei Province	40	June 2044/ September 2045	525,911	535,911	108,769	118,479	7.6	7.9
CapitaMall Qibao[(2)]	No. 3655, Qi Xin Road, Minhang District, Shanghai	39	March 2043	495,000	495,000	102,376	109,435	7.2	7.3
Balance carried forward				12,056,411	10,266,911	2,493,506	2,269,808	174.2	152.2

The accompanying notes form an integral part of these financial statements.

Portfolio statement (cont'd)
As at 31 December 2016

Description of leasehold property	Location	Term of lease (years)	Lease expiry	Valuation 2016 RMB'000	Valuation 2015 RMB'000	Valuation 2016 $'000	Valuation 2015 $'000	Percentage of Unitholders' funds 2016 %	Percentage of Unitholders' funds 2015 %
Group									
Balance brought forward				12,056,411	10,266,911	2,493,506	2,269,808	174.2	152.2
CapitaMall Saihan	No. 26, Ordos Street, Saihan District, Hohhot, Inner Mongolia Autonomous Region	35	March 2041	445,000	425,000	92,035	93,959	6.4	6.3
CapitaMall Wuhu	No. 37, Zhongshan North Road, Jinghu District, Wuhu, Anhui Province	40	May 2044	207,000	221,000	42,812	48,859	3.0	3.3
Investment properties, at valuation				12,708,411	10,912,911	2,628,353	2,412,626	183.6	161.8
Other assets and liabilities (net)						(1,176,663)	(897,560)	(82.2)	(60.2)
						1,451,690	1,515,066	101.4	101.6
Net assets attributable to non-controlling interests						(19,879)	(24,246)	(1.4)	(1.6)
Net assets attributable to Unitholders						1,431,811	1,490,820	100.0	100.0

Notes:

(1) The carrying amount of CapitaMall Minzhongleyuan includes the valuation of the retail mall and carrying amount of three residential units.

(2) CapitaMall Qibao is held under a master lease by CapitaRetail Dragon Mall (Shanghai) Co., Ltd, a subsidiary of CapitaRetail China Investments (B) Alpha Pte. Ltd. The master lease was entered with Shanghai Jin Qiu (Group) Co., Ltd ("Jin Qiu"), the legal owner of CapitaMall Qibao and expires in January 2024, with the right to renew for a further term of 19 years and two months from January 2024 at the option of the Group. Accordingly, the land use rights is held by Jin Qiu.

Consolidated statement of cash flows
Year ended 31 December 2016

	Note	Group 2016 $'000	2015 $'000
Operating activities			
Total return for the year after taxation		104,007	109,298
Adjustments for:			
Finance income		(1,777)	(1,481)
Finance costs		21,212	20,660
Depreciation and amortisation		2,147	2,640
Impairment losses on trade receivables, net		143	117
Taxation		41,641	43,380
Manager's management fees paid/payable in Units	A(i)	5,663	5,646
Plant and equipment written off		89	32
Change in fair value of investment properties		(41,151)	(44,834)
Operating income before working capital changes		**131,974**	**135,458**
Changes in working capital:			
Trade and other receivables		302	(12,664)
Trade and other payables		6,322	15,163
Cash generated from operating activities		**138,598**	**137,957**
Income tax paid		(18,668)	(20,236)
Net cash from operating activities		**119,930**	**117,721**
Investing activities			
Interest received		1,777	1,417
Net cash outflow on acquisition of subsidiaries	B	(293,729)	–
Capital expenditure on investment properties	A(ii)	(20,775)	(16,127)
Proceeds from disposal of plant and equipment		3	57
Purchase of plant and equipment		(318)	(1,337)
Net cash used in investing activities		**(313,042)**	**(15,990)**
Financing activities			
Distribution to Unitholders		(52,462)	(66,067)
Payment of equity issue expenses		(14)	–
Payment of financing expenses		(1,050)	(417)
Proceeds from draw down of interest–bearing borrowings		517,781	168,800
Repayment of interest–bearing borrowings		(240,861)	(138,824)
Settlement of derivative contracts		8,030	(9,287)
Interest paid		(20,433)	(19,994)
Net cash from/(used in) financing activities		**210,991**	**(65,789)**
Increase in cash and cash equivalents		**17,879**	**35,942**
Cash and cash equivalents at 1 January		126,322	86,626
Effect of foreign exchange rate changes on cash balances		(8,064)	3,754
Cash and cash equivalents at 31 December	8	**136,137**	**126,322**

The accompanying notes form an integral part of these financial statements.

Consolidated statement of cash flows (cont'd)
Year ended 31 December 2016

Notes:

(A) Significant non–cash and other transactions

(i) $5.7 million in 2016 relating to the performance component of the Manager's management fee will be paid through the issue of 4,177,316 new Units subsequent to the year end.

$4.2 million in 2015 relating to the performance component of the Manager's management fee was paid through the issue of 2,743,923 Units. The remaining $1.4 million was paid through the issue of 945,766 new Units in March 2016.

(ii) The Group enhanced its investment properties during the year, of which $10.5 million (2015: $11.7 million) was paid. During the year, the Group paid $10.3 million (2015: $4.4 million) of the prior years unpaid balance.

(B) Significant non–cash and other transactions

Net cash outflow on acquisition of subsidiaries is provided below:

	2016 Group $'000
Investment properties	302,285
Cash	21,829
Plant and equipment	66
Trade and other receivables	3,280
Trade and other payables	(5,921)
Security deposits	(4,917)
Provision for taxation	(1,485)
Net identifiable assets and liabilities acquired	**315,137**
Acquisition costs	5,654
Total acquisition outlay	320,791
Consideration payable	(3,630)
Acquisition costs payable	(1,603)
Cash of the acquired subsidiaries	(21,829)
Net cash outflow	**293,729**

The accompanying notes form an integral part of these financial statements.

Notes to the financial statements

These notes form an integral part of the financial statements.

The financial statements were authorised for issue by the Manager and the Trustee on 24 February 2017.

1. General

CapitaLand Retail China Trust (the "Trust") is a Singapore–domiciled unit trust constituted pursuant to the trust deed dated 23 October 2006 (as amended by a first supplemental deed dated 8 November 2006, a second supplemental deed dated 15 April 2010, a third supplemental deed dated 5 April 2012, a fourth supplemental deed dated 14 February 2014, a fifth supplemental deed dated 6 May 2015 and a sixth supplemental deed dated 29 April 2016) (collectively the "Trust Deed") between CapitaLand Retail China Trust Management Limited (the "Manager") and HSBC Institutional Trust Services (Singapore) Limited (the "Trustee"). The Trust Deed is governed by the laws of the Republic of Singapore. The Trustee is under a duty to take into custody and hold the assets of the Trust held by it or through its subsidiaries (the "Group") in trust for the holders ("Unitholders") of Units in the Trust (the "Units").

The Trust was formally admitted to the Official List of the Singapore Exchange Securities Trading Limited (the "SGX-ST") on 8 December 2006 (the "Listing Date") and was included under the Central Provident Fund ("CPF") Investment Scheme on 8 December 2006.

The principal activities of the Trust are those relating to investment in a diversified portfolio of income–producing properties located primarily in the People's Republic of China ("China"), Hong Kong and Macau and used primarily for retail purposes.

The principal activities of the subsidiaries are those of investment holding of properties located in China and used for retail purposes.

The Group has entered into several service agreements in relation to the management of the Trust and its property operations. The fee structures for these services are as follows:

(a) Trustee's fees

Pursuant to Clause 14.3 of the Trust Deed, the Trustee's fee shall not exceed 0.03% per annum of the value of all the assets of the Group ("Deposited Property"), subject to a minimum of $15,000 per month, excluding out of pocket expenses and Goods and Service Tax.

(b) Manager's management fees

The Manager is entitled under Clauses 14.1.3, 14.1.4 and 14.1.6 of the Trust Deed to the following management fees:

- a base fee of 0.25% per annum of the value of the Deposited Property;

- a performance fee of 4.0% per annum of the net property income in the relevant financial year (calculated before accounting for the performance fee in that financial year); and

- an authorised investment management fee of 0.5% per annum of the value of authorised investments which are not real estate. Where such authorised investment is an interest in a property fund (either a real estate investment trust or private property fund) wholly managed by a wholly owned subsidiary of CapitaLand Limited, no authorised investment management fee shall be payable in relation to such authorised investment.

The Manager may, in accordance with Clause 14.1.8(i) of the Trust Deed elect to receive the management fees in cash or Units or a combination of cash and/or Units (as it may in its sole discretion determine). Pursuant to Clauses 14.1.3 and 14.1.4 of the Trust Deed, the base fee and performance fee are computed and payable on a quarterly and annually basis respectively.

(c) Property management fees

Under the property management agreements in respect of each property, the property managers will provide lease management services, property tax services and marketing co–ordination services in relation to that property. The property managers are entitled to the following fees:

- 2.0% per annum of the gross revenue;

- 2.0% per annum of the net property income; and

- 0.5% per annum of the net property income in lieu of leasing commissions otherwise payable to the property managers and/or third party agents.

(d) Acquisition fee

For any authorised investment acquired from time to time by the Trustee on behalf of the Trust, the acquisition fee payable to the Manager under Clause 14.2 of the Trust Deed shall be:

- up to 1.5% of the purchase price in the case of any authorised investment (as defined in the Trust Deed) acquired by the Trust for less than $200 million; and

- 1.0% of the purchase price in the case of any authorised investment acquired by the Trust for $200 million or more.

The acquisition fee payable in respect of any authorised investment acquired from time to time by the Trustee on behalf of the Trust from CapitaLand Mall China Income Fund I, CapitaLand Mall China Income Fund II, CapitaLand Mall China Income Fund III, CapitaLand Mall China Development Fund III, or CapitaLand Mall Asia Limited shall be 1.0% of the purchase price paid by the Trust.

No acquisition fee was payable for the acquisition of the initial property portfolio of the Trust.

The acquisition fee is payable to the Manager in the form of cash and/or Units (as the Manager may elect) at the prevailing market price provided that in respect of any acquisition of real estate assets from interested parties, such a fee should, if required by the applicable laws, rules and/or regulations, be in the form of Units issued by the Trust at prevailing market price(s) and subject to such transfer restrictions as may be imposed.

Any payment to third party agents or brokers in connection with the acquisition of any authorised investments for the Trust shall be paid by the Manager to such persons out of the Deposited Property of the Trust or the assets of the relevant special purpose vehicle, and not out of the acquisition fee received or to be received by the Manager.

(e) Divestment fee

Under Clause 14.2 of the Trust Deed, the Manager is entitled to receive a divestment fee of 0.5% of the sale price of any authorised investment disposed directly or indirectly by the Trust, prorated if applicable to the proportion of the Trust's interest.

The divestment fee is payable to the Manager in the form of cash and/or Units (as the Manager may elect) at the prevailing market price provided that in respect of any divestment of real estate assets to interested parties, such a fee should, if required by the applicable laws, rules and/or regulations, be in the form of Units issued by the Trust at prevailing market price(s) and subject to such transfer restrictions as may be imposed.

Any payment to third party agents or brokers in connection with the divestment of any authorised investments for the Trust shall be paid by the Manager to such persons out of the Deposited Property of the Trust or the assets of the relevant special purpose vehicle, and not out of the divestment fee received or to be received by the Manager.

2. Basis of preparation

(a) Statement of compliance

The financial statements have been prepared in accordance with the recommendations of the Statement of Recommended Accounting Practice ("RAP") 7 *"Reporting Framework for Unit Trusts"* issued by the Institute of Singapore Chartered Accountants, the applicable requirements of the Code on Collective Investment Schemes (the "CIS Code") issued by the Monetary Authority of Singapore ("MAS") and the provisions of the Trust Deed. RAP 7 requires that accounting policies adopted should generally comply with the principles relating to recognition and measurement of the Singapore Financial Reporting Standards ("FRS").

(b) Basis of measurement

The financial statements have been prepared on the historical cost basis except for the following material items on the statement of financial position:

- derivative financial instruments are measured at fair value;
- investment properties are measured at fair value.

(c) Functional and presentation currency

Items included in the financial statements of each entity in the Group are measured using the currency that best reflects the economic substance of the underlying events and circumstances relevant to that entity (the "functional currency"). The consolidated financial statements of the Group are presented in Singapore dollars, which is the functional currency of the Trust. All financial information presented in Singapore dollars has been rounded to the nearest thousand, unless otherwise stated.

(d) Use of estimates and judgements

The preparation of financial statements in conformity with RAP 7 requires the Manager to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying amounts of assets and liabilities that are not readily apparent from other sources.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment within the next financial year are included in the following notes:

- Note 4 – Valuation of investment properties;
- Note 27 – Valuation of financial instruments.

Measurement of fair values

A number of the Group's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement (with Level 3 being the lowest).

The Group recognises transfers between levels of the fair value hierarchy as of the end of the reporting period during which the change has occurred.

Further information about the assumptions made in measuring fair values is included in the following notes:

- Note 4 – Investment properties;
- Note 27 – Valuation of financial instruments.

3. Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements, and have been applied consistently by Group entities.

(a) Basis of consolidation

(i) Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

Where the Group acquires an asset or a group of assets that does not constitute a business, the cost of the investment is allocated to the individual identifiable assets acquired and liabilities assumed at the date of acquisition.

(ii) Loss of control

Upon the loss of control, the Trust derecognises the assets and liabilities of the subsidiary, any non-controlling interest and the other components of equity related to the subsidiary. Any surplus or deficit arising on the loss of control is recognised in the statement of total return.

If the Group retains any interest in the previous subsidiary, then such interest is measured at fair value at the date that control is lost. Subsequently, it is accounted for as an equity-accounted investee or as an available-for-sale financial asset depending on the level of influence retained.

(iii) Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income or expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements. Unrealised gains arising from transactions with equity-accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

(iv) Accounting for subsidiaries by the Trust

Investments in subsidiaries are stated in the Trust's statement of financial position at cost less accumulated impairment losses.

(b) Foreign currency

(i) Foreign currency transactions

Transactions in foreign currencies are translated at the exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to the functional currency at the exchange rates at that date. Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are translated at the exchange rates at the date that the fair value was determined. Non-monetary items in a foreign currency that are measured in terms of historical cost are translated using the exchange rate at the date of the transaction.

Foreign currency differences arising on translation are recognised in the statement of total return, except for differences arising on the translation of monetary items that in substance form part of the Group's net investment in a foreign operation (see Note 3(b)(iii)) and financial derivatives designated as hedges of the net investment in a foreign operation (see Note 3(b)(iv)).

(ii) Foreign operations

The assets and liabilities of foreign operations are translated to Singapore dollars at exchange rates at the reporting date. The income and expenses of foreign operations are translated to Singapore dollars at exchange rates at the dates of the transactions. Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the exchange rate at the reporting date.

Foreign currency differences are recognised in the foreign currency translation reserve. When a foreign operation is disposed of, in part or in full, the cumulative amount in the translation reserve related to that foreign operation is reclassified to the statement of total return as part of the gain or loss on disposal.

(iii) Net investment in a foreign operation

When the settlement of a monetary item receivable from or payable to a foreign operation is neither planned nor likely in the foreseeable future, foreign exchange gains and losses arising from such a monetary item are considered to form part of a net investment in a foreign operation. These are recognised in Unitholders' funds and are presented in the foreign currency translation reserve.

(iv) Hedge of net investment in foreign operation

Foreign currency differences arising on the translation of a financial instrument designated as a hedge of a net investment in a foreign operation are recognised in Unitholders' funds to the extent that the hedge is effective, and are presented in the foreign currency translation reserve. To the extent that the hedge is ineffective, such differences are recognised in the statement of total return. When the hedged net investment is disposed of, the cumulative amount in the foreign currency translation reserve is transferred to the statement of total return as an adjustment to the gain or loss arising on disposal.

(c) Financial instruments

(i) Non-derivative financial assets

The Group initially recognises loans and receivables and deposits on the date that they are originated. All other financial assets are recognised initially on the trade date, which is the date that the Group becomes a party to the contractual provisions of the instrument.

The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred, or it neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control over the transferred asset. Any interest in transferred financial assets that is created or retained by the Group is recognised as a separate asset or liability.

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

The Group has loans and receivables as its non-derivative financial assets.

Loans and receivables

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are initially measured at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method, less any impairment losses.

Loans and receivables comprise non-trade amounts due from subsidiaries, trade and other receivables excluding prepayments and cash and cash equivalents.

Cash and cash equivalents comprise cash balances and bank deposits.

(ii) Non-derivative financial liabilities

Financial liabilities are recognised initially on the trade date, which is the date that the Group becomes a party to the contractual provisions of the instrument.

The Group derecognises a financial liability when its contractual obligations are discharged, cancelled or expired.

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group has a legally enforceable right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

The Group has the following non-derivative financial liabilities: trade and other payables, security deposits and interest-bearing borrowings.

Such financial liabilities are initially measured at fair value less any directly attributable transaction costs. Subsequent to initial recognition, these financial liabilities are measured at amortised cost using the effective interest method.

(iii) Derivative financial instruments, including hedge accounting

The Group holds derivative financial instruments to hedge its foreign currency and interest rate risk exposures. Embedded derivatives are separated from the host contract and accounted for separately if the economic characteristics and risks of the host contract and the embedded derivative are not closely related, a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative, and the combined instrument is not measured at fair value through the statement of total return.

On initial designation of the hedge, the Group formally documents the relationship between the hedging instrument and hedged item, including the risk management objectives and strategy in undertaking the hedge transaction and the hedged risk, together with the methods that will be used to assess the effectiveness of the hedging relationship. The Group makes an assessment, both at the inception of the hedge relationship as well as on an ongoing basis, of whether the hedging instruments are expected to be "highly effective" in offsetting the changes in the fair value or cash flows of the respective hedged items attributable to the hedged risk, and whether the actual results of each hedge are within a range of 80%-125%. For a cash flow hedge of a forecast transaction, the transaction should be highly probable to occur and should present an exposure to variations in cash flows that could ultimately affect the statement of total return.

Derivatives are initially measured at fair value; any attributable transaction costs are recognised in the statement of total return when incurred. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are accounted for as described below.

Cash flow hedges

When a derivative is designated as the hedging instrument in a hedge of the variability in cash flows attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction that could affect total return, the effective portion of changes in the fair value of the derivative is recognised and presented in the hedging reserve in Unitholders' fund. Any ineffective portion of changes in the fair value of the derivative is recognised immediately in the statement of total return.

When the hedged item is a non–financial asset, the amount recognised in the hedging reserve is transferred to the carrying amount of the asset when it is recognised. In other cases, the amount recognised in the hedging reserve is transferred to the statement of total return in the same period that the hedged item affects the statement of total return. If the hedging instrument no longer meets the criteria for hedge accounting, expires or is sold, terminated or exercised, or the designation is revoked, then the hedge accounting is discontinued prospectively. The cumulative gain or loss previously recognised and presented in the hedging reserve in Unitholders' fund remains there until the forecast transaction occurs. If the forecast transaction is no longer expected to occur, then the balance in the hedging reserve is recognised immediately in the statement of total return.

(d) Investment properties

Investment properties are properties held either to earn rental income or for capital appreciation or both. Investment properties are accounted for as non-current assets and are stated at initial cost on acquisition and at fair value thereafter. The cost of a purchased property comprises its purchase price and any directly attributable expenditure. Transaction costs are included in the initial measurement. Fair value is determined in accordance with the Trust Deed, which requires the investment properties to be valued by independent registered valuers at least once a year in accordance with the CIS Code issued by the MAS.

Any increase or decrease on revaluation is credited or charged to the statement of total return as a net change in fair value of the investment properties.

Subsequent expenditure relating to investment properties that have already been recognised is added to the carrying amount when it is probable that future economic benefits, in excess of the originally assessed standard of performance of the existing asset will flow to the Group.

All other subsequent expenditure is recognised as an expense in the period in which it is incurred.

When an investment property is disposed of, the resulting gain or loss recognised in the statement of total return is the difference between the net disposal proceeds and the carrying amount of the property.

Investment properties are not depreciated. The properties are subject to continued maintenance and regularly revalued on the basis set out above.

(e) Plant and equipment

(i) Recognition and measurement

Plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the asset.

When parts of an item of plant and equipment have different useful lives, they are accounted for as separate items (major components) of plant and equipment.

Gains or losses arising from the retirement or disposal of plant and equipment are determined as the difference between the estimated net disposal proceeds and the carrying amount of the asset and are recognised in the statement of total return on the date of retirement or disposal.

(ii) Subsequent costs

The cost of replacing part of an item of plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group and its cost can be measured reliably. The cost of the day-to-day servicing of plant and equipment are recognised in the statement of total return as incurred.

(iii) Depreciation

Depreciation is provided on a straight-line basis so as to write off items of plant and equipment, and major components that are accounted for separately, over their estimated useful lives as follows:

Improvement to premises	-	5 years
Plant and machinery	-	3 to 5 years
Motor vehicles	-	5 years
Furniture, fittings and equipment	-	2 to 5 years

Depreciation methods, useful lives and residual values are reviewed, and adjusted as appropriate, at each reporting date.

(f) Impairment

(i) Financial assets (including receivables)

A financial asset not carried at fair value through the statement of total return is assessed at the end of each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative impact on the estimated future cash flows of that asset that can be estimated reliably.

Objective evidence that financial assets are impaired can include default or delinquency by a debtor, restructuring of an amount due to the Group on terms that the Group would not consider otherwise, or indications that a debtor will enter bankruptcy.

The Group considers evidence of impairment for receivables at both a specific asset and collective level. All individually significant receivables are assessed for specific impairment. All individually significant receivables found not to be specifically impaired are then collectively assessed for any impairment that has been incurred but not yet identified. Receivables that are not individually significant are collectively assessed for impairment by grouping together receivables with similar risk characteristics.

In assessing collective impairment, the Group uses historical trends of the probability of default, timing of recoveries and the amount of loss incurred, adjusted for management's judgement as to whether current economic and credit conditions are such that the actual losses are likely to be greater or less than suggested by historical trends.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows, discounted at the asset's original effective interest rate. Losses are recognised in the statement of total return and reflected in an allowance account against receivables. Interest on the impaired asset continues to be recognised. When the Group considers that there are no realistic prospects of recovery of the asset, the relevant amounts are written off. If the amount of impairment loss subsequently decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, then the previously recognised impairment loss is reversed through the statement of total return.

(ii) Non-financial assets

The carrying amounts of the Group's non–financial assets, other than investment properties, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

The recoverable amount of an asset or cash-generating unit ("CGU") is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs.

An impairment loss is recognised if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognised in the statement of total return. Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the CGU (group of CGUs), and then to reduce the carrying amounts of the other assets in the CGU (group of CGUs) on a *pro rata* basis.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

(g) Unitholders' funds

Unitholders' funds represent the residual interests in the Group's net assets upon termination and are classified as equity.

Expenses incurred in connection with the issuance of Units in the Trust are deducted directly against the Unitholders' funds.

(h) Employee benefits

(i) Defined contribution plans

Obligations for contributions to defined contribution pension plans are recognised as an expense in the statement of total return as incurred.

(ii) Short-term benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided.

A provision is recognised for the amount expected to be paid under short-term cash bonus if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

(i) Distribution policy

The Trust's distribution policy is to distribute at least 90.0% of its distributable income in each financial year to Unitholders, other than from the sale of properties that are determined by Inland Revenue Authority of Singapore to be trading gains.

(j) Revenue recognition

(i) Rental income

Rental income receivable under operating leases is recognised on a straight-line basis over the term of the lease, except where an alternative basis is more representative of the time pattern of benefits to be derived from the leased assets. Lease incentives granted are recognised as an integral part of the total rental to be received. Contingent rentals, which include gross turnover rental, are recognised as income in the accounting period on an earned basis. No contingent rental is recognised if there are uncertainties due to the possible return of the amounts received.

(ii) Dividend income

Dividend income is recognised when the right to receive payment is established.

(k) Lease payments

Payment made under operating leases are recognised in the statement of total return on a straight-line basis over the term of the lease. Lease incentives received are recognised as an integral part of the total lease expense, over the term of the lease.

Contingent lease payments are accounted for by revising the minimum lease payments over the remaining term of the lease when the lease adjustment is confirmed.

(l) Expenses

(i) Property expenses

Property expenses are recognised on an accrual basis.

(ii) Manager's management fees, property management fees and Trustee's fees

These are recognised on an accrual basis based on the applicable formula stipulated in Note 1.

(m) Finance income and finance costs

Finance income comprises interest income recognised in the statement of total return as it accrues, using the effective interest method and gain on hedging instruments that are recognised in the statement of total return.

Finance costs which comprise interest expense on borrowings and expense incurred in connection with borrowings are recognised in the statement of total return, using the effective interest method over the period of the borrowings and loss on hedging instruments that are recognised in the statement of total return.

(n) Taxation

Taxation on the returns for the year comprises current and deferred tax. Taxation is recognised in the statement of total return except to the extent that it relates to items recognised directly in Unitholders' fund.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years. The amount of current tax payable is the best estimate of the tax amount expected to be paid that reflects uncertainty related to income taxes, if any.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit; and

- temporary differences related to investments in subsidiaries to the extent that it is probable that they will not reverse in the foreseeable future.

Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the unused tax losses and credits can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefits will be realised.

Except for the tax exemption as described below, income earned by the Trust will be subject to Singapore income tax at the Trust level at the prevailing corporate tax rate.

The Trust is exempted from Singapore income tax under Section 13(12) of the Singapore Income Tax Act on the following income:

(i) dividends; and

(ii) interest on shareholders' loans,

payable by its subsidiaries in Barbados and Singapore out of underlying rental income derived from the investment properties in China.

This exemption is granted subject to certain conditions, including the condition that the Trustee is a tax resident of Singapore.

The tax exemption also applies to dividends payable by these subsidiaries out of gains, if any, derived from the disposal of their shares in the subsidiaries in China.

(o) Earnings per unit

The Group presents basic and diluted earnings per unit ("EPU") data for its Units. Basic EPU is calculated by dividing the total return attributable to Unitholders of the Group by the weighted average number of ordinary Units outstanding during the period. Diluted EPU is determined by adjusting the total return attributable to Unitholders and the weighted average number of Units outstanding for the effects of all dilutive potential Units.

(p) Segment reporting

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision–Makers ("CODMs").

Segment results that are reported to the CODMs include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly financial derivative assets and liabilities, other receivables, cash and cash equivalents, trade and other payables, and interest-bearing borrowings.

Segment capital expenditure is the total cost incurred during the year to acquire plant and equipment and capital expenditure on investment properties.

(q) New standards, interpretations and revised recommended accounting practice not yet adopted

A number of new standards, amendments to standards are effective for annual periods beginning after 1 January 2016 and earlier application is permitted; however the Group has not early applied the following new or amended standards in preparing these financial statements.

Applicable to 2017 financial statements

Revision to RAP 7

RAP 7 was revised in June 2016 to take into account, amongst others, the changes made to FRS 32 *Financial Instruments: Presentation* and FRS 107 *Financial Instruments: Disclosures* in relation to the offsetting of financial assets and liabilities; and new standards issued after 2012 including FRS 110 *Consolidated Financial Statements*, FRS 112 *Disclosure of Interest in Other Entities* and FRS 113 *Fair Value Measurement*. RAP 7 (Revised June 2016) is applicable to unit trusts with annual periods beginning on or after 1 July 2016. The Group does not expect significant changes to the current disclosures upon adoption of the revised RAP 7.

Applicable to 2018 financial statements

FRS 115 *Revenue from Contracts with Customers*

FRS 115 establishes a comprehensive framework for determining whether, how much and when revenue is recognised. It also introduces new cost guidance which requires certain costs of obtaining and fulfilling contracts to be recognised as separate assets when specified criteria are met.

When effective, FRS 115 replaces existing revenue recognition guidance, including FRS 18 *Revenue*, FRS 11 *Construction Contracts*, INT FRS 113 *Customer Loyalty Programmes*, INT FRS 115 *Agreements for the Construction of Real Estate*, INT FRS 118 *Transfers of Assets from Customers* and INT FRS 31 *Revenue – Barter Transactions Involving Advertising Services*.

FRS 115 is effective for annual periods beginning on or after 1 January 2018, with early adoption permitted.

The Group does not expect the impact on the financial statements to be significant. The Group plans to adopt the standard when it becomes effective in 2018.

FRS 109 *Financial Instruments*

FRS 109 replaces most of the existing guidance in FRS 39 *Financial Instruments: Recognition and Measurement*. It includes revised guidance on the classification and measurement of financial instruments, a new expected credit loss model for calculating impairment on financial assets, and new general hedge accounting requirements. It also carries forward the guidance on recognition and derecognition of financial instruments from FRS 39.

FRS 109 is effective for annual periods beginning on or after 1 January 2018, with early adoption permitted.

The Group does not expect the impact on the financial statements to be significant.

The Group does not expect a significant change to the measurement basis arising from adopting the new classification and measurement model under FRS 109. Loans and receivables that are currently accounted for at amortised cost will continue to be accounted for using amortised cost model under FRS 109. For financial assets currently held at fair value, the Group expects to continue measuring most of these assets at fair value under FRS 109.

The Group plans to apply the simplified approach and record lifetime expected impairment losses on all trade receivables and any contract assets arising from the application of FRS 115. On adoption of FRS 109, the Group does not expect a significant increase in the impairment loss allowance.

The Group expects that all its existing hedges that are designated in effective hedging relationships will continue to qualify for hedge accounting under FRS 109.

The Group plans to adopt the standard when it becomes effective in 2018.

Applicable to 2019 financial statements

FRS 116 *Leases*

FRS 116 eliminates the lessee's classification of leases as either operating leases or finance leases and introduces a single lessee accounting model. Applying the new model, a lessee is required to recognise right-of-use (ROU) assets and lease liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value.

FRS 116 substantially carries forward the lessor accounting requirements in FRS 17 *Leases*. Accordingly, a lessor continues to classify its leases as operating leases or finance leases, and to account for these two types of leases using the FRS 17 operating lease and finance lease accounting models respectively. However, FRS 116 requires more extensive disclosures to be provided by a lessor.

When effective, FRS 116 replaces existing lease accounting guidance, including FRS 17, INT FRS 104 *Determining whether an Arrangement contains a Lease*, INT FRS 15 *Operating Leases – Incentives*, and INT FRS 27 *Evaluating the Substance of Transactions Involving the Legal Form of a Lease*.

FRS 116 is effective for annual periods beginning on or after 1 January 2019, with early adoption permitted if FRS 115 is also applied.

The Group has performed a preliminary high-level assessment of the new standard on its existing operating lease arrangements as a lessee. Based on the preliminary assessment, the Group expects these operating leases to be recognised as ROU assets with corresponding lease liabilities under the new standard. The operating lease commitments on an undiscounted basis is immaterial. Assuming no additional new operating leases in future years until the effective date, the Group expects the amount of ROU assets and lease liabilities to be lower as the lease terms run down.

The Group plans to adopt the standard when it becomes effective in 2019.

4. Investment properties

	Group	
	2016	**2015**
	$'000	**$'000**
At 1 January	2,412,626	2,250,783
Acquisition of investment property [1]	307,939	–
Expenditure capitalised	18,744	19,122
Changes in fair value	41,151	44,834
Translation differences	(152,107)	97,887
At 31 December	2,628,353	2,412,626

[1] Includes acquisition fees and acquisition related expenses of $5,654,000.

Investment properties are stated at fair value based on valuation performed by independent professional valuers having appropriate recognised professional qualifications and recent experience in the location and category of property being valued. In determining the fair value, the valuers have used valuation methods which involve certain estimates. The Manager reviews the key valuation parameters and underlying data including discount, capitalisation and terminal yield rates adopted by the valuers and is of the view that the valuation methods and estimates are reflective of the current market conditions.

The fair values are based on open market values, being the estimated amount for which a property could be exchanged on the date of the valuation between a willing buyer and a willing seller in an arm's length transaction wherein the parties had each acted knowledgably and without compulsion.

The valuers have considered valuation techniques including the capitalisation and discounted cash flows approaches in arriving at the open market value as at the reporting date.

The capitalisation approach is an investment approach whereby the estimated gross passing income (on both passing and market rent basis) is adjusted to reflect anticipated operating costs to produce a net income on a fully leased basis. The adopted fully leased net income is capitalised over the remaining term of the lease from the valuation date at an appropriate capitalisation rate. The discounted cash flow method involves the estimation and projection of an income stream over a period and discounting the income stream with a risk adjusted discount rates to arrive at the market value.

Fair value of the investment properties were based on independent professional full valuations carried out by the following valuers on the dates stated below:

Valuers	Valuation Date	Valuation Date
DTZ Debenham Tie Leung International Property Advisers (Shanghai) Co., Ltd.	31 December 2016	31 December 2015
Knight Frank Petty Limited	31 December 2016	31 December 2015
CBRE Limited	31 December 2016	31 December 2015
Savills Valuation and Professional Services (S) Pte. Ltd.	31 December 2016	31 December 2015

Investment properties comprise retail properties that are held mainly for use by tenants under operating leases. Most leases contain an initial non-cancellable period of within 1 to 3 years (2015: within 1 to 3 years).

Contingent rents, representing income based on certain sales achieved by tenants, recognised in the statement of total return during the year amounted to $11.2 million (2015: $12.5 million).

Level 3 fair values

The following table shows the significant unobservable inputs used in the valuation models:

Valuation methods	Significant unobservable inputs	Inter-relationship between key unobservable inputs and fair value measurement
Capitalisation approach	• Capitalisation rates (from 4.25% to 8.50%) (2015: from 4.25% to 11.50%)	The fair value increases as capitalisation rates decreases.
Discounted cash flows approach	• Discount rates (from 7.00% to 9.50%) (2015: from 7.00% to 10.00%) • Terminal rates (from 5.00% to 7.50%) (2015: from 4.00% to 6.75%)	The fair value increases as discount rates and terminal rates decreases.

5. Plant and equipment

	Improvement to premises $'000	Plant and machinery $'000	Motor vehicles $'000	Furniture, fittings and equipment $'000	Total $'000
Group					
Cost					
At 1 January 2015	10,718	309	137	6,452	17,616
Additions	–	–	–	509	509
Disposal/written off	(43)	(6)	(142)	(358)	(549)
Translation difference on consolidation	465	14	5	275	759
At 31 December 2015	11,140	317	–	6,878	18,335
Assets acquired	–	–	23	593	616
Additions	–	–	–	597	597
Disposal/written off	(88)	(187)	–	(519)	(794)
Translation difference on consolidation	(718)	(19)	1	(432)	(1,168)
At 31 December 2016	10,334	111	24	7,117	17,586
Less: Accumulated depreciation					
At 1 January 2015	5,606	240	122	3,889	9,857
Charge for the year	1,808	40	4	727	2,579
Disposal/written off	(2)	(5)	(130)	(323)	(460)
Translation difference on consolidation	259	11	4	172	446
At 31 December 2015	7,671	286	–	4,465	12,422
Assets acquired	–	–	21	529	550
Charge for the year	1,413	6	–	669	2,088
Disposal/written off	(88)	(168)	–	(446)	(702)
Translation difference on consolidation	(505)	(18)	–	(283)	(806)
At 31 December 2016	8,491	106	21	4,934	13,552
Carrying amounts					
At 1 January 2015	5,112	69	15	2,563	7,759
At 31 December 2015	3,469	31	–	2,413	5,913
At 31 December 2016	1,843	5	3	2,183	4,034

6. Interests in subsidiaries

	Trust	
	2016	**2015**
	$'000	**$'000**
(a) Unquoted equity, at cost	615,152	385,035
(b) Loans to subsidiaries	358,007	355,118
Non-trade amounts due from subsidiaries	443,035	384,915
	801,042	740,033
	1,416,194	1,125,068

(a) Details of the subsidiaries are as follows:

	Name of subsidiaries	Principal activities	Place of incorporation/ business	Effective equity held by the Group	
				2016	**2015**
				%	**%**
(i)	**Direct subsidiaries**				
*	CapitaRetail China Investments (B) Pte. Ltd.	Investment holding	Barbados	100	100
*	CapitaRetail China Investments (B) Alpha Pte. Ltd.	Investment holding	Barbados	100	100
*	CapitaRetail China Investments (B) Beta Pte. Ltd.	Investment holding	Barbados	100	100
*	CapitaRetail China Investments (B) Gamma Pte. Ltd.	Investment holding	Barbados	100	100
**	CapitaRetail China Investments (BVI) Alpha Limited	Investment holding	British Virgin Islands	100	100
***	Somerset (Wuhan) Investments Pte Ltd	Investment holding	Singapore	100	100
***	CapitaLand Retail Investments (SY) Pte Ltd	Investment holding	Singapore	100	100
*	BR Spicy (HK) Limited	Investment holding	Hong Kong	100	–

	Name of subsidiaries	Principal activities	Place of incorporation/ business	Effective equity held by the Group 2016 %	2015 %
(ii)	**Indirect subsidiaries**				
	Subsidiary of CapitaRetail China Investments (B) Pte. Ltd.				
*	CapitaRetail Beijing Wangjing Real Estate Co., Ltd.	Property investment	China	100	100
	Subsidiaries of CapitaRetail China Investments (B) Alpha Pte. Ltd.				
*	CapitaRetail Beijing Anzhen Real Estate Co., Ltd.	Property investment	China	100	100
*	CapitaRetail Dragon Mall (Shanghai) Co., Ltd.	Property investment	China	100	100
*	CapitaRetail Beijing Shuangjing Real Estate Co., Ltd.	Property investment	China	100	100
*	CapitaRetail Henan Zhongzhou Real Estate Co., Ltd.	Property investment	China	100	100
*	Huaxin Saihan Huhhot Real Estate Co., Ltd.	Property investment	China	100	100
	Subsidiary of CapitaRetail China Investments (B) Beta Pte. Ltd.				
*	CapitaRetail Beijing Xizhimen Real Estate Co., Ltd.	Property investment	China	100	100

	Name of subsidiaries	Principal activities	Place of incorporation/ business	Effective equity held by the Group 2016 %	2015 %
(ii)	**Indirect subsidiaries (Continued)**				
	Subsidiary of CapitaRetail China Investments (B) Gamma Pte. Ltd.				
*	CapitaMalls Wuhu Commercial Property Co., Ltd.	Property investment	China	51	51
	Subsidiary of Somerset (Wuhan) Investments Pte Ltd				
*	Wuhan New Minzhong Leyuan Co., Ltd.	Property investment	China	100	100
	Subsidiary of CapitaLand Retail Investments (SY) Pte Ltd				
*	Beijing Huakun Real Estate Management Co., Ltd.	Property investment	China	100	100
	Subsidiary of BR Spicy (HK) Limited				
*	Spicy (Chengdu) Limited	Property investment	China	100	–

* *Audited by other member firms of KPMG International.*

** *This subsidiary is not required to be audited by the laws of the country of incorporation.*

*** *Audited by KPMG LLP Singapore.*

(b) The loans to subsidiaries, amounting to $358.0 million (2015: $355.1 million) and the non-trade amounts due from subsidiaries amounting to $436.7 million (2015: $375.4 million) are unsecured and settlement is neither planned nor likely to occur in the foreseeable future. As these amounts are, in substance, a part of the Trust's net investments in the subsidiaries, they are stated at cost, less accumulated impairment. The remaining $6.3 million (2015: $9.5 million) of the non-trade amounts due from subsidiaries are unsecured, interest-free and repayable on demand. The loans to subsidiaries bear interest rates from 5.39% to 7.50% (2015: 7.5%).

7. Trade and other receivables

	Group		Trust	
	2016 $'000	2015 $'000	2016 $'000	2015 $'000
Trade receivables	1,636	1,143	–	–
Impairment losses	(161)	(241)	–	–
	1,475	902	–	–
Other receivables	4,802	3,342	353	235
Dividend income receivable	–	–	–	22,713
Interest receivables	–	64	–	64
Deposits	1,146	1,199	–	–
Loans and receivables	7,423	5,507	353	23,012
Prepayments	5,406	7,306	7	–
	12,829	12,813	360	23,012

Concentration of credit risk relating to loans and receivables is limited as the Group has many varied tenants located in several cities in China and a credit policy of obtaining security deposits from tenants for the lease of units in the Group's investment properties. These tenants comprise retailers engaged in a wide variety of consumer trades.

The maximum exposure to credit risk for loans and receivables at the reporting date (by geographical area in China) is:

	Group	
	2016 $'000	2015 $'000
Chengdu	2,734	–
Beijing	2,470	3,388
Shanghai	1,320	1,274
Others	546	546
	7,070	5,208

Impairment losses

The ageing of loans and receivables at the reporting date is:

	Gross		Impairment	
	2016 $'000	2015 $'000	2016 $'000	2015 $'000
Group				
Not past due	6,616	5,043	–	–
Past due 1 - 30 days	427	200	–	–
Past due 31 - 60 days	209	98	–	–
Past due 61 - 90 days	126	33	–	–
More than 90 days past due	206	374	161	241
	7,584	5,748	161	241
Trust				
Not past due	353	23,012	–	–

The movement in the allowance for impairment in respect of trade receivables during the year is as follows:

	Note	Group 2016 $'000	Group 2015 $'000
At 1 January		241	141
Impairment losses on trade receivables, net	17	143	117
Allowance utilised		(207)	(24)
Translation difference		(16)	7
At 31 December		161	241

The majority of the trade receivables are mainly from tenants that have good credit records with the Group. The allowance account in respect of trade receivables is used to record impairment losses unless the Group is satisfied that no recovery of the amount owing is possible; at that point the amounts are considered irrecoverable and are written off against the financial asset directly.

The Group's historical experience in the collection of loans and receivables falls within the recorded allowances. The Manager believes that no additional credit risk beyond the amounts provided for collection losses is inherent in the Group's loans and receivables, based on historical payment behaviours and the security deposits held (if applicable).

8. Cash and cash equivalents

	Group 2016 $'000	Group 2015 $'000	Trust 2016 $'000	Trust 2015 $'000
Bank balances	47,039	53,430	1,661	369
Fixed deposits with financial institutions	89,098	72,892	–	–
	136,137	126,322	1,661	369

9. Trade and other payables

	Group 2016 $'000	Group 2015 $'000	Trust 2016 $'000	Trust 2015 $'000
Trade payable	1,422	334	69	15
Accrued operating expenses	19,745	13,603	2,182	1,445
Accrued development expenditure	8,223	10,738	–	–
Amounts due to related parties (trade)	2,698	2,585	1,740	1,627
Other deposits and advances	26,906	27,652	–	–
Interest payable	1,860	1,715	1,766	1,600
Other payables	3,673	2,892	3,630	–
	64,527	59,519	9,387	4,687

Included in amounts due to related parties (trade) are amounts due to the Manager, Property and Project Managers of $1.7 million (2015: $1.6 million), $0.7 million (2015: $0.7 million) and $nil million (2015: $0.3 million) respectively.

10. Interest–bearing borrowings

	Note	Group 2016 $'000	Group 2015 $'000	Trust 2016 $'000	Trust 2015 $'000
Unsecured term loans	(a)	900,503	550,503	900,503	550,503
Secured loan	(b)	58,943	79,589	–	–
Money market facilities		19,800	77,000	19,800	77,000
Less: Unamortised transactions costs		(1,495)	(1,086)	(1,495)	(1,086)
		977,751	706,006	918,808	626,417

(a) As at 31 December 2016, unsecured term loans comprise a $100.0 million, a $50.5 million, six $50.0 million, two $75.0 million and a $300.0 million fixed/floating rate trust term loans (collectively known as "Trust Term Loan Facilities"). These facilities have negative pledge covenants which require the Trust, amongst others:

(i) not to, without the prior written consent of the lender, create or have outstanding any security on or over the Group's interest in any of the investment properties;

(ii) in the event of a sale of any of the investment properties, to repay an amount equal to the proportion of the market value of the investment properties sold to the total market value of the investment properties as determined by the lender based on the latest annual valuation reports of the investment properties; and

(iii) not to provide any guarantee for any other entities except for secured borrowings for new investment properties acquired with existing mortgages.

The Trust Term Loan Facilities are repayable in full at maturity, although the Trust has the option to make early prepayments.

(b) At the reporting date, secured loan comprises an outstanding term loan of $58.9 million (RMB285.0 million) (2015: $79.6 million (RMB360.0 million)). Interest rates for the term loan bear interest referenced against 3 to 5 years People's Bank of China ("PBOC") base lending rate.

As security for the loan, the Trust has granted in favour of the lender the following:

(i) a mortgage over CapitaMall Grand Canyon;

(ii) an assignment of the rental revenue of CapitaMall Grand Canyon; and

(iii) an assignment of the insurance policies relating to CapitaMall Grand Canyon.

In respect of the secured RMB term loan, RMB12.5 million is payable on a semi-annual basis from June 2014. The outstanding loan balance is payable in full upon maturity on 19 December 2018.

Terms and debt repayment schedule

Terms and conditions of the outstanding interest–bearing borrowings are as follows:

	Nominal interest rate per annum %	Year of maturity	Face value $'000	Carrying amount $'000
2016				
Group				
S$ unsecured floating rate money market facility	1.21-1.63	2017	19,800	19,800
S$ unsecured fixed rate loan	2.75	2018	50,000	49,929
S$ unsecured floating rate loan	1.02-2.94	2017-2021	850,503	849,079
RMB secured floating rate term loan	4.75	2018	58,943	58,943
			979,246	977,751
Trust				
S$ unsecured floating rate money market facility	1.21-1.63	2017	19,800	19,800
S$ unsecured fixed rate loan	2.75	2018	50,000	49,929
S$ unsecured floating rate loan	1.02-2.94	2017-2021	850,503	849,079
			920,303	918,808
2015				
Group				
S$ unsecured floating rate money market facility	1.33-2.42	2016	77,000	77,000
S$ unsecured fixed rate loan	2.35-2.75	2016-2018	100,000	99,875
S$ unsecured floating rate loan	1.59-2.94	2016-2020	450,503	449,542
RMB secured floating rate term loan	4.75-6.00	2018	79,589	79,589
			707,092	706,006
Trust				
S$ unsecured floating rate money market facility	1.33-2.42	2016	77,000	77,000
S$ unsecured fixed rate loan	2.35-2.75	2016-2018	100,000	99,875
S$ unsecured floating rate loan	1.59-2.94	2016-2020	450,503	449,542
			627,503	626,417

The following are the contractual maturities of non–derivative financial liabilities, including estimated interest payments and excluding the impact of netting agreements:

	Carrying amount $'000	Contractual cash flow $'000	Within 1 year $'000	Within 2 to 5 years $'000	After 5 years $'000
2016					
Group					
S$ unsecured floating rate money market facility	19,800	19,828	19,828	–	–
S$ unsecured fixed rate loan	49,929	51,990	1,375	50,615	–
S$ unsecured floating rate loan	849,079	898,487	440,931	457,556	–
RMB secured floating rate term loan	58,943	64,246	7,947	56,299	–
Trade and other payables (Note 9)	64,527	64,527	64,527	–	–
Security deposits	48,769	48,769	16,557	28,125	4,087
	1,091,047	1,147,847	551,165	592,595	4,087
Trust					
S$ unsecured floating rate money market facility	19,800	19,828	19,828	–	–
S$ unsecured fixed rate loan	49,929	51,990	1,375	50,615	–
S$ unsecured floating rate loan	849,079	898,487	440,931	457,556	–
Trade and other payables (Note 9)	9,387	9,387	9,387	–	–
	928,195	979,692	471,521	508,171	–
2015					
Group					
S$ unsecured floating rate money market facility	77,000	77,162	77,162	–	–
S$ unsecured fixed rate loan	99,875	103,907	51,967	51,940	–
S$ unsecured floating rate loan	449,542	490,900	61,744	429,156	–
RMB secured floating rate term loan	79,589	90,100	9,304	80,796	–
Trade and other payables (Note 9)	59,519	59,519	59,519	–	–
Security deposits	43,348	43,348	16,145	23,203	4,000
	808,873	864,936	275,841	585,095	4,000
Trust					
S$ unsecured floating rate money market facility	77,000	77,162	77,162	–	–
S$ unsecured fixed rate loan	99,875	103,907	51,967	51,940	–
S$ unsecured floating rate loan	449,542	490,900	61,744	429,156	–
Trade and other payables (Note 9)	4,687	4,687	4,687	–	–
	631,104	676,656	195,560	481,096	–

It is not expected that the cash flows included in the maturity analysis could occur significantly earlier, or at significantly different amounts.

11. Financial derivatives

	Group and Trust	
	2016	**2015**
	$'000	**$'000**
Financial derivative assets	2,114	12,630
Financial derivative liabilities	(2,165)	(7,157)

The following are the contractual maturities of financial derivative assets and liabilities, including estimated interest payments:

	Carrying amount $'000	**Contractual cash flow $'000**	**Within 1 year $'000**	**Within 2 to 5 years $'000**
Group and Trust				
Financial derivative assets				
2016				
Interest rate swaps	890	1,462	(1,208)	2,670
Non-deliverable forward	1,224	1,224	1,224	–
	2,114	2,686	16	2,670
2015				
Interest rate swaps	6,578	7,458	1,714	5,744
Non-deliverable forward	6,052	6,052	6,052	–
	12,630	13,510	7,766	5,744
Financial derivative liabilities				
2016				
Interest rate swaps	(236)	(311)	(844)	533
Non-deliverable forward	(1,929)	(1,929)	(1,929)	–
	(2,165)	(2,240)	(2,773)	533
2015				
Non-deliverable forward	(7,157)	(7,157)	(5,730)	(1,427)

As at reporting date, it is not expected that the cash flows included in the maturity analysis could occur significantly earlier, or at significantly different amounts.

The table also indicates the periods in which the cash flows associated with derivatives that are expected to occur and impact the statement of total return and Unitholders' funds.

12. Deferred tax liabilities

The movement in deferred tax liabilities during the financial year is as follows:

Group	At 1 January 2015 $'000	Statement of total return (Note 21) $'000	Translation difference $'000	At 31 December 2015 $'000	Statement of total return (Note 21) $'000	Translation difference $'000	At 31 December 2016 $'000
Deferred tax liabilities							
Investment properties	197,962	19,211	11,736	228,909	18,318	(19,446)	227,781
Tax on unrepatriated profits	6,961	897	–	7,858	787	–	8,645
	204,923	20,108	11,736	236,767	19,105	(19,446)	236,426

Deferred tax assets have not been recognised in respect of the following item because it is not probable that future taxable profit will be available against which the Group can utilise the benefits therefrom:

	Group	
	2016 $'000	2015 $'000
Tax losses	44,701	51,551

The tax losses are subject to agreement by the tax authorities and compliance with tax regulations in the country in which the subsidiaries operate. These tax losses can be carried forward up to five consecutive years and will expire on the fifth year from which the tax losses arise.

13. Unitholders' funds

	Note	Group 2016 $'000	Group 2015 $'000	Trust 2016 $'000	Trust 2015 $'000
Net assets resulting from operations		979,018	877,390	97,980	78,103
Hedging reserve	(a)	650	6,573	650	6,573
Foreign currency translation reserve	(b)	35,532	148,433	–	–
Unitholders' transactions		391,339	438,138	391,339	438,138
General reserve	(c)	25,272	20,286	–	–
		1,431,811	1,490,820	489,969	522,814

(a) The hedging reserve comprises the effective portion of the cumulative net change in the fair value of cash flow hedging instruments relating to forecast hedged transactions.

(b) The foreign currency translation reserve comprises:

(i) foreign exchange differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from the functional currency of the Trust;

(ii) the gains or losses on financial instruments used to hedge the Group's net investment in foreign operations that are determined to be effective hedges; and

(iii) the foreign exchange differences on monetary items which form part of the Group's net investment in foreign operations, provided certain conditions are met.

(c) General reserve

The subsidiaries incorporated in China are required to transfer 10% of their profits after taxation, as determined under the accounting principles and relevant financial regulations of China to the general reserve until the reserve balance reaches 50% of registered capital. The transfer to this reserve must be made before distribution of dividends to its shareholders.

General reserve can be used to make good previous years' losses, if any, and may be converted to registered capital in proportion to the existing interests of the shareholders, provided that the balance after such conversion is not less than 25% of the registered capital.

14. Non-controlling interest

The following summarises the financial information of the Group's significant subsidiary with material non-controlling interest. At the reporting date, the Group only had one subsidiary with significant non-controlling interest of 49% (2015: 49%), CapitaMalls Wuhu Commercial Property Co., Ltd..

	Group	
	2016	**2015**
	$'000	**$'000**
Non-current assets	46,490	52,748
Current assets	936	3,092
Non-current liabilities	(19,151)	(19,502)
Current liabilities	(25,848)	(26,235)
Net assets	2,427	10,103
Net assets based on percentage shareholdings	1,189	4,950
Add non-controlling interest loans in respect of the Group's investment in a subsidiary in China:	18,690	19,296
Net assets attributable to non-controlling interest	**19,879**	**24,246**
Revenue	1,954	3,457
Total return after taxation	**(6,586)**	**(11,158)**
Attributable to non-controlling interest:		
Total return after taxation	(3,227)	(5,467)
Add interest relating to non-controlling interest loans in respect of the Group's investment in a subsidiary in China:	620	766
Total return allocated to non-controlling interest	**(2,607)**	**(4,701)**
Cash flows used in operating activities	(1,426)	(2,018)
Cash flows used in investing activities	(318)	(630)
Cash flows from/(used in) financing activities	17	(285)
Net decrease in cash and cash equivalents	**(1,727)**	**(2,933)**

There are no dividends paid to non-controlling interests in 2016 and 2015.

15. Units in issue

	2016 Number of Units	2015 Number of Units
Balance as at beginning of year	843,256,155	828,117,704
New Units issued:		
- as payment of Manager's management fees	945,766	3,588,196
- as payment of distribution through distribution reinvestment plan	25,477,712	11,550,255
Total issued Units as at end of the year	869,679,633	843,256,155
New Units to be issued:		
- as payment of Manager's management fees	4,177,316	945,766
Total issued and issuable Units as at end of the year	873,856,949	844,201,921

Units issued during the year ended 31 December 2016 are as follows:

(a) On 14 March 2016, the Trust issued 945,766 new Units at an issue price of $1.4887 per Unit as payment of the performance component of the management fee for the period from 1 October 2015 to 31 December 2015;

(b) On 30 March 2016, the Trust issued 11,094,216 new Units at an issue price of $1.3910 per Unit as payment of distribution under distribution reinvestment plan for the period from 1 July 2015 to 31 December 2015; and

(c) On 20 September 2016, the Trust issued 14,383,496 new Units at an issue price of $1.5090 per Unit as payment of distribution under distribution reinvestment plan for the period from 1 January 2016 to 30 June 2016.

Units issued during the year ended 31 December 2015 are as follows:

(a) On 26 March 2015, the Trust issued 10,220,054 new Units at an issue price of $1.6580 per Unit as payment of distribution under distribution reinvestment plan for the period from 1 July 2014 to 31 December 2014;

(b) On 30 March 2015, the Trust issued 844,273 new Units at an issue price of $1.5894 per Unit as payment of the performance component of the management fee for the period from 1 October 2014 to 31 December 2014;

(c) On 11 June 2015, the Trust issued 860,414 new Units at an issue price of $1.6061 per Unit as payment of the performance component of the management fee for the period from 1 January 2015 to 31 March 2015;

(d) On 22 September 2015, the Trust issued 1,330,201 new Units at an issue price of $1.5730 per Unit as payment of distribution under distribution reinvestment plan for the period from 1 January 2015 to 30 June 2015;

(e) On 28 September 2015, the Trust issued 848,218 new Units at an issue price of $1.7018 per Unit as payment of the performance component of the management fee for the period from 1 April 2015 to 30 June 2015; and

(f) On 24 November 2015, the Trust issued 1,035,291 new Units at an issue price of $1.3647 per Unit as payment of the performance component of the management fee for the period from 1 July 2015 to 30 September 2015.

The issue prices were determined based on the volume weighted average traded price for all trades done on the SGX–ST in the ordinary course of trading for the last 10 business days of the relevant periods in which the management fees accrue.

Each Unit in the Trust represents an undivided interest in the Trust. The rights and interests of Unitholders are contained in the Trust Deed and include the right to:

- one vote per Unit;
- receive income and other distributions attributable to the Units held;
- participate in the termination of the Trust by receiving a share of all net cash proceeds derived from the realisation of the assets of the Trust less any liabilities, in accordance with their proportionate interests in the Trust. However, a Unitholder has no equitable or proprietary interest in the underlying assets of the Trust and is not entitled to the transfer of any assets (or part thereof) or any estate or interest in any asset (or part thereof) of the Trust; and
- attend all Unitholders' meetings. The Trustee or the Manager may (and the Manager shall at the request in writing of not less than 50 Unitholders or one-tenth in number of Unitholders, whichever is lesser) at any time convene a meeting of Unitholders in accordance with the provisions of the Trust Deed.

The restrictions of a Unitholder include the following:

- a Unitholder's right is limited to the right to require due administration of the Trust in accordance with the provisions of the Trust Deed; and
- a Unitholder has no right to request the Manager to redeem his Units while the Units are listed on the SGX-ST.

A Unitholder's liability is limited to the amount paid or payable for any unit in the Trust. The provisions of the Trust Deed provide that no Unitholder will be personally liable to indemnify the Trustee or any creditor of the Trustee in the event that the liabilities of the Trust exceed its assets.

16. Total Unitholders' distribution

Unitholders' distribution for the year is accounted for as distribution from operations and distribution from Unitholders' contributions:

(a) Distribution from operations

This refers to distribution made by the Trust that is represented by income received or receivable during the financial year, as the case may be, net of expenses. Such income comprises mainly the following:

- dividend from subsidiaries in Barbados, Singapore and Hong Kong paid out of dividend declared by the subsidiaries in China;
- dividend from subsidiaries in Barbados paid out of net interest income earned by subsidiaries in Barbados on shareholders' loans extended to subsidiaries in China; and
- interest income earned by the Trust on shareholders' loans extended to subsidiaries in Barbados.

The above income originates from income derived by the subsidiaries in China in respect of the current financial year.

(b) Distribution from Unitholders' contributions

This refers to the amount of distribution made by the Trust for the financial year where the underlying cash is not, or may not be, received or receivable as income by the Trust during that period. Such distribution comprises mainly the following:

- profits from operations arising from the investment properties which are declared as dividend income after the financial year, as the case may be, and accordingly also received as dividends by the Trust after that year;
- profits from operations arising from the investment properties which cannot be declared as dividends;
- adjustment for depreciation expenses of the investment properties; and
- adjustments for trust expenses that are paid in Units, foreign currency differences attributable to net investment hedges undertaken by the Trust and certain unrealised expenses.

Income available for distribution to Unitholders at end of the year

Distributions are made on a semi-annual basis, with the amount calculated as at 30 June and 31 December each year for the six–month period ending on each of the said dates. In accordance with the provisions of the Trust Deed, the Manager is required to pay distributions within 90 days from the end of each distribution period. Distributions, when paid, will be in Singapore dollars.

Distributions for the period from 1 January 2016 to 30 June 2016 had been paid on 20 September 2016. Distributions for the period from 1 July 2016 to 31 December 2016 will be paid within 90 days of the end of the distribution period, in accordance with the provisions of the Trust Deed.

17. Other property operating expenses

		Group	
	Note	**2016**	**2015**
		$'000	**$'000**
Utilities		6,142	7,544
Advertising and promotion		5,046	4,827
Maintenance		8,701	8,749
Staff costs		9,165	9,808
Depreciation of plant and equipment	5	2,088	2,579
Impairment losses on trade receivables, net	7	143	117
Amortisation of deferred expenditure included in other receivables		59	61
Plant and equipment written off		89	32
Others		1,765	2,141
		33,198	35,858

Included in staff costs is contribution to defined contribution plans of $1.8 million (2015: $2.0 million).

18. Manager's management fees

Manager's management fees comprise base fee of $6.3 million (2015: $6.2 million) and performance fee of $5.7 million (2015: $5.6 million). The Manager has elected to receive all performance fee in the form of Units. In 2015, $4.2 million of $5.6 million relating to performance fee in the form of Units was paid during the year through the issue of 2,743,923 Units. $5.7 million (2015: $1.4 million) relating to the performance component of the Manager's management fee will be paid through the issue of 4,177,316 (2015: 945,766) new Units subsequent to the year end.

19. Other trust operating expenses/(income)

	Group		Trust	
	2016 $'000	2015 $'000	2016 $'000	2015 $'000
Professional fees	(13)	86	(53)	86
Acquisition related expenses	185	1,785	–	–
Non-deal roadshow expenses	24	6	24	6
Others	668	13	(108)	(559)
	864	1,890	(137)	(467)

20. Finance income and finance costs

	Group		Trust	
	2016 $'000	2015 $'000	2016 $'000	2015 $'000
Interest income:				
- financial institutions	1,777	1,481	569	469
- subsidiaries	–	–	22,834	26,436
Finance income	1,777	1,481	23,403	26,905
Interest expenses	(20,555)	(20,148)	(17,401)	(14,877)
Other finance costs	(657)	(512)	(641)	(494)
Finance costs	(21,212)	(20,660)	(18,042)	(15,371)
Net finance (costs)/income recognised in statement of total return	(19,435)	(19,179)	5,361	11,534

21. Taxation

	Note	Group		Trust	
		2016 $'000	2015 $'000	2016 $'000	2015 $'000
Current taxation					
Current year		22,953	23,368	–	–
(Over)/under provision in prior years		(417)	(96)	–	6
		22,536	23,272	–	6
Deferred taxation					
Origination of temporary differences	12	19,105	20,108	–	–
Income tax expense		**41,641**	**43,380**	–	**6**

Reconciliation of effective tax rate

	Group		Trust	
	2016 $'000	2015 $'000	2016 $'000	2015 $'000
Total return for the year before taxation	145,648	152,678	19,877	63,447
Tax calculated using Singapore tax rate of 17%	24,760	25,955	3,379	10,786
Adjustments:				
Effect of different tax rates in foreign jurisdictions	6,541	5,545	–	–
Income not subject to tax	(195)	(246)	(9,158)	(15,617)
Expenses not deductible for tax purposes	–	–	521	318
Deferred tax assets not recognised	1,618	1,739	–	–
Utilisation of previously unrecognised tax losses	(1,547)	(1,010)	–	–
Tax losses not allowed to be carried forward	5,261	4,514	5,258	4,513
Foreign tax suffered	5,620	6,979	–	–
(Over)/under provision in prior years	(417)	(96)	–	6
	41,641	43,380	–	6

22. Earnings per unit

Basic earnings per unit

The calculation of basic earnings per unit is based on weighted average number of Units during the year and total return for the year after taxation and non–controlling interest before distribution.

	Group	
	2016 $'000	2015 $'000
Total return for the year after taxation and non–controlling interest before distribution	106,614	113,999

	Trust	
	Number of Units 2016 '000	**Number of Units 2015 '000**
Issued Units at beginning of year	843,256	828,118
Effect of creation of new Units:		
- Manager's management fees paid/payable in Units	766	1,443
- As payment of distribution under distribution reinvestment plan	12,375	8,204
Weighted average number of issued and issuable Units at end of the year	856,397	837,765

Diluted earnings per unit

Diluted earnings per unit is calculated based on total return for the year after taxation and non-controlling interest and weighted average number of Units outstanding during the period, adjusted for the effects of all dilutive potential Units.

	Trust	
	Number of Units 2016 '000	**Number of Units 2015 '000**
Issued Units at beginning of year	843,256	828,118
Effect of creation of new Units:		
- Manager's management fees paid/payable in Units	4,932	1,443
- As payment of distribution under distribution reinvestment plan	12,375	8,204
Weighted average number of issued and issuable Units at end of the year	860,563	837,765

	Group	
	2016 $'000	**2015 $'000**
Amount available for distribution to Unitholders at end of the year	86,732	89,219

23. Related party transactions

For the purposes of these financial statements, parties are considered to be related to the Group if the Group has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group and the party are subject to common significant influence. Related parties may be individuals or other entities. The Manager, being CapitaLand Retail China Trust Management Limited is an indirect wholly owned subsidiary of a substantial Unitholder of the Trust. The Property and Project Managers, being CapitaLand Retail (Shanghai) Management & Consulting Co., Ltd. and CapitaLand Retail (Beijing) Facilities & Projects Consulting Co., Ltd. are indirect wholly owned subsidiaries of a substantial Unitholder of the Trust.

In the normal course of the operations of the Trust, the Manager's management fees and the Trustee's fees have been paid or are payable to the Manager and Trustee respectively. The property management fees, reimbursables and project management fees have been paid or are payable to the Property and Project Managers respectively.

24. Financial ratios

	Group	
	2016	**2015**
	%	**%**
Ratio of expenses to average net asset value [1]		
- including performance component of Manager's management fees	0.96	0.88
- excluding performance component of Manager's management fees	0.56	0.49
Portfolio turnover rate [2]	–	–

Notes:

[1] The annualised ratio is computed in accordance with the guidelines of the Investment Management Association of Singapore. The expenses used in the computation relate to expenses at the Group level, excluding property related expenses and borrowing costs.

[2] The annualised ratio is computed based on the lesser of purchases or sales of underlying investment properties of the Group expressed as a percentage of weighted average net asset value.

25. Operating segments

The Group has 11 reportable segments, as described below, which are the Group's investment properties. The investment properties are managed separately because they require different operating and marketing strategies. For each of the investment properties, the CODMs review internal management reports on a monthly basis.

All of the Group's reportable segments are investment properties located in China used primarily for retail purposes. The reporting segments are as follows:

- CapitaMall Xizhimen
- CapitaMall Wangjing
- CapitaMall Grand Canyon
- CapitaMall Xinnan
- CapitaMall Anzhen
- CapitaMall Erqi
- CapitaMall Shuangjing
- CapitaMall Minzhongleyuan
- CapitaMall Qibao
- CapitaMall Saihan
- CapitaMall Wuhu

Segment revenue comprises mainly income generated from its tenants. Segment net property income represents the income earned by each segment after allocating property operating expenses. This is the measure reported to the CODMs for the purpose of assessment of segment performance. In addition, the CODMs monitor the non–financial assets as well as financial assets attributable to each segment when assessing segment performance.

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly the Trust's financial assets and liabilities and its expenses. Segment capital expenditure is the total cost incurred during the year to acquire segment assets that are expected to be used for more than one year.

Information regarding the Group's reportable segments is presented in the tables in the following pages.

For the purpose of monitoring segment performance, the Group's CODMs monitor the non–financial assets as well as financial assets attributable to each segment.

Information about reportable segments

	CapitaMall Xizhimen		CapitaMall Wangjing		CapitaMall Grand Canyon		CapitaMall Xinnan		CapitaMall Anzhen		CapitaMall Erqi		Sub Total	
	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
External revenues:														
- Gross rental income	55,368	56,855	41,866	43,401	25,874	29,022	5,099	–	16,945	18,061	10,430	11,173	155,582	158,512
- Others	2,975	2,969	2,776	3,299	3,287	2,808	648	–	–	2	7	10	9,693	9,088
- Gross revenue	58,343	59,824	44,642	46,700	29,161	31,830	5,747	–	16,945	18,063	10,437	11,183	165,275	167,600
Segment net property income	40,859	41,922	31,991	33,947	18,657	20,457	3,168	–	13,919	14,524	8,663	8,890	117,257	119,740
Finance income	226	232	220	169	142	47	35	–	177	221	128	56	928	725
Finance costs	–	–	–	–	(3,170)	(5,289)	–	–	–	–	–	–	(3,170)	(5,289)
Reportable segment total return before taxation	53,739	63,754	53,186	51,363	19,062	20,980	7,170	–	14,812	19,523	11,468	10,688	159,437	166,308
Segment assets	631,522	662,259	485,529	517,320	456,924	472,916	347,039	–	222,186	227,295	137,479	144,779	2,280,679	2,024,569
Segment liabilities	95,006	95,805	94,332	92,681	95,548	116,672	17,969	–	26,396	32,484	17,951	18,770	347,202	356,412
Other segment items:														
Depreciation and amortisation	(616)	(830)	(574)	(658)	(319)	(350)	(3)	–	(32)	(41)	(49)	(86)	(1,593)	(1,965)
(Impairment losses)/write-back on trade receivables, net	(91)	–	(54)	(68)	2	5	–	–	–	–	–	–	(143)	(63)
Net change in fair value of investment properties	12,888	21,945	21,282	17,673	3,844	7,645	4,029	–	853	4,823	2,795	1,861	45,691	53,947
Capital expenditure	(1,549)	(1,151)	(6,019)	(5,710)	(6,134)	(8,284)	(12)	–	(292)	–	(538)	(112)	(14,544)	(15,257)

	CapitaMall Shuangjing		CapitaMall Minzhongleyuan		CapitaMall Qibao		CapitaMall Saihan		CapitaMall Wuhu		Sub Total		Grand Total	
	2016	**2015**	**2016**	**2015**	**2016**	**2015**	**2016**	**2015**	**2016**	**2015**	**2016**	**2015**	**2016**	**2015**
	$'000	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**
External revenues:														
- Gross rental income	9,458	10,004	2,350	3,302	19,325	19,971	11,799	11,988	1,650	3,142	44,582	48,407	200,164	206,919
- Others	48	54	221	186	2,665	2,425	1,277	1,347	304	315	4,515	4,327	14,208	13,415
- Gross revenue	9,506	10,058	2,571	3,488	21,990	22,396	13,076	13,335	1,954	3,457	49,097	52,734	214,372	220,334
Segment net property income	7,665	8,108	(1,881)	(2,404)	10,587	10,120	7,470	6,924	(1,360)	(1,403)	22,481	21,345	139,738	141,085
Finance income	97	62	15	18	117	128	33	50	12	28	274	286	1,202	1,011
Finance costs	–	–	–	–	–	–	–	–	–	–	–	–	(3,170)	(5,289)
Reportable segment total return before taxation	8,349	9,937	(5,726)	(9,333)	9,744	10,200	9,872	11,881	(5,213)	(10,968)	17,026	11,717	176,463	178,025
Segment assets	124,410	135,175	110,281	120,484	120,020	120,518	98,615	103,122	43,954	52,313	497,280	531,612	2,777,959	2,556,181
Segment liabilities	17,693	18,127	4,770	8,546	18,671	19,199	12,280	11,964	708	2,671	54,122	60,507	401,324	416,919
Other segment items														
Depreciation and amortisation	(10)	(11)	(115)	(132)	(77)	(107)	(219)	(251)	(133)	(174)	(554)	(675)	(2,147)	(2,640)
Impairment losses on trade receivables, net	–	–	–	–	–	–	–	–	–	(54)	–	(54)	(143)	(117)
Net change in fair value of investment properties	862	1,976	(3,779)	(6,891)	(866)	54	2,483	4,902	(3,240)	(9,154)	(4,540)	(9,113)	41,151	44,834
Capital expenditure	(182)	(219)	(1,717)	(575)	(870)	(2,261)	(1,711)	(635)	(317)	(684)	(4,797)	(4,374)	(19,341)	(19,631)

Reconciliations of reportable segment revenue, total return, assets and liabilities and other material items

	2016 $'000	2015 $'000
Revenue		
Total revenue for reporting segments	214,372	220,334
Total return		
Total return for reportable segments before taxation	176,463	178,025
Unallocated amounts:		
- Other corporate expenses	(30,815)	(25,347)
Total return before taxation	145,648	152,678
Assets		
Total assets for reportable segments	2,777,959	2,556,181
Other unallocated amounts	5,508	14,123
Consolidated assets	2,783,467	2,570,304
Liabilities		
Total liabilities for reportable segments	401,324	416,919
Other unallocated amounts	930,453	638,319
Consolidated liabilities	1,331,777	1,055,238

	Reportable segment totals $'000	Unallocated amounts $'000	Consolidated totals $'000
Other material items 2016			
Finance income	1,202	575	1,777
Finance costs	(3,170)	(18,042)	(21,212)
Other material items 2015			
Finance income	1,011	470	1,481
Finance costs	(5,289)	(15,371)	(20,660)

Geographical segments

All of the Group's investment properties are used for retail purposes and are located in China.

Major tenant

Revenue from one tenant of the Group represents approximately $36.7 million (2015: $39.3 million) of the Group's total revenue.

26. Commitments

(a) Capital commitments

	Group	
	2016	**2015**
	$'000	**$'000**
Payable:		
- contracted but not provided for	2,516	11,355

(b) The Group leases out its investment properties. Operating lease rentals are receivable as follows:

	Group	
	2016	**2015**
	$'000	**$'000**
Receivable:		
- within 1 year	176,627	177,580
- after 1 year but within 5 years	361,256	391,402
- after 5 years	222,310	326,366
	760,193	895,348

(c) The Group has non–cancellable leases with rentals payable as follows:

	Group	
	2016	**2015**
	$'000	**$'000**
Payable:		
- within 1 year	4,851	5,173
- after 1 year but within 5 years	25,407	30,419
- after 5 years	14,322	18,587
	44,580	54,179

27. Capital and financial risk management

Capital management

The Group's objectives when managing capital are to optimise Unitholders' value through the combination of available capital sources which include debt and equity instruments whilst complying with statutory and constitutional capital and distribution requirements, maintaining aggregate leverage and interest service coverage ratio within approved limits. As a key part of the Group's overall strategy, the Board of the Manager reviews the Group and the Trust's debt and capital management cum financing policy regularly so as to optimise the Group and the Trust's funding structure. The Board also monitors the Group and the Trust's exposure to various risk elements by closely adhering to clearly established management policies and procedures.

The Group is subject to the aggregate leverage limit as defined in Appendix 6 of the CIS Code ("Property Fund Appendix"). The Property Fund Appendix stipulates that the total borrowings and deferred payments (together, the "Aggregate Leverage") of a property fund should not exceed 45.0% (2015: 35.0%) of its Deposited Property. The Group's aggregate leverage limit did not exceed 45.0% (2015: 35.0%) during the year, and was 35.3% (2015: 27.7%) as at 31 December 2016. In computing the aggregate leverage, the Trust has considered the effect of hedging the net assets denominated in RMB.

There were no changes in the Group's approach to capital management during the financial year.

Financial risk management

Overview

The Group's returns are primarily from net operating income and capital appreciation of its assets. However, these returns are exposed to financial risks including credit, liquidity, interest rate and foreign currency risks.

Financial risk management is integral to the whole business of the Group. The Group adopts an integrated approach to manage the financial risks arising in the normal course of the Group's business. The Group has written risk management policies and guidelines, and established processes to monitor and manage significant exposures. Risk management policies and processes are reviewed regularly to reflect changes in market conditions and the Group's activities.

The Group adheres to standardised accounting and financial policies and exercises effective controls over the financial affairs of its subsidiaries. This is achieved by ensuring group–wide adherence to a comprehensive set of guidelines covering contracts, policies and procedures and other requirements. Adequate measures are in place to ensure that the reliability and integrity of financial information compiled from subsidiaries are kept intact.

Credit risk

While it is necessary to assume a certain level of tenant credit risks to remain competitive in China, the Group has established credit limits for tenants and monitors their balances on an ongoing basis. Risks associated with credit limits are reflected in the level of security deposits and bank guarantees placed as collateral in respect of the leases. Appropriate risk mitigating actions are in place to manage trade receivables.

The Group establishes an allowance for impairment that represents its estimate of incurred losses in respect of trade and other receivables. The main components of this allowance are a specific loss component that relates to individually significant exposures, and a collective loss component established for groups of similar assets in respect of losses that have been incurred but not yet identified. The collective loss allowance is determined based on historical data of payment statistics for similar financial assets.

The allowance account in respect of trade and other receivables is used to record impairment losses unless the Group is satisfied that no recovery of the amount owing is possible. At that point, the financial asset is considered irrecoverable and the amount charged to the allowance account is written off against the carrying amount of the impaired financial asset.

Cash and fixed deposits are placed with banks and financial institutions which are regulated.

Liquidity risk

The Group monitors its liquidity risk and maintains a level of cash and cash equivalents deemed adequate by management to finance the Group's operations and to mitigate the effects of fluctuations in cash flows. Typically the Group ensures that it has sufficient cash on demand to meet expected operational expenses for a reasonable period, including the servicing of financial obligations.

In addition, the Group maintains the following debt facilities and programme as at 31 December 2016.

Chinese Renminbi ("RMB") denominated facility:
- RMB285.0 million five–year secured term loan facility

S$ denominated facilities:
- S$151.0 million money market line facilities
- S$225.5 million four–year trust term loan facilities
- S$375.0 million five–year trust term loan facilities
- S$300.0 million one-year bridge term loan facility

United States dollar ("US$") denominated facilities:
- US$70.0 million money market line facilities

Multicurrency Medium Term Notes:
- $500.0 million multicurrency Medium Term Note ("MTN") Programme

As at 31 December 2016, the Group has outstanding debt of $900.5 million (2015: $550.5 million) trust term loan facilities, $19.8 million (2015: $77.0 million) money market line facilities and RMB285.0 million (2015: RMB360.0 million) secured term loan facility.

The Group also monitors and observes the Property Fund Appendix issued by MAS concerning limits on total borrowings.

Interest rate risk

The Manager adopts a proactive interest rate management policy to manage the risk associated with changes in interest rates on the Group's loan facilities while also seeking to ensure that the ongoing cost of debt remains competitive.

As at 31 December 2016, the Group has interest rate swaps ("IRS") with notional contract amount of $475.5 million (2015: $425.5 million). The Group pays a fixed rate interest and receives a variable rate equal to the Swap Offer Rate ("SOR") on the notional contract amount. The Group classifies the IRS as cash flow hedges to hedge the exposure in interest rate fluctuations on certain of its term loans.

The term loans and the underlying IRS have the same terms and conditions.

The Manager proactively seeks to minimise the level of interest rate risk by locking the majority of the Group's borrowings at fixed rates. As at 31 December 2016, the Group has locked in approximately 53.7% (2015: 74.3%) of its borrowings at fixed rates. Excluding the RMB denominated loan, money market line and bridge term loan which are not hedged, the Group has locked in approximately 87.5% (2015: 95.5%) of its borrowings at fixed rates.

Fair value sensitivity analysis for fixed rate instruments

The Group does not account for any fixed rate financial liabilities at fair value through profit or loss and the Group does not designate interest rate derivatives as hedging instruments under a fair value hedge accounting model. Therefore a change in interest rates at the reporting date would not affect the statement of total return.

Cash flow sensitivity analysis for variable rate instruments

The net change in fair value of the interest component of IRS as at 31 December 2016 of $5.9 million (2015: $5.1 million), representing the effective portion of the cash flow hedge, has been recognised directly in hedging reserves.

Effects of a 100 basis point ("bp")* movement in interest rate at the reporting date would increase/(decrease) statement of total return and Unitholders' funds by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency rates, remain constant. The analysis is performed on the same basis for 2015.

* 100 basis point is equivalent to 1 percentage point

	Statement of total return		**Unitholders' funds**	
	100 bp increase $'million	**100 bp decrease $'million**	**100 bp increase $'million**	**100 bp decrease $'million**
Group and Trust				
2016				
Interest rate swaps	–	–	3.7	(3.7)
Variable rate instruments	(2.2)	2.2	–	–
Cash flow sensitivity (net)	(2.2)	2.2	3.7	(3.7)
2015				
Interest rate swaps	–	–	4.1	(4.1)
Variable rate instruments	(1.8)	1.8	–	–
Cash flow sensitivity (net)	(1.8)	1.8	4.1	(4.1)

Foreign currency risk

The Group is exposed to foreign currency risk on cash holdings and operating expenses that are denominated in a currency other than the respective functional currencies of the Group entities. The currencies giving rise to this risk are primarily the US$ and RMB.

The Manager's strategy is to achieve a natural hedge through local RMB financing and any non-RMB denominated loan will be hedged into RMB where possible, to protect the going concern of the Trust in the event of large currency fluctuation. However, the Manager will hedge the RMB cash flow from operations if it is determined with certainty that they are to be remitted back to Singapore for distribution purposes.

The Group's and Trust's exposure to foreign currencies is as follows:

	US$ S$'000	RMB S$'000	Total S$'000
Group			
2016			
Cash and cash equivalents	398	128	526
Trade and other payables	(3,630)	–	(3,630)
	(3,232)	128	(3,104)
2015			
Cash and cash equivalents	186	125	311
Trust			
2016			
Loans to subsidiaries	358,007	–	358,007
Non-trade amounts due from subsidiaries	166,813	–	166,813
Trade and other payables	(3,630)	–	(3,630)
Cash and cash equivalents	219	107	326
	521,409	107	521,516
2015			
Loans to subsidiaries	355,118	–	355,118
Non-trade amounts due from subsidiaries	167,970	–	167,970
Cash and cash equivalents	10	108	118
	523,098	108	523,206

Sensitivity analysis

A 10% strengthening of Singapore dollar against the US$ and RMB at the reporting date would increase/(decrease) total return after tax by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant. The analysis is performed on the same basis for 2015.

	Statements of total return	
	Group	**Trust**
	$'000	**$'000**
2016		
US$	323	(52,141)
RMB	(13)	(11)
2015		
US$	(19)	(52,310)
RMB	(13)	(11)

A 10% weakening of Singapore dollar against the US$ and RMB would have had equal but opposite effect on the US$ and RMB to the amounts shown above, on the basis that all other variables remain constant.

Hedge of net investment in foreign operation

The non–deliverable forwards ("NDF") of $300.0 million (2015: $390.0 million) are designated as hedges of the Group's net investment in certain subsidiaries in China. No ineffectiveness was recognised from the net investment hedge.

Sensitivity analysis

For NDF (accounted for as net investment hedges), a 10% strengthening/weakening of Singapore dollar against the RMB at the reporting date would increase/(decrease) Unitholders' funds as at 31 December 2016 by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant. The analysis is performed on the same basis for 2015.

	Unitholders' funds	
	$'million	**$'million**
Group		
2016		
Non-deliverable forwards	22.7	(27.7)
2015		
Non-deliverable forwards	29.5	(36.1)

Accounting classifications and fair values

The carrying amounts and fair values of financial assets and liabilities, including their levels in the fair value hierarchy are as follows. It does not include fair value information for financial assets and liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

		Carrying amount				Fair value			
	Note	Loans and receivables $'000	Fair value – hedging instruments $'000	Other financial liabilities within scope of FRS 39 $'000	Total carrying amount $'000	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
Group									
2016									
Financial assets not measured at fair value									
Trade and other receivables	7	7,423	–	–	7,423	–	–	–	–
Cash and cash equivalents	8	136,137	–	–	136,137	–	–	–	–
		143,560	–	–	143,560				
Financial assets measured at fair value									
Financial derivative assets	11	–	2,114	–	2,114	–	2,114	–	2,114
Financial liabilities not measured at fair value									
Trade and other payables	9	–	–	64,527	64,527	–	–	–	–
Security deposits		–	–	48,769	48,769	–	46,676	–	46,676
Interest-bearing borrowings	10	–	–	977,751	977,751	–	979,000	–	979,000
		–	–	1,091,047	1,091,047				
Financial liabilities measured at fair value									
Financial derivative liabilities	11	–	2,165	–	2,165	–	2,165	–	2,165

		Carrying amount				Fair value			
	Note	Loans and receivables $'000	Fair value – hedging instruments $'000	Other financial liabilities within scope of FRS 39 $'000	Total carrying amount $'000	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
Group									
2015									
Financial assets not measured at fair value									
Trade and other receivables	7	5,507	–	–	5,507	–	–	–	–
Cash and cash equivalents	8	126,322	–	–	126,322	–	–	–	–
		131,829	–	–	131,829				
Financial assets measured at fair value									
Financial derivative assets	11	–	12,630	–	12,630	–	12,630	–	12,630
Financial liabilities not measured at fair value									
Trade and other payables	9	–	–	59,519	59,519	–	–	–	–
Security deposits		–	–	43,348	43,348	–	41,194	–	41,194
Interest-bearing borrowings	10	–	–	706,006	706,006	–	704,732	–	704,732
		–	–	808,873	808,873				
Financial liabilities measured at fair value									
Financial derivative liabilities	11	–	7,157	–	7,157	–	7,157	–	7,157

		Carrying amount				Fair value			
	Note	Loans and receivables $'000	Fair value – hedging instruments $'000	Other financial liabilities within scope of FRS 39 $'000	Total carrying amount $'000	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
Trust									
2016									
Financial assets not measured at fair value									
Non-trade amounts due from subsidiaries	6	6,303	–	–	6,303	–	–	–	–
Trade and other receivables	7	353	–	–	353	–	–	–	–
Cash and cash equivalents	8	1,661	–	–	1,661	–	–	–	–
		8,317	–	–	8,317				
Financial assets measured at fair value									
Financial derivative assets	11	–	2,114	–	2,114	–	2,114	–	2,114
Financial liabilities not measured at fair value									
Trade and other payables	9	–	–	9,387	9,387	–	–	–	–
Interest-bearing borrowings	10	–	–	918,808	918,808	–	920,057	–	920,057
		–	–	928,195	928,195				
Financial liabilities measured at fair value									
Financial derivative liabilities	11	–	2,165	–	2,165	–	2,165	–	2,165

		Carrying amount				Fair value			
	Note	Loans and receivables $'000	Fair value – hedging instruments $'000	Other financial liabilities within scope of FRS 39 $'000	Total carrying amount $'000	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
Trust									
2015									
Financial assets not measured at fair value									
Non-trade amounts due from subsidiaries	6	9,465	–	–	9,465	–	–	–	–
Trade and other receivables	7	23,012	–	–	23,012	–	–	–	–
Cash and cash equivalents	8	369	–	–	369	–	–	–	–
		32,846	–	–	32,846				
Financial assets measured at fair value									
Financial derivative assets	11	–	12,630	–	12,630	–	12,630	–	12,630
Financial liabilities not measured at fair value									
Trade and other payables	9	–	–	4,687	4,687	–	–	–	–
Interest-bearing borrowings	10	–	–	626,417	626,417	–	625,143	–	625,143
		–	–	631,104	631,104				
Financial liabilities measured at fair value									
Financial derivative liabilities	11	–	7,157	–	7,157	–	7,157	–	7,157

Estimation of fair value

The following summarises the significant methods and assumptions used in estimating the fair values of financial instruments of the Group and Trust.

Financial derivatives

The fair values of non-deliverable forwards and interest rates are based on banks' quotes. These quotes are tested for reasonableness by discounting estimated future cash flows based on the terms and maturity of each contract and using market interest rates for a similar instrument at the measurement date. Fair values reflect the credit risk of the Group entity and counterparties when appropriate.

Interest–bearing borrowings

Fair value, which is determined for disclosure purposes, is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the reporting date.

Other financial assets and liabilities

The carrying amounts of financial assets and liabilities (including non-trade amounts due from subsidiaries, trade and other receivables, cash and cash equivalents, trade and other payables and current security deposits) are assumed to approximate their fair values because they are either short term in nature, or effect of discounting is immaterial. All other financial assets and liabilities (non-current security deposits) are discounted to determine their fair values.

Interest rates used in determining fair values

The interest rates used to discount estimated cash flows, where applicable, are based on the forward yield curve as at 31 December 2016 plus an adequate constant credit spread, and are as follows:

	2016 **% p.a.**	**2015** **% p.a.**
Interest–bearing borrowings	1.42 – 4.75	1.33 – 6.00
Security deposits	1.84 – 2.10	2.79

Offsetting financial assets and financial liabilities

The disclosures set out in the tables below include financial assets and financial liabilities that:

- are offset in the Trust's statements of financial position; or
- are subject to an enforceable master netting arrangement, irrespective of whether they are offset in the statement of financial position.

Financial instruments such as loans and receivables and financial liabilities are not disclosed in the tables below unless they are offset in the statements of financial position.

The Trust's derivative transactions that are not transacted on an exchange are entered into under International Swaps and Derivatives Association ("ISDA") Master Agreements. In certain circumstances, for example when a termination event such as a default occurs, all outstanding transactions under the agreement are terminated, the termination value is assessed and only a single net amount is due or payable in settlement of all transactions.

Under the agreements signed, the Trust and its counterparties neither have a legal obligation nor intend to settle on a net basis or to realise the assets and settle the liabilities simultaneously. In addition, the right of set-off of recognised amounts is enforceable only following the occurrence of a termination event as set out in the agreements. Accordingly, the ISDA agreements do not meet the criteria for offsetting and the derivatives financial instruments presented below are not offset in the Statement of Financial Position.

Financial assets and liabilities subject to offsetting and enforceable master netting arrangement under termination events

	Gross amounts of recognised financial instruments $'000	**Gross amount of recognised financial instruments offset in the statement of financial position $'000**	**Net amounts of financial instruments presented in the statement of financial position $'000**	**Related amounts not offset in the statement of financial position $'000**	**Net amounts $'000**
31 December 2016					
Financial assets					
Interest rate swaps	890	–	890	(159)	731
Non-deliverable forward	1,224	–	1,224	(336)	888
	2,114	–	2,114	(495)	1,619
Financial liabilities					
Interest rate swaps	236	–	236	(159)	77
Non-deliverable forward	1,929	–	1,929	(336)	1,593
	2,165	–	2,165	(495)	1,670
31 December 2015					
Financial assets					
Interest rate swaps	6,578	–	6,578	–	6,578
Non-deliverable forward	6,052	–	6,052	(987)	5,065
	12,630	–	12,630	(987)	11,643
Financial liabilities					
Non-deliverable forward	7,157	–	7,157	(987)	6,170

28. Subsequent events

On 26 January 2017, the Manager declared a distribution of 4.73 cents per Unit to Unitholders in respect of the period from 1 July 2016 to 31 December 2016.

UNAUDITED FINANCIAL STATEMENTS OF CAPITALAND RETAIL CHINA TRUST FOR THE SECOND QUARTER ENDED 30 JUNE 2017

The information in this Appendix IV has been extracted and reproduced from the announcement of the unaudited financial statements of CRCT for the second quarter ended 30 June 2017 and has not been specifically prepared for inclusion in this Information Memorandum.

CapitaLand
Retail China Trust

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

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Summary of CRCT Results

	2Q 2017[1]	2Q 2016		1H 2017[1]	1H 2016	
	Actual S$'000	Actual S$'000	Change %	Actual S$'000	Actual S$'000	Change %
Gross Revenue[2]	58,993	51,504	14.5	119,094	107,070	11.2
Net Property Income[2]	39,971	35,501	12.6	80,274	72,193	11.2
Income available for distribution	23,337	22,374	4.3	47,692	45,559	4.7
Distribution Per Unit ("DPU") (cents)						
For the period	2.62	2.61	0.4	5.36	5.32	0.8
Annualised	10.51	10.50	0.1	10.81	10.70	1.0

	2Q 2017[1]	2Q 2016		1H 2017[1]	1H 2016	
	Actual RMB'000	Actual RMB'000	Change %	Actual RMB'000	Actual RMB'000	Change %
Gross Revenue	291,530	246,737	18.2	582,395	503,265	15.7
Net Property Income	197,660	169,937	16.3	392,556	339,331	15.7

Footnotes:
1. Includes contribution from CapitaMall Xinnan which was acquired on 30 September 2016.
2. Average exchange rate for SGD/RMB.

2Q 2017	*2Q 2016*	*Change %*	*1H 2017*	*1H 2016*	*Change %*
0.202	*0.209*	(3.3)	*0.204*	*0.213*	(4.2)

DISTRIBUTION & BOOK CLOSURE DATE

Distribution	For 1 January 2017 to 30 June 2017
Distribution type	Capital distribution
Distribution rate	5.36 cents per Unit
Book closure date	4 August 2017
Payment date	20 September 2017

INTRODUCTION

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

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

As at 30 June 2017, CRCT owns and invests in a portfolio of 11 shopping malls located in seven of 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.

1(a)(i) Statement of total return for the Group (2Q 2017 vs 2Q 2016)

	Group		
	2Q 2017[1] S$'000	2Q 2016 S$'000	% Change
Gross rental income	54,418	48,092	13.2
Other income[2]	4,575	3,412	34.1
Gross revenue	**58,993**	**51,504**	**14.5**
Land rental	(1,480)	(1,541)	(4.0)
Property related tax[3]	(6,207)	(2,827)	N.M.
Business tax[4]	(315)	(1,838)	(82.9)
Property management fees[5]	(3,509)	(3,087)	13.7
Other property operating expenses[6]	(7,511)	(6,710)	11.9
Total property operating expenses	**(19,022)**	**(16,003)**	**18.9**
Net property income	**39,971**	**35,501**	**12.6**
Manager's management fees – Base fee	(1,682)	(1,478)	13.8
Manager's management fees – Performance fee[7]	(1,605)	(1,422)	12.9
Trustee's fees	(105)	(94)	11.7
Audit fees	(90)	(111)	(18.9)
Valuation fees	(47)	(45)	4.4
Other trust operating income/(expenses)[8]	291	293	(0.7)
Finance income[9]	468	411	13.9
Foreign exchange loss – realised[10]	(180)	(553)	(67.5)
Finance costs	(5,885)	(5,023)	17.2
Total return before changes in fair value of financial derivatives, investment properties and unrealised foreign exchange gain/(loss)	**31,136**	**27,479**	**13.3**
Change in fair value of investment properties	13,049	18,307	(28.7)
Foreign exchange gain/(loss) – unrealised	172	(1,166)	N.M.
Total return before taxation	**44,357**	**44,620**	**(0.6)**
Taxation[11]	(13,993)	(11,037)	26.8
Total return for the period after taxation	**30,364**	**33,583**	(9.6)
Attributable to:			
Unitholders	31,344	34,081	(8.0)
Non-controlling interest	(980)	(498)	96.8
Total return for the period after taxation	**30,364**	**33,583**	**(9.6)**

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

	Group		
	1H 2017[1] S$'000	1H 2016 S$'000	% Change
Gross rental income	110,891	100,391	10.5
Other income[2]	8,203	6,679	22.8
Gross revenue	**119,094**	**107,070**	**11.2**
Land rental	(2,990)	(3,142)	(4.8)
Property related tax[3]	(12,422)	(5,796)	N.M.
Business tax[4]	(659)	(4,921)	(86.6)
Property management fees[5]	(7,163)	(6,229)	15.0
Other property operating expenses[6]	(15,586)	(14,789)	5.4
Total property operating expenses	**(38,820)**	**(34,877)**	**11.3**
Net property income	**80,274**	**72,193**	**11.2**
Manager's management fees – Base fee	(3,553)	(3,008)	18.1
Manager's management fees – Performance fee[7]	(3,177)	(2,896)	9.7
Trustee's fees	(211)	(192)	9.9
Audit fees	(200)	(225)	(11.1)
Valuation fees	(96)	(91)	5.5
Other trust operating expenses[8]	(94)	(77)	22.1
Finance income[9]	515	762	(32.4)
Foreign exchange loss – realised[10]	(229)	(811)	(71.8)
Finance costs	(11,898)	(10,275)	15.8
Total return before changes in fair value of financial derivatives, investment properties and unrealised foreign exchange gain/(loss)	**61,331**	**55,380**	**10.7**
Change in fair value of investment properties	13,049	18,307	(28.7)
Foreign exchange gain/(loss) – unrealised	302	(1,259)	N.M.
Total return before taxation	**74,682**	**72,428**	**3.1**
Taxation[11]	(23,443)	(18,944)	23.7
Total return for the period after taxation	**51,239**	**53,484**	**(4.2)**
Attributable to:			
Unitholders	52,424	54,445	(3.7)
Non-controlling interest	(1,185)	(961)	23.3
Total return for the period after taxation	**51,239**	**53,484**	**(4.2)**

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 against gross revenue.*
5. *Includes reimbursement of expenses to the property manager.*

6. *Includes items in the table below as part of the other property operating expenses.*

	Group		
	2Q 2017[1] S$'000	2Q 2016 S$'000	% Change
Depreciation and amortisation	(459)	(542)	(15.3)
Impairment losses on trade receivables	(57)	(91)	(37.4)
Plant and equipment written off	-	(4)	N.M.

	Group		
	1H 2017[1] S$'000	1H 2016 S$'000	% Change
Depreciation and amortisation	(949)	(1,136)	(16.5)
Impairment losses on trade receivables	(57)	(147)	N.M.
Plant and equipment written off	(2)	(12)	(83.3)

7. *Management fees paid to the Manager for 2Q 2017 includes an adjustment relating to the performance component of the Manager's management fees for 4Q 2016, which was repaid by the Manager in the form of cash.*
8. *Includes reversal of over provision of other trust operating expenses in 2Q 2017 and 2Q 2016.*
9. *Finance income relates mainly to gain on interest rate swaps ("IRS") and interest from bank deposits placed with financial institutions.*
10. *Realised foreign exchange loss relates to the repayment of the USD denominated shareholder's loans interest and receipt of RMB denominated dividends.*
11. *Includes under and over provision of tax from prior years of $889,920 in 1H 2017 and $370,024 in 1H 2016 respectively.*

N.M. – not meaningful

1(a)(ii) Distribution statement for the Group (2Q 2017 vs 2Q 2016)

	Group		
	2Q 2017[1] S$'000	2Q 2016 S$'000	% Change
Total return for the period attributable to Unitholders before distribution	**31,344**	**34,081**	**(8.0)**
Distribution adjustments (Note A)	(8,007)	(11,707)	(31.6)
Income available for distribution to Unitholders	**23,337**	**22,374**	**4.3**
Comprises:			
- from operations	(2,120)	908	N.M.
- from Unitholders' contribution	25,457	21,466	18.6
	23,337	**22,374**	**4.3**
Note A			
Distribution adjustments			
- Manager's management fees (performance component payable in Units)	1,652	1,422	16.2
- Change in fair value of investment properties[2]	(14,094)	(18,558)	(24.1)
- Deferred taxation[2]	5,703	5,067	12.6
- Transfer to general reserve	(1,566)	(1,247)	25.6
- Unrealised foreign exchange (gain)/loss[2]	(149)	1,079	N.M.
- Other adjustments[2]	447	530	(15.7)
Net effect of distribution adjustments	**(8,007)**	**(11,707)**	**(31.6)**

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

	Group		
	1H 2017[1] S$'000	1H 2016 S$'000	% Change
Total return for the period attributable to Unitholders before distribution	**52,424**	54,445	**(3.7)**
Distribution adjustments (Note A)	(4,732)	(8,886)	(46.7)
Income available for distribution to Unitholders	**47,692**	**45,559**	**4.7**
Comprises :			
- from operations	(4,803)	2,359	N.M.
- from Unitholders' contribution	52,495	43,200	21.5
	47,692	**45,559**	**4.7**
Note A			
Distribution adjustments			
- Manager's management fees (performance component payable in Units)	3,224	2,896	11.3
- Change in fair value of investment properties[2]	(14,094)	(18,558)	(24.1)
- Deferred taxation[2]	8,660	7,136	21.4
- Transfer to general reserve	(3,179)	(2,438)	30.4
- Unrealised foreign exchange (gain)/loss[2]	(267)	964	N.M.
- Other adjustments[2]	924	1,114	(17.1)
Net effect of distribution adjustments	**(4,732)**	**(8,886)**	**(46.7)**

N.M. – not meaningful

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

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

	Group			Trust		
	30 Jun 2017 S$'000	31 Dec 2016 S$'000	% Change	30 Jun 2017 S$'000	31 Dec 2016 S$'000	% Change
Assets						
Investment properties[1]	2,384,492	2,628,353	(9.3)	-	-	-
Assets held for sale[2]	209,064	-	N.M.	-	-	-
Plant and equipment	3,533	4,034	(12.4)	-	-	-
Interests in subsidiaries	-	-	-	1,400,676	1,416,194	(1.1)
Trade and other receivables	12,422	12,829	(3.2)	167	360	(53.6)
Financial derivatives[3]	489	2,114	(76.9)	489	2,114	(76.9)
Cash and cash equivalents[4]	108,118	136,137	(20.6)	2,173	1,661	30.8
Total assets	**2,718,118**	**2,783,467**	**(2.3)**	**1,403,505**	**1,420,329**	**(1.2)**
Less						
Liabilities						
Trade and other payables	42,249	64,527	(34.5)	4,952	9,387	(47.2)
Liabilities held for sale[2]	26,948	-	N.M.	-	-	-
Security deposits	50,432	48,769	3.4	-	-	-
Interest-bearing borrowings[5]	949,183	977,751	(2.9)	949,183	918,808	3.3
Deferred tax liabilities	213,780	236,426	(9.6)	-	-	-
Financial derivatives[3]	7,993	2,165	N.M.	7,993	2,165	N.M.
Provision for taxation	5,277	2,139	N.M.	7	-	N.M.
Total liabilities	**1,295,862**	**1,331,777**	**(2.7)**	**962,135**	**930,360**	**3.4**
Net assets	**1,422,256**	**1,451,690**	**(2.0)**	**441,370**	**489,969**	**(9.9)**
Represented by:						
Unitholders' funds	1,402,743	1,431,811	(2.0)	441,370	489,969	(9.9)
Non-controlling interest	19,513	19,879	(1.8)	-	-	-
	1,422,256	**1,451,690**	(2.0)	**441,370**	**489,969**	**(9.9)**

Footnotes:

1. *The decrease in investment properties as of 30 June 2017 was mainly due to the re-classification of the property held by CapitaRetail Beijing Anzhen Real Estate Co. Ltd to assets held for sale.*

2. *The assets and liabilities held for sale as at 30 June 2017 relates to the interest in CapitaRetail Beijing Anzhen Real Estate Co. Ltd which is to be divested to an external party. The Company holds CapitaMall Anzhen, which is carried at fair value of RMB1,000.5 million ($202.2 million) as at 30 June 2017.*

3. *The financial derivative assets and financial derivative liabilities relate to the fair value of the non-deliverable forwards ("NDF") and IRS. The NDF are designated as hedges of the Group's net investment in China and the IRS are designated to hedge the variable rate borrowings.*

4. *The decrease was mainly due to repayment of RMB secured term loan facility of RMB200 million ($40.4 million) in 2017.*

5. *The interest-bearing borrowings comprise unsecured term loan facilities of $950.4 million drawn down by the Trust to partially finance the acquisition of the properties in CRCT and to utilise as working capital (net of transaction costs of $1.2 million).*

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

	Group		Trust	
	30 Jun 2017 S$'000	31 Dec 2016[1] S$'000	30 Jun 2017 S$'000	31 Dec 2016 S$'000
Unsecured borrowings				
- Amount repayable within one year	475,400	445,303	475,400	445,303
- Amount repayable after one year	475,000	475,000	475,000	475,000
Secured borrowings				
- Amount repayable within one year	-	5,170	-	-
- Amount repayable after one year	-	53,773	-	-
	950,400	**979,246**	**950,400**	**920,303**
Less: Transaction costs in relation to the unsecured term loan facilities	(1,217)	(1,495)	(1,217)	(1,495)
	949,183	**977,751**	**949,183**	**918,808**

Footnote:
1. Details of any collateral

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

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

1(c)(ii) Statement of Cash Flows (2Q 2017 vs 2Q 2016)

	Group	
	2Q 2017 S$'000	2Q 2016 S$'000
Operating activities		
Total return after taxation	30,364	33,583
Adjustments for:		
Finance income	(468)	(411)
Finance costs	5,885	5,023
Depreciation and amortisation	459	542
Taxation	13,993	11,037
Manager's management fees payable in Units	1,652	1,422
Plant and equipment written off	-	4
Change in fair value of investment properties	(13,049)	(18,307)
Impairment losses on trade receivables	57	91
Operating income before working capital changes	**38,893**	**32,984**
Changes in working capital:		
Trade and other receivables	1,108	3,267
Trade and other payables	(2,790)	22
Cash generated from operating activities	**37,211**	**36,273**
Income tax paid	(6,739)	(4,424)
Net cash from operating activities	**30,472**	**31,849**
Investing activities		
Interest received	468	445
Capital expenditure on investment properties	(4,688)	(4,573)
Proceed from disposal of plant and equipment	-	1
Purchase of plant and equipment	(136)	(128)
Net cash used in investing activities	**(4,356)**	**(4,255)**
Financing activities		
Payment of financing expenses	(150)	(250)
Proceeds from bank loans	53,300	52,500
Repayment of bank loans	(91,915)	(57,650)
Settlement of derivative contracts	(889)	3,884
Interest paid	(5,680)	(4,798)
Net cash used in financing activities	**(45,334)**	**(6,314)**
(Decrease)/Increase in cash and cash equivalents	**(19,218)**	**21,280**
Cash and cash equivalents at beginning of period	**131,383**	**98,937**
Effect on exchange rate changes on cash balances	**(1,371)**	**(6,190)**
Reclassification of cash balances to assets held for sale	**(2,676)**	**-**
Cash and cash equivalents at end of period	**108,118**	**114,027**

1(c)(ii) Statement of Cash Flow (1H 2017 vs 1H 2016)

	Group	
	1H 2017 S$'000	1H 2016 S$'000
Operating activities		
Total return after taxation	51,239	53,484
Adjustments for:		
Finance income	(515)	(762)
Finance costs	11,898	10,275
Depreciation and amortisation	949	1,136
Taxation	23,443	18,944
Manager's management fees payable in Units	3,224	2,896
Plant and equipment written off	2	12
Change in fair value of investment properties	(13,049)	(18,307)
Impairment losses on trade receivables	57	147
Operating income before working capital changes	**77,248**	**67,825**
Changes in working capital:		
Trade and other receivables	(2,103)	3,558
Trade and other payables	(13,845)	(12,040)
Cash generated from operating activities	**61,300**	**59,343**
Income tax paid	(10,569)	(8,357)
Net cash from operating activities	**50,731**	**50,986**
Investing activities		
Interest received	515	747
Capital expenditure on investment properties	(8,535)	(13,437)
Net cash outflow on acquisition of subsidiaries	(3,510)	-
Proceed from disposal of plant and equipment	-	1
Purchase of plant and equipment	(789)	(169)
Net cash used in investing activities	**(12,319)**	**(12,858)**
Financing activities		
Distribution to Unitholders[1]	(20,542)	(28,668)
Payment of equity issue expenses	-	(14)
Payment of financing expenses	(150)	(750)
Proceeds from bank loans	83,100	162,100
Repayment of bank loans	(110,769)	(162,895)
Settlement of derivative contracts	(889)	(681)
Interest paid	(11,403)	(9,824)
Net cash used in financing activities	**(60,653)**	**(40,732)**
Decrease in cash and cash equivalents	**(22,241)**	**(2,604)**
Cash and cash equivalents at beginning of period	**136,137**	**126,322**
Effect on exchange rate changes on cash balances	**(3,102)**	**(9,691)**
Reclassification of cash balances to assets held for sale	**(2,676)**	**-**
Cash and cash equivalents at end of period	**108,118**	**114,027**

Footnote:

1. *Distribution made to Unitholders in 1H 2017 was for the period from 1 July 2016 to 31 December 2016 which was paid in March 2017.*
   Distribution made to Unitholders in 1H 2016 was for the period from 1 July 2015 to 31 December 2015 which was paid in March 2016.

1(d)(i) Statement of Movements in Unitholders' Funds (2Q 2017 vs 2Q 2016)

	Group		Trust	
	2Q 2017 S$'000	2Q 2016 S$'000	2Q 2017 S$'000	2Q 2016 S$'000
Unitholders' funds as at beginning of period	**1,400,670**	**1,428,658**	**456,820**	**493,283**
Operations				
Change in Unitholders' funds resulting from operations before distribution	31,344	34,081	(14,462)	(6,019)
Transfer to general reserve	(1,566)	(1,247)	-	-
Net increase/(decrease) in net assets resulting from operations	**29,778**	**32,834**	**(14,462)**	**(6,019)**
Movements in hedging reserve				
Effective portion of changes in fair value of cash flow hedges	(2,640)	(2,915)	(2,640)	(2,915)
Movement in foreign currency translation reserve				
Translation differences from financial statements of foreign operations	(18,549)	(79,044)	-	-
Exchange differences on monetary items forming part of net investment in foreign operations	(6,286)	(19,181)	-	-
Exchange differences on hedges of net investment in foreign operations	(3,448)	4,180	-	-
Net loss recognised directly in Unitholders' funds	**(30,923)**	**(96,960)**	**(2,640)**	**(2,915)**
Movement in general reserve	**1,566**	**1,247**	**-**	**-**
Unitholders' transactions				
- Units issued and to be issued as satisfaction of the portion of Manager's management fees payable in Units	1,652	1,422	1,652	1,422
Net increase in net assets resulting from Unitholders' transactions	**1,652**	**1,422**	**1,652**	**1,422**
Unitholders' funds as at end of period	**1,402,743**	**1,367,201**	**441,370**	**485,771**

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

	Group		Trust	
	1H 2017 S$'000	1H 2016 S$'000	1H 2017 S$'000	1H 2016 S$'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	52,424	54,445	(26,433)	(1,631)
Transfer to general reserve	(3,179)	(2,438)	-	-
Net increase in net assets resulting from operations	**49,245**	**52,007**	**(26,433)**	**(1,631)**
Movements in hedging reserve				
Effective portion of changes in fair value of cash flow hedges	(4,848)	(9,640)	(4,848)	(9,640)
Movement in foreign currency translation reserve				
Translation differences from financial statements of foreign operations	(30,361)	(124,978)	-	-
Exchange differences on monetary items forming part of net investment in foreign operations	(25,472)	(28,368)	-	-
Exchange differences on hedges of net investment in foreign operations	(3,493)	10,694	-	-
Net loss recognised directly in Unitholders' funds	**(64,174)**	**(152,292)**	**(4,848)**	**(9,640)**
Movement in general reserve	**3,179**	**2,438**	**-**	**-**
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	3,224	2,896	3,224	2,896
Units issued in respect of 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	**(17,318)**	**(25,772)**	**(17,318)**	**(25,772)**
Unitholders' funds at end of period	**1,402,743**	**1,367,201**	**441,370**	**485,771**

Footnote:

1. *Distribution made to Unitholders in 1H 2017 was for the period from 1 July 2016 to 31 December 2016 which was paid in March 2017.*
   Distribution made to Unitholders in 1H 2016 was for the period from 1 July 2015 to 31 December 2015 which was paid in March 2016.

1(d)(ii) Details of any change in the issued and issuable Units (2Q 2017 vs 2Q 2016)

	Trust	
	2Q 2017 Units	2Q 2016 Units
Balance as at beginning of period	**888,745,671**	**855,296,137**
New Units to be issued:		
- As payment of manager's management fees[1]	1,027,821	960,137
Total issued and issuable Units as at end of period	**889,773,492**	**856,256,274**

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

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

	Trust	
	1H 2017 Units	1H 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]	2,115,705	1,982,670
Total issued and issuable Units as at end of period	**890,861,376**	**857,278,807**

Footnotes:
1. *These were the performance component of the manager's management fees for FY 2016 and 4Q 2015 which were issued in March 2017 and March 2016 respectively. With effect from 2016, the payment of the performance component of the manager's management fees will crystallise on a yearly basis.*
2. *These were the performance component of the manager's management fees for 1H 2017 which will be issued in 1Q 2018 and for 1H 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 the adoption of these amendments to FRS.

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

Please refer to item 4 above.

6 Earnings per Unit ("EPU") and distribution per Unit ("DPU") for the financial period

	Group	
	2Q 2017	2Q 2016
Earnings per Unit ("EPU")		
Basic EPU[1]	3.53¢	3.98¢
Weighted average number of Units in issue	888,745,671	855,296,137
Diluted EPU[2]	3.52¢	3.98¢
Weighted average number of Units outstanding	890,861,376	857,278,807
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	2.62¢	2.61¢

	Group	
	1H 2017	1H 2016
Earnings per Unit ("EPU")		
Basic EPU[1]	5.95¢	6.41¢
Weighted average number of Units in issue	880,592,679	849,425,444
Diluted EPU[2]	5.94¢	6.39¢
Weighted average number of Units outstanding	882,708,384	851,408,114
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	5.36¢	5.32¢

Footnotes:

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

7 **Net asset value ("NAV") and net tangible asset ("NTA") backing per Unit based on issued Units at the end of the period**

	Group		Trust	
	30 Jun 2017	31 Dec 2016	30 Jun 2017	31 Dec 2016
NAV/NTA per Unit	$1.58	$1.65	$0.50	$0.56
Adjusted NAV per Unit (excluding distributable income)	$1.52	$1.60	$0.44	$0.52

8 **Review of the performance**

8(i) **Breakdown of Gross Revenue – Actual**

	2Q 2017[1] RMB'000	2Q 2016 RMB'000	% Change	2Q 2017[1] S$'000	2Q 2016 S$'000	% Change
Multi-Tenanted Malls						
CapitaMall Xizhimen	72,665	70,057	3.7	14,706	14,641	0.4
CapitaMall Wangjing	55,747	51,611	8.0	11,277	10,760	4.8
CapitaMall Grand Canyon	37,781	32,906	14.8	7,648	6,861	11.5
CapitaMall Xinnan	32,109	-	N.M.	6,497	-	N.M.
CapitaMall Qibao	24,133	25,447	(5.2)	4,883	5,312	(8.1)
CapitaMall Saihan	15,884	15,504	2.5	3,213	3,234	(0.6)
Subtotal	**238,319**	**195,525**	**21.9**	**48,224**	**40,808**	**18.2**
Malls under Stabilisation						
CapitaMall Minzhongleyuan[2]	7,415	3,115	N.M.	1,502	647	N.M.
CapitaMall Wuhu[3]	2,014	3,030	(33.5)	407	634	(35.8)
Total	**247,748**	**201,670**	**22.8**	**50,133**	**42,089**	**19.1**
Master Leased Malls						
CapitaMall Anzhen	19,926	20,712	(3.8)	4,032	4,327	(6.8)
CapitaMall Erqi	12,377	12,709	(2.6)	2,505	2,654	(5.6)
CapitaMall Shuangjing	11,479	11,646	(1.4)	2,323	2,434	(4.6)
Total	**43,782**	**45,067**	**(2.9)**	**8,860**	**9,415**	**(5.9)**
Total Gross Revenue	**291,530**	**246,737**	**18.2**	**58,993**	**51,504**	**14.5**

8(ii) Breakdown of Net Property Income – Actual

	2Q 2017[1] RMB'000	2Q 2016 RMB'000	% Change	2Q 2017[1] S$'000	2Q 2016 S$'000	% Change
Multi-Tenanted Malls						
CapitaMall Xizhimen	51,860	52,081	(0.4)	10,485	10,896	(3.8)
CapitaMall Wangjing	40,624	39,083	3.9	8,211	8,151	0.7
CapitaMall Grand Canyon	25,171	23,484	7.2	5,085	4,905	3.7
CapitaMall Xinnan	22,186	-	N.M.	4,486	-	N.M.
CapitaMall Qibao	11,255	12,181	(7.6)	2,277	2,544	(10.5)
CapitaMall Saihan	9,598	8,836	8.6	1,941	1,845	5.2
Subtotal	**160,694**	**135,665**	**18.4**	**32,485**	**28,341**	**14.6**
Malls under Stabilisation						
CapitaMall Minzhongleyuan[2]	2,466	(1,922)	N.M.	503	(404)	N.M.
CapitaMall Wuhu[3]	(1,721)	(566)	N.M.	(347)	(115)	N.M.
Total	**161,439**	**133,177**	**21.2**	**32,641**	**27,822**	**17.3**
Master Leased Malls						
CapitaMall Anzhen	16,408	16,986	(3.4)	3,320	3,548	(6.4)
CapitaMall Erqi	10,564	10,279	2.8	2,138	2,147	(0.4)
CapitaMall Shuangjing	9,249	9,495	(2.6)	1,872	1,984	(5.6)
Total	**36,221**	**36,760**	**(1.5)**	**7,330**	**7,679**	**(4.5)**
Total Net Property Income	**197,660**	**169,937**	**16.3**	**39,971**	**35,501**	**12.6**

N.M. – not meaningful

Footnotes:
1. *Includes contribution from CapitaMall Xinnan which was acquired on 30 September 2016.*
2. *CapitaMall Minzhongleyuan is currently undergoing trade mix adjustments. It was affected by the road closure at Zhongshan Avenue in 2016.*
3. *CapitaMall Wuhu is currently undergoing trade mix adjustments.*

2Q 2017 vs 2Q 2016

In RMB terms, gross revenue in 2Q 2017 increased by RMB44.8 million, or 18.2% higher than 2Q 2016, mainly due to the new contribution from CapitaMall Xinnan which was acquired on 30 September 2016. This was partially offset by lower revenue due to the implementation of China VAT reform on 1 May 2016 where 5% VAT was netted against gross revenue reported for 2Q 2017. Gross revenue for both CapitaMall Qibao and CapitaMall Wuhu was lower in 2Q 2017 due to competitions faced in the vicinity and tenancy adjustments respectively. In SGD terms, gross revenue for 2Q 2017 increased by $7.5 million, or 14.5%. The increase is lower than that in RMB terms due to the stronger SGD against RMB.

Property expenses for 2Q 2017 increased by $3.0 million, or 18.9% compared to 2Q 2016, mainly due to additional property tax of $2.5 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 $0.4 million mainly arising from the inclusion of CapitaMall Xinnan. This was partially offset by lower business tax which was replaced with VAT with effect from 1 May 2016 as these were netted against gross revenue.

Management fees consisting of base and performance fees payable to the manager were 13.3% higher than 2Q 2016, due to higher net property income and deposited properties, arising from the inclusion of CapitaMall Xinnan.

Finance costs in 2Q 2017 increased by $0.9 million as compared to 2Q 2016. This was mainly due to the additional loans drawn down to finance the acquisition of CapitaMall Xinnan in 30 September 2016.

Taxation in 2Q 2017 increased by $3.0 million as compared to 2Q 2016. The higher taxation arose mainly from the inclusion of CapitaMall Xinnan and higher corporate tax recognised in 2Q 2017 compared to 2Q 2016 as a result of higher profit.

1H 2017 vs 1H 2016

In RMB terms, gross revenue for 1H 2017 increased by RMB79.1 million, or 15.7% over 1H 2016. This was mainly due to the new contribution from CapitaMall Xinnan which contributed to 12.8% of the increase. The rental growth from the multi-tenanted malls was partially offset by lower revenue due to the implementation of China VAT reform on 1 May 2016 where 5% VAT was netted against gross revenue reported for 1H 2017. Gross revenue for both CapitaMall Qibao and CapitaMall Wuhu was lower in 1H 2017 due to competitions faced in the vicinity and tenancy adjustments respectively. In SGD terms, gross revenue increased by $12.0 million, or 11.2% higher compared to 1H 2016 due to the stronger SGD against RMB.

Property expenses for 1H 2017 increased by $3.9 million or 11.3% over 1H 2016. This was mainly due to additional property tax of $5.2 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 $0.9 million mainly arising from the inclusion of CapitaMall Xinnan. This was partially offset by lower business tax which was replaced with VAT with effect from 1 May 2016 as these were netted against gross revenue.

Management fees consisting of base and performance fees payable to the manager were 14.0% higher than 1H 2016 mainly due to higher net property income from the inclusion of CapitaMall Xinnan.

Finance costs in 1H 2017 increased by $1.6 million compared to 1H 2016. This was mainly due to the additional loans drawn down to finance the acquisition of CapitaMall Xinnan in 30 September 2016.

Taxation in 1H 2017 increased by $4.5 million or 23.7% compared to 1H 2016. The higher taxation arose mainly from the inclusion of CapitaMall Xinnan and higher corporate tax recognised in 1H 2017 compared to 1H 2016 as a result of higher profit.

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 half of 2017, China's economy expanded 6.9% year-on-year to RMB38.1 trillion and retail sales increased 10.4% year-on-year to RMB17.2 trillion. Urban disposable income and expenditure per capita grew 6.5% and 5.1% year-on-year respectively. (Source: National Bureau of Statistics of China)

At the recent Annual World Economic Forum held from 27 to 29 June 2017, views on China were largely positive, despite the risks and challenges facing the world's second-largest economy. The optimism was underpinned by the rising purchasing power of domestic consumers, who are increasingly sophisticated. At the event, Chinese Premier Li Keqiang reiterated the importance of innovation to drive the Chinese economy, and reaffirmed the Chinese government's commitment to open up China's markets and ensure job creation. On 3 July 2017, Shanghai-Hong Kong Bond Connect, a streamlined bond trading link for foreign fund managers to access China's debt market, was launched. The link is expected to enhance the internationalisation of China's fixed income market with more foreign institutional investors using it to access Chinese debt. (Sources: CNBC and Financial Times)

The growing stability in China's economy and rising affluence of the population bode well for CRCT's long-term strategy of investing in quality income-producing retail properties in China. We will continue to look for suitable opportunities to expand our market presence.

Beijing Retail Market Update

In the first half of 2017, Beijing's GDP grew 6.8% year-on-year and retail sales increased 5.6% year-on-year to RMB525.7 billion. For the same period, urban disposable income and expenditure per capita grew 9.0% and 6.3% year-on-year respectively.

In 1Q 2017, one new mall, HI-UP, with a GFA of 58,500 sq m was launched in the Wukesong district. In addition, SOLANA-Wukesong, formerly a department store, reopened as a shopping mall in 1Q 2017. There was a slight decrease in leasing demand due to the traditional quiet season during the Chinese New Year holidays. Nevertheless, athleisure and sports retailers expanded actively to capture the pockets of the growing health-conscious crowd. City-wide shopping mall occupancy declined by 1.7 percentage points to 93.3%, mainly due to the lower than average occupancy for the malls in Wukesong district. First-floor shopping mall rents increased marginally by 0.1% quarter-on-quarter to an average of RMB928.8 per sq m per month.

For the rest of 2017, 13 new mid- to high- end shopping malls with a total GFA of around 1.05 million sq m are expected to launch. Greater divergence among the malls' performance is expected with growing competition. Underpinned by rising income and urbanisation, Beijing's retail market is expected to remain positive in the long-term. (Sources: Beijing Municipal Bureau of Statistics and Savills)

Shanghai Retail Market Update

In the first half of 2017, Shanghai's GDP grew 6.9% year-on-year and retail sales increased 8.1% to RMB567.0 billion. For the same period, urban disposable income per capita grew 8.6% year-on-year.

In 1Q 2017, three new shopping malls with a combined GFA of 292,908 sq m were launched and 90% (by GFA) of the new malls are in non-prime areas. Occupancy in the new malls were high and leasing demand was mainly driven by children-related, beauty and sports fashion retailers. Overall city-wide vacancy rate decreased by 0.1 percentage point quarter-on-quarter to 12.0%. Average rent decreased by 2.3% quarter-on-quarter due to below average rents of the new malls.

For the rest of 2017, nearly 1.5 million sq m of new retail property space is scheduled to open. The large volume of new supply is expected to raise the vacancy rate and pull down average rent as the bulk is located in non-prime areas. (Sources: Shanghai Municipal Bureau of Statistics and Colliers International)

Chengdu Retail Market Update

In 1Q 2017, Chengdu's GDP and urban disposable income per capita grew 8.2% and 8.0% year-on-year respectively. Retail sales grew 11.1% year-on-year to RMB257.4 billion in the first five months of 2017.

No new supply launched in 1Q 2017. Demand for retail space was stable with children-related, consumer electronics and international retailers driving the leasing momentum. The overall vacancy rate increased by 0.9 percentage points quarter-on-quarter to 5.7% as some of the malls underwent renovation. For the rest of 2017, five new shopping malls with a total GFA of 390,000 sq m will be completed. Four of the new malls are in non-prime areas. It is expected that the vacancy will increase and average rent will decrease in the non-prime areas due to the new supply. (Sources: Chengdu Municipal Bureau of Statistics and Colliers International)

Wuhan Retail Market Update

In 1Q 2017, Wuhan's GDP grew 6.9% year-on-year, while urban disposable income increased 8.8%. Retail sales in the first five months of 2017 increased 10.3% year-on-year to RMB239.6 billion.

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 robust 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 command 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? Yes.

Name of distribution	:	Distribution for 1 January 2017 to 30 June 2017
Distribution type	:	Capital distribution
Distribution rate	:	5.36 cents per Unit
Par value of Units	:	Not meaningful
Tax rate	:	Capital distribution represents a return of capital to Unitholders for Singapore income tax purpose. The amount of capital distribution will reduce the cost of CRCT Units for Singapore income tax purposes. For Unitholders who are liable to Singapore income tax on profits from sale of CRCT Units, the reduced cost base of their CRCT Units will be used to calculate the taxable trading gains when the CRCT Units are disposed off.

	Remark	:	The capital distribution from 1 January 2017 to 30 June 2017 is expected to be funded from borrowing at the Trust level as well as internal cash flow from operations.

11(b) **Corresponding period of the preceding financial period**

Any distributions declared for the corresponding period of the immediate preceding financial period? Yes

	Name of distribution	:	Distribution for 1 January 2016 to 30 June 2016
	Distribution type	:	Tax exempt income/ Capital distribution
	Distribution rate	:	5.32 cents per Unit
	Par value of Units	:	Not meaningful
11(c)	Date payable	:	20 September 2017
11(d)	Book closure date	:	4 August 2017

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 30 June 2017, statement of total return and distribution statement, statement of cash flow and statement of movements in Unitholders' funds for the six months ended on that date), together with their accompanying notes, to be false or misleading, in any material respect.

On behalf of the Board of the Manager

Mr Ng Kok Siong
Director

Mr Tan Tze Wooi
Chief Executive Officer / Director

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

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

Lee Ju Lin, Audrey
Company Secretary
27 July 2017