IMPORTANT NOTICE

NOT FOR DISTRIBUTION IN THE UNITED STATES OR TO U.S. PERSONS

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Confirmation of Your Representation: In order to be eligible to view the attached information memorandum or make an investment decision with respect to the securities, investors must not be a U.S. person (as defined in Regulation S under the United States Securities Act of 1933, as amended (the "**Securities Act**")). The attached information memorandum is being sent at your request and by accepting the e-mail and accessing the attached information memorandum, you shall be deemed to have represented to us (1) that you are not resident in the United States nor a U.S. person, as defined in Regulation S under the Securities Act nor are you acting on behalf of a U.S. person, the electronic mail address that you gave us and to which this email has been delivered is not located in the U.S. and, to the extent you purchase the securities described in the attached information memorandum, you will be doing so pursuant to Regulation S under the Securities Act, and (2) that you consent to delivery of the attached information memorandum and any amendments or supplements thereto by electronic transmission. By accepting this email and accessing the attached information memorandum, if you are an investor in Singapore, you (A) represent and warrant that you are either an institutional investor (as defined in Section 4A of the Securities and Futures Act (Chapter 289) of Singapore, as modified or amended from time to time (the "**SFA**")), a relevant person (as defined in Section 275(2) of the SFA) or persons to whom an offer is being made, as referred to in Section 275(1A) of the SFA, and (B) agree to be bound by the limitations and restrictions described herein.

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. (the "**Arranger**") 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.

Restrictions: The attached document is being furnished in connection with an offering exempt from registration under the Securities Act solely for the purpose of enabling a prospective investor to consider the purchase of the securities described therein.

NOTHING IN THIS ELECTRONIC TRANSMISSION CONSTITUTES AN OFFER OF SECURITIES FOR SALE IN THE UNITED STATES OR ANY OTHER JURISDICTION WHERE IT IS UNLAWFUL TO DO SO. THE SECURITIES HAVE NOT BEEN, AND WILL NOT BE, REGISTERED UNDER THE SECURITIES ACT, OR THE SECURITIES LAWS OF ANY STATE OF THE U.S. OR OTHER JURISDICTION AND MAY NOT BE OFFERED, SOLD OR DELIVERED WITHIN THE U.S. OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS (AS DEFINED IN REGULATION S UNDER THE SECURITIES ACT), EXCEPT PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND APPLICABLE STATE OR LOCAL SECURITIES LAWS.

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 the Arranger 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.**

Actions that You May Not Take: If you receive this document by e-mail, you should not reply by e-mail, and you may not purchase any securities by doing so. Any reply e-mail communications, including those you generate by using the "Reply" function on your e-mail software, will be ignored or rejected.

YOU ARE NOT AUTHORISED TO, AND YOU MAY NOT, FORWARD OR DELIVER THE ATTACHED INFORMATION MEMORANDUM, ELECTRONICALLY OR OTHERWISE, TO ANY OTHER PERSON OR REPRODUCE SUCH INFORMATION MEMORANDUM IN ANY MANNER WHATSOEVER. ANY FORWARDING, DISTRIBUTION OR REPRODUCTION OF THIS DOCUMENT AND THE ATTACHED INFORMATION MEMORANDUM IN WHOLE OR IN PART IS UNAUTHORISED. FAILURE TO COMPLY WITH THIS DIRECTIVE MAY RESULT IN A VIOLATION OF THE SECURITIES ACT OR THE APPLICABLE LAWS OF OTHER JURISDICTIONS.

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INFORMATION MEMORANDUM DATED 12 OCTOBER 2020

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 ("**MAS**"). 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 (as defined in Section 4A of the Securities and Futures Act (Chapter 289) of Singapore, as modified or amended from time to time (the "**SFA**")) pursuant to Section 274 of the SFA, (ii) to a relevant person (as defined in Section 275(2) of the SFA) pursuant to Section 275(1) of the SFA, or any person pursuant to Section 275(1A) of the SFA, 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 or securities-based derivatives contracts (each term as defined in Section 2(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, 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 37A of the Securities and Futures (Offers of Investments) (Securities and Securities-based Derivatives Contracts) Regulations 2018 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 REGULATION S OF THE SECURITIES ACT).

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 Regulation S of the Securities Act).

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 the documents listed in (1) above which are deemed to be incorporated by reference in this Information Memorandum may be also obtained at the SGX-ST's website at https://www.sgx.com/.

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 159 to 161 of this Information Memorandum.

IMPORTANT – EEA AND UK RETAIL INVESTORS – If the Pricing Supplement in respect of any Securities includes a legend entitled "Prohibition of Sales to EEA and UK Retail Investors", the Securities are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area ("**EEA**") or in the United Kingdom (the "**UK**"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, "**MiFID II**"); or (ii) a customer within the meaning of Directive

(EU) 2016/97 (the "**Insurance Distribution Directive**"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in Regulation (EU) 2017/1129 (the "**Prospectus Regulation**"). Consequently no key information document required by Regulation (EU) No 1286/2014 (as amended, the "**PRIIPs Regulation**") for offering or selling the Securities or otherwise making them available to retail investors in the EEA or in the UK has been prepared and therefore offering or selling the Securities or otherwise making them available to any retail investor in the EEA or in the UK may be unlawful under the PRIIPs Regulation.

MiFID II product governance / target market – The Pricing Supplement in respect of any Securities may include a legend entitled "MiFID II product governance" which will outline the target market assessment in respect of the Securities and which channels for distribution of the Securities are appropriate. Any person subsequently offering, selling or recommending the Securities (a "**distributor**") should take into consideration the target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Securities (by either adopting or refining the target market assessment) and determining appropriate distribution channels.

A determination will be made in relation to each issue about whether, for the purpose of the Product Governance rules under EU Delegated Directive 2017/593 (the "**MiFID Product Governance Rules**"), any Dealer subscribing for any Securities is a manufacturer in respect of such Securities, but otherwise neither the Arranger nor the Dealers nor any of their respective affiliates will be a manufacturer for the purpose of the MIFID Product Governance Rules.

SECTION 309B(1)(C) NOTIFICATION – Unless otherwise stated in the Pricing Supplement in respect of any Securities, all Securities issued or to be issued under the Programme shall be prescribed capital markets products (as defined in the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore) and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

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:

"**1H**"	:	Six months ended 30 June.
"**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.

“**CapitaLand Group**”	:	CapitaLand and its subsidiaries.
“**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 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, (vi) a sixth supplemental trust deed dated 29 April 2016, (vii) a seventh supplemental trust deed 5 June 2018, (viii) an eighth supplemental deed dated 17 April 2019 and (ix) a ninth supplemental deed dated 2 April 2020, 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**"	:	6 October 2020.
"**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 Shuangjing, CapitaMall Xuefu, CapitaMall Yuhuating, CapitaMall Aidemengdun, CapitaMall Minzhongleyuan, CapitaMall Qibao, CapitaMall Saihan, CapitaMall Grand Canyon, CapitaMall Xinnan, Rock Square and Yuquan Mall.
"**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	:	10 Marina Boulevard Marina Bay Financial Centre Tower 2 #48-01 Singapore 018983
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 Tan Tze Wooi Fong Heng Boo Christopher Gee Kok Aun Tan Kong Yam Neo Poh Kiat Kuan Li Li Lucas Ignatius Loh Jen Yuh Lim Cho Pin Andrew Geoffrey
Company Secretaries	:	Chuo Cher Shing
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 & Overy LLP
50 Collyer Quay
#09-01 OUE Bayfront
Singapore 049321

Legal Advisers to the Issuer

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 *ssu*, 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 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.

The regulation and reform of "benchmarks" may adversely affect the value of Securities linked to or referencing such "benchmarks"

Interest rates and indices which are deemed to be "benchmarks" are the subject of recent national and international regulatory guidance and proposals for reform. Some of these reforms are already effective whilst others are still to be implemented. These reforms may cause such benchmarks to perform differently than in the past, to disappear entirely, or have other consequences which cannot be predicted. Any such consequence could have a material adverse effect on any Securities linked to or referencing such a benchmark.

Regulation (EU) 2016/1011 (the "**Benchmarks Regulation**") applies, subject to certain transitional provisions, to the provision of benchmarks, the contribution of input data to a benchmark and the use of a benchmark within the EU (which, for these purposes, includes the United Kingdom). Among other things, it (i) requires benchmark administrators to be authorised or registered (or, if non-EU-based, to be subject to an equivalent regime or otherwise recognised or endorsed) and (ii) prevents certain uses by EU supervised entities of benchmarks of administrators that are not authorised or registered (or, if non-EU based, not deemed equivalent or recognised or endorsed).

The Benchmarks Regulation could have a material impact on any Securities linked to or referencing a benchmark in particular, if the methodology or other terms of the benchmark are changed in order to comply with the requirements of the Benchmarks Regulation. Such changes could, among other things, have the effect of reducing, increasing or otherwise affecting the volatility of the published rate or level of the relevant benchmark.

More broadly, any of the international or national reforms, or the general increased regulatory scrutiny of benchmarks, could increase the costs and risks of administering or otherwise participating in the setting of a benchmark and complying with any such regulations or requirements.

Specifically, the sustainability of LIBOR has been questioned as a result of the absence of relevant active underlying markets and possible disincentives (including possibly as a result of benchmark reforms) for market participants to continue contributing to such benchmarks. The UK Financial Conduct Authority has indicated through a series of announcements that the continuation of LIBOR on the current basis cannot and will not be guaranteed after 2021.

Separately, the euro risk-free rate working group for the euro area has published a set of guiding principles and high level recommendations for fallback provisions in, amongst other things, new euro denominated cash products (including bonds) referencing EURIBOR. The guiding principles indicate, among other things, that continuing to reference EURIBOR in relevant contracts (without robust fallback provisions) may increase the risk to the euro area financial system.

In addition, as the SOR methodology relies on USD LIBOR in its computation, the likely discontinuation of LIBOR after the end of 2021 will impact the future sustainability of SOR. On 30 August 2019, MAS announced that it has established a steering committee to oversee an industry-wide interest rate benchmark transition from SOR to the Singapore Overnight Rate Average ("**SORA**"). In addition, the Association of Banks in Singapore ("**ABS**") and the Singapore Foreign Exchange Market Committee ("**SFEMC**") released a consultation report "Roadmap for Transition of Interest Rate Benchmarks: From SOR to SORA" identifying SORA as the alternative interest rate benchmark to SOR, envisaging a phased transition over two years. On 19 March 2020, the Steering Committee for SOR Transition to SORA ("**SC-STS**") released its response to feedback received on the consultation report in which the SC-STS noted that overall, there was broad support for the proposed transition roadmap and approach set out in the consultation report. In its response, the SC-STS also outlined its key priorities and updated transition roadmap to achieve a smooth transition from SOR to SORA as the new interest rate benchmark for the SGD cash and derivatives markets. On 29 July 2020, the ABS and SFEMC issued another consultation report titled "SIBOR Reform and the Future Landscape for SGD Interest Rate Benchmarks" which recommends the discontinuation of SIBOR in three to four years, and a shift to the use of the SORA as the main interest rate benchmark for SGD financial markets. On 5 August 2020, MAS announced several key initiatives to support the adoption of SORA, which include issuing SORAbased floating rate notes on a monthly basis starting from 21 August 2020, as well as publishing key statistics involving SORA on a daily basis. As part of the initiatives by MAS, SORA was prescribed as a financial benchmark under the SFA pursuant to the Securities and Futures (Prescribed Financial Benchmark) Regulations 2020, which came into operation on 5 August 2020.

It is not possible to predict with certainty whether, and to what extent the "benchmarks" will continue to be supported going forward. This may cause the benchmarks to perform differently than they have done in the past, and may have other consequences which cannot be predicted.

Such factors may have (without limitation) the following effects on certain benchmarks: (i) discouraging market participants from continuing to administer or contribute to a benchmark; (ii) triggering changes in the rules or methodologies used in the benchmark and/or (iii) leading to the disappearance of the benchmark. Any of the above changes or any other consequential changes as a result of international or national reforms or other initiatives or investigations, could have a material adverse effect on the value of and return on any Securities linked to, referencing, or otherwise dependent (in whole or in part) upon, a benchmark.

Investors should consult their own independent advisers and make their own assessment about the potential risks imposed by the Benchmarks Regulation reforms or any of the international or national reforms and the possible application of the benchmark replacement provisions of any Securities in making any investment decision with respect to any Securities linked to or referencing a benchmark.

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 2023 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 IRAS for the purposes of the ITA, whether distribution payments made under each tranche of the Perpetual Securities will be regarded as interest payable on indebtedness and whether the 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, distribution payments made under each tranche of the Perpetual Securities are not regarded as interest payable on indebtedness or holders thereof are not eligible for the tax concessions under the qualifying debt securities scheme, the Singapore tax treatment to holders may differ from that set out in the section "Singapore Taxation" of this Information Memorandum. In addition, in the event that 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 such Relevant Tranche of the Perpetual Securities (including, without limitation, the distributions, any Optional Distributions, Arrears of Distribution and any Additional Distribution Amounts) may be subject to Singapore income tax, and the Issuer may be obliged (in certain circumstances) to withhold or deduct tax 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 such Relevant Tranche of the Perpetual Securities in connection therewith for or on account of any such taxes or duties.

Investors and holders of the Relevant Tranche of the Perpetual Securities should consult their own accounting and tax advisers regarding the Singapore income tax consequences of their acquisition, holding and disposal of the Relevant Tranche of the Perpetual Securities.

Perpetual Securityholders do not have a right to institute proceedings for the Winding-up of CRCT upon the Winding-Up of CRCT Trustee

While Perpetual Securityholders may institute proceedings for the Winding-Up of CRCT, prove in the Winding-Up of CRCT and/or claim in the liquidation of CRCT when a final and effective order is made or an effective resolution is passed for the Winding-Up of CRCT, such rights are not available to Perpetual Securityholders upon the Winding-Up of CRCT Trustee. Accordingly, upon the occurrence of a Winding-Up of CRCT Trustee which does not involve the Winding-Up of CRCT, Securityholders would have no remedy against the Issuer or CRCT under the terms and conditions of the Perpetual Securities, which they would otherwise have in a direct issuer-securityholder relationship. In such a scenario, there can be no assurance that a replacement or substitute trustee of CRCT will be appointed in a timely manner, or at all.

Upon the occurrence of a Winding-Up of CRCT Trustee where a substitute or replacement trustee of CRCT has not been appointed pursuant to the terms of the CRCT Trust Deed, the Perpetual Securityholders may be considered contingent or prospective creditors of the Issuer, as the payment obligations may not have arisen by the time of commencement of Winding-Up of CRCT Trustee. Prospective investors should note the adverse implications that may potentially arise, including the following: (a) in the judicial management of CRCT Trustee, the Perpetual Securityholders, as contingent creditors, would not be able to vote in a meeting under Sections 107 or 108 of the Insolvency, Restructuring and Dissolution Act 2018, Act 40 of 2018 of Singapore to approve the proposal of the judicial manager; (b) Regulation 98 of the Insolvency, Restructuring and Dissolution (Corporate Insolvency and Restructuring) Rules 2020 provides that a creditor (such as a Perpetual Securityholder) may not vote in respect of any unliquidated or contingent debt, or any debt the value of which is not ascertained; (c) in the event that the Winding-Up of CRCT Trustee precedes the Winding-Up of CRCT, a discount factor could be applied for the quantification of the Perpetual Securityholder's debts against the Issuer, which may generate further uncertainty as to both the quantum and the validity of the proofs of debt the Perpetual Securityholders may have in the Winding-Up of the Issuer; and (d) in a scheme of arrangement, there is additional uncertainty in relation to the valuation and treatment of contingent creditors, which would depend on the terms of each scheme.

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, despite the significant reduction over the years by the PRC government of control over trade transactions involving import and export of goods and services as well as other routine foreign exchange transactions. These transactions are known as current account items. While regulations in the PRC on the remittance of Renminbi into the PRC for settlement of capital account activity items are developing gradually, remittance of Renminbi by foreign investors into and out of the PRC for the purposes of capital account items, such as capital contributions, is currently generally only permitted upon obtaining specific approvals from, or completing specific registrations or filings with, the relevant authorities on a case-by-case basis and is subject to a strict monitoring system.

Although starting from 1 October, 2016, the Renminbi has been added to the Special Drawing Rights basket created by the International Monetary Fund and policies further improving accessibility to Renminbi to settle cross-border transactions in foreign currencies were implemented by the People's Bank of China (the "**PBOC**") in 2018, there is no assurance that the PRC government will liberalise its 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.

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 of the PRC is limited. While the PBOC has entered into agreements on the clearing of Renminbi business with financial institutions in a number of financial centres and cities (the "**Renminbi Clearing Banks**") and are in the process of establishing Renminbi clearing and settlement mechanisms in several other jurisidctions (the "**Settlement Arrangements**"), the current size of Renminbi-denominated financial assets outside the PRC remains limited.

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 that the Settlement Arrangements with each Renminbi

Clearing Bank 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 RMB Securities. To the extent the Issuer is required to source Renminbi in the offshore market to service the RMB 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 from time to time and is affected by changes in the PRC and international political and economic conditions and by many other factors. Recently, the PBOC implemented changes to the way it calculates the Renminbi's daily mid-point against the U.S. dollar to take into account market-maker quotes before announcing such daily mid-point. This change, and others that may be implemented, may increase the volatility in the value of the Renminbi against foreign currencies. All payments of interest (in respect of Notes) or distribution (in respect of Perpetual Securities), as applicable, and principal will be made with respect to RMB Securities in Renminbi. As a result, the value of these Renminbi payments may vary in the prevailing exchange rates in the marketplace. If the value of Renminbi depreciates against another foreign currency, the value of the investment made by a holder of the RMB Securities in that foreign currency will decline. 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 the 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 the investor, as a result of any foreign currency gains resulting from any investment in RMB 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. The ongoing novel coronavirus ("**COVID-19**") pandemic has had significant adverse impacts on the global economy. See "*Risks Relating to CRCT's Properties – 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*" for more information. In addition, concerns, *inter alia*, about the outlook for the economy in China, Hong Kong and Macau, the escalating political tensions between the U.S. and China and the impact of the departure of the United Kingdom from the European Union (Brexit) 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 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, Hong Kong and Macau, 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 commercial properties or reduced demand for commercial space. As a result, CRCT's revenues and results of operations depend, to a large extent, on the performance of the economy of China, Hong Kong and Macau, which may be subject to the overall health and performance of the global markets and economies. An economic downturn in China, Hong Kong or Macau 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 properties, identifying suitable acquisition opportunities and making such acquisitions, undertaking asset enhancement initiatives, securing tenants for CRCT's properties 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 real estate and real estate-related 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 real estate or real-estate related assets such as shopping malls, office and industrial properties. 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 properties, which may not be available on commercially reasonable terms or at all. Even if CRCT is successful in securing new properties or in developing or enhancing its existing or new properties, 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 retail, office and industrial properties. 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 real estate or real estate-related assets in China, Hong Kong and Macau 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, Hong Kong and Macau may be volatile

CRCT is subject to property market conditions in China, Hong Kong and Macau generally and, in particular, the areas where CRCT's properties are located. Private ownership of property in China, Hong Kong and Macau is still at a relatively early stage of development. Although there is a perception that economic growth in China, Hong Kong and Macau 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, Hong Kong and Macau may be volatile and may experience oversupply and property price fluctuations. The central and local governments in China, Hong Kong and Macau may adjust monetary and other economic policies from time to time to prevent and curtail the overheating of China, Hong Kong and Macau 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, Hong Kong and Macau. The central and local governments in China, Hong Kong and Macau 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, Hong Kong and Macau. 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, or may be, located and other parts of China, Hong Kong and Macau in the future. Any future over-development in the property sector in these areas and other parts of China, Hong Kong and Macau 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, Hong Kong and Macau whose primary purpose is to hold or own properties located in China, Hong Kong and Macau (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, prior to 1 January 2022, the aggregate leverage of CRCT should not exceed 50.0% of its Deposited Property[1] at the time the borrowing is incurred, taking into account deferred payments (including deferred payments for assets whether to be settled in cash or in Units). On or after 1 January 2022, the aggregate leverage limit is 45.0% of CRCT's Deposited Property, and CRCT's aggregate leverage may exceed

1 In response to the COVID-19 pandemic, MAS had on 16 April 2020, announced that the aforementioned aggregate leverage limit for REITs will be raised from 45.0% to 50.0%, with immediate effect. In addition, MAS will defer to 1 January 2022, the implementation of the minimum interest coverage requirement it had proposed in its consultation paper on "Proposed Amendments to the Requirements for REITs" published on 2 July 2019 ("**Consultation Paper**"). In the Consultation Paper, MAS had proposed reviewing the aggregate leverage limit, including introducing the option of allowing a REIT's aggregate leverage to exceed 45.0%, with a higher aggregate leverage limit of 50.0%. The flexibility for a REIT to take on higher leverage in excess of the 45.0% limit would be subject to any requirements which MAS may impose, such as a minimum interest coverage ratio of 2.5 times after taking into account the interest payments arising from the new debt.

this limit (up to a maximum of 50.0%) only if it has a minimum adjusted interest coverage ratio[2] of 2.5 times after taking into account the interest payment obligations arising from the new borrowings. 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, office and industrial 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 on a long-term basis in a diversified portfolio of income-producing real estate and real estate-related assets in China, Hong Kong and Macau that are used primarily for retail, office and industrial purposes (including business parks, logistics facilities, data centres and integrated developments). As such, CRCT will be subject to risks inherent in concentrating on investments in these markets. 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 and real estate-related assets primarily in China, Hong Kong and Macau exposes CRCT to downturns in the real estate industry and in China, Hong Kong and Macau. Any economic slowdown in China, Hong Kong and Macau could negatively affect the performance of the retail, office and industrial markets. A lagging economy could lead to retrenchments and job losses which could in turn lead to a reduction in consumer spending and economic activity in the markets in which CRCT's investments are located.

The renewal of leases in CRCT's operating retail, office and industrial spaces 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, office and industrial spaces. There can be no assurance that the tenants of CRCT's operating retail, office and industrial spaces 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 retail, office and industrial spaces 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.

2 "Adjusted interest coverage ratio" means a ratio that is calculated by dividing the trailing 12 months earnings before interest, tax, depreciation and amortisation (excluding effects of any fair value changes of derivatives and investment properties, and foreign exchange translation), by the trailing 12 months interest expense, borrowing-related fees and distributions on hybrid securities.

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

The income and gains derived by CRCT, directly or indirectly, from its investments in real estate in China, Hong Kong and Macau are exposed to various types of taxes in China, Hong Kong, 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 and real estate-related assets in China, Hong Kong and Macau that are used primarily for retail, office and industrial purposes (including business parks, logistics facilities, data centres and integrated developments), 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 446,460,905 Units, which is equivalent to approximately 36.2% 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, Hong Kong and Macau 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

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, such as the ongoing COVID-19 pandemic, or any future occurrence of 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. In particular, as most of CRCT's activities are concentrated in China, Hong Kong and Macau, the outbreak of an infectious disease in China, Hong Kong and Macau 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 China, Hong

Kong and Macau. or the affected regions, and thereby adversely impact the business, financial condition, results of operations and prospects of CRCT.

On 11 March 2020, the World Health Organization declared the COVID-19 outbreak as a pandemic. The emergence of the COVID-19 pandemic has become one of the biggest disruptors in the global economy, creating uncertainty and placing global economic and social resilience to the test. The COVID-19 pandemic has resulted in, among other things, ongoing travel and transportation restrictions, prolonged closures of workplaces, businesses and schools, lockdowns in certain countries and increased volatility in international capital markets. Given the uncertainties as to the development of the COVID-19 pandemic, it is difficult to predict how long such conditions will exist and the extent to which CRCT may be affected by such conditions.

In an effort to curb the spread of the highly infectious coronavirus, countries around the world have imposed various measures and strict movement controls, including temporary shutdowns, travel restrictions, quarantines, cancellation and/or suspension of business activities and major events and gatherings. This, in turn, has resulted in disruptions in global supply chains, reduced trade, and lower consumption and consumer spending generally, even in areas not directly affected by the outbreak, which may negatively impact CRCT's business and its tenants' business and the demand for commercial properties, which could have a material adverse effect on CRCT's business and results of operations.

Moreover, the risk, or public perception of the risk, of a pandemic or media coverage of COVID-19 could cause customers to avoid commercial properties and the public to shun events or gatherings, even when official suspension measures are eased or lifted, and could cause temporary or long-term disruptions in the businesses and operations of tenants in the properties owned by CRCT, and in turn adversely affect the rental revenue generated from such tenants. Any of these developments could have a material adverse effect on CRCT's business and results of operations.

Furthermore, CRCT's revenue and operating results depend significantly on the demand for commercial properties. Due to the scope of the outbreak and the related uncertainties, the coronavirus outbreak is negatively impacting almost every industry directly or indirectly. A decline in the commercial industry due to reduction in economic activity, domestic consumption and tourism could reduce demand for products and services of some of CRCT's tenants. The disruption to business and economic activities due to the pandemic is also expected to lead to rising unemployment, which further accentuates the economic uncertainties in China and other countries, and may in turn lead to a reduction in demand for commercial properties due to a decrease in consumption and economic activity. All these factors could diminish the demand and rental rates for CRCT's properties and adversely affect some of CRCT's tenants' ability or willingness to pay rent, which may in turn lead to an increase in vacancies in the properties owned by CRCT, in particular as it may be more difficult to re-let vacant spaces to new tenants due to the volatile economic conditions. Moreover, some of CRCT's tenants may be required by the local, regional, state or national authorities to cease operations thereby preventing them from generating revenue.

There is also a risk that governments may impose restrictions on landlords, such as CRCT, on the termination or enforcement of leases or require the deferral and/or waiver of rent for a period of time. There is also an increased risk of tenants facing liquidity concerns and an increased risk of CRCT having to agree to a deferral or waiver of rent or outgoing payments to financially assist its tenants for a period of time.

The ultimate extent of the impact of any epidemic, pandemic or other health crisis on the business, financial condition and results of operations of CRCT will depend on future developments, which are highly uncertain and cannot be predicted, including new information that may emerge concerning the severity of such epidemic, pandemic or other health crisis and actions taken to contain or prevent their further spread, among others. Past occurrences of epidemics, depending on their scale, have caused different degrees of damage to national and regional economies. An outbreak of health epidemic or contagious disease, such as the on-going COVID-19 pandemic, may further create negative economic impact and decreased viability in the global market. This may result in, *inter alia*, a reduction in the ability and willingness of consumers to spend money on leisure and entertainment activities, which may reduce the level of retail consumption, and in turn adversely affect CRCT's business, financial condition or results of operations. Such an outbreak may also adversely affect ability of CRCT to sustain normal operations.

Other than the ongoing COVID-19 pandemic, the occurrence of any other outbreak of infectious disease or serious public health concerns, or the measures taken by the governments of affected countries, against such an outbreak, such as the imposition of quarantines and lockdown measures, could severely disrupt CRCT's business operations and undermine investor confidence, thereby materially and adversely affecting its financial condition or results of operations.

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, Hong Kong and Macau will not decrease such that a downward revaluation of CRCT's properties is required.

Real estate and real asset-related 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.

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

CRCT's financial performance is influenced by conditions in the retail, office and industrial real estate markets 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 retail, office and industrial properties;
- the recurring need for renovation, refurbishment and improvement of the retail, office and industrial properties;
- increases in interest rates and inflation;
- weaknesses in the national, regional and local economies;
- the adverse financial condition of key tenants;
- 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 operators in the retail, office and industrial real estate markets;
- strikes, work stoppages and labour-related disputes;
- changes in consumer spending patterns and commercial market sentiment;
- 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, office and industrial spaces;
- 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, environmental and zoning laws; and
- adverse government regulation.

The commercial real estate industry is highly competitive

CRCT's properties compete for tenants with numerous developers, owners and managers retail, office and industrial assets, 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 environment among businesses 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, office and industrial space 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 and tenants. 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 retail, office and industrial properties 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 and occupancy level 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 properties 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 properties. 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 anchor tenant of six of the Properties, CRCT will accordingly, be dependent on the Beijing Hualian Group for a significant source of its income

As the Beijing Hualian Group is the anchor tenant of CapitaMall Wangjing, CapitaMall Xizhimen, CapitaMall Xuefu, CapitaMall Aidemengdun, CapitaMall Saihan and Yuquan Mall, 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 leases at CapitaMall Wangjing, CapitaMall Xizhimen, CapitaMall Xuefu, CapitaMall Aidemengdun, CapitaMall Saihan and Yuquan Mall

There is no assurance that the Beijing Hualian Group will renew its leases at CapitaMall Wangjing, CapitaMall Xizhimen, CapitaMall Xuefu, CapitaMall Aidemengdun, CapitaMall Saihan and Yuquan Mall 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 lessee 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 2019 including letters of offer which are to be followed up with tenancy agreements to be signed by the parties as at 31 December 2019, the 10 largest tenants of the Properties (in terms of their contributions to the total rental income) accounted for approximately 17.6% 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 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 commercial developments in China, Hong Kong and Macau

The retail, office and industrial property markets are competitive and may become increasingly so. CRCT's retail, office and industrial properties may compete with other similar or comparable properties in China, Hong Kong and Macau 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 similar or comparable properties in China, Hong Kong and Macau in attracting and retaining tenants. An increase in the number of competitive retail, office and industrial spaces in China, Hong Kong and Macau, particularly in the areas where CRCT's properties are, and may be, 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, Hong Kong and Macau may cause a decline in profits for brick-and-mortar businesses, which could lead to a decrease in demand for retail, office and industrial spaces. 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 foot 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 foot 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 respective governments in the markets in which such properties are located

The relevant governments have the power to compulsorily acquire any land in China, Hong Kong and Macau for public interest pursuant to the provisions of applicable legislation. In the event of any compulsory acquisition of property in China, Hong Kong and Macau, 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 relevant 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:

(e) 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

(f) 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) above 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:

(1) "**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 (ll) "**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(c)(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:

(1) "**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

(2) "**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 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. On 30 September 2020, the CRCT Manager announced the expansion of CRCT's investment strategy beyond the retail sector to include office and industrial sectors (including business parks, logistics facilities, data centres and integrated developments). For further details, please see the section below on "Recent Development".

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.

As at 30 June 2020, CRCT owns and invests in a portfolio of 13[3] income-producing shopping malls located in eight 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; Rock Square (51.0% interest) in Guangzhou; CapitaMall Xinnan in Chengdu; CapitaMall Qibao in Shanghai; CapitaMall Minzhongleyuan in Wuhan; CapitaMall Saihan and Yuquan Mall in Hohhot; CapitaMall Xuefu and CapitaMall Aidemengdun in Harbin; and CapitaMall Yuhuating in Changsha.

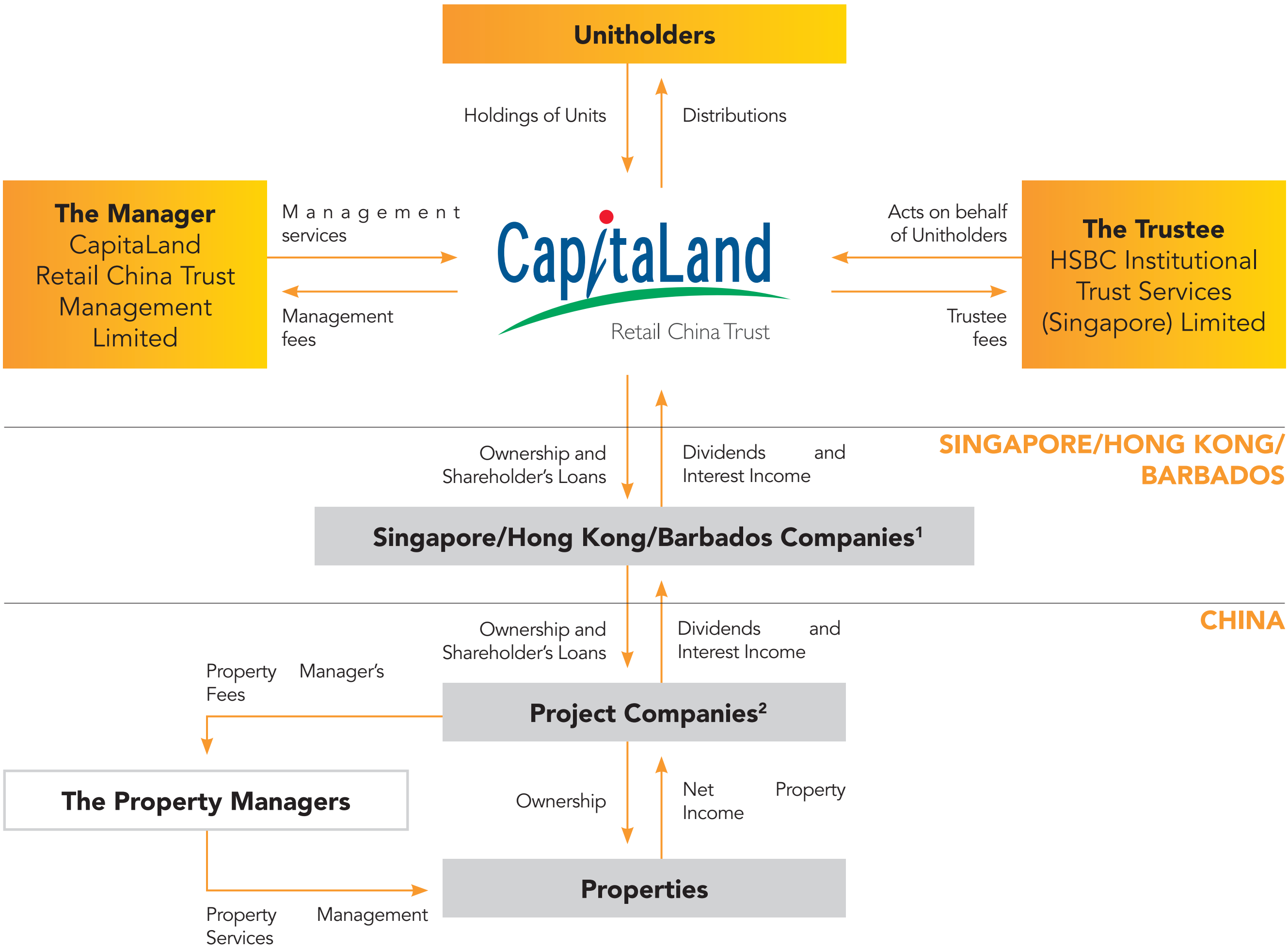
As at 30 June 2020, the Properties have an aggregate GFA of approximately 1.0 million sq m and a portfolio occupancy rate of 93.4%[4]. CRCT's portfolio comprises a diverse mix of more than 2,000 leases, which include leading brands UNIQLO, Xiaomi, ZARA, Haidilao, Nike, Sephora, Starbucks Coffee and Swarovski.

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 2 April 2020. 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:



1 Interest income and shareholder's loans from the Project Companies are payable to the Singapore/Hong Kong/Barbados Companies (where applicable).

2 Includes Project Companies which are not wholly owned by CRCT. In such instances, CRCT receives a proportionate share of dividends, interest income and principal repayment of shareholder's loans from the Project Companies for the malls (where applicable).

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 10 Marina Boulevard, Marina Bay Financial Centre, Tower 2 #48-01, Singapore 018983.

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

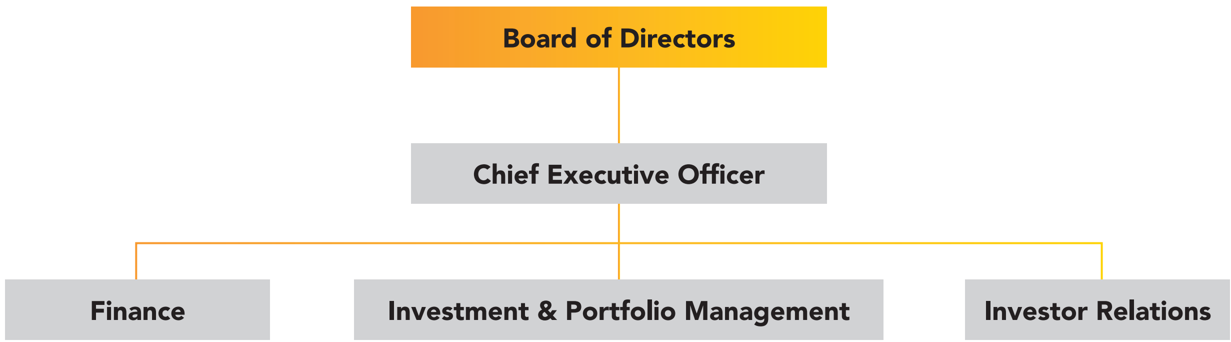
(e) if MAS directs that the CRCT Trustee be removed.

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:

The Manager
CapitaLand Retail China Trust Management Limited



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 31 December 2019): 2 years 8 months

Present principal commitments
- 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
- Frasers Centrepoint Asset Management Ltd. (manager of Frasers Centrepoint Trust)

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 TAN TZE WOOI
Chief Executive Officer and Executive Non-Independent Director

Bachelor of Accountancy (Honours), Nanyang Technological University of Singapore
Chartered Financial Analyst® and Member, CFA Institute

Date of first appointment as a director: 1 April 2017
Length of service as a director (as at 31 December 2019): 2 years 9 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)
- Senior Manager of CapitaMall Trust Management Limited (From July 2005 to December 2006)
- Vice President, Wholesale Banking (Real Estate) of Standard Chartered Bank (From 2001 to 2005)
- Assistant Manager of KPMG (From 1997 to 2001)

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 31 December 2019): 7 years

Board committee served on
- Audit Committee (Chairman)

Present directorships in other listed companies
- Citicode Limited
- Colex Holdings Limited
- Sheng Ye Capital Limited (HKEX)
- TA Corporation Ltd.

Present principal commitments
- Agency for Integrated Care Pte. Ltd. (Director)
- Singapore Health Services 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
- Asian American Medical Group Limited (ASX)
- Sapphire Corporation 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, CFA Institute

Date of first appointment as a director: 24 January 2014
Length of service as director (as at 31 December 2019): 5 years 11 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)
- Department of Real Estate, National University of Singapore (Senior Research Fellow)
- Raffles Girls' School (Member, Board of Governors)
- St. Joseph's Institution Junior (Member, School Council)

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, USA
PhD in Economics, Stanford University, USA

Date of first appointment as a director: 31 October 2014
Length of service as a director (as at 31 December 2019): 5 years 2 months

Board committee served on
- Audit Committee (Member)

Present principal commitments
- APS Asset Management Pte Ltd (Director)
- Changi Airport Group (Singapore) 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, Singapore

Date of first appointment as a director: 20 April 2017
Length of service as a director (as at 31 December 2019): 2 years 8 months

Present directorship in other listed company
- China Yuchai International Limited (NYSE)

Present principal commitments
- Octagon Advisors Pte. Ltd. (Managing Director, Advisory Services)

Background and working experience
- Country Officer (China) and Head, Corporate Banking (Greater China) of United Overseas Bank Ltd (From July 2001 to January 2005)
- General Manager (Leasing and Corporate Services) of Sino Land Co Ltd (From January 1994 to August 1996)
- 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)
- Managing Director of DBS Bank Ltd. (was with DBS Bank group of companies from January 1976 to December 1993 and from August 1996 to July 2001 where he held various senior management positions

MS KUAN LI LI
Non-Executive Independent Director

Bachelor of Economics, University of Sydney, Australia
Bachelor of Laws, University of Sydney, Australia

Date of first appointment as a Director: 1 January 2018
Length of service as a Director (as at 31 December 2019): 2 years

Present directorship in other listed company
- RH Petrogas Limited

Present principal commitments
- CPA Australia Ltd's Skills-Future Committee (Member)
- Legal Inquiry Panel of Singapore (Member)
- Valuation Review Board of Singapore (Member)
- WWF-World Wide Fund for Nature (Singapore) Limited (Audit Committee Member)

Background and working experience
- Chief Financial Officer of ABB Pte. Ltd. (From January 2018 to January 2019)
- Chief Executive Officer of Barclays Merchant Bank (Singapore) Ltd (From June 2014 to December 2017)
- Chief Executive Officer of Barclays Capital Futures (Singapore) Private Limited (From June 2014 to December 2017)
- Country Head and Chief Operating Officer of Barclays Bank PLC (From April 2014 to December 2017)
- Head of Tax, Asia Pacific of Barclays Capital Services Limited Singapore Branch (From October 2004 to March 2014)

MR LUCAS IGNATIUS LOH JEN YUH
Non-Executive Non-Independent Director

Bachelor of Science in Estate Management, National University of Singapore
Master of Business Administration, Oklahoma City University, USA

Date of first appointment as a Director: 16 August 2019
Length of service as a Director (as at 31 December 2019): 4 months

Board committee served on
- Executive Committee (Chairman)

Present directorship in other listed company
- Lai Fung Holdings Limited (Listed on the Main Board of The Stock Exchange of Hong Kong Limited)

Present principal commitments
- CapitaLand Group (President, China)
- Singapore-Zhejiang Economic and Trade Council (Council Member)
- Singapore-Jiangsu Cooperation Council (Council Member)
- Singapore-Guangdong Collaboration Council (Council Member)
- Singapore-Sichuan Trade and Investment Committee (Council Member)
- Singapore Chamber of Commerce and Industry in China (Shanghai Chapter) (Corporate Member)

Present directorships in other listed companies held over the preceding three years
- Central China Real Estate Limited

Background and working experience
- President & Chief Executive Officer, China, CapitaLand Group (From April 2019 to June 2019)
- President (China & Investment Management), CapitaLand Group (From September 2018 to March 2019)
- Chief Executive Officer, CapitaLand China Holdings Pte Ltd (From 2014 to March 2019)
- Deputy Chief Executive Officer, CapitaLand China Holdings Pte Ltd (From 2012 to 2014)
- Various positions in The Ascott Limited and CapitaLand China Holdings Pte Ltd (From 2001 to 2011)
- Associate Director for Private Equity Investment at Temasek Holdings (Private) Limited (From 1996 to 2001)

MR LIM CHO PIN ANDREW GEOFFREY
Non-Executive Non-Independent Director

Bachelor of Commerce (Economics), University of Toronto, Canada
Master in Business Administration, Rotman School of Business, University of Toronto, Canada
Chartered Financial Analyst® and Member, CFA Institute

Date of first appointment as a Director: 1 January 2018
Length of service as a Director (as at 31 December 2019): 2 years

Board committee served on
- Audit Committee (Member)
- Executive Committee (Member)

Present directorships in other listed companies
- Ascendas Funds Management (S) Limited (manager of Ascendas Real Estate Investment Trust)
- Ascott Business Trust Management Pte. Ltd. (trustee-manager of Ascott Business Trust)
- Ascott Residence Trust Management Limited (manager of Ascott Real Estate Investment Trust)
- CapitaLand Commercial Trust Management Limited (manager of CapitaLand Commercial Trust)
- CapitaLand Malaysia Mall REIT Management Sdn. Bhd. (manager of CapitaLand Malaysia Mall Trust)

Present principal commitment
- Accounting for Sustainability Circle of Practice (Member)
- Accounting Standards Council (Member)
- CapitaLand Group (Group Chief Financial Officer)
- Institute of Singapore Chartered Accountants' CFO Committee (Member)
- Real Estate Investment Trust Association of Singapore (REITAS) (President)

Past directorship in other listed company held over the preceding three years
- CapitaLand Mall Trust Management Limited (manager of CapitaLand Mall Trust)

Background and working experience
- Group Chief Financial Officer (Designate) of CapitaLand Limited (From 25 November 2016 to 31 December 2016)
- Managing Director and Head of SEA Coverage Advisory of HSBC Global Banking (From January 2016 to December 2016)
- Managing Director and Head of SEA Real Estate of HSBC Global Banking (From January 2015 to December 2015)
- Managing Director, SEA Investment Banking of HSBC Global Banking (From April 2013 to December 2014)
- Director, SEA Investment Banking of HSBC Global Banking (From April 2010 to March 2013)
- Associate Director, Investment Banking of HSBC Global Banking (From April 2007 to March 2010)
- Associate, Investment Banking of HSBC Global Banking (From July 2004 to March 2007)

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, Changsha, Hohhot, Wuhan, Guangzhou and Harbin. 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 with typical lease terms of 15 to 20 years.

  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*

  CRCT's favourable lease structure provides Unitholders with a stable and growing rental cash flow. Gross Rent comprises base rental income, service fee and advertising and promotion fee. As at 31 December 2019, approximately 87.8% of the leases (by Gross Rent) contain turnover rent provisions, which enables CRCT to capture the upside and participate in the growth of high performing tenants while providing stable base rent. Majority of the leases for anchor and mini anchor tenants also have an annual step-up in the base rent. In addition, tenants' sales data can be tracked seamlessly with the integration of CRCT's and tenants' point-of-sale systems.

- *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 9.90 cents in FY 2019.

(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 2019, CRCT's total borrowing was approximately S$1,383.2 million, with gearing at a low 36.7% and a healthy interest cover of 5.0 times. The average cost of debt was 2.98%.

(d) Strong and committed sponsor

CapitaLand Limited ("**CapitaLand**") is one of Asia's largest diversified real estate groups. Headquartered and listed in Singapore, it owns and manages a global portfolio worth about S$134.7 billion as at 30 June 2020. CapitaLand's portfolio spans across diversified real estate classes which includes commercial, retail; business park, industrial and logistics; integrated development, urban development; as well as lodging and residential. With a presence across more than 220 cities in over 30 countries, CapitaLand and its subsidiaries (together, the "**CapitaLand Group**") focuses on Singapore and China as its core markets, while it continues to expand in markets such as India, Vietnam, Australia, Europe and the USA.

CapitaLand has one of the largest real estate investment management businesses globally. It manages seven listed REITs and business trusts as well as over 20 private funds. Since it pioneered REITs in Singapore with the listing of CapitaLand Mall Trust in 2002, CapitaLand's REITs and business trusts have expanded to include Ascendas Real Estate Investment Trust, CapitaLand Commercial Trust, Ascott Residence Trust, CRCT, Ascendas India Trust and CapitaLand Malaysia Mall Trust.

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, office and industrial purposes (including business parks, logistics facilities, data centres and integrated developments) 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 retail 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 assets. These include the reconfiguration of the units or floor plates to achieve better efficiency and higher rental potential, retro-fitting and refurbishing the area 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.

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. RECENT DEVELOPMENT

Expansion of Investment Strategy

On 30 September 2020, the CRCT Manager announced that with effect from 30 days following the date of the announcement, the investment strategy of CRCT will be changed as follows:

"CRCT is a Singapore-based REIT established with the objective of investing on a long-term basis in a diversified portfolio of income-producing real estate and real estate-related assets in China, Hong Kong and Macau that are used primarily for retail, office and industrial purposes (including business parks, logistics facilities, data centres and integrated developments)."

Since the listing of CRCT in December 2006, the CRCT Manager has been taking a proactive and prudent approach towards its investment decisions. CRCT has grown to a portfolio of 13 properties totalling approximately S$3,559 million as at 30 June 2020[5] from its initial portfolio of seven properties worth approximately S$689 million in December 2006.

With the expanded investment strategy, CRCT will be better positioned for growth as it will be the dedicated Singapore-listed REIT for CapitaLand Group's non-lodging China business, with acquisition pipeline access to CapitaLand China's assets. CRCT will also be able to gain exposure to an expanded universe of third party assets of various asset classes that CRCT would independently source and identify. This will allow CRCT to seize new opportunities in the growing China real estate market and enhance the CRCT Manager's ability to provide long-term and sustainable returns to Unitholders. In particular, the CRCT Manager expects the expanded investment strategy to bring about the following key benefits to CRCT:

(a) *Expand Investment Opportunities*

Broadening the investment strategy will allow CRCT to explore other asset classes beyond the retail sector, and hence avail itself to a larger pool of investment targets which may bring attractive yields and/or increased capital appreciation potential. This will enhance CRCT's to grow its portfolio and increase long-term returns for Unitholders. For CRCT to tap on these opportunities, it would require the flexibility to invest in a comprehensive range of real estate assets across various asset classes.

(b) *Sector, Revenue Stream, Asset and Tenant Diversification*

By investing in different sectors such as retail, office and industrial, CRCT will be able to further diversify its revenue stream to build a sector-diversified portfolio. In addition, CRCT would gain exposure to a more extensive pool of tenants across the sectors, and hence reduce tenant concentration risk.

(c) *Enhance Ability to Deliver Stable and Sustainable Distributions to Unitholders*

Different real estate asset classes have varying cycles of rental growth, occupancy rates, and other market specific risks. A diverse portfolio will provide CRCT with a more balanced and stable rental revenue and this, in turn, will enhance CRCT's ability to deliver stable and sustainable distributions to Unitholders. A diversified portfolio of assets in this regard will be beneficial to CRCT in the long run as the portfolio will be more resilient and less susceptible to any adverse changes caused by unforeseeable external events and factors.

6. PROPERTIES

(A) Summary of selected information on the Properties[5]

Property Name	Address	GFA (sq m)	GRA (sq m)	NLA (sq m)	Number of Leases	Land Use Right Expiry	Market Valuation[1] (RMB million)	Purchase Price (RMB million)	Acquisition Date[2]	Committed Occupancy Rate	Shopper Traffic for 2019[3] (million)	Major Tenants
CapitaMall Xizhimen 凯德MALL·西直门	No. 1 Xizhimenwai Road, Xicheng District, Beijing	83,075	83,075	50,667	273	23 August 2044 23 August 2054	3,580.0	1,851.4	Phase 1: 5 February 2008 Phase 2: 29 September 2008	99.0%	38.0	BHG Supermarket, Perfect World Cinema, UNIQLO, GAP, Nanjing Impressions, Green Tea restaurant, Gymboree, South Memory
CapitaMall Wangjing 凯德MALL·望京	No. 33 Guangshun North Road, Chaoyang District, Beijing	83,768	68,010	51,900	249	15 May 2043 15 May 2053	2,772.0	1,102.0	1 December 2006	98.9%	12.8	BHG Department Store & Supermarket, UNIQLO, ZARA, Vero Moda, 北李妈妈菜, Nanjing Impressions, Ucommune
CapitaMall Grand Canyon 凯德MALL·大峡谷	No. 16 South Third Ring West Road, Fengtai District, Beijing	92,918	69,967	45,531	188	29 August 2044 29 August 2054	2,125.0	1,740.0	30 December 2013	97.7%	9.5	Carrefour, Poly Cinema, H&M, GAP, UNIQLO, Nanjing Impressions, 北李妈妈菜, Disney English
CapitaMall Xuefu 凯德广场·学府	No. 1, Xuefu Road, Nangang District, Harbin, Heilongjiang Province	123,811	104,294	64,274	423	15 December 2045	1,792.0	1,745.0	30 August 2019	99.9%	6.8[4]	BHG Supermarket, CGV Cinema, Haidilao, H&M, C&A, Adidas, Sisyphe Books, Starbucks Reserve, Urban Revivo
CapitaMall Xinnan 凯德广场·新南	No. 99, Shenghe Yi Road, Gaoxin District, Chengdu, Sichuan Province	91,816	53,619	36,478	259	17 October 2047	1,600.0	1,500.0	30 September 2016	99.4%	7.8	Golden Harvest Cinema, UNIQLO, H&M, ZARA, Pull&Bear, GAP, Bershka, Selected, 劲浪体育, Sephora
CapitaMall Yuhuating 凯德广场·雨花亭	No. 421, Middle Shaoshan Road, Yuhua District, Changsha, Hunan Province	75,431	58,575	48,321	239	03 March 2044	760.0	746.0	30 August 2019	98.8%	3.4[4]	Walmart, China Film Cinema, Haidilao, Li-Ning, Starbucks Coffee, UNIQLO, KFC, Adidas, Nike
CapitaMall Aidemengdun 凯德广场·埃德蒙顿	No. 38, Aidemengdun Road, Daoli District, Harbin, Heilongjiang Province	49,040	43,394	28,377	181	07 September 2042	480.0	469.0	30 August 2019	97.4%	2.3[4]	BHG Supermarket, Qi Cai International Cineplex, KFC, Pizza Hut, Nike, Adidas, VIP.com

Property Name	Address	GFA (sq m)	GRA (sq m)	NLA (sq m)	Number of Leases	Land Use Right Expiry	Market Valuation[1] (RMB million)	Purchase Price (RMB million)	Acquisition Date[2]	Committed Occupancy Rate	Shopper Traffic for 2019[3] (million)	Major Tenants
CapitaMall Qibao 凯德七宝购物广场	No. 3655, Qixin Road, Minhang District, Shanghai	83,986	72,729	50,538	167	10 March 2043[5]	435.0	264.0	08 November 2006	93.5%	13.2	Carrefour, 七宝大光明影城 (Cinema), Hotwind, UNIQLO, Tom's World, Haoledi (KTV)
CapitaMall Minzhongleyuan 凯德新民众乐园	No. 704 Zhongshan Avenue, Jianghan District, Wuhan, Hubei Province	41,717	41,717	22,121	55	30 June 2044[6] 15 September 2045	490.0	395.0	30 June 2011	55.5%	2.7	UA Cinema, Ucommune
CapitaMall Shuangjing 凯德MALL・双井	No. 31 Guangqu Road, Chaoyang District, Beijing	49,463	49,463	51,193[8]	7	10 July 2042	610.0	414.0	01 December 2006	99.7%	N.A.	Carrefour, B&Q
CapitaMall Saihan 凯德MALL・赛罕	No. 32 Ordos Street, Saihan District, Hohhot, Inner Mongolia Autonomous Region	41,938	41,938	31,098	194	11 March 2041 20 March 2041	460.0	315.0	01 December 2006	99.8%	9.0	BHG Supermarket, Jinyi Cinema, Nike, UNIQLO, Vero Moda, Calvin Klein Jeans, Li-Ning, Gymboree, KFC, Pizza Hut
Rock Square[9] 乐峰广场	106-108 Gongye Avenue North, Haizhu District, Guangzhou City, Guangdong Province	88,279	83,591	53,077	201	17 October 2045	3,425.0	3,340.7	31 January 2018	99.0%	25.3	AEON, 华影假日电影城, ZARA, UNIQLO, Green Tea restaurant, EF Education First, Huawei, HEYTEA
Yuquan Mall[10] 玉泉广场	No. 201, Block A Jinyu Xintiandi, E'erduosi Street, Yuquan District, Hohhot, Inner Mongolia Autonomous Region	100,047	76,309	N.A.	N.A.	26 July 2049	857.0	808.3	26 December 2019	N.A.	N.A.	N.A.

1 Independent valuations of CapitaMall Wangjing, CapitaMall Grand Canyon, CapitaMall Erqi and Rock Square were conducted by Beijing Colliers International Real Estate Valuation Co., Ltd.

Independent valuations of CapitaMall Shuangjing, CapitaMall Xizhimen, CapitaMall Aidemengdun, CapitaMall Xuefu, CapitaMall Yuhuating and Yuquan Mall were conducted by Cushman & Wakefield International Property Advisers (Shanghai) Co., Ltd.

Independent valuation of CapitaMall Qibao, CapitaMall Xinnan and CapitaMall Minzhongleyuan was conducted by Savills Real Estate Valuation Beijing Limited.

No independent valuation done for CapitaMall Saihan as it is an asset held for sale where the divestment price has already been locked in.

2 Refers to the completion of the acquisition of the special purpose vehicles which own the properties, except for Yuquan Mall where it is a direct asset acquisition from the Vendor.

3 CapitaMall Shuangjing and CapitaMall Erqi do not have traffic counters.

4 Based on 4 months of shopper traffic during CRCT's holding period of the assets.

5 CapitaMall Qibao is indirectly held by CRCT under a master lease with Shanghai Jin Qiu (Group) Co., Ltd, the legal owner of CapitaMall Qibao. 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.

6 The conserved building is under a lease from the Wuhan Cultural Bureau.

7 Included the area zoned for civil defense but is certified for commercial use.

8 CRCT has a 51.0% interest in Rock Square. All information are presented based on 100% ownership.

9 Yuquan Mall is undergoing fit-out and is expected to be opened by the end of 2020.

N.A. - Not Applicable

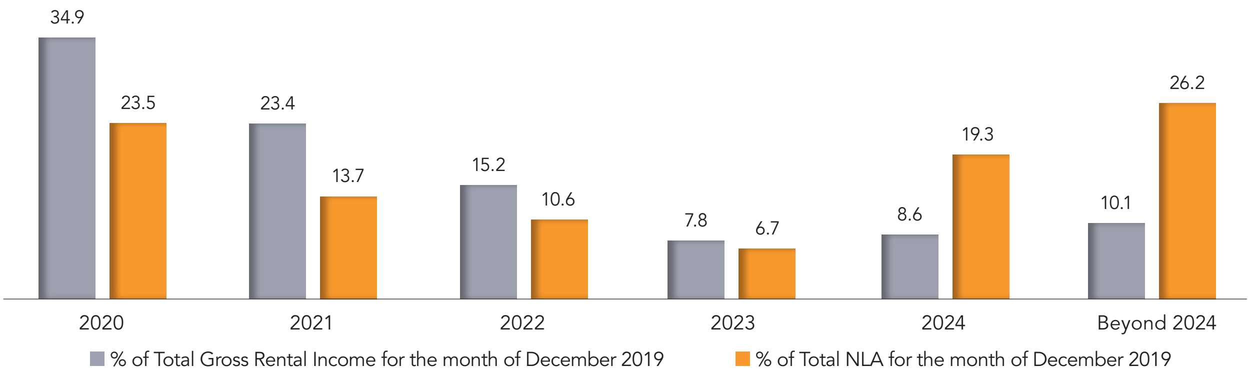
Lease expiry profile of the Properties

All of CRCT's malls, excluding CapitaMall Shuangjing, are considered multi-tenanted and actively managed to improve operating performance and tenancy mix to optimise rental reversions. The portfolio weighted average lease expiry by Gross Rent and NLA are 2.4 years and 3.8 years respectively. The typical lease terms are 15 to 20 years for anchor tenants, 5 to 7 years for mini-anchor tenants, and 1 to 3 years for specialty tenants, which are consistent with the market practice in China. For new and renewed leases in 2019 within CRCT's holding period, the weighted average lease expiry (by Gross Rent) based on the date of commencement is 2.6 years and accounts for 35.9% of the committed Gross Rent in the month of December. The leases due in the next two years in FY 2020 and FY 2021 account for 34.9%[6] and 23.4%[5] of CRCT's Gross Rent, respectively.

Majority of the NLA of CapitaMall Shuangjing is let out under master-leases. These leases are long-term with a typical tenure of 20 years and are supported by periodic rental escalation, which provide income stability while ensuring growth.

The graph below illustrates the committed lease expiry profile of the Properties by monthly total rental income as at 31 December 2019:

Portfolio Lease Expiry Profile (%)[1]
(as at 31 December 2019)



1 Based on committed leases as at 31 December 2019. Excludes the following malls:
   A CapitaMall Erqi, as the master lease has been pre-terminated on 1 November 2019.
   B. CapitaMall Saihan, as the mall will be divested by the end of 2020.

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 2019:

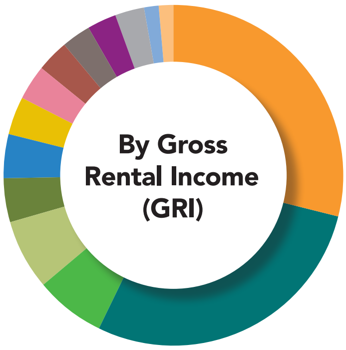
Top 10 Tenants[1]
(Based on percentage of Total Rental Income in the month of December 2019)

Tenant[2]	Brand Names	Trade Sector	% of Total Rental Income[3]
BHG Group of Controlled Entities	BHG Department Store BHG Supermarket Costa Coffee Clarks	Department Store Supermarket Food & Beverages Shoes & Bags	4.1%
Carrefour Group of Companies	Carrefour	Supermarket	3.1%
绫致时装(天津)有限公司	Only Jack & Jones Vero Moda Selected	Fashion & Accessories	3.0%
UNIQLO Group of Companies	UNIQLO	Fashion & Accessories	2.4%
北京百安居装饰建材有限公司	B&Q	Houseware & Furnishings	1.0%
Yum! Brands Group of Companies	KFC Pizza Hut	Food & Beverage	0.9%
北京为之味餐饮有限公司 富迪康(北京)餐饮管理有限公司	川成元麻辣香锅 传奇碳烤鱼头 金汤玉线 姑姑家宴 寻味香港 夹拣成厨麻辣烫	Food & Beverage	0.8%
Watsons Group of Companies	Watsons	Beauty & Healthcare	0.8%
Ucommune Group of Companies	优客工场	Sundry & Services	0.8%
Inditex Group of Companies	ZARA PULL&BEAR Stradivarius Bershka	Fashion & Accessories	0.7%

1 Based on CRCT's effective interest in each property, including CRCT's 51.0% interest in Rock Square.
2 Tenants that are under the same group of companies are listed together.
3 Includes both gross rental income and the gross turnover rental income (GTO) components to account for pure GTO leases.

The chart below provides a breakdown by gross rental income and committed net lettable area of the different trade sectors represented in the Properties as at 31 December 2019:

Breakdown of CRCT Portfolio by Trade Sector[1]
(as at 31 December 2019)



Trade Sector	By GRI (%)	By Committed NLA (%)
Fashion & Accessories	29.0	18.5
Food & Beverage	28.4	18.8
Supermarket	6.7	27.0
Beauty & Healthcare	6.7	4.4
Leisure & Entertainment	4.1	9.7
Education	4.0	4.1
Sundry & Services	3.8	2.4
Others	3.2	2.5
Sporting Goods & Apparel	3.1	2.5
Shoes & Bags	2.9	1.6
Houseware & Furnishings	2.8	4.3
Jewellery/Watches/Pens	2.7	0.8
Department Stores	1.4	2.8
Information & Technology	1.2	0.6

1 Calculation of committed occupancy, WALE and trade sector breakdown includes CapitaMall Shuangjing but excludes CapitaMall Erqi as the master lease agreement has been pre-terminated on 1 November 2019.
2 Calculation of WALE excludes CapitaMall Saihan as the mall will be divested by the end of 2020.

(B) Summary of selected information on individual Properties

(I) CapitaMall Xizhimen

CapitaMall Xizhimen is strategically located next to the Second Ring Road in Xicheng district and is well-served by 3 metro lines and 2 railway lines. The mall offers a diverse array of product offerings, which serves the needs of a large and well-established catchment of more than one million people within a three-kilometre radius, comprising middle-income residents, working professionals from the Beijing Financial Street and technological zones of Zhongguancun District, as well as students from the nearby universities.

The following is a summary of the key property information on CapitaMall Xizhimen:

Property Information	
Description	Six above ground levels and one basement level of retail space
GRA	83,075 sq m
Number of Leases	273
Land Use Right Expiry	23 August 2044 23 August 2054
Market Valuation	RMB3,580.0 million[1]
Gross Revenue	RMB308.9 million
Net Property Income	RMB220.4million
Committed Occupancy	99.0%
Shopper Traffic	38.0 million
Key Tenants	BHG Supermarket, Perfect World Cinema, UNIQLO, GAP, Nanjing Impressions, Green Tea restaurant, Gymboree, South Memory

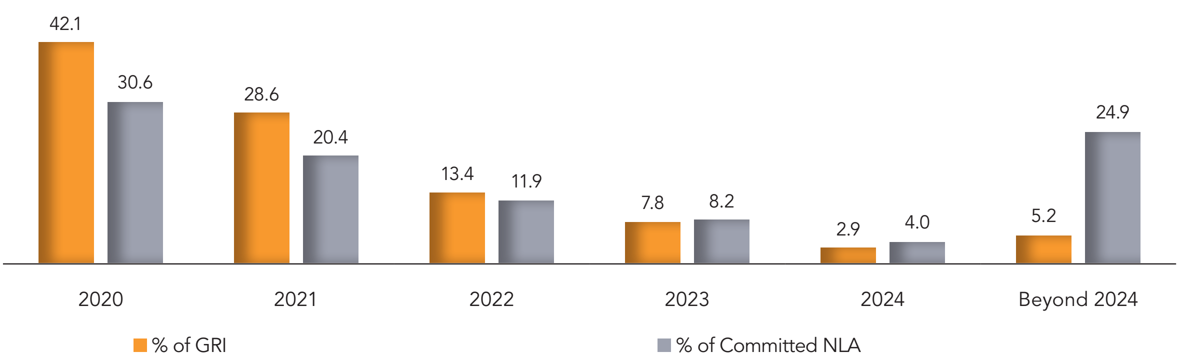
Data as at 31 December 2019. Gross revenue, net property income and shopper traffic are for the year ended 31 December 2019.

1 Independent valuation of CapitaMall Xizhimen was conducted by Cushman & Wakefield 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 2020 to 2024 and beyond, expressed as a percentage of the committed NLA and gross rental income as at 31 December 2019:

Lease Expiry Profile (%)
(As at 31 December 2019)



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 promnent tenants including GAP, L'Occitane, Pandora, Starbucks and UNIQLO.

The following table sets out the breakdown of both the committed NLA and the gross rental income by sector at the Property as at 31 December 2019:

Trade Sector	By GRI (%)	By Committed NLA (%)
Fashion & Accessories	34.6	23.4
Food & Beverage	32.9	31.2
Beauty & Healthcare	7.5	5.7
Education	4.0	5.6
Sundry & Services	3.5	1.4
Supermarket	3.3	20.2
Shoes & Bags	2.9	1.3
Others	2.6	3.3
Sporting Goods & Apparel	2.5	1.4
Houseware & Furnishings	2.4	2.2
Jewellery/Watches/Pens	2.3	0.9
Leisure & Entertainment	0.8	3.1
Information & Technology	0.7	0.3

(II) CapitaMall Wangjing

CapitaMall Wangjing is a leading shopping mall within the densely populated Wangjing residential enclave, located near the North Fourth Ring Road of Beijing. The mall is next to Futong station, which is served by metro line 14, and in close proximity to Wangjing station, the interchange for metro lines 14 and 15. It is also connected to major highways with numerous bus routes serving the area. The mall enjoys steady daily traffic as it is a popular meeting place amongst working professionals and discerning expatriates in search of high-quality shopping, dining and entertainment options in the district.

The following is a summary of the key property information on CapitaMall Wangjing:

Property Information	
Description	Retail complex featuring a four-storey retail podium and an eleven-storey tower with two basement levels
GRA	68,010 sq m
Number of Leases	249
Land Use Right Expiry	15 May 2043 15 May 2053
Market Valuation	RMB2,772.0 million[1]
Gross Revenue	RMB243.8 million
Net Property Income	RMB177.1 million
Committed Occupancy	98.9%
Shopper Traffic	12.8 million
Key Tenants	HG Department Store & Supermarket, UNIQLO, ZARA, Vero Moda, 北李妈妈菜, Nanjing Impressions, Ucommune

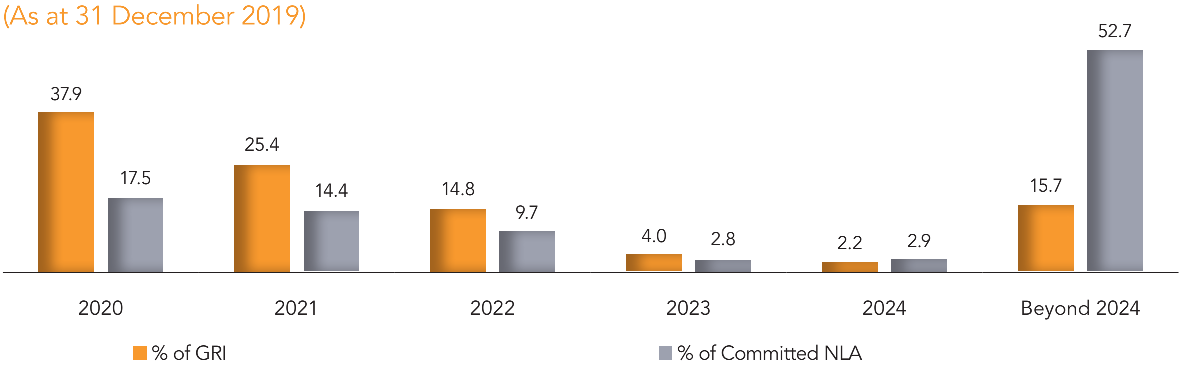
Data as at 31 December 2019. Gross revenue, net property income and shopper traffic are for the year ended 31 December 2019.

1. Independent valuation of CapitaMall Wangjing was conducted by Beijing Colliers International Real Estate Valuation Co., Ltd.

Lease expiry profile of CapitaMall Wangjing

The following chart sets out the annual lease expiry profile of CapitaMall Wangjing for the period 2020 to 2024 and beyond, expressed as a percentage of the committed NLA and gross rental income as at 31 December 2019:

Lease Expiry Profile (%)
(As at 31 December 2019)



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 Swarovski, Pandora, Tommy Hilfiger and ZARA.

Trade Sector	By GRI (%)	By Committed NLA (%)
Fashion & Accessories	32.3	16.4
Food & Beverage	29.0	19.1
Beauty & Healthcare	9.0	6.5
Department Stores	8.4	27.7
Sundry & Services	7.1	6.2
Others	4.0	3.9
Jewellery/Watches/Pens	3.7	0.9
Supermarket	2.6	17.1
Education	1.5	0.7
Shoes & Bags	0.8	0.5
Information & Technology	0.7	0.4
Leisure & Entertainment	0.5	0.3
Houseware & Furnishings	0.4	0.3

(III) CapitaMall Grand Canyon

CapitaMall Grand Canyon faces the busy South Third Ring West Road in Beijing's Fengtai district. The mall is easily accessible via several public bus routes, Beijing South Railway Station, and metro line 4 from the nearby Majiapu station. Serving the needs of a population of more than 800,000 within a three-kilometre radius, CapitaMall Grand Canyon offers an exciting array of restaurants, education, retail and service offerings that makes it an attractive destination for families, students and office workers around the precinct.

The following is a summary of the key property information on CapitaMall Grand Canyon:

Property Information	
Description	Six retail levels with two basement carpark levels
GRA	69,967 sq m
Number of Leases	188
Land Use Right Expiry	29 August 2044 29 August 2054
Market Valuation	RMB2,125.0 million[1]
Gross Revenue	RMB133.4 million
Net Property Income	RMB90.3million
Committed Occupancy	97.7%
Shopper Traffic	9.5 million
Key Tenants	Carrefour, Poly Cinema, H&M, GAP, UNIQLO, Nanjing Impressions, 北李妈妈菜, Disney English

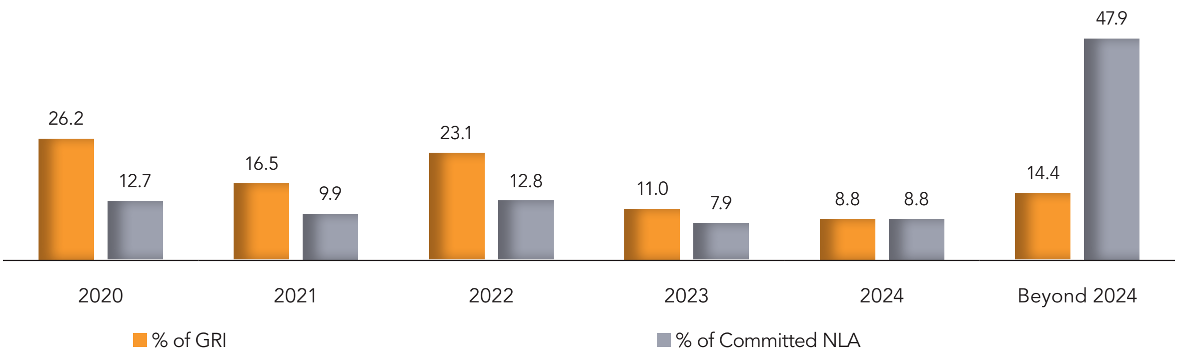
Data as at 31 December 2019. Gross revenue, net property income and shopper traffic are for the year ended 31 December 2019.

1. Independent valuation of CapitaMall Grand Canyon was conducted by Beijing Colliers International Real Estate Valuation Co., 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 2020 to 2024 and beyond, expressed as a percentage of the committed NLA and gross rental income as at 31 December 2019:

Lease Expiry Profile (%)
(As at 31 December 2019)



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 gross rental income by sector at the Property as at 31 December 2019:

Trade Sector	By GRI (%)	By Committed NLA (%)
Food & Beverage	28.3	18.3
Fashion & Accessories	23.4	18.3
Supermarket	10.3	32.0
Education	8.0	6.4
Beauty & Healthcare	6.4	3.9
Sporting Goods & Apparel	4.9	2.8
Leisure & Entertainment	4.1	12.0
Shoes & Bags	3.5	1.1
Jewellery/Watches/Pens	2.9	0.8
Sundry & Services	2.6	0.8
Information & Technology	2.0	1.1
Houseware & Furnishings	1.9	0.8
Others	1.7	1.7

(IV) CapitMall Xuefu

CapitaMall Xuefu is a modern and experiential regional shopping mall that is located in the Nangang District of Harbin, the capital and largest city of the Heilongjiang Province. It is strategically located next to a cluster of eight tertiary education institutions, where the student population form a large proportion of the sizeable catchment of approximately 750,000 within a three-kilometre radius. CapitaMall Xuefu is situated at the intersection of multiple arterial roads serving the city that connects directly to the Second Ring Road.

The mall is well-served by public transportation and enjoys direct connectivity via the basement to the Xuefu Road Station on line 1 of the Harbin Metro. Incorporating experiential elements to its unique retail concepts, CapitaMall Xuefu features Harbin's first all-year-round Amazon-style indoor garden "Dream Park" at Level 5 as well as the first artistic food street at the basement.

The following is a summary of the key property information on CapitaMall Xuefu:

Property Information	
Description	Five above ground levels and one basement level of retail space and one basement level for car park use
GRA	104,294 sq m
Number of Leases	423
Land Use Right Expiry	15 December 2045
Market Valuation	RMB1,792.0 million[1]
Gross Revenue	RMB57.8 million[2]
Net Property Income	RMB36.3 million[2]
Committed Occupancy	99.9%
Shopper Traffic	6.8 million[2]
Key Tenants	BHG Supermarket, CGV Cinema, Haidilao, H&M, C&A, Adidas, Sisyphe Books, Starbucks Reserve, Urban Revivo

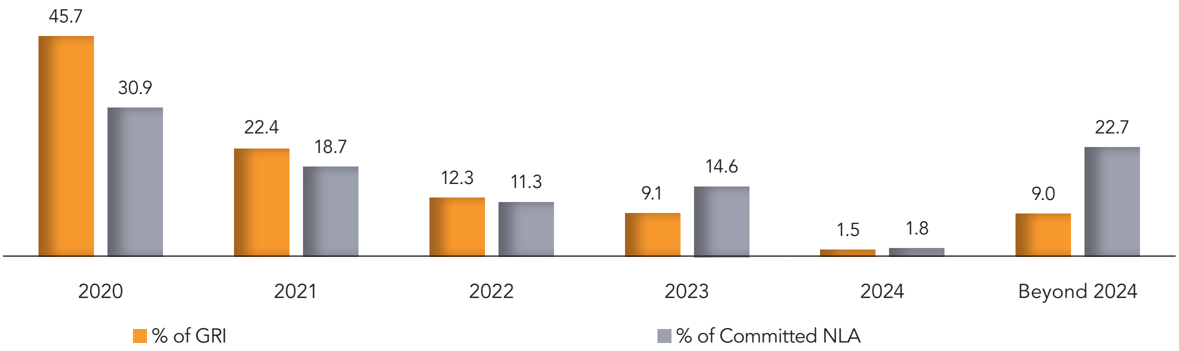
Data as at 31 December 2019. Gross revenue, net property income and shopper traffic are for the year ended 31 December 2019.

1. Independent valuation of CapitaMall Xuefu was conducted by Cushman & Wakefield International Property Advisers (Shanghai) Co., Ltd.
2 Based on 4 months of gross revenue and net property income during CRCT's holding period of the asset.

Lease expiry profile of CapitaMall Xuefu

The following chart sets out the annual lease expiry profile of CapitaMall Xuefu for the period 2020 to 2024 and beyond, expressed as a percentage of the committed NLA and gross rental income as at 31 December 2019:

Lease Expiry Profile (%)
(As at 31 December 2019)



Trade sector analysis of CapitaMall Xuefu

CapitaMall Xuefu houses a diverse mix of international and domestic brands such as BHG Supermarket, CGV Cinema, Haidilao, H&M, Adidas, Sisyphe Books, Green Tea Restaurant, Starbucks Reserve, Urban Revivo and Watsons.

The following table sets out the breakdown of both the committed NLA and the gross rental income by sector at the Property as at 31 December 2019:

Trade Sector	By GRI (%)	By Committed NLA (%)
Fashion & Accessories	37.2	30.6
Food & Beverage	28.0	24.5
Beauty & Healthcare	4.9	3.6
Others	4.5	4.1
Shoes & Bags	4.3	3.2
Education	4.2	5.6
Supermarket	4.1	13.7
Jewellery/Watches/Pens	3.1	1.7
Leisure & Entertainment	2.7	8.3
Sporting Goods & Apparel	2.7	2.2
Sundry & Services	1.6	1.0
Information & Technology	1.6	0.7
Houseware & Furnishings	1.1	0.8

(V) CapitaMall Xinnan

CapitaMall Xinnan is situated along one of the most established shopping belts in the affluent Gaoxin district, south of Chengdu. The mall is conveniently accessible via the nearby Chengdu South Railway Station, a major transportation hub linked to operational metro lines 1 and 7 plying the South Railway metro station, and to Chengdu Airport via airport express line (metro line 18) that is currently under construction. The mall's diverse mix of fashion and entertainment options sets it apart as a trendy destination with varied retail experiences that appeal to families and young urbanites living in the mid- to high-income neighbourhood. The following is a summary of the key property information on CapitaMall Xinnan:

Property Information	
Description	Five retail levels with one basement car park level
GRA	53,619 sq m
Number of Leases	259
Land Use Right Expiry	17 October 2047
Market Valuation	RMB1,600.0 million[1]
Gross Revenue	RMB138.4million
Net Property Income	RMB99.7 million
Committed Occupancy	99.4%
Shopper Traffic	7.8 million
Key Tenants	Golden Harvest Cinema, UNIQLO, H&M, ZARA, Pull&Bear, GAP, Bershka, Selected, Sephora

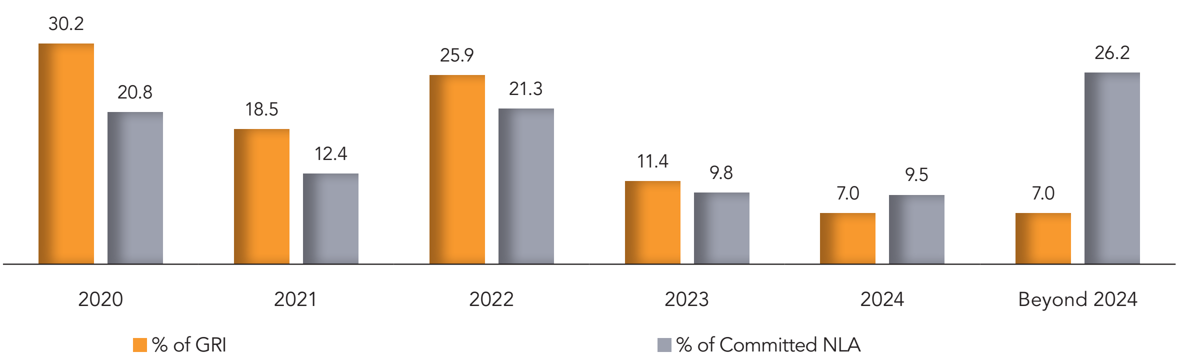
Data as at 31 December 2019. Gross revenue, net property income and shopper traffic are for the year ended 31 December 2019.

1. Independent valuation of CapitaMall Xinnan was conducted by Savills Valuation & Professional Services (S) Pte Ltd.

Lease expiry profile of CapitaMall Xinnan

The following chart sets out the annual lease expiry profile of CapitaMall Xinnan for the period 2020 to 2024 and beyond, expressed as a percentage of the committed NLA and gross rental income as at 31 December 2019:

Lease Expiry Profile (%)
(As at 31 December 2019)



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 gross rental income by sector at the Property as at 31 December 2019:

Trade Sector	By GRI (%)	By Committed NLA (%)
Fashion & Accessories	43.7	40.2
Food & Beverage	21.2	21.9
Sporting Goods & Apparel	8.3	6.9
Shoes & Bags	7.2	3.9
Beauty & Healthcare	5.7	4.6
Leisure & Entertainment	4.5	13.9
Jewellery/Watches/Pens	2.4	1.3
Others	2.3	2.8
Sundry & Services	1.8	1.2
Houseware & Furnishings	1.4	1.6
Information & Technology	0.9	0.6
Education	0.6	1.1

(VI) CapitaMall Yuhuating

CapitaMall Yuhuating is an established mall located within the Dongtang retail hub of Yuhua District. It is conveniently accessible via numerous bus routes as well as the Tujiachong and Shazitang metro stations that are approximately one-kilometre away. CapitaMall Yuhuating is positioned as a community mall located within a core retail hub, where there is a high concentration of populated residential communities and office buildings, providing the mall with a dense catchment of approximately 700,000 within a three-kilometre radius. Having operated in the local market for over 10 years and with limited competitors within the vicinity, CapitaMall Yuhuating has firmly established itself within its main trade area and has built strong brand awareness among the locals. As a one-stop shopping destination, CapitaMall Yuhuating offers a broad spectrum of international and local brands such as Walmart, China Film Cinema, Haidilao, Li-Ning, Starbucks Coffee, UNIQLO, KFC, Adidas and Nike.

The following is a summary of the key property information on CapitaMall Yuhuating:

Property Information

Description	Four above ground levels of retail space and one basement level for ancillary and car park use
GRA	58,575 sq m
Number of Leases	239
Land Use Right Expiry	03 March 2044
Market Valuation	RMB760.0 million[1]
Gross Revenue	RMB27.1 million
Net Property Income	RMB15.3 million
Committed Occupancy	98.8%
Shopper Traffic	3.4 million
Key Tenants	Walmart, China Film Cinema, Haidilao, Li-Ning, Starbucks Coffee, UNIQLO, KFC, Adidas, Nike

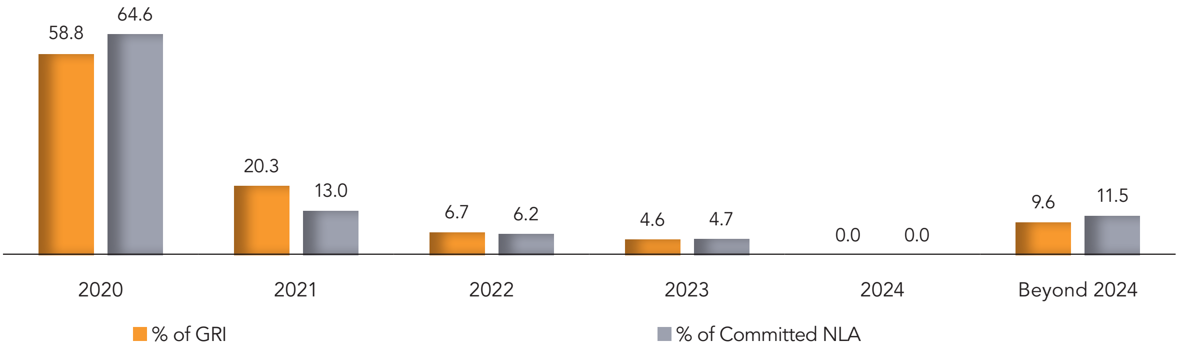
Data as at 31 December 2019. Gross revenue, net property income and shopper traffic are for the year ended 31 December 2019.

1. Independent valuation of CapitaMall Yuhuating was conducted by Cushman & Wakefield International Property Advisers (Shanghai) Co., Ltd.

Lease expiry profile of CapitaMall Yuhuating

The following chart sets out the annual lease expiry profile of CapitaMall Yuhuating for the period 2020 to 2024 and beyond, expressed as a percentage of the committed NLA and gross rental income as at 31 December 2019:

Lease Expiry Profile (%)
(As at 31 December 2019)



Tradee sector analysis of CapitaMall Yuhuating

The following table sets out the breakdown of both the committed NLA and the gross rental income by sector at the Property as at 31 December 2019:

Trade Sector	By GRI (%)	By Committed NLA (%)
Fashion & Accessories	27.3	13.5
Food & Beverage	25.1	15.1
Leisure & Entertainment	14.1	16.4
Supermarket	10.4	43.6
Beauty & Healthcare	5.5	3.0
Sporting Goods & Apparel	4.8	2.3
Shoes & Bags	3.8	1.5
Sundry & Services	3.4	1.9
Information & Technology	1.5	0.5
Others	1.5	1.3
Jewellery/Watches/Pens	1.4	0.4
Houseware & Furnishings	1.2	0.5

(VII) CapitaMall Aidemengdun

CapitaMall Aidemengdun is located in Harbin's Daoli District and is positioned as a community mall to mainly serve the needs of residents from the neighbouring high-density residential communities and students and staff from nearby tertiary education institutions. The mall is in close proximity to Second Ring Road, and enjoys direct frontage to Aidemengdun Road that connects the Harbin Taiping International Airport to Central Street in the city centre. CapitaMall Aidemengdun can be easily accessed via public transportation and is within one and a half-kilometre from two metro stations on line 1 of the Harbin Metro. As one of the earliest community malls in the area, it has a captive consumer base formed by the surrounding residents, with strong focus on young families with children, sports and education offerings.

The following is a summary of the key property information on CapitaMall Aidemengdun:

Property Information

Description	Four above ground levels of retail space and one basement level for retail and car park use
GRA	43,394 sq m
Number of Leases	181
Land Use Right Expiry	07 September 2042
Market Valuation	RMB480.0 million[1]
Gross Revenue	RMB16.5 million[2]
Net Property Income	RMB8.6 million[2]
Committed Occupancy	97.4%
Shopper Traffic	2.3 million
Key Tenants	BHG Supermarket, Qi Cai International Cineplex, KFC, Pizza Hut, Nike, Adidas, VIP.com

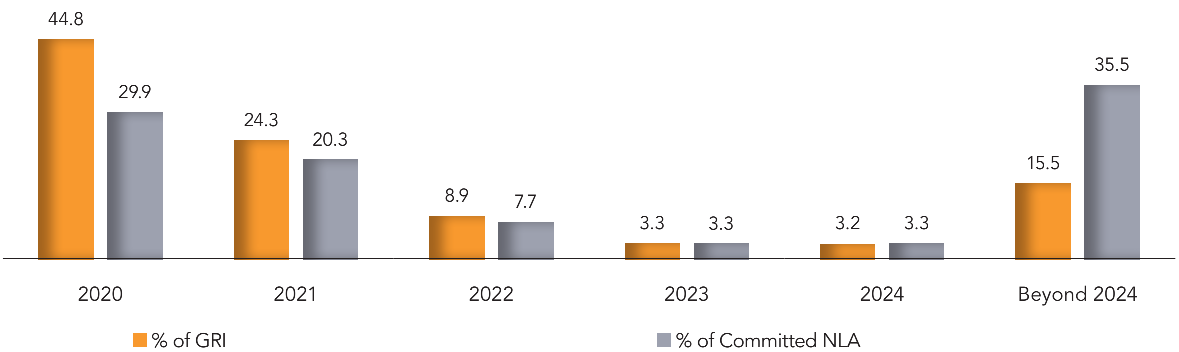
Data as at 31 December 2019. Gross revenue, net property income and shopper traffic are for the year ended 31 December 2019.

1. Independent valuation of CapitaMall Aidemengdun was conducted by Cushman & Wakefield International Property Advisers (Shanghai) Co., Ltd.
2. Based on 4 months of gross revenue and net property income during CRCT's holding period of the asset.

Lease expiry profile of CapitaMall Aidemengdun

The following chart sets out the annual lease expiry profile of CapitaMall Aidemengdun for the period 2020 to 2024 and beyond, expressed as a percentage of the committed NLA and gross rental income as at 31 December 2019:

Lease Expiry Profile (%)
(As at 31 December 2019)



Trade sector analysis of CapitaMall Aidemengdun

The mall features a wide tenant base consisting of popular tenants such as BHG Supermarket, Qi Cai International Cineplex, KFC, Pizza Hut, Nike, Watsons and VIP.com.

The following table sets out the breakdown of both the committed NLA and the gross rental income by sector at the Property as at 31 December 2019:

Trade Sector	By GRI (%)	By Committed NLA (%)
Fashion & Accessories	23.3	19.8
Food & Beverage	21.7	18.5
Sporting Goods & Apparel	12.1	8.8
Supermarket	10.2	25.3
Education	6.3	5.7
Leisure & Entertainment	5.7	8.6
Jewellery/Watches/Pens	4.6	1.9
Shoes & Bags	3.9	2.8
Beauty & Healthcare	3.7	2.3
Information & Technology	2.5	1.6
Others	2.3	1.8
Houseware & Furnishings	2.0	1.9
Sundry & Services	1.7	1.0

(VIII) CapitaMall Qibao

CapitaMall Qibao is located in Shanghai's Minhang district near the bustling Hongqiao transport hub. Surrounded by residences, the mall is positioned as a family friendly shopping and education destination for the growing number of residents living in this choiced neighbourhood. The mall offers interactive leisure and learning facilities and centres, making it an interesting destination for children, at the same time, provides a myriad of shopping, dining and entertainment experiences to capture family spending. Young families can enjoy one of the city's largest rooftop playground that features interactive gardening activities and outdoor movie screenings – fun and fulfilling activities that provide for a meaningful experience. 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	167
Land Use Right Expiry	10 March 2043[1]
Market Valuation	RMB435.0million[2]
Gross Revenue	RMB97.6 million
Net Property Income	RMB71.3 million[3]
Committed Occupancy	93.5%
Shopper Traffic	13.2 million
Key Tenants	七宝大光明影城 (Cinema), Carrefour, UNIQLO, Hotwind, Tom's World, Haoledi (KTV)

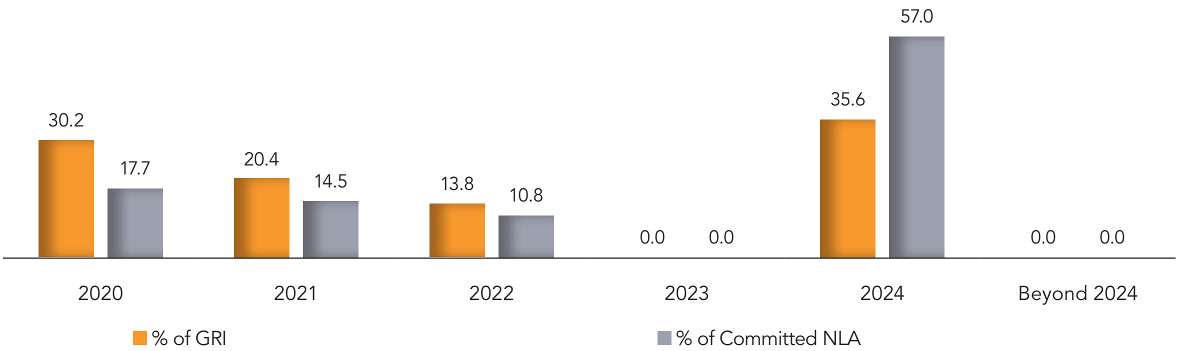
Data as at 31 December 2019. Gross revenue, net property income and shopper traffic are for the year ended 31 December 2019.

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.
3. Included the impact of FRS 116 *Leases*, where lease expenses associated with the operating leases have been replaced with net changes in fair value of investment properties and interest expense on lease liabilities for FY 2019.

Lease expiry profile of CapitaMall Qibao

The following chart sets out the annual lease expiry profile of CapitaMall Qibao for the period 2020 to 2024 and beyond, expressed as a percentage of the committed NLA and gross rental income as at 31 December 2019:

Lease Expiry Profile (%)
(As at 31 December 2019)



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 Tom's World.

The following table sets out the breakdown of both the committed NLA and the gross rental income by sector at the Property as at 31 December 2019:

Trade Sector	By GRI (%)	By Committed NLA (%)
Food & Beverage	36.2	15.6
Education	16.0	15.1
Fashion & Accessories	12.6	9.7
Leisure & Entertainment	10.7	14.6
Beauty & Healthcare	7.6	5.7
Supermarket	7.1	30.9
Sundry & Services	3.5	3.4
Houseware & Furnishings	2.9	1.2
Others	2.1	1.3
Sporting Goods & Apparel	0.5	2.0
Information & Technology	0.5	0.4
Jewellery/Watches/Pens	0.3	0.1

(IX) CapitaMall Minzhongleyuan

CapitaMall Minzhongleyuan is a heritage building constructed in 1919 that is located in the Jianghanlu business district, a short walk from Wuhan's renowned entertainment and shopping belt along the Jianghanlu pedestrian street. The mall is accessible via metro line 1 from the nearby Youyi Road station, and metro lines 2 and 6 from the Jianghan Road station. As one of Wuhan's oldest retail and cultural centres, the mall offers the unique appeal of rich iconic architecture. With a tenant mix ranging from anchors like UA Cinema to Ucommune, the mall is positioned as a thematic destination for work and leisure.The following is a summary of the key property information on CapitaMall Minzhongleyuan:

Property Information	
Description	Six-storey building with one-storey basement
GRA	41,717sq m
Number of Leases	55
Land Use Right Expiry	30 June 2044[1] 15 September 2045
Market Valuation	RMB490.0 million[2]
Gross Revenue	RMB18.5 million
Net Property Income	RMB3.5 million[3]
Committed Occupancy	55.5%
Shopper Traffic	2.7 million
Key Tenants	UA Cinemas, Ucommune

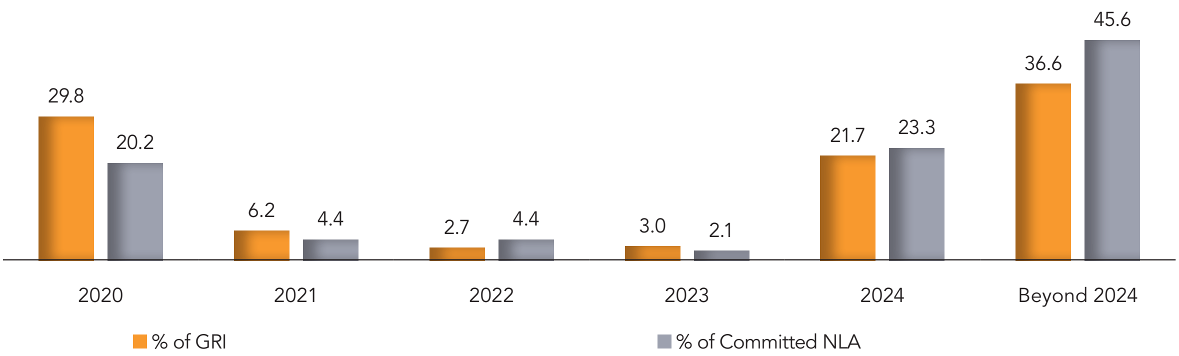
Data as at 31 December 2019. Gross revenue, net property income and shopper traffic are for the year ended 31 December 2019.

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. Included the impact of FRS 116 *Leases*, where lease expenses associated with the operating leases have been replaced with net changes in fair value of investment properties and interest expense on lease liabilities for FY 2019.

Lease expiry profile of CapitaMall Minzhongleyuan

The following chart sets out the annual lease expiry profile of CapitaMall Minzhongleyuan for the period 2020 to 2024 and beyond, expressed as a percentage of the committed NLA and gross rental income as at 31 December 2019:

Lease Expiry Profile (%)
(As at 31 December 2019)



Trade sector analysis of CapitaMall Minzhongleyuan

CapitaMall Minzhongleyuan'stenant base comprises quality tenants such as Watsons, 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 2019:

Trade Sector	By GRI (%)	By Committed NLA (%)
Leisure & Entertainment	35.6	46.5
Sundry & Services	21.7	23.3
Fashion & Accessories	20.6	14.4
Beauty & Healthcare	11.5	7.7
Food & Beverage	4.6	3.5
Sporting Goods & Apparel	3.6	2.7
Others	1.9	1.5
Shoes & Bags	0.3	0.2
Houseware & Furnishings	0.1	0.1
Information & Technology	0.1	0.1

(X) CapitaMall Shuangjing

CapitaMall Shuangjing is located in Beijing's Chaoyang district near the East Third Ring Road. The mall is well-served by public bus routes and lies within close proximity to the Jiulongshan metro station, which is served by lines 7 and 14. Its long-term lease anchor tenants, Carrefour and B&Q, are strong retail brands that are able to draw significant shopper traffic from the surrounding local and expatriate community as well as office workers from nearby commercial buildings.

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	7
Land Use Right Expiry	10 July 2042
Market Valuation	RMB610.0 million[1]
Gross Revenue	RMB47.6 million
Net Property Income	RMB38.1 million
Committed Occupancy	99.7%
Key Tenants	Carrefour, B&Q

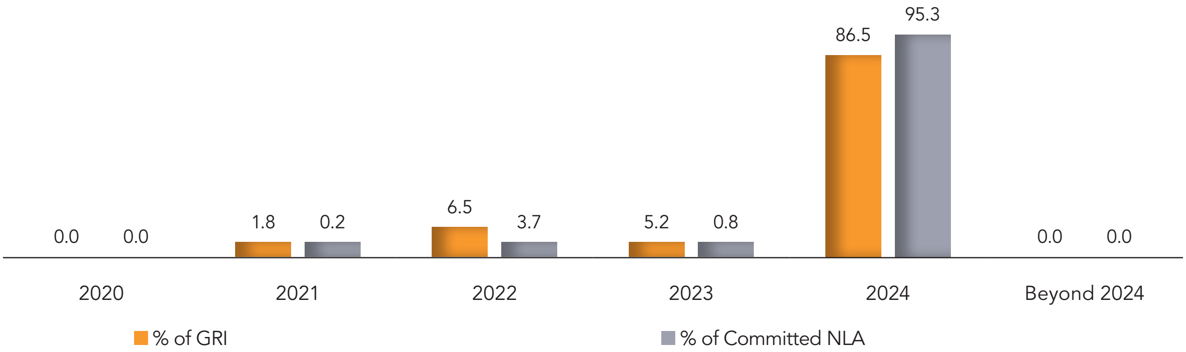
Data as at 31 December 2019. Gross revenue and net property income are for the year ended 31 December 2019. CapitaMall Shuangjing does not have traffic counters.

1 Independent valuation of CapitaMall Shuangjing was conducted by Cushman & Wakefield International Property Advisers (Shanghai) Co., Ltd.

Lease expiry profile of CapitaMall Shuangjing

The following chart sets out the annual lease expiry profile of CapitaMall Shuangjing for the period 2020 to 2024 and beyond, expressed as a percentage of the total NLA and total rental income as at 31 December 2019:

Lease Expiry Profile (%)
(As at 31 December 2019)



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 gross rental income by sector at the Property as at 31 December 2019:

Trade Sector	By GRI (%)	By Committed NLA (%)
Supermarket	55.1	61.2
Houseware & Furnishings	31.3	34.0
Food & Beverage	7.4	1.2
Beauty & Healthcare	4.3	3.4
Jewellery/Watches/Pens	1.9	0.2

(XI) CapitaMall Saihan

CapitaMall Saihan is one of the most popular shopping destinations located near to the heart of Hohhot's main retail precinct. Adding to the mall's access to public transport networks is the expected completion of the nearby metro lines in 2020. CapitaMall Saihan's broad-based positioning coupled with its offering of notable local and international brands such as BHG Supermarket, Jinyi Cinema, Nike, UNIQLO, Starbucks Coffee and Xiaomi, allows it to attract a wide range of shoppers beyond the vicinity. In February 2019, CRCT entered a bundle deal to acquire Yuquan Mall and divest CapitaMall Saihan. CRCT expects the divestment to be completed by the end of 2020.

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	194
Land Use Right Expiry	11 March 2041 20 March 2041
Market Valuation	RMB460.0 million[1]
Gross Revenue	RMB69.8 million
Net Property Income	RMB41.0 million
Committed Occupancy	99.8%
Shopper Traffic	9.0 million
Key Tenants	BHG Supermarket, Jinyi Cinema, Nike, UNIQLO, Vero Moda, Calvin Klein Jeans, Li-Ning, Gymboree, KFC, Pizza Hut

Data as at 31 December 2019. Gross revenue, net property income and shopper traffic are for the year ended 31 December 2019.

1. No independent valuation done for CapitaMall Saihan as it is an asset held for sale where the divestment price has already been locked in.

(XII) Rock Square

Rock Square is one of the largest shopping malls located within the well-established Jiangnanxi retail cluster in the Haizhu district, the second most populous urban district in Guangzhou. The mall is directly connected to Shayuan metro station, which serves Line 8 that links Guangzhou's eastern and western areas, and Guangfo Line that connects Guangzhou with Foshan. Surrounded by densely populated residential estates, the mall caters to about 800,000 residents from middle- and high-income households within a three-kilometre radius. Offering a wide range of fashion, dining and entertainment options for modern lifestyle needs, the mall presents a one-stop shopping and lifestyle experience, featuring well-known domestic and international brands such as AEON, UNIQLO, ZARA, Victoria's Secret, Xiaomi, Green Tea restaurant and HEYTEA.

The following is a summary of the key property information on Rock Square:

Property Information	
Description	Five retail levels with three levels above-ground and two levels at the basement
GRA	83,591 sq m
Number of Leases	201
Land Use Right Expiry	11 March 2041 20 March 2041
Market Valuation	RMB3,425.0 million[1, 2]
Gross Revenue	RMB207.6 million[1]
Net Property Income	RMB145.3 million[1]
Committed Occupancy	99.0%
Shopper Traffic	25.3 million
Key Tenants	AEON, ZARA, UNIQLO, Green Tea restaurant, Huawei, HEYTEA

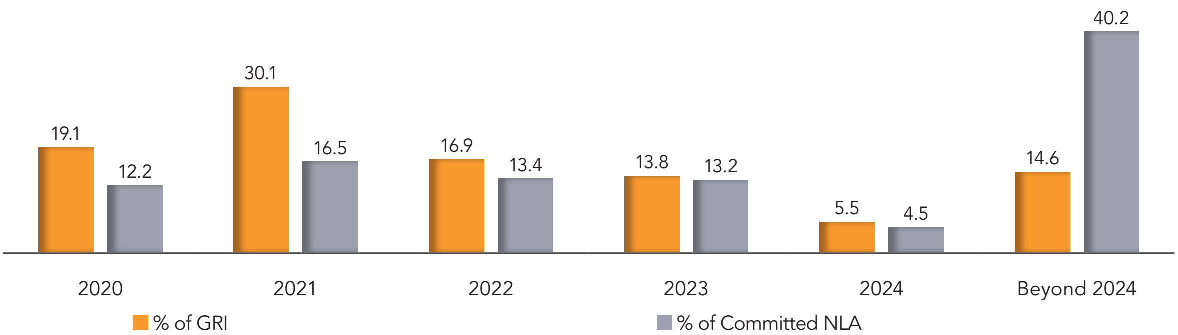
Data as at 31 December 2019. Gross revenue, net property income and shopper traffic are for the year ended 31 December 2019.

1. CRCT has a 51.0% interest in Rock Square. All information are presented based on 100% ownership.
2. Independent valuation of Rock Square was conducted by Beijing Colliers International Real Estate Valuation Co., Ltd.

Lease expiry profile of Rock Square

The following chart sets out the annual lease expiry profile of Rock Square for the period 2020 to 2024 and beyond, expressed as a percentage of the total NLA and gross rental income as at 31 December 2019:

Lease Expiry Profile (%)
(As at 31 December 2019)



Trade sector analysis of Rock Square

The following table sets out the breakdown of both the committed NLA and the gross rental income by sector at the Property as at 31 December 2019:

Trade Sector	By GRI (%)	By Committed NLA (%)
Food & Beverage	36.0	28.4
Fashion & Accessories	17.5	15.6
Beauty & Healthcare	6.9	4.9
Supermarket	6.5	24.1
Leisure & Entertainment	6.2	13.1
Sundry & Services	5.6	2.4
Others	5.4	3.0
Education	4.5	4.2
Jewellery/Watches/Pens	3.2	1.0
Houseware & Furnishings	3.0	1.1
Information & Technology	2.3	0.8
Shoes & Bags	1.6	0.7
Sporting Goods & Apparel	1.3	0.7

(XIII) Yuquan Mall

Expected to open by the end of 2020, Yuquan Mall will be positioned as a one-stop shopping destination catering to the lifestyle needs and aspirations of the city's rising middle class. Double the size of CapitaMall Saihan, with 2 basement levels of carpark, Yuquan Mall will be a newer and larger asset with better specifications that will feature higher quality tenants and a greater variety of new concepts.

The mall is strategically located within a well-established commercial hub with excellent frontage at a major intersection. It will be directly connected to NuoHeMuLe Station on metro line 2 (expected opening by the end of 2020). As part of a mixed-use development that also includes residential, SOHO and office components, the mall will cater to a sizeable estimated catchment of over 700,000 residents, as well as working professionals in the vicinity within a five-kilometre radius.

The following is a summary of the key property information on Yuquan Mall:

Property Information

Description	Seven retail levels and three levels at the basement
GRA	76,309 sq m
Land Use Right Expiry	26 July 2049
Market Valuation	RMB857.0 million[1]

Data as at 31 December 2019.

1. Independent valuation of Yuquan Mall was conducted by Cushman & Wakefield International Property Advisers (Shanghai) Co., Ltd.

SELECTED FINANCIAL INFORMATION

CAPITALAND RETAIL CHINA TRUST – STATEMENTS OF TOTAL RETURN

The following tables set forth the consolidated statements of total return of the Group for FY 2017, FY 2018, FY 2019 and the half year unaudited statements ended 30 June 2019 ("**1H 2019**") and 30 June 2020 ("**1H 2020**") and the consolidated statements of financial position of the Group for FY 2017, FY 2018, FY 2019 and 1H 2020. The selected financial information for FY 2017, FY 2018 and FY 2019 extracted from the audited financial statements of the Group for FY 2018 and FY 2019 should be read in conjunction such audited financial statements and the notes thereto.

	Group				
	1H 2020 $'000	**1H 2019 $'000**	**FY 2019 $'000**	**FY 2018 $'000**	**FY 2017 $'000**
Gross rental income	94,367	103,881	221,033	206,586	212,859
Other income	7,150	7,257	17,152	16,153	16,331
Gross revenue	**101,517**	**111,138**	**238,185**	**222,739**	**229,190**
Land rental	–	–	–	(5,747)	(5,940)
Property related tax	(9,641)	(10,098)	(21,131)	(20,616)	(23,806)
Business tax	(546)	(595)	(1,280)	(1,207)	(1,234)
Property management fees	(7,839)	(6,771)	(15,074)	(14,136)	(13,880)
Other property operating expenses	(18,213)	(13,507)	(35,329)	(33,610)	(35,118)
Total property operating expenses	**(36,239)**	**(30,971)**	**(72,814)**	**(75,316)**	**(79,978)**
Net property income	**65,278**	**80,167**	**165,371**	**147,423**	**149,212**
Manager's management fees	(7,716)	(7,330)	(15,514)	(14,073)	(12,921)
Trustee's fees	(292)	(237)	(509)	(464)	(423)
Audit fees	(240)	(206)	(410)	(415)	(408)
Valuation fees	(106)	(60)	(39)	(190)	(202)
Other trust operating (expenses)/ income	(389)	1,443	10,727	(1,056)	(579)
Foreign exchange gain/(loss) – realised	2,139	720	6,521	(138)	(636)
Finance income	3,464	2,892	7,093	6,307	2,418
Finance costs	(20,196)	(16,607)	(36,514)	(26,736)	(23,465)
Net finance income/(costs)	(16,732)	(13,715)	(29,421)	(20,429)	(21,047)
Net income before share of results of joint venture	**41,942**	**60,782**	**136,726**	**110,658**	**112,996**
Share of results (net of tax) of joint venture	3,364	3,680	8,570	7,249	–
Net income	**45,306**	**64,462**	**145,296**	**117,907**	**112,996**
Gain / (loss) on disposal of subsidiary	34,708	–	(4,750)	–	52,227
Change in fair value of investment properties	(57)	66,679	100,079	68,423	41,457
Change in fair value of financial derivatives	(984)	1,881	2,018	(1,686)	–
Foreign exchange (loss)/gain – unrealised	(381)	(853)	(1,419)	(625)	584
Total return before taxation	**78,592**	**132,169**	**241,224**	**184,019**	**207,264**
Taxation	(28,778)	(37,683)	(74,598)	(56,549)	(64,214)
Total return for the year after taxation	**49,814**	**94,486**	**166,626**	**127,470**	**143,050**
Attributable to:					
Unitholders	49,814	93,284	165,424	128,561	144,696
Non-controlling interest	–	1,202	1,202	(1,091)	(1,646)
Total return for the period after taxation	**49,814**	**94,486**	**166,626**	**127,470**	**143,050**

CAPITALAND RETAIL CHINA TRUST – STATEMENTS OF FINANCIAL POSITION

	Group			
	30 June 2020 S$'000 (unaudited)	**31 December 2019 S$'000**	**31 December 2018 S$'000**	**31 December 2017 S$'000**
Non-current assets				
Investment properties	3,157,322	3,166,006	2,439,106	2,441,024
Plant and equipment	2,272	2,396	2,335	2,962
Interest in joint venture	273,688	262,457	257,679	–
Financial derivatives	–	–	1,048	309
Other receivables	1,274	1,262	1,457	1,536
	3,434,556	3,432,121	2,701,625	2,445,831
Current assets				
Non-trade amounts due from subsidiaries	–	–	–	–
Financial derivatives	–	346	124	127
Trade and other receivables	120,370	124,368	107,037	35,595
Cash and cash equivalents	129,443	139,920	173,904	186,515
	249,813	264,634	281,065	222,237
Assets held for sale	114,806	108,898	–	–
	364,619	373,532	281,065	222,237
Total assets	**3,799,175**	**3,805,653**	**2,982,690**	**2,668,068**
Less				
Current Liabilities				
Trade and other payables	134,065	150,972	60,670	59,191
Security deposits	38,292	32,028	25,320	21,518
Financial derivatives	3,449	183	71	5,360
Interest-bearing borrowings	234,617	206,621	161,244	–
Lease liabilities	4,218	4,075	–	–
Provision for taxation	3,089	8,739	3,850	6,555
	417,730	402,618	251,155	92,624
Liabilities held for sale	14,985	14,448	–	–
	432,715	417,066	251,155	92,624
Non-current liabilities				
Financial derivatives	17,354	5,094	2,951	2,443
Other payables	237	326	313	372
Security deposits	27,790	34,288	29,279	29,300
Interest-bearing borrowings	1,022,876	1,173,291	876,778	747,507
Lease liabilities	25,965	27,170	–	–
Deferred tax liabilities	273,098	274,747	250,652	227,734
	1,367,320	1,514,916	1,159,973	1,007,356
Total liabilities	**1,800,035**	**1,931,982**	**1,411,128**	**1,099,980**
Net assets	**1,999,140**	**1,873,671**	**1,571,562**	**1,568,088**
Represented by:				
Unitholders' funds	1,999,140	1,873,671	1,553,220	1,548,771
Non-controlling interest	–	–	18,342	19,317
	1,999,140	**1,873,671**	**1,571,562**	**1,568,088**

1H 2020 vs 1H 2019

In RMB terms, gross revenue in 1H 2020 decreased by RMB43.5 million, or 7.8% lower than 1H 2019. The decrease was attributable to the following:

(a) In 1H 2020, rental relief was extended to tenants affected by the COVID-19 situation. The rental relief was provided in 2 phases. Under phase 1, 100% rental relief was extended to tenants for the period between 25 January 2020 and 13 February 2020 in CapitaMall Minzhongleyuan, and 50% rental relief for the period between 25 January 2020 and 9 February 2020 in other malls. Under phase 2, targeted rental relief was individually extended to provide further support to the most affected tenants as a result of mandated business closure imposed by the PRC government. On average, 1.2 months equivalent of gross rental income rental relief was extended to tenants across the portfolio in 1H 2020; and

(b) the absence of CapitaMall Erqi's contribution following the pre-termination of lease of its anchor tenant in 4Q 2019 and the completion of divestment in May 2020.

The decrease in gross revenue was partially offset by the contributions from CapitaMall Yuhuating, CapitaMall Xuefu and CapitaMall Aidemengdun which were acquired on 30 August 2019.

In SGD terms, gross revenue in 1H 2020 decreased by $9.6 million, or 8.7% due to stronger SGD against RMB.

Property expenses for 1H 2020 increased by $5.3 million, or 17.0% compared to 1H 2019. This was mainly due to the inclusion of expenses by CapitaMall Yuhuating, CapitaMall Xuefu, and CapitaMall Aidemengdun, which were partially offset by savings in:

(a) property tax and property management fees; and

(b) utilities, staff related costs and marketing expenses through costs savings and COVID-19 concessions granted by the government.

Management fees payable to the manager were $0.4 million higher than 1H 2019, due to the increased number of properties arising from the inclusion of CapitaMall Yuhuating, CapitaMall Xuefu, CapitaMall Aidemengdun and Yuquan Mall.

Finance costs in 1H 2020 was $3.6 million higher than 1H 2019. This was mainly due to additional interest-bearing borrowings drawn down to fund the acquisition of CapitaMall Yuhuating, CapitaMall Xuefu and CapitaMall Aidemengdun, which were offset by lower interest arising from lower interest rates in 2020.

Share of results (net of tax) from joint venture relates to the contribution from Rock Square. The decrease was mainly due to rental relief extended to tenants in view of COVID-19, partially offset by lower property expenses.

Taxation in 1H 2020 decreased by $8.9 million as compared to 1H 2019 as no deferred tax on fair value changes in investment properties was incurred following the change of property valuation from half-yearly to annual basis and lower corporate tax incurred as a result of the rental relief that were extended to the tenants. The decrease in taxation was partially offset by the withholding tax paid on the gain on disposal of Erqi SPV.

FY 2019 vs FY 2018

In RMB terms, gross revenue for FY 2019 increased by RMB110.3 million, or 10.1% higher than FY 2018. The increase was mainly due to new contributions from CapitaMall Xuefu, CapitaMall Yuhuating and CapitaMall Aidemengdun which were acquired on 30 August 2019 and rental growth from the multi-tenanted malls. This was partially offset by lower revenue in CapitaMall Erqi due to pre-termination of lease of its anchor tenant and CapitaMall Wuhu which was divested in July 2019. In SGD terms, gross revenue in FY 2019 increased by $15.4 million, or 6.9% over FY 2018.

Property expenses for FY 2019 decreased by $2.5 million, or 3.3% compared to FY 2018. This was mainly due to the exclusion of land rental expenses in FY 2019, as a result of the application of the principles of FRS 116 *Leases*, and lower operating expenses in CapitaMall Wuhu following its divestment. This was partially offset by the acquisition of property expenses in CapitaMall Xuefu, CapitaMall Yuhuating and CapitaMall Aidemengdun.

Management fees payable to the manager were $1.4 million, or 10.2% higher than FY 2018 mainly due to the increased number of deposited properties and higher net property income arising from the acquisition of CapitaMall Xuefu, CapitaMall Yuhuating and CapitaMall Aidemengdun.

Finance income earned in FY 2019 was $0.8 million higher than FY 2018 mainly due to interest earned from bank deposits placed with financial institutions.

Finance costs in FY 2019 was $9.8 million, or 36.6% higher than FY 2018. This was mainly due to higher interest cost arising from refinancing of bridge loan used to finance the acquisition of Rock Square, additional interest bearing borrowings drawn down for the acquisitions in FY 2019 and inclusion of interest expense on lease liabilities in FY 2019, as a result of the application of the principles of FRS 116 *Leases*.

Share of results (net of tax) from joint venture relates to the contribution from Rock Square which was acquired on 31 January 2018.

Taxation in FY 2019 increased by $18.0 million, or 31.9% as compared to FY 2019. The higher taxation arose mainly from the provision of deferred tax liabilities on higher fair value gain on the portfolio investment properties including the acquisition of CapitaMall Xuefu, CapitaMall Yuhuating and CapitaMall Aidemengdun.

FY 2018 vs FY 2017

In RMB terms, gross revenue for FY 2018 decreased by RMB29.9 million, or 2.7% lower than FY 2017. The decrease was mainly due to no contribution from CapitaMall Anzhen which was divested in July 2017. CapitaMall Grand Canyon was impacted by lower atrium revenue in FY 2018 and a one-off government subsidy received in prior year. CapitaMall Minzhongleyuan was undergoing tenant mix adjustments and occupancy levels had not yet stabilised. These were partially offset by the growth in revenue from the rest of the multi-tenanted malls.

Property expenses for FY 2018 was $4.7 million, or 5.8% lower than FY 2017 mainly due to CapitaMall Anzhen which was divested in July 2017.

Management fees payable to the manager were $1.2 million higher than FY 2017 mainly due to the increased number of deposited properties and higher net property income arising from the acquisition of the 51% interest in RS JV in January 2018.

Finance income earned in FY 2018 was $3.9 million higher than FY 2017 mainly due to interest earned from loan to joint venture.

Finance costs in FY 2018 was $3.3 million higher than FY 2017. This was mainly due to the additional loans drawn down to finance the acquisition of RS JV on 31 January 2018, and partially offset by the finance cost savings from the repayment of RMB denominated interest borrowing in June 2017.

Share of results (net of tax) from joint ventures relates to the contribution from RS JV which was acquired on 31 January 2018.

Taxation in FY 2018 decreased by $7.7 million as compared to FY 2017. The lower taxation in FY 2018 was mainly due to withholding tax paid on the gain on disposal of CapitaMall Anzhen in FY 2017.

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 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 no assurance can be given that the relevant tax authorities or the courts will agree 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

Interest and Other Payments

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 the prevailing corporate tax rate, 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 "**break cost**", "**prepayment fee**" and "**redemption premium**" are defined in the ITA as follows:

- "break cost", in relation to debt securities, qualifying debt securities or qualifying project 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;

- "prepayment fee", in relation to debt securities, qualifying debt securities or qualifying project 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; and

- "redemption premium", in relation to debt securities, qualifying debt securities or qualifying project debt securities, means any premium payable by the issuer of the securities on the redemption of the securities upon their maturity.

Any references to "break cost", "prepayment fee" and "redemption premium" in this Singapore taxation disclosure shall 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 2023 ("**Relevant Notes**") would be, pursuant to the ITA and the Income Tax (Qualifying Debt Securities) Regulations (the "**QDS Regulations**"), "qualifying debt securities" for the purposes of the ITA, to which the following treatments shall apply:

(i) subject to certain prescribed conditions having been fulfilled (including the furnishing to MAS by the Issuer or such other person as MAS may direct, 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 a 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 "qualifying debt securities" shall not apply if the non-resident person acquires the Relevant Notes using funds from that 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 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 to MAS by the Issuer, or such other person as MAS may direct, of a return on debt securities in respect of 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 the tax exemption as described in paragraph (i) above, is subject to income tax at a concessionary rate of 10.0% (except for holders who have been granted the Financial Sector Incentive (standard-tier) status (within the meaning of Section 43N of the ITA)); and

(iii) subject to:

(a) 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

(b) 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.

However, notwithstanding the foregoing:

(A) if during the primary launch of any tranche of the Relevant Notes, such tranche of the Relevant Notes is issued to fewer than four persons and 50.0% or more of the issue of such tranche of the Relevant Notes is beneficially held or funded, directly or indirectly, by related parties of the Issuer or the CRCT Manager, such tranche of the Relevant Notes would not qualify as "qualifying debt securities"; and

(B) even though a particular tranche of the Relevant Notes are "qualifying debt securities", if at any time during the tenure of such tranche of the Relevant Notes, 50.0% or more of the issue of such Relevant Notes which is outstanding at any time during the life of its issue is held beneficially or funded, directly or indirectly, by any related party(ies) 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 is derived from the Relevant Notes by any person who is not tax resident in Singapore and who carries on any operations in Singapore through a permanent establishment in Singapore, the tax exemption available for "qualifying debt securities" under the ITA (as described above) shall not apply if such person acquires such Relevant Notes with funds from the Singapore operations.

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 Section 45A of the ITA, any person whose Qualifying Income derived from such Relevant Notes is not exempt from tax is required to include such income in a return of income made under the ITA.

2. TAXATION RELATING TO PAYMENTS ON PERPETUAL SECURITIES

Singapore tax classification of hybrid instruments

The ITA currently 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, IRAS has published an e-Tax Guide: Income Tax Treatment of Hybrid Instruments (Second Edition) on 21 October 2019 (the "**Hybrid Instruments e-Tax Guide**") which sets out the income tax treatment of hybrid instruments, including the factors that IRAS will generally use to determine whether such instruments are debt or equity instruments for income tax purposes.

Among others, 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; and

(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 either dividends or REIT distributions. In respect of REIT distributions, such distributions are taxable in the hands of the instrument holders being returns on investments, regardless of the underlying receipts from which such distributions are made.

Tax treatment if the Perpetual Securities are characterised as debt instruments

In the event that any tranche of the Perpetual Securities (the "**Relevant Tranche of Perpetual Securities**") is characterised as debt instruments for Singapore income tax purposes, payment of distributions (including Optional Distributions and Arrears of Distribution) in respect of the Relevant Tranche of Perpetual Securities (hereafter referred to as "**Distributions**") and Additional Distribution Amounts should be regarded as interest payments and the disclosure above under "Taxation relating to payments on Notes" summarises the income tax treatment that may be applicable on the Distributions and Additional Distribution 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 and Additional Distribution Amounts.

Tax treatment if the Perpetual Securities are characterised as equity instruments

In the event that the Relevant Tranche of Perpetual Securities is characterised as equity instrument for Singapore income tax purposes, the Distributions are taxable in the hands of Perpetual Securityholders either as income under Section 10(1)(a) or Section 10(1)(g) of the ITA.

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 person (other than non-resident individuals) is the prevailing corporate tax rate, 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.

Application for tax ruling

The Issuer may apply to IRAS for an advance tax ruling to confirm the classification of the Relevant Tranche of Perpetual Securities for Singapore income tax purposes and the Singapore tax treatment of the payment of the Distributions.

If such an application is made and a tax ruling is obtained, the Issuer will provide relevant details of the tax ruling issued by 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 THE 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 holder of the Securities. Holders of the Securities who have adopted or are required to adopt Financial Reporting Standard 109 – Financial Instruments ("FRS 109") or Singapore Financial Reporting Standard (International) 9 (Financial Instruments) ("SFRS(I) 9") (as the case may be) 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 109 or SFRS(I) 9 (as the case may be). Please see the section below on "Adoption of FRS 109 or SFRS(I) 9 Treatment for Singapore Income Tax Purposes".

4. ADOPTION OF FRS 109 OR SFRS(I) 9 TREATMENT FOR SINGAPORE INCOME TAX PURPOSES

IRAS has published an e-Tax guide: Income Tax: Income Tax Treatment Arising from Adoption of FRS 109 – Financial Instruments (Second Edition) on 6 November 2019 (the "FRS 109 e-Tax Guide"). Legislative amendments to give legislative effect to the tax treatment set out in the FRS 109 e-Tax Guide have been enacted in Section 34AA of the ITA. Section 34AA of the ITA requires taxpayers who comply or who are required to comply with FRS 109 or SFRS(I) 9 (as the case may be) for financial reporting purposes to calculate their profit, loss or expense for Singapore income tax purposes in respect of financial instruments in accordance with FRS 109 or SFRS(I) 9 (as the case may be), subject to certain exceptions.

Holders of the Securities who may be subject to the tax treatment under the FRS 109 e-Tax Guide and Section 34AA 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.

5. 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 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.

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 or securities-based derivatives contracts (each term as defined in Section 2(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, 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 37A of the Securities and Futures (Offers of Investment) (Securities and Securities-based Derivatives Contracts) Regulations 2018 of Singapore.

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

CHANGES IN ACCOUNTING POLICIES

1. 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 2019, except for the early adoption of Amendment to FRS 116 Covid-19-Related Rent Concessions.

LITIGATION

2. 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

3. 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 2019.

CONSENT

4. 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

5. 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 2018;

   (d) the audited consolidated accounts of CRCT and its subsidiaries for the financial year ended 31 December 2019; and

   (e) the unaudited consolidated accounts of CRCT and its subsidiaries for the half year ended 30 June 2020.

FUNCTIONS, RIGHTS AND OBLIGATIONS OF THE TRUSTEE

6. 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 2018

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 2018 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 2018

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, a sixth supplemental deed dated 29 April 2016 and a seventh supplemental deed dated 5 June 2018) (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 FS73, 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

Authorised Signatory

Singapore
18 February 2019

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 FS73 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 2018, 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 Tze Wooi
Director

Singapore
18 February 2019

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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 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 2018, 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 FS73.

In our opinion, the accompanying 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 2018 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

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 8 cities in China. Investment properties represent the largest asset item on the consolidated statement of financial position, at S$2.44 billion as at 31 December 2018 (2017: S$2.44 billion).

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 discussed with the valuers to understand their valuation approaches, assumptions used and bases of valuations. We considered the valuation methodologies against those applied by other valuers for similar property types.

We compared the projected cash flows used in the valuations to lease agreements and other supporting documents. We evaluated the appropriateness of the discount, capitalisation and terminal yield rates used in the valuation by comparing these against historical trends and available industry data, taking into consideration comparability and market factors. Where the rates were outside the expected ranges, we undertook further procedures to understand the effect of additional factors and, when necessary, held further discussions with the valuers.

Our findings

The Group has a structured process in appointing external valuers and in reviewing, challenging and accepting their valuations. 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 contained in the annual report. Other information is defined as all information in the annual report other than the financial statements and our auditors' report thereon.

We have obtained all other information prior to the date of this auditors' report.

Our opinion on the financial statements does not cover the other information and we do 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 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, 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 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 Manager's responsibilities 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.

KPMG

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 Manager's use of the going concern basis of accounting 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 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 Lim Pang Yew, Victor.

KPMG LLP

KPMG LLP
Public Accountants and
Chartered Accountants

Singapore
18 February 2019

Statements of financial position
As at 31 December 2018

	Note	Group 2018 $'000	Group 2017 $'000	Trust 2018 $'000	Trust 2017 $'000
Non-current assets					
Investment properties	4	2,439,106	2,441,024	–	–
Plant and equipment	5	2,335	2,962	–	–
Subsidiaries	6	–	–	1,581,896	1,320,937
Interest in joint venture	7	257,679	–	–	–
Financial derivatives	12	1,048	309	1,048	309
Other receivables	8	1,457	1,536	–	–
		2,701,625	2,445,831	1,582,944	1,321,246
Current assets					
Non-trade amounts due from subsidiaries	6	–	–	5,777	5,108
Financial derivatives	12	124	127	124	127
Trade and other receivables	8	107,037	35,595	330	25,562
Cash and cash equivalents	9	173,904	186,515	879	9,630
		281,065	222,237	7,110	40,427
Total assets		**2,982,690**	**2,668,068**	**1,590,054**	**1,361,673**
Current liabilities					
Trade and other payables	10	60,670	59,191	8,525	4,964
Security deposits		25,320	21,518	–	–
Financial derivatives	12	71	5,360	71	5,360
Interest-bearing borrowings	11	161,244	–	161,244	–
Provision for taxation		3,850	6,555	15	7
		251,155	92,624	169,855	10,331
Non-current liabilities					
Financial derivatives	12	2,951	2,443	2,951	2,443
Other payables	10	313	372	–	–
Security deposits		29,279	29,300	–	–
Interest-bearing borrowings	11	876,778	747,507	876,778	747,507
Deferred tax liabilities	13	250,652	227,734	–	–
		1,159,973	1,007,356	879,729	749,950
Total liabilities		**1,411,128**	**1,099,980**	**1,049,584**	**760,281**
Net assets		**1,571,562**	**1,568,088**	**540,470**	**601,392**
Represented by:					
Unitholders' funds	14	1,553,220	1,548,771	540,470	601,392
Non-controlling interest	15	18,342	19,317	–	–
		1,571,562	**1,568,088**	**540,470**	**601,392**
Units in issue ('000)	16	**980,549**	**966,226**	**980,549**	**966,226**
Net asset value per Unit attributable to Unitholders ($)		**1.58**	**1.60**	**0.55**	**0.62**

The accompanying notes form an integral part of these financial statements.

Statements of total return
Year ended 31 December 2018

	Note	Group 2018 $'000	Group 2017 $'000	Trust 2018 $'000	Trust 2017 $'000
Gross rental income		206,586	212,859	–	–
Other income		16,153	16,331	–	–
Gross revenue		**222,739**	**229,190**	–	–
Land rental		(5,747)	(5,940)	–	–
Property related tax		(20,616)	(23,806)	–	–
Business tax		(1,207)	(1,234)	–	–
Property management fees and reimbursables		(14,136)	(13,880)	–	–
Other property operating expenses	18	(33,610)	(35,118)	–	–
Total property operating expenses		**(75,316)**	**(79,978)**	–	–
Net property income		**147,423**	**149,212**	–	–
Manager's management fees					
- Base fee	19	(7,690)	(6,973)	(7,690)	(6,973)
- Performance fee	19	(6,383)	(5,948)	(6,383)	(5,948)
Manager's acquisition fee		–	–	(3,488)	–
Manager's divestment fee		–	–	–	(1,162)
Trustee's fees		(464)	(423)	(464)	(423)
Audit fees		(415)	(408)	(159)	(138)
Valuation fees		(190)	(202)	–	–
Other trust operating (expense)/income	20	(1,056)	(579)	(486)	606
Dividend income		–	–	4,104	161,891
Foreign exchange (loss)/gain - realised		(138)	(636)	162	(7,577)
Finance income		6,738	2,418	18,799	18,950
Finance costs		(27,167)	(23,465)	(27,167)	(22,359)
Net finance income/(costs)	21	(20,429)	(21,047)	(8,368)	(3,409)
Net income/(loss) before share of results of joint venture		**110,658**	**112,996**	**(22,772)**	**136,867**
Share of results (net of tax) of joint venture		7,249	–	–	–
Net income/(loss)		**117,907**	**112,996**	**(22,772)**	**136,867**
Gain on disposal of subsidiary		–	52,227	–	–
Change in fair value of investment properties	4	68,423	41,457	–	–
Impairment of subsidiary	6	–	–	(3,835)	(8,815)
Change in fair value of financial derivatives		(1,686)	–	(8,403)	(9,857)
Foreign exchange (loss)/gain - unrealised		(625)	584	9,141	(28,141)
Total return for the year before taxation		**184,019**	**207,264**	**(25,869)**	**90,054**
Taxation	22	(56,549)	(64,214)	(13)	(7)
Total return for the year after taxation		**127,470**	**143,050**	**(25,882)**	**90,047**
Attributable to:					
Unitholders		128,561	144,696	(25,882)	90,047
Non-controlling interest	15	(1,091)	(1,646)	–	–
Total return for the year after taxation		**127,470**	**143,050**	**(25,882)**	**90,047**
Earnings per Unit (cents)	23				
- Basic		**13.22**	**16.21**		
- Diluted		**13.16**	**16.14**		

The accompanying notes form an integral part of these financial statements.

Distribution statements
Year ended 31 December 2018

	Note	Group 2018 $'000	Group 2017 $'000	Trust 2018 $'000	Trust 2017 $'000
Amount available for distribution to Unitholders at beginning of the year		**8,491**	**41,389**	**8,491**	**41,389**
Total return for the year attributable to Unitholders		128,561	144,696	(25,882)	90,047
Distribution adjustments	A	(34,820)	(57,260)	119,623	(2,611)
Income for the year available for distribution to Unitholders		93,741	87,436	93,741	87,436
Capital distribution[1]		6,000	3,700	6,000	3,700
Distributable amount to Unitholders	B	99,741	91,136	99,741	91,136
Amount available for distribution to Unitholders		**108,232**	**132,525**	**108,232**	**132,525**
Distribution to Unitholders during the year:					
- Distribution of 0.83 cents per Unit for the period from 7 December 2017 to 31 December 2017		(8,020)	–	(8,020)	–
- Distribution of 5.39 cents per Unit for the period from 1 January 2018 to 30 June 2018		(52,280)	–	(52,280)	–
- Distribution of 4.73 cents per Unit for the period from 1 July 2016 to 31 December 2016		–	(41,136)	–	(41,136)
- Distribution of 5.36 cents per Unit for the period from 1 January 2017 to 30 June 2017		–	(47,637)	–	(47,637)
- Advance distribution of 3.91 cents per Unit for the period from 1 July 2017 to 6 December 2017		–	(35,261)	–	(35,261)
		(60,300)	(124,034)	(60,300)	(124,034)
Amount available for distribution to Unitholders at end of the year	*	**47,932**	**8,491**	**47,932**	**8,491**
Distribution per Unit (cents)	*	**10.22**	**10.10**		

[1] Comprises partial distribution of the gain from the disposal of Anzhen SPV.

* The Distribution per Unit relates to the distributions in respect of the relevant financial year. The distribution relating to 1 July 2018 to 31 December 2018 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 2018

Note A – Distribution adjustments

	Group		Trust	
	2018	2017	2018	2017
	$'000	$'000	$'000	$'000
Distribution adjustment items:				
- Gain on disposal of subsidiary, net of tax	–	(37,314)	–	–
- Foreign exchange capital loss realised	–	851	–	156
- Manager's management fees (performance component paid/payable in Units)	6,383	5,995	6,383	5,995
- Change in fair value of financial derivatives	1,686	–	8,403	9,857
- Change in fair value of investment properties [1]	(68,442)	(43,247)	–	–
- Deferred taxation [1]	29,764	21,129	–	–
- Transfer to general reserve	(6,188)	(6,086)	–	–
- Unrealised foreign exchange loss/(gain) [1]	289	(317)	(9,141)	28,141
- Other adjustments [1]	1,336	1,729	–	–
- Adjustments for share of results (net of tax) of joint venture	352	–	–	–
- Net overseas income not distributed/(distributed) to the Trust	–	–	113,978	(46,760)
Net effect of distribution adjustments	**(34,820)**	**(57,260)**	**119,623**	**(2,611)**

[1] Excludes non-controlling interest's share.

Note B – Distributable amount to Unitholders

	Note	Group		Trust	
		2018	2017	2018	2017
		$'000	$'000	$'000	$'000
Comprises:					
- from operations		(20,236)	87,436	(20,236)	87,436
- from Unitholders' contribution		113,977	–	113,977	–
		93,741	87,436	93,741	87,436
- from capital distribution		6,000	3,700	6,000	3,700
Total Unitholders' distribution	17	**99,741**	**91,136**	**99,741**	**91,136**

The accompanying notes form an integral part of these financial statements.

Statements of movements in Unitholders' funds
Year ended 31 December 2018

	Group		Trust	
	2018	2017	2018	2017
	$'000	$'000	$'000	$'000
Operations				
Unitholders' funds as at beginning of the year	1,548,771	1,431,811	601,392	489,969
Change in Unitholders' funds resulting from operations	128,561	144,696	(25,882)	90,047
Transfer to general reserve	(6,188)	(6,086)	–	–
Net increase/(decrease) in net assets resulting from operations	**122,373**	**138,610**	**(25,882)**	**90,047**
Movements in hedging reserve				
Effective portion of changes in fair value of cash flow hedges	2,886	(3,704)	2,886	(3,704)
Movements in foreign currency translation reserve				
Translation differences from financial statements of foreign operations	(77,960)	(6,917)	–	–
Exchange differences on monetary items forming part of net investment in foreign operations	(4,396)	(32,337)	–	–
Exchange differences on hedges of net investment in foreign operations	(6,716)	(9,858)	–	–
Net (loss)/gain recognised directly in Unitholders' funds	**(86,186)**	**(52,816)**	**2,886**	**(3,704)**
Movement in general reserve	**6,188**	**6,086**	–	–
Unitholders' transactions				
New Units issued	–	103,800	–	103,800
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	6,383	5,995	6,383	5,995
Units issued in respect of the distribution reinvestment plan	15,991	41,419	15,991	41,419
	22,374	151,214	22,374	151,214
Distributions to Unitholders	(60,300)	(124,034)	(60,300)	(124,034)
Equity issue expenses	–	(2,100)	–	(2,100)
Net (decrease)/increase in net assets resulting from Unitholders' transactions	**(37,926)**	**25,080**	**(37,926)**	**25,080**
Unitholders' funds as at end of the year	**1,553,220**	**1,548,771**	**540,470**	**601,392**

The accompanying notes form an integral part of these financial statements.

Portfolio statement
Year ended 31 December 2018

Description of leasehold property	Location	Term of lease (years)	Remaining term of lease (years)	Valuation 2018 RMB'000	Valuation 2017 RMB'000	Valuation 2018 $'000	Valuation 2017 $'000	Percentage of Unitholders' funds 2018 %	Percentage of Unitholders' funds 2017 %
Group									
CapitaMall Xizhimen	No. 1, Xizhimenwai Road, Xicheng District, Beijing	40 - 50	26 - 36	3,293,000	3,075,000	650,104	627,085	41.9	40.5
CapitaMall Wangjing	No. 33, Guangshun North Road, Chaoyang District, Beijing	38 - 48	24 - 34	2,543,000	2,375,000	502,039	484,334	32.3	31.3
CapitaMall Grand Canyon	No. 16, South Third Ring West Road, Fengtai District, Beijing	40 - 50	26 - 36	2,095,000	2,090,000	413,595	426,215	26.6	27.5
CapitaMall Xinnan	No. 99, Shenghe Yi Road, Gaoxin District, Chengdu, Sichuan Province	40	29	1,550,000	1,536,000	306,001	313,236	19.7	20.2
CapitaMall Erqi	No. 3, Minzhu Road, Erqi District, Zhengzhou, Henan Province	38	23	645,000	638,000	127,336	130,107	8.2	8.4
CapitaMall Shuangjing	No. 31, Guangqu Road, Chaoyang District, Beijing	40	24	590,000	583,000	116,478	118,891	7.5	7.7
CapitaMall Minzhongleyuan(1)	No. 704, Zhongshan Avenue, Jianghan District, Wuhan, Hubei Province	40	25 - 27	515,911	528,911	101,851	107,861	6.6	7.0
CapitaMall Qibao(2)	No. 3655, Qixin Road, Minhang District, Shanghai	39	24	470,000	495,000	92,787	100,945	6.0	6.5
Balance carried forward				11,701,911	11,320,911	2,310,191	2,308,674	148.8	149.1

The accompanying notes form an integral part of these financial statements.

Portfolio statement (cont'd)
Year ended 31 December 2018

Description of leasehold property	Location	Term of lease (years)	Remaining term of lease (years)	Valuation 2018 RMB'000	Valuation 2017 RMB'000	Valuation 2018 \$'000	Valuation 2017 \$'000	Percentage of Unitholders' funds 2018 %	Percentage of Unitholders' funds 2017 %
Group									
Balance brought forward				11,701,911	11,320,911	2,310,191	2,308,674	148.8	149.1
CapitaMall Saihan	No. 32, Ordos Street, Saihan District, Hohhot, Inner Mongolia Autonomous Region	35	22	460,000	456,000	90,813	92,992	5.8	6.0
CapitaMall Wuhu	No. 37, Zhongshan North Road, Jinghu District, Wuhu, Anhui Province	40	25	193,000	193,000	38,102	39,358	2.4	2.5
Investment properties, at valuation				12,354,911	11,969,911	2,439,106	2,441,024	157.0	157.6
Investment in joint venture (Note 7)						257,679	–	16.6	–
Other assets and liabilities (net)						(1,125,223)	(872,936)	(72.4)	(56.4)
						1,571,562	1,568,088	101.2	101.2
Net assets attributable to non-controlling interest						(18,342)	(19,317)	(1.2)	(1.2)
Net assets attributable to Unitholders						1,553,220	1,548,771	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.

The accompanying notes form an integral part of these financial statements.

Consolidated statement of cash flows
Year ended 31 December 2018

	Note	Group 2018 $'000	Group 2017 $'000
Operating activities			
Total return for the year after taxation		127,470	143,050
Adjustments for:			
Finance income		(6,738)	(2,418)
Finance costs		27,167	23,465
Depreciation and amortisation		1,282	1,727
Taxation		56,549	64,214
Manager's management fees payable in Units	A(i)	6,383	5,995
Plant and equipment written off		97	47
Change in fair value of investment properties		(68,423)	(41,457)
Change in fair value of financial derivatives		1,686	–
Share of results (net of tax) of joint venture		(7,249)	–
Gain on disposal of subsidiary		–	(52,227)
(Write back)/Impairment losses on trade receivables, net		(120)	131
Operating income before working capital changes		**138,104**	**142,527**
Changes in working capital:			
Trade and other receivables		431	(1,247)
Trade and other payables		3,372	2,247
Cash generated from operating activities		**141,907**	**143,527**
Income tax paid		(24,145)	(27,267)
Net cash from operating activities		**117,762**	**116,260**
Investing activities			
Interest received		2,425	2,418
Deposit paid for the acquisition of joint venture		–	(25,525)
Proceeds from disposal of subsidiary, net of tax	C	–	216,754
Capital expenditure on investment properties	A(ii)	(10,642)	(14,146)
Proceeds from disposal of plant and equipment		7	–
Net cash outflow on acquisition of subsidiaries	B	–	(3,510)
Net cash outflow on acquisition of joint venture	D	(229,312)	–
Loan to joint venture		(98,128)	–
Purchase of plant and equipment		(758)	(999)
Net cash (used in)/from investing activities		**(336,408)**	**174,992**
Financing activities			
Proceeds from issuance of new Units		–	103,800
Distribution to Unitholders		(44,309)	(82,615)
Payment of equity issue expenses		(82)	(1,535)
Payment of financing expenses		(1,850)	(2,005)
Proceeds from draw down of interest-bearing borrowings		590,850	517,900
Repayment of interest-bearing borrowings		(299,600)	(745,969)
Settlement of derivative contracts		(10,881)	(6,246)
Interest paid		(22,458)	(22,132)
Net cash from/(used in) financing activities		**211,670**	**(238,802)**
Decrease/Increase in cash and cash equivalents		**(6,976)**	**52,450**
Cash and cash equivalents at 1 January		186,515	136,137
Effect of foreign exchange rate changes on cash balances		(5,635)	(2,072)
Cash and cash equivalents at 31 December	10	**173,904**	**186,515**

The accompanying notes form an integral part of these financial statements.

Consolidated statement of cash flows (cont'd)
Year ended 31 December 2018

Notes:

(A) Significant non-cash and other transactions

(i) $6.4 million in 2018 relating to the performance component of the Manager's management fee will be paid through the issue of new Units subsequent to the year end.

$6.0 million in 2017 relating to the performance component of the Manager's management fee was paid through the issuance of 3,720,617 new Units in March 2018.

(ii) The Group enhanced its investment properties during the year, of which $5.0 million (2017: $5.8 million) was paid. During the year, the Group paid $5.6 million (2017: $8.3 million) of the prior years unpaid balance.

(B) Net cash outflow on the acquisition of subsidiaries

The balance final consideration of $3.5 million for acquisition of subsidiaries was fully paid in 2017.

(C) Net cash inflow on the divestment of subsidiary

Net cash inflow on divestment of subsidiary is provided below:

	2017 Group $'000
Investment properties	202,161
Cash	2,676
Trade and other receivables	4,227
Trade and other payables	(637)
Deferred tax liabilities	(25,782)
Provision for taxation	(529)
Net identifiable assets and liabilities divested	**182,116**
Gain on disposal of subsidiary	52,227
Sale consideration	234,343
Tax paid	(14,913)
Cash of subsidiary divested	(2,676)
Net cash inflow	**216,754**

The accompanying notes form an integral part of these financial statements.

Consolidated statement of cash flows (cont'd)
Year ended 31 December 2018

(D) Net cash outflow on the acquisition of joint venture

Net cash outflow on acquisition of joint venture is provided below:

	2018 Group \$'000
Investment properties	346,641
Cash	11,446
Plant and equipment	17
Trade and other receivables	1,804
Trade and other payables	(5,279)
Bank loans	(96,053)
Security deposits	(3,739)
Net identifiable assets and liabilities acquired	**254,837**
Deposit paid	(25,525)
Net cash outflow	**229,312**

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 18 February 2019.

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, a sixth supplemental deed dated 29 April 2016 and a seventh supplemental deed dated 5 June 2018) (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.

For financial reporting purposes, the Group is regarded as a controlled entity of CapitaLand Mall Asia Limited (immediate holding company). Accordingly, the ultimate holding Company is CapitaLand Limited. The immediate and ultimate holding companies are incorporated in the Republic of Singapore.

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 annual 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:

- investment properties are measured at fair value; and
- derivative financial instruments 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; and
- Note 28 – 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; and
- Note 28 – Valuation of financial instruments.

(e) Changes in accounting policies

The Group has applied principles under the following FRSs, amendments to and interpretations of FRS for the first time for the annual period beginning on 1 January 2018:

- FRS 115 *Revenue from Contracts with Customers*; and
- FRS 109 *Financial Instruments*.

Due to the transition methods chosen by the Group in applying the principles under these standards, comparative information throughout these financial statements has not been restated to reflect the principles of the new standards.

(i) 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.

The Group adopted the principles under FRS 115 in its financial statements using the retrospective approach.

(ii) Financial Instruments

FRS 109 *Financial Instruments* sets out requirements for recognising and measuring financial assets, financial liabilities and some contracts to buy or sell non-financial items. It also introduces a new 'expected credit loss' ("ECL") model and a new general hedge accounting model. The Group adopted the principles under FRS 109 from 1 January 2018.

Additionally, the Group has adopted the consequential amendments to the principles under FRS 107 *Financial Instruments: Disclosures* that are applied to disclosures about 2018 but have not been generally applied to comparative information.

Changes in accounting policies resulting from the adoption of the principles under FRS 109 have been generally applied by the Group retrospectively, except as described below.

- The Group has used an exemption not to restate comparative information for prior periods with respect to classification and measurement (including impairment) requirements. Differences in the carrying amounts of financial assets and financial liabilities resulting from the adoption of the principles under FRS 109 are recognised in retained earnings and reserves as at 1 January 2018. Accordingly, the information presented for 2017 does not generally reflect the principles of FRS 109 but rather those of FRS 39.

- The following assessments were made on the basis of facts and circumstances that existed at 1 January 2018.
  - The determination of the business model within which a financial asset is held;
  - The designation and revocation of previous designations of certain financial assets and financial liabilities as measured at fair value through the statement of total return; and
  - The designation of an equity investment that is not held for trading as at fair value through other comprehensive income ("FVOCI").

- Changes to hedge accounting policies are applied prospectively. All hedging relationships designated using the principles under FRS 39 at 31 December 2017 met the criteria for hedge accounting using the principles under FRS 109 at 1 January 2018 and are therefore regarded as continuing hedging relationships.

The impact upon adoption of the principles under FRS 109, including the corresponding tax effects, are described below.

Classification of financial assets and financial liabilities

FRS 109 contains these principal classification categories for financial assets: measured at amortised cost, FVOCI and fair value through the statement of total return. The classification of financial assets using the principles under FRS 109 is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics. FRS 109 eliminates the previous FRS 39 categories of held to maturity, loans and receivables and available for sale.

FRS 109 largely retains the existing principles of FRS 39 for the classification and measurement of financial liabilities.

The adoption of the principles under FRS 109 has not had a significant effect on the Group's accounting policies for financial liabilities and derivative financial instruments.

For an explanation of how the Group classifies and measures financial assets and related gains and losses using the principles under FRS 109, see Note 3(c)(ii).

The following table and the accompanying notes below explain the original measurement categories using the principles under FRS 39 and the new measurement categories using the principles under FRS 109 for each class of the Group's and the Trust's financial assets as at 1 January 2018.

			1 January 2018	
Group	**Original classification using the principles under FRS 39**	**New classification using the principles under FRS 109**	**Original carrying amount using the principles under FRS 39 \$'000**	**New carrying amount using the principles under FRS 109 \$'000**
Financial assets				
Trade and other receivables	Loans and receivables	Amortised cost	31,763	31,763
Cash and cash equivalents	Loans and receivables	Amortised cost	186,515	186,515
Total financial assets			**218,278**	**218,278**

Trust	Original classification using the principles under FRS 27/FRS 39	New classification using the principles under FRS 109	1 January 2018 Original carrying amount using the principles under FRS 27/FRS 39 $'000	New carrying amount using the principles under FRS 109 $'000
Financial assets				
Loans to subsidiaries	Net investment in subsidiaries	Amortised cost	333,054	333,054
Non- trade amounts due from subsidiaries	Net investment in subsidiaries	Amortised cost	427,497	427,497
Non- trade amounts due from subsidiaries	Loans and receivables	Amortised cost	5,108	5,108
Trade and other receivables	Loans and receivables	Amortised cost	25,562	25,562
Cash and cash equivalents	Loans and receivables	Amortised cost	9,630	9,630
Total financial assets			**800,851**	**800,851**

Impairment of financial assets

FRS 109 replaces the 'incurred loss' model in FRS 39 with an ECL model. The new impairment model applies to financial assets measured at amortised cost.

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

Additional information about how the Group measure the allowance for impairment is described in Note 8.

Hedging accounting

The Group had elected to adopt the new general hedge accounting model using the principles under FRS 109. This requires the Group to ensure that hedge accounting relationships are aligned with its risk management objectives and strategy and to apply a more qualitative and forward-looking approach to assessing hedge effectiveness.

For an explanation of how the Group applies hedge accounting using the principles under FRS 109, see Note 3(c)(vi).

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, except as explained in Note 2(e), which addresses changes in accounting policies.

(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

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related non-controlling interest and other components of equity. Any resulting gain or loss is recognised in the statement of total return. Any interest retained in the former subsidiary is measured at fair value when control is lost.

(iii) Joint ventures

A joint venture is an arrangement in which the Group has joint control, whereby the Group has rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities.

Investments in joint ventures are accounted for using the equity method. They are recognised initially at cost, which includes transaction costs. Subsequent to initial recognition, the consolidated financial statements include the Group's share of profit or loss and other comprehensive income ("OCI") of equity-accounted investees, after adjustments to align the accounting policies with those of the Group, from the date that joint control commences until the date that joint control ceases.

(iv) 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.

(v) 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 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 foreign currency differences arising from the translation of financial liabilities designated as hedges of the net investment in a foreign operation to the extent that the hedge is effective, and qualifying cash flow hedges to the extent that the hedge is effective (see Note 3(c)(vi)).

(ii) Foreign operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, 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.

Foreign currency differences are recognised in the foreign currency translation reserve in Unitholders' funds. However, if the foreign operation is a non-wholly-owned subsidiary, then the relevant proportionate share of the translation difference is allocated to the NCI. When a foreign operation is disposed of such that control or joint control is lost, 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. When the Group disposes of only part of its interest in a subsidiary that includes a foreign operation while retaining control, the relevant proportion of the cumulative amount is reattributed to NCI. When the Group disposes of only part of its investment in a joint venture that includes a foreign operation while retaining joint control, the relevant proportion of the cumulative amount is reclassified to the statement of total return.

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 that are considered to form part of a net investment in a foreign operation are recognised in Unitholders' funds and are presented in the foreign currency translation reserve.

(c) Financial instruments

(i) Initial recognition

Non-derivative financial assets and financial liabilities

Trade receivables are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Group becomes a party to the contractual provisions of the instrument.

(ii) Classification and measurement

Non-derivative financial assets – Policy applicable from 1 January 2018

The Group classifies its non-derivative financial assets into the following measurement categories: Amortised costs.

The classification depends on the Group's business model for managing the financial assets as well as the contractual terms of the cash flows of the financial asset.

The Group reclassifies financial assets when and only when its business model for managing those assets changes.

Financial assets at amortised cost

Financial assets at amortised cost comprise non-trade amounts due from subsidiaries, trade and other receivables (excluding prepayments), and cash and cash equivalents.

Initial measurement

A financial asset at amortised cost is initially measured at its fair value plus transaction costs that are directly attributable to the acquisition of the financial asset.

Subsequent measurement

Financial assets at amortised cost are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are subsequently measured at amortised cost. Interest income from these financial assets is included in interest income using the effective interest rate method. Any gain or loss on derecognition is recognised in the statement of total return.

Non-derivative financial assets – Policy applicable before 1 January 2018

The Group classified non-derivative financial assets into the following categories: loans and receivables.

Loans and receivables

Loans and receivables were financial assets with fixed or determinable payments that were not quoted in an active market. Such assets were initially measured at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, loans and receivables were measured at amortised cost using the effective interest method, less any impairment losses.

Loans and receivables comprised amounts due from subsidiaries, trade and other receivables (excluding prepayments), and cash and cash equivalents.

Non-derivative financial liabilities

The Group classifies non-derivative financial liabilities under the other financial liabilities category. Such financial liabilities are initially measured at fair value less directly attributable transaction costs. Subsequent to initial recognition, these financial liabilities are measured at amortised cost using the effective interest method. Other financial liabilities comprise trade and other payables, security deposits and interest-bearing borrowings.

(iii) Derecognition

Financial assets

The Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Group enters into transactions whereby it transfers assets recognised in its statement of financial position, but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognised.

Financial liabilities

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. The Group also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in the statement of total return.

(iv) Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liabilities simultaneously.

(v) Cash and cash equivalents

Cash and cash equivalents comprise cash balances and bank deposits.

(vi) Derivative financial instruments and hedge accounting

Derivative financial instruments and hedge accounting – Policy applicable from 1 January 2018

The Group holds derivative financial instruments to hedge its interest rate risk exposures. Embedded derivatives are separated from the host contract and accounted for separately if the host contract is not a financial asset and certain criteria are met.

Derivatives are initially measured at fair value and any directly attributable transaction costs are recognised in the statement of total return as incurred. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are generally recognised in the statement of total return.

The Group designates certain derivatives and non-derivative financial instruments as hedging instruments in qualifying hedging relationships. At inception of designated hedging relationships, the Group documents the risk management objective and strategy for undertaking the hedge. The Group also documents the economic relationship between the hedged item and the hedging instrument, including whether the changes in cash flows of the hedged item and hedging instrument are expected to offset each other.

Hedging relationships designated using the principles under FRS 39 that were still existing as at 31 December 2017 are treated as continuing hedges and hedge documentations were aligned accordingly to the principles of FRS 109.

Cash flow hedges

The Group designates certain derivatives as hedging instruments to hedge the variability in cash flows associated with highly probable forecast transactions arising from changes in interest rates.

When a derivative is designated as a cash flow hedging instrument, the effective portion of changes in the fair value of the derivative is recognised and presented in the hedging reserve in Unitholders' fund. The effective portion of changes in the fair value of the derivative that is recognised in the hedging reserve is limited to the cumulative change in fair value of the hedged item, determined on a present value basis, from inception of the hedge. Any ineffective portion of changes in the fair value of the derivative is recognised immediately in the statement of total return.

When the hedged forecast transaction subsequently results in the recognition of a non-financial item such as inventory, the amount accumulated in the hedging reserve and the cost of hedging reserve is included directly in the initial cost of the non-financial item when it is recognised.

For all other hedged forecast transactions, the amount accumulated in the hedging reserve and the cost of hedging reserve is reclassified to the statement of total return in the same period or periods during which the hedged expected future cash flows affect the statement of total return.

If the hedge no longer meets the criteria for hedge accounting or the hedging instrument is sold, expires, is terminated or is exercised, then hedge accounting is discontinued prospectively. When hedge accounting for cash flow hedges is discontinued, the amount that has been accumulated in the hedging reserve and the cost of hedging reserve remains in equity until, for a hedge of a transaction resulting in recognition of a non-financial item, it is included in the non-financial item's cost on its initial recognition or, for other cash flow hedges, it is reclassified to the statement of total return in the same period or periods as the hedged expected future cash flows affect the statement of total return.

If the hedged future cash flows are no longer expected to occur, then the amounts that have been accumulated in the hedging reserve and the cost of hedging reserve are immediately reclassified to the statement of total return.

Net investment hedges

The Group designates certain derivatives and non-derivative financial liabilities as hedges of foreign exchange risk on net investments in foreign operations.

When a derivative instrument or a non-derivative financial liability is designated as the hedging instrument in a hedge of a net investment in a foreign operation, the effective portion of, for a derivative, changes in the fair value of the hedging instrument or, for a non-derivative, foreign exchange gains and losses is recognised and presented in the foreign currency translation reserve in Unitholders' funds. Any ineffective portion of the changes in the fair value of the derivative or foreign exchange gains or losses on the non-derivative is recognised immediately in the statement of total return. The amount recognised in translation reserve is reclassified to the statement of total return as a reclassification adjustment on disposal of the foreign operation.

Derivative financial instruments and hedge accounting – Policy applicable before 1 January 2018

The policy applied in the comparative information presented for 2017 is similar to that applied for 2018. Furthermore, for all cash flow hedges, including hedges of transactions resulting in the recognition of non-financial items, the amounts accumulated in the cash flow hedge reserve were reclassified to the statement of total return in the same period or periods during which the hedged expected future cash flows affected 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 proceeds from disposal 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 a component 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 component will flow to the Group, and its cost can be measured reliably. The costs of the day-to-day servicing of plant and equipment are recognised in the statement of total return as incurred.

(iii) Depreciation

Depreciation is recognised as an expense in the statement of total return on a straight-line basis over the estimated useful lives of each component of an item of plant and equipment 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) Non-derivative financial assets

Policy applicable from 1 January 2018

The Group recognises loss allowances for ECLs on financial assets measured at amortised costs.

Loss allowances of the Group are measured on either of the following bases:

- 12-month ECLs: these are ECLs that result from default events that are possible within the 12 months after the reporting date (or for a shorter period if the expected life of the instrument is less than 12 months); or
- Lifetime ECLs: these are ECLs that result from all possible default events over the expected life of a financial instrument.

Simplified approach

The Group applies the simplified approach to provide for ECLs for all trade receivables. The simplified approach requires the loss allowance to be measured at an amount equal to lifetime ECLs.

The Group considers a financial asset to be in default when:

- the borrower is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held); or
- the financial asset is more than 90 days past due.

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

Measurement of ECLs

ECLs are probability-weighted estimates of credit losses. Credit losses are measured at the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Group expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

Credit-impaired financial assets

At each reporting date, the Group assesses whether financial assets carried at amortised cost are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or being more than 90 days past due;
- the restructuring of a loan or advance by the Group on terms that the Group would not consider otherwise;
- it is probable that the borrower will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties.

Presentation of allowance for ECLs in the statement of financial position

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of these assets.

Write-off

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

Policy applicable before 1 January 2018

A financial asset not carried at fair value through the statement of total return was assessed at the end of each reporting period to determine whether there is objective evidence that it was impaired. A financial asset was impaired if objective evidence indicated that a loss event had 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 could be estimated reliably.

Objective evidence that financial assets were impaired included 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 would enter bankruptcy.

The Group considered evidence of impairment for receivables at both a specific asset and collective level. All individually significant receivables were individually assessed for impairment. Those found not to be impaired were then collectively assessed for any impairment that had been incurred but not yet identified. Receivables that were not individually significant were collectively assessed for impairment by grouping together receivables with similar risk characteristics.

In assessing collective impairment, the Group used 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 were likely to be greater or less than suggested by historical trends.

An impairment loss in respect of a financial asset measured at amortised cost was 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 were 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 considered that there were no realistic prospects of recovery of the asset, the relevant amounts were written off. If the amount of impairment loss subsequently decreased and the decrease was related objectively to an event occurring after the impairment was recognised, then the previously recognised impairment loss was reversed through the statement of total return.

(ii) Joint venture

An impairment loss in respect of a joint venture is measured by comparing the recoverable amount of the investment with its carrying amount in accordance with the requirements for non-financial assets. An impairment loss is recognised in the statement of total return. An impairment loss is reversed if there has been a favourable change in the estimates used to determine the recoverable amount.

(iii) 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. An impairment loss is recognised if the carrying amount of an asset or its related cash-generating unit ("CGU") exceeds its estimated recoverable amount.

The recoverable amount of an asset or 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.

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 liability 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 income. 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

Payments 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 comprise interest expense on borrowings and expense incurred in connection with borrowings 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 and joint ventures 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 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 benefit 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, Singapore and Hong Kong 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 for acquisition of plant and equipment and capital expenditure on investment properties.

(q) New standards and interpretations not yet adopted

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after 1 January 2018 and earlier application is permitted; however, the Group has not early adopted the principles under the new or amended standards and interpretations in preparing these financial statements.

Applicable to 2019 financial statements

The Group has assessed the estimated impact that initial application of the principles under FRS 116 will have on the financial statements. The Group's assessment of using the principles under FRS 116, which is expected to have a more significant impact on the Group, is as described below.

FRS 116 *Leases*

FRS 116 introduces a single, on-balance sheet lease accounting model for lessees. A lessee recognises a right-of-use (ROU) asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. There are recognition exemptions for short-term leases and leases of low-value items. Lessor accounting remains similar to the current standard – i.e. lessors continue to classify leases as finance or operating leases. FRS 116 replaces existing lease accounting guidance, including FRS 17 *Leases*, 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*. The standard is effective for annual periods beginning on or after 1 January 2019, with early adoption permitted.

The Group plans to apply the principles under FRS 116 initially on 1 January 2019, using the modified retrospective approach. Therefore, the cumulative effect of adopting the principles under FRS 116 will be recognised as an adjustment to the opening balance of retained earnings at 1 January 2019, with no restatement of comparative information. The Group plans to apply the practical expedient to grandfather the definition of a lease on transition. This means that it will apply the principles under FRS 116 to all contracts entered into before 1 January 2019 and identified as leases in accordance with the principles under FRS 17 and INT FRS 104.

The Group as lessee

The Group expects to measure lease liabilities by applying a single discount rate to its land leases. Furthermore, the Group is likely to apply the practical expedient to recognise amounts of investment properties equal to its lease liabilities at 1 January 2019.

The Group expects its existing operating lease arrangements to be recognised as investment properties with corresponding lease liabilities using the principles under FRS 116. Lease payments that are increased every three to five years to reflect market rentals are included in the measurement of lease liabilities as at date of initial application.

As at 1 January 2019, the Group expects an increase in investment properties of $36,298,000 and an increase in lease liabilities of $36,298,000.

The nature of expenses related to those leases will change as the principles under FRS 116 replaces the straight-line operating lease expense with interest expense on lease liabilities.

No significant impact is expected for the Group's finance leases. The Group does not expect the adoption of the principles under FRS 116 to impact its ability to comply with the aggregate leverage limit described in Note 28.

4. Investment properties

	Group	
	2018	**2017**
	$'000	**$'000**
At 1 January	2,441,024	2,628,353
Disposal of investment property	–	(202,161)
Expenditure capitalised	9,765	12,033
Changes in fair value	68,423	41,457
Translation differences	(80,106)	(38,658)
At 31 December	2,439,106	2,441,024

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 market comparable, capitalisation and discounted cash flows approaches in arriving at the open market value as at the reporting date.

The market comparable approach involves the analysis of comparable sales of similar properties and adjusting the sale prices to that reflective of the investment property.

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**
Beijing Colliers International Real Estate Valuation Co., Ltd.	31 December 2018	31 December 2017
Cushman & Wakefield International Property Advisers (Shanghai) Co., Ltd.	31 December 2018	31 December 2017
Knight Frank Petty Limited	31 December 2018	31 December 2017
CBRE Limited	–	31 December 2017
Savills Valuation and Professional Services (S) Pte. Ltd.	–	31 December 2017

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 (2017: 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 $10.5 million (2017: $11.5 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 4.50% to 9.50%) (2017: from 4.25% to 8.00%)	The fair value increases as capitalisation rates decrease.
Discounted cash flows approach	• Discount rates (from 7.00% to 10.75%) (2017: from 7.00% to 10.75%) • Terminal rates (from 5.50% to 6.25%) (2017: from 5.00% to 7.50%)	The fair value increases as discount rates and terminal rates decrease.

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 2017	10,334	111	24	7,117	17,586
Additions	–	–	–	700	700
Disposal/written off	(228)	(40)	–	(508)	(776)
Translation difference on consolidation	(144)	(1)	(1)	(99)	(245)
At 31 December 2017	9,962	70	23	7,210	17,265
Additions	22	93	–	661	776
Disposal/written off	(3)	–	–	(1,094)	(1,097)
Translation difference on consolidation	(315)	(2)	(1)	(195)	(513)
At 31 December 2018	9,666	161	22	6,582	16,431

Group	Improvement to premises $'000	Plant and machinery $'000	Motor vehicles $'000	Furniture, fittings and equipment $'000	Total $'000
Less: Accumulated depreciation					
At 1 January 2017	8,491	106	21	4,934	13,552
Charge for the year	954	–	–	716	1,670
Disposal/written off	(228)	(40)	–	(461)	(729)
Translation difference on consolidation	(119)	(1)	–	(70)	(190)
At 31 December 2017	9,098	65	21	5,119	14,303
Charge for the year	594	48	–	605	1,247
Disposal/written off	(3)	–	–	(990)	(993)
Translation difference on consolidation	(307)	(3)	(1)	(150)	(461)
At 31 December 2018	9,382	110	20	4,584	14,096
Carrying amounts					
At 1 January 2017	1,843	5	3	2,183	4,034
At 31 December 2017	864	5	2	2,091	2,962
At 31 December 2018	284	51	2	1,998	2,335

6. Subsidiaries

	Trust 2018 $'000	Trust 2017 $'000
Non-current assets		
(a) Unquoted equity, at cost	569,201	569,201
Less: Allowance for impairment loss	(12,650)	(8,815)
	556,551	560,386
(b) Loans to subsidiaries	339,124	333,054
Non-trade amounts due from subsidiaries	686,221	427,497
	1,025,345	760,551
	1,581,896	1,320,937
Current assets		
(b) Non-trade amounts due from subsidiaries	5,777	5,108

Movement in allowance for impairment loss was as follows:

	Trust	
	2018	**2017**
	$'000	**$'000**
At 1 January	(8,815)	–
Allowance for impairment loss	(3,835)	(8,815)
At 31 December	(12,650)	(8,815)

(a) Details of the subsidiaries are as follows:

	Name of subsidiaries	**Principal activities**	**Place of incorporation/ business**	**Effective equity held by the Group**	
				2018	**2017**
				%	**%**
(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	100
***	Gold Rock Investment Pte Ltd	Investment holding	Singapore	100	100
(ii)	**Indirect subsidiaries**				
	Subsidiary of CapitaRetail China Investments (B) Pte. Ltd.				
*	CapitaRetail Beijing Wangjing Real Estate Co., Ltd.	Property investment	China	100	100

	Name of subsidiaries	Principal activities	Place of incorporation/ business	Effective equity held by the Group 2018 %	Effective equity held by the Group 2017 %
(ii)	**Indirect subsidiaries**				
	Subsidiary of CapitaRetail China Investments (B) Pte. Ltd.				
	Subsidiaries of CapitaRetail China Investments (B) Alpha Pte. Ltd.				
*	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
	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

Name of subsidiaries	Principal activities	Place of incorporation/ business	Effective equity held by the Group 2018 %	2017 %
(ii) Indirect subsidiaries (cont'd)				
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	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 $339.1 million (2017: $333.1 million) and the non-trade amounts due from subsidiaries amounting to $686.2 million (2017: $427.5 million) are unsecured and repayable with a notice period of 366 days. The remaining $5.8 million (2017: $5.1 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 6.37% (2017: 5.39% to 6.37%) per annum. There is no allowance for doubtful debts arising from these outstanding balances as ECL is not material.

7. Interest in joint venture

	Group 2018 $'000	2017 $'000
Interest in joint venture	257,679	–

Name of joint venture	Principal activities	Place of incorporation/ business	Effective equity interest held by the Group 2018 %	2017 %
* Gold Yield Pte. Ltd.	Investment holding	Singapore	51	–
Held by joint venture				
** Guangzhou Starshine Properties Co., Ltd.	Property investment	China	51	–

* *Audited by KPMG LLP Singapore.*
** *Audited by other member firms of KPMG International.*

The Group has joint control over the joint venture via the Joint Venture Agreement and has a residual interest in its net assets. Accordingly, the Group has classified its interest in Gold Yield Pte. Ltd. as a joint venture, which is equity-accounted.

The following table summarises the financial information of the Group's joint venture, based on its consolidated financial statements prepared in accordance with the principles under FRS, modified for fair value adjustments on acquisition and differences in the Group's accounting policies.

	2018 $'000
Statement of income and expenditure	
Revenue	33,808
Expenses	(17,020)
Net increase in fair value of investment property	4,412
Total return after tax [a]	14,213
Group's share of total return	7,249
[a] Includes:	
- Depreciation and amortisation	(26)
- Interest income	253
- Interest expense	(8,207)
- Taxation	(6,987)
Statement of financial position	
Non-current assets	671,367
Current assets [b]	47,611
Non-current liabilities [c]	(96,782)
Current liabilities [d]	(116,944)
Net assets	505,252
Carrying amount of interest in joint venture based on percentage shareholdings	257,679
[b] Includes cash and cash equivalents	44,713
[c] Includes non-current financial liabilities (excluding deferred tax liabilities and security deposits)	(85,049)
[d] Includes current financial liabilities (excluding trade and other payables and provisions)	(96,578)

8. Trade and other receivables

	Group		Trust	
	2018	2017	2018	2017
	$'000	$'000	$'000	$'000
Trade receivables	2,769	1,021	–	–
Impairment losses	(41)	(238)	–	–
	2,728	783	–	–
Other receivables	2,277	4,561	158	262
Amount due from joint venture (non-trade)	96,878	–	–	–
Interest receivables	172	–	172	–
Deposits	1,083	26,419	–	25,300
Loans and receivables	103,138	31,763	330	25,562
Prepayments	5,356	5,368	–	–
	108,494	37,131	330	25,562
Current	107,037	35,595	330	25,562
Non-current	1,457	1,536	–	–
	108,494	37,131	330	25,562

As at 31 December 2017, $25.3 million was paid and recognised as deposit for the acquisition of 51% of all the issued shares of Gold Yield Pte. Ltd. and its subsidiary which holds Rock Square, Guangzhou, China. This amounted to 10% of the total purchase consideration.

The non-trade amount due from joint venture is unsecured and repayable on demand. At the reporting date, $92.6 million of these amount bears an effective interest rate ranging from 4.655% to 5.020% per annum and the remaining amounts are interest-free. There is no allowance for doubtful debts arising from these outstanding balances as ECL is not material.

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	
	2018	2017
	$'000	$'000
Beijing	99,576	3,595
Shanghai	1,758	1,472
Chengdu	554	721
Others	914	407
	102,802	6,195

Impairment losses

The ageing of loans and receivables at the reporting date is:

	Gross		Impairment	
	2018	**2017**	**2018**	**2017**
	$'000	**$'000**	**$'000**	**$'000**
Group				
Not past due	102,062	30,870	–	–
Past due 1 - 30 days	214	108	–	–
Past due 31 - 60 days	614	479	–	19
Past due 61 - 90 days	154	43	–	–
More than 90 days past due	135	501	41	219
	103,179	32,001	41	238
Trust				
Not past due	330	25,562	–	–

Expected credit loss assessment for individual customers as at 1 January and 31 December 2018

The Group uses an allowance matrix to measure the ECLs of trade receivables from individual customers, which comprise a very large number of balances.

Loss rates are calculated using a 'roll rate' method based on the probability of a receivable progressing through successive stages of delinquency to write-off and are based on actual credit loss experience over the past five years.

The Manager believes that no allowance for impairment is necessary in respect of trade receivables as these receivables relate mainly to tenants that have good records with the Group or have sufficient security deposits as collateral, and hence ECL is not material.

The movement in the allowance for impairment in respect of trade receivables during the year is as follows:

		Group	
	Note	**2018**	**2017**
		$'000	**$'000**
At 1 January		238	161
(Write back)/Impairment losses on trade receivables, net	18	(120)	131
Allowance utilised		(75)	(51)
Translation difference		(2)	(3)
At 31 December		41	238

9. Cash and cash equivalents

	Group		Trust	
	2018	2017	2018	2017
	$'000	$'000	$'000	$'000
Bank balances	6,206	6,826	879	2,226
Fixed deposits with financial institutions	167,698	179,689	–	7,404
	173,904	186,515	879	9,630

10. Trade and other payables

	Group		Trust	
	2018	2017	2018	2017
	$'000	$'000	$'000	$'000
Trade payable	1,099	1,137	6	51
Accrued operating expenses	18,867	19,485	924	1,198
Accrued development expenditure	5,585	6,098	–	–
Amounts due to related parties (trade)	2,952	2,689	1,976	1,669
Other deposits and advances	26,234	26,571	–	–
Interest payable	5,619	2,046	5,619	2,046
Other payables	627	1,537	–	–
	60,983	59,563	8,525	4,964
Current	60,670	59,191	8,525	4,964
Non-current	313	372	–	–
	60,983	59,563	8,525	4,964

Included in amounts due to related parties (trade) are amounts due to the Manager, Property and Project Managers of $1.9 million (2017: $1.7 million), $0.7 million (2017: $0.7 million) and $nil (2017: $0.1 million) respectively.

11. Interest-bearing borrowings

		Group		Trust	
	Note	2018	2017	2018	2017
		$'000	$'000	$'000	$'000
Unsecured term loans	(a)	870,000	750,000	870,000	750,000
Medium term notes ("MTN")	(b)	130,000	–	130,000	–
Money market facilities		41,250	–	41,250	–
Less: Unamortised transactions costs		(3,228)	(2,493)	(3,228)	(2,493)
		1,038,022	747,507	1,038,022	747,507

	Note	Group 2018 $'000	Group 2017 $'000	Trust 2018 $'000	Trust 2017 $'000
Current		161,244	–	161,244	–
Non-current		876,778	747,507	876,778	747,507
		1,038,022	747,507	1,038,022	747,507

(a) As at 31 December 2018, unsecured term loans comprise seven $50.0 million, two $100.0 million, a $200.0 million and a $120.0 million 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 repayments.

(b) On 4 July 2018, $130.0 million MTN were issued under the Trustee's $1.0 billion Multicurrency Debt Issuance Programme. Under the Multicurrency Debt Issuance Programme, the Trustee may:

(i) issue notes in any currency, in various amounts and tenors, and the notes may bear interest at fixed, floating, variable or hybrid rates or may not bear interest, in each case as agreed between the Trustee, the Manager and the relevant dealer(s) of the Notes and as specified in the relevant Pricing Supplement; and

(ii) issue perpetual securities in registered and/or bearer form in any currency, in various amounts and the perpetual securities may confer a right to receive distribution at fixed or floating rates, in each case as agreed between the Trustee, the Manager and the relevant dealer(s) of the Perpetual Securities and as specified in the relevant Pricing Supplement.

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 $'000
2018				
Group				
S$ unsecured floating rate money market facilities	2.31-2.82	2019	41,250	41,250
S$ fixed rate MTN	3.25	2022	130,000	129,886
S$ unsecured floating rate loans	1.00-3.20	2019-2024	870,000	866,886
Trust				
S$ unsecured floating rate money market facilities	2.31-2.82	2019	41,250	41,250
S$ fixed rate MTN	3.25	2022	130,000	129,886
S$ unsecured floating rate loans	1.00-3.20	2019-2024	870,000	866,886
2017				
Group				
S$ unsecured floating rate loans	1.65-2.48	2019-2023	750,000	747,507
Trust				
S$ unsecured floating rate loans	1.65-2.48	2019-2023	750,000	747,507

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 $'000
2018					
Group					
S$ unsecured floating rate money market facilities	41,250	41,282	41,282	–	–
S$ fixed rate MTN	129,886	146,797	4,225	142,572	–
S$ unsecured floating rate loans	866,886	939,800	140,550	698,261	100,989
Trade and other payables (Note 10)	60,983	60,983	60,983	–	–
Security deposits	54,599	54,599	25,320	24,159	5,120
	1,153,604	1,243,461	272,360	864,992	106,109

	Carrying amount $'000	Contractual cash flow $'000	Within 1 year $'000	Within 2 to 5 years $'000	After 5 years $'000
2018					
Trust					
S$ unsecured floating rate money market facilities	41,250	41,282	41,282	–	–
S$ fixed rate MTN	129,886	146,797	4,225	142,572	–
S$ unsecured floating rate loans	866,886	939,800	140,550	698,261	100,989
Trade and other payables (Note 10)	8,525	8,525	8,525	–	–
	1,046,547	1,136,404	194,582	840,833	100,989
2017					
Group					
S$ unsecured floating rate loans	747,507	817,938	17,354	600,300	200,284
Trade and other payables (Note 10)	59,563	59,563	59,563	–	–
Security deposits	50,818	50,818	21,519	25,585	3,714
	857,888	928,319	98,436	625,885	203,998
Trust					
S$ unsecured floating rate loans	747,507	817,938	17,354	600,300	200,284
Trade and other payables (Note 10)	4,964	4,964	4,964	–	–
	752,471	822,902	22,318	600,300	200,284

It is not expected that the cash flows included in the maturity analysis could occur significantly earlier, or at significantly different amounts.

Reconciliation of movements of liabilities to cash flows arising from financing activities

			Non-cash changes				
	At 1 January $'000	Financing cash flows $'000	Finance costs $'000	Fair value loss $'000	Foreign exchange movement $'000	Other changes $'000	At 31 December $'000
2018							
Interest-bearing borrowings[1]	749,553	266,942	27,167	–	–	(21)	1,043,641
Interest rate swaps and forward exchange contracts used for hedging – assets	(436)	(917)	–	181	–	–	(1,172)
Interest rate swaps and forward exchange contracts used for hedging – liabilities	7,803	(9,964)	–	5,183	–	–	3,022
	756,920	256,061	27,167	5,364	–	(21)	1,045,491

1 Includes interest payable

	At 1 January $'000	Financing cash flows $'000	Non-cash changes: Finance costs $'000	Non-cash changes: Fair value loss $'000	Non-cash changes: Foreign exchange movement $'000	Other changes $'000	At 31 December $'000
2017							
Interest-bearing borrowings[1]	979,611	(252,206)	23,465	–	(1,185)	(132)	749,553
Interest rate swaps and forward exchange contracts used for hedging – assets	(2,114)	(267)	–	1,945	–	–	(436)
Interest rate swaps and forward exchange contracts used for hedging – liabilities	2,165	(5,979)	–	11,617	–	–	7,803
	979,662	(258,452)	23,465	13,562	(1,185)	(132)	756,920

[1] Includes interest payable

12. Financial derivatives

	Group and Trust 2018 $'000	Group and Trust 2017 $'000
Non-current assets		
Interest rate swaps	1,048	309
Current assets		
Interest rate swaps	124	–
Non-deliverable forwards	–	127
	124	127
Non-current liabilities		
Interest rate swaps	(2,951)	(2,443)
Current liabilities		
Interest rate swaps	(3)	–
Non-deliverable forwards	–	(4,444)
Forwards	(68)	(916)
	(71)	(5,360)

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				
2018				
Interest rate swaps	1,172	1,360	908	452

	Carrying amount $'000	Contractual cash flow $'000	Within 1 year $'000	Within 2 to 5 years $'000
2017				
Interest rate swaps	309	303	(251)	554
Non-deliverable forwards	127	127	127	–
	436	430	(124)	554

Financial derivative liabilities

	Carrying amount $'000	Contractual cash flow $'000	Within 1 year $'000	Within 2 to 5 years $'000
2018				
Forwards	(68)	(68)	(68)	–
Interest rate swaps	(2,954)	(3,028)	(928)	(2,100)
	(3,022)	(3,096)	(996)	(2,100)
2017				
Forwards	(916)	(916)	(916)	–
Interest rate swaps	(2,443)	(2,666)	(2,028)	(638)
Non-deliverable forwards	(4,444)	(4,444)	(4,444)	–
	(7,803)	(8,026)	(7,388)	(638)

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.

13. Deferred tax liabilities

The movement in deferred tax liabilities during the financial year is as follows:

Group	At 1 January 2017 $'000	Statement of total return (Note 22) $'000	Disposal of subsidiary $'000	Translation difference $'000	At 31 December 2017 $'000	Statement of total return (Note 22) $'000	Translation difference $'000	At 31 December 2018 $'000
Deferred tax liabilities								
Investment properties	227,781	17,990	(25,098)	(3,443)	217,230	28,556	(7,844)	237,942
Tax on unrepatriated profits	8,645	2,543	(684)	–	10,504	2,206	–	12,710
	236,426	20,533	(25,782)	(3,443)	227,734	30,762	(7,844)	250,652

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	
	2018	**2017**
	$'000	**$'000**
Tax losses	27,368	36,061

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.

14. Unitholders' funds

		Group		Trust	
	Note	**2018**	**2017**	**2018**	**2017**
		$'000	**$'000**	**$'000**	**$'000**
Net assets resulting from operations		1,240,001	1,117,628	162,145	188,027
Hedging reserve	(a)	(168)	(3,054)	(168)	(3,054)
Foreign currency translation reserve	(b)	(102,652)	(13,580)	–	–
Unitholders' transactions		378,493	416,419	378,493	416,419
General reserve	(c)	37,546	31,358	–	–
		1,553,220	1,548,771	540,470	601,392

(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.

15. 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% (2017: 49%), CapitaMalls Wuhu Commercial Property Co., Ltd.

	Group	
	2018	**2017**
	$'000	**$'000**
Statement of financial position		
Non-current assets	38,135	43,672
Current assets	1,442	1,153
Non-current liabilities	(14,791)	(17,914)
Current liabilities	(30,830)	(29,327)
Net assets	(6,044)	(2,416)
Net assets based on percentage shareholdings	(2,962)	(1,184)
Add: loans from non-controlling interest to the subsidiary in China	21,304	20,501
Net assets attributable to non-controlling interest	**18,342**	**19,317**
Statement of income and expenditure		
Revenue	1,927	1,783
Total return after taxation	**(3,586)**	**(4,642)**
Attributable to non-controlling interest:		
Total return after taxation	(1,757)	(2,275)
Add: interest on loans from non-controlling interest to the subsidiary in China	666	629
Total return allocated to non-controlling interest	**(1,091)**	**(1,646)**
Statement of cash flows		
Cash flows used in operating activities	(1,157)	(1,594)
Cash flows used in investing activities	(35)	(776)
Cash flows from financing activities	1,579	2,447
Net increase in cash and cash equivalents	**387**	**77**

There are no dividends paid to non-controlling interest in 2018 and 2017.

16. Units in issue

	2018 Number of Units	2017 Number of Units
Balance as at beginning of year	966,225,901	869,679,633
New Units issued:		
- as payment of Manager's management fees	3,720,617	4,177,316
- in connection with private placement exercise	–	64,392,000
- as payment of distribution through distribution reinvestment plan	10,602,618	27,976,952
Total issued Units as at end of the year	980,549,136	966,225,901
New Units to be issued:		
- as payment of Manager's management fees	4,671,069	3,720,617
Total issued and issuable Units as at end of the year	985,220,205	969,946,518

Units issued during the year ended 31 December 2018 are as follows:

(a) On 2 March 2018, the Trust issued 3,720,617 new Units at an issue price of $1.6114 per Unit as payment of the performance component of the management fee for the period from 1 January 2017 to 31 December 2017;

(b) On 20 September 2018, the Trust issued 10,602,618 new Units at an issue price of $1.508 per Unit as payment of distribution under the distribution reinvestment plan for the period from 1 January 2018 to 30 June 2018;

Units issued during the year ended 31 December 2017 are as follows:

(a) On 2 March 2017, the Trust issued 4,177,316 new Units at an issue price of $1.3556 per Unit as payment of the performance component of the management fee for the period from 1 January 2016 to 31 December 2016;

(b) On 23 March 2017, the Trust issued 14,888,722 new Units at an issue price of $1.3830 per Unit as payment of distribution under the distribution reinvestment plan for the period from 1 July 2016 to 31 December 2016;

(c) On 20 September 2017, the Trust issued 13,088,230 new Units at an issue price of $1.5910 per Unit as payment of distribution under the distribution reinvestment plan for the period from 1 January 2017 to 30 June 2017; and

(d) On 7 December 2017, the Trust issued 64,392,000 new Units at an issue price of $1.6120 per Unit to partially fund the acquisition of Rock Square.

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.

17. 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.

Distribution for the period from 1 January 2018 to 30 June 2018 was paid on 20 September 2018. Distribution for the period from 1 July 2018 to 31 December 2018 will be paid within 90 days of the end of the distribution period, in accordance with the provisions of the Trust Deed.

18. Other property operating expenses

	Note	Group 2018 $'000	Group 2017 $'000
Utilities		5,179	4,809
Advertising and promotion		5,688	5,256
Maintenance		8,942	9,554
Staff costs		11,177	12,370
Depreciation of plant and equipment	5	1,247	1,670
(Write back)/impairment losses on trade receivables, net	8	(120)	131
Amortisation of deferred expenditure included in other receivables		35	57
Plant and equipment written off		97	47
Others		1,365	1,224
		33,610	35,118

Included in staff costs is contribution to defined contribution plans of $2.3 million (2017: $2.4 million).

19. Manager's management fees

Manager's management fees comprise base fee of $7.7 million (2017: $7.0 million) and performance fee of $6.4 million (2017: $5.9 million). The Manager has elected to receive all performance fee in the form of Units. The performance component of the Manager's management fee amounting to $6.4 million (2017: $5.9 million) will be paid through the issue of 4,671,069 (2017: 3,720,617) new Units subsequent to the year end.

20. Other trust operating expenses/(income)

	Group		Trust	
	2018	**2017**	**2018**	**2017**
	$'000	**$'000**	**$'000**	**$'000**
Professional fees	294	529	201	254
Acquisition related expenses	(221)	237	–	–
Non-deal roadshow expenses	5	7	5	7
Others	978	(194)	280	(867)
	1,056	579	486	(606)

21. Finance income and finance costs

	Group		Trust	
	2018	**2017**	**2018**	**2017**
	$'000	**$'000**	**$'000**	**$'000**
Interest income:				
- financial institutions	2,167	2,418	179	82
- subsidiaries	–	–	18,189	18,868
- joint venture	4,140	–	–	–
Cash flow hedges – gains reclassified from hedging reserve	431	–	431	–
Finance income	6,738	2,418	18,799	18,950
Interest expenses	(25,482)	(19,957)	(25,482)	(18,851)
Cash flow hedges – losses reclassified from hedging reserve	(1,685)	(3,508)	(1,685)	(3,508)
Finance costs	(27,167)	(23,465)	(27,167)	(22,359)
Net finance income/(costs) recognised in statement of total return	(20,429)	(21,047)	(8,368)	(3,409)

22. Taxation

	Note	Group 2018 $'000	Group 2017 $'000	Trust 2018 $'000	Trust 2017 $'000
Current taxation					
Current year		26,261	41,567	15	–
(Over)/under provision in prior years		(474)	2,114	(3)	7
		25,787	43,681	12	7
Deferred taxation					
Origination of temporary differences	13	30,762	20,533	–	–
Income tax expense		56,549	64,214	12	7
Reconciliation of effective tax rate					
Total return for the year before taxation		184,019	207,264	(25,869)	90,054
Tax calculated using Singapore tax rate of 17%		31,283	35,235	(4,398)	15,309
Adjustments:					
Effect of different tax rates in foreign jurisdictions		14,658	1,147	–	–
Income not subject to tax		(11)	(270)	(5,405)	(30,992)
Expenses not deductible for tax purposes		1,033	27	2,673	9,430
Deferred tax assets not recognised		1,665	996	–	–
Utilisation of previously unrecognised tax losses		(2,330)	(3,221)	–	–
Tax losses not allowed to be carried forward		7,104	6,256	7,145	6,253
Foreign tax suffered		3,621	21,930	–	–
(Over)/under provision in prior years		(474)	2,114	(3)	7
		56,549	64,214	12	7

23. 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 2018 $'000	Group 2017 $'000
Total return for the year after taxation and non-controlling interest before distribution	128,561	144,696

	Trust Number of Units 2018 '000	Trust Number of Units 2017 '000
Issued Units at beginning of year	966,226	869,680
Effect of creation of new Units:		
- Manager's management fees paid/payable in Units	3,122	3,501
- In connection with private placement exercise	–	4,410
- As payment of distribution under distribution reinvestment plan	2,992	15,278
Weighted average number of issued and issuable Units at end of the year	972,340	892,869

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 2018 '000	Trust Number of Units 2017 '000
Issued Units at beginning of year	966,226	869,680
Effect of creation of new Units:		
- Manager's management fees paid/payable in Units	7,780	7,211
- In connection with private placement exercise	–	4,410
- As payment of distribution under distribution reinvestment plan	2,992	15,278
Weighted average number of issued and issuable Units at end of the year	976,998	896,579

24. 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, and the Property and Project Managers, being CapitaLand Retail (Shanghai) Management & Consulting Co., Ltd. and its branches and CapitaLand Retail (Beijing) Facilities & Projects Consulting Co., Ltd., are indirect wholly owned subsidiaries of CapitaLand Limited.

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.

During the financial year, other than those disclosed elsewhere in the financial statements, the following were significant related party transactions carried out in the normal course of business on arm's length commercial terms:

	Group	
	2018	**2017**
	$'000	**$'000**
Project management fees paid/payable to a related party	–	61

25. Financial ratios

	Group	
	2018	**2017**
	%	**%**
Ratio of expenses to average net asset value [(1)]		
- including performance component of Manager's management fees	1.01	0.99
- excluding performance component of Manager's management fees	0.61	0.59
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.

26. 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 Erqi
- CapitaMall Shuangjing
- CapitaMall Minzhongleyuan
- CapitaMall Qibao
- CapitaMall Saihan
- CapitaMall Wuhu
- Rock Square (Joint venture)

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	
	2018 S'000	2017 S'000	2018 S'000	2017 S'000	2018 S'000	2017 S'000	2018 S'000	2017 S'000	2018 S'000	2017 S'000	2018 S'000	2017 S'000	2018 S'000	2017 S'000
External revenues:														
- Gross rental income	56,272	55,208	45,365	43,262	24,417	25,704	25,703	24,705	–	8,148	10,163	10,078	161,920	167,105
- Others	3,822	3,592	2,294	2,589	2,488	3,830	1,972	2,060	–	1	38	10	10,614	12,082
- Gross revenue	60,094	58,800	47,659	45,851	26,905	29,534	27,675	26,765	–	8,149	10,201	10,088	172,534	179,187
Segment net property income	42,592	41,005	33,888	32,363	18,039	18,591	19,253	18,327	–	6,710	8,727	8,614	122,499	125,610
Finance income	4,551	853	295	286	213	183	231	131	–	35	69	121	5,359	1,609
Finance costs	–	–	–	–	–	(1,106)	–	–	–	–	–	–	–	(1,106)
Share of results (net of tax) of joint venture	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Reportable segment total return before taxation	88,453	65,701	65,490	49,342	17,673	19,244	21,600	18,810	–	6,704	9,731	9,910	202,947	169,711
Segment assets	766,863	700,849	557,716	517,573	423,833	440,698	331,690	326,039	–	–	134,370	131,575	2,214,472	2,116,734
Segment liabilities	119,169	106,506	109,877	100,327	36,635	36,022	21,100	20,798	–	–	19,543	20,054	306,324	283,707
Other segment items:														
Depreciation and amortisation	(264)	(444)	(278)	(456)	(336)	(312)	(56)	(43)	–	(5)	(9)	(32)	(943)	(1,292)
Write-back/(Impairment losses) on trade receivables, net	–	–	–	–	–	3	66	(67)	–	–	–	–	66	(64)
Net change in fair value of investment properties	41,671	23,909	31,502	16,727	(88)	2,217	1,792	442	–	–	1,021	1,189	75,898	44,484
Capital expenditure	(2,958)	(1,422)	(2,801)	(1,757)	(1,250)	(2,457)	(1,082)	(1,588)	–	–	(394)	(240)	(8,485)	(7,464)

the subsidiary was disposed in 2017

	CapitaMall Shuangjing		CapitaMall Minzhongleyuan		CapitaMall Qibao		CapitaMall Saihan		CapitaMall Wuhu		Rock Square		Sub Total		Grand Total	
	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017
	S'000	S'000	S'000	S'000	S'000	S'000	S'000	S'000	S'000	S'000	S'000	S'000	S'000	S'000	S'000	S'000
External revenues:																
- Gross rental income	9,311	9,312	4,268	5,008	17,946	17,855	12,570	11,912	571	1,667	–	–	44,666	45,754	206,586	212,859
- Others	14	37	414	432	2,694	2,493	1,061	1,171	1,356	116	–	–	5,539	4,249	16,153	16,331
- Gross revenue	9,325	9,349	4,682	5,440	20,640	20,348	13,631	13,083	1,927	1,783	–	–	50,205	50,003	222,739	229,190
Segment net property income	7,514	7,509	393	263	9,705	9,294	7,868	7,910	(556)	(1,374)	–	–	24,924	23,602	147,423	149,212
Finance income	262	287	9	9	327	311	166	70	5	11	–	–	769	688	6,128	2,297
Finance costs	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	(1,106)
Share of results (net of tax) of joint venture	–	–	–	–	–	–	–	–	–	–	7,249	–	7,249	–	7,249	–
Reportable segment total return before taxation	8,700	8,369	(2,383)	(108)	3,998	8,466	8,195	9,186	(995)	(4,842)	7,249	–	24,764	21,071	227,711	190,782
Segment assets	134,400	132,759	103,443	109,764	126,046	130,145	104,161	102,128	41,861	40,636	257,679	–	767,590	515,432	2,982,062	2,632,166
Segment liabilities	18,452	18,450	4,298	4,572	17,145	19,170	13,945	14,157	1,698	1,757	–	–	55,538	58,106	361,862	341,813
Other segment items																
Depreciation and amortisation	–	(10)	(94)	(96)	(51)	(66)	(144)	(169)	(50)	(94)	–	–	(339)	(435)	(1,282)	(1,727)
Write-back/(Impairment losses) on trade receivables, net	–	–	62	(67)	–	–	–	–	(8)	–	–	–	54	(67)	120	(131)
Net change in fair value of investment properties	999	620	(2,686)	(221)	(5,972)	(1,058)	223	1,284	(39)	(3,652)	–	–	(7,475)	(3,027)	68,423	41,457
Capital expenditure	(415)	(1,420)	(37)	(911)	(945)	(1,150)	(621)	(982)	(38)	(806)	–	–	(2,056)	(5,269)	(10,541)	(12,733)

Reconciliations of reportable segment revenue, total return, assets and liabilities and other material items

	2018 $'000	2017 $'000
Revenue		
Total revenue for reporting segments	222,739	229,190
Total return		
Total return for reportable segments before taxation	227,711	190,782
Unallocated amounts:		
- Other corporate (expenses)/income	(43,692)	16,482
Total return before taxation	184,019	207,264
Assets		
Total assets for reportable segments	2,982,062	2,632,166
Other unallocated amounts	628	35,902
Consolidated assets	2,982,690	2,668,068
Liabilities		
Total liabilities for reportable segments	361,862	341,813
Other unallocated amounts	1,049,266	758,167
Consolidated liabilities	1,411,128	1,099,980

	Reportable segment totals $'000	Unallocated amounts $'000	Consolidated totals $'000
Other material items 2018			
Finance income	6,128	610	6,738
Finance costs	–	(27,167)	(27,167)
Other material items 2017			
Finance income	2,297	121	2,418
Finance costs	(1,106)	(22,359)	(23,465)

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 $17.9 million (2017: $27.2 million) of the Group's total revenue.

27. Commitments

(a) Capital commitments

	Group	
	2018	**2017**
	$'000	**$'000**
Payable:		
- contracted but not provided for	2,745	2,783

(b) The Group leases out its investment properties. Operating lease rentals are receivable as follows:

	Group	
	2018	**2017**
	$'000	**$'000**
Receivable:		
- within 1 year	188,771	186,754
- after 1 year but within 5 years	344,023	330,400
- after 5 years	109,813	154,678
	642,607	671,832

(c) The Group has non-cancellable leases with rentals payable as follows:

	Group	
	2018	**2017**
	$'000	**$'000**
Payable:		
- within 1 year	6,137	4,788
- after 1 year but within 5 years	23,717	25,598
- after 5 years	457	7,527
	30,311	37,913

28. 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% of its Deposited Property. The Group has complied with the Aggregate Leverage limit of 45.0% during the financial year, with an aggregate leverage of 35.4% as at 31 December 2018 (2017: 28.4%).

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.

In monitoring customer credit risk, customers are grouped according to their credit characteristics, including whether they are an individual or legal entity, trade history with the Group, aging profile, maturity and existence of previous financial difficulties.

Cash and fixed deposits are placed with banks and financial institutions which are regulated. Impairment on cash and cash equivalents has been measured on the 12-month expected loss basis and reflects the short maturities of the exposures. The Group considers that its cash and cash equivalents have low credit risk based on the external credit ratings of the counterparties. The amount of allowance on cash and cash equivalents was negligible.

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 2018.

S$ denominated facilities:

- S$151.0 million money market line facilities
- S$120.0 million one-year trust term bridge loan facility
- S$100.0 million three-year trust term loan facilities
- S$200.0 million four-year trust term loan facilities
- S$350.0 million five-year trust term loan facilities
- S$100.0 million six-year trust term loan facility

United States dollar ("US$") denominated facilities:

- US$70.0 million money market line facilities

Multicurrency Debt Issuance Programme:

- $1.0 billion multicurrency Debt Issuance Programme

As at 31 December 2018, the Group has outstanding debt of $870.0 million (2017: $750.0 million) trust term loan facilities, $130.0 million MTN (2017: $nil million) and $41.1 million (2017: $nil million) money market line facilities.

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.

The Group determines the existence of an economic relationship between the hedging instrument and hedged item based on the reference interest rates, tenors, repricing dates and maturities and the notional or par amounts.

As at 31 December 2018, the Group has interest rate swaps ("IRS") with notional contract amount of $820.0 million (2017: $600.0 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 with notional contract amount of $670.0 million (2017: $600.0 million) 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 2018, the Group has locked in approximately 80% (2017: 80%) of its borrowings at fixed rates (excluding money market line).

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 2018 of $2.0 million (2017: $2.8 million), representing the effective portion of the cash flow hedge, has been recognised directly in the hedging reserve.

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 2017.

* 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				
2018				
Interest rate swaps	–	–	6.2	(6.2)
Variable rate instruments	(2.0)	2.0	–	–
Cash flow sensitivity (net)	(2.0)	2.0	6.2	(6.2)
2017				
Interest rate swaps	–	–	4.2	(4.2)
Variable rate instruments	(1.5)	1.5	–	–
Cash flow sensitivity (net)	(1.5)	1.5	4.2	(4.2)

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. To mitigate the foreign currency cashflow, the Manager will enter into foreign currency forwards to limit on exposure for the RMB denominated cashflow.

The Group determines the existence of an economic relationship between the hedging instrument and hedged item based on the currency, amount and timing of their respective cash flows. The Group assess whether the derivative designated in each hedging relationship is expected to be and has been effective in offsetting changes in cash flows of the hedged item using the hypothetical derivative method.

In 2017, the Group entered into foreign exchange forward contracts with notional amounts of $114.0 million to hedge the foreign currency exposure of a highly probable forecast transaction. No ineffectiveness was recognised from the cash flow hedge. The fair value of the forwards as at 31 December 2017 of $0.9 million, representing the effective portion of the cash flow hedge, had been recognised directly in the hedging reserve. The contracts were settled in 2018.

The Group's and Trust's exposure to foreign currencies is as follows:

	US$ $'000	RMB $'000	Total $'000
Group			
2018			
Cash and cash equivalents	306	74	380
2017			
Trade and other receivables	25,300	–	25,300
Cash and cash equivalents	8,114	76	8,190
	33,414	76	33,490
Trust			
2018			
Loans to subsidiaries	339,124	–	339,124
Non-trade amounts due from subsidiaries	159,754	–	159,754
Cash and cash equivalents	83	53	136
	498,961	53	499,104
2017			
Loans to subsidiaries	333,054	–	333,054
Non-trade amounts due from subsidiaries	156,224	–	156,224
Trade and other receivables	25,300	–	25,300
Cash and cash equivalents	7,889	55	7,944
	522,467	55	522,522

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 2017.

	Statements of total return	
	Group	**Trust**
	$'000	**$'000**
2018		
US$	(31)	(49,896)
RMB	(7)	(5)
2017		
US$	(3,341)	(52,247)
RMB	(8)	(6)

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.

Forwards

During the year, the group entered into foreign currency forward contracts with notional amount of $36.8 million to hedge the RMB cash flows. The fair value of the forwards as at 31 December 2018 of $68,000 has been recognised directly in the statement of total return.

A 10% strengthening/weakening of Singapore dollar against the RMB at the reporting date would increase and decrease the statement of total return by $3.3 million and $4.2 million respectively.

Hedge of net investment in foreign operation

As at 31 December 2017, the Group has non-deliverable forwards ("NDF") of $375.0 million as hedges of the Group's net investment in certain subsidiaries in China. No ineffectiveness was recognised from the net investment hedges. The NDF were settled in 2018.

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 2018 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 2017.

	Unitholders' funds	
	$'million	**$'million**
Group		
2018		
Non-deliverable forwards	–	–
2017		
Non-deliverable forwards	28.6	(35.0)

Hedge accounting

Cash flow hedges

At 31 December 2018, the Group held the following instruments to hedge exposures to changes in foreign currency and interest rates.

	Maturity 1 – 6 months	6 – 12 months	More than one year
Interest rate risk			
Interest rate swaps			
Notional amount (in thousands of SGD)	150,000	100,000	420,000
Average fixed interest rate	1.4%	1.7%	1.8%

The amounts relating to items designated as hedging instruments and hedge ineffectiveness were as follows.

Group and Trust	2018 Notional amount S'000	2018 Carrying amount – assets S'000	2018 Carrying amount – liabilities S'000	During the period - 2018 Changes in the value of the hedging instrument recognised in Unitholders' funds S'000	Amount reclassified from hedging reserve to the statement of total return S'000	Amount reclassified from costs of hedging reserve to the statement of total return S'000	Line item in the statement of total return affected by the reclassification
Foreign currency risk							
Forward exchange contracts	–	–	–	–	916	–	Change in fair value of financial derivatives
Interest rate risk							
Interest rate swaps	670,000	1,172	(1,340)	716	1,254	–	Finance income/ (costs)

The following table provides a reconciliation by risk category of components of equity and analysis of items recognised in Unitholders' funds, net of tax, resulting from cash flow hedge accounting.

	Group and Trust Hedging reserve S'000	Cost of hedging reserve S'000
Balance at 1 January 2018		
Cash flow hedges	(3,054)	–
Change in fair value:		
Interest rate risk	716	–
Amount reclassified to profit or loss:		
Foreign currency risk – other items	916	–
Interest rate risk	1,254	–
Balance at 31 December 2018	(168)	–

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	Amortised costs $'000	Fair value to statement of total return $'000	Fair value to hedging reserve $'000	Other financial liabilities $'000	Total carrying amount $'000	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
2018										
Financial assets not measured at fair value										
Trade and other receivables	8	103,138	–	–	–	103,138	–	–	–	–
Cash and cash equivalents	9	173,904	–	–	–	173,904	–	–	–	–
		277,042	–	–	–	277,042				
Financial assets measured at fair value										
Financial derivative assets	12	–	–	1,172	–	1,172	–	1,172	–	1,172
Financial liabilities not measured at fair value										
Trade and other payables	10	–	–	–	60,983	60,983	–	–	–	–
Security deposits		–	–	–	54,599	54,599	–	51,657	–	51,657
Interest-bearing borrowings	11	–	–	–	1,038,022	1,038,022	–	1,041,250	–	1,041,250
		–	–	–	1,153,604	1,153,604				
Financial liabilities measured at fair value										
Financial derivative liabilities	12	–	1,686	1,336	–	3,022	–	3,022	–	3,022

		Carrying amount				Fair value			
Group	Note	Loans and receivables $'000	Fair value to hedging reserve $'000	Other financial liabilities within scope of the principles under FRS 39 $'000	Total carrying amount $'000	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
2017									
Financial assets not measured at fair value									
Trade and other receivables	8	31,763	–	–	31,763	–	–	–	–
Cash and cash equivalents	9	186,515	–	–	186,515	–	–	–	–
		218,278	–	–	218,278				
Financial assets measured at fair value									
Financial derivative assets	12	–	436	–	436	–	436	–	436
Financial liabilities not measured at fair value									
Trade and other payables	10	–	–	59,563	59,563	–	–	–	–
Security deposits		–	–	50,818	50,818	–	48,776	–	48,776
Interest-bearing borrowings	11	–	–	747,507	747,507	–	750,000	–	750,000
		–	–	857,888	857,888				
Financial liabilities measured at fair value									
Financial derivative liabilities	12	–	7,803	–	7,803	–	7,803	–	7,803

		Carrying amount					Fair value			
	Note	Amortised costs $'000	Fair value to statement of total return $'000	Fair value to hedging reserve $'000	Other financial liabilities $'000	Total carrying amount $'000	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
Trust										
2018										
Financial assets not measured at fair value										
Loans to subsidiaries	6	339,124	–	–	–	339,124	–	–	–	–
Non-trade amounts due from subsidiaries	6	691,998	–	–	–	691,998	–	–	–	–
Trade and other receivables	8	330	–	–	–	330	–	–	–	–
Cash and cash equivalents	9	879	–	–	–	879	–	–	–	–
		1,032,331	–	–	–	1,032,331				
Financial assets measured at fair value										
Financial derivative assets	12	–	–	1,172	–	1,172	–	1,172	–	1,172
Financial liabilities not measured at fair value										
Trade and other payables	10	–	–	–	8,525	8,525	–	–	–	–
Interest-bearing borrowings	11	–	–	–	1,038,022	1,038,022	–	1,041,250	–	1,041,250
		–	–	–	1,046,547	1,046,547				
Financial liabilities measured at fair value										
Financial derivative liabilities	12	–	1,686	1,336	–	3,022	–	3,022	–	3,022

		Carrying amount				Fair value			
Trust	**Note**	**Loans and receivables $'000**	**Fair value to hedging reserve $'000**	**Other financial liabilities within scope of the principles under FRS 39 $'000**	**Total carrying amount $'000**	**Level 1 $'000**	**Level 2 $'000**	**Level 3 $'000**	**Total $'000**
2017									
Financial assets not measured at fair value									
Non-trade amounts due from subsidiaries	6	5,108	–	–	5,108	–	–	–	–
Trade and other receivables	8	25,562	–	–	25,562	–	–	–	–
Cash and cash equivalents	9	9,630	–	–	9,630	–	–	–	–
		40,300	–	–	40,300				
Financial assets measured at fair value									
Financial derivative assets	12	–	436	–	436	–	436	–	436
Financial liabilities not measured at fair value									
Trade and other payables	10	–	–	4,964	4,964	–	–	–	–
Interest-bearing borrowings	11	–	–	747,507	747,507	–	750,000	–	750,000
		–	–	752,471	752,471				
Financial liabilities measured at fair value									
Financial derivative liabilities	12	–	7,803	–	7,803	–	7,803	–	7,803

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 2018 plus an adequate constant credit spread, and are as follows:

	2018 % p.a.	2017 % p.a.
Interest-bearing borrowings	1.00-3.25	2.02 - 2.35
Security deposits	2.92-3.25	2.07 - 2.34

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 2018					
Financial assets					
Interest rate swaps	1,172	–	1,172	(1,106)	66
Financial liabilities					
Interest rate swaps	2,954	–	2,954	(1,106)	1,848
Forwards	68	–	68	–	68
	3,022	–	3,022	(1,106)	1,916
31 December 2017					
Financial assets					
Interest rate swaps	309	–	309	(165)	144
Non-deliverable forwards	127	–	127	(127)	–
	436	–	436	(292)	144
Financial liabilities					
Interest rate swaps	2,443	–	2,443	(165)	2,278
Non-deliverable forwards	4,444	–	4,444	(127)	4,317
Forwards	916	–	916	–	916
	7,803	–	7,803	(292)	7,511

29. Subsequent events

On 1 February 2019, the Group announced that it has, through its subsidiaries, entered into a co-operative framework agreement with unrelated entities to divest the issued shares of Huaxin Saihan Huhhot Real Estate Co., Ltd., which hold CapitaMall Saihan, for RMB503.2 million (approximately $99.3 million), subject to post completion adjustment; and to acquire a property from the same parties for a purchase consideration of RMB808.3 million (approximately $159.6 million).

On 1 February 2019, the Manager declared a distribution of 4.83 cents per Unit to Unitholders in respect of the period from 1 July 2018 to 31 December 2018.

AUDITED FINANCIAL STATEMENTS OF CAPITALAND RETAIL CHINA TRUST FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

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 2019 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 2019

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, a sixth supplemental deed dated 29 April 2016, a seventh supplemental deed dated 5 June 2018 and an eighth supplemental deed dated 17 April 2019) (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 FS83, 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

Authorised Signatory

Singapore
20 February 2020

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 FS83 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 2019, 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 Tze Wooi
Director

Singapore
20 February 2020

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Internet www.kpmg.com.sg

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 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 2019, 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 FS83.

In our opinion, the accompanying 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 2019 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.

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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 14 shopping malls located in 9 cities in China. Investment properties represent the largest asset item on the consolidated statement of financial position, at S$3.1 billion (excluding right-of-use assets, CapitaMall Saihan which has been reclassified as held for sale and Rock Square which is equity-accounted) as at 31 December 2019 (2018: S$2.4 billion).

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 discussed with the valuers to understand their valuation approaches, assumptions used and bases of valuations. We considered the valuation methodologies against those applied by other valuers for similar property types.

We compared the projected cash flows used in the valuations to lease agreements and other supporting documents. We evaluated the appropriateness of the discount, capitalisation and terminal yield rates used in the valuation by comparing these against historical trends and available industry data, taking into consideration comparability and market factors. Where the rates were outside the expected ranges, we undertook further procedures to understand the effect of additional factors and, when necessary, held further discussions with the valuers.

Our findings

The Group has a structured process in appointing external valuers and in reviewing, challenging and accepting their valuations. 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 contained in the annual report. Other information is defined as all information in the annual report other than the financial statements and our auditors' report thereon.

We have obtained all other information prior to the date of this auditors' report.

Our opinion on the financial statements does not cover the other information and we do 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 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, 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 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 Manager's responsibilities 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.

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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 Manager's use of the going concern basis of accounting 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 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 Lim Pang Yew, Victor.

KPMG LLP

KPMG LLP
Public Accountants and
Chartered Accountants

Singapore
20 February 2020

Statements of financial position
As at 31 December 2019

		Group		Trust	
	Note	2019 $'000	2018 $'000	2019 $'000	2018 $'000
Non-current assets					
Investment properties	4	3,166,006	2,439,106	–	–
Plant and equipment	5	2,396	2,335	–	–
Subsidiaries	6	–	–	2,029,978	1,581,896
Interest in joint venture	7	262,457	257,679	–	–
Financial derivatives	8	–	1,048	–	1,048
Other receivables	9	1,262	1,457	–	–
		3,432,121	2,701,625	2,029,978	1,582,944
Current assets					
Non-trade amounts due from subsidiaries	6	–	–	2,237	5,777
Financial derivatives	8	346	124	346	124
Trade and other receivables	9	124,368	107,037	1,097	330
Cash and cash equivalents	10	139,920	173,904	437	879
		264,634	281,065	4,117	7,110
Assets held for sale	11	108,898	–	–	–
		373,532	281,065	4,117	7,110
Total assets		**3,805,653**	**2,982,690**	**2,034,095**	**1,590,054**
Current liabilities					
Trade and other payables	12	150,972	60,670	17,559	8,525
Security deposits		32,028	25,320	–	–
Financial derivatives	8	183	71	183	71
Interest-bearing borrowings	13	206,621	161,244	202,738	161,244
Lease liabilities	14	4,075	–	–	–
Provision for taxation		8,739	3,850	23	15
		402,618	251,155	220,503	169,855
Liabilities held for sale	11	14,448	–	–	–
		417,066	251,155	220,503	169,855
Non-current liabilities					
Financial derivatives	8	5,094	2,951	5,094	2,951
Other payables	12	326	313	–	–
Security deposits		34,288	29,279	–	–
Interest-bearing borrowings	13	1,173,291	876,778	1,096,800	876,778
Lease liabilities	14	27,170	–	–	–
Deferred tax liabilities	15	274,747	250,652	–	–
		1,514,916	1,159,973	1,101,894	879,729
Total liabilities		**1,931,982**	**1,411,128**	**1,322,397**	**1,049,584**
Net assets		**1,873,671**	**1,571,562**	**711,698**	**540,470**
Represented by:					
Unitholders' funds	16	1,873,671	1,553,220	711,698	540,470
Non-controlling interest	17	–	18,342	–	–
		1,873,671	**1,571,562**	**711,698**	**540,470**
Units in issue ('000)	18	**1,209,067**	**980,549**	**1,209,067**	**980,549**
Net asset value per Unit attributable to Unitholders ($)		**1.55**	**1.58**	**0.59**	**0.55**

The accompanying notes form an integral part of these financial statements.

Statements of total return
Year ended 31 December 2019

	Note	Group 2019 $'000	Group 2018 $'000	Trust 2019 $'000	Trust 2018 $'000
Gross rental income		221,033	206,586	–	–
Other income		17,152	16,153	–	–
Gross revenue		**238,185**	**222,739**	–	–
Land rental [1]		–	(5,747)	–	–
Property related tax		(21,131)	(20,616)	–	–
Business tax		(1,280)	(1,207)	–	–
Property management fees and reimbursables		(15,074)	(14,136)	–	–
Other property operating expenses	20	(35,329)	(33,610)	–	–
Total property operating expenses		**(72,814)**	**(75,316)**	–	–
Net property income		**165,371**	**147,423**	–	–
Manager's management fees	21	(15,514)	(14,073)	(15,514)	(14,073)
Manager's acquisition fee		–	–	(8,134)	(3,488)
Manager's divestment fee		–	–	(106)	–
Trustee's fees		(509)	(464)	(509)	(464)
Audit fees		(410)	(415)	(169)	(159)
Valuation fees		(39)	(190)	–	–
Other trust operating income/(expense)	22	10,727	(1,056)	(723)	(486)
Dividend income		–	–	2,197	4,104
Foreign exchange gain/(loss) - realised		6,521	(138)	(2,021)	162
Finance income		7,093	6,307	15,470	18,368
Finance costs		(36,514)	(26,736)	(33,328)	(26,736)
Net finance income/(costs)	23	(29,421)	(20,429)	(17,858)	(8,368)
Net income/(loss) before share of results of joint venture		**136,726**	**110,658**	**(42,837)**	**(22,772)**
Share of results (net of tax) of joint venture	7	8,570	7,249	–	–
Net income/(loss)		**145,296**	**117,907**	**(42,837)**	**(22,772)**
Loss on disposal of subsidiary [2]		(4,750)	–	–	–
Change in fair value of investment properties	4	100,079	68,423	–	–
Impairment of subsidiary	6	–	–	1,089	(3,835)
Change in fair value of financial derivatives		2,018	(1,686)	2,018	(8,403)
Foreign exchange loss - unrealised		(1,419)	(625)	(1,891)	9,141
Total return for the year before taxation		**241,224**	**184,019**	**(41,621)**	**(25,869)**
Taxation	24	(74,598)	(56,549)	(8)	(13)
Total return for the year after taxation		**166,626**	**127,470**	**(41,629)**	**(25,882)**
Attributable to:					
Unitholders		165,424	128,561	(41,629)	(25,882)
Non-controlling interest	17	1,202	(1,091)	–	–
Total return for the year after taxation		**166,626**	**127,470**	**(41,629)**	**(25,882)**
Earnings per Unit (cents)	25				
- Basic		**15.45**	**13.17** [3]		
- Diluted		**15.39**	**13.11** [3]		

(1) Operating lease rental expenses have been replaced with net changes in fair value of investment properties and interest expense on lease liabilities under the principles of FRS 116 *Leases* with effect from 1 January 2019.
(2) This relates to loss arising from the disposal of 51% interest in the company which held CapitaMall Wuhu.
(3) The figures have been restated for the effect of the bonus element of the preferential offering of 86,871,006 Units which were issued on 3 September 2019.

The accompanying notes form an integral part of these financial statements.

Distribution statements
Year ended 31 December 2019

	Note	Group 2019 $'000	Group 2018 $'000	Trust 2019 $'000	Trust 2018 $'000
Amount available for distribution to Unitholders at beginning of the year		47,932	8,491	47,932	8,491
Total return for the year attributable to Unitholders		165,424	128,561	(41,629)	(25,882)
Distribution adjustments	A	(54,624)	(34,820)	152,429	119,623
Income for the year available for distribution to Unitholders		110,800	93,741	110,800	93,741
Capital distribution [1]		1,000	6,000	1,000	6,000
Distributable amount to Unitholders		111,800	99,741	111,800	99,741
Amount available for distribution to Unitholders		**159,732**	108,232	159,732	108,232
Distribution to Unitholders during the year:					
- Distribution of 4.83 cents per Unit for the period from 1 July 2018 to 31 December 2018		(47,361)	–	(47,361)	–
- Distribution of 6.29 cents per Unit for the period from 1 January 2019 to 13 August 2019		(62,806)	–	(62,806)	–
- Distribution of 0.83 cents per Unit for the period from 7 December 2017 to 31 December 2017		–	(8,020)	–	(8,020)
- Distribution of 5.39 cents per Unit for the period from 1 January 2018 to 30 June 2018		–	(52,280)	–	(52,280)
		(110,167)	(60,300)	(110,167)	(60,300)
Amount retained for general corporate and working capital purposes	B	(5,250)	–	(5,250)	–
Amount available for distribution to Unitholders at end of the year [2]		**44,315**	**47,932**	**44,315**	**47,932**
Distribution per Unit ("DPU") (cents) [2]		**9.90**	**10.22**		
Adjusted DPU (cents) [3]		**9.88**	**10.18**		

(1) Arising from the gain from the divestment of the equity interest in the company which held CapitaMall Anzhen.

(2) The Distribution per Unit relates to the distributions in respect of the relevant financial year. The distribution relating to 14 August 2019 to 31 December 2019 will be paid within 90 days from the end of the distribution period, in accordance with the provisions of the Trust Deed.

(3) The figures for FY2019 and FY2018 have been adjusted and restated respectively for the effect of the bonus element of the preferential offering of 86,871,006 Units which were issued on 3 September 2019.

The accompanying notes form an integral part of these financial statements.

Distribution statements (cont'd)
Year ended 31 December 2019

Note A – Distribution adjustments

	Group		Trust	
	2019 $'000	2018 $'000	2019 $'000	2018 $'000
Distribution adjustment items:				
- Loss on disposal of subsidiary	4,750	–	–	–
- Foreign exchange capital loss realised	1,570	–	–	–
- Manager's management fees payable in Units	7,497	6,383	7,497	6,383
- Change in fair value of financial derivatives	(2,018)	1,686	(2,018)	8,403
- Change in fair value of investment properties [1]	(98,409)	(68,442)	–	–
- Deferred taxation [1]	40,184	29,764	–	–
- Transfer to general reserve	(7,805)	(6,188)	–	–
- Unrealised foreign exchange loss/(gain) [1]	450	289	1,891	(9,141)
- Other adjustments [1]	(2,969)	1,336	–	–
- Adjustments for share of results (net of tax) of joint venture	2,126	352	–	–
- Net overseas income not distributed to the Trust	–	–	145,059	113,978
Net effect of distribution adjustments	(54,624)	(34,820)	152,429	119,623

(1) Excludes non-controlling interest's share

Note B – Distributable amount to Unitholders

Amount retained of $5.3 million for general corporate and working capital in financial year 2019 relates to the one-off compensation receivable by CapitaMall Erqi.

Statements of movements in Unitholders' funds
Year ended 31 December 2019

	Group		Trust	
	2019 $'000	2018 $'000	2019 $'000	2018 $'000
Operations				
Unitholders' funds as at beginning of the year	1,553,220	1,548,771	540,470	601,392
Change in Unitholders' funds resulting from operations	165,424	128,561	(41,629)	(25,882)
Transfer to general reserve	(7,805)	(6,188)	–	–
Net increase/(decrease) in net assets resulting from operations	**157,619**	**122,373**	**(41,629)**	**(25,882)**
Movements in hedging reserve				
Effective portion of changes in fair value of cash flow hedges	(5,099)	2,886	(5,099)	2,886
Movements in foreign currency translation reserve				
Translation differences from financial statements of foreign operations	(48,087)	(77,960)	–	–
Exchange differences on monetary items forming part of net investment in foreign operations	(9,743)	(4,396)	–	–
Exchange differences on hedges of net investment in foreign operations	–	(6,716)	–	–
Net (loss)/gain recognised directly in Unitholders' funds	**(62,929)**	**(86,186)**	**(5,099)**	**2,886**
Movement in general reserve	**7,805**	**6,188**	–	–
Unitholders' transactions				
New Units issued				
- Units issued in connection with private placement	154,308	–	154,308	–
- Units issued in connection with preferential offering	125,094	–	125,094	–
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	7,497	6,383	7,497	6,383
- Units issued in respect of acquisition fees	5,892	–	5,892	–
Units issued in respect of the distribution reinvestment plan	41,832	15,991	41,832	15,991
	334,623	22,374	334,623	22,374
Distributions to Unitholders	(110,167)	(60,300)	(110,167)	(60,300)
Equity issue expenses	(6,500)	–	(6,500)	–
Net increase/(decrease) in net assets resulting from Unitholders' transactions	**217,956**	**(37,926)**	**217,956**	**(37,926)**
Unitholders' funds as at end of the year	**1,873,671**	**1,553,220**	**711,698**	**540,470**

The accompanying notes form an integral part of these financial statements.

Portfolio statement
Year ended 31 December 2019

Description of leasehold property	Location	Term of lease (years)	Remaining term of lease (years)	Valuation 2019 RMB'000	Valuation 2018 RMB'000	Valuation 2019 $'000	Valuation 2018 $'000	Percentage of Unitholders' funds 2019 %	Percentage of Unitholders' funds 2018 %
Group									
CapitaMall Xizhimen	No. 1, Xizhimenwai Road, Xicheng District, Beijing	40 - 50	25 - 35	3,580,000	3,293,000	695,021	650,104	37.1	41.9
CapitaMall Wangjing	No. 33, Guangshun North Road, Chaoyang District, Beijing	38 - 48	23 - 33	2,772,000	2,543,000	538,156	502,039	28.7	32.3
CapitaMall Grand Canyon	No. 16, South Third Ring West Road, Fengtai District, Beijing	40 - 50	25 - 35	2,125,000	2,095,000	412,548	413,595	21.9	26.6
CapitaMall Xuefu	No. 1, Xuefu Road, Nangang District, Harbin, Heilongjiang Province	40	26	1,792,000	–	347,899	–	18.6	–
CapitaMall Xinnan	No. 99, Shenghe Yi Road, Gaoxin District, Chengdu, Sichuan Province	40	28	1,600,000	1,550,000	310,624	306,001	16.6	19.7
Yuquan Mall	No. 201, Block A Jinyu Xintiandi, E'erduosi Street, Yuquan District, Hohhot, Inner Mongolia Autonomous Region	40	30	857,000	–	166,378	–	8.9	–
CapitaMall Yuhuating	No. 421, Middle Shaoshan Road, Yuhua District, Changsha, Hunan Province	39	25	760,000	–	147,546	–	7.9	–
CapitaMall Erqi	No. 3, Minzhu Road, Erqi District, Zhengzhou, Henan Province	38	22	645,000	645,000	125,220	127,336	6.7	8.2
CapitaMall Shuangjing	No. 31, Guangqu Road, Chaoyang District, Beijing	40	23	610,000	590,000	118,426	116,478	6.3	7.5
CapitaMall Minzhongleyuan[1]	No. 704, Zhongshan Avenue, Jianghan District, Wuhan, Hubei Province	40	24 - 26	490,911	515,911	95,305	101,851	5.1	6.6
Balance carried forward				15,231,911	11,231,911	2,957,123	2,217,404	157.8	142.8

The accompanying notes form an integral part of these financial statements.

Portfolio statement (cont'd)
Year ended 31 December 2019

Description of leasehold property	Location	Term of lease (years)	Remaining term of lease (years)	Valuation 2019 RMB'000	Valuation 2018 RMB'000	Valuation 2019 $'000	Valuation 2018 $'000	Percentage of Unitholders' funds 2019 %	Percentage of Unitholders' funds 2018 %
Group									
Balance brought forward				15,231,911	11,231,911	2,957,123	2,217,404	157.8	142.8
CapitaMall Aidemengdun	No. 38, Aidemengdun Road, Daoli District, Harbin, Heilongjiang Province	40	23	480,000	–	93,187	–	5.0	–
CapitaMall Qibao[2]	No. 3655, Qixin Road, Minhang District, Shanghai	39	23	435,000	470,000	84,451	92,787	4.5	6.0
CapitaMall Saihan	No. 32, Ordos Street, Saihan District, Hohhot, Inner Mongolia Autonomous Region	35	21	–	460,000	–	90,813	–	5.8
CapitaMall Wuhu	No. 37, Zhongshan North Road, Jinghu District, Wuhu, Anhui Province	40	24	–	193,000	–	38,102	–	2.4
Investment properties, at valuation (Note 4)				**16,146,911**	**12,354,911**	**3,134,761**	**2,439,106**	**167.3**	**157.0**
Reclassified to assets held for sale									
CapitaMall Saihan	No. 32, Ordos Street, Saihan District, Hohhot, Inner Mongolia Autonomous Region	35	21	460,000	–	89,304	–	4.8	–
				16,606,911	**12,354,911**	**3,224,065**	**2,439,106**	**172.1**	**157.0**
Investment in joint venture (Note 7)						262,457	257,679	14.0	16.6
Other assets and liabilities (net)						(1,612,851)	(1,125,223)	(86.1)	(72.4)
						1,873,671	1,571,562	100.0	101.2
Net assets attributable to non-controlling interest						–	(18,342)	–	(1.2)
Net assets attributable to Unitholders						1,873,671	1,553,220	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.

The accompanying notes form an integral part of these financial statements.

Consolidated statement of cash flows
Year ended 31 December 2019

	Note	Group 2019 $'000	Group 2018 $'000
Operating activities			
Total return for the year after taxation		166,626	127,470
Adjustments for:			
Finance income		(7,093)	(6,307)
Finance costs		36,514	26,736
Depreciation and amortisation		1,080	1,282
Taxation		74,598	56,549
Manager's management fees payable in Units	A(i)	7,497	6,383
Plant and equipment written off		34	97
Change in fair value of investment properties		(100,079)	(68,423)
Change in fair value of financial derivatives		(2,018)	1,686
Share of joint venture's results (net of tax)		(8,570)	(7,249)
Gain on disposal of subsidiary		4,750	–
Impairment losses/(Write back) on trade receivables, net		1	(120)
Operating income before working capital changes		**173,340**	**138,104**
Changes in working capital:			
Trade and other receivables		(10,957)	431
Trade and other payables		(7,438)	3,372
Cash generated from operating activities		**154,945**	**141,907**
Income tax paid		(27,542)	(24,145)
Net cash from operating activities		**127,403**	**117,762**
Investing activities			
Interest received		3,026	2,425
Capital expenditure on investment properties	A(ii)	(20,774)	(10,642)
Net cash outflow on acquisition of subsidiaries	B	(459,749)	–
Net cash outflow on acquisition of joint venture	C	–	(229,312)
Proceeds from disposal of subsidiary	D	15,653	–
Deposit received for divestment of subsidiaries		50,865	–
Net cash outflow on acquisition of investment property	E	(134,507)	–
Loan to joint venture		–	(98,128)
Purchase of plant and equipment		(476)	(758)
Proceeds from disposal of plant and equipment		–	7
Net cash used in investing activities		**(545,962)**	**(336,408)**
Financing activities			
Proceeds from issuance of new Units		279,402	–
Distribution to Unitholders		(68,335)	(44,309)
Payment of equity issue expenses		(3,820)	(82)
Payment of financing expenses		(1,085)	(1,850)
Payment of lease liabilities		(5,295)	–
Proceeds from draw down of interest-bearing borrowings		620,700	590,850
Repayment of interest-bearing borrowings		(381,057)	(299,600)
Settlement of derivative contracts		(316)	(10,881)
Interest paid		(33,488)	(22,458)
Net cash from financing activities		**406,706**	**211,670**
Net decrease in cash and cash equivalents		**(11,853)**	**(6,976)**
Cash and cash equivalents at 1 January		173,904	186,515
Effect of foreign exchange rate changes on cash balances		(2,869)	(5,635)
Reclassification of cash balances to assets held for sale		(19,262)	–
Cash and cash equivalents at 31 December	10	**139,920**	**173,904**

The accompanying notes form an integral part of these financial statements.

Consolidated statement of cash flows (cont'd)
Year ended 31 December 2019

Notes:

(A) Significant non-cash and other transactions

(i) $7.5 million of the Manager's management fees (performance and partial base fees) in 2019 will be paid through the issue of new Units subsequent to the year end.

$6.4 million of the Manager's management fees (performance fee) in 2018 was paid through the issuance of 4,671,069 new Units in March 2019.

(ii) The Group enhanced its investment properties during the year, of which $15.2 million (2018: $5.0 million) was paid. During the year, the Group paid $5.6 million (2018: $5.6 million) of the prior years unpaid balance.

(B) Net cash outflow on the acquisition of subsidiaries

Net cash outflow on acquisition of subsidiaries is provided below:

	2019 Group $'000
Investment properties	589,224
Plant and equipment	786
Trade and other receivables	4,671
Cash and cash equivalents	47,137
Trade and other payables	(26,692)
Security deposits	(7,361)
Interest-bearing borrowings	(104,717)
Provision for taxation	(1,187)
Net identifiable assets and liabilities acquired	**501,861**
Add: Shareholder's loan and interest payable novated	5,025
Cash of the subsidiaries acquired	(47,137)
Net cash outflow	**459,749**

(C) Net cash outflow on the acquisition of joint venture

Net cash outflow on acquisition of joint venture is provided below:

	2018 Group $'000
Investment properties	346,641
Plant and equipment	17
Trade and other receivables	1,804
Cash and cash equivalents	11,446
Trade and other payables	(5,279)
Security deposits	(3,739)
Interest-bearing borrowings	(96,053)
Net identifiable assets and liabilities acquired	**254,837**
Deposit paid	(25,525)
Net cash outflow	**229,312**

The accompanying notes form an integral part of these financial statements.

(D) Net cash inflow on the divestment of subsidiary

Net cash inflow on divestment of subsidiary is provided below:

	2019 Group $'000
Investment properties	41,799
Plant and equipment	24
Trade and other receivables	3,788
Cash and cash equivalents	1,136
Trade and other payables	(215)
Security deposits	(49)
Deferred tax liabilities	(2,255)
Net identifiable assets and liabilities divested	**44,228**
Net assets based on percentage shareholdings	22,556
Loss on disposal of subsidiary	(4,750)
Sale consideration	**17,806**
Receivable from vendor	(1,017)
Cash of subsidiary divested	(1,136)
Net cash inflow	**15,653**

(E) Net cash outflow on the acquisition of investment property

On 2 September 2019, the Group entered into a sale and purchase agreement with an unrelated party to acquire Yuquan Mall for a purchase consideration of RMB769.8 million (approximately $149.5 million) (excluding Value Added Tax). During the year, the Group paid $134.5 million in progress payments.

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 20 February 2020.

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, a sixth supplemental deed dated 29 April 2016, a seventh supplemental deed dated 5 June 2018 and an eighth supplemental deed dated 17 April 2019) (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.

For financial reporting purposes, with effect from 28 June 2019, the intermediate and ultimate holding companies of the Group are CapitaLand Limited and Temasek Holdings Private Limited respectively. The intermediate and ultimate holding companies are incorporated in the Republic of Singapore. Prior to 28 June 2019, the ultimate holding company of the Group was CapitaLand Limited.

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 annual 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; and
- 2.5% per annum of the net property income.

(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:

- investment properties are measured at fair value; and
- derivative financial instruments 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 14 – Lease term: whether the Group is reasonably certain to exercise extension options; and
- Note 30 – 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 11 – Assets/Liabilities held for sale; and
- Note 30 – Valuation of financial instruments.

(e) Changes in accounting policies

The Group has applied the principles under the following FRS for the first time for the annual period beginning on 1 January 2019:

FRS 116 *Leases*

The Group applied the principles under FRS 116 *Leases* using the modified retrospective approach, under which the cumulative effect of initial application is recognised in retained earnings at 1 January 2019. Accordingly, the comparative information presented for 2018 is not restated – i.e. it is presented, as previously reported, under the principles of FRS 17 and related interpretations. The details of the changes in accounting policies are disclosed below. Additionally, the disclosure requirements under the principles of FRS 116 have not generally been applied to comparative information.

Definition of a lease

Previously the Group determined at contract inception whether an arrangement was or contained a lease under the principles of INT FRS 104 *Determining whether an arrangement contains a lease.* The Group now assesses whether a contract is or contains a lease based on the definition of a lease, as explained under the principles of FRS 116.

On transition to FRS 116, the Group elected to apply the practical expedient to grandfather the assessment of which transactions are leases. The Group applied the principles under FRS 116 only to contracts that were previously identified as leases. Contracts that were not identified as leases under the principles of FRS 17 and INT FRS 104 were not reassessed for whether there is a lease under the principles of FRS 116. Therefore, the definition of a lease under the principles of FRS 116 was applied only to contracts entered into or changed on or after 1 January 2019.

As a lessee

As a lessee, the Group leases land and building, which form part of its investment properties. The Group previously classified leases as operating or finance leases based on its assessment of whether the lease transferred significantly all of the risks and rewards incidental to ownership of the underlying asset to the Group. Under the principles of FRS 116, the Group recognises right-of-use assets and lease liabilities for most of these leases – i.e. these leases are on-balance sheet.

At commencement or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of its relative stand-alone price. However, for leases of property the Group has elected not to separate non-lease components and account for the lease and associated non-lease components as a single lease component.

Leases classified as operating leases under the principles of FRS 17

Previously, the Group classified property leases as operating leases under the principles of FRS 17. On transition, for these leases, lease liabilities were measured at the present value of the remaining lease payments, discounted at the respective lessee entities' incremental borrowing rates applicable to the leases as at 1 January 2019. Right-of-use assets are measured at an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments.

The Group has tested its right-of-use assets for impairment on the date of transition and has concluded that there is no indication that the right-of-use assets are impaired.

As a lessor

The Group leases out its investment property, including own property and right-of-use assets. The Group has classified these leases as operating leases.

The Group is not required to make any adjustments on transition to FRS 116 for leases in which it acts as a lessor, except for a sub-lease.

The Group sub-leases some of its properties. Under the principles of FRS 17, the head lease and sub-lease contracts were classified as operating leases. On transition to the principles under FRS 116, the right-of-use assets recognised from the head leases are presented in investment property, and measured at fair value at that date. The Group assessed the classification of the sub-lease contracts with reference to the right-of-use asset rather than the underlying asset, and concluded that they are operating leases under the principles of FRS 116.

Impact on financial statements

Impact on transition*

On transition to FRS 116, the Group recognised right-of use assets, including investment property, and additional lease liabilities, recognising the difference in retained earnings. The impact on transition is summarised below.

	Note	1 January 2019 $'000
Group		
Right-of-use assets – investment properties	4	35,243
Lease liabilities		(35,243)
Retained earnings		–

* For the impact of the principles under FRS 116 on the statement of total return for the period, see Note 14. For the impact of the principles under FRS 116 on segment information, see Note 28. For the details of accounting policies under the principles of FRS 116 and FRS 17, see Note 3(f).

When measuring lease liabilities for leases that were classified as operating leases, the Group discounted lease payments using the applicable incremental borrowing rates at 1 January 2019. The weighted-average rate applied is 5.3%.

	1 January 2019 $'000
Group	
Operating lease commitments at 31 December 2018 as disclosed under the principles of FRS 17 in the Group's consolidated financial statements	30,311
Discounted using the incremental borrowing rate at 1 January 2019	26,275
Recognition exemption for leases of low-value assets	(52)
Recognition exemption for leases with less than 12 months of lease term at transition	(15)
Extension and/or termination options reasonably certain to be exercised	9,035
Lease liabilities recognised at 1 January 2019	35,243

Amendments to FRS 109 and FRS 107 *Interest Rate Benchmark Reform*

The adoption of these principles did not have a material effect on the Group's financial statements.

The Group applied the interest rate benchmark reform amendments retrospectively to hedging relationship that existed at 1 January 2019 or were designated thereafter and that are directly affected by interest rate benchmark reform. These amendments also apply to the gain or loss recognised in the statements of movements in Unitholders' funds that existed at 1 January 2019. The details of the accounting policies are disclosed in Note 3(c)(vi) and 30 for related disclosures about the risks and hedge accounting.

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, except as explained in Note 2(e), which addresses changes in accounting policies.

(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

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related non-controlling interest and other components of equity. Any resulting gain or loss is recognised in the statement of total return. Any interest retained in the former subsidiary is measured at fair value when control is lost.

(iii) Joint ventures

A joint venture is an arrangement in which the Group has joint control, whereby the Group has rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities.

Investments in joint ventures are accounted for using the equity method. They are recognised initially at cost, which includes transaction costs. Subsequent to initial recognition, the consolidated financial statements include the Group's share of profit or loss and other comprehensive income ("OCI") of equity-accounted investees, after adjustments to align the accounting policies with those of the Group, from the date that joint control commences until the date that joint control ceases.

(iv) 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.

(v) 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 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 foreign currency differences arising from the translation of financial liabilities designated as hedges of the net investment in a foreign operation to the extent that the hedge is effective, and qualifying cash flow hedges to the extent that the hedge is effective (see Note 3(c)(vi)).

(ii) Foreign operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, 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.

Foreign currency differences are recognised in the foreign currency translation reserve in Unitholders' funds. However, if the foreign operation is a non-wholly-owned subsidiary, then the relevant proportionate share of the translation difference is allocated to the non-controlling interest ("NCI"). When a foreign operation is disposed of such that control or joint control is lost, 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. When the Group disposes of only part of its interest in a subsidiary that includes a foreign operation while retaining control, the relevant proportion of the cumulative amount is reattributed to NCI. When the Group disposes of only part of its investment in a joint venture that includes a foreign operation while retaining joint control, the relevant proportion of the cumulative amount is reclassified to the statement of total return.

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 that are considered to form part of a net investment in a foreign operation are recognised in Unitholders' funds and are presented in the foreign currency translation reserve.

(c) Financial instruments

(i) Initial recognition

Non-derivative financial assets and financial liabilities

Trade receivables are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Group becomes a party to the contractual provisions of the instrument.

(ii) Classification and measurement

Non-derivative financial assets

The Group classifies its non-derivative financial assets as measured at amortised cost.

The classification depends on the Group's business model for managing the financial assets as well as the contractual terms of the cash flows of the financial asset.

The Group reclassifies financial assets when and only when its business model for managing those assets changes.

Financial assets at amortised cost

Financial assets at amortised cost comprise non-trade amounts due from subsidiaries, trade and other receivables (excluding prepayments), and cash and cash equivalents.

Initial measurement

A financial asset at amortised cost is initially measured at its fair value plus transaction costs that are directly attributable to the acquisition of the financial asset.

Subsequent measurement

Financial assets at amortised cost are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are subsequently measured at amortised cost. Interest income from these financial assets is included in interest income using the effective interest rate method. Any gain or loss on derecognition is recognised in the statement of total return.

Non-derivative financial liabilities

The Group classifies non-derivative financial liabilities under the other financial liabilities category. Such financial liabilities are initially measured at fair value less directly attributable transaction costs. Subsequent to initial recognition, these financial liabilities are measured at amortised cost using the effective interest method. Other financial liabilities comprise trade and other payables, security deposits and interest-bearing borrowings.

(iii) Derecognition

Financial assets

The Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Group enters into transactions whereby it transfers assets recognised in its statement of financial position, but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognised.

Financial liabilities

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. The Group also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in the statement of total return.

(iv) Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liabilities simultaneously.

(v) Cash and cash equivalents

Cash and cash equivalents comprise cash balances and bank deposits.

(vi) Derivative financial instruments and hedge accounting

Derivative financial instruments and hedge accounting

The Group holds derivative financial instruments to hedge its interest rate risk exposure. Embedded derivatives are separated from the host contract and accounted for separately if the host contract is not a financial asset and certain criteria are met.

Derivatives are initially measured at fair value and any directly attributable transaction costs are recognised in the statement of total return as incurred. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are generally recognised in the statement of total return.

The Group designates certain derivatives and non-derivative financial instruments as hedging instruments in qualifying hedging relationships. At inception of designated hedging relationships, the Group documents the risk management objective and strategy for undertaking the hedge. The Group also documents the economic relationship between the hedged item and the hedging instrument, including whether the changes in cash flows of the hedged item and hedging instrument are expected to offset each other.

The Group early adopted the amendments to recognition and measurement principles of FRS 109 and FRS 107 issued in December 2019 in relation to the project on interest rate benchmark reform. The related disclosures for the comparative period are made under the principles of FRS 109 and FRS 107 before the amendments.

Specific policies applicable from 1 January 2019 for hedges directly affected by interbank offered rate ("IBOR") reform

On initial designation of the hedging relationship, the Group formally documents the relationship between the hedging instrument(s) and hedged item(s), including the risk management objective and strategy in undertaking the hedge, together with the method that will be used to assess the effectiveness of the hedging relationship. The Group makes an assessment, both on inception of the hedging relationship and on an ongoing basis, of whether the hedging instrument(s) is (are) expected to be highly effective in offsetting the changes in the fair value or cash flows of the respective hedged item(s) during the period for which the hedge is designated. For the purpose of evaluating whether the hedging relationship is expected to be highly effective (i.e. prospective effectiveness assessment), the Group assumes that the benchmark interest rate is not altered as a result of IBOR reform.

The Group will cease to apply the amendments to its retrospective and prospective effectiveness assessment of the hedging relationship when the uncertainty arising from interest rate benchmark reform is no longer present with respect to the timing and the amount of the interest rate benchmark-based cash flows of the hedged item or hedging instrument, or when the hedging relationship is discontinued.

Cash flow hedges

The Group designates certain derivatives as hedging instruments to hedge the variability in cash flows associated with highly probable forecast transactions arising from changes in interest rates.

When a derivative is designated as a cash flow hedging instrument, the effective portion of changes in the fair value of the derivative is recognised and presented in the hedging reserve in Unitholders' fund. The effective portion of changes in the fair value of the derivative that is recognised in the hedging reserve is limited to the cumulative change in fair value of the hedged item, determined on a present value basis, from inception of the hedge. Any ineffective portion of changes in the fair value of the derivative is recognised immediately in the statement of total return.

When the hedged forecast transaction subsequently results in the recognition of a non-financial item such as inventory, the amount accumulated in the hedging reserve and the cost of hedging reserve is included directly in the initial cost of the non-financial item when it is recognised.

For all other hedged forecast transactions, the amount accumulated in the hedging reserve and the cost of hedging reserve is reclassified to the statement of total return in the same period or periods during which the hedged expected future cash flows affect the statement of total return.

If the hedge no longer meets the criteria for hedge accounting or the hedging instrument is sold, expires, is terminated or is exercised, then hedge accounting is discontinued prospectively. When hedge accounting for cash flow hedges is discontinued, the amount that has been accumulated in the hedging reserve and the cost of hedging reserve remains in equity until, for a hedge of a transaction resulting in recognition of a non-financial item, it is included in the non-financial item's cost on its initial recognition or, for other cash flow hedges, it is reclassified to the statement of total return in the same period or periods as the hedged expected future cash flows affect the statement of total return.

If the hedged future cash flows are no longer expected to occur, then the amounts that have been accumulated in the hedging reserve and the cost of hedging reserve are immediately reclassified to the statement of total return.

For a cash flow hedge of a forecast transaction, the Group assumes that the benchmark interest rate will not be not altered as a result of IBOR reform for the purpose of asserting that the forecast transaction is highly probable and presents an exposure to variations in cash flows that could ultimately affect profit or loss. The Group will no longer apply the amendments to its highly probable assessment of the hedged item when the uncertainty arising from interest rate benchmark reform with respect to the timing and amount of the interest rate benchmark-based future cash flows of the hedged item is no longer present, or when the hedging relationship is discontinued.

To determine whether the designated forecast transaction is no longer expected to occur, the Group assumes that the interest rate benchmark cash flows designated as a hedge will not be altered as a result of interest rate benchmark reform.

Net investment hedges

The Group designates certain derivatives and non-derivative financial liabilities as hedges of foreign exchange risk on net investments in foreign operations.

When a derivative instrument or a non-derivative financial liability is designated as the hedging instrument in a hedge of a net investment in a foreign operation, the effective portion of, for a derivative, changes in the fair value of the hedging instrument or, for a non-derivative, foreign exchange gains and losses is recognised and presented in the foreign currency translation reserve in Unitholders' funds. Any ineffective portion of the changes in the fair value of the derivative or foreign exchange gains or losses on the non-derivative is recognised immediately in the statement of total return. The amount recognised in translation reserve is reclassified to the statement of total return as a reclassification adjustment on disposal of the foreign operation.

(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 proceeds from disposal 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 a component 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 component will flow to the Group, and its cost can be measured reliably. The costs of the day-to-day servicing of plant and equipment are recognised in the statement of total return as incurred.

(iii) Depreciation

Depreciation is recognised as an expense in the statement of total return on a straight-line basis over the estimated useful lives of each component of an item of plant and equipment 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) Leases

The Group has applied the principles under FRS 116 using the modified retrospective approach and therefore the comparative information has not been restated and continues to be reported under the principles of FRS 17 and INT FRS 104. The details of accounting policies under the principles of FRS 17 and INT FRS 104 are disclosed separately.

Policy applicable from 1 January 2019

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group uses the definition of a lease under the principles of FRS 116.

This policy is applied to contracts entered into, on or after 1 January 2019.

i. As a lessee

The Group has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component for all leases.

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Group by the end of the lease term or the cost of the right-of-use asset reflects that the Group will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

The Group determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

Lease payments included in the measurement of the lease liability comprise the following:
- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Group is reasonably certain to exercise, lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if the Group changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in the statement of total return if the carrying amount of the right-of-use asset has been reduced to zero.

The Group presents right-of-use assets that do not meet the definition of investment property and lease liabilities separately in the statement of financial position.

Short-term leases and leases of low-value assets

The Group has elected not to recognise right-of-use assets and lease liabilities for leases of low-value assets and short-term leases, including IT equipment. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

ii. As a lessor

At inception or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices.

When the Group acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease.

To classify each lease, the Group makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As part of this assessment, the Group considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

When the Group is an intermediate lessor, it accounts for its interests in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short-term lease to which the Group applies the exemption described above, then it classifies the sub-lease as an operating lease.

If an arrangement contains lease and non-lease components, then the Group applies the principles under FRS 115 to allocate the consideration in the contract.

The Group recognises lease payments received under operating leases as income on a straight-line basis over the lease term as part of 'gross rental income'.

Generally, the accounting policies applicable to the Group as a lessor in the comparative period were not different from the principles under FRS 116 except for the classification of the sub-lease entered into during current reporting period that resulted in a finance lease classification.

Policy applicable before 1 January 2019

For contracts entered into before 1 January 2019, the Group determined whether the arrangement was or contained a lease based in the assessment of whether:
- fulfilment of the arrangement was dependent on the use of a specific asset or assets; and
- the arrangement had conveyed a right to use the asset. An arrangement conveyed the right to use the asset if one of the following was met:
  - the purchaser had the ability or right to operate the asset while obtaining or controlling more than an insignificant amount of the output;
  - the purchaser had the ability or right to control physical access to the asset while obtaining or controlling more than an insignificant amount of the output; or
  - facts and circumstances indicated that it was remote that other parties would take more than an insignificant amount of the output, and the price per unit was neither fixed per unit of output nor equal to the current market price per unit of output.

i. As a lessee

In the comparative period, assets held under other leases were classified as operating leases and were not recognised in the Group's statement of financial position. Payments made under operating leases were recognised in the statement of total return on a straight-line basis over the term of the lease. Lease incentives received were recognised as an integral part of the total lease expense, over the term of the lease.

ii. As a lessor

When the Group acted as a lessor, it determined at lease inception whether each lease was a finance lease or an operating lease.

To classify each lease, the Group made an overall assessment of whether the lease transferred substantially all of the risks and rewards incidental to ownership of the underlying asset. If this was the case, then the lease was a finance lease; if not, then it was an operating lease. As part of this assessment, the Group considered certain indicators such as whether the lease was for the major part of the economic life of the asset.

Rental income from investment property is recognised as 'revenue' on a straight line basis over the term of the lease.

(g) Impairment

(i) Non-derivative financial assets

The Group recognises loss allowances for expected credit losses ("ECLs") on financial assets measured at amortised costs.

Loss allowances of the Group are measured on either of the following bases:
- 12-month ECLs: these are ECLs that result from default events that are possible within the 12 months after the reporting date (or for a shorter period if the expected life of the instrument is less than 12 months); or
- Lifetime ECLs: these are ECLs that result from all possible default events over the expected life of a financial instrument.

The Group applies the simplified approach to provide for ECLs for all trade receivables. The simplified approach requires the loss allowance to be measured at an amount equal to lifetime ECLs. The Group applies the general approach of 12-month ECL at initial recognition for all other financial assets

The Group considers a financial asset to be in default when:
- the borrower is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held); or
- the financial asset is more than 90 days past due.

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

Measurement of ECLs

ECLs are probability-weighted estimates of credit losses. Credit losses are measured at the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Group expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

Credit-impaired financial assets

At each reporting date, the Group assesses whether financial assets carried at amortised cost are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:
- significant financial difficulty of the borrower;
- a breach of contract such as a default or being more than 90 days past due;
- the restructuring of a loan or advance by the Group on terms that the Group would not consider otherwise; or
- it is probable that the borrower will enter bankruptcy or other financial reorganisation.

Presentation of allowance for ECLs in the statement of financial position

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of these assets.

Write-off

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

(ii) Joint venture

An impairment loss in respect of a joint venture is measured by comparing the recoverable amount of the investment with its carrying amount in accordance with the requirements for non-financial assets. An impairment loss is recognised in the statement of total return. An impairment loss is reversed if there has been a favourable change in the estimates used to determine the recoverable amount and only to the extent that the recoverable amount increases.

(iii) 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. An impairment loss is recognised if the carrying amount of an asset or its related cash-generating unit ("CGU") exceeds its estimated recoverable amount.

The recoverable amount of an asset or 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.

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.

(h) Non-current assets held for sale

Non-current assets, or disposal groups comprising assets and liabilities, that are highly probable to be recovered primarily through sale rather than through continuing use, are classified as held for sale. Immediately before classification as held for sale, the assets, or components of a disposal group, are remeasured in accordance with the Group's accounting policies. Thereafter, the assets, or disposal group classified as held for sale are generally measured at the lower of their carrying amount and fair value less costs to sell.

Any impairment loss on a disposal group is first allocated to goodwill, then to remaining assets and liabilities on *pro rata* basis, except that no loss is allocated to financial assets, deferred tax assets and investment property, which continue to be measured in accordance with the Group's accounting policies. Impairment losses on initial classification as held for sale or distribution and subsequent gain or losses on remeasurement are recognised in the statement of total return. Gains are not recognised in excess of any cumulative impairment loss.

Plant and equipment once classified as held for sale are not depreciated. In addition, equity accounting of joint venture ceases once classified as held for sale.

(i) 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.

(j) 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 liability 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.

(k) 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.

(l) 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 income. 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.

(m) 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.

(n) 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.

Finance costs comprise interest expense on borrowings and expense incurred in connection with borrowings recognised in the statement of total return, using the effective interest method over the period of the borrowings.

(o) 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' funds.

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 or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any.

Current tax assets and liabilities are offset only if certain criteria are met.

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 or loss; and
- temporary differences related to investments in subsidiaries and joint ventures to the extent that it is probable that they will not reverse in the foreseeable future.

The measurement of deferred taxes reflects the tax consequences that would follow the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities. For investment property that is measured at fair value, the carrying amount of the investment property is presumed to be recovered through sale, and the Group has not rebutted this presumption. 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 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 benefit 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, Singapore and Hong Kong 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.

(p) 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.

(q) 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 for acquisition of plant and equipment and capital expenditure on investment properties.

(r) New standards and interpretations not yet adopted

A number of new standards are effective for annual periods beginning after 1 January 2019 and earlier application is permitted; however, the Group has not early adopted the new or amended standards in preparing these consolidated financial statements.

The following amended standards and interpretations are not expected to have a significant impact on the Group's consolidated financial statements:

- *Amendments to References to Conceptual Framework in FRS Standards*
- *Definition of a Business* (Amendments to FRS 103)
- *Definition of Material* (Amendments to FRS 1 and FRS 8)
- FRS 117 *Insurance Contracts*

4. Investment properties

	Group	
	2019	**2018**
	$'000	**$'000**
At 1 January	2,439,106	2,441,024
Recognition of right-of-use asset on initial application of the principles under FRS 116	35,243	–
Adjusted balance at 1 January 2019	2,474,349	2,441,024
Reclassified to assets held for sale	(89,304)	–
Disposal of investment property	(41,799)	–
Acquisition of investment properties[1]	756,817	–
Expenditure capitalised	21,949	9,765
Changes in fair value	100,079	68,423
Translation differences	(56,085)	(80,106)
At 31 December	3,166,006	2,439,106

[1] Includes acquisition fees and acquisition related expenses of $18.1 million.

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 fair value measurement for all of the investment properties of $3.1 billion (2018: $2.4 billion) has been categorised as a Level 3 fair value based on the inputs to the valuation technique used (see Note 2(d)).

	2019 **$'000**
Fair value of investment properties (based on valuation reports)	3,134,761
Add: Carrying amount of lease liabilities	31,245
Carrying amount of investment properties	3,166,006

The valuers have considered valuation techniques including the market comparable, capitalisation and discounted cash flows approaches in arriving at the open market value as at the reporting date.

The market comparable approach involves the analysis of comparable sales of similar properties and adjusting the sale prices to that reflective of the investment property.

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**
Beijing Colliers International Real Estate Valuation Co., Ltd.	31 December 2019	31 December 2018
Cushman & Wakefield International Property Advisers (Shanghai) Co., Ltd.	31 December 2019	31 December 2018
Savills Valuation and Professional Services (S) Pte. Ltd.	31 December 2019	–
Knight Frank Petty Limited	–	31 December 2018

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 (2018: within 1 to 3 years). See Note 14 for further information.

Contingent rents, representing income based on certain sales achieved by tenants, recognised in the statement of total return during the year amounted to $9.4 million (2018: $10.5 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 4.00% to 7.00%) (2018: from 4.50% to 9.50%)	The fair value increases as capitalisation rates decrease.
Discounted cash flows approach	• Discount rates (from 7.00% to 9.50%) (2018: from 7.00% to 10.75%) • Terminal rates (from 5.50% to 6.75%) (2018: from 5.50% to 6.25%)	The fair value increases as discount rates and terminal rates decrease.
Direct comparison	• Comparable price (from RMB7,000 per square metre ("psm") to RMB44,000 psm)	The fair value increases with higher comparable price.

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 2018	9,962	70	23	7,210	17,265
Additions	22	93	–	661	776
Disposal/written off	(3)	–	–	(1,094)	(1,097)
Translation difference on consolidation	(315)	(2)	(1)	(195)	(513)
At 31 December 2018	9,666	161	22	6,582	16,431
Assets acquired	4,322	328	–	2,006	6,656
Assets disposed	(889)	–	–	(160)	(1,049)
Reclassified to assets held for sale	(1,315)	–	–	(305)	(1,620)
Additions	(22)	20	–	472	470
Disposal/written off	(60)	(30)	–	(541)	(631)
Translation difference on consolidation	(243)	(10)	–	(146)	(399)
At 31 December 2019	11,459	469	22	7,908	19,858

Group	Improvement to premises $'000	Plant and machinery $'000	Motor vehicles $'000	Furniture, fittings and equipment $'000	Total $'000
Less: Accumulated depreciation					
At 1 January 2018	9,098	65	21	5,119	14,303
Charge for the year	594	48	–	605	1,247
Disposal/written off	(3)	–	–	(990)	(993)
Translation difference on consolidation	(307)	(3)	(1)	(150)	(461)
At 31 December 2018	9,382	110	20	4,584	14,096
Assets acquired	4,297	174	–	1,399	5,870
Assets disposed	(886)	–	–	(139)	(1,025)
Reclassified to assets held for sale	(1,315)	–	–	(230)	(1,545)
Charge for the year	297	76	–	668	1,041
Disposal/written off	(60)	(28)	–	(509)	(597)
Translation difference on consolidation	(260)	(7)	–	(111)	(378)
At 31 December 2019	11,455	325	20	5,662	17,462
Carrying amounts					
At 1 January 2018	864	5	2	2,091	2,962
At 31 December 2018	284	51	2	1,998	2,335
At 31 December 2019	4	144	2	2,246	2,396

6. Subsidiaries

	Trust 2019 $'000	Trust 2018 $'000
Non-current assets		
(a) Unquoted equity, at cost	569,201	569,201
Less: Allowance for impairment loss	(11,561)	(12,650)
	557,640	556,551
(b) Loans to subsidiaries	284,635	339,124
Non-trade amounts due from subsidiaries	1,187,703	686,221
	1,472,338	1,025,345
	2,029,978	1,581,896
Current assets		
(b) Non-trade amounts due from subsidiaries	2,237	5,777

Movement in allowance for impairment loss was as follows:

	Trust	
	2019	**2018**
	$'000	**$'000**
At 1 January	(12,650)	(8,815)
Write back/(Allowance) for impairment loss	1,089	(3,835)
At 31 December	(11,561)	(12,650)

(a) Details of the subsidiaries are as follows:

	Name of subsidiaries	Principal activities	Place of incorporation/ business	Effective equity held by the Group 2019 %	Effective equity held by the Group 2018 %
(i)	**Direct subsidiaries**				
*	CapitaRetail China Investments (B) Pte. Ltd.	Investment holding	Barbados	100	100
***	CapitaRetail China Investments (B) Alpha Pte. Ltd.	Investment holding	Barbados/ Singapore	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	100
***	Gold Rock Investment Pte. Ltd.	Investment holding	Singapore	100	100
***	CRCT Yuquan Investment Pte. Ltd.	Investment holding	Singapore	100	–
***	Springjade Pte. Ltd.	Investment holding	Singapore	100	–

	Name of subsidiaries	Principal activities	Place of incorporation/ business	Effective equity held by the Group 2019 %	2018 %
(i)	**Direct subsidiaries (cont'd)**				
***	CRCT China Investment (Changsha) Pte. Ltd.	Investment holding	Singapore	100	–
***	CRCT China Investment (Harbin I) Pte. Ltd.	Investment holding	Singapore	100	–
***	CRCT China Investment (Harbin II) Pte. Ltd.	Investment holding	Singapore	100	–
(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 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 2019 %	2018 %
(ii)	**Indirect subsidiaries (cont'd)**				
	Subsidiary of CapitaRetail China Investments (B) Gamma Pte. Ltd.				
* #	CapitaMalls Wuhu Commercial Property Co., Ltd.	Property investment	China	–	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	100
	Subsidiary of CRCT Yuquan Investment Pte. Ltd.				
*	Huhhot Xinkai Qingtou Real Estate Leasing Co., Ltd.	Property investment	China	100	–
	Subsidiary of Springjade Pte. Ltd.				
*	Huhhot Nuohe Mule Corporate Management Co., Ltd.	Property investment	China	100	–

	Name of subsidiaries	Principal activities	Place of incorporation/ business	Effective equity held by the Group 2019 %	2018 %
(ii)	**Indirect subsidiaries (cont'd)**				
	Subsidiary of CRCT China Investment (Changsha) Pte. Ltd.				
*	CapitaMalls Hunan Commercial Property Co., Ltd.	Property investment	China	100	–
	Subsidiary of CRCT China Investment (Harbin I) Pte. Ltd.				
*	CapitaRetail Harbin Shangdu Real Estate Co., Ltd	Property investment	China	100	–
	Subsidiary of CRCT China Investment (Harbin II) Pte. Ltd.				
*	Beijing Hualian Harbin Real Estate Development Co., Ltd.	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.*
^ *Reclassified as held for sale in 2019.*
# *The subsidiary was divested in 2019 (see Note D in Consolidated Statement of Cash Flows).*

(b) The loans to subsidiaries, amounting to $284.6 million (2018: $339.1 million) and the non-trade amounts due from subsidiaries amounting to $1,187.7 million (2018: $686.2 million) are unsecured and repayable with a notice period of 366 days. The remaining $2.2 million (2018: $5.8 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 6.37% (2018: 5.39% to 6.37%) per annum. There is no allowance for doubtful debts arising from these outstanding balances as ECL is not material.

7. Interest in joint venture

	Group 2019 $'000	Group 2018 $'000
Interest in joint venture	262,457	257,679

Name of joint venture	Principal activities	Place of incorporation/ business	Effective equity interest held by the Group 2019 %	Effective equity interest held by the Group 2018 %
* Gold Yield Pte. Ltd.	Investment holding	Singapore	51	51
Held by joint venture				
** Guangzhou Starshine Properties Co., Ltd.	Property investment	China	51	51

* *Audited by KPMG LLP Singapore.*
** *Audited by other member firms of KPMG International.*

The Group has joint control over the joint venture via the Joint Venture Agreement and has a residual interest in its net assets. Accordingly, the Group has classified its interest in Gold Yield Pte. Ltd. as a joint venture, which is equity-accounted.

The following table summarises the financial information of the Group's joint venture, based on its consolidated financial statements prepared in accordance with the principles under FRS, modified for fair value adjustments on acquisition and differences in the Group's accounting policies.

	2019 $'000	2018 $'000
Statement of income and expenditure		
Revenue	41,117	33,808
Expenses	(19,040)	(17,020)
Net increase in fair value of investment property	603	4,412
Total return after tax [a]	16,805	14,213
Group's share of total return	8,570	7,249
[a] Includes:		
- Depreciation and amortisation	(110)	(26)
- Interest income	770	253
- Interest expense	(8,454)	(8,207)
- Taxation	(5,987)	(6,987)

	2019 $'000	2018 $'000
Statement of financial position		
Non-current assets	665,183	671,367
Current assets [b]	63,497	47,611
Non-current liabilities [c]	(97,864)	(96,782)
Current liabilities [d]	(116,194)	(116,944)
Net assets	514,622	505,252
Carrying amount of interest in joint venture based on percentage shareholdings	262,457	257,679
[b] Includes cash and cash equivalents	15,631	44,713
[c] Includes non-current financial liabilities (excluding deferred tax liabilities, security deposits, other payables and lease liabilities)	(79,753)	(85,049)
[d] Includes current financial liabilities (excluding trade and other payables, provisions and lease liabilities)	(90,932)	(96,578)

8. Financial derivatives

	Group and Trust 2019 $'000	Group and Trust 2018 $'000
Non-current assets		
Interest rate swaps	–	1,048
Current assets		
Forwards	341	–
Interest rate swaps	5	124
	346	124
Non-current liabilities		
Interest rate swaps	(5,094)	(2,951)
Current liabilities		
Forwards	(9)	(68)
Interest rate swaps	(174)	(3)
	(183)	(71)

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				
2019				
Forwards	341	341	341	–
Interest rate swaps	5	8	8	–
	346	349	349	–
2018				
Interest rate swaps	1,172	1,360	908	452
Financial derivative liabilities				
2019				
Forwards	(9)	(9)	(9)	–
Interest rate swaps	(5,268)	(4,932)	(2,433)	(2,499)
	(5,277)	(4,941)	(2,442)	(2,499)
2018				
Forwards	(68)	(68)	(68)	–
Interest rate swaps	(2,954)	(3,028)	(928)	(2,100)
	(3,022)	(3,096)	(996)	(2,100)

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.

9. Trade and other receivables

	Group		Trust	
	2019 $'000	2018 $'000	2019 $'000	2018 $'000
Trade receivables	17,689	2,769	–	–
Impairment losses	–	(41)	–	–
	17,689	2,728	–	–
Other receivables	4,015	2,277	1,096	158
Amount due from joint venture (non-trade)	95,476	96,878	–	–
Interest receivables	–	172	–	172
Deposits	1,474	1,083	–	–
	118,654	103,138	1,096	330
Prepayments	6,976	5,356	1	–
	125,630	108,494	1,097	330

	Group		Trust	
	2019	**2018**	**2019**	**2018**
	$'000	**$'000**	**$'000**	**$'000**
Current	124,368	107,037	1,097	330
Non-current	1,262	1,457	–	–
	125,630	108,494	1,097	330

The non-trade amount due from joint venture is unsecured and repayable on demand. At the reporting date, $87.0 million (2018: $92.6 million) of this amount bears an effective interest rate of 4.750% (2018: 4.655% to 5.020%) per annum and the remaining amounts are interest-free. There is no allowance for doubtful debts arising from these outstanding balances as ECL is not material.

Concentration of credit risk relating to trade and other receivables (excluding prepayments) 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 trade and other receivables at the reporting date (by geographical area in China) is:

	Group	
	2019	**2018**
	$'000	**$'000**
Beijing	73,269	99,576
Zhengzhou	22,004	81
Harbin	10,410	–
Inner Mongolia, Hohhot	7,790	129
Shanghai	2,217	1,758
Chengdu	452	554
Others	399	705
	116,541	102,802

Impairment losses

The ageing of trade and other receivables at the reporting date is:

	Gross		Impairment	
	2019	**2018**	**2019**	**2018**
	$'000	**$'000**	**$'000**	**$'000**
Group				
Not past due	117,628	102,062	–	–
Past due 1 - 30 days	551	214	–	–
Past due 31 - 60 days	291	614	–	–
Past due 61 - 90 days	100	154	–	–
More than 90 days past due	84	135	–	41
	118,654	103,179	–	41

	Gross		Impairment	
	2019	**2018**	**2019**	**2018**
	$'000	**$'000**	**$'000**	**$'000**
Trust				
Not past due	1,096	330	–	–

Expected credit loss assessment for individual customers as at 1 January and 31 December 2019

The Group uses an allowance matrix to measure the ECLs of trade receivables from individual customers, which comprise a very large number of balances.

Loss rates are calculated using a 'roll rate' method based on the probability of a receivable progressing through successive stages of delinquency to write-off and are based on actual credit loss experience over the past five years.

The Manager believes that no allowance for impairment is necessary in respect of trade receivables as these receivables relate mainly to tenants that have good records with the Group or have sufficient security deposits as collateral, and hence ECL is not material.

The movement in the allowance for impairment in respect of trade receivables during the year is as follows:

		Group	
	Note	**2019**	**2018**
		$'000	**$'000**
At 1 January		41	238
Impairment losses/(write back) on trade receivables, net	20	1	(120)
Assets disposal		(30)	–
Allowance utilised		(12)	(75)
Translation difference		–	(2)
At 31 December		–	41

10. Cash and cash equivalents

	Group		Trust	
	2019	**2018**	**2019**	**2018**
	$'000	**$'000**	**$'000**	**$'000**
Cash at banks and in hand	12,356	6,206	437	879
Fixed deposits with financial institutions	127,564	167,698	–	–
	139,920	173,904	437	879

11. Assets/Liabilities held for sale

On 1 February 2019, the Group announced that it has, through its subsidiary, entered into a co-operative framework agreement with unrelated party to divest the issued shares of Huaxin Saihan Huhhot Real Estate Co., Ltd., which holds CapitaMall Saihan. Efforts to sell the disposal group have started, and the sale is expected to be completed by the end of 2020.

At 31 December 2019, the disposal group was stated at fair value less costs to sell and comprised the following assets and liabilities:

	Note	Group 2019 $'000
Investment property	4	89,304
Plant and equipment	5	75
Trade and other receivables		257
Cash and cash equivalents		19,262
Assets held for sale		108,898
Trade and other payables		2,745
Security deposits		2,572
Provision for taxation		3
Deferred tax liabilities	15	9,128
Liabilities held for sale		14,448

The following table shows the Group's valuation technique used in measuring the fair value of the disposal group, as well as the significant unobservable inputs used.

Valuation methods	Significant unobservable inputs
Capitalisation approach	• Capitalisation rates (from 4.75% to 7.25%)
Discounted cash flows approach	• Discount rate (10.50%)

12. Trade and other payables

	Group		Trust	
	2019 $'000	2018 $'000	2019 $'000	2018 $'000
Trade payables	1,901	1,099	–	6
Accrued operating expenses	26,356	18,867	3,728	924
Accrued development expenditure	8,285	5,585	–	–
Amounts due to related parties (trade)	6,126	2,952	4,297	1,976
Amounts due to related parties (non-trade)	24	–	3,542	–
Other deposits and advances	83,758	26,234	–	–
Interest payable	6,418	5,619	5,992	5,619
Other payables	18,430	627	–	–
	151,298	60,983	17,559	8,525

	Group		Trust	
	2019	**2018**	**2019**	**2018**
	$'000	**$'000**	**$'000**	**$'000**
Current	150,972	60,670	17,559	8,525
Non-current	326	313	–	–
	151,298	60,983	17,559	8,525

Included in amounts due to related parties (trade) are amounts due to the Manager, Property and Project Managers of $4.3 million (2018: $1.9 million), $1.2 million (2018: $0.7 million) and $0.3 million (2018: $nil) respectively.

13. Interest-bearing borrowings

		Group		Trust	
	Note	**2019**	**2018**	**2019**	**2018**
		$'000	**$'000**	**$'000**	**$'000**
Unsecured term loans	(a)	1,120,000	870,000	1,120,000	870,000
Medium term notes ("MTN")	(b)	130,000	130,000	130,000	130,000
Secured loan	(c)	80,374	–	–	–
Money market facilities		52,800	41,250	52,800	41,250
Less: Unamortised transactions costs		(3,262)	(3,228)	(3,262)	(3,228)
		1,379,912	1,038,022	1,299,538	1,038,022
Current		206,621	161,244	202,738	161,244
Non-current		1,173,291	876,778	1,096,800	876,778
		1,379,912	1,038,022	1,299,538	1,038,022

(a) As at 31 December 2019, the Group has an aggregate of $1,120.0 million unsecured floating rate term loans (collectively known as "Trust Term Loan Facilities"). These facilities have negative pledge covenants which require the Trust, amongst others 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.

The Trust Term Loan Facilities are repayable in full at maturity, although the Trust has the option to make early repayments.

(b) At the reporting date, $130.0 million MTN were issued under the $1.0 billion Multicurrency Debt Issuance Programme. Under the Multicurrency Debt Issuance Programme, the Trust may:

(i) issue notes in any currency, in various amounts and tenors, and the notes may bear interest at fixed, floating, variable or hybrid rates or may not bear interest, in each case as agreed between the Trustee, the Manager and the relevant dealer(s) of the Notes and as specified in the relevant Pricing Supplement; and

(ii) issue perpetual securities in registered and/or bearer form in any currency, in various amounts and the perpetual securities may confer a right to receive distribution at fixed or floating rates, in each case as agreed between the Trustee, the Manager and the relevant dealer(s) of the Perpetual Securities and as specified in the relevant Pricing Supplement.

(c) At the reporting date, secured loan comprises an outstanding term loan of $80.4 million (RMB414.0 million). The term loan bears interest rates referenced against 5-year People's Bank of China ("PBOC") base lending rate of 90% and repriced on an annual basis.

As security for the loan, the Trust has granted in favour of the lender the following:

(i) a mortgage over CapitaMall Xuefu, with carrying amount of $347.9 million; and

(ii) an assignment of the insurance policies of CapitaMall Xuefu.

The RMB term loan is payable on a quarterly basis and is payable in full upon maturity on 20 March 2026.

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 $'000**
2019				
Group				
S$ unsecured floating rate money market facilities	2.02-2.87	2020	52,800	52,800
S$ fixed rate MTN	3.25	2022	130,000	129,919
S$ unsecured floating rate loans	2.08-3.20	2020-2025	1,120,000	1,116,819
RMB secured floating rate term loan	4.41	2026	80,374	80,374
2019				
Trust				
S$ unsecured floating rate money market facilities	2.02-2.87	2020	52,800	52,800
S$ fixed rate MTN	3.25	2022	130,000	129,919
S$ unsecured floating rate loans	2.08-3.20	2020-2025	1,120,000	1,116,819

2018	Nominal interest rate per annum %	Year of maturity	Face value $'000	Carrying amount $'000
Group				
S$ unsecured floating rate money market facilities	2.31-2.82	2019	41,250	41,250
S$ fixed rate MTN	3.25	2022	130,000	129,886
S$ unsecured floating rate loans	1.00-3.20	2019-2024	870,000	866,886
Trust				
S$ unsecured floating rate money market facilities	2.31-2.82	2019	41,250	41,250
S$ fixed rate MTN	3.25	2022	130,000	129,886
S$ unsecured floating rate loans	1.00-3.20	2019-2024	870,000	866,886

The following are the contractual maturities of non-derivative financial liabilities, including estimated interest payments and excluding the impact of netting agreements:

2019	Carrying amount $'000	Contractual cash flow $'000	Within 1 year $'000	Within 2 to 5 years $'000	After 5 years $'000
Group					
S$ unsecured floating rate money market facilities	52,800	52,838	52,838	–	–
S$ fixed rate MTN	129,919	142,606	4,237	138,369	–
S$ unsecured floating rate loans	1,116,819	1,198,939	174,466	874,251	150,222
RMB secured floating rate term loan	80,374	95,962	5,919	47,941	42,102
Lease liabilities	31,245	24,540	5,760	18,780	–
Trade and other payables (Note 12)	151,298	151,298	150,972	326	–
Security deposits	66,316	66,316	32,028	30,810	3,478
	1,628,771	1,732,499	426,220	1,110,477	195,802

	Carrying amount $'000	Contractual cash flow $'000	Within 1 year $'000	Within 2 to 5 years $'000	After 5 years $'000
2019					
Trust					
S$ unsecured floating rate money market facilities	52,800	52,838	52,838	–	–
S$ fixed rate MTN	129,919	142,606	4,237	138,369	–
S$ unsecured floating rate loans	1,116,819	1,198,939	174,466	874,251	150,222
Trade and other payables (Note 12)	17,559	17,559	17,559	–	–
	1,317,097	1,411,942	249,100	1,012,620	150,222
2018					
Group					
S$ unsecured floating rate money market facilities	41,250	41,282	41,282	–	–
S$ fixed rate MTN	129,886	146,797	4,225	142,572	–
S$ unsecured floating rate loans	866,886	939,800	140,550	698,261	100,989
Trade and other payables (Note 12)	60,983	60,983	60,983	–	–
Security deposits	54,599	54,599	25,320	24,159	5,120
	1,153,604	1,243,461	272,360	864,992	106,109
2018					
Trust					
S$ unsecured floating rate money market facilities	41,250	41,282	41,282	–	–
S$ fixed rate MTN	129,886	146,797	4,225	142,572	–
S$ unsecured floating rate loans	866,886	939,800	140,550	698,261	100,989
Trade and other payables (Note 12)	8,525	8,525	8,525	–	–
	1,046,547	1,136,404	194,582	840,833	100,989

It is not expected that the cash flows included in the maturity analysis could occur significantly earlier, or at significantly different amounts.

Reconciliation of movements of liabilities to cash flows arising from financing activities

	Adjusted balance at 1 January $'000	Financing cash flows $'000	Non-cash changes: Finance costs $'000	Non-cash changes: Fair value loss $'000	Non-cash changes: Foreign exchange movement $'000	Non-cash changes: Assets acquired $'000	Non-cash changes: Other changes $'000	At 31 December $'000
2019								
Interest-bearing borrowings[1]	1,043,641	205,070	34,735	–	(2,504)	105,615	(227)	1,386,330
Interest rate swaps and forward exchange contracts used for hedging – assets	(1,172)	223	–	603	–	–	–	(346)
Interest rate swaps and forward exchange contracts used for hedging – liabilities	3,022	(539)	–	2,794	–	–	–	5,277
Lease liabilities[2]	35,243	(5,295)	1,779	–	81	–	(563)	31,245
	1,080,734	199,459	36,514	3,397	(2,423)	105,615	(790)	1,422,506
2018								
Interest-bearing borrowings[1]	749,553	266,942	27,167	–	–	–	(21)	1,043,641
Interest rate swaps and forward exchange contracts used for hedging – assets	(436)	(917)	–	181	–	–	–	(1,172)
Interest rate swaps and forward exchange contracts used for hedging – liabilities	7,803	(9,964)	–	5,183	–	–	–	3,022
	756,920	256,061	27,167	5,364	–	–	(21)	1,045,491

1 Includes interest payable.
2 Refer to Note 2(e).

14. Leases

Leases as lessee (FRS 116)

The Group leases land and building which form part of its investment properties. The leases typically run for a period of 20 years with an option to renew the lease after that date.

The investment property leases were entered into many years ago as leases of land and building. Previously, these leases were classified as operating leases under the principles of FRS 17.

Information about leases for which the Group is a lessee is presented below.

i. Amounts recognised in the statement of total return

	$'000
Group	
2019 – Leases under the principles of FRS 116	
Interest on lease liabilities	1,779
2018 – Operating leases under the principles of FRS 17	
Lease expense	5,747

ii. Amounts recognised in statement of cash flows

	2019 $'000
Total cash outflow for leases	5,295

iii. Extension options

The investment property leases contain extension options exercisable by the Group. The Group assesses at lease commencement date whether it is reasonably certain to exercise the extension options. The Group reassesses whether it is reasonably certain to exercise the options if there is a significant event or significant changes in circumstances within its control.

The Group has estimated that the potential future lease payments, should it exercise the extension option, would result in an increase in lease liability of $113.6 million.

Leases as lessor

The Group leases out its investment properties consisting of its owned commercial properties as well as leased properties (see Note 4). All leases are classified as operating leases from a lessor perspective.

The Group has classified these leases as operating leases, because they do not transfer substantially all of the risks and rewards incidental to the ownership of the assets. Note 4 sets out information about the operating leases of investment properties.

Rental income from investment properties and investment property subleases recognised by the Group during 2019 was $221.0 million (2018: $206.6 million).

The following table sets out a maturity analysis of lease payments, showing the undiscounted lease payments to be received after the reporting date.

	$'000
Group	
2019 – Operating leases under the principles of FRS 116	
Less than one year	238,284
One to two years	157,736
Two to three years	100,608
Three to four years	69,027
Four to five years	40,755
More than five years	100,343
Total	706,753
2018 – Operating leases under the principles of FRS 17	
Less than one year	188,771
Between one year to five years	344,023
More than five years	109,813
Total	642,607

15. Deferred tax liabilities

The movement in deferred tax liabilities during the financial year is as follows:

Group	At 1 January 2018 $'000	Statement of total return (Note 24) $'000	Translation difference $'000	At 31 December 2018 $'000	Statement of total return (Note 24) $'000	Disposal of subsidiary $'000	Reclassified to liabilities held for sale $'000	Translation difference $'000	At 31 December 2019 $'000
Deferred tax liabilities									
Investment properties	217,230	28,556	(7,844)	237,942	37,221	(2,255)	(9,002)	(4,651)	259,255
Tax on unrepatriated profits	10,504	2,206	–	12,710	2,908	–	(126)	–	15,492
	227,734	30,762	(7,844)	250,652	40,129	(2,255)	(9,128)	(4,651)	274,747

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	
	2019	**2018**
	$'000	**$'000**
Tax losses	16,677	27,368

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.

16. Unitholders' funds

	Note	Group		Trust	
		2019	**2018**	**2019**	**2018**
		$'000	**$'000**	**$'000**	**$'000**
Net assets resulting from operations		1,397,620	1,240,001	120,516	162,145
Hedging reserve	(a)	(5,267)	(168)	(5,267)	(168)
Foreign currency translation reserve	(b)	(160,482)	(102,652)	–	–
Unitholders' transactions		596,449	378,493	596,449	378,493
General reserve	(c)	45,351	37,546	–	–
		1,873,671	1,553,220	711,698	540,470

(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.

17. Non-controlling interest

The following summarises the financial information of the Group's significant subsidiary with material NCI of 49% in 2018. The Group, together with its NCI, disposed 100% holding of CapitaMalls Wuhu Commercial Property Co., Ltd. in July 2019.

	Group	
	2019	**2018**
	$'000	**$'000**
Statement of financial position		
Non-current assets	–	38,135
Current assets	–	1,442
Non-current liabilities	–	(14,791)
Current liabilities	–	(30,830)
Net assets	–	(6,044)
Net assets based on percentage shareholdings	–	(2,962)
Add: loans from NCI to the subsidiary in China	–	21,304
Net assets attributable to NCI	–	**18,342**
Statement of income and expenditure		
Revenue	14	1,927
Total return after taxation	**2,007**	**(3,586)**
Attributable to NCI:		
Total return after taxation	984	(1,757)
Add: interest on loans from NCI to the subsidiary in China	218	666
Total return allocated to NCI	**1,202**	**(1,091)**
Statement of cash flows		
Cash flows used in operating activities	(227)	(1,157)
Cash flows used in investing activities	(4)	(35)
Cash flows from financing activities	197	1,579
Net (decrease)/increase in cash and cash equivalents	**(34)**	**387**

There are no dividends paid to NCI in 2019 and 2018.

18. Units in issue

	2019 Number of Units	2018 Number of Units
Balance as at beginning of year	980,549,136	966,225,901
New Units issued:		
- Units in connection with private placement exercise	105,043,000	–
- Units in connection with preferential offering exercise	86,871,006	–
- As payment of distribution through distributiou reinvestment plan	28,089,899	10,602,618
- As payment of Manager's management fees	4,671,069	3,720,617
- As payment of Manager's acquisition fee	3,843,096	–
Total issued Units as at end of the year	1,209,067,206	980,549,136
New Units to be issued:		
- as payment of Manager's management fees	4,711,584	4,671,069
Total issued and issuable Units as at end of the year	1,213,778,790	985,220,205

Units issued during the year ended 31 December 2019 are as follows:

(a) On 4 March 2019, the Trust issued 4,671,069 new Units at an issue price of $1.3665 per Unit as payment of the performance component of the management fee for the period from 1 January 2018 to 31 December 2018;

(b) On 28 March 2019, the Trust issued 13,297,112 new Units at an issue price of $1.451 per Unit as payment of distribution under the distribution reinvestment plan for the period from 1 July 2018 to 31 December 2018;

(c) On 14 August 2019, the Trust issued 105,043,000 new Units via private placement at an issue price of $1.469 per Unit to fund the acquisition of CapitaMall Xuefu, CapitaMall Yuhuating and CapitaMall Aidemengdun.

(d) On 3 September 2019, the Trust issued 86,871,006 new Units via preferential offering at an issue price of $1.44 per Unit to fund the acquisition of CapitaMall Xuefu, CapitaMall Yuhuating and CapitaMall Aidemengdun.

(e) On 27 September 2019, the Trust issued 14,792,787 new Units at an issue price of $1.5232 per Unit as payment of distribution under the distribution reinvestment plan for the period from 1 January 2019 to 13 August 2019;

(f) On 14 November 2019, the Trust issued 3,843,096 new Units at an issue price of $1.5332 per Unit as payment of acquisition fee for the acquisition of CapitaMall Xuefu, CapitaMall Yuhuating and CapitaMall Aidemengdun.

Units issued during the year ended 31 December 2018 are as follows:

(a) On 2 March 2018, the Trust issued 3,720,617 new Units at an issue price of $1.6114 per Unit as payment of the performance component of the management fee for the period from 1 January 2017 to 31 December 2017;

(b) On 20 September 2018, the Trust issued 10,602,618 new Units at an issue price of $1.508 per Unit as payment of distribution under the distribution reinvestment plan for the period from 1 January 2018 to 30 June 2018;

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.

19. 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.

Distribution for the period from 1 January 2019 to 13 August 2019 was paid on 27 September 2019. Distribution for the period from 14 August 2019 to 31 December 2019 will be paid within 90 days of the end of the distribution period, in accordance with the provisions of the Trust Deed.

20. Other property operating expenses

	Note	Group 2019 $'000	Group 2018 $'000
Utilities		4,632	5,179
Advertising and promotion		6,318	5,688
Maintenance		10,431	8,942
Staff costs		11,197	11,177
Depreciation of plant and equipment	5	1,041	1,247
Impairment losses/(write back) on trade receivables, net	9	1	(120)
Amortisation of deferred expenditure included in other receivables		39	35
Plant and equipment written off		34	97
Others		1,636	1,365
		35,329	33,610

Included in staff costs is contribution to defined contribution plans of $2.1 million (2018: $2.3 million).

21. Manager's management fees

Manager's management fees comprise base fee of $8.5 million (2018: $7.7 million) and performance fee of $7.0 million (2018: $6.4 million). The Manager has elected to receive all performance fees and a partial of the base fee in the form of Units. The performance component of the Manager's management fee amounting to $7.0 million (2018: $6.4 million) and base fee amounting to $0.5 million (2018: Nil) will be paid through the issue of 4,711,584 (2018: 4,671,069) new Units subsequent to the year end.

22. Other trust operating expenses/(income)

	Group 2019 $'000	Group 2018 $'000	Trust 2019 $'000	Trust 2018 $'000
Professional fees	94	294	81	201
Compensation on termination of lease	(10,061)	–	–	–
Reversal of acquisition related expenses	(2,615)	(221)	–	–
Non-deal roadshow expenses	5	5	5	5
Others	1,850	978	637	280
	(10,727)	1,056	723	486

23. Finance income and finance costs

	Group 2019 $'000	Group 2018 $'000	Trust 2019 $'000	Trust 2018 $'000
Interest income:				
- financial institutions	2,877	2,167	54	179
- subsidiaries	–	–	15,416	18,189
- joint venture	4,216	4,140	–	–
Finance income	7,093	6,307	15,470	18,368
Interest expenses	(34,899)	(25,482)	(33,492)	(25,482)
Cash flow hedges – gain/(losses) reclassified from hedging reserve	164	(1,254)	164	(1,254)
Finance lease expenses	(1,779)	–	–	–
Finance costs	(36,514)	(26,736)	(33,328)	(26,736)
Net finance costs recognised in statement of total return	(29,421)	(20,429)	(17,858)	(8,368)

24. Taxation

	Note	Group 2019 $'000	Group 2018 $'000	Trust 2019 $'000	Trust 2018 $'000
Current taxation					
Current year		35,074	26,261	8	15
Over provision in prior years		(605)	(474)	–	(3)
		34,469	25,787	8	12
Deferred taxation					
Origination of temporary differences	15	40,129	30,762	–	–
Income tax expense		74,598	56,549	8	12

	Group		Trust	
	2019	**2018**	**2019**	**2018**
	$'000	**$'000**	**$'000**	**$'000**
Reconciliation of effective tax rate				
Total return for the year before taxation	241,224	184,019	(41,621)	(25,869)
Tax calculated using Singapore tax rate of 17% (2018: 17%)	41,008	31,283	(7,076)	(4,398)
Adjustments:				
Effect of different tax rates in foreign jurisdictions	20,173	14,658	–	–
Income not subject to tax	(384)	(11)	(3,563)	(5,405)
Expenses not deductible for tax purposes	283	1,033	1,990	2,673
Deferred tax assets not recognised	812	1,665	–	–
Utilisation of previously unrecognised tax losses	(31)	(2,330)	–	–
Tax losses not allowed to be carried forward	8,923	7,104	8,657	7,145
Foreign tax suffered	4,419	3,621	–	–
Over provision in prior years	(605)	(474)	–	(3)
	74,598	56,549	8	12

25. 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	
	2019	**2018**
	$'000	**$'000**
Total return for the year after taxation and non-controlling interest before distribution	165,424	128,561

	Trust	
	Number of Units 2019 '000	**Number of Units 2018 '000**
Issued Units at beginning of year	980,549	966,226
Effect of creation of new Units:		
- Units in connection with private placement exercise	40,291	–
- Units in connection with preferential offering exercise	28,560	–
- Distribution to Unitholders in respect of distribution reinvestment plan	14,091	2,992
- Manager's management fees paid/payable in Units	3,891	3,122
- Units issued in respect of acquisition fees	505	–
- Adjustments for effect of preferential offering	2,503	3,621
Weighted average number of issued and issuable Units at end of the year	1,070,390	975,961

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 2019 '000	**Number of Units 2018 '000**
Issued Units at beginning of year	980,549	966,226
Effect of creation of new Units:		
- Units in connection with private placement exercise	40,291	–
- Units in connection with preferential offering exercise	28,560	–
- Distribution to Unitholders in respect of distribution reinvestment plan	14,091	2,992
- Manager's management fees paid/payable in Units	8,590	7,780
- Units issued in respect of acquisition fees	505	–
- Adjustments for effect of preferential offering	2,503	3,638
Weighted average number of issued and issuable Units at end of the year	1,075,089	980,636

26. 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, and the Property and Project Managers, being CapitaLand Retail (Shanghai) Management & Consulting Co., Ltd. and its branches and CapitaLand Retail (Beijing) Facilities & Projects Consulting Co., Ltd., are indirect wholly owned subsidiaries of CapitaLand Limited.

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.

During the financial year, other than those disclosed elsewhere in the financial statements, the following were significant related party transactions carried out in the normal course of business on arm's length commercial terms:

	Group	
	2019	**2018**
	$'000	**$'000**
Project management fees paid/payable to a related party	250	–

27. Financial ratios

	Group	
	2019	**2018**
	%	**%**
Ratio of expenses to average net asset value [(1)]		
- including performance component of Manager's management fees	1.08	1.01
- excluding performance component of Manager's management fees	0.67	0.61
Portfolio turnover rate [(2)]	1.20	–

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.

28. Operating segments

The Group has 14 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 Xuefu
- CapitaMall Xinnan
- Yuquan Mall
- CapitaMall Yuhuating
- CapitaMall Erqi
- CapitaMall Shuangjing
- CapitaMall Minzhongleyuan
- CapitaMall Aidemengdun
- CapitaMall Qibao
- CapitaMall Saihan
- Rock Square (Joint venture)

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 Xuefu		CapitaMall Xinnan		Yuquan Mall/ CapitaMall Saihan^		CapitaMall Yuhuating		Sub Total	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
	S'000	S'000	S'000	S'000	S'000	S'000	S'000	S'000	S'000	S'000	S'000	S'000	S'000	S'000	S'000	S'000
External revenues:																
- Gross rental income	57,752	56,272	45,759	45,365	23,550	24,417	10,475	–	25,250	25,703	12,851	12,570	4,787	–	180,424	164,327
- Others	3,419	3,822	2,525	2,294	2,878	2,488	969	–	2,167	1,972	969	1,061	583	–	13,510	11,637
- Gross revenue	61,171	60,094	48,284	47,659	26,428	26,905	11,444	–	27,417	27,675	13,820	13,631	5,370	–	193,934	175,964
Segment net property income	43,648	42,592	35,079	33,888	17,891	18,039	7,195	–	19,755	19,253	8,127	7,868	3,021	–	134,716	121,640
Finance income	4,314	4,551	538	295	79	213	156	–	305	231	279	166	117	–	5,788	5,456
Finance costs	–	–	–	–	–	–	(1,213)	–	–	–	–	–	(194)	–	(1,407)	–
Share of results (net of tax) of joint venture	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Reportable segment total return before taxation	101,951	88,453	78,871	65,490	23,632	17,673	6,202	–	30,116	21,600	12,775	8,195	1,415	–	254,962	201,411
Segment assets	804,961	766,863	559,828	557,716	425,034	423,833	374,099	–	336,643	331,690	176,781	104,161	148,969	–	2,826,315	2,184,263
Segment liabilities	180,428	119,169	125,299	109,877	37,756	36,635	100,030	–	24,369	21,100	20,886	13,945	7,662	–	496,430	300,726
Other segment items:																
Depreciation and amortisation	(181)	(264)	(183)	(278)	(299)	(336)	(69)	–	(65)	(56)	(92)	(144)	(20)	–	(909)	(1,078)
Write-back/(Impairment losses) on trade receivables, net	(1)	–	–	–	–	–	–	–	–	66	–	–	–	–	(1)	66
Net change in fair value of investment properties	54,093	41,671	43,353	31,502	4,679	(88)	311	–	8,879	1,792	(118)	223	(1,529)	–	109,668	75,100
Net change in fair value of ROU assets	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Capital expenditure	(2,807)	(2,958)	(2,003)	(2,801)	(1,253)	(1,250)	(460)	–	(1,044)	(1,082)	(13,311)	(621)	(566)	–	(21,444)	(8,712)

	CapitaMall Erqi 2019 $'000	CapitaMall Erqi 2018 $'000	CapitaMall Shuangjing 2019 $'000	CapitaMall Shuangjing 2018 $'000	CapitaMall Minzhongleyuan 2019 $'000	CapitaMall Minzhongleyuan 2018 $'000	CapitaMall Aidemengdun 2019 $'000	CapitaMall Aidemengdun 2018 $'000	CapitaMall Qibao 2019 $'000	CapitaMall Qibao 2018 $'000	CapitaMall Wuhu# 2019 $'000	CapitaMall Wuhu# 2018 $'000	Rock Square 2019 $'000	Rock Square 2018 $'000	Sub Total 2019 $'000	Sub Total 2018 $'000	Grand total 2019 $'000	Grand total 2018 $'000
External revenues:																		
- Gross rental income	8,301	10,163	9,202	9,311	3,212	4,268	2,951	–	16,930	17,946	13	571	–	–	40,609	42,259	221,033	206,586
- Others	245	38	225	14	449	414	317	–	2,405	2,694	1	1,356	–	–	3,642	4,516	17,152	16,153
- Gross revenue	8,546	10,201	9,427	9,325	3,661	4,682	3,268	–	19,335	20,640	14	1,927	–	–	44,251	46,775	238,185	222,739
Segment net property income	6,829	8,727	7,547	7,514	697	393	1,698	–	14,131	9,705	(247)	(556)	–	–	30,655	25,783	165,371	147,423
Finance income	747	69	168	262	7	9	17	–	310	327	2	5	–	–	1,251	672	7,039	6,128
Finance costs	–	–	–	–	(707)	–	–	–	(1,072)	–	–	–	–	–	(1,779)	–	(3,186)	–
Share of results (net of tax) of joint venture	–	–	–	–	–	–	–	–	–	–	–	–	8,570	7,249	8,570	7,249	8,570	7,249
Reportable segment total return before taxation	15,404	9,731	11,599	8,700	(5,316)	(2,383)	1,368	–	1,825	3,998	4,491	(995)	8,570	7,249	37,941	26,300	292,903	227,711
Segment assets	155,621	134,370	123,324	134,400	110,072	103,443*	98,720	–	111,918	126,046*	–	41,861	262,457	257,679	862,112	797,799	3,688,427	2,982,062
Segment liabilities	22,340	19,543	19,669	18,452	17,940	4,298*	4,885	–	32,471	17,145*	–	1,698	–	–	97,305	61,136	593,735	361,862
Other segment items:																		
Depreciation and amortisation	(2)	(9)	(1)	–	(72)	(94)	(26)	–	(61)	(51)	(9)	(50)	–	–	(171)	(204)	(1,080)	(1,282)
Write-back/(Impairment losses) on trade receivables, net	–	–	–	–	–	62	–	–	–	–	–	(8)	–	–	–	54	(1)	120
Net change in fair value of investment properties	(67)	(1,021)	3,954	999	(5,050)	(2,686)	(285)	–	(7,470)	(5,972)	3,408	(39)	–	–	(5,510)	(6,677)	104,158	68,423
Net change in fair value of ROU assets	–	–	–	–	(178)	–	–	–	(3,901)	–	–	–	–	–	(4,079)	–	(4,079)	–
Capital expenditure	(66)	(394)	(7)	(415)	(102)	(37)	(220)	–	(580)	(945)	–	(38)	–	–	(975)	(1,829)	(22,419)	(10,541)

^ Assets and liabilities of CapitaMall Saihan have been reclassified as held for sale as at 31 December 2019.

\# The subsidiary was divested in 2019.

* The Group initially applied the principles under FRS 116 at 1 January 2019, which requires the recognition of right-of-use assets and lease liabilities for lease contracts that were previously classified as operating leases (see Note 2(e)). As a result, the Group recognised $35.2 million of right-of-use assets and $35.2 million of liabilities from those lease contracts. The assets and liabilities are included in the respective segments as at 31 December 2019. The Group has applied the principles under FRS 116 using the modified retrospective approach, under which comparative information is not restated (see Note 2(e)).

Reconciliations of reportable segment revenue, total return, assets and liabilities and other material items

	2019 $'000	2018 $'000
Revenue		
Total revenue for reporting segments	238,185	222,739
Total return		
Total return for reportable segments before taxation	292,903	227,711
Unallocated amounts:		
- Other corporate expenses	(51,679)	(43,692)
Total return before taxation	241,224	184,019
Assets		
Total assets for reportable segments	3,688,427	2,982,062
Assets held for sale	108,898	–
Other unallocated amounts	8,328	628
Consolidated assets	3,805,653	2,982,690
Liabilities		
Total liabilities for reportable segments	593,735	361,862
Liabilities held for sale	14,448	–
Other unallocated amounts	1,323,799	1,049,266
Consolidated liabilities	1,931,982	1,411,128

	Reportable segment totals $'000	Unallocated amounts $'000	Consolidated totals $'000
Other material items 2019			
Finance income	7,039	54	7,093
Finance costs	(3,186)	(33,328)	(36,514)
Other material items 2018			
Finance income	6,128	610	6,738
Finance costs	–	(27,167)	(27,167)

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 $18.7 million (2018: $17.9 million) of the Group's total revenue.

29. Commitments

(a) Capital commitments

	Group	
	2019	2018
	$'000	$'000
Payable:		
- contracted but not provided for	14,033	2,745

(b) The Group has non-cancellable operating leases with rentals payable as follows:

	Group	
	2019	2018
	$'000	$'000
Payable:		
- within 1 year	108	6,137
- after 1 year but within 5 years	–	23,717
- after 5 years	–	457
	108	30,311

30. 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 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% of its Deposited Property. The Group has complied with the Aggregate Leverage limit of 45.0% during the financial year, with an aggregate leverage of 36.7% as at 31 December 2019 (2018: 35.4%).

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.

In monitoring customer credit risk, customers are grouped according to their credit characteristics, including whether they are an individual or legal entity, trade history with the Group, aging profile, maturity and existence of previous financial difficulties.

Cash and fixed deposits are placed with banks and financial institutions which are regulated. Impairment on cash and cash equivalents has been measured on the 12-month expected loss basis and reflects the short maturities of the exposures. The Group considers that its cash and cash equivalents have low credit risk based on the external credit ratings of the counterparties. The amount of allowance on cash and cash equivalents was negligible.

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 2019.

S$ denominated facilities:

- $90 million money market line (MML) facilities
- $61.0 million MML & Financial Guarantee (FG) facilities
- $100.0 million multicurrency MML facility
- $100.0 million one-year trust bridge loan facility
- $50.0 million three-year trust term loan facilities

- $250.0 million four-year trust term loan facilities

- $500.0 million five-year trust term loan facilities

- $220.0 million six-year trust term loan facilities

United States dollar ("US$") denominated facilities:
- US$50.0 million multicurrency MML facility

China renminbi ("RMB") denominated facilities:
- RMB414.0 million secured term loan facility

Multicurrency Debt Issuance Programme:
- $1.0 billion multicurrency Debt Issuance Programme

As at 31 December 2019, the Group has outstanding debt of $1,120.0 million (2018: $870.0 million) trust term loan facilities, $130.0 million MTN (2018: $130.0 million), $52.8 million (2018: $41.1 million) money market line facilities and a RMB414.0 million (2018: Nil) secured 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.

The Group determines the existence of an economic relationship between the hedging instrument and hedged item based on the reference interest rates, tenors, repricing dates and maturities and the notional or par amounts.

Interest rate benchmark reform

A fundamental review and reform of major interest rate benchmarks is being undertaken globally. There is uncertainty as to the timing and the methods of transition for replacing existing benchmark interbank offered rates ("IBORs") with alternative rates. In Singapore, the fundamental review and reform of the two key Singapore Dollar interest rate benchmarks that are widely referenced in financial contracts, namely Singapore interbank offered rates ("SIBORs") and Singapore swap offer rates ("SORs"), and the transition from SOR to the Singapore Overnight Rate Average ("SORA"), is also ongoing.

As a result of these uncertainties, significant accounting judgement is involved in determining whether certain hedge accounting relationships that hedge the variability of interest rate risk due to expected changes in IBORs continue to qualify for hedge accounting as at 31 December 2019. IBOR continues to be used as a reference rate in financial markets and is used in the valuation of instruments with maturities that exceed the expected end date for IBOR. In Singapore, SIBOR and SOR continue to be used as reference rates in financial markets and are used in the valuation of instruments with maturities that exceed the expected end date for SIBOR and SOR. Therefore, the Group believes the current market structure supports the continuation of hedge accounting as at 31 December 2019.

The Group's policy is for the critical terms of the interest rate swaps to align with the hedged borrowings.

The Group evaluated the extent to which its cash flow hedging relationships are subject to uncertainty driven by IBOR reform as at the reporting date. The Group's hedged items and hedging instruments continue to be indexed to IBOR benchmark rates. IBOR benchmark rates are quoted each day and IBOR cash flows are exchanged with its counterparties as usual. However, the Group's cash flow hedging relationships extend beyond the anticipated cessation dates for SOR. The Trust expects that SOR will be replaced by other benchmark rates, but there is uncertainty over the timing and amount of the replacement rate cash flows. Such uncertainty may impact the hedging relationship, for example its effectiveness assessment and highly probable assessment. The Group applies the principles of the amendments to FRS 109 issued in December 2019 to these hedging relationships directly affected by IBOR reform.

The Group determines whether an economic relationship exists between the cash flows of the hedged item and hedging instrument based on an evaluation of the qualitative characteristics of these items and the hedged risk. The Group considers whether the critical terms of the hedged item and hedging instrument closely align when assessing the presence of an economic relationship. The Group evaluates whether the cash flows of the hedged item and the hedging instrument respond similarly to the hedged risk, such as the benchmark interest rate. For cash flow hedging relationships directly impacted by IBOR reform (i.e. hedges of SOR), the Group assumes that the cash flows of the hedged item and hedging instrument will not be altered as a result of IBOR reform.

If a hedging relationship impacted by IBOR reform has not been highly effective throughout the financial reporting period, then the Group evaluates whether the hedge is expected to be highly effective prospectively and whether the effectiveness of the hedging relationship can be reliably measured. The hedging relationship will not be discontinued as long as it meets all criteria for hedge accounting, with the exception of the requirement that the hedge was actually highly effective.

Hedging relationships impacted by IBOR reform may experience ineffectiveness attributable to market participants' expectations for when the shift from the existing IBOR benchmark rate to an alternative benchmark interest rate will occur. This transition may occur at different times for the hedged item and hedging instrument, which may lead to hedge ineffectiveness. The Group has applied its best judgement to analyse market expectations when determining the fair value of the hedging instrument and present value of estimated cash flows of the hedged item.

There were no other sources of ineffectiveness in these hedging relationships.

As at 31 December 2019, the Group has interest rate swaps ("IRS") with notional contract amount of $790.0 million (2018: $820.0 million). The Group's exposure to SOR designated in a hedging relationship is limited to a nominal amount of $790.0 million at 31 December 2019 (2018: $670.0 million) attributable to the interest rate swaps hedging SOR cash flows on the Group's SGD term loans maturing between 2020 to 2024.

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 2019, the Group has locked in approximately 80% (2018: 80%) of its borrowings at fixed rates (excluding money market line, bridge loan and RMB loan).

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 2019 of $5.1 million (2018: $2.0 million), representing the effective portion of the cash flow hedge, has been recognised directly in the hedging reserve.

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 2018.

* 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				
2019				
Interest rate swaps	–	–	6.1	(6.1)
Variable rate instruments	(3.1)	3.1	–	–
Cash flow sensitivity (net)	(3.1)	3.1	6.1	(6.1)
2018				
Interest rate swaps	–	–	6.2	(6.2)
Variable rate instruments	(2.0)	2.0	–	–
Cash flow sensitivity (net)	(2.0)	2.0	6.2	(6.2)

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. To mitigate the foreign currency cashflow, the Manager will enter into foreign currency forwards to limit on exposure for the RMB denominated cashflow.

The Group determines the existence of an economic relationship between the hedging instrument and hedged item based on the currency, amount and timing of their respective cash flows. The Group assess whether the derivative designated in each hedging relationship is expected to be and has been effective in offsetting changes in cash flows of the hedged item using the hypothetical derivative method.

The Group's and Trust's exposure to foreign currencies is as follows:

	US$ $'000	RMB $'000	Total $'000
Group			
2019			
Cash and cash equivalents	315	73	388
2018			
Cash and cash equivalents	306	74	380
Trust			
2019			
Loans to subsidiaries	284,635	–	284,635
Non-trade amounts due from subsidiaries	146,415	–	146,415
Cash and cash equivalents	31	52	83
	431,081	52	431,133
2018			
Loans to subsidiaries	339,124	–	339,124
Non-trade amounts due from subsidiaries	159,754	–	159,754
Cash and cash equivalents	83	53	136
	498,961	53	499,104

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 2018.

	Statements of total return	
	Group $'000	Trust $'000
2019		
US$	(31)	(43,108)
RMB	(7)	(5)
2018		
US$	(31)	(49,896)
RMB	(7)	(5)

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.

Forwards

At 31 December 2019, the group has foreign currency forward contracts with notional amount of $27.0 million (2018: $36.8 million) to economically hedge the undistributed income for financial year 2019. The fair value of the forwards as at 31 December 2019 of $332,000 (2018: $68,000) has been recognised directly in the statement of total return.

A 10% strengthening/weakening of Singapore dollar against the RMB at the reporting date would increase and decrease the statement of total return by $2.8 million and $2.6 million (2018: $3.3 million and $4.2 million) respectively.

Hedge accounting

Cash flow hedges

The Group held the following instruments to hedge exposures to changes in foreign currency and interest rates.

	Maturity 1 – 6 months	6 – 12 months	More than one year
Interest rate risk			
Interest rate swaps			
2019			
Notional amount (in thousands of SGD)	100,000	100,000	590,000
Average fixed interest rate	1.4%	1.6%	1.9%
2018			
Notional amount (in thousands of SGD)	150,000	100,000	420,000
Average fixed interest rate	1.4%	1.7%	1.8%

The amounts relating to items designated as hedging instruments and hedge ineffectiveness were as follows.

	2019			During the period - 2019			
Group and Trust	**Notional amount $'000**	**Carrying amount – assets $'000**	**Carrying amount – liabilities $'000**	**Changes in the value of the hedging instrument recognised in Unitholders' funds $'000**	**Amount reclassified from hedging reserve to the statement of total return $'000**	**Amount reclassified from costs of hedging reserve to the statement of total return $'000**	**Line item in the statement of total return affected by the reclassification**
Interest rate risk							
Interest rate swaps	790,000	5	(5,268)	(5,263)	164	–	Finance income/ (costs)

Group and Trust	2018 Notional amount $'000	2018 Carrying amount – assets $'000	2018 Carrying amount – liabilities $'000	During the period - 2018 Changes in the value of the hedging instrument recognised in Unitholders' funds $'000	Amount reclassified from hedging reserve to the statement of total return $'000	Amount reclassified from costs of hedging reserve to the statement of total return $'000	Line item in the statement of total return affected by the reclassification
Foreign currency risk							
Forward exchange contracts	–	–	–	–	916	–	Change in fair value of financial derivatives
Interest rate risk							
Interest rate swaps	670,000	1,172	(1,340)	716	1,254	–	Finance income/ (costs)

The following table provides a reconciliation by risk category of components of equity and analysis of items recognised in Unitholders' funds, net of tax, resulting from cash flow hedge accounting.

	Group and Trust Hedging reserve $'000	Group and Trust Cost of hedging reserve $'000
Balance at 1 January 2018		
Cash flow hedges	(3,054)	–
Change in fair value:		
Interest rate risk	716	–
Amount reclassified to profit or loss:		
Foreign currency risk – other items	916	–
Interest rate risk	1,254	–
Balance at 31 December 2018	(168)	–
Balance at 1 January 2019	(168)	–
Cash flow hedges		
Change in fair value:		
Interest rate risk	(5,263)	–
Amount reclassified to profit or loss:		
Foreign currency risk – other items	–	–
Interest rate risk	164	–
Balance at 31 December 2019	(5,267)	–

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. Trade and other receivables and trade and other payables classified as held for sale are not included in the table below (see Note 11). Further, for the current year, the fair value disclosure of lease liabilities is also not required.

		Carrying amount					Fair value			
	Note	Amortised costs $'000	Fair value to statement of total return $'000	Fair value to hedging reserve $'000	Other financial liabilities $'000	Total carrying amount $'000	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
Group										
2019										
Financial assets not measured at fair value										
Trade and other receivables	9	118,654	–	–	–	118,654	–	–	–	–
Cash and cash equivalents	10	139,920	–	–	–	139,920	–	–	–	–
		258,574	–	–	–	258,574				
Financial assets measured at fair value										
Financial derivative assets	8	–	341	5	–	346	–	346	–	346
Financial liabilities not measured at fair value										
Trade and other payables	12	–	–	–	151,298	151,298	–	–	–	–
Security deposits		–	–	–	66,316	66,316	–	63,572	–	63,572
Interest-bearing borrowings	13	–	–	–	1,379,912	1,379,912	–	1,383,174	–	1,383,174
		–	–	–	1,597,526	1,597,526				
Financial liabilities measured at fair value										
Financial derivative liabilities	8	–	9	5,268	–	5,277	–	5,277	–	5,277

Group	Note	Carrying amount: Amortised costs $'000	Carrying amount: Fair value to statement of total return $'000	Carrying amount: Fair value to hedging reserve $'000	Carrying amount: Other financial liabilities $'000	Carrying amount: Total carrying amount $'000	Fair value: Level 1 $'000	Fair value: Level 2 $'000	Fair value: Level 3 $'000	Fair value: Total $'000
2018										
Financial assets not measured at fair value										
Trade and other receivables	9	103,138	–	–	–	103,138	–	–	–	–
Cash and cash equivalents	10	173,904	–	–	–	173,904	–	–	–	–
		277,042	–	–	–	277,042				
Financial assets measured at fair value										
Financial derivative assets	8	–	–	1,172	–	1,172	–	1,172	–	1,172
Financial liabilities not measured at fair value										
Trade and other payables	12	–	–	–	60,983	60,983	–	–	–	–
Security deposits		–	–	–	54,599	54,599	–	51,657	–	51,657
Interest-bearing borrowings	13	–	–	–	1,038,022	1,038,022	–	1,041,250	–	1,041,250
		–	–	–	1,153,604	1,153,604				
Financial liabilities measured at fair value										
Financial derivative liabilities	8	–	1,686	1,336	–	3,022	–	3,022	–	3,022

		Carrying amount					Fair value			
	Note	Amortised costs $'000	Fair value to statement of total return $'000	Fair value to hedging reserve $'000	Other financial liabilities $'000	Total carrying amount $'000	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
Trust										
2019										
Financial assets not measured at fair value										
Loans to subsidiaries	6	284,635	–	–	–	284,635	–	–	278,562	278,562
Non-trade amounts due from subsidiaries	6	1,189,940	–	–	–	1,189,940	–	–	1,164,551	1,164,551
Trade and other receivables	9	1,096	–	–	–	1,096	–	–	–	–
Cash and cash equivalents	10	437	–	–	–	437	–	–	–	–
		1,476,108	–	–	–	1,476,108				
Financial assets measured at fair value										
Financial derivative assets	8	–	341	5	–	346	–	346	–	346
Financial liabilities not measured at fair value										
Trade and other payables	12	–	–	–	17,559	17,559	–	–	–	–
Interest-bearing borrowings	13	–	–	–	1,299,538	1,299,538	–	1,302,800	–	1,302,800
		–	–	–	1,317,097	1,317,097				
Financial liabilities measured at fair value										
Financial derivative liabilities	8	–	9	5,268	–	5,277	–	5,277	–	5,277

		Carrying amount					Fair value			
	Note	Amortised costs $'000	Fair value to statement of total return $'000	Fair value to hedging reserve $'000	Other financial liabilities $'000	Total carrying amount $'000	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
Trust										
2018										
Financial assets not measured at fair value										
Loans to subsidiaries	6	339,124	–	–	–	339,124	–	–	331,287	331,287
Non-trade amounts due from subsidiaries	6	691,998	–	–	–	691,998	–	–	676,007	676,007
Trade and other receivables	9	330	–	–	–	330	–	–	–	–
Cash and cash equivalents	10	879	–	–	–	879	–	–	–	–
		1,032,331	–	–	–	1,032,331				
Financial assets measured at fair value										
Financial derivative assets	8	–	–	1,172	–	1,172	–	1,172	–	1,172
Financial liabilities not measured at fair value										
Trade and other payables	12	–	–	–	8,525	8,525	–	–	–	–
Interest-bearing borrowings	13	–	–	–	1,038,022	1,038,022	–	1,041,250	–	1,041,250
		–	–	–	1,046,547	1,046,547				
Financial liabilities measured at fair value										
Financial derivative liabilities	8	–	1,686	1,336	–	3,022	–	3,022	–	3,022

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 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 2019 plus an adequate constant credit spread, and are as follows:

	2019	**2018**
	% p.a.	**% p.a.**
Group		
Interest-bearing borrowings	2.02-4.41	1.00-3.25
Security deposits	2.48-2.49	2.92-3.25
Trust		
Loans to subsidiaries	2.17	2.36
Non-trade amounts due from subsidiaries	2.17	2.36
Interest-bearing borrowings	2.02-3.25	1.00-3.25

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 2019					
Financial assets					
Interest rate swaps	5	–	5	(5)	–
Forwards	341	–	341	–	341
	346	–	346	(5)	341
Financial liabilities					
Interest rate swaps	5,268	–	5,268	(5)	5,263
Forwards	9	–	9	–	9
	5,277	–	5,277	(5)	5,272
31 December 2018					
Financial assets					
Interest rate swaps	1,172	–	1,172	(1,106)	66
Financial liabilities					
Interest rate swaps	2,954	–	2,954	(1,106)	1,848
Forwards	68	–	68	–	68
	3,022	–	3,022	(1,106)	1,916

31. Subsequent events

On 7 February 2020, the Group announced that it has, through its subsidiary, entered into a sale and purchase agreement with an unrelated party to divest the issued shares of CapitaRetail Henan Zhongzhou Real Estate Co., Ltd., which hold CapitaMall Erqi, for RMB850.9 million (approximately $165.2 million), subject to post-completion adjustment.

On 7 February 2020, the Manager declared a distribution of 3.61 cents per Unit to Unitholders in respect of the period from 14 August 2019 to 31 December 2019.

The emergence of COVID-19 since early 2020 has brought about uncertainties to the Group's operating environment and has impacted the Group's operations in China and its financial position subsequent to the financial year end. The Group is cognizant of the challenges posed by these developing events and the potential impact they have on our business sector. The Group will continuously assess the situation, work closely with the local authorities in China to support their efforts in containing the spread of COVID-19, and put in place measures to minimise impact to our business. As the situation is still evolving, the full effect of the outbreak is subject to uncertainty and could not be ascertained yet.

UNAUDITED FINANCIAL STATEMENTS OF CAPITALAND RETAIL CHINA TRUST FOR THE HALF YEAR ENDED 30 JUNE 2020

The information in this Appendix IV has been extracted and reproduced from the announcement of the unaudited financial statements of CRCT for the half year ended 30 June 2020 and has not been specifically prepared for inclusion in this Information Memorandum.

CapitaLand Retail China Trust

CAPITALAND RETAIL CHINA TRUST
2020 HALF YEAR UNAUDITED FINANCIAL STATEMENTS AND DISTRIBUTION ANNOUNCEMENT

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Summary of CRCT Results[1,2]

	1H 2020 Actual S$'000	1H 2019 Actual S$'000	Change %
Gross Revenue[3,4]	101,517	111,138	(8.7)
Net Property Income[3]	65,278	80,167	(18.6)
Distributable income contribution from joint venture[5]	4,779	5,113	(6.5)
Income available for distribution to Unitholders	35,298	50,231	(29.7)
Distributable amount to Unitholders (before Capital Distribution)[6]	37,048	50,231	(26.2)
Capital Distribution[7]	-	1,000	(100.0)
Distributable amount to Unitholders[6]	37,048	51,231	(27.7)

Distribution Per Unit ("DPU") (cents)			
DPU before Capital Distribution	3.02	5.03	(40.0)
DPU after Capital Distribution	3.02	5.13	(41.1)

	1H 2020 Actual RMB'000	1H 2019 Actual RMB'000	Change %
Gross Revenue[4]	510,986	554,500	(7.8)
Net Property Income	328,572	399,973	(17.9)

Footnotes:
1. *The financial results in 1H 2020 exclude CapitaMall Erqi with effect from 1 June 2020 following the announcement on of the completion of divestment of its entire equity interest in CapitaRetail Henan Zhongzhou Real Estate Co., Ltd. ("Erqi SPV") which held CapitaMall Erqi on 28 May 2020 and CapitaMall Wuhu which was divested on 1 July 2019.*
2. *The financial results in 1H 2020 include contributions from CapitaMall Yuhuating, CapitaMall Xuefu and CapitaMall Aidemengdun which were acquired on 30 August 2019.*
3. *Average exchange rate for SGD/RMB.*

1H 2020	1H 2019	Change %
5.033	4.989	0.9

4. *1H 2020 includes rental relief extended to tenants in view of the COVID-19 situation.*
5. *This relates to 51% interest in Rock Square.*
6. *For 1H 2020, CRCT releases $3.5 million retained in FY 2019 from the compensation received by CapitaMall Erqi, following the exit of its anchor tenant. At the same time, a $1.8 million is retained from the income available for distribution to Unitholders for general corporate and working capital purposes. The retention represents 5.0% of the income available for distribution to Unitholders.*
7. *In 1H 2019, capital distribution arising from the gain from the divestment of the equity interest in the company which held CapitaMall Anzhen.*

DISTRIBUTION & BOOK CLOSURE DATE

Distribution	For 1 January 2020 to 30 June 2020
Distribution type	Tax exempt income distribution
Distribution rate	3.02 cents per Unit
Book closure date	7 August 2020
Payment date	28 September 2020

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 2020, CRCT owns and invests in a portfolio of 13[1] shopping malls located in eight cities in China. The properties are CapitaMall Xizhimen, CapitaMall Wangjing, CapitaMall Grand Canyon and CapitaMall Shuangjing in Beijing; CapitaMall Xinnan in Chengdu; CapitaMall Qibao in Shanghai; CapitaMall Saihan[2] and Yuquan Mall in Hohhot; CapitaMall Minzhongleyuan in Wuhan; 51% interest in Rock Square ("RS JV") in Guangzhou; CapitaMall Xuefu and CapitaMall Aidemengdun in Harbin and CapitaMall Yuhuating in Changsha.

Footnotes:

1. *Excludes CapitaMall Erqi following the announcement on the completion of the divestment of Erqi SPV in May 2020.*
2. *CapitaMall Saihan is classified under assets held for sale at 30 June 2020 following the announcement of divestment on 1 February 2019.*

1(a)(i) Statement of total return for the Group (1H 2020 vs 1H 2019)

	Group		
	1H 2020[1,2] S$'000	**1H 2019 S$'000**	**% Change**
Gross rental income	94,367	103,881	(9.2)
Other income[3]	7,150	7,257	(1.5)
Gross revenue[4]	**101,517**	**111,138**	**(8.7)**
Property related tax	(9,641)	(10,098)	(4.5)
Business tax	(546)	(595)	(8.2)
Property management fees[5]	(7,839)	(6,771)	15.8
Other property operating expenses[6]	(18,213)	(13,507)	34.8
Total property operating expenses	**(36,239)**	**(30,971)**	**17.0**
Net property income	**65,278**	**80,167**	**(18.6)**
Manager's management fees	(7,716)	(7,330)	5.3
Trustee's fees	(292)	(237)	23.2
Audit fees	(240)	(206)	16.5
Valuation fees	(106)	(60)	76.7
Other trust operating (expenses)/income[8]	(389)	1,443	N.M.
Finance income[9]	3,464	2,892	19.8
Foreign exchange gain – realised[10]	2,139	720	N.M.
Finance costs[11]	(20,196)	(16,607)	21.6
Net income before share of results of joint venture	**41,942**	**60,782**	**(31.0)**
Share of results (net of tax) of joint venture[12]	3,364	3,680	(8.6)
Net Income	**45,306**	**64,462**	**(29.7)**
Divestment gain on disposal of subsidiary[13]	34,708	-	100.0
Change in fair value of investment properties[14]	(57)	66,679	N.M.
Change in fair value of financial derivatives	(984)	1,881	N.M.
Foreign exchange loss – unrealised	(381)	(853)	(55.3)
Total return for the period before taxation	**78,592**	**132,169**	**(40.5)**
Taxation[15]	(28,778)	(37,683)	(23.6)
Total return for the period after taxation	**49,814**	**94,486**	**(47.3)**
Attributable to:			
Unitholders	49,814	93,284	(46.6)
Non-controlling interest	-	1,202	(100.0)
Total return for the period after taxation	**49,814**	**94,486**	**(47.3)**

N.M. – not meaningful

Footnotes:

1. *The financial results exclude CapitaMall Erqi which was divested on 1 June 2020 following the completion announcement on 28 May 2020 and CapitaMall Wuhu which was divested on 1 July 2019.*
2. *The financial results include contribution from CapitaMall Yuhuating, CapitaMall Xuefu and CapitaMall Aidemengdun which were acquired on 30 August 2019.*
3. *Other income comprises mainly income earned from atrium space, carpark revenue, trolley carts and advertisement panels.*
4. *Includes rental relief of approximately 1.2 months equivalent of gross rental income extended to tenants in 1H 2020 in view of the COVID-19 situation.*
5. *Includes reimbursement of costs to property manager.*

6. *Includes items in the table below as part of the other property operating expenses.*

	Group		
	1H 2020[1,2] S$'000	**1H 2019 S$'000**	**% Change**
Depreciation and amortisation	(450)	(551)	(18.3)
Impairment losses on trade receivables, net[7]	(290)	(1)	N.M.
Plant and equipment written off	(3)	(3)	-

7. *Includes provision of impairment losses made in 1H 2020 for tenants with higher credit risk.*
8. *Includes land rental concession of $0.3 million received by CapitaMall Minzhongleyuan in 1H 2020 and includes reversal of over provision in pre-acquisition related expenses in 1H 2019.*
9. *Finance income relates mainly to interest from loan to joint venture and interest from bank deposits placed with financial institutions.*
10. *In 1H 2020, realised foreign exchange gain arose from repayment of the USD denominated shareholder's loan principal in CapitaMall Erqi.*
11. *Includes the interest expense on the lease liabilities under FRS 116.*
12. *This relates to the share of results from CRCT's 51% interest in RS JV. Details are as follows:*

	For information only		
	1H 2020 S$'000	**1H 2019 S$'000**	**% Change**
Gross revenue[4]	*8,650*	*10,331*	(16.3)
Property operating expenses	*(1,963)*	*(3,123)*	(37.1)
Net property income	**6,687**	**7,208**	(7.2)
Finance income	*191*	*117*	63.2
Finance costs	*(2,042)*	*(2,147)*	(4.9)
Other operating expenses	*(1,472)*	*(1,554)*	(5.3)
Change in value of investment properties	-	*56*	(100.0)
Share of results (net of tax) of joint venture	***3,364***	***3,680***	(8.6)

13. *This relates to gain arising from the divestment of Erqi SPV.*
14. *CRCT will conduct property valuation on an annual basis instead of a half-yearly basis, as announced on 26 February 2020. In 1H 2020, the change in fair value change for investment properties relates to the markdown of additional capital expenditure for CapitaMall Saihan, being carried at its fair value of RMB460.0 million as announced on 1 February 2019.*
15. *1H 2020 includes withholding tax payment of $10.9 million relating to divestment of Erqi SPV and under provision of taxation from prior years of $24,000. In 1H 2019, this includes over provision of taxation from prior years of $0.6 million.*

1(a)(ii) Distribution statement for the Group (1H 2020 vs 1H 2019)

	Group		
	1H 2020[1,2] S$'000	**1H 2019 S$'000**	**% Change**
Total return for the period attributable to Unitholders before distribution	**49,814**	**93,284**	**(46.6)**
Distribution adjustments (Note A)	(14,516)	(43,053)	(66.3)
Income available for distribution to Unitholders	35,298	50,231	(29.7)
Distributable amount to Unitholders (before Capital Distribution) [3]	**37,048**	**50,231**	**(26.2)**
Capital distribution[4]	-	1,000	(100.0)
Distributable amount to Unitholders [3]	**37,048**	**51,231**	**(27.7)**
Note A			
Distribution adjustments			
- Gain on disposal of subsidiary[5]	(23,814)	-	100.0
- Manager's management fees (performance component payable in Units)	3,565	3,381	5.4
- Change in fair value of investment properties[6]	57	(65,009)	N.M.
- Change in fair value of financial derivatives	984	(1,881)	N.M.
- Deferred taxation	7,424	22,526	(67.0)
- Transfer to general reserve	(2,847)	(3,454)	(17.6)
- Realised foreign exchange loss[7]	-	1,570	(100.0)
- Unrealised foreign exchange gain	381	(117)	N.M.
- Other adjustments[8]	(1,681)	(1,502)	11.9
- Adjustments for share of results (net of tax) of joint venture	1,415	1,433	(1.3)
Net effect of distribution adjustments	**(14,516)**	**(43,053)**	**(66.3)**

N.M. – not meaningful

Footnotes:
1. *The financial results exclude CapitaMall Erqi which was divested on 1 June 2020 following the completion announcement on 28 May 2020 and CapitaMall Wuhu which was divested on 1 July 2019.*
2. *The financial results include contribution from CapitaMall Yuhuating, CapitaMall Xuefu and CapitaMall Aidemengdun which were acquired on 30 August 2019.*
3. *For 1H 2020, CRCT releases $3.5 million retained in FY 2019 from the compensation received by CapitaMall Erqi, following the exit of its anchor tenant. At the same time, $1.8 million is retained from the income available for distribution to Unitholders for general corporate and working capital purposes. The retention represents 5.0% of the income available for distribution to Unitholders.*
4. *In 1H 2019, capital distribution arising from the gain from the divestment of the equity interest in the company which held CapitaMall Anzhen.*
5. *This relates to divestment gain arising from the divestment of Erqi SPV, net of tax.*
6. *CRCT will conduct property valuation on an annual basis instead of a half-yearly basis, as announced on 26 February 2020. In 1H 2020, the change in fair value change for investment properties relates to the markdown of additional capital expenditure for CapitaMall Saihan, being carried at its fair value of RMB460.0 million as announced on 1 February 2019.*
7. *In 1H 2019, this relates to the repayment of the USD denominated shareholder's loan principal from the intermediate company to the Trust in relation to the divestment of CapitaMall Wuhu.*
8. *Includes lease payments for ROU assets, less interest expense on lease liabilities.*

1(b)(i) Statement of financial position as at 30 Jun 2020 vs 31 Dec 2019

	Group			Trust		
	30 Jun 2020 S$'000	31 Dec 2019 S$'000	% Change	30 Jun 2020 S$'000	31 Dec 2019 S$'000	% Change
Non-current assets						
Investment properties[1,2,3]	3,157,322	3,166,006	(0.3)	-	-	-
Plant and equipment	2,272	2,396	(5.2)	-	-	-
Subsidiaries	-	-	-	1,982,082	2,029,978	(2.4)
Interest in joint venture[4]	273,688	262,457	4.3	-	-	-
Other receivables	1,274	1,262	1.0	-	-	-
	3,434,556	**3,432,121**	**0.1**	**1,982,082**	**2,029,978**	**(2.4)**
Current assets						
Non-trade amounts due from subsidiaries	-	-	-	2,314	2,237	3.4
Assets held for sale[5]	114,806	108,898	5.4	-	-	-
Financial derivatives[6]	-	346	(100.0)	-	346	(100.0)
Trade and other receivables	120,370	124,368	(3.2)	262	1,097	(76.1)
Cash and cash equivalents[7]	129,443	139,920	(7.5)	488	437	11.7
	364,619	**373,532**	**(2.4)**	**3,064**	**4,117**	**(25.6)**
Total assets	**3,799,175**	**3,805,653**	**(0.2)**	**1,985,146**	**2,034,095**	**(2.4)**
Current liabilities						
Trade and other payables	134,065	150,972	(11.2)	15,438	17,559	(12.1)
Liabilities held for sale[5]	14,985	14,448	3.7	-	-	-
Security deposits	38,292	32,028	19.6	-	-	-
Financial derivatives[6]	3,449	183	N.M.	3,449	183	N.M.
Interest-bearing borrowings[8]	234,617	206,621	13.5	228,588	202,738	12.8
Lease liabilities[2]	4,218	4,075	3.5	-	-	-
Provision for taxation	3,089	8,739	(64.7)	23	23	-
	432,715	**417,066**	**3.8**	**247,498**	**220,503**	**12.2**
Non-current liabilities						
Financial derivatives[6]	17,354	5,094	N.M.	17,354	5,094	N.M.
Other payables	237	326	(27.3)	-	-	-
Security deposits	27,790	34,288	(19.0)	-	-	-
Interest-bearing borrowings[8]	1,022,876	1,173,291	(12.8)	946,712	1,096,800	(13.7)
Lease liabilities[2]	25,965	27,170	(4.4)	-	-	-
Deferred tax liabilities	273,098	274,747	(0.6)	-	-	-
	1,367,320	**1,514,916**	**(9.7)**	**964,066**	**1,101,894**	**(12.5)**
Total liabilities	**1,800,035**	**1,931,982**	**(6.8)**	**1,211,564**	**1,322,397**	**(8.4)**
Net assets	**1,999,140**	**1,873,671**	**6.7**	**773,582**	**711,698**	**8.7**
Represented by:						
Unitholders' funds	1,999,140	1,873,671	6.7	773,582	711,698	8.7

N.M. – not meaningful

Footnotes:
1. *The decrease in investment properties was mainly due to the divestment of equity interest in Erqi SPV offset by stronger RMB against SGD.*
2. *This includes ROU assets and lease liabilities of CapitaMall Qibao and CapitaMall Minzhongleyuan under FRS 116 Leases.*
3. *Investment properties are measured at their respective fair values at each reporting date. The outbreak of COVID-19 has impacted global markets, and although the situation in China has shown improvement in the past couple of months, the impact of COVID-19 to the Chinese economy remains fluid and evolving. The carrying amounts of the investment properties are current as at 30 June 2020 only and would be reassessed at the year end based on the market conditions then.*
4. *This relates to CRCT's 51% interest in RS JV.*
5. *The assets and liabilities held for sale relate to the announced divestment of the equity interest in Huaxin Saihan Huhhot Real Estate Co., Ltd. which holds CapitaMall Saihan. CapitaMall Saihan was carried at fair value of RMB460.0 million ($92.4 million) as at 30 June 2020.*
6. *The financial derivative assets and financial derivative liabilities mainly relate to the fair value of the interest rate swaps ("IRS") and the foreign currency forwards ("FXF"). The IRS are designated to hedge the variable rate borrowings and FXF are used to hedge RMB cashflows.*
7. *The decrease in cash and cash equivalents was mainly due to the repayment of interest-bearing borrowings.*
8. *The interest-bearing borrowings comprise (i) unsecured loans of $1,048.6 million, (ii) fixed notes of S$130.0 million issued through its S$1 billion Multicurrency Debt Issuance Programme (net of transaction costs of $3.3 million) drawn down by the Trust to partially finance the acquisition of the properties in CRCT and as working capital; and (iii) secured RMB term loan facilities of RMB409.0 million (S$82.2 million). The decrease was due to the repayment of interest-bearing borrowings with proceeds received from the divestment of equity interest in Erqi SPV.*

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

	Group		Trust	
	30 Jun 2020 S$'000	**31 Dec 2019 S$'000**	**30 Jun 2020 S$'000**	**31 Dec 2019 S$'000**
Unsecured borrowings				
- Amount repayable within one year	228,600	202,800	228,600	202,800
- Amount repayable after one year	950,000	1,100,000	950,000	1,100,000
Secured borrowings[1]				
- Amount repayable within one year	6,029	3,883	-	-
- Amount repayable after one year	76,164	76,491	-	-
	1,260,793	**1,383,174**	**1,178,600**	**1,302,800**
Less: Unamortised transaction costs	(3,300)	(3,262)	(3,300)	(3,262)
	1,257,493	**1,379,912**	**1,175,300**	**1,299,538**

Aggregate leverage and interest coverage ratios

As at 30 June 2020, aggregate leverage ratio[2] was 33.6% (31 December 2019: 36.7%) and interest coverage ratio[3] was 4.0 times (31 December 2019: 5.1 times).

Footnotes:
1. *CapitaMall Xuefu was acquired with a legal mortgage in favour of the lender over the property.*
2. *Based on total borrowings over the deposited properties in accordance to Property Funds Appendix (includes CRCT's proportionate share of its Joint Venture's borrowing and deposited property).*
3. *Ratio is calculated by dividing the trailing 12 months EBITDA by the trailing 12 months interest expense.*

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 $13.7 million was retained from Distribution Reinvestment Plan on 30 March 2020.

Date	Amount retained S$' million	Use of proceeds	Amount used S$'million
30-Mar-20	13.7	For repayment of Trust's interest-bearing borrowings, general corporate and working capital purposes.	13.7

1(c)(ii) Statement of Cash Flow (1H 2020 vs 1H 2019)

	Group	
	1H 2020 S$'000	**1H 2019 S$'000**
Operating activities		
Total return after taxation	49,814	94,486
Adjustments for:		
Finance income	(3,464)	(2,892)
Finance costs	20,196	16,607
Depreciation and amortisation	450	551
Taxation	28,778	37,683
Manager's management fees payable in Units	3,565	3,381
Plant and equipment written off	3	3
Change in fair value of investment properties[1]	57	(66,679)
Change in fair value of financial derivatives	984	(1,881)
Share of results (net of tax) of joint venture	(3,364)	(3,680)
Gain on divestment of subsidiary[2]	(34,708)	-
Impairment losses on trade receivables, net	290	1
Operating income before working capital changes	**62,601**	**77,580**
Changes in working capital:		
Trade and other receivables	(19,746)	(5,321)
Trade and other payables	(23,729)	4,103
Cash generated from operating activities	**19,126**	**76,362**
Income tax paid	(15,701)	(15,865)
Net cash from operating activities	**3,425**	**60,497**
Investing activities		
Interest received	2,109	816
Capital expenditure on investment properties	(4,907)	(3,645)
Proceeds from divestment of subsidiary[2]	150,412	-
Deposit paid for acquisition of investment property[3]	-	(32,426)
Deposit (refund)/received for divestment of subsidiaries[4,5,6]	(3,865)	20,516
Purchase of plant and equipment	(136)	(92)
Net cash from/(used in) investing activities	**143,613**	**(14,831)**
Financing activities		
Distribution to Unitholders[7]	(29,934)	(28,064)
Payment of equity issue expenses	(108)	-
Payment of financing expenses	(720)	-
Payment of lease liabilities[8]	(1,662)	(1,249)
Proceeds from drawdown of interest-bearing borrowings	125,100	211,500
Repayment of interest-bearing borrowings	(250,300)	(214,550)
Settlement of derivative contracts	56	(540)
Interest paid	(19,428)	(14,954)
Net cash used in financing activities	**(176,996)**	**(47,857)**
Decrease in cash and cash equivalents	**(29,958)**	**(2,191)**
Cash and cash equivalents at beginning of period	**159,182**	**173,904**
Effect on exchange rate changes on cash balances	**5,571**	**1,415**
Reclassification of cash balances to assets held for sale	**(5,352)**	**(17,244)**
Cash and cash equivalents at end of period	**129,443**	**155,884**

Footnotes:
1. *CRCT will conduct property valuation on an annual basis instead of a half-yearly basis, as announced on 26 February 2020. In 1H 2020, the change in fair value change for investment properties relates to the markdown of additional capital expenditure for CapitaMall Saihan, being carried at its fair value of RMB460.0 million as announced on 1 February 2019.*
2. *This relates to the divestment of equity interest in Erqi SPV.*
3. *In 1H 2019, deposit paid for acquisition of Yuquan Mall pursuant to the framework agreement dated 31 January 2019.*
4. *In 1H 2019, deposit received for divestment of 51% interest in CapitaMalls Wuhu Commercial Property Co., Ltd which was completed and announced on 10 July 2019.*
5. *In 1H 2019, deposit received for divestment of interest in Huaxin Saihan Huhhot Real Estate Co., Ltd. pursuant to the framework agreement dated 31 January 2019.*
6. *In 1H 2020, deposit refunded relates to the deposit received for the divestment of equity interest in Erqi SPV received in FY 2019.*
7. *Distribution made to Unitholders in 1H 2020 was for the period from 14 August 2019 to 31 December 2019 which was paid in March 2020.*
   Distribution made to Unitholders in 1H 2019 was for the period from 1 July 2018 to 31 December 2018 which was paid in March 2019.
8. *This relates to the payment of the lease liabilities in accordance with the principles of FRS 116 Leases.*

1(d)(i) Statement of Movements in Unitholders' Funds (1H 2020 vs 1H 2019)

	Group		Trust	
	1H 2020	**1H 2019**	**1H 2020**	**1H 2019**
	S$'000	**S$'000**	**S$'000**	**S$'000**
Unitholders' funds as at beginning of period	**1,873,671**	**1,553,220**	**711,698**	**540,470**
Operations				
Change in Unitholders' funds resulting from operations before distribution	49,814	93,284	103,141	(14,385)
Transfer to general reserve	(2,847)	(3,454)	-	-
Net increase/(decrease) in net assets resulting from operations	**46,967**	**89,830**	**103,141**	**(14,385)**
Movements in hedging reserve				
Effective portion of changes in fair value of cash flow hedges	(14,888)	(2,836)	(14,888)	(2,836)
Movement in foreign currency translation reserve				
Translation differences from financial statements of foreign operations	91,783	17,809	-	-
Exchange differences on monetary items forming part of net investment in foreign operations	25,129	1,117	-	-
Net gain/(loss) recognised directly in Unitholders' funds	**102,024**	**16,090**	**(14,888)**	**(2,836)**
Movement in general reserve	**2,847**	**3,454**	**-**	**-**
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	3,565	3,381	3,565	3,381
Units issued in respect of the distribution reinvestment plan	13,713	19,297	13,713	19,297
Distribution to Unitholders[1]	(43,647)	(47,361)	(43,647)	(47,361)
Net decrease in net assets resulting from Unitholders' transactions	**(26,369)**	**(24,683)**	**(26,369)**	**(24,683)**
Unitholders' funds at end of period	**1,999,140**	**1,637,911**	**773,582**	**498,566**

Footnote:
1. *Distribution made to Unitholders in 1H 2020 was for the period from 14 August 2019 to 31 December 2019 which was paid in March 2020.*
   Distribution made to Unitholders in 1H 2019 was for the period from 1 July 2018 to 31 December 2018 which was paid in March 2019.

1(d)(ii) Details of any change in the issued and issuable Units (1H 2020 vs 1H 2019)

	Trust	
	1H 2020 Units	**1H 2019 Units**
Balance as at beginning of period	**1,209,067,206**	**980,549,136**
New Units issued:		
- As payment of manager's management fees[1]	4,711,584	4,671,069
- As payment of distribution through distribution reinvestment plan	9,092,875	13,297,112
Issued Units as at end of period	**1,222,871,665**	**998,517,317**
New Units to be issued:		
- As payment of manager's management fees[2]	2,969,823	2,190,295
Total issued and issuable Units as at end of period	**1,225,841,488**	**1,000,707,612**

Footnotes:
1. *These were the performance component of the manager's management fees for FY 2019 and FY 2018 which were issued in March 2020 and March 2019 respectively.*
2. *These were the estimated Units of the performance component of the manager's management fees for 1H 2020 which will be issued in 1Q 2021 and for 1H 2019 which was issued in March 2020.*

2 Whether the figures have been audited, or reviewed and in accordance with which auditing standard or practice

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

Except as disclosed in paragraph 5 below, the Group has applied the same accounting policies and methods of computation in the preparation of the financial statements for the current reporting period as that of the audited financial statements for the year ended 31 December 2019.

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

The Group has early adopted the Amendment to FRS 116 *Covid-19-Related Rent Concessions* for the financial period beginning 1 January 2020.

As a practical expedient, the Group has elected not to assess whether a rent concession that meets the conditions below is a lease modification:

- the change in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change;
- any reduction in lease payments affects only payments originally due on or before 30 June 2021 (for example, a rent concession would meet this condition if it results in reduced lease payments on or before 30 June 2021 and increased lease payments that extend beyond 30 June 2021); and
- there is no substantive change to other terms and conditions of the lease.

The Group has accounted for the change in lease payments resulting from the rent concession the same way it would account for the change applying FRS 116 if the change were not a lease modification.

6 Earnings per Unit ("EPU") and distribution per Unit ("DPU") for the financial period

	Group	
	1H 2020	**1H 2019**
Earnings per Unit ("EPU")		
Basic EPU[1]	4.09¢	9.42¢
Weighted average number of Units in issue	1,216,866,435	990,672,782
Diluted EPU[2]	4.08¢	9.40¢
Weighted average number of Units outstanding	1,219,836,258	992,863,077
Number of Units in issue at end of period	1,222,871,665	998,517,317
Distribution per Unit ("DPU")[3]		
Based on the number of Units in issue at end of period	3.02¢	5.13¢

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 2020	**31 Dec 2019**	**30 Jun 2020**	**31 Dec 2019**
NAV/NTA per Unit	$1.63	$1.55	$0.63	$0.59
Adjusted NAV/NTA per Unit (excluding distributable income)	$1.60	$1.51	$0.60	$0.55

8 Review of the Performance

8(i) Breakdown of Gross Revenue – Actual

	1H 2020 RMB'000	1H 2019 RMB'000	% Change	1H 2020 S$'000	1H 2019 S$'000	% Change
Multi-Tenanted Malls						
CapitaMall Xizhimen	128,325	153,669	(16.5)	25,494	30,800	(17.2)
CapitaMall Wangjing	100,588	123,374	(18.5)	19,984	24,728	(19.2)
CapitaMall Grand Canyon	49,720	66,127	(24.8)	9,878	13,254	(25.5)
CapitaMall Xuefu	48,269	-	100.0	9,590	-	100.0
CapitaMall Xinnan	54,226	69,431	(21.9)	10,773	13,916	(22.6)
CapitaMall Yuhuating	33,648	-	100.0	6,685	-	100.0
CapitaMall Aidemengdun	14,573	-	100.0	2,895	-	100.0
CapitaMall Qibao	30,377	48,105	(36.9)	6,035	9,642	(37.4)
Total multi-tenanted malls	**459,726**	**460,706**	**(0.2)**	**91,334**	**92,340**	**(1.1)**
Master-Leased Malls						
CapitaMall Erqi[1]	-	25,150	(100.0)	-	5,041	(100.0)
CapitaMall Shuangjing	21,945	23,523	(6.7)	4,360	4,714	(7.5)
Total master-leased malls	**21,945**	**48,673**	**(54.9)**	**4,360**	**9,755**	**(55.3)**
CapitaMall Minzhongleyuan	2,116	10,212	(79.3)	419	2,047	(79.5)
CapitaMall Saihan	27,199	34,838	(21.9)	5,404	6,982	(22.6)
CapitaMall Wuhu[2]	-	71	(100.0)	-	14	(100.0)
Total Gross Revenue	**510,986**	**554,500**	**(7.8)**	**101,517**	**111,138**	**(8.7)**

8(ii) Breakdown of Net Property Income – Actual

	1H 2020 RMB'000	1H 2019 RMB'000	% Change	1H 2020 S$'000	1H 2019 S$'000	% Change
Multi-Tenanted Malls						
CapitaMall Xizhimen	90,358	111,928	(19.3)	17,952	22,434	(20.0)
CapitaMall Wangjing	73,034	92,611	(21.1)	14,510	18,562	(21.8)
CapitaMall Grand Canyon	32,825	45,872	(28.4)	6,521	9,194	(29.1)
CapitaMall Xuefu	23,329	-	100.0	4,635	-	100.0
CapitaMall Xinnan	38,952	50,160	(22.3)	7,739	10,054	(23.0)
CapitaMall Yuhuating	19,967	-	100.0	3,967	-	100.0
CapitaMall Aidemengdun	4,546	-	100.0	903	-	100.0
CapitaMall Qibao[3]	19,514	35,669	(45.3)	3,877	7,149	(45.8)
Total multi-tenanted malls	**302,525**	**336,240**	**(10.0)**	**60,104**	**67,393**	**(10.8)**
Master-Leased Malls						
CapitaMall Erqi[1]	(1,260)	21,525	N.M.	(249)	4,314	N.M.
CapitaMall Shuangjing	18,320	19,213	(4.6)	3,640	3,851	(5.5)
Total master-leased malls	**17,060**	**40,738**	**(58.1)**	**3,391**	**8,165**	**(58.5)**
CapitaMall Minzhongleyuan[3]	(2,203)	2,732	N.M.	(439)	548	N.M.
CapitaMall Saihan	11,190	21,496	(47.9)	2,222	4,308	(48.4)
CapitaMall Wuhu[2]	-	(1,233)	100.0	-	(247)	100.0
Total Net Property Income	**328,572**	**399,973**	**(17.9)**	**65,278**	**80,167**	**(18.6)**

Footnotes:
1. *No contribution from CapitaMall Erqi in 1H 2020 due to the pre-termination by its anchor tenant in FY 2019. The mall was divested with effect from 1 June 2020.*
2. *The mall was divested on 1 July 2019.*
3. *Includes the impact of FRS 116, where lease expenses associated with the operating leases have been replaced with net changes in fair value of investment properties and interest expense on lease liabilities.*

1H 2020 vs 1H 2019

In RMB terms, gross revenue in 1H 2020 decreased by RMB43.5 million, or 7.8% lower than 1H 2019. The decrease was attributable to the following:

(a) In 1H 2020, rental relief was extended to tenants affected by the COVID-19 situation. The rental relief was provided in 2 phases. Under phase 1, 100% rental relief was extended to tenants for the period between 25 January 2020 and 13 February 2020 in CapitaMall Minzhongleyuan, and 50% rental relief for the period between 25 January 2020 and 9 February 2020 in other malls. Under phase 2, targeted rental relief was individually extended to provide further support to the most affected tenants as a result of mandated business closure imposed by the Chinese government. On average, 1.2 months equivalent of gross rental income rental relief was extended to tenants across the portfolio in 1H 2020; and

(b) the absence of CapitaMall Erqi's contribution following the pre-termination of lease of its anchor tenant in 4Q 2019 and the completion of divestment in May 2020.

The decrease in gross revenue was partially offset by the contributions from CapitaMall Yuhuating, CapitaMall Xuefu and CapitaMall Aidemengdun which were acquired on 30 August 2019.

In SGD terms, gross revenue in 1H 2020 decreased by $9.6 million, or 8.7% due to stronger SGD against RMB.

Property expenses for 1H 2020 increased by $5.3 million, or 17.0% compared to 1H 2019. This was mainly due to the inclusion of expenses by CapitaMall Yuhuating, CapitaMall Xuefu, and CapitaMall Aidemengdun, which were partially offset by savings in:

(a) property tax and property management fees; and

(b) utilities, staff related costs and marketing expenses through costs savings and COVID-19 concessions granted by the government.

Management fees payable to the manager were $0.4 million higher than 1H 2019, due to higher deposited properties arising from the inclusion of CapitaMall Yuhuating, CapitaMall Xuefu, CapitaMall Aidemengdun and Yuquan Mall.

Finance costs in 1H 2020 was $3.6 million higher than 1H 2019. This was mainly due to additional interest-bearing borrowings drawn down to fund the acquisition of CapitaMall Yuhuating, CapitaMall Xuefu and CapitaMall Aidemengdun, which were offset by lower interest arising from lower interest rates in 2020.

Share of results (net of tax) from joint venture relates to the contribution from Rock Square. The decrease was mainly due to rental relief extended to tenants in view of COVID-19, partially offset by lower property expenses.

Taxation in 1H 2020 decreased by $8.9 million as compared to 1H 2019 as no deferred tax on fair value changes in investment properties was incurred following the change of property valuation from half-yearly to annual basis and lower corporate tax incurred as a result of the rental relief that were extended to the tenants. The decrease in taxation was partially offset by the withholding tax paid on the gain on disposal of Erqi SPV.

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

Amidst the COVID-19 backdrop, China's economic and business activities have been impacted as travel and transportation restrictions were imposed across cities at various points. As a result, China reported a GDP growth of 3.2% in 2Q 2020. National urban disposable income for 1H 2020 grew 1.5% year-on-year while national urban expenditure per capita decreased 8.0%. For the period from January to June, retail sales of consumer goods decreased 11.4% year-on-year[1].

[1] China National Bureau of Statistics

As the first country that confronted COVID-19, China has become the first country to emerge from the economic downturn as business activities recover. The Chinese government's decisive response on the outbreak has enabled the country to contain COVID-19 swiftly, allowing China to resume economic activity by March. To ensure that the recovery is on track, the Chinese government showed its willingness to support the economy[2]. In terms of fiscal policy to-date, the government announced a headline package of around 3.6 trillion yuan[3] to reinvigorate businesses by supporting various pillars including infrastructure investment, the corporate sector and employment. Under the directive of the National Development and Reform Commission, local governments are expected to spend nearly RMB5 billion to stimulate consumption and encourage the digital transformation of retailing[4]. Under this concerted effort, the bleak economic data in January and February was subsequently followed by a much-improved performance from March onwards with the PMI rebounding to 50.9% by June 2020[1].

During the initial phrase of the outbreak, CRCT responded promptly by working closely with authorities, putting in place precautionary measures – with safety and well-being of employees, tenants, shoppers at the centre of our efforts. With the release of the Chinese government's pro-business, pro-consumption policy stimulus, the outlook has improved and this recovery is expected to gain momentum. Nonetheless, short term volatility is expected to persist as the business environment adjusts and recovers. With retailers turning more cautious, demand for retail space might soften, creating pressure on rental reversion and occupancy in the near term. To encourage consumer spending at our malls, we will draw strength from our portfolio diversity and quality, remain focused on our proactive leasing strategy and leverage on our digitalisation strategy through our ecommerce platform and innovative marketing techniques to capture both online and offline spending.

Beijing Retail Market Update

For 1H 2020, Beijing's GDP contracted 3.2% year-on-year. Over the same period, urban disposable income increased 2.2% while expenditure per capita decreased 12.6% year-on-year. From January to June, retail sales of consumer goods decreased 16.3% year-on-year[5].

No new supply entered the market in 1H 2020. Shopping centres that were under construction or renovation, rescheduled their launch. The city experienced an increase in new COVID-19 cases in June, which added further headwinds to the retail market[6]. However, calibrated measures taken by the government helped maintain normality in most of the city. The government managed to quell the flare-up from the second wave, with no new COVID-19 cases reported within 26 days[7]. Shopping mall operators are now better prepared to respond, taking on actions such as temporarily stopping offline marketing activities and using interactive virtual videos, also known as livestreaming, to reach out to the Chinese consumers. The outbreak has impacted some retailers more than others. Some retail tenants such as cinema operators have not received approval to reopen by the end of 1H 2020. Consequent to the challenging market, citywide vacancy rate increased 1.7% quarter-on-quarter and 3.5% year-on-year to 9.7% at the end of 1H 2020. Citywide shopping mall first-floor rents came in at RMB859.1 per sq m per month, with the rental index coming down 0.6% quarter-on-quarter and 0.1% year-on-year.

In 2H 2020, an additional 417,000 sq m of retail space is expected to come into the market. Retail operations and consumption have been gradually improving with the rental incentives and subsidies given out by the government. As sales continue to improve at shopping malls coupled with the government's efforts to lift the economy with favourable policies such as the consumption coupons, consumption in the city is poised to improve[6].

Shanghai Retail Market Update

Shanghai's economy shrank 2.6% year-on-year for 1H 2020. Urban disposable income per capita rose 3.5% year-on-year while expenditure per capita decreased 11.0% year-on-year during the period. From January to June 2020, retail sales decreased 11.2% year-on-year[8].

[1] China National Bureau of Statistics
[2] Allianz Global Investors, China is positioned to lead Asia's economic recovery from the coronavirus, 10 June 2020
[3] South China Morning Post, Coronavirus: China unveils US$500 billion fiscal stimulus, but refrains from going all-in, 22 May 2020
[4] Cushman & Wakefield, Looking beyond COVID-19: Shanghai's double five shopping festival, 29 June 2020
[5] Beijing Bureau of Statistics
[6] Savills, Market in Minutes, Beijing Retail, July 2020
[7] Bloomberg, Beijing proves a 2nd coronavirus wave doesn't have to mean a 2nd lockdown, 7 July 2020
[8] Shanghai Bureau of Statistics

No new supply came online in 1Q 2020 and the launch date of future projects were delayed. Many stores in the city were forced to close for one to two months due to government measures, concerns for staff safety as well as lack of business. During this period, most restaurants launched food delivery services while supermarket retailers experienced a surge in business in response to home quarantine measures. General retailers such as education outlets leveraged on online platforms to offset the loss of income from physical stores[9]. Some shopping malls turned to livestreaming to sell products during the outbreak while others established up their online shopping platforms[10]. Citywide vacancy rates edged up 0.1% quarter-on-quarter to 8.5% while first-floor rents maintained at an average of RMB27.5 per sq m per day in 1Q 2020.

Normality gradually resumed towards the end of March with footfall to the malls increasing. Depending on the risk category, stores progressively reopened and operating hours lengthened as the number of new cases stayed low. Supported by recovering consumer confidence and the gradual resumption of work activity, the outlook for Shanghai retail remains positive as the sector continues to innovate rapidly to adapt to the challenges brought about by COVID-19[9].

Guangzhou Retail Market Update

For 1H 2020, Guangzhou's economy shrank 2.7%. Retail sales from January to June 2020 decreased 10.4% year-on-year[11].

New shopping centres that were scheduled to debut postponed their opening. With no new supply entering the market, citywide total stock maintained at 5.4 million sq m by the end of 1Q 2020. Several retailers turned cautious and decreased their expansion budgets in Guangzhou in response to the near-term challenge, in particular the F&B brands. Among all the trade categories, the F&B sector was impacted the most as dine-in services were suspended, followed by the leisure and entertainment sector[12]. The closure of several large-space retailers increased vacancy rate[13] by 0.1% quarter-on-quarter, bringing occupancy to 91.4% while citywide average rent edged down 0.8% quarter-on-quarter to RMB740.7 per sq m per month at the end of the quarter.

Despite the delay in openings in 1Q 2020, Guangzhou's retail market is expected to see an influx of around one million sq m of supply for the remainder of 2020. This might lead to slight fluctuations in vacancy rates and moderating rental growth[12].

Chengdu Retail Market Update

Chengdu's 1H 2020 GDP grew 0.6% while urban per capita disposable income rose 4.3% year-on-year. Retail sales for the city declined 7.7% year-on-year for January to June 2020[14].

One new project was launched during the quarter, bringing the city's total shopping mall stock to 6.0 million sq m. The weaker retail demand in 2Q 2020 can be attributable to rising costs with some brands choosing to consolidate their store presence and instead, increase their online penetration. As a result, citywide average vacancy rate increased 4.8% quarter-on-quarter, bringing occupancy rate to 89.9%. Generally, many brands are still optimistic about the Chengdu retail market with several renowned domestic and international brands making their debut in 2Q 2020. As most shopping malls experienced withdrawals during the quarter, citywide average first-floor shopping mall rent decreased slightly by 0.2% quarter-on-quarter to RMB431.2 per sq m per month[15].

On account of the virus, some projects slated to be launched this year are likely to be postponed though around 800,000 sq m of supply is still expected to come on to market in 2020[16]. Similarly, the debut of some international brands could also be delayed in the short term although retail demand in Chengdu is expected to bounce back with brands accelerating new store openings as the effects of the pandemic abates[17].

Wuhan Retail Market Update

For 1H 2020, Wuhan's GDP contracted 19.5%. Retail sales from January to June 2020 decreased 34.4% year-on-year[18].

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[9] Savills, Asian Cities Report, Shanghai, 1H 2020
[10] CBRE, Marketview, China 1Q 2020, May 2020
[11] Guangzhou Bureau of Statistics
[12] Savills, Market in Minutes, Guangzhou, April 2020
[13] CBRE, Marketview, China 1Q 2020, May 2020
[14] Chengdu Bureau of Statistics
[15] Savills, Market in Minutes, Chengdu, July 2020
[16] Cushman & Wakefield, Marketbeat, Chengdu Retail 1Q 2020
[17] Savills, Market in Minutes, Chengdu, Apr 2020
[18] Wuhan Bureau of Statistics

No retail project was launched in 2Q 2020. The upgrading and renovation of some malls led to the decline in overall city stock to 6.2 million sq m. Almost all retail projects resumed operations by the end of 1H 2020 with the exception of some children and experiential retailers. The decline in footfall led to the closure of some retail and F&B stores as well as the consolidation of international retail brands. Consequent to these developments, citywide vacancy rate rose 0.3% quarter-on-quarter to 6.8%. Average first-floor rent decreased to RMB294.5 per sq m per month, down 5.4% quarter-on-quarter and 12.1% as compared to end 2019. The downward pressure on rent is expected to continue throughout 2020.

In 2H 2020, some projects are expected to be postponed while others will open towards to the end of 2020. While brands will take a cautious stance on store openings in the short term, other popular F&B brands have taken this opportunity to expand further. In the longer run, the city's economy is expected to support the development of the retail sector. The operating capability of the landlords will be an important differentiating factor as footfall remain challenging in the near term. The new consumption model of online and offline integration will gain dominance, thereby upgrading the consumption experience in the city[19].

11 Distribution

11(a) Current Financial Period

Any distribution declared for the current financial period? Yes.

Name of distribution	:	Distribution for 1 January 2020 to 30 June 2020
Distribution type	:	Tax exempt income distribution
Distribution rate	:	3.02 cents per Unit
Par value of Units	:	Not meaningful
Tax rate	:	Tax exempt income distribution is exempt from Singapore income tax in the hands of all Unitholders. No tax will be deducted from such distribution.
Remark	:	The tax exempt income distribution from 1 January 2020 to 30 June 2020 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 2019 to 30 June 2019
	Distribution type	:	Tax exempt income/Capital distribution
	Distribution rate	:	5.13 cents per Unit
	Par value of Units	:	Not meaningful
11(c)	Date payable	:	28 September 2020
11(d)	Book closure date	:	7 August 2020

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

Not applicable.

[19] Savills, Market in Minutes, Wuhan, July 2020

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 2020, 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 Lim Cho Pin Andrew Geoffrey
Director

Mr Tan Tze Wooi
Chief Executive Officer / Director

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

Chuo Cher Shing
Company Secretary
29 July 2020