IMPORTANT NOTICE

NOT FOR DISTRIBUTION IN THE UNITED STATES OR TO US PERSONS

IMPORTANT: You must read the following disclaimer before continuing. The following disclaimer applies to the attached information memorandum. You are advised to read this disclaimer carefully before accessing, reading or making any other use of the attached information memorandum. In accessing the attached information memorandum, you agree to be bound by the following terms and conditions, including any modifications to them from time to time, each time you receive any information from us as a result of such access.

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 (within the meaning of Regulation S under the U.S. 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 that (1) 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 document, if you are an investor in Singapore, you (1) represent and warrant that you are either an institutional investor as defined under Section 4A(1) of the Securities and Futures Act, Chapter 289 of Singapore (the "**SFA**"), a relevant person as defined under 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 (2) 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 CapitaRetail China Trust) (the "**Issuer**"), CapitaRetail China Trust Management Limited (the "**CRCT Manager**"), DBS Bank Ltd. nor any person who controls any of them nor any of their respective directors, officers, employees, representatives or affiliates accepts any liability or responsibility whatsoever in respect of any discrepancies between the document distributed to you in electronic format and the hard copy version. **We will provide a hard copy version to you upon request.**

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 OR SOLD 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 DBS Bank Ltd. to subscribe for or purchase any of the securities described therein, and access has been limited so that it shall not constitute in the United States or elsewhere a general solicitation or general advertising (as those terms are used in Regulation D under the Securities Act) or directed selling efforts (within the meaning of Regulation S under the Securities Act).

The attached information memorandum or any materials relating to the offering do not constitute, and may not be used in connection with, an offer or solicitation in any place where offers or solicitations are not permitted by law. If a jurisdiction requires that the offering be made by a licensed broker or dealer and the dealers or any affiliate of the dealers is a licensed broker or dealer in that jurisdiction, the offering shall be deemed to be made by the dealers or such affiliate on behalf of the Issuer in such jurisdiction.

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

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Information Memorandum dated 9 April 2012

CAPITARETAIL CHINA TRUST

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

Managed by

CapitaRetail China Trust Management Limited

(Company Registration No. 200611176D)

S$500,000,000
Multicurrency Medium Term Note Programme

This Information Memorandum has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, this Information Memorandum and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of notes (the "**Notes**") to be issued from time to time by HSBC Institutional Trust Services (Singapore) Limited (in its capacity as trustee of CapitaRetail China Trust ("**CRCT**")) (the "**Issuer**") pursuant to the S$500,000,000 Multicurrency Medium Term Note Programme (the "**Programme**") may not be circulated or distributed, nor may the Notes be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor under Section 274 of the Securities and Futures Act, Chapter 289 of Singapore (the "**SFA**"), (ii) to a relevant person pursuant to Section 275(1), or any person pursuant to Section 275(1A), and in accordance with the conditions specified in Section 275, of the SFA or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

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

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

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

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

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

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

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

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

Application has been made to the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") for permission to deal in and the quotation for any Notes which are agreed at the time of issue thereof to be so listed on the SGX-ST. Such permission will be granted when such Notes have been admitted to the Official List of the SGX-ST. The SGX-ST assumes no responsibility for the correctness of any of the statements made or opinions expressed or reports contained herein. Admission to the Official List of the SGX-ST and quotation of any Notes on the SGX-ST is not to be taken as an indication of the merits of the Issuer, CRCT, its subsidiaries (if any), their respective associated companies (if any), the Programme or such Notes.

THE NOTES 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 NOTES ARE SUBJECT TO U.S. TAX LAW REQUIREMENTS. SUBJECT TO CERTAIN EXCEPTIONS, THE NOTES MAY NOT BE OFFERED, SOLD OR DELIVERED WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS (AS DEFINED IN THE U.S. INTERNAL REVENUE CODE OF 1986, AS AMENDED, AND REGULATIONS THEREUNDER).

Arranger

DBS

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NOTICE

DBS Bank Ltd. (the "**Arranger**") has been authorised by HSBC Institutional Trust Services (Singapore) Limited (in its capacity as trustee of CapitaRetail China Trust ("**CRCT**")) (the "**Issuer**") to arrange the S$500,000,000 Multicurrency Medium Term Note 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 (the "**Notes**") 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 Notes. 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 Notes, 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 Notes 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 Notes, 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 Notes 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 and may be listed on a stock exchange. The Notes will initially be represented by either a Temporary Global Note (as defined herein) or a Permanent Global Note (as defined herein) which will be deposited on the issue date with any of CDP (as defined herein), a common depositary on behalf of Euroclear Bank S.A./N.V. ("**Euroclear**") and Clearstream Banking, société anonyme ("**Clearstream, Luxembourg**") or a sub-custodian for the Central Moneymarkets Unit Service, operated by the Hong Kong Monetary Authority ("**CMU**") 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 will 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.

The maximum aggregate principal amount of the Notes to be issued, when added to the aggregate principal amount of all Notes outstanding (as defined in the Trust Deed referred to herein) shall be S$500,000,000 (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. 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 or any of its subsidiaries (if any) or associated companies (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 Notes 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 Notes 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 Notes. 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 Notes have not been, and will not be, registered under the Securities Act or with any securities regulatory authority of any state or other jurisdiction of the United States and are subject to U.S. tax law requirements and restrictions. Subject to certain exceptions, the Notes may not be offered, sold or delivered within the United States or to, or for the account or benefit of, U.S. persons (as defined in the U.S. Internal Revenue Code of 1986, as amended, and regulations thereunder).

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

This Information Memorandum and any other document or material in relation to the issue, offering or sale of the Notes have been prepared solely for the purpose of the initial sale by the relevant Dealers of the Notes 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 Securities and Futures Act, Chapter 289 of Singapore (the "**SFA**") and may not be relied upon by any person other than persons to whom the Notes 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 Notes 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 or any of its subsidiaries (if any) or associated companies (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, 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 Notes or the subscription for, purchase or acquisition thereof, the creditworthiness or financial condition or otherwise of the Issuer, CRCT or its subsidiaries (if any) or associated companies (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) or associated companies (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 Notes 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 Notes. 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 and its subsidiaries (if any) and associated companies (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 and its subsidiaries (if any) and associated companies (if any). Accordingly, notwithstanding anything herein, none of the Arranger, 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 Notes 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 or audited consolidated accounts 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 Notes, any Pricing Supplement in respect of such series or tranche. Any statement contained in this Information Memorandum or in a document deemed to be incorporated by reference herein shall be deemed to be modified or superseded for the purpose of this Information Memorandum to the extent that a statement contained in this Information Memorandum or in such subsequent document that is also deemed to be incorporated by reference herein modifies or supersedes such earlier statement (whether expressly, by implication or otherwise). Any statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this Information Memorandum.

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

Any purchase or acquisition of the Notes by a Dealer 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 Notes 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 Notes 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 Notes 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 Notes set out under "Subscription, Purchase and Distribution" on pages 102 and 103 of this Information Memorandum.

Any person(s) who is invited to purchase or subscribe for the Notes or to whom this Information Memorandum is sent shall not make any offer or sale, directly or indirectly, of any Notes 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 Notes consult their own legal and other advisers before purchasing or acquiring the Notes.

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”.

Given the risks and uncertainties that may cause the actual future results, performance or achievements of the Issuer, CRCT 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 or the Group will be as discussed in those statements.

Neither the delivery of this Information Memorandum nor the issue of any Notes 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, the Group or any statement of fact or information contained in this Information Memorandum since the date of this Information Memorandum.

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

DEFINITIONS

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

"**Agency Agreement**"	:	The Agency Agreement dated 9 April 2012 between (1) the Issuer, as issuer, (2) the Issuing and Paying Agent, as issuing and paying agent, (3) the Agent Bank, as agent bank, (4) the CMU Lodging and Paying Agent, as CMU lodging and paying agent, and (5) the Trustee, as trustee, as amended, varied or supplemented from time to time.
"**Agent Bank**"	:	DBS Bank Ltd.
"**Arranger**"	:	DBS Bank Ltd.
"**Barbados Companies**"	:	CapitaRetail China Investments (B) Pte. Ltd., CapitaRetail China Investments (B) Alpha Pte. Ltd., CapitaRetail China Investments (B) Beta Pte. Ltd. and CapitaRetail China Investments (B) Gamma Pte. Ltd.
"**Business Day**"	:	A day (other than a Saturday, Sunday or gazetted public holiday) on which commercial banks are open for business in Singapore.
"**CDP**"	:	The Central Depository (Pte) Limited.
"**China**" or "**PRC**"	:	People's Republic of China which, for the purposes of this Information Memorandum, shall exclude Hong Kong, Macau Special Administrative Region of the People's Republic of China and Taiwan.
"**CIS Code**"	:	The Code on Collective Investment Schemes issued by the MAS, as amended or modified from time to time.
"**CMA**"	:	CapitaMalls Asia Limited.
"**CMU**"	:	Central Moneymarkets Unit Service, operated by the HKMA.
"**CMU Instrument Position Report**"	:	The instrument position report as defined in the CMU Rules.
"**CMU Lodging and Paying Agent**"	:	DBS Bank Ltd.
"**CMU Manual**"	:	The reference manual relating to the operation of the CMU issued by the HKMA to CMU Members, as amended from time to time.
"**CMU Member**"	:	Any member of the CMU.

"**CMU Rules**"	:	All requirements of the CMU for the time being applicable to a CMU Member and includes (i) all the obligations for the time being applicable to a CMU Member under or by virtue of its membership agreement with the CMU and the CMU Manual, (ii) all the operating procedures as set out in the CMU Manual for the time being in force in so far as such procedures are applicable to a CMU Member and (iii) any directions for the time being in force and applicable to a CMU Member given by the HKMA through any operational circulars or pursuant to any provision of its membership agreement with the HKMA or the CMU Manual.
"**CNY**", "**RMB**" or "**Renminbi**"	:	The lawful currency of the PRC.
"**Companies Act**"	:	The Companies Act, Chapter 50 of Singapore, as amended or modified from time to time.
"**Conditions**"	:	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 II of Schedule 1 to the Trust Deed, as modified, with respect to any Notes represented by a Global Note, by the provisions of such Global Note, 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 Notes 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 II of Schedule 1 of the Trust Deed, and any reference to a particular numbered Condition shall be construed accordingly.
"**Couponholders**"	:	The holders of the Coupons.
"**Coupons**"	:	The interest coupons appertaining to an interest-bearing definitive Note.
"**CRCT**"	:	CapitaRetail China Trust, a real estate investment trust established in Singapore and constituted by the CRCT Trust Deed.
"**CRCT Manager**"	:	CapitaRetail 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 (as amended and supplemented by a First Supplemental Trust Deed dated 8 November 2006, a Second Supplemental Trust Deed dated 15 April 2010 and a Third Supplemental Trust Deed dated 5 April 2012) made between (1) the CRCT Manager, as manager, and (2) the CRCT Trustee, as trustee (as amended, modified or supplemented from time to time).
"**CRCT Trustee**"	:	HSBC Institutional Trust Services (Singapore) Limited.

"**Dealers**"	:	Persons appointed as dealers under the Programme.
"**Definitive Notes**"	:	A definitive Note in bearer form, being substantially in the form set out in Part I of Schedule 1 to the Trust Deed and having, where appropriate, Coupons attached on issue.
"**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.
"**Global Note**"	:	A global Note representing Notes of one or more Tranches of the same Series, being a Temporary Global Note and/or, as the context may require, a Permanent Global Note, in each case without Coupons.
"**Group**"	:	CRCT and its subsidiaries.
"**HKMA**"	:	Hong Kong Monetary Authority.
"**Issuer**"	:	HSBC Institutional Trust Services (Singapore) Limited (in its capacity as trustee of CapitaRetail China Trust).
"**Issuing and Paying Agent**"	:	DBS Bank Ltd.
"**Latest Practicable Date**"	:	4 April 2012.
"**MAS**"	:	The Monetary Authority of Singapore.
"**Noteholders**"	:	The holders of the Notes.
"**Notes**"	:	The notes to be issued by the Issuer under the Programme.
"**Permanent Global Note**"	:	A Global Note representing Notes of one or more Tranches of the same Series, either on issue or upon exchange of interests in a Temporary Global Note.
"**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, as the case may be, Tranche.
"**Programme**"	:	The S$500,000,000 Multicurrency Medium Term Note 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 CRCT manager, (3) DBS Bank Ltd., as arranger, and (4) DBS Bank Ltd., as dealer, as amended, varied or supplemented from time to time.

"**Properties**"	:	CapitaMall Xizhimen, CapitaMall Wangjing, CapitaMall Anzhen, CapitaMall Erqi, CapitaMall Shuangjing, CapitaMall Minzhongleyuan, CapitaMall Qibao, CapitaMall Saihan and CapitaMall Wuhu.
"**Property Funds Appendix**"	:	Appendix 6 to the CIS Code issued by the MAS in relation to real estate investment trusts.
"**Securities Act**"	:	The Securities Act of 1933 of the United States.
"**Series**"	:	(1) (in relation to Notes 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 interest 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**"	:	The Securities and Futures Act, Chapter 289 of Singapore, as amended or modified from time to time.
"**SGX-ST**"	:	Singapore Exchange Securities Trading Limited.
"**Shares**"	:	Ordinary shares in the capital 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 the CRCT Trustee; or (ii) more than half the 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.
"**Temporary Global Note**"	:	A Global Note representing Notes of one or more Tranches of the same Series on issue.
"**Tranche**"	:	Notes which are identical in all respects (including as to listing).

"**Trust Deed**"	:	The Trust Deed dated 9 April 2012 made between (1) the Issuer, as issuer, and (2) the Trustee, as trustee, as amended, varied or supplemented from time to time.
"**Trustee**"	:	DBS Trustee Limited.
"**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.
"**S$**", "**SGD**"or "**$**" and "**cents**"	:	Singapore dollars and cents respectively.
"**United States**" or "**U.S.**"	:	United States of America.
"**US$**", "**US dollar(s)**" or "**USD**"	:	United States dollars.
"km"	:	kilometres.
"%"	:	per cent.
"sq m"	:	square metres.

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

CORPORATE INFORMATION

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

Registered Office	:	21 Collyer Quay #14-01 HSBC Building Singapore 049320
Auditors for CRCT	:	KPMG LLP 16 Raffles Quay #22-00 Hong Leong Building Singapore 048581

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

Board of Directors	:	Liew Cheng San Victor Liew Mun Leong Chew Gek Khim Lim Beng Chee Ng Kok Siong Tan Tee Hieong
Company Secretary	:	Kannan Malini
Registered Office	:	39 Robinson Road #18-01 Robinson Point Singapore 068911

Arranger of the Programme

DBS Bank Ltd.
6 Shenton Way #35-00
DBS Building Tower One
Singapore 068809

Legal Advisers to the Arranger and the Trustee

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

Legal Advisers to the Issuer and the CRCT Manager

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

Issuing and Paying Agent, Agent Bank and CMU Lodging and Paying Agent

DBS Bank Ltd.
60 Alexandra Terrace
The Comtech #05-27
Singapore 118502

Trustee for the Noteholders

DBS Trustee Limited
6 Shenton Way #14-01
DBS Building Tower One
Singapore 068809

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 and CMU Lodging and Paying Agent	:	DBS Bank Ltd.
Description	:	S$500,000,000 Multicurrency Medium Term Note Programme.
Programme Size	:	The maximum aggregate principal amount of the Notes outstanding at any time shall be S$500,000,000 (or its equivalent in other currencies) or such higher amount as may be agreed between the Issuer and the Arranger.
Currency	:	Subject to compliance with all relevant laws, regulations and directives, Notes may be issued in Singapore dollars or any other currency agreed between the Issuer and the relevant Dealer(s).
Method of Issue	:	Notes 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	:	Notes may be issued at par or at a discount, or premium, to par.
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 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 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 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 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 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 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 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 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 and the relevant Dealer(s)), in each case payable at the end of each interest period to be agreed between the Issuer 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.
Form and Denomination of Notes	:	The Notes will be issued in bearer form only and in such denominations as may be agreed between the Issuer and the relevant Dealer(s). Each Tranche or Series of Notes may initially be represented by a Temporary Global Note or a Permanent Global Note. Each Temporary Global Note may be deposited on the relevant issue date with CDP, a sub-custodian for the CMU, a common depositary for Euroclear and Clearstream, Luxembourg and/or any other agreed clearing system and will be exchangeable, upon request as described therein, either for a Permanent Global Note or Definitive Notes (as indicated in the applicable Pricing Supplement). Each Permanent Global Note may be exchanged, unless otherwise specified in the applicable Pricing Supplement, upon request as described therein, in whole (but not in part) for Definitive Notes upon the terms therein.

Custody of the Notes	:	Notes which are to be listed on the SGX-ST may be cleared through CDP. Notes which are to be cleared through CDP are required to be kept with CDP as authorised depository. Notes which are cleared through the CMU are required to be kept with a sub-custodian for the CMU. Notes which are cleared through Euroclear and/or Clearstream, Luxembourg are required to be kept with a common depositary on behalf of Euroclear and Clearstream, Luxembourg.
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.
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 upon Cessation or Suspension of Trading of Shares	:	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	:	In the Trust Deed, the Issuer has covenanted with the Trustee that so long as any of the Notes remains outstanding, it will not, and will procure that none of the Principal Subsidiaries (as defined in the Conditions) will create or have outstanding any security ("**Subsequent Security**") over any Existing Secured Assets (as defined in the Conditions) 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.
Further Covenants	:	In the Trust Deed, the Issuer has covenanted with the Trustee that so long as any of the Notes remains outstanding, the Issuer will, *inter alia,* comply with the Property Funds Appendix.
Events of Default	:	See Condition 9 of the Notes.
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, save for certain exceptions. For further details, please see the section "Singapore Taxation".
Listing	:	Each Series of the Notes may, if so agreed between the Issuer and the relevant Dealer(s), be listed on the SGX-ST or any stock exchange(s) as may be agreed between the Issuer and the relevant Dealer(s), subject to all necessary approvals having been obtained.
Selling Restrictions	:	For a description of certain restrictions on offers, sales and deliveries of Notes and the distribution of offering material relating to the Notes, see the section on "Subscription, Purchase and Distribution" herein. Further restrictions may apply in connection with any particular Series or Tranche of Notes.
Governing Law	:	The Programme and any Notes issued under the Programme will be governed by, and construed in accordance with, the laws of Singapore.

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 issued in exchange for the Global Note(s) representing each Series. Either (i) the full text of these terms and conditions together with the relevant provisions of the 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. 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 the Definitive 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.

The Notes are constituted by a Trust Deed (as amended and supplemented, the "**Trust Deed**") dated 9 April 2012 made between (1) HSBC Institutional Trust Services (Singapore) Limited (in its capacity as trustee of CapitaRetail China Trust ("**CRCT**")) (the "**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 for the Noteholders (as defined below), and (where applicable) the Notes are issued with the benefit of a deed of covenant (as amended and supplemented, the "**Deed of Covenant**") dated 9 April 2012, 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 include the form of the Notes and Coupons referred to below. The Issuer has entered into an Agency Agreement (as amended and supplemented, the "**Agency Agreement**") dated 9 April 2012 made between (1) the Issuer, (2) DBS Bank Ltd., as issuing and paying agent (in such capacity, the "**Issuing and Paying Agent**"), agent bank (in such capacity, the "**Agent Bank**") and CMU lodging and paying agent (in such capacity, the "**CMU Lodging and Paying Agent**" and together with the Issuing and Paying Agent and the Agent Bank, the "**Agents**") and (3) the Trustee, as trustee. The Noteholders and the holders of the coupons (the "**Coupons**") appertaining to the interest-bearing Notes (the "**Couponholders**") 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. For the purposes of these Conditions, all references to the Issuing and Paying Agent shall, with respect to a Series of Notes to be held in the CMU, be deemed to be a reference to the CMU Lodging and Paying Agent and all such references shall be construed accordingly.

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 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) Notes are serially numbered and issued with Coupons 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 6(f)) in these Conditions are not applicable.

(b) Title

(i) Title to the Notes and the Coupons appertaining thereto shall pass by delivery.

(ii) Except as ordered by a court of competent jurisdiction or as required by law, the holder of any Note or Coupon shall be deemed to be and may be treated as the absolute owner of such Note or of such Coupon, 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 or

Coupon shall be overdue and notwithstanding any notice of ownership, theft, loss or forgery thereof 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 Note (as defined in the Trust Deed) and such Global Note is held by a common depositary for Euroclear Bank S.A./N.V. ("**Euroclear**") and Clearstream Banking, société anonyme ("**Clearstream, Luxembourg**") and/or The Central Depository (Pte) Limited ("**CDP**") and/or a sub-custodian for the Hong Kong Monetary Authority (the "**HKMA**") as operator of the Central Moneymarkets Unit Service (the "**CMU**"), each person who is for the time being shown in the records of Euroclear, Clearstream, Luxembourg and/or CDP and/or the CMU as the holder of a particular principal amount of such Notes (in which regard any certificate or other document issued by Euroclear, Clearstream, Luxembourg and/or CDP and/or the CMU 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 Agent Bank, 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, interest and any other amounts in respect of the Notes, for which purpose the bearer of the Global Note shall be treated by the Issuer, the Issuing and Paying Agent, the Agent Bank, 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 Note (and the expressions "**Noteholder**" and "**holder of Notes**" and related expressions shall be construed accordingly).

In the case of a Note (whether in global or definitive form) held through the CMU, any payment that is made in respect of such Note shall be made to the person(s) for whose account(s) interests in such Note are credited as being held through the CMU in accordance with the CMU Rules (as defined in Condition 4(II)(e)) at the relevant time as notified to the CMU Lodging and Paying Agent by the CMU in a relevant CMU Instrument Position Report (the "**CMU Instrument Position Report**") or any other relevant notification by the CMU (which notification, in either case, shall be conclusive evidence of the records of the CMU as to the identity of any accountholder and the principal amount of any Note credited to its account, save in the case of manifest error) and such payments shall discharge the obligations of the Issuer in respect of that payment under such Note.

Notes which are represented by the Global Note will be transferable only in accordance with the rules and procedures for the time being of Euroclear, Clearstream, Luxembourg and/or CDP and/or the CMU.

(iv) In these Conditions, "**Global Note**" means the relevant Temporary Global Note representing each Series or the relevant Permanent Global Note representing each Series, "**Noteholder**" means the bearer of any Definitive Note (as defined in the Trust Deed) and "**holder**" (in relation to a Definitive Note or Coupon) means the bearer of any Definitive Note or Coupon, "**Series**" means (a) (in relation to Notes other than Variable Rate Notes) a Tranche, together with any further Tranche or Tranches, which are (i) expressed to be consolidated and forming a single series and (ii) 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. 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.

3. Negative Pledge

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 Condition 9) 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 3 shall prohibit:

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

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

4. (I) Interest on Fixed Rate Notes

(a) Interest Rate and Accrual

Each Fixed Rate Note bears interest on its Calculation Amount (as defined in Condition 4(II)(e)) from 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 4(I) to the Relevant Date (as defined in Condition 7).

(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 specified hereon.

(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 Calculation 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 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 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 4(II)(c)) in respect of any Variable Rate Note for any Interest Period (as defined below) 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, 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 the Interest Commencement Date and ending on the first Interest Payment Date and each successive period beginning on an Interest Payment Date and ending on 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 4(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 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 4(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 Page ABSI on the monitor of the Bloomberg agency under the caption "ASSOCIATION OF BANKS IN SG – SWAP OFFER AND SIBOR FIXING RATES – RATES AT 11:00AM SINGAPORE TIME" and under the column headed "SGD SIBOR" (or such other replacement page thereof) and as adjusted by the Spread (if any);

(B) if on any Interest Determination Date, no such rate appears on Page ABSI on the monitor of the Bloomberg agency (or such other replacement page thereof), the Agent Bank will determine the Rate of Interest for such Interest Period which shall be the rate which appears on the Reuters Screen ABSIRFIX01 Page under the caption "ASSOCIATION OF BANKS IN SINGAPORE – SIBOR AND SWAP OFFER RATES – RATES AT 11:00 AM SINGAPORE TIME" and under the column headed "SGD SIBOR" (or such other replacement page thereof) and as adjusted by the Spread (if any);

(C) if on any Interest Determination Date, no such rate appears on the Reuters Screen ABSIRFIX01 Page (or such other replacement page thereof or such other Screen Page (as defined below) as may be provided hereon) or if the Reuters Screen ABSIRFIX01 Page (or such other replacement page thereof or such other Screen Page as may be provided hereon) 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;

(D) 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 (C) above on the basis of the quotations of those Reference Banks providing such quotations; and

(E) 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 which shall be the Average Swap Rate for such Interest Period (determined by the Agent Bank as being the rate which appears on Page ABSI on the monitor of the Bloomberg agency under the caption "ASSOCIATION OF BANKS IN SG – SWAP OFFER AND SIBOR FIXING RATES – RATES AT 11:00AM SINGAPORE TIME" and under the column headed "SGD SWAP OFFER" (or such other page as may replace Page ABSI 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 appears on Page ABSI on the monitor of the Bloomberg agency (or such other replacement page thereof), the Agent Bank will determine the Rate of Interest for such Interest Period which shall be the Average Swap Rate for such Interest Period (determined by the Agent Bank as being the rate which appears on the Reuters Screen ABSIRFIX01 Page under the caption "ASSOCIATION OF BANKS IN SINGAPORE – SIBOR AND SWAP OFFER RATES – RATES AT 11:00 AM SINGAPORE TIME" and under the column headed "SGD SWAP OFFER" (or such other page as may replace the Reuters Screen ABSIRFIX01 Page 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);

(C) if on any Interest Determination Date, no such rate appears on the Reuters Screen ABSIRFIX01 Page (or such other replacement page thereof or such other Screen Page as may be provided hereon) or if the Reuters Screen ABSIRFIX01 Page (or such other replacement page thereof or such other Screen Page as may be provided hereon) is unavailable for any reason, the Agent Bank will determine the Average Swap Rate (which shall be rounded up, if necessary, to the nearest 1/16 per cent.) for such Interest Period in accordance with the following formula:

In the case of Premium:

$$\text{Average Swap Rate} = \frac{365}{360} \times \text{SIBOR} + \frac{(\text{Premium} \times 36500)}{(\text{T} \times \text{Spot Rate})} + \frac{(\text{SIBOR} \times \text{Premium})}{(\text{Spot Rate})} \times \frac{365}{360}$$

In the case of Discount:

$$\text{Average Swap Rate} = \frac{365}{360} \times \text{SIBOR} - \frac{(\text{Discount} \times 36500)}{(\text{T} \times \text{Spot Rate})} - \frac{(\text{SIBOR} \times \text{Discount})}{(\text{Spot Rate})} \times \frac{365}{360}$$

where:

SIBOR	=	the rate which appears on Page ABSI on the monitor of the Bloomberg agency under the caption "ASSOCIATION OF BANKS IN SG – SWAP OFFER AND SIBOR FIXING RATES – RATES AT 11:00AM SINGAPORE TIME" and under the column headed "USD SIBOR" (or such other page as may replace Page ABSI for the purpose of displaying Singapore interbank US dollar offered rates of leading reference banks) at or about the Relevant Time on the relevant Interest Determination Date for a period equal to the duration of the Interest Period concerned;
Spot Rate	=	the rate being the composite quotation or in the absence of which, the arithmetic mean (rounded up, if necessary, to the nearest 1/16 per cent.) (determined by the Agent Bank) of the rates quoted by the Reference Banks and which appear on Page ABSI on the monitor of the Bloomberg agency under the caption "ASSOCIATION OF BANKS IN SG – FX and SGD Swap Points" (or such other page as may replace Page ABSI for the purpose of displaying the spot rates and swap points of leading reference banks) at or about the Relevant Time on the relevant Interest Determination Date for a period equal to the duration of the Interest Period concerned;
Premium or Discount	=	the rate being the composite quotation or in the absence of which, the arithmetic mean (rounded up, if necessary, to the nearest 1/16 per cent.) (determined by the Agent Bank) of the rates quoted by the Reference Banks for a period equal to the duration of the Interest Period concerned which appears on Page ABSI on the monitor of the Bloomberg agency under the caption "ASSOCIATION OF BANKS IN SG – FX and SGD Swap Points" (or such other page as may replace Page ABSI for the purpose of displaying the spot rates and swap points of leading reference banks) at or about the Relevant Time on the relevant Interest Determination Date for a period equal to the duration of the Interest Period concerned; and
T	=	the number of days in the Interest Period concerned.

The Rate of Interest for such Interest Period shall be the Average Swap Rate (as determined by the Agent Bank) and as adjusted by the Spread (if any);

(D) if on any Interest Determination Date, any one of the components for the purposes of calculating the Average Swap Rate under (C) above is not quoted on Page ABSI on the monitor of the Bloomberg agency (or such other replacement page thereof) or if Page ABSI on the monitor of the Bloomberg agency (or such other replacement page thereof) is unavailable for any reason, the Agent Bank will determine the Average Swap Rate (which shall be rounded up, if necessary, to the nearest 1/16 per cent.) for such Interest Period in accordance with the following formula:

In the case of Premium:

$$\text{Average Swap Rate} = \frac{365}{360} \times \text{SIBOR} + \frac{(\text{Premium} \times 36500)}{(\text{T} \times \text{Spot Rate})} + \frac{(\text{SIBOR} \times \text{Premium})}{(\text{Spot Rate})} \times \frac{365}{360}$$

In the case of Discount:

$$\text{Average Swap Rate} = \frac{365}{360} \times \text{SIBOR} - \frac{(\text{Discount} \times 36500)}{(\text{T} \times \text{Spot Rate})} - \frac{(\text{SIBOR} \times \text{Discount})}{(\text{Spot Rate})} \times \frac{365}{360}$$

where:

SIBOR	=	the rate which appears on the Reuters Screen ABSIRFIX01 Page under the caption "ASSOCIATION OF BANKS IN SINGAPORE – SIBOR AND SWAP OFFER RATES – RATES AT 11:00 AM SINGAPORE TIME" and under the column headed "USD SIBOR" (or such other page as may replace the Reuters Screen ABSIRFIX01 Page for the purpose of displaying Singapore interbank US dollar offered rates of leading reference banks) at or about the Relevant Time on the relevant Interest Determination Date for a period equal to the duration of the Interest Period concerned;
Spot Rate	=	the rate being the composite quotation or in the absence of which, the arithmetic mean (rounded up, if necessary, to the nearest 1/16 per cent.) (determined by the Agent Bank) of the rates quoted by the Reference Banks and which appear on the Reuters Screen ABSIRFIX06 Page under the caption "ASSOCIATION OF BANKS IN SINGAPORE – SGD SPOT AND SWAP OFFER RATES – RATES AT 11:00 AM SINGAPORE TIME" and under the column headed "SPOT" (or such other page as may replace the Reuters Screen ABSIRFIX06 Page for the purpose of displaying the spot rates and swap points of leading reference banks) at or about the Relevant Time on the relevant Interest Determination Date for a period equal to the duration of the Interest Period concerned;
Premium or Discount	=	the rate being the composite quotation or in the absence of which, the arithmetic mean (rounded up, if necessary, to the nearest 1/16 per cent.) (determined by the Agent Bank) of the rates quoted by the Reference Banks for a period equal to the duration of the Interest Period concerned which appear on the Reuters Screen ABSIRFIX06-7 Pages under the caption "ASSOCIATION OF BANKS IN SINGAPORE – SGD SPOT AND SWAP OFFER RATES – RATES AT 11:00 AM SINGAPORE TIME" (or such other page as may

replace the Reuters Screen ABSIRFIX06-7 Pages for the purpose of displaying the spot rates and swap points of leading reference banks) at or about the Relevant Time on the relevant Interest Determination Date for a period equal to the duration of the Interest Period concerned; and

T = the number of days in the Interest Period concerned.

The Rate of Interest for such Interest Period shall be the Average Swap Rate (as determined by the Agent Bank) and as adjusted by the Spread (if any);

(E) if on any Interest Determination Date, any one of the components for the purposes of calculating the Average Swap Rate under (D) above is not quoted on the relevant Reuters Screen Page (or such other replacement page thereof or such other Screen Page as may be provided hereon) or the relevant Reuters Screen Page (or such other replacement page thereof or such other Screen Page as may be provided hereon) is unavailable for any reason, the Agent Bank will request the principal Singapore offices of the Reference Banks to provide the Agent Bank with quotations of their Swap Rates for the Interest Period concerned at or about the Relevant Time on that Interest Determination Date and the Rate of Interest for such Interest Period shall be the Average Swap Rate for such Interest Period (which shall be the rate per annum equal to the arithmetic mean (rounded up, if necessary, to the nearest 1/16 per cent.) of the Swap Rates quoted by the Reference Banks to the Agent Bank) and as adjusted by the Spread (if any). The Swap Rate of a Reference Bank means the rate at which that Reference Bank can generate Singapore dollars for the Interest Period concerned in the Singapore interbank market at or about the Relevant Time on the relevant Interest Determination Date and shall be determined as follows:

In the case of Premium:

$$\text{Swap Rate} = \frac{365}{360} \times \text{SIBOR} + \frac{(\text{Premium} \times 36500)}{(\text{T} \times \text{Spot Rate})} + \frac{(\text{SIBOR} \times \text{Premium})}{(\text{Spot Rate})} \times \frac{365}{360}$$

In the case of Discount:

$$\text{Swap Rate} = \frac{365}{360} \times \text{SIBOR} - \frac{(\text{Discount} \times 36500)}{(\text{T} \times \text{Spot Rate})} - \frac{(\text{SIBOR} \times \text{Discount})}{(\text{Spot Rate})} \times \frac{365}{360}$$

where:

SIBOR = the rate per annum at which US dollar deposits for a period equal to the duration of the Interest Period concerned are being offered by that Reference Bank to prime banks in the Singapore interbank market at or about the Relevant Time on the relevant Interest Determination Date;

Spot Rate	=	the rate at which that Reference Bank sells US dollars spot in exchange for Singapore dollars in the Singapore interbank market at or about the Relevant Time on the relevant Interest Determination Date;
Premium	=	the premium that would have been paid by that Reference Bank in buying US dollars forward in exchange for Singapore dollars on the last day of the Interest Period concerned in the Singapore interbank market;
Discount	=	the discount that would have been received by that Reference Bank in buying US dollars forward in exchange for Singapore dollars on the last day of the Interest Period concerned in the Singapore interbank market; and
T	=	the number of days in the Interest Period concerned;

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

(G) 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 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 Reference Banks at or about the Relevant 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 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 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.

(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 4(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 4(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.

(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 4(II)(b) or Condition 4(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:

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

(ii) (in the case of Notes denominated in a currency other than Singapore dollars and Renminbi) a day (other than a Saturday or Sunday) on which commercial banks and foreign exchange markets are open for business in Singapore and the principal financial centre for that currency; and

(iii) (in the case of Notes denominated in Renminbi) a day (other than a Saturday, Sunday or public holiday) on which commercial banks in Hong Kong are generally open for business and settlement of Renminbi payments in Hong Kong;

"**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;

"**CMU Manual**" means the reference manual relating to the operation of the CMU issued by the HKMA to CMU Members, as amended from time to time;

"**CMU Member**" means any member of the CMU;

"**CMU Rules**" means all requirements of the CMU for the time being applicable to a CMU Member and includes (i) all the obligations for the time being applicable to a CMU Member under or by virtue of its membership agreement with the CMU and the CMU Manual; (ii) all the operating procedures as set out in the CMU Manual for the time being in force in so far as such procedures are applicable to a CMU Member; and (iii) any directions for the time being in force and applicable to a CMU Member given by the HKMA through any operational circulars or pursuant to any provision of its membership agreement with the HKMA or the CMU Manual;

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

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

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

"**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 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 Bloomberg agency or the Reuters Monitor Money Rates Service ("**Reuters**")) agreed by the Agent Bank;

"**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;

"**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 inter-bank market in the Relevant Financial Centre; and

"**Screen Page**" means such page, section, caption, column or other part of a particular information service (including, but not limited to, the Bloomberg agency or 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.

(III) Interest on Hybrid Notes

(a) Interest Rate and Accrual

Each Hybrid Note bears interest on its Calculation 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 Calculation 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 4(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 specified hereon 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 Calculation 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 the first day of the Floating Rate Period and ending on the first Interest Payment Date and each successive period beginning on an Interest Payment Date and ending on 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 4(III) and the Agency Agreement to the Relevant Date.

(iv) The provisions of Condition 4(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 5(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 defined in Condition 5(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 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 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 Agent Bank will also cause the Rate of Interest and the Interest Amounts for each Interest Period and the relevant Interest Payment Date to be notified to a Noteholder at its request. 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 9, 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 its duties without a successor having been appointed as aforesaid.

5. 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 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 9, 10 and 11.

In the case of a purchase of some only of the Notes, the notice to Noteholders shall also contain the certificate numbers of the 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 in relation to the publication of any purchase of 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 any Variable Rate Notes to be purchased with the Issuing and Paying Agent at its specified office together with all Coupons relating to such Variable Rate Notes which mature after the date fixed for purchase, together with a duly completed option exercise notice in the form obtainable from the Issuing and Paying Agent within the Noteholders' VRN Purchase Option Period shown on the face hereof. Any 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 to the Issuing and Paying Agent for cancellation. 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 9, 10 and 11.

(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 any Notes to be purchased with the Issuing and Paying Agent at its specified office together with all Coupons relating to such Notes which mature after the date fixed for purchase, together with a duly completed option exercise notice in the form obtainable from the Issuing and Paying Agent within the Noteholders' Purchase Option Period shown on the face hereof. Any Notes 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 to the Issuing and Paying Agent 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 9, 10 and 11.

(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 or integral multiples thereof and on the date or dates so provided. Any such redemption of Notes shall be at their Redemption Amount, together with interest accrued to 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 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 redemption of 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 such Note (together with all unmatured Coupons) with the Issuing and Paying Agent at its specified office, together with a duly completed option exercise notice in the form obtainable from the Issuing and Paying Agent or the Issuer (as applicable) within the Noteholders' Redemption Option Period shown on the face hereof. Any Note 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

If so provided hereon, 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 5(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 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 (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 a duly authorised officer 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 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 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.

Notes purchased by the Issuer or any of the respective related corporations of the Issuer and CRCT may be surrendered by the purchaser through the Issuer to the Issuing and Paying Agent for cancellation or may at the option of the Issuer or relevant subsidiary 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 5(f) or upon it becoming due and payable as provided in Condition 9, 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 5(f) or upon it becoming due and payable as provided in Condition 9 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 4(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 Agents and the Noteholders of the termination of CRCT.

(j) Redemption upon Cessation or Suspension of Trading of Shares

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 such Note (together with all unmatured Coupons) with the Issuing and Paying Agent at its specified office, together with a duly completed option exercise notice in the form obtainable from the Issuing and Paying Agent or the Issuer (as applicable), no later than 15 days prior to the date fixed for redemption. Any Note 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 or any of the respective related corporations of the Issuer and CRCT may be surrendered for cancellation by surrendering each such Note together with all unmatured Coupons to the Issuing and Paying Agent at its specified office and, if so surrendered, shall, together with all Notes redeemed by the Issuer, be cancelled forthwith (together with all unmatured Coupons attached thereto or surrendered therewith). Any Notes so surrendered for cancellation may not be reissued or resold.

6. Payments

(a) Principal and Interest

Payments of principal and interest in respect of the Notes denominated in a currency other than Renminbi will, subject as mentioned below, be made against presentation and surrender of the relevant Notes or Coupons, as the case may be, at the specified office of the Issuing and 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 payee in that currency with, a bank in the principal financial centre for that currency. Payments of principal and interest in respect of Notes denominated in Renminbi will, subject as mentioned below, be made by transfer to a Renminbi account maintained by or on behalf of the relevant Noteholder with a bank in Hong Kong.

(b) 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 Noteholders or Couponholders in respect of such payments.

(c) Appointment of Agents

The Issuing and Paying Agent and the CMU Lodging and Paying Agent 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 or the CMU Lodging and Paying Agent and to appoint additional or other Issuing and Paying Agents or CMU Lodging and Paying Agents, provided that it will at all times maintain an Issuing and Paying Agent having a specified office in Singapore and a CMU Lodging and Paying Agent in relation to Notes accepted for clearance through the CMU.

Notice of any such change or any change of any specified office will promptly be given to the Noteholders in accordance with Condition 15.

The Agency Agreement may be amended by the Issuer, the Issuing and Paying Agent, the CMU Lodging and Paying Agent 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 CMU Lodging and Paying Agent 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 CMU Lodging and Paying Agent and the Trustee, adversely affect the interests of the holders.

(d) Unmatured Coupons

(i) 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 five 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 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) Where any Floating Rate Note, Variable Rate Note or Hybrid Note is presented for redemption without all unmatured Coupons 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.

(iv) 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 Note.

(e) 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.

(f) 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.

(g) Payment of US 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 US dollars on the due date at the US Dollar Equivalent of any such Renminbi denominated amount. Payments of the US Dollar Equivalent of the relevant Renminbi denominated amount shall be made by transfer to a US dollar denominated account maintained by the payee with, or by a US dollar denominated cheque, drawn on, a bank in New York. Any payment made under such circumstances in US dollars will constitute valid payment and will not constitute a default in respect of the Notes.

For the purposes of these Conditions,

"**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 Hong Kong and in New York City;

"**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 Hong Kong;

"**Illiquidity**" means the general CNY exchange market in Hong Kong becomes illiquid as a result of which the Issuer cannot obtain sufficient CNY 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 CNY exchange market in Hong Kong, 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 CNY between accounts inside Hong Kong or from an account inside Hong Kong to an account outside Hong Kong, 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);

"**Spot Rate**" means the spot CNY/US dollar exchange rate for the purchase of US dollars with CNY in the over-the-counter CNY exchange market in Hong Kong for settlement in two business days, as determined by the Agent Bank at or around 11 a.m. (Hong Kong time) on the Determination Date, on a deliverable basis by reference to Reuters Screen Page TRADCNY3, or if no such rate is available, on a non-deliverable basis by reference to Reuters Screen Page TRADNDF. If neither rate is available, the Agent Bank will determine the Spot Rate at or around 11 a.m. (Hong Kong time) on the Determination Date as the most recently available CNY/US dollar official fixing rate for settlement in two business days reported by The State Administration of Foreign Exchange of the PRC, which is reported on the Reuters Screen Page CNY=SAEC. Reference to a page on the Reuters Screen means the display page so designated on the Reuter Monitor Money Rates Service (or any successor service) or such other page as may replace that page for the purpose of displaying a comparable currency exchange rate; and

"**US Dollar Equivalent**" means the relevant CNY amount converted into US dollars using the Spot Rate for the relevant Determination Date.

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

7. 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 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); or

(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.

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 15 that, upon further presentation of the Note 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 5, "**interest**" shall be deemed to include all Interest Amounts and all other amounts payable pursuant to Condition 4 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.

8. Prescription

The Notes and Coupons shall become void unless presented for payment within five years from the appropriate Relevant Date for payment.

9. 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 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) the Issuer, CRCT or any of its Principal Subsidiaries 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), 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), proposes or makes a general assignment or an arrangement or composition with or for the benefit of the relevant creditors or a moratorium is agreed or declared in respect of or affecting all or any part of (or of a particular type of) the indebtedness 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 14.6 of the Trust Deed is not taken, fulfilled or done, or any such consent ceases to be in full force and effect without modification or any condition in or relating to any such consent is not complied with (unless that consent or condition is no longer required or applicable);

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

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

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

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

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

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

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

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

In these Conditions:

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

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

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

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

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

10. 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, 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 by the Noteholders 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.

11. 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 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 CDP and/or the CMU 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), and any waiver or authorisation of any breach or proposed breach, of any of the provisions of the Trust Deed 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, if the Trustee so requires, such modification 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.

12. Replacement of Notes and Coupons

If a Note or Coupon is lost, stolen, mutilated, defaced or destroyed it may be replaced, subject to applicable laws, at the specified office of the Issuing and Paying Agent, or at the specified office of such other Issuing and Paying Agent 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 15, 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 or Coupon 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 or Coupon) and otherwise as the Issuer may require. Mutilated or defaced Notes or Coupons must be surrendered before replacements will be issued.

13. 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 of any Series and so that the same shall be consolidated and form a single Series with such Notes, and references in these Conditions to "**Notes**" shall be construed accordingly.

14. 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.

15. Notices

Notices to the holders will be valid if published in a daily 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.

Couponholders shall be deemed for all purposes to have notice of the contents of any notice to the holders in accordance with this Condition 15.

Until such time as any Definitive Notes are issued, there may, so long as the Global Note(s) is or are held in its or their entirety on behalf of (i) Euroclear, Clearstream, Luxembourg and/or CDP, be substituted for such publication in such newspapers the delivery of the relevant notice to Euroclear, Clearstream, Luxembourg and/or (subject to the agreement of CDP) CDP for communication by it to the Noteholders or (ii) the CMU, be substituted for such publication in such newspapers the delivery of the relevant notice to the persons shown in a CMU Instrument Position Report issued by the CMU on the second business day preceding the date of despatch of such notice as holding interests in the Global Note(s) and, in addition, in the case of both (i) and (ii) above, for so long as the Notes are listed on any Stock Exchange and the rules of such Stock Exchange so require, notice will in any event be published in accordance with the previous paragraph. Any such notice shall be deemed to have been given to the Noteholders (in the case of notices given to Euroclear, Clearstream, Luxembourg and/or CDP) on the seventh day after the day on which the said notice was given to Euroclear, Clearstream, Luxembourg and/or CDP and (in the case of notices given to persons shown in the relevant CMU Instrument Position Report) on the second day after the day on which the said notice was given to the persons shown in the relevant CMU Instrument Position Report.

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. Whilst the Notes are represented by a Global Note not lodged with the CMU, such notice may be given by any Noteholder to the Issuing and Paying Agent through Euroclear, Clearstream, Luxembourg and/or CDP and whilst the Notes are represented by a Global Note lodged with the CMU, by delivery by such Noteholder to the CMU Lodging and Paying Agent, in such manner as the Issuing and Paying Agent and Euroclear, Clearstream, Luxembourg and/or CDP and/or the CMU Lodging and Paying Agent and the CMU, as the case may be, 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.

16. 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.

17. Acknowledgement

(a) 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) 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) 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.

18. Governing Law and Jurisdiction

(a) The Notes and the Coupons are governed by, and shall be construed in accordance with, the laws of Singapore.

(b) The courts of Singapore are to have jurisdiction to settle any disputes that may arise out of or in connection with the Notes or the Coupons and accordingly any legal action or proceedings arising out of or in connection with the Notes or the Coupons ("**Proceedings**") may be brought in such courts. The Issuer irrevocably submits to the jurisdiction of such courts and waive 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. This submission is 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 any one or more jurisdictions preclude the taking of Proceedings in any other jurisdiction (whether concurrently or not).

RISK FACTORS

Prior to making an investment or divestment decision, prospective investors in or existing holders of the Notes should carefully consider all the information set forth in this Information Memorandum including the risk factors set out below. 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 or the Group or any decision to purchase, own or dispose of the Notes. Additional risks which the Issuer is currently unaware of may also impair the businesses, financial condition, performance or prospects.

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 Notes may require in investigating the Issuer, CRCT or the Group, prior to making an investment or divestment decision in relation to the Notes 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 Notes (or any part thereof) 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 Notes. Each person receiving this Information Memorandum acknowledges that such person has not relied on the Issuer, CRCT, its subsidiaries (if any) or associated companies (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 Notes 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, its subsidiaries (if any) and associated companies (if any), the terms and conditions of the Notes and any other factors relevant to its decision, including the merits and risks involved.

RISK RELATING TO THE NOTES

Investment considerations associated with investment in the Notes generally

Limited Liquidity of the Notes Issued under the Programme

There can be no assurance regarding the future development of the market for the Notes issued under the Programme, the ability of the Noteholders, or the price at which the Noteholders may be able, to sell their Notes.

Although the issue of additional Notes may increase the liquidity of the Notes, there can be no assurance that the price of such Notes will not be adversely affected by the issue in the market of such additional Notes.

Fluctuation of Market Value of Notes Issued under the Programme

Trading prices of the Notes are influenced by numerous factors, including the operating results and/or financial condition of the Issuer, CRCT and/or their respective subsidiaries (if any) and/or associated companies (if any), political, economic, financial and any other factors that can affect the capital markets, the industry, the Issuer, CRCT, its subsidiaries (if any) and/or associated companies (if any) generally. Adverse economic developments, in Singapore as well as countries in which the Issuer, CRCT, its subsidiaries (if any) and/or associated companies (if any) operate or have business dealings, could have a material adverse effect on the Singapore economy and the operating results and/or the financial condition of the Issuer, CRCT, its subsidiaries (if any) and associated companies (if any).

Interest Rate Risk

Noteholders may suffer unforeseen losses due to fluctuation in interest rates. Generally, a rise in interest rates may cause a fall in bond prices, resulting in a capital loss for the Noteholders. However, the Noteholders may reinvest the interest payments at higher prevailing interest rates. Conversely, when interest rates fall, bond prices may rise. The Noteholders may enjoy a capital gain but interest payments received may be reinvested at lower prevailing interest rates.

Inflation Risk

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

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 2013 are intended to be "qualifying debt securities" for the purposes of the Income Tax Act, Chapter 134 of Singapore ("**ITA**"), subject to the fulfillment of certain conditions more particularly described in the section "Singapore Taxation". However, there is no assurance that such Notes will continue to enjoy the tax concessions granted on "qualifying debt securities" should the relevant tax laws be amended or revoked at any time.

The Qualifying Debt Securities Plus Scheme ("**QDS Plus Scheme**") has also been introduced as an enhancement of the Qualifying Debt Securities Scheme. Under the QDS Plus Scheme, subject to certain qualifications and conditions, income tax exemption is granted on interest, discount income (not including discount income from secondary trading), "prepayment fee", "redemption premium" and "break cost" (as such terms are defined in the ITA) derived by any investor from qualifying debt securities (excluding Singapore Government Securities) which:

(a) are issued during the period from 16 February 2008 to 31 December 2013;

(b) have an original maturity of not less than 10 years;

(c) cannot be redeemed, called, exchanged or converted within 10 years from the date of their issue; and

(d) cannot be re-opened with a resulting tenure of less than 10 years to the original maturity date.

With respect to any tranche of the Notes issued with an original maturity of at least 10 years and which are "qualifying debt securities", there is no assurance that holders of such Notes would enjoy any tax exemption under the QDS Plus Scheme as it is currently unclear how the above requirements would be applicable in the context of certain events occurring or which may occur within 10 years from the date of issue of such Notes.

Investment considerations associated with investment in Renminbi-denominated Notes

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

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

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

On 12 October 2011, the Ministry of Commerce of the PRC ("**MOFCOM**") promulgated the *Circular on Issues in relation to Cross-border Renminbi Foreign Direct Investment* (the "**MOFCOM RMB FDI Circular**"). Pursuant to the MOFCOM RMB FDI Circular, prior written consent from MOFCOM and/or its local counterparts (depending on the size and the relevant industry of the investment) is required for Renminbi foreign direct investment ("**RMB FDI**"). The MOFCOM RMB FDI Circular also requires that the proceeds of RMB FDI may not be used towards investment in securities, financial derivatives or entrustment loans in the PRC, except for investments in PRC domestic listed companies through private placements or shares transfers by agreement. On 13 October 2011, *Measures on the Administration of Renminbi Settlement for Foreign Direct Investment* (the "**PBOC Measures**") issued by the People's Bank of China ("**PBOC**") set out operating procedures for PRC banks to handle Renminbi settlement relating to RMB FDI and borrowing by foreign invested enterprises of offshore Renminbi loans. Prior to the PBOC Measures, cross-border Renminbi settlement for the RMB FDI required approvals from the PBOC on a case-by-case basis. The new rules replace the PBOC approval requirement with appropriate bank's examination and a less onerous registration and filing requirement. Under the new rules, commercial banks can remit a foreign investor's RMB proceeds from distribution (dividends or otherwise) by its PRC subsidiaries out of the PRC after reviewing certain requisite documents.

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

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

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

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

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

However, the current size of Renminbi-denominated financial assets outside the PRC is limited. As of 31 January 2012, the total amount of Renminbi deposits held by institutions authorised to engage in Renminbi banking business amounted to approximately RMB575,960 million (source: HKMA Monthly Statistical Bulletin). In addition, participating banks are also required by the HKMA to maintain a total amount of Renminbi (in the form of cash and its settlement account balance with the RMB Clearing Bank) of no less than 25.0% of their Renminbi deposits, which further limits the availability of Renminbi that participating banks can utilise for conversion services for their customers. Renminbi business participating banks do not have direct Renminbi liquidity support from the PBOC. The RMB Clearing Bank only has access to onshore liquidity support from the PBOC to square open positions of participating banks for limited types of transactions, including open positions resulting from conversion services for corporations relating to cross-border trade settlement and for individual customers with accounts in Hong Kong of up to RMB20,000 per person per day. The RMB Clearing Bank is not obliged to square for participating banks any open positions resulting from other foreign exchange transactions or conversion services and the participating banks will need to source Renminbi from the offshore market to square such open positions.

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

Investment in RMB Notes is subject to exchange rate risks.

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

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

All payments to investors in respect of RMB Notes will solely be made (i) in the case of RMB Notes which are represented by Global Notes, by transfer to a Renminbi bank account maintained in Hong Kong in accordance with prevailing CMU rules and procedures, or (ii) in the case of RMB Notes which are in definitive form, by transfer to a Renminbi bank account maintained in Hong Kong in accordance with prevailing rules and regulations, unless payment in US dollars at the US Dollar Equivalent is permitted in the circumstances described in Condition 6(g). 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).

RISKS RELATING TO CRCT'S GENERAL BUSINESS AND OPERATIONS

CRCT currently operates in adverse conditions in the global financial markets and the general economy, which may adversely affect its business, financial condition, results of operations and prospects.

The outlook for financial markets and general economy around the world remains uncertain. In Europe, several countries are facing difficulties in refinancing sovereign debt. In the United States, the unemployment rate remains high and recovery in the housing market remains subdued. In Asia and other emerging markets, some countries are expecting increasing inflationary pressure as a consequence of liberal monetary policy or excessive foreign fund inflow or both. In the Middle East, political unrest in various countries has resulted in economic instability and uncertainty. Adverse consequences arising from uncertainties in the financial markets and the general economy around the world and/or in the region include, but are not limited to, the following:

- the inability of the tenants to pay their rents in a timely manner or to continue their leases, thereby reducing CRCT's cash flow;
- decreases in valuations of shopping malls in which CRCT has an interest, resulting in deteriorating operating cash flow and/or widening capitalisation rates;
- decreases in rental or occupancy rates;
- a general increase in counterparty risk, resulting in defaults, non-payment and non-performance of essential services;
- the insolvency of contractors, resulting in construction delays;

- an increased likelihood that one or more of CRCT's lenders or insurers may be unable to honour their commitments; and

- excessive inflation in China, resulting in a reduction of its real income.

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

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

CRCT has property interests in nine shopping malls and may require funding in the event that its master lease malls are converted to multi-tenanted malls. CRCT intends to fund these requirements through a combination of its internal cash flows and resources, proceeds from borrowings or equity.

There can be no assurance that financing, either on a short-term or a long-term basis, will be made available or, if available, that such financing will be obtained on commercially reasonable terms. Factors that could affect CRCT's ability to procure financing include the property market's cyclical nature, any impairment of financial systems in the event of a downturn in financial markets and market disruption risks, which could adversely affect the liquidity, interest rates and availability of any third party capital funding sources. In addition, further consolidation in the banking industry may also reduce the availability of credit as the merged banks seek to reduce their combined exposure to a particular company, sector or geography. CRCT's ability to obtain financing may also be adversely affected by increased caution and conservatism displayed by banks in the wake of the recent global financial crisis, as well as any governmental or other regulatory measures which have the effect of restricting borrowers' access to credit.

If the capital and credit markets continue to experience volatility and the availability of funds remains limited, credit spreads are expected to widen further, and financing costs are expected to increase. This will adversely affect CRCT's profitability and may reduce the level of distributions or dividends that CRCT may receive from its property investments. Moreover, it is possible that CRCT's ability to access the capital and credit markets may be limited at a time when it would like or need to do so, which could have a material and adverse impact on its ability to grow its business, refinance maturing debt, pay dividends, secure credit ratings or react to changing economic and business conditions. 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.

The success of CRCT's business strategy is dependent on various factors.

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

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

The anticipated future growth in CRCT's business and assets may also challenge its managerial, operational, financial and other resources. Risks associated with CRCT's past and anticipated future growth, include the fact that the operating complexity of CRCT's business and the responsibility of CRCT's management have increased and will continue to increase. In turn, this will require the continued development of financial and management controls and systems and CRCT's implementation of these systems across the 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 and financial conditions and results of operations.

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 could have a material adverse effect on CRCT's business and financial conditions and results of operations.

CRCT is subject to interest rate fluctuations.

Some of CRCT's existing debt and CRCT's future borrowings may carry floating interest rates, and consequently, the interest cost to CRCT for such loans will be subject to fluctuations in interest rates. As at 31 December 2011, CRCT's consolidated debt was approximately S$433.0 million, of which approximately 29.5% is on a floating rate basis. There is no certainty that interest rates will not increase to CRCT's detriment and the risk of increase in short-term interest rate may adversely affect 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 and US 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 to acquire shopping malls in the PRC or its ability to repatriate its profits offshore in the form of dividends or changes in environmental laws that require significant capital expenditure.

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

The property market in China may be volatile.

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

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

CRCT faces risks associated with debt financing and the debt facilities.

As at 31 December 2011, CRCT has an aggregate external borrowings of approximately S$433.0 million, or an aggregate leverage of 28.0% (based on CRCT's audited consolidated balance sheet as at 31 December 2011). CRCT may, from time to time, require additional debt financing to achieve the CRCT Manager's investment strategies.

CRCT will distribute at least 90.0% of its distributable income in relation to a distribution period ("**Distributable Income**") 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 CRCT Trustee or the relevant special purpose project company which is a wholly foreign-owned enterprise in China ("**WFOE**") whose primary purpose is to hold or own shopping malls located in China (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 CRCT Trustee or the relevant Project Company is unable to meet interest or principal payments, such mortgaged property could be foreclosed by such lenders or such lenders could require a forced sale of the mortgaged property with a consequent loss of income and asset value to CRCT.

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

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

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

Under the Property Funds Appendix, CRCT is generally permitted to borrow only up to 35.0% of the value of all the assets of CRCT (or proportional share if CRCT owns less than 100.0% of a Barbados Company and/or a Project Company), including the Properties and all the authorised investments of CRCT for the time being held or deemed to be held upon the trusts under the CRCT Trust Deed (the "**Deposited Property**") at the time the borrowing is incurred. The Property Funds Appendix also provides that the total borrowings and deferred payments (together the "**aggregate leverage**") of a real estate investment trust may exceed 35.0% of the value of its Deposited Property (up to a maximum of 60.0%) only if a credit rating of the real estate investment trust from Fitch Inc., Moody's Investor Service or Standard and Poor's Rating Services, a division of the McGraw Hill Companies is obtained and disclosed to the public.

A decline in the value of the Deposited Property may affect CRCT's ability to make further borrowings in the manner described above.

Adverse business consequences of this limitation on borrowings 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 will adversely affect the CRCT Manager's ability to effectively carry out its strategies.

The CRCT Manager's plan to initiate asset enhancement on some of the Properties may not materialise.

The CRCT Manager plans to initiate asset enhancement on some of the Properties. However, there is no assurance that such proposed plans for asset enhancement will materialise, or in the event that they materialise, that the proposed plans will achieve their desired results or will not incur significant costs unnecessarily.

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

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

A concentration of investments in a portfolio of such specific real estate assets primarily in China exposes CRCT to both a downturn in the real estate market and in China. Any economic slowdown in China could negatively affect the performance of the retail market. A lagging economy could lead to retrenchments and job losses, which, in turn, would lead to a reduction in consumer spending. The renewal of leases in CRCT's operating shopping malls will depend, in part, upon the success of the tenants. Any decline in the overall retail sector may cause higher levels of non-renewals of leases or vacancies as a result of failures or defaults by tenants or the market pressures exerted by an increase in available retail space. There can be no assurance that the tenants of CRCT's operating shopping malls will renew their leases or that the new lease terms will be as favourable as the existing leases. In the event that a tenant does not renew its lease, a replacement tenant or tenants would need to be identified, which could subject CRCT's operating shopping malls to periods of vacancy and/or costly refittings, during which periods CRCT could experience reductions in rental income. Such downturns may have an adverse impact on the results of operations and the financial condition of CRCT.

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

The income and gains derived by CRCT, directly or indirectly, from its investments in real estate in China are exposed to various types of taxes in China, Barbados and Singapore. These include property tax, income tax, withholding tax, capital gains tax and other taxes specifically imposed for the ownership of such assets. While the CRCT Manager intends to manage the taxation in each of these countries efficiently, there can be no assurance that the desired tax outcome will necessarily be achieved. In addition, the level of taxation in each of these countries is subject to changes in laws and regulations and such changes, if any, may lead to an increase in tax rates or the introduction of new taxes which 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 the 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. The losses resulting from the claims brought by the employees of the Project Company may not be fully compensated by insurance proceeds. In such events, CRCT will be liable for the losses suffered.

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. While the CRCT Manager has stated its intention to invest in a diversified portfolio of income-producing properties used primarily for retail purposes and located primarily in China, Hong Kong and Macau, the CRCT Trust Deed gives the CRCT Manager wide powers to invest in other types of assets, including any real estate, real estate-related assets as well as listed and unlisted securities in China and other jurisdictions. There are risks and uncertainties with respect to the selection of investments and with respect to the investments themselves.

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

As at the Latest Practicable Date, CMA, through its subsidiaries and associates, has an aggregate indirect interest in 274,493,698 Units, which is equivalent to approximately 39.80% of the existing Units in issue. As a result, the overall interests of CMA may influence the strategy and activities of CRCT. Further, CMA may also exercise influence over the activities of CRCT through the CRCT Manager, which is a wholly-owned subsidiary of CMA.

CMA, its subsidiaries and associates, are engaged in the investment in, and the development and management of, among others, properties used, or predominantly used, for retail purposes. Some of these properties which are located in China may compete directly with the Properties for tenants. Further, CMA may in the future invest in other REITs which may also compete directly with CRCT.

RISKS RELATING TO CRCT'S PROPERTIES

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

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

- the location of the property;
- the laws and regulations that apply to the property;
- the stage of development of the property;
- the extent to which the contract pursuant to which the property interest was acquired has been performed, the extent to which the terms and conditions thereunder have been complied with, and the amount of the purchase consideration which has been paid;
- the extent of compliance by CRCT or any other relevant party (including previous owners, the vendor of the property and the entity in which CRCT has invested that has acquired or is acquiring the property) with all relevant laws and regulations relating to the ownership, use, sale, development or construction of the property;
- the manner under which the interest in the property is held, whether through a joint venture, a development agreement, under a master lease, an option to purchase, a sale and purchase agreement, through asset-backed securities 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, the legality, validity, binding effect and enforceability of the relevant contracts, the performance and observance of the terms and conditions set out in the contracts by the parties thereto, the capacity, power, authority and creditworthiness of such parties, the fulfilment of any conditions precedent to the parties' obligations under the contracts, and 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 that the legality, validity, binding effect and enforceability of the contractual arrangements from which CRCT derives its property interests will not be challenged, that the conditions precedent stated in the contract will be fulfilled or 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 property. 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.

Declines in property values may lead to downward revaluations of the properties in which CRCT holds interests, which may adversely affect CRCT's property value and profitability.

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. CRCT holds interests in shopping malls in China and there can be no assurance that property prices in China will not decrease such that a downward revaluation of the properties is required.

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

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

There can be 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 properties that it has interests in or manage, including to the title thereof. In particular, there can be no assurance as to the absence of latent or undiscovered defects or deficiencies or inaccuracies or deficiencies in such reviews, surveys or inspection reports, any of which may have a material adverse impact on CRCT's business, financial condition, results of operations and prospects.

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. For example, 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 even be required to pay penalties or fines or take remedial actions, any of which 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 such natural catastrophes or other acts of God will not materially disrupt CRCT's operations. These factors, which are not within CRCT's control, could potentially have significant effects on CRCT's properties in which CRCT has interests and CRCT's projects, many of which are large, complex buildings or developments that are susceptible to structural damage and failure. Such catastrophes, may also lead to reductions in shopper traffic, loss of income for CRCT's tenants and ultimately, possible defaults on lease payments, resulting in a material adverse effect on CRCT's business. CRCT does not maintain full third-party insurance to cover all natural or other catastrophes. As a result, the occurrence of natural or other catastrophes, severe weather conditions or other acts of God may adversely affect CRCT's business, financial condition, results of operations and prospects.

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

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

- cyclical downturns arising from changes in general and local economic conditions;
- periodic oversupply of shopping malls;
- the recurring need for renovation, refurbishment and improvement of the shopping malls;
- increases in interest rates and inflation;
- weaknesses in the national, regional and local economies;
- the adverse financial condition of some large retail companies;
- changes in wages, prices, energy costs and construction and maintenance costs that may result from inflation, government regulations, changes in interest rates or currency fluctuations;
- availability of financing for operating or capital requirements;
- consolidation of retail operators in the retail sector;
- strikes, work stoppages and labour-related disputes;
- changes in consumer spending patterns;

- changes in consumer preference in relation to property design and interior decoration or location;
- unemployment levels;
- an increase in consumer purchases from mail-order or internet purchases and consequent reduction for retail space in commercial properties;
- competition from warehouse and outlet stores and competitors with new business models;
- transportation infrastructure developments in new areas;
- extreme weather conditions or acts of terrorism;
- any changes in taxation and zoning laws; and
- adverse government regulation.

The retail real estate industry is highly competitive.

The properties in which CRCT has an interest compete for tenants with numerous developers, owners and managers of shopping malls, many of which own properties similar to, or which compete with, CRCT's. This competition may affect the occupancy rates and rental rates of CRCT's properties, as well as the shopper traffic to CRCT's shopping malls. The competition may result in CRCT having to lower its rental rates or incur additional capital improvements to improve the properties. The competitive business environment among retailers in the markets in which CRCT operates may also have a detrimental effect on tenants' businesses and, consequently, their ability to pay rent.

CRCT also competes with other real estate companies and insurance funds for property acquisitions and property-related investments. An inability to compete effectively could affect CRCT's ability to grow and thus adversely affect CRCT's business, financial condition, results of operations and prospects.

The properties in which CRCT has an interest may be subject to increases in operating and other expenses.

CRCT's business, financial condition, results of operations and prospects could be adversely affected if operating and other expenses related to the properties in which CRCT has an interest increase without a corresponding increase in revenues. 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 the properties may disrupt the operations of the properties and collection of rental income or otherwise result in adverse impact on CRCT's financial condition.

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

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

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

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

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

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

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

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

- the financial position of the Beijing Hualian Group;
- the local economies;
- 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, severely impacting on 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 under the respective master lease agreements.

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

No assurance can be given that the Beijing Hualian Group will renew its master leases of CapitaMall Anzhen and CapitaMall Erqi upon the expiry of the current term of these leases or its leases at CapitaMall Wangjing, CapitaMall Xizhimen and CapitaMall Saihan upon the expiry of such leases. Should the Beijing Hualian Group elect not to renew its leases, CRCT may not be able to locate a suitable replacement master lessee for CapitaMall Anzhen and CapitaMall Erqi, or a suitable replacement lessee for CapitaMall Wangjing, CapitaMall Xizhimen and CapitaMall Saihan which may result in CRCT losing a significant source of revenue.

In addition, the replacement of a master lessee for CapitaMall Anzhen and CapitaMall Erqi, or a suitable replacement lessee for CapitaMall Wangjing, CapitaMall Xizhimen and CapitaMall Saihan on satisfactory terms may not be possible in a timely manner.

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) and carpark income and other income ("**Gross Revenue**").

The loss of key tenants of any of the 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 2011 including letters of offer which are to be followed up with tenancy agreements to be signed by the parties (the "**Committed Leases**") as at 31 December 2011, the 10 largest tenants of the Properties (in terms of their contributions to the total Gross Rent) accounted for approximately 40.9% 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 and, unless expressly stated, excludes advertising and promotion levy and turnover rent (the "**Gross Rent**") of the Properties.

Accordingly, CRCT's financial condition and results of operations and ability to make distributions 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 an anchor 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 or future acquisitions 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 the 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 the Properties, which could affect CRCT's business and financial conditions and results of operations.

Losses or liabilities from latent building or equipment defects may adversely affect earnings and cash flow.

Design, construction or other latent property or equipment defects in the Properties may require additional capital expenditure, special repair or maintenance expenses or the payment of damages or other obligations to third parties, other than those disclosed in this Information Memorandum.

Costs or liabilities arising from such property or equipment defects may involve significant and potentially unpredictable patterns and levels of expenditure which may have a material adverse effect on CRCT's earnings and cash flows.

Statutory or contractual representations, warranties and indemnities given by any seller of real estate are unlikely to afford satisfactory protection from costs or liabilities arising from such property or equipment defects.

The Properties may face increased competition from future retail developments in China.

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

Amenities and transportation infrastructure near the Properties may be closed or relocated.

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

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.

The Properties or parts thereof may be acquired compulsorily by the Chinese government.

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

CAPITARETAIL CHINA TRUST

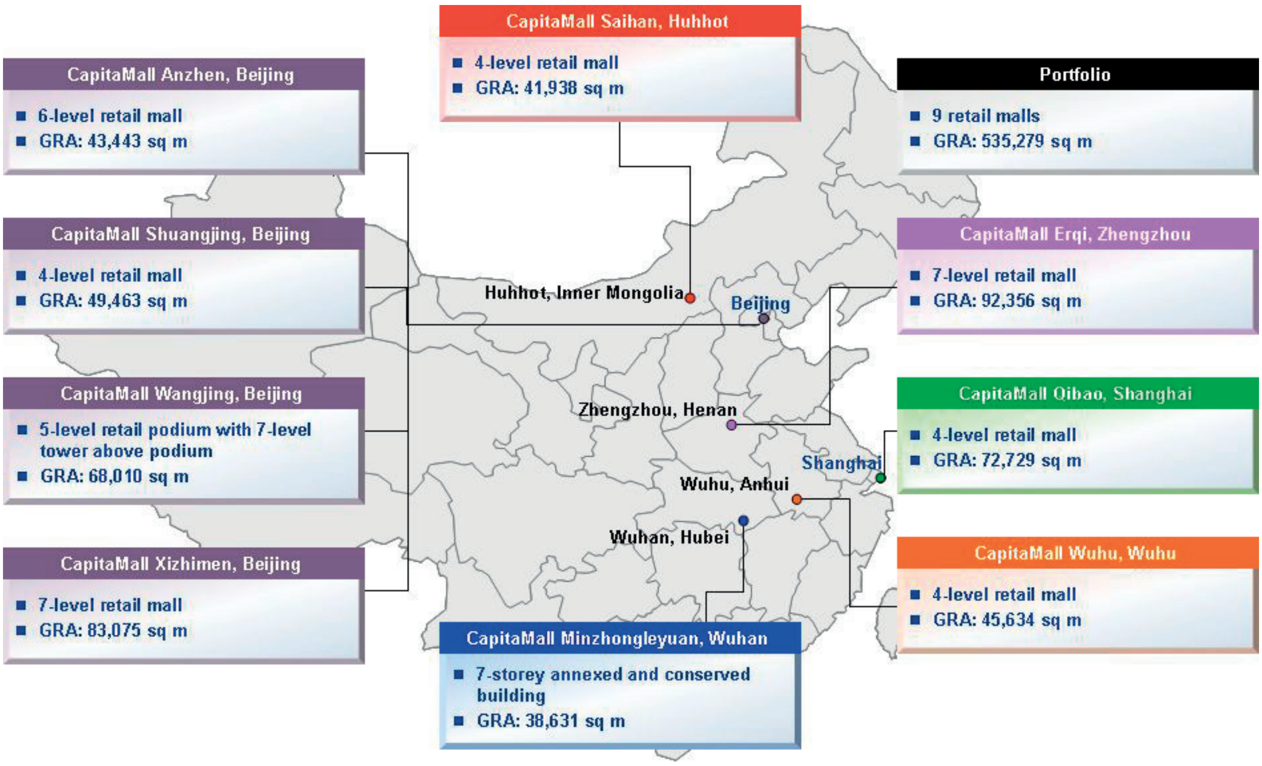
OVERVIEW

CRCT is the first and only 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 main board of the SGX-ST on 8 December 2006.

CRCT is managed by an external manager, CapitaRetail China Trust Management Limited, which is an indirect wholly-owned subsidiary of CMA, one of Asia's largest listed shopping mall developers, owners and managers.

CRCT currently owns and invests in a portfolio of nine income-producing shopping malls located in six cities of 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 Shuangjing and CapitaMall Anzhen in Beijing, CapitaMall Qibao in Shanghai, CapitaMall Erqi in Zhengzhou, Henan Province, CapitaMall Saihan in Huhhot, Inner Mongolia, CapitaMall Wuhu in Wuhu, Anhui Province and CapitaMall Minzhongleyuan in Wuhan.

As at 31 December 2011, the Properties have an aggregate gross rentable area ("**GRA**") of 535,279 sq m and portfolio occupancy rate of 98.1% (based on committed leases as at 31 December 2011). A significant portion of the Properties' tenancies consists of major international and domestic retailers such as Wal-Mart, Carrefour and the Beijing Hualian Group under master leases or long-term leases. The anchor tenants are complemented by popular specialty brands such as UNIQLO, ZARA, Vero Moda, Sephora, Watsons, KFC, Pizza Hut and BreadTalk.

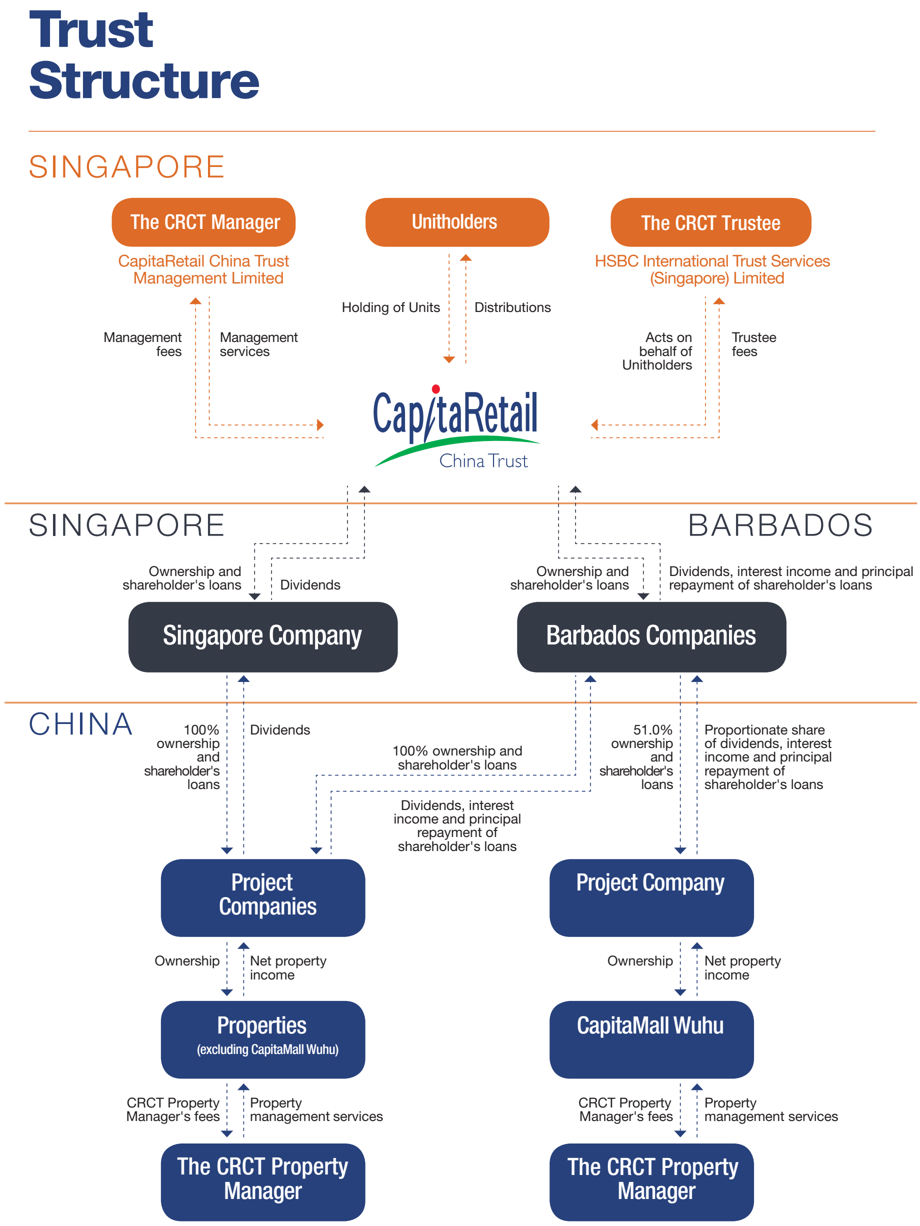


1. HISTORY AND BACKGROUND

The CRCT Trust Deed was entered into on 23 October 2006, as amended and supplemented by (i) a supplemental trust deed dated 8 November 2006, (ii) a second supplemental trust deed dated 15 April 2010 and (iii) a third supplemental trust deed dated 5 April 2012 and as may be further amended, varied or supplemented from time to time, made between the CRCT Manager and the CRCT Trustee. Units in CRCT commenced trading on the SGX-ST on 8 December 2006.

2. STRUCTURE OF CRCT

The following chart sets out the structure of CRCT, and the roles and responsibilities carried out by each party.



THE CRCT TRUSTEE - HSBC INSTITUTIONAL TRUST SERVICES (SINGAPORE) LIMITED

The trustee of CRCT is HSBC Institutional Trust Services (Singapore) Limited ("**HSBCIT**" or the "**CRCT Trustee**"). 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 share capital of S$5,150,000. HSBCIT has a place of business in Singapore at 21 Collyer Quay, #14-01, HSBC Building, Singapore 049320.

HSBCIT is ultimately wholly-owned by The Bank of Bermuda Limited, which is a licensed bank incorporated in Bermuda and which provides a wide range of international banking and trust services through its main office in Bermuda as well as its subsidiaries world-wide. On 18 February 2004, The Bank of Bermuda Limited became an indirect wholly-owned subsidiary of HSBC Holdings plc, a public company incorporated in England.

HSBCIT is engaged in a wide range of trust services. It acts as trustee for numerous unit trust schemes as well as corporate and private trusts in Singapore, and also undertakes corporate administration as part of its services.

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:

- a person or entity to exercise any of its powers or perform 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 to the CRCT Trustee 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 the MAS directs that the CRCT Trustee be removed.

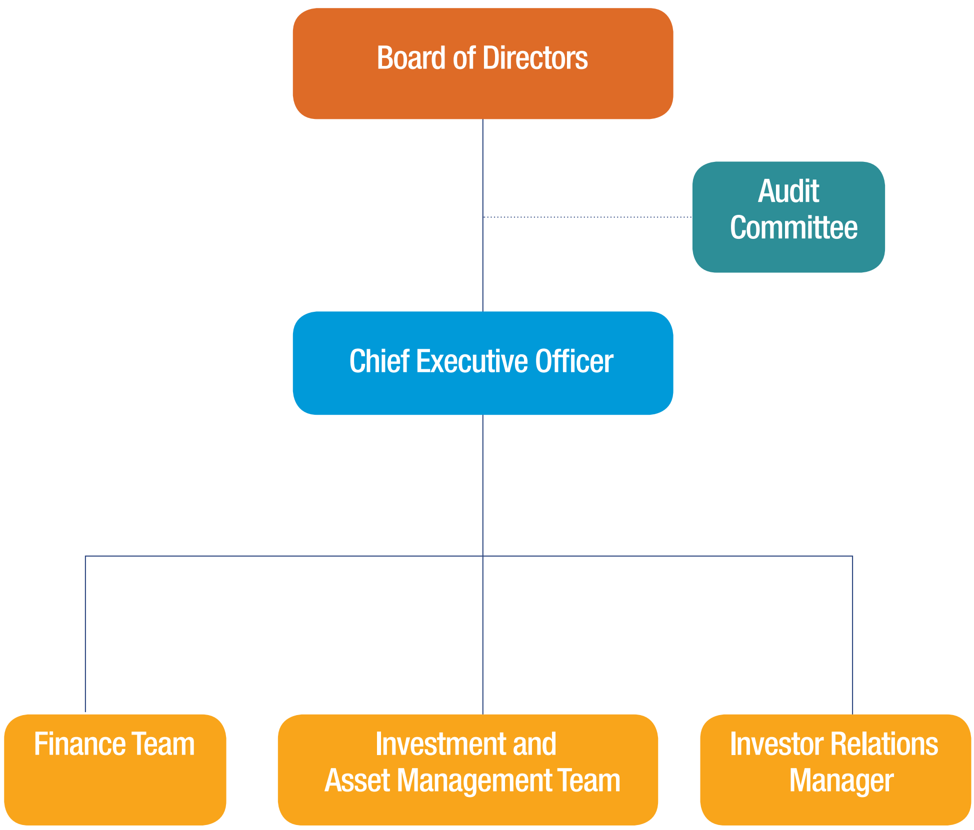
THE CRCT MANAGER – CAPITARETAIL CHINA TRUST MANAGEMENT LIMITED

The CRCT Manager is an indirect wholly-owned subsidiary of CMA, one of Asia's largest listed shopping mall developers, owners and managers.

The following chart sets out the organisational structure of the CRCT Manager:

Organisation Structure

CAPITARETAIL CHINA TRUST MANAGEMENT LIMITED
(THE CRCT MANAGER)



The CRCT Manager has general powers of management over the assets of CRCT.

The CRCT Manager's main 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, if appropriate, increasing CRCT's assets over time so as to enhance the returns from the investments of CRCT and ultimately the distributions and total return 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 its business in a proper and efficient manner and to conduct all transactions with, or on behalf of, CRCT at arm's length.

- Preparing property plans on an annual basis for review by the Board of Directors of the CRCT Manager (the "**CRCT Board**"). Such plans typically contain proposals and forecasts on net income, capital expenditure, sales and valuations, explanations of any major variances to previous forecasts, written commentary on key issues and underlying assumptions on rental rates, occupancy costs and any other relevant assumptions. These plans explain the performance of CRCT's assets.

- Ensuring compliance with the applicable provisions of the SFA, as well as other relevant legislation, the Listing Manual of the SGX-ST, the CIS Code, the CRCT Trust Deed, 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, accounting, marketing, promotion, co-ordination and project management) for the Properties pursuant to the relevant property management agreements.

CRCT is externally managed by the CRCT Manager. The CRCT Manager appoints experienced and qualified management to handle its day-to-day operations. All directors and employees of the CRCT Manager are remunerated by the CRCT Manager, and not by CRCT.

CapitaRetail 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 by notice given in writing from the CRCT Trustee upon the occurrence of certain events, including 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 is responsible for the overall management and governance of the CRCT Manager and CRCT. The CRCT Board is supported by Board Committees, 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 LIEW CHENG SAN VICTOR

Chairman and Independent Non-Executive Director

Mr Liew Cheng San Victor joined the CRCT Board on 31 October 2006. He is also Chairman of the Corporate Disclosure Committee and a member of the Audit Committee of the CRCT Manager.

Mr Liew serves as Director on various boards both within and outside Singapore. Previously, he spent 30 years in the financial sector before retiring as Head of Global Markets and a member of the Management Committee of a major local bank. He also served as Chairman of the Singapore International Monetary Exchange Limited and a board member of the Singapore Exchange Limited.

Mr Liew is a graduate of the University of Singapore with a Bachelor of Social Sciences with Honours.

MR LIEW MUN LEONG

Deputy Chairman and Non-Executive Director

Mr Liew Mun Leong joined the CRCT Board on 31 October 2006. He is also Chairman of the Executive Committee and a member of the Corporate Disclosure Committee of the CRCT Manager.

Mr Liew is a Director of CapitaLand Limited (listed on the SGX-ST) and President and Chief Executive Officer of the CapitaLand group of companies (the "**CapitaLand Group**"). He is also Chairman of CMA (listed on the SGX-ST and The Stock Exchange of Hong Kong Limited), CapitaLand Residential Singapore Pte Ltd, CapitaLand China Holdings Pte Ltd, CapitaLand Commercial Limited, CapitaLand Financial Limited, CapitaValue Homes Limited and CapitaLand ILEC Pte. Ltd.

Mr Liew is the Deputy Chairman of The Ascott Limited as well as Deputy Chairman of CapitaMall Trust Management Limited (the manager of CapitaMall Trust listed on the SGX-ST), CapitaCommercial Trust Management Limited (the manager of CapitaCommercial Trust listed on the SGX-ST) and Ascott Residence Trust Management Limited (the manager of Ascott Residence Trust listed on the SGX-ST). He is also a Director of CapitaLand Hope Foundation, the CapitaLand Group's philanthropic arm.

Mr Liew is presently the Chairman of Changi Airport Group (Singapore) Pte. Ltd. and China Club Investment Pte Ltd. He is also a Director and a member of the Audit Committee of Singapore Exchange Limited (listed on the SGX-ST), and a Director of Surbana Corporation Pte. Ltd., Singapore-China Foundation Ltd. and LFIE Holding Limited.

He is a member of the NUS Business School Management Advisory Board, National Productivity and Continuing Education Council, Governing Council of the Human Capital Leadership Institute, Centre for Liveable Cities and the Board of Trustees of the Chinese Development Assistance Council.

Mr Liew has spent 22 years in the public sector and another 20 years in the private sector in various leadership positions.

In 2011, Mr Liew was named Best CEO in Singapore by FinanceAsia. In 2008, he was named Asia's Best Executive of 2008 (Singapore) by Asiamoney and Best CEO in Asia (Property) by Institutional Investor. In 2007, he was conferred the CEO of the Year award (for firms with market value of S$500 million or more) in The Business Times' Singapore Corporate Awards. In 2006, he was named Outstanding CEO of the Year in the Singapore Business Awards.

Mr Liew was conferred the Meritorious Service Medal at the Singapore National Day Awards 2011.

Mr Liew is a graduate of the University of Singapore with a Degree in Civil Engineering and is a registered professional civil engineer.

MS CHEW GEK KHIM

Independent Non-Executive Director

Ms Chew Gek Khim joined the CRCT Board on 31 October 2006. She is also Chairperson of the Audit Committee of the CRCT Manager.

Ms Chew is currently the Executive Chairman of the Tecity Group, Executive Chairman of The Straits Trading Company Limited, Deputy Chairman of The Tan Chin Tuan Foundation in Singapore and Chairman of The Tan Sri Tan Foundation in Malaysia. In addition, she is also the Chairman of the National Environment Agency, a member of the Singapore Totalisator Board and a council member of the Securities Industry Council.

A lawyer by training, Ms Chew graduated from the National University of Singapore in 1984.

MR LIM BENG CHEE

Non-Executive Director

Mr Lim Beng Chee joined the CRCT Board on 23 August 2006. He is also a member of the Executive Committee and the Corporate Disclosure Committee of the CRCT Manager.

Mr Lim is currently the Chief Executive Officer (the "**CEO**") and Executive Director of CMA (listed on the SGX-ST and The Stock Exchange of Hong Kong Limited). He is also a Director of CapitaMall Trust Management Limited (the manager of CapitaMall Trust listed on the SGX-ST) and CapitaMalls Malaysia REIT Management Sdn. Bhd. (the manager of CapitaMalls Malaysia Trust listed on the Bursa Malaysia Securities Berhad).

Mr Lim has more than 10 years of real estate investment and asset management experience. He previously held various positions within the CapitaLand Group since 2000 and has been CMA's CEO since 1 November 2008. Mr Lim has played an instrumental role in the creation of CMA's retail real estate funds and retail real estate investment trusts. Mr Lim was appointed as the Deputy CEO of CapitaMall Trust Management Limited in March 2005 until December 2006. He then led the team which spearheaded the listing of CRCT and was appointed as CEO of the CRCT Manager in December 2006 until September 2008 during which time he was mostly stationed in Beijing. Mr Lim then returned to Singapore and assumed his appointment as CEO for both CMA and CapitaMall Trust Management Limited in November 2008. Mr Lim stepped down as CEO of CapitaMall Trust Management Limited on 25 November 2009 upon the listing of CMA. Mr Lim also spearheaded the listing of CapitaMalls Malaysia Trust, Malaysia's largest pure-play shopping mall REIT in July 2010.

Mr Lim holds a Master of Business Administration (Accountancy) from the Nanyang Technological University of Singapore and a Bachelor of Arts in Physics (Honours) from the University of Oxford, United Kingdom.

MR NG KOK SIONG

Non-Executive Director

Mr Ng Kok Siong joined the CRCT Board on 21 July 2009. He is also a member of the Audit Committee and the Executive Committee of the CRCT Manager.

Mr Ng is currently the Chief Financial Officer of CMA (listed on the SGX-ST and The Stock Exchange of Hong Kong Limited). He is also a Director of CapitaMalls Malaysia REIT Management Sdn. Bhd. (the manager of CapitaMalls Malaysia Trust listed on the Bursa Malaysia Securities Berhad).

Mr Ng joined CapitaLand Limited in September 2005. He later assumed the position of Senior Vice President of CapitaLand Eurasia where he was involved in business development. In October 2008, he was appointed as Senior Vice President, Strategic Finance, CapitaLand Limited, where he was responsible for overseeing the corporate finance matters of the CapitaLand Group. Prior to joining CapitaLand Limited in 2005, Mr Ng spent more than a decade in the oil and gas industry across Asia Pacific and Europe, holding various finance and investment management positions in Exxon-Mobil and Royal Dutch Shell. He was appointed as the Chief Financial Officer of CMA in September 2009.

Mr Ng graduated with a Degree of Bachelor of Accountancy (Honours) from the Nanyang Technological University of Singapore.

MR TAN TEE HIEONG

Chief Executive Officer and Executive Director

Mr Tan Tee Hieong joined the CRCT Board on 1 July 2010. He is also a member of the Executive Committee of the CRCT Manager.

Mr Tan has over 19 years of experience in international treasury, finance and risk management. In his previous position as Head, Finance in the CRCT Manager, Mr Tan was a key member of the team responsible for the equity fund raising and acquisition of CapitaMall Xizhimen (formerly known as Xizhimen Mall) in 2008. He also played an instrumental role in the successful re-financing of CRCT's debt during the global financial crisis in 2008 and 2009. He was also part of the core management team responsible for the listing of CMA on the SGX-ST in November 2009. Prior to joining the CRCT Manager, Mr Tan was with IKEA for more than nine years, where he held positions as Treasurer and Finance Manager for the Asia Pacific region. During those tenures, he also concurrently sat on IKEA's finance committee for Asia Pacific that oversaw the group's strategic finance and tax matters. His other experiences prior to joining IKEA include Treasury Accountant for Wearnes International, the trading and distribution arm of WBL Corporation Limited and various trading positions with international banks.

Mr Tan holds a Master of Business Administration (Distinction) from the University of Manchester, United Kingdom, and a Bachelor of Accountancy degree from the National University of Singapore.

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 a special purpose project company which is a wholly foreign-owned enterprise in China ("**WFOE**") whose primary purpose is to hold or own a shopping mall located in China (each, a "**Project Company**") and which 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 the Property, (ii) operating and maintaining that Property in accordance with such operating budgets and annual plans (and revisions thereof), (iii) co-ordinating, reviewing and maintaining at all times certain insurance coverage with the assistance of insurance advisers, and (iv) maintaining books of accounts and records in respect of the operation of that Property; 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 and also a centralised team of personnel that provides expertise on leasing, technical services, tenancy co-ordination, marketing and communications, etc. at a group level. 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. The Properties are often the only or are among the few shopping malls offering one-stop shopping in their respective trade areas, thus drawing high volumes of shoppers to the Properties.

- *Geographical diversification*

  The Properties are located in various cities of China, providing exposure to the rapidly expanding retail markets of Beijing, Shanghai, Zhengzhou, Huhhot, Wuhan and Wuhu. The geographical diversification of the Properties reduces CRCT's dependence on any single regional market and, accordingly, enhances the stability of future earnings.

- *Stable and quality tenant base*

  The Properties benefit from the well-established brand names of their anchor tenants and their market leadership in their respective trade sectors. A significant portion of the Properties' tenancies consists of major international and domestic retailers such as the Beijing Hualian Group, Carrefour and Wal-Mart, under master leases or long-term leases.

  The Properties have a large combined tenant base with the tenants mentioned above and other tenants in the Properties include brands such as UNIQLO, ZARA, Vero Moda, Sephora, Watsons, KFC, Pizza Hut and Breadtalk. 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*

  Two of the Properties, CapitaMall Anzhen and CapitaMall Erqi, and the majority of the GRA of a third Property, CapitaMall Shuangjing, are let out under master leases. The master leases over CapitaMall Anzhen, CapitaMall Erqi and CapitaMall Shuangjing are long-term, which help to ensure stable cash flows. The long-term master leases over CapitaMall Anzhen and CapitaMall Erqi also contain provisions for upside in rental revenues through step-ups in the base rent, with the master leases over CapitaMall Anzhen and CapitaMall Erqi providing for an additional potential upside through a percentage of tenants' gross sales turnover if the turnover exceeds an agreed threshold.

  For the remaining Properties which are not under master leases, the typical lease term is 15 to 20 years for anchor tenants, five to seven years for mini-anchor tenants and three years for specialty tenants. Most of the leases have an annual step-up in the base rent. In addition, most of the leases also contain provisions for rent to be payable at the-then applicable base rent or at a percentage of gross sales turnover, whichever is higher. These lease structures help to provide stability and potential upside in rental revenues for CRCT.

  In order to ensure timeliness, accuracy and accountability in the calculation of turnover rent of the Properties, there is in place a point-of-sale system at each of CapitaMall Wangjing, CapitaMall Xizhimen and CapitaMall Qibao which automatically records the amount of sales achieved by the tenants.

- *Potential for asset enhancement in the future*

  The CRCT Manager may identify potential asset enhancements 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 8.70 cents in FY 2011.

(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 2011, CRCT's total borrowing was approximately S$433.0 million, with gearing at a low 28.0% and healthy interest cover of 7.3 times. The average cost of debt was below 3.0%.

(d) **Strong and Committed Sponsor**

CMA is one of the largest listed shopping mall developers, owners and managers in Asia by total property value of assets and geographical reach. CMA has an integrated shopping mall business model encompassing retail real estate investment, development, mall operations, asset management and fund management capabilities. It has interests in and manages a pan-Asian portfolio of 97 shopping malls across 51 cities in the five countries of Singapore, China, Malaysia, Japan and India, with a total property value of approximately S$29.4 billion and a total GFA of approximately 87.4 million square feet.

As at 31 December 2011, CMA has a net asset value of approximately S$6.2 billion and market capitalisation of approximately S$4.4 billion.

4. STRATEGY

The CRCT Manager implements the principal investment strategy in accordance with the Property Funds Appendix. Investments are generally made pursuant to a long term investment horizon and the investment portfolio of CRCT comprises primarily income producing real estate and real estate related assets. Properties within CRCT's portfolio are used for retail purposes and investments are made depending on investment opportunities in China, Hong Kong and Macau.

CRCT's strategy comprises the following:

(a) *Enhancing Organic Growth through Proactive Asset Management*

Most of CRCT's leases provide for an annual step-up in the base rent and for rent to be payable on the basis of the higher of either base rent or a percentage of tenants' gross sales turnover, thereby providing stability and potential upside in rental income. Apart from organic growth through rental receipts, CRCT 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*

CRCT actively explores innovative asset enhancement initiatives to improve the returns of its malls. These include the reconfiguration of the retail units or floor plates to achieve better efficiency and higher rental potential, retro-fitting and refurbishing the malls to maintain their appeal to tenants and shoppers.

(c) *Capitalising on Yield-Accretive Acquisitions Growth Model supported by a secured and proprietary pipeline*

CRCT 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 CMA-sponsored private funds, CapitaMalls China Income Fund, CapitaMalls China Development Fund II, CapitaMalls China Incubator Fund, as well as CMA, one of the largest listed shopping mall developers, owners and managers in Asia.

In evaluating acquisition opportunities, CRCT 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 CMA's integrated shopping mall business model, with in-house capabilities in retail real estate investment, development, mall operations, asset management and fund management. The CRCT Manager takes a holistic approach to the management of CRCT, and strives to not only manage the Properties well through specialised divisions handling property management, retail management and operational leasing, strategic marketing and design and development management but also to be in a good position to manage the funds raised by CRCT through its divisions handling asset management, strategic planning, investment and fund structuring and management as depicted diagrammatically in the integrated shopping mall business model below:

In addition, the CRCT Manager has a professional and experienced team of fund and asset managers who work closely with each other to:

- formulate medium and long-term strategies and initiatives to deliver higher sustainable returns;
- enhance the shopping experience to attract and increase shoppers' traffic;
- review space usage to optimise income;
- manage and monitor rental arrears to minimise bad debts;
- manage projects to ensure timely completion within budgets;
- manage and monitor property expenses to maximise net property income;
- address all key operational issues to ensure alignment with the CRCT Manager's strategies; and
- manage lease renewals and new leases diligently to minimise rental voids.

(e) *Capital and Risk Management*

The CRCT Manager reviews its debt and capital management and financing policies regularly so as to optimise CRCT's funding structure and strategy. The CRCT Manager also monitors its exposure to various risk elements by closely adhering to clearly established management policies and procedures.

5. PROPERTIES

(A) Summary of Selected Information on the Overall Portfolio of Properties

	CapitaMall Xizhimen 凯德Mall • 西直门	CapitaMall Wangjing 凯德Mall • 望京	CapitaMall Anzhen 凯德Mall • 安贞	CapitaMall Erqi 凯德广场 • 二七	CapitaMall Shuangjing 凯德Mall • 双井	CapitaMall Minzhongleyuan 凯德民众乐园	CapitaMall Qibao 凯德七宝购物广场	CapitaMall Saihan 凯德Mall • 赛罕	CapitaMall Wuhu 凯德广场 • 芜湖
Address	No. 1 Xizhimenwai Avenue, Xicheng District, Beijing	No. 33 Guangshun North Street, Blk 213 & 215, Chaoyang District, Beijing	Section 5 No. 4 of Anzhen Xi Li, Chaoyang District, Beijing	No. 3 Minzhu Road, Erqi District, Zhengzhou, Henan Province	No. 31 Guangqu Road, Chaoyang District, Beijing	No. 704 Zhongshan Avenue, Jianghan District, Hankou, Wuhan,Hubei Province	No. 3655, Qi Xin Road, Minhang District, Shanghai	No. 32 Ordos Street, Saihan District, Huhhot, Inner Mongolia Autonomous Region	No. 37 Zhongshan North Road, Jinghu District, Wuhu, Anhui Province
GFA (sq m) (as at 31 December 2011)	83,075	83,768	43,443	92,356	49,463	41,717	83,986	41,938	59,624
GRA (sq m) (as at 31 December 2011)	83,075	68,010	43,443	92,356	49,463	38,631	72,729	41,938	45,634
Number of Leases (as at 31 December 2011)	245	197	2	2	6	321	143	147	174
Land Use Right Expiry	23 August 2044 23 August 2054	15 May 2043 15 May 2053	7 October 2034 5 March 2042 3 June 2042	31 May 2042	10 July 2042	30 June 2044[4] 15 September 2045	10 March 2043[5]	11 March 2041 20 March 2041	29 May 2044
Market Valuation[1] (RMB Million) (as at 31 December 2011)	2,230	1,506	925	575	525	434	363	310	211
Purchase Price (RMB million)	1,863.5	1,102.0	772.0	454.0	414.0	395.0	264.0	315.0	130.0
Acquisition Date[2]	Phase 1 – 5 February 2008 Phase 2 – 29 September 2008	1 December 2006	8 November 2006	1 December 2006	1 December 2006	30 June 2011	8 November 2006	1 December 2006	8 November 2006
Committed Occupancy Rate (as at 31 December 2011)	98.4%	99.8%	100.0%	100.0%	100.0%	94.7%	94.4%	98.1%	96.3%
Shopper Traffic for 2011[3] (Million)	21.1	9.5	–	–	–	4.5[6]	9.9	7.0	8.8
Major Tenants	Vero Moda/ Only/ Selected/ Jack & Jones Beijing Hualian Supermarket Watsons 夹拣成厨麻辣烫/ 金汤玉线/ "川成元" 麻辣香锅/ 姑姑宴 KFC	Beijing Hualian Department Store Beijing Hualian Supermarket Vero Moda Classic/ Selected/ Only/ Jack & Jones UNIQLO I.T ZARA	Beijing Hualian Department Store Beijing Hualian Supermarket	Beijing Hualian Department Store Beijing Hualian Supermarket	Carrefour B&Q	McDonald's KFC Pizza Hut Studio City (Wuhan)	Gome Carrefour UNIQLO Bao Da Xiang Shopping For Kids Tom's World	Beijing Hualian Supermarket KFC Nike Suning Electrical Jinyi Cinema	Wal-Mart Tango KTV Watsons Weide Gym 来来永和豆浆
Gross Revenue for 2011 (RMB Million)	193.7	153.3	79.2	49.0	42.0	27.1	72.1	33.4	30.9
NPI for 2011 (RMB Million)	131.1	107.8	64.9	39.4	33.2	15.8	24.1	14.5	12.1

1 The valuation for CapitaMall Xizhimen and CapitaMall Minzhongleyuan were undertaken by CBRE and the valuation of CapitaMall Wangjing, CapitaMall Qibao, CapitaMall Wuhu, CapitaMall Saihan, CapitaMall Anzhen, CapitaMall Erqi and CapitaMall Shuangjing were undertaken by Knight Frank as at 31 December 2011.

2 Refers to the completion of the acquisition of the special purpose vehicles which own the properties.

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

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

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.

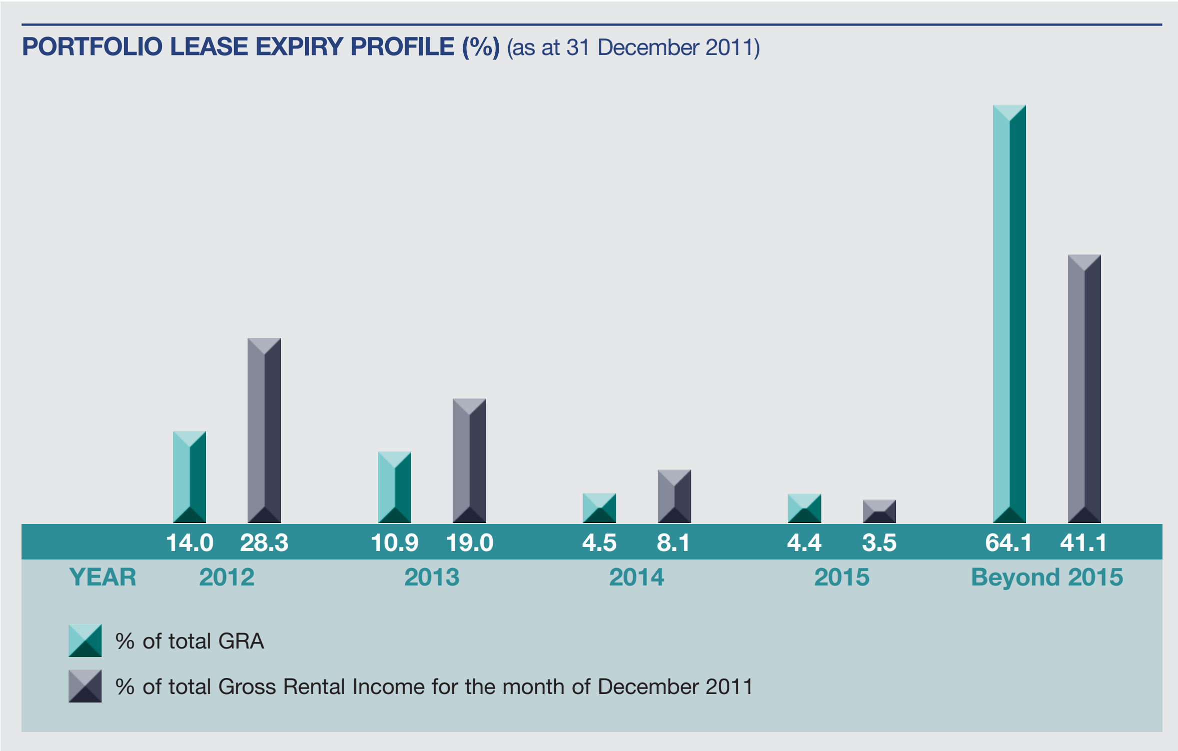
6 Shopper traffic from 1 July 2011 to 31 December 2011.

Lease Expiry Profile of the Properties

CapitaMall Anzhen, CapitaMall Erqi and the majority of the GRA of CapitaMall Shuangjing are let out under master leases. The master leases are long-term, which helps to ensure stable cash flows. For the remaining Properties which are not under master leases, the typical lease term is 15 to 20 years for anchor tenants, five to seven years for mini-anchor tenants and one to three years for specialty tenants. Most of the leases for the anchor tenants, mini-anchors and specialty tenants have an annual step-up in the base rent. In addition, most of the leases also contain provisions for rent to be payable at the then applicable base rent or at a percentage of sales turnover whichever is higher.

As at 31 December 2011, CRCT's portfolio of properties (the "**Portfolio**") has 1,237 committed leases. All the malls in the Portfolio are positioned as one-stop family-oriented shopping, dining and entertainment destinations for the sizeable population catchment areas in which they are located, and are accessible via major transportation routes or access points. A significant portion of the properties' tenancies consists of major international and domestic retailers such as Wal-Mart, Carrefour and the Beijing Hualian Group under master leases or long-term leases, and the anchor tenants are complemented by popular specialty brands such as UNIQLO, ZARA, Vero Moda, Sephora, Watsons, KFC, Pizza Hut and BreadTalk.

The graph below illustrates the committed lease expiry profile of the Properties by monthly gross rental income as at 31 December 2011.



Top 10 Retail Tenants and Trade Sector Analysis of the Properties

The chart below provides a break down of the top ten retail tenants of the Properties as at 31 December 2011.

TOP 10 TENANTS (Based on percentage of Gross Rental Income excluding turnover rent in the month of December 2011[1])

Tenant	Brand Names	Trade Sector	Lease Expiry[2]	GRA	% committed GRA	% Gross Rental Income (excluding turnover rent)[1]
				sq m	%	%
BHG(北京)百货有限公司 北京华联综合超市股份有限公司 华联咖世家(北京)餐饮管理有限公司	Beijing Hualian Department Store Beijing Hualian Supermarket Costa Coffee	Department Store Supermarket Food & Beverages	July/2025 November/2026 September/2028 June/2029 February/2015 September/2015 December/2016	201,712	37.7%	25.1%
上海联家超市有限公司[3] 北京家乐福商业有限公司[3]	Carrefour	Supermarket	January/2024 March/2024	52,104	9.7%	4.3%
绫致时装(天津)有限公司	Only Jack & Jones Vero Moda Selected	Fashion & Accessories	August/2012 September/2012 November/2012 October/2013 April/2014 December/2014	5,425	1.0%	2.8%
北京百安居装饰建材有限公司	B&Q	Houseware & Furnishings	April/2024	17,429	3.3%	2.0%
百胜餐饮(武汉)有限公司[3] 北京必胜客比萨饼有限公司[3] 北京肯德基有限公司[3] 天津肯德基有限公司[3] 上海肯德基有限公司[3]	Pizza Hut KFC	Food & Beverages	February/2012 September/2016 September/2017 December/2021 May/2017 September/2017 January/2022 September/2018 April/2017	5,846	1.1%	1.7%
北京为之味餐饮有限公司	"川成元"麻辣香锅 姑姑宴 夹拣成厨麻辣烫 金汤玉线 港仔码头	Food & Beverages	May/2016 November/2016 January/2012 April/2013 January/2013 September/2013 March/2013	2,329	0.4%	1.2%
北京兴宇班尼路服装服饰有限公司 上海海文班尼路服饰有限公司	阿童木, ebase ladies IN-BASE Calvin Klein Jeans Baleno 班尼路	Fashion & Accessories	August/2012 October/2012 April/2014 September/2016 October/2012	2,875	0.5%	1.0%
上海国美电器有限公司	Gome	Electrical & Electronics	May/2013	4,307	0.8%	1.0%
上海颐盛商贸有限公司	Sport 100	Sporting Goods & Apparel	September/2012	4,332	0.8%	1.0%
沃尔玛购物广场	Wal-Mart	Supermarket	January/2021	22,450	4.2%	0.8%

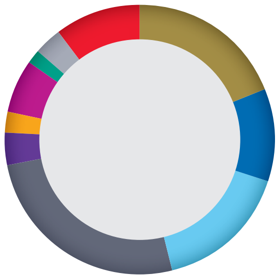
1 For leases structured on base rent only or base rent and a percentage of gross sales turnover whichever is higher. Where the structure is a percentage of gross sales turnover or base rent plus a percentage of gross sales turnover, monthly gross rental income is calculated based on actual rent payable in the month of December 2011.

2 Some of the tenants have signed more than one tenancy agreement and this has resulted in more than one lease expiry date for such tenants.

3 Under the same group of companies respectively.

The chart below provides a break down by monthly gross rental income of the different trade sectors represented in the Properties as at 31 December 2011.

Trade Sector Analysis by Gross Rental Income (%)
(for the month of December 2011)



Department Store	:	19.0
Supermarket	:	11.1
Food & Beverages	:	16.1
Fashion & Accessories	:	25.9
Leisure & Entertainment	:	4.0
Houseware & Furnishings	:	2.4
Beauty & Healthcare	:	6.4
Sporting Goods & Apparel	:	1.6
Shoes & Bags	:	3.4
Others	:	10.1

(B) Summary of Selected Information on Individual Properties

(I) CapitaMall Xizhimen

CapitaMall Xizhimen is strategically located at Xizhimen transportation hub and it is well-served by Beijing's subway Line 2, Line 13 and Line 4, as well as the national rail and bus interchange. It is a retail podium of an integrated mixed-use property and is well-supported by large shopper catchment from daily commuters passing through the busy transportation hub and middle-class residents from the vicinity. CapitaMall Xizhimen has launched the second phase of its development, which entailed an extension of the mall's basement to connect it to three Beijing metro lines and North railway stations. Commuters and shoppers can now enjoy direct access to the mall from the subway and train stations. It attracts working professionals and students from the nearby Beijing Finance Street, Beijing's financial district and the universities and technological zones of Zhongguancun district.

The following is a summary of the key commercial features of CapitaMall Xizhimen:

Property Information

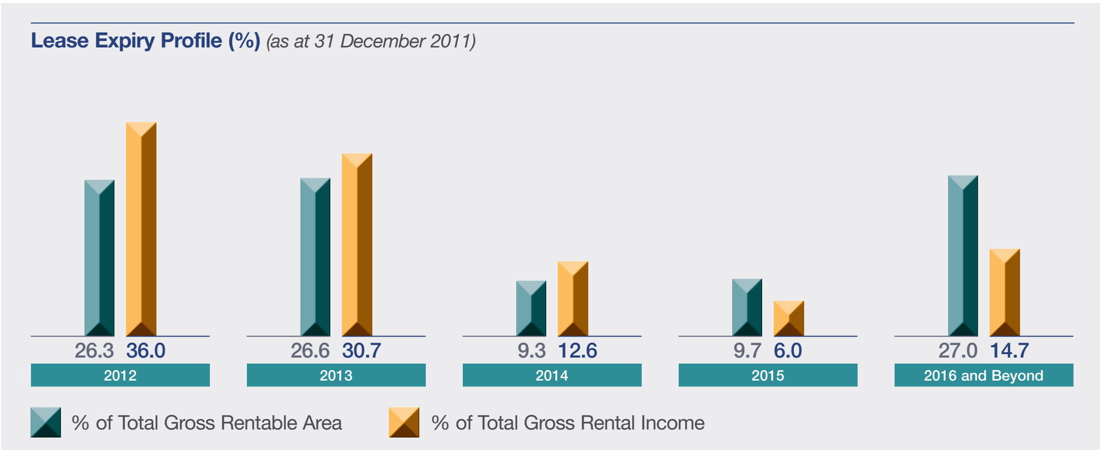
Description	Seven-level retail mall.
Gross Rentable Area (GRA)	83,075 sq m
Number of Leases	245
Land Use Right Expiry	23 August 2044 23 August 2054
Market Valuation	RMB2,230.0 million
Gross Revenue	RMB193.7 million
Net Property Income	RMB131.1 million
Committed Occupancy	98.4%[1]
Shopper Traffic	21.1 million
Key Tenants	Vero Moda/ Only/ Selected/ Jack & Jones Beijing Hualian Supermarket Watsons 夹拣成厨麻辣烫/ 金汤玉线/ ″川成元″麻辣香锅/ 姑姑宴 KFC

Data as at 31 December 2011. Gross revenue, net property income and shopper traffic are for the year ended 31 December 2011.

[1] Including Phase 2. If Phase 2 was excluded, committed occupancy was 99.9%.

Lease Expiry Profile of CapitaMall Xizhimen

The following chart sets out the annual lease expiry profile of CapitaMall Xizhimen for the period 2012 to 2016 and beyond expressed as a percentage of the total GRA and total gross rental income as at 31 December 2011.

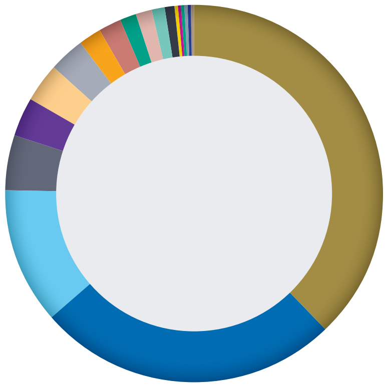


Trade Sector Analysis of CapitaMall Xizhimen

The tenant profile of CapitaMall Xizhimen comprises a diverse set of tenants from a wide variety of trade sectors. The mall is anchored by Beijing Hualian Supermarket with prominent tenants including Vero Moda, Watsons, KFC and WEI ZHI WEI FOODicon which owns several well-recognised F&B brands.

The following chart sets out the break down of the gross rental income by sector at the Property as at 31 December 2011.

Trade Sector Analysis by Gross Rental Income (%)
(for the month of December 2011)



Fashion & Accessories	: 37.8
Food & Beverages	: 26.0
Beauty & Healthcare	: 11.5
Supermarket	: 4.7
Sporting Goods & Apparel	: 3.5
Education	: 3.3
Shoes & Bags	: 3.1
Leisure & Entertainment	: 2.0
Jewellery / Watches / Pens	: 1.8
Lifestyle	: 1.5
Sundry & Services	: 1.2
Gifts & Souvenirs	: 1.1
Kids	: 1.0
Arts & Crafts	: 0.4
Houseware & Furnishings	: 0.3
Information Technology	: 0.3
Music & Videos	: 0.2
Toys & Hobbies	: 0.2
Books & Stationery	: 0.1

(II) CapitaMall Wangjing

CapitaMall Wangjing is a five-level retail podium with a seven-level tower above the podium. It is prominently located in the densely populated residential suburb of Wangjing, which is located approximately 13 km north-east of the Beijing central business district.

The mall is accessible by key highways such as the airport expressway, Jingcheng Expressway and the major 4th and 5th Ring Roads. It is served by numerous bus routes and is in close proximity to the Wangjingxi train station, which is approximately 1.7 km away.

CapitaMall Wangjing is amongst the first comprehensive multi-tenanted and professionally-managed one-stop shopping malls in the locality attracting shopper traffic from all age groups and income levels, as well as the large expatriate population in the Wangjing locality.

The following is a summary of the key commercial features of CapitaMall Wangjing:

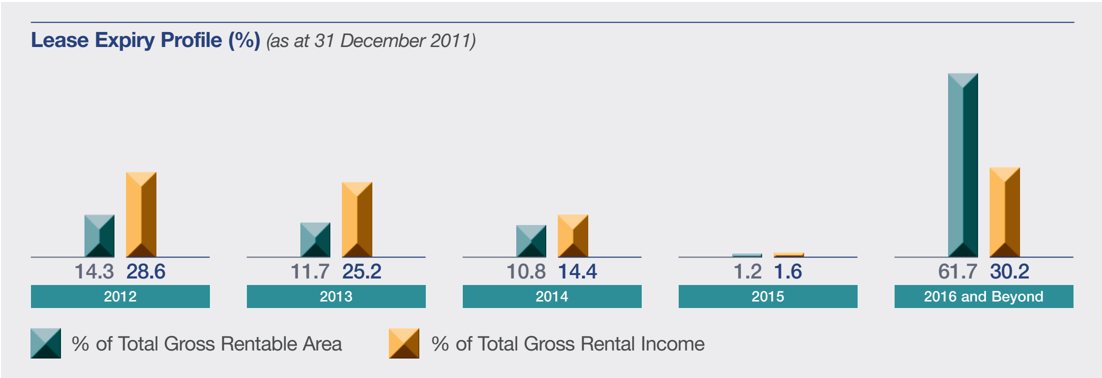
Property Information

Description	Five-level retail podium with a seven-level tower above the podium.
Gross Rentable Area (GRA)	68,010 sq m
Number of Leases	197
Car Park Lots	430
Land Use Right Expiry	15 May 2043 15 May 2053
Market Valuation	RMB1,506.0 million
Gross Revenue	RMB153.3 million
Net Property Income	RMB107.8 million
Committed Occupancy	99.8%
Shopper Traffic	9.5 million
Key Tenants	Beijing Hualian Department Store Beijing Hualian Supermarket Vero Moda Classic/ Selected/ Only/ Jack & Jones UNIQLO I.T ZARA

Data as at 31 December 2011. Gross revenue, net property income and shopper traffic are for the year ended 31 December 2011.

Lease Expiry Profile of CapitaMall Wangjing

The following chart sets out the annual lease expiry profile of Wangjing for the period 2012 to 2016 and beyond expressed as a percentage of the total GRA and total gross rental income as at 31 December 2011.

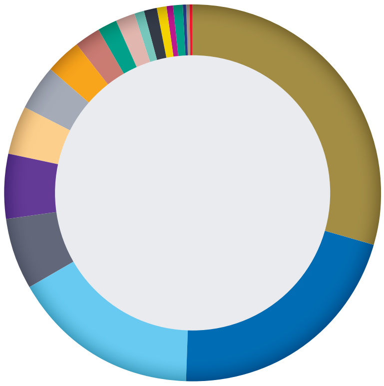


Trade Sector Analysis of CapitaMall Wangjing

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, occupying approximately 51.2% of the GRA of the mall, and includes several international renowned brand names such as Zara, UNIQLO and Calvin Klein.

The following chart sets out the break down of the gross rental income by sector at the Property as at 31 December 2011.

Trade Sector Analysis by Gross Rental Income (%)
(for the month of December 2011)



Fashion & Accessories	:	29.6
Food & Beverages	:	21.1
Department Store	:	16.2
Beauty & Healthcare	:	6.1
Leisure & Entertainment	:	5.4
Supermarket	:	4.2
Kids	:	3.8
Shoes & Bags	:	3.3
Sundry & Services	:	2.0
Education	:	1.7
Toys & Hobbies	:	1.6
Information Technology	:	1.0
Houseware & Furnishings	:	1.0
Sporting Goods & Apparel	:	0.8
Lifestyle	:	0.8
Jewellery / Watches / Pens	:	0.6
Music & Videos	:	0.5
Books & Stationery	:	0.1
Arts & Crafts	:	0.1
Gifts & Souvenirs	:	0.1

(III) CapitaMall Anzhen

CapitaMall Anzhen is a six-level retail mall. The mall is located approximately 11 km north-west of the central business district in the Chaoyang District, the second most populous precinct in Beijing. It is adjacent to the North 3rd Ring Road and easily accessible due to its proximity to a major bus terminal. The area is densely populated and is situated to the south of the Olympic Village.

The mall is conveniently accessible due to its proximity to a major bus terminal with connections to the surrounding regions. The mall is also well-served by trains at the Anzhenmen Station (1 km to the north) of Beijing's Subway Line 10 and the Hepingxiqiao Station (1 km to the east) of Subway Line 5. The accessibility to the mall, given its proximity to rail and road transfer hubs, attracts heavy shopper traffic. Also, the main front entrance of the shopping mall is commonly used by the public as a central meeting place, which has significant shopper traffic and connects well to the surrounding major roads.

CapitaMall Anzhen is amongst the most recognised in the area, and is one of the few comprehensive one-stop-shop concept-based malls in the locality. It provides a comprehensive shopping experience with a wide variety of product offerings. The mall has shown a steady trading performance, and is well-known amongst locals as their basic necessity shopping destination. Its established position attracts recurring shopper traffic from the surrounding catchments. The wide product range from strong international and local brands coupled with a popular retailer is a premier attraction for shoppers to visit the mall.

CapitaMall Anzhen is leased to the Beijing Hualian Group under a master lease.

The following is a summary of the key commercial features of CapitaMall Anzhen:

Property Information

Description	Six-level retail mall.
Gross Rentable Area (GRA)	43,443 sq m
Number of Leases	2
Land Use Right Expiry	7 October 2034 5 March 2042 3 June 2042
Market Valuation	RMB925.0 million
Gross Revenue	RMB79.2 million
Net Property Income	RMB64.9 million
Committed Occupancy	100.0%
Key Tenants	Beijing Hualian Department Store Beijing Hualian Supermarket

Data as at 31 December 2011. Gross revenue, net property income and shopper traffic are for the year ended 31 December 2011.

(IV) Summary of CapitaMall Erqi

CapitaMall Erqi is a seven-level retail mall located in Zhengzhou's central business district, at the heart of Erqi District, Zhengzhou's premier shopping district.

The mall has an adjacent open area of approximately 6,910 sq m (approximately 26.0% of the total land area), currently used as an open-air carpark. The mall is easily accessible via key arterial roads and draws shoppers from all over the city. In addition, the mall's central location in the retail cluster of the city allows it to benefit from the regular crowd of shoppers and visitors.

CapitaMall Erqi is leased to the Beijing Hualian Group under a master lease.

The following is a summary of the key commercial features of CapitaMall Erqi:

Property Information

Description	Seven-level retail mall.
Gross Rentable Area (GRA)	92,356 sq m
Number of Leases	2
Car Park Lots	198
Land Use Right Expiry	31 May 2042
Market Valuation	RMB575.0 million
Gross Revenue	RMB49.0 million
Net Property Income	RMB39.4 million
Committed Occupancy	100.0%
Key Tenants	Beijing Hualian Department Store Beijing Hualian Supermarket

Data as at 31 December 2011. Gross revenue, net property income and shopper traffic are for the year ended 31 December 2011.

(V) CapitaMall Shuangjing

CapitaMall Shuangjing is a four-level retail mall in the Chaoyang District of Beijing, and is in close proximity to Beijing central business district.

The mall is well-served by bus routes and is in close proximity to two subway stations, Guomao and Dawanglu, which are approximately 1.8 km and 1.9 km to the north of the mall respectively. The accessibility of the mall coupled with its strong residential catchments and proximity to the central business district attract heavy shopper traffic throughout the year.

The broad spectrum of tenants at the mall provides shoppers with a one-stop shopping experience, which differentiates the positioning of the mall from smaller existing retail outlets in the locality. The mall is the only one-stop shopping destination in the locality, drawing significant shopper traffic from the nearby central business district workers and neighbouring residential areas.

The majority of the GRA of CapitaMall Shuangjing is leased to Carrefour under a master lease.

The following is a summary of the key commercial features of CapitaMall Shuangjing:

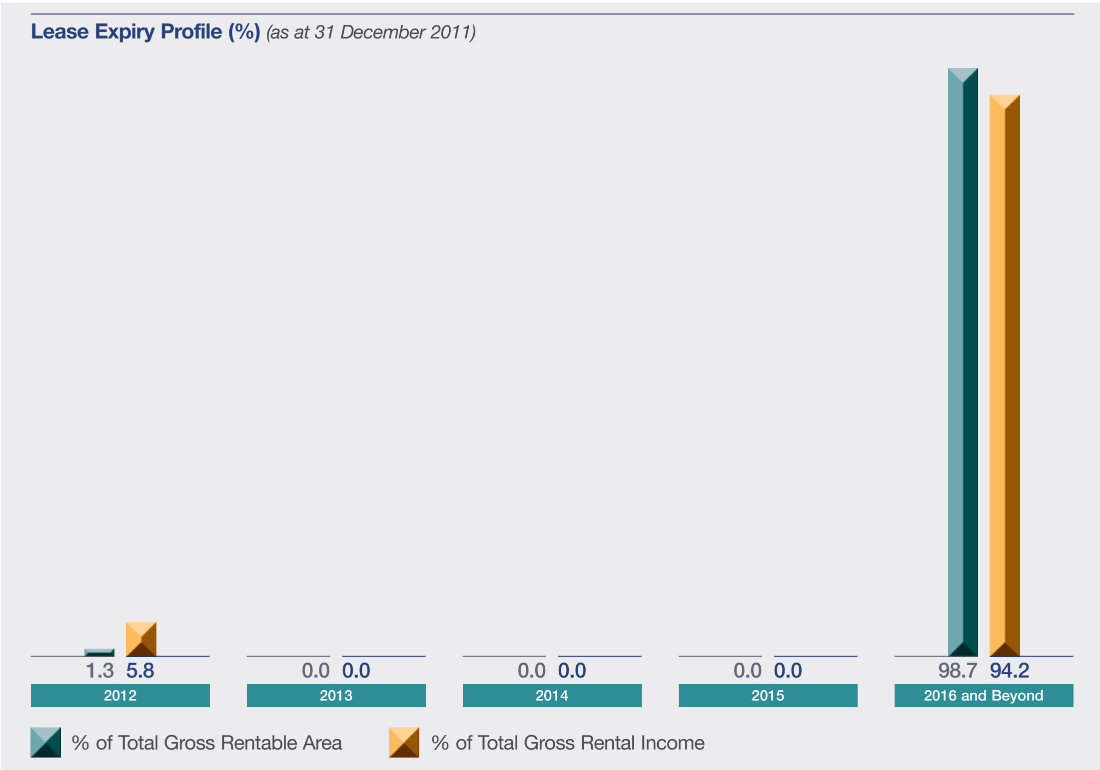
Property Information

Description	Four-level retail mall.
Gross Rentable Area (GRA)	49,463 sq m
Number of Leases	6
Car Park Lots	334
Land Use Right Expiry	10 July 2042
Market Valuation	RMB525.0 million
Gross Revenue	RMB42.0 million
Net Property Income	RMB33.2 million
Committed Occupancy	100.0%
Key Tenants	Carrefour B&Q

Data as at 31 December 2011. Gross revenue, net property income and shopper traffic are for the year ended 31 December 2011.

Lease Expiry Profile of CapitaMall Shuangjing

The following chart sets out the annual lease expiry profile of CapitaMall Shuangjing for the period 2012 to 2016 and beyond expressed as a percentage of the total GRA and total gross rental income as at 31 December 2011:

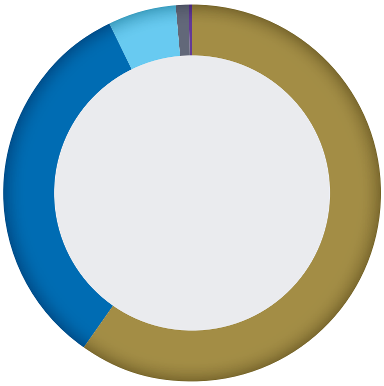


Trade Sector Analysis of CapitaMall Shuangjing

The tenant profile of CapitaMall Shuangjing consists of a few key tenants catering to the mass market, such as Carrefour and B&Q, as well as China CITIC Bank (which has a branch office and an automated teller machine centre on the ground floor). The mall is anchored by Carrefour, a global chain of supermarkets 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 chart sets out the break down of the gross rental income by sector at the Property as at 31 December 2011:

Trade Sector Analysis by Gross Rental Income (%)
(for the month of December 2011)



Supermarket	: 59.9
Houseware & Furnishings	: 33.1
Sundry & Services	: 5.8
Food & Beverages	: 1.1
Office	: 0.1

(VI) CapitaMall Minzhongleyuan

CapitaMall Minzhongleyuan is strategically located along Zhongshan Avenue, an established shopping and entertainment belt that enjoys strong retail activities and pedestrian flow. It has excellent connectivity to public bus routes and metro Line 1. Metro Line 2 is expected to be operational by 2012. CapitaMall Minzhongleyuan is a natural focal point among youths and young adults. The CRCT Manager is presently reviewing its asset plan and asset enhancement initiatives to enhance the long term potential of CapitaMall Minzhongleyuan.

The following is a summary of the key commercial features of CapitaMall Minzhongleyuan:

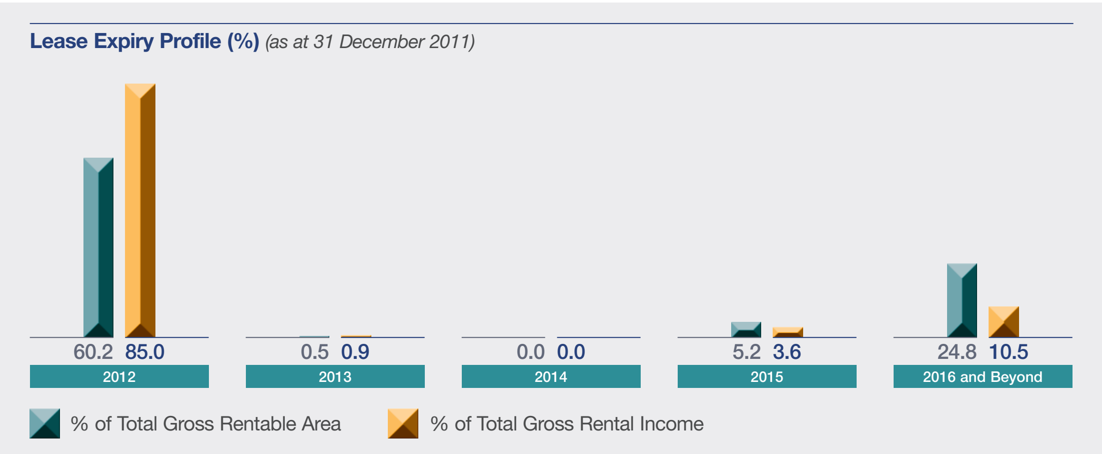
Property Information

Description	Seven-storey annexed building and seven-storey conserved building.
Gross Rentable Area (GRA)	38,631 sq m
Number of Leases	321
Car Park Lots	71
Land Use Right Expiry	30 June 2044 15 September 2045
Market Valuation	RMB434.0 million
Gross Revenue	RMB27.1 million
Net Property Income	RMB15.8 million
Committed Occupancy	94.7%
Shopper Traffic	4.5 million
Key Tenants	McDonald's KFC Pizza Hut Studio City (Wuhan)

Data as at 31 December 2011. Gross revenue and net property income are for the year ended 31 December 2011. Shopper traffic is from 1 July 2011 to 31 December 2011.

Lease Expiry Profile of CapitaMall Minzhongleyuan

The following chart sets out the annual lease expiry profile of CapitaMall Minzhongleyuan for the period 2012 to 2016 and beyond expressed as a percentage of the total GRA and total gross rental income as at 31 December 2011:

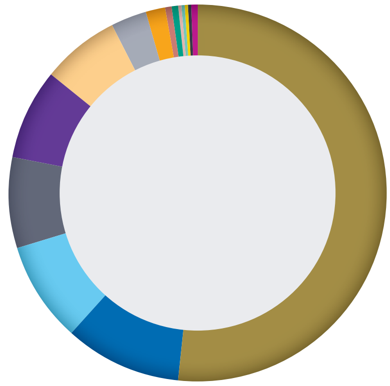


Trade Sector Analysis of CapitaMall Minzhongleyuan

CapitaMall Minzhongleyuan has a strong and diverse tenant base with a committed occupancy of 94.7% as at 31 December 2011. The tenant base comprises quality and well-known tenants such as McDonald's, KFC, Pizza Hut and Studio City (Wuhan), the operator of IMAX, as well as local fashion tenants offering young and trendy fashion brands which are not commonly available in other department stores.

The following chart sets out the break down of the gross rental income by sector at the Property as at 31 December 2011:

Trade Sector Analysis by Gross Rental Income (%)
(for the month of December 2011)



Fashion & Accessories	: 51.9
Shoes & Bags	: 9.9
Leisure & Entertainment	: 8.5
Beauty & Healthcare	: 8.0
Food & Beverages	: 7.7
Lifestyle	: 6.7
Sundry & Services	: 2.9
Supermarket	: 1.7
Information Technology	: 0.7
Arts & Crafts	: 0.4
Jewellery / Watches / Pens	: 0.4
Kids	: 0.3
Music & Videos	: 0.3
Education	: 0.3
Toys & Hobbies	: 0.3

(VII) CapitaMall Qibao

CapitaMall Qibao is a four-level retail mall located in the Shanghai Minhang district, a growing mid-to-high-end residential locality and popular amongst the expatriate community, due to its proximity to international schools and the airport. The main trade area within the Minhang district has average per capita incomes and spending levels that are slightly above the Shanghai urban average.

CapitaMall Qibao is one of the largest shopping malls in the Shanghai Minhang district, near Hongqiao transport hub and is amongst the few shopping destinations in the locality with quality multi-tenant and multi-product offerings. The mall provides nearby residents with a comprehensive one-stop shopping, dining and entertainment experience. It has the first and only modern cinema in the vicinity of Qibao which commenced operations in CapitaMall Qibao in October 2010. Fashion retailer UNIQLO opened its first duplex store in the district at CapitaMall Qibao in November 2010.

The following is a summary of the key commercial features of CapitaMall Qibao:

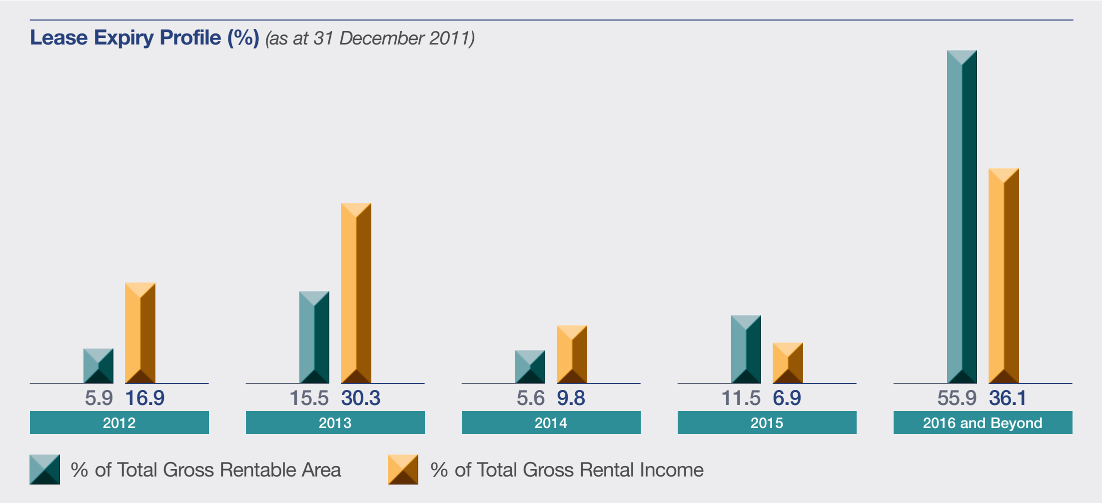
Property Information

Description	Four-level retail mall.
Gross Rentable Area (GRA)	72,729 sq m
Number of Leases	143
Car Park Lots	491
Land Use Right Expiry	10 March 2043
Market Valuation	RMB363.0 million
Gross Revenue	RMB72.1 million
Net Property Income	RMB24.1 million
Committed Occupancy	94.4%
Shopper Traffic	9.9 million
Key Tenants	Gome Carrefour UNIQLO Bao Da Xiang Shopping For Kids Tom's World

Data as at 31 December 2011. Gross revenue, net property income and shopper traffic are for the year ended 31 December 2011.

Lease Expiry Profile of CapitaMall Qibao

The following chart sets out the annual lease expiry profile of CapitaMall Qibao for the period 2012 to 2016 and beyond expressed as a percentage of the total GRA and total gross rental income as at 31 December 2011.



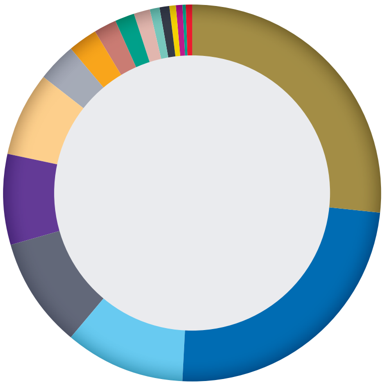
Trade Sector Analysis of CapitaMall Qibao

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 very strong brand presence and recognition in China. Other prominent tenants include UNIQLO, Gome, Bao Da Xiang Shopping for Kids and Tom's World.

The following chart sets out the break down of the gross rental income by sector at the Property as at 31 December 2011.

Trade Sector Analysis by Gross Rental Income (%)

(for the month of December 2011)



Fashion & Accessories	:	26.8
Food & Beverages	:	24.2
Leisure & Entertainment	:	10.3
Electricals & Electronics	:	9.4
Supermarket	:	7.8
Beauty & Healthcare	:	7.2
Shoes & Bags	:	3.3
Sundry & Services	:	2.4
Kids	:	2.2
Jewellery / Watches / Pens	:	1.5
Education	:	1.3
Lifestyle	:	0.9
Gifts & Souvenirs	:	0.8
Toys & Hobbies	:	0.6
Information Technology	:	0.5
Houseware & Furnishings	:	0.4
Sporting Goods & Apparel	:	0.4

(VIII) CapitaMall Saihan

CapitaMall Saihan is a popular one-stop shopping destinations in Huhhot. It is located near the heart of Huhhot's main retail cluster belt and is well-served by public transportation. The range of retail offerings has widened with the opening of Jinyi cinema, and new food and beverage outlets after the completion of asset enhancement works, attracting even more shoppers to CapitaMall Saihan.

The following is a summary of the key commercial features of CapitaMall Saihan:

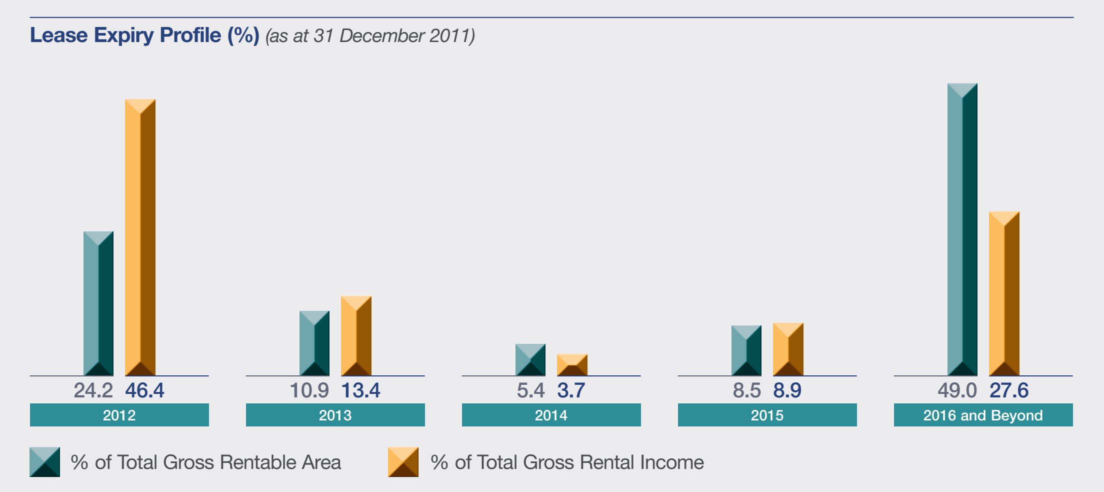
Property Information

Description	Four-level retail mall.
Gross Rentable Area (GRA)	41,938 sq m
Number of Leases	147
Car Park Lots	45
Land Use Right Expiry	11 March 2041 20 March 2041
Market Valuation	RMB310.0 million
Gross Revenue	RMB33.4 million
Net Property Income	RMB14.5 million
Committed Occupancy	98.1%
Shopper Traffic	7.0 million
Key Tenants	Beijing Hualian Supermarket KFC Nike Suning Electrical Jinyi Cinema

Data as at 31 December 2011. Gross revenue, net property income and shopper traffic are for the year ended 31 December 2011.

Lease Expiry Profile of CapitaMall Saihan

The following chart sets out the annual lease expiry profile of CapitaMall Saihan for the period 2012 to 2016 and beyond expressed as a percentage of the total GRA and total gross rental income as at 31 December 2011.



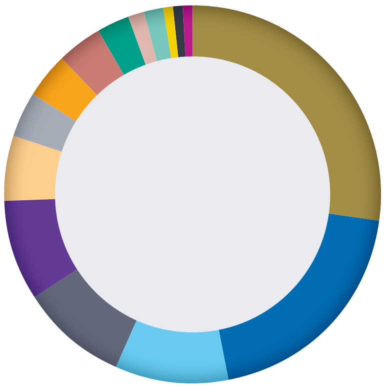
Trade Sector Analysis of CapitaMall Saihan

CapitaMall Saihan has been successfully converted from a master-leased mall into the first one-stop family shopping, dining and entertainment destination of its kind in Huhhot. The mall has consistently improved its operating performance since its conversion, recording an occupancy rate of 98.1% as at 31 December 2011. CapitaMall Saihan is anchored by Beijing Hualian Supermarket, and comprises a diverse set quality tenants, such as KFC, Nike and Jinyi Cinema.

The following chart sets out the break down of the gross rental income by sector at the Property as at 31 December 2011.

Trade Sector Analysis by Gross Rental Income (%)

(for the month of December 2011)



Fashion & Accessories	:	27.3
Supermarket	:	19.9
Food & Beverages	:	9.5
Shoes & Bags	:	9.3
Sporting Goods & Apparel	:	8.6
Leisure & Entertainment	:	5.5
Electricals & Electronics	:	4.0
Kids	:	3.9
Beauty & Healthcare	:	3.8
Lifestyle	:	2.8
Toys & Hobbies	:	1.5
Education	:	1.4
Sundry & Services	:	1.0
Jewellery / Watches / Pens	:	0.8
Houseware & Furnishings	:	0.7

(IX) CapitaMall Wuhu

CapitaMall Wuhu is a four-level retail mall. The mall is located at the intersection of Zhongshan North Road and Yinhu South Road which is approximately 1 km north of the central business district in Wuhu. The mall is also in the vicinity of the Fenghuang Food Street and Zhongshan Road Shopping Street, both of which are popular locations in the city and close to several commercial projects.

The mall's main target market is the densely populated local residential catchment. It benefits from the strong catchment population which includes the working community in downtown Wuhu. There is also the potential for the mall to benefit from the tourism industry as there are over 20 hotels located within a 4 km radius of the mall.

CapitaMall Wuhu is amongst the first one-stop shopping, dining and entertainment destinations in the locality. The mall's anchor tenant, Wal-Mart, positions it as a desirable destination for the middle class shoppers and fits in well with the targeted population catchment demographic profile.

The following is a summary of the key commercial features of CapitaMall Wuhu:

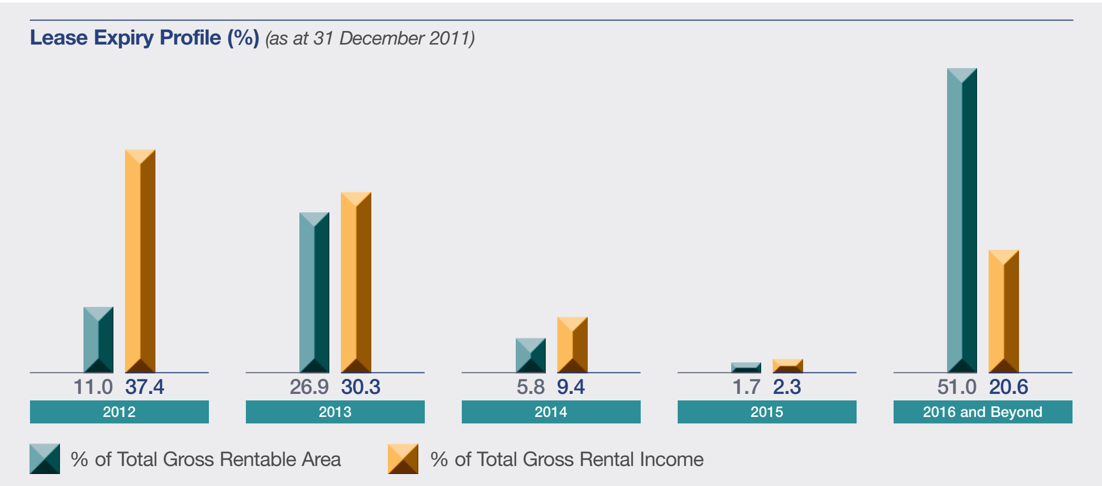
Property Information

Description	Four-level plus one-level basement shopping mall.
Gross Rentable Area (GRA)	45,634 sq m
Number of Leases	174
Car Park Lots	370
Land Use Right Expiry	29 May 2044
Market Valuation	RMB211.0 million
Gross Revenue	RMB30.9 million
Net Property Income	RMB12.1 million
Committed Occupancy	96.3%
Shopper Traffic	8.8 million
Key Tenants	Wal-Mart Tango KTV Watsons Weide Gym 来来永和豆浆

Data as at 31 December 2011. Gross revenue, net property income and shopper traffic are for the year ended 31 December 2011.

Lease Expiry Profile of CapitaMall Wuhu

The following chart sets out the annual lease expiry profile of CapitaMall Wuhu for the period 2012 to 2016 and beyond expressed as a percentage of the total GRA and total gross rental income as at 31 December 2011:



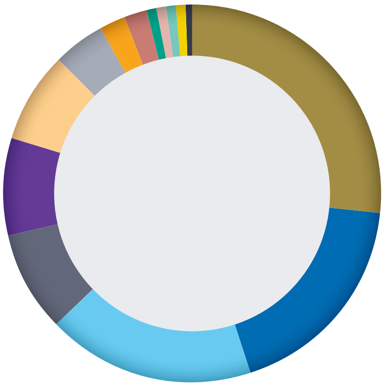
Trade Sector Analysis of CapitaMall Wuhu

The mall has a diverse mix of tenants offering a wide variety of products and services, including food and beverage outlets and fashion stores. The mall is anchored by Wal-Mart. Other prominent tenants include Tango KTV, Watsons, Weide Gym and Lai Lai Yong He Soy-Bean Milk.

The following chart sets out the break down of the gross rental income by sector at the Property as at 31 December 2011.

Trade Sector Analysis by Gross Rental Income (%)

(for the month of December 2011)



Fashion & Accessories	: 26.9
Supermarket	: 18.2
Food & Beverages	: 17.7
Leisure & Entertainment	: 8.8
Beauty & Healthcare	: 8.2
Shoes & Bags	: 7.7
Lifestyle	: 4.6
Jewellery / Watches / Pens	: 2.1
Sundry & Services	: 2.0
Houseware & Furnishings	: 0.9
Toys & Hobbies	: 0.9
Information Technology	: 0.8
Education	: 0.7
Gifts & Souvenirs	: 0.5

SELECTED FINANCIAL INFORMATION

CapitaRetail China Trust – Statements of Total Return

The following tables set forth selected audited financial information of the Group as for FY 2009, FY 2010 and FY 2011. This selected financial information should be read in conjunction with the audited financial statements of the Group for FY 2009, FY 2010, and FY 2011.

	Group		
	FY 2011 S$'000	**FY 2010 S$'000**	**FY 2009 S$'000**
Gross rental income	122,583	110,970	111,436
Other income	9,280	8,013	8,894
Gross revenue	**131,863**	**118,983**	**120,330**
Land rental	(4,818)	(4,540)	(4,623)
Property related tax	(8,561)	(8,247)	(8,766)
Business tax	(7,291)	(6,008)	(6,021)
Property management fees	(5,350)	(4,900)	(4,882)
Other property operating expenses	(20,037)	(18,062)	(18,954)
Total property operating expenses	**(46,057)**	**(41,757)**	**(43,246)**
Net property income	**85,806**	**77,226**	**77,084**
CRCT Manager's management fees – Base fee	(3,367)	(3,042)	(3,086)
CRCT Manager's management fees – Performance fee	(3,432)	(3,089)	(3,083)
CRCT Trustee's fees	(250)	(233)	(234)
Valuation fees	(242)	151	(463)
Other trust operating expenses	(114)	(857)	(1,129)
Finance income	457	231	262
Foreign exchange (loss)/gain – realised	(485)	235	(759)
Finance costs	(10,928)	(11,492)	(8,538)
Total return before change in fair value of financial derivatives, investment properties and unrealised foreign exchange (loss)/gain	**67,445**	**59,130**	**60,054**
Ineffective portion of changes in fair value of cash flow hedges	(1,423)	-	
Change in fair value of cash flow hedge transferred to the statement of total return from hedging reserve	-	(180)	-
Change in fair value of investment properties	95,945	84,155	1,579
Foreign exchange (loss)/gain – unrealised	(86)	1,419	(172)
Total return before taxation	**161,881**	**144,524**	**61,461**
Taxation	(41,353)	(32,557)	(18,012)
Total return for the year after taxation	**120,528**	**111,967**	**43,449**
Attributable to:			
Unitholders	119,683	111,322	42,704
Non-controlling interest	845	645	745
Total return for the year after taxation	**120,528**	**111,967**	**43,449**

FY 2011 vs FY 2010

In Renminbi terms, gross revenue for FY 2011 increased by RMB91.7 million, or 15.6% over FY 2010. This was mainly due to the consolidation of RMB27.1 million from CapitaMall Minzhongleyuan which was acquired on 30 June 2011. The remaining malls contributed RMB64.6 million, the increase of which was mainly due to rental growth, higher occupancies, and higher rental income from tenant sales registered in multi-tenanted malls. Gross revenue in Singapore dollar terms for FY 2011 increased by S$12.9 million, or 10.8% over FY 2010.

Property expenses for FY 2011 increased by S$4.3 million, or 10.3% over FY 2010. This was mainly due to the consolidation of results of CapitaMall Minzhongleyuan which was acquired on 30 June 2011, higher business tax and staff related costs from other malls, partially offset by a stronger Singapore dollar against Renminbi.

Management fees to the CRCT Manager were 10.9% higher than FY 2010. This was mainly due to higher net property income and deposited properties achieved.

Finance income earned for FY 2011 was 97.8% higher than FY 2010 mainly due to higher fixed deposit balances placed with financial institutions.

Finance costs for FY 2011 decreased by S$0.6 million, or 4.9% over FY 2010. This was mainly due to the repayment of higher interest bearing term loan and the refinancing of loans with lower interest rates.

Taxation for FY 2011 increased by S$8.8 million, or 27.0% over FY 2010 mainly due to higher profit achieved.

FY 2010 vs FY 2009

In Renminbi terms, gross revenue for FY 2010 was RMB24.9 million or 4.4% higher than FY 2009. The higher revenue was mainly due to contribution from Beijing Hualian Supermarket that commenced operation in the fourth quarter of 2009 at CapitaMall Xizhimen; occupancy and rental growth in CapitaMall Wangjing, CapitaMall Saihan, CapitaMall Xizhimen and CapitaMall Wuhu and higher gross turnover rent recognised at CapitaMall Wangjing, CapitaMall Saihan and CapitaMall Xizhimen. However, these were offset by lower revenue at CapitaMall Qibao where tenancy adjustments were being carried out to achieve stronger positioning and better trade mix. Gross revenue in Singapore dollar terms for FY 2010 decreased by S$1.3 million or 1.1% over FY 2009 was mainly due to the stronger Singapore dollar against Renminbi in FY 2010 compared to FY 2009.

Property expenses for FY 2010 decreased by S$1.5 million or 3.4% over FY 2009 mainly due to stronger Singapore dollar against Renminbi and lower property expenses at CapitaMall Qibao.

Management fees to the CRCT Manager for FY 2010 were S$0.04 million or 0.6% lower than FY 2009 mainly due to lower deposited properties in Singapore dollar terms as a result of stronger Singapore dollar against Renminbi but was partially offset by higher net property income achieved.

Finance income earned for FY 2010 was S$0.03 million or 11.8% lower than FY 2009 mainly due to lower fixed deposit balances placed with financial institutions during the year.

Finance cost for FY 2010 was S$3.0 million or 34.6% higher than FY 2009. This was mainly due to the interest savings in FY 2009 arising from the hedging transactions on the S$88.0 million term loan which has since matured in February 2010, and additional loans drawn at CRCT's level during the year.

Taxation for FY 2010 was S$14.5 million or 80.8% higher than FY 2009 mainly due to higher deferred tax liabilities recognised on the change in fair value of investment properties. This has no impact on the distributable income of CRCT.

CapitaRetail China Trust – Balance Sheet

	Group		
	31 December 2011	31 December 2010	31 December 2009
	S$'000	S$'000	S$'000
Assets			
Investment properties[1]	1,440,620	1,215,089	1,156,614
Plant and equipment	4,843	3,499	3,476
Interests in subsidiaries	-	-	-
Trade and other receivables	7,441	7,887	10,211
Financial derivatives[2]	13,249	8,067	4,636
Cash and cash equivalents	70,115	39,936	26,043
Total assets	**1,536,268**	**1,274,478**	**1,200,980**
Less			
Liabilities			
Trade and other payables	50,453	42,986	39,467
Security deposits	24,860	19,376	17,801
Interest-bearing borrowings[3]	432,572	400,881	406,399
Deferred tax liabilities[4]	90,282	55,671	33,573
Financial derivatives[2]	3,117	289	2,755
Provision for taxation	1,741	2,623	5,783
Total liabilities	**603,025**	**521,826**	**505,778**
Net assets	**933,243**	**752,652**	**695,202**
Represented by:			
Unitholders' funds	913,839	734,507	679,868
Non-controlling interest	19,404	18,145	15,334
	933,243	**752,652**	**695,202**

1. As at 31 December 2011, the increase in investment properties was mainly due to the consolidation of 100% interest in CapitaMall Minzhongleyuan, which was acquired on 30 June 2011 and increase in fair value of investment properties.

2. As at 31 December 2011, the financial derivative assets of S$13.2 million were mainly due to fair value change on the non-deliverable forwards to hedge the currency exposure on the S$100.5 million, S$100.0 million and S$88.0 million term loans.

   As at 31 December 2011, the financial derivative liabilities of S$3.1 million were mainly due to fair value change on interest rate swaps to hedge the variable rate borrowings of the S$100.5 million, S$100.0 million and S$50.0 million term loans and part of the S$88.0 million term loan.

3. As at 31 December 2011, interest-bearing borrowings comprise of unsecured term loan facilities of S$338.5 million, unsecured short-term loan facilities of S$68.5 million and a Renminbi denominated unsecured term loan facility of RMB128.0 million (approximately S$26.0 million). The Renminbi denominated term loan previously secured over CapitaMall Anzhen was refinanced into a Renminbi denominated unsecured term loan facility in year 2011. The increase in borrowings were mainly to finance distribution and working capital.

As at 31 December 2010, interest-bearing borrowings comprise of unsecured term loan facilities of S$338.5 million, an unsecured short-term loan facility of S$25.0 million and a Renminbi denominated secured term loan facility of RMB194.0 million (approximately S$38.5 million).

As at 31 December 2009, interest-bearing borrowings comprise of unsecured term loan facilities of S$288.5 million, an unsecured short-term loan facility of S$61.0 million and a Renminbi denominated secured term loan facility of RMB280.0 million (approximately S$56.9 million).

4. The increase as at 31 December 2011 was mainly due to higher provision for deferred tax liabilities as a result of the increase in fair value of investment properties including CapitaMall Minzhongleyuan which was acquired on 30 June 2011.

USE OF PROCEEDS

The net proceeds arising from the issue of the Notes 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.

CLEARING AND SETTLEMENT

Clearance and Settlement under the Depository System

In respect of Notes 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. Notes 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 Notes which are accepted for clearance by CDP, the entire issue of the Notes is to be held by CDP in the form of a Global Note for persons holding the Notes in securities accounts with CDP ("**Depositors**"). Delivery and transfer of Notes 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 Notes through the Depository System may only be effected through certain corporate depositors ("**Depository Agents**") approved by CDP under the Companies Act to maintain securities sub-accounts and to hold the Notes in such securities sub-accounts for themselves and their clients. Accordingly, Notes 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 Notes in direct securities accounts with CDP, and who wish to trade Notes through the Depository System, must transfer the Notes 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 repayment of principal on behalf of issuers of debt securities.

Although CDP has established procedures to facilitate transfer of interests in the Notes 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.

Clearance and Settlement under CMU

The CMU is a central depositary service provided by the Central Moneymarkets Unit of the HKMA for the safe custody and electronic trading between the members of this service ("**CMU Members**") of capital markets instruments ("**CMU Instruments**") which are specified in the CMU Manual as capable of being held within the CMU.

The CMU is only available to CMU Instruments issued by a CMU Member or by a person for whom a CMU Member acts as agent for the purposes of lodging instruments issued by such persons. Membership of the CMU is open to all members of the Hong Kong Capital Markets Association and "authorised institutions" under the Banking Ordinance (Cap. 155) of Hong Kong.

Compared to clearing services provided by Euroclear and Clearstream, Luxembourg, the standard custody and clearing service provided by the CMU is limited. In particular (and unlike Euroclear and Clearstream, Luxembourg), the HKMA does not as part of this service provide any facilities for the dissemination to the relevant CMU Members of payments (of interest or principal) under, or notices pursuant to the notice provisions of, the CMU Instruments. Instead, the HKMA advises the lodging CMU Member (or a designated paying agent) of the identities of the CMU Members to whose accounts payments in respect of the relevant CMU Instruments are credited, whereupon the lodging CMU Member (or the designated paying agent) will make the necessary payments of interest or principal or send notices directly to the relevant CMU Members. Similarly, the HKMA will not obtain certificates of non-US beneficial ownership from CMU Members or provide any such certificates on behalf of CMU Members. The CMU Lodging and Paying Agent will collect such certificates from the relevant CMU Members identified from a CMU Instrument Position Report obtained by request from the HKMA for this purpose.

An investor holding an interest through an account with either Euroclear or Clearstream, Luxembourg in any Notes held in the CMU will hold that interest through the respective accounts which Euroclear and Clearstream, Luxembourg each have with the CMU.

Clearance 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. Distributions of principal with respect to book-entry interests in the Notes held through Euroclear or Clearstream, Luxembourg will be credited, to the extent received by the relevant 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 issued by MAS in force as at the date of this Information Memorandum and are subject to any changes in such laws or administrative guidelines, or in the interpretation of those laws or guidelines, occurring after such date, which changes could be made on a retroactive basis. These laws and guidelines are also subject to various interpretations and the relevant tax authorities or the courts could later disagree with the explanations or conclusions set out below. Neither these statements nor any other statements in this Information Memorandum are intended or are to be regarded as advice on the tax position of any holder of the Notes or of any person acquiring, selling or otherwise dealing with the Notes or on any tax implications arising from the acquisition, sale or other dealings in respect of the Notes. 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 Notes 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. Prospective holders of the Notes are advised to consult their own professional tax advisers as to the Singapore or other tax consequences of the acquisition, ownership of or disposal of the Notes, 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 Notes.

1. Interest and Other Payments

Subject to the following paragraphs, under Section 12(6) of the Income Tax Act, Chapter 134 of Singapore (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 17.0%. The applicable rate for non-resident individuals is 20.0%. 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.

In addition, as the Programme as a whole is arranged by DBS Bank Ltd., which is a Financial Sector Incentive (Bond Market) Company (as defined in the ITA), 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 2013 ("**Relevant Notes**") would be "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 by the Issuer, or such other person as the Comptroller of Income Tax in Singapore (the "**Comptroller**") may direct, of a return on debt securities for the Relevant Notes within such period as the Comptroller may specify and such other particulars in connection with the Relevant Notes as the Comptroller may require to the Comptroller and MAS and the inclusion by the Issuer in all offering documents relating to the Relevant Notes of a statement to the effect that where interest, discount income, prepayment fee, redemption premium or break cost from the Relevant Notes is derived by any person who is not resident in Singapore and who carries on any operation in Singapore through a permanent establishment in Singapore, the tax exemption for 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 by the Issuer, or such other person as the Comptroller may direct, of a return on debt securities for the Relevant Notes within such period as the Comptroller may specify and such other particulars in connection with the Relevant Notes as the Comptroller may require to the Comptroller and MAS), Qualifying Income from the Relevant Notes derived by any company or body of persons (as defined in the ITA) other than any non-resident who qualifies for the tax exemption as described in paragraph (i) above, is subject to tax at a concessionary rate of 10.0% (except for holders of the relevant financial sector incentive(s) who may be taxed at different rates); and

(iii) subject to:

  (aa) the Issuer including in all offering documents relating to the Relevant Notes a statement to the effect that any person whose interest, discount income, prepayment fee, redemption premium or break cost derived from the Relevant Notes is not exempt from tax shall include such income in a return of income made under the ITA; and

  (bb) the Issuer, or such other person as the Comptroller may direct, furnishing to the Comptroller and MAS a return on debt securities for the Relevant Notes within such period as the Comptroller may specify and such other particulars in connection with the Relevant Notes as the Comptroller may require,

  payments of Qualifying Income derived from the Relevant Notes are not subject to withholding of tax by the Issuer.

However, notwithstanding the foregoing:

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

(B) even though a particular tranche of Relevant Notes are "qualifying debt securities", if, at any time during the tenure of such tranche of Relevant Notes, 50.0% or more of the issue of such Relevant Notes is beneficially held or funded, directly or indirectly, by related parties of the Issuer or the CRCT Manager, 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 of 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.

The terms "**prepayment fee**", "**redemption premium**" and "**break cost**" are defined in the ITA as follows:

> "prepayment fee", in relation to debt securities and qualifying debt securities, means any fee payable by the issuer of the securities on the early redemption of the securities, the amount of which is determined by the terms of the issuance of the securities;
>
> "redemption premium", in relation to debt securities and qualifying debt securities, means any premium payable by the issuer of the securities on the redemption of the securities upon their maturity; and
>
> "break cost", in relation to debt securities and qualifying debt securities, means any fee payable by the issuer of the securities on the early redemption of the securities, the amount of which is determined by any loss or liability incurred by the holder of the securities in connection with such redemption.

References to "prepayment fee", "redemption premium" and "break cost" in this Singapore tax disclosure have the same meaning as defined in the ITA.

Notwithstanding that the Issuer is permitted to make payments of interest, discount income, prepayment fee, redemption premium and break cost in respect of the Relevant Notes without deduction or withholding of tax under Section 45 and Section 45A of the ITA, any person whose Qualifying Income (whether it is interest, discount income, prepayment fee, redemption premium or break cost) derived from the Relevant Notes is not exempt from tax is required to include such income in a return of income made under the ITA.

The 10.0% concessionary tax rate for qualifying debt securities does not apply to persons who have been granted the financial sector incentive (standard-tier) status (within the meaning of Section 43N of the ITA).

The Qualifying Debt Securities Plus Scheme ("**QDS Plus Scheme**") has also been introduced as an enhancement of the Qualifying Debt Securities Scheme. Under the QDS Plus Scheme, subject to certain conditions having been fulfilled (including the submission by the issuer or such other person as the Comptroller may direct, of a return on debt securities in respect of the qualifying debt securities within such period as the Comptroller may specify and such other particulars in connection with the qualifying debt securities as the Comptroller may require to the Comptroller and MAS), income tax exemption is granted on Qualifying Income derived by any investor from qualifying debt securities (excluding Singapore Government Securities) which:-

(a) are issued during the period from 16 February 2008 to 31 December 2013;

(b) have an original maturity of not less than 10 years;

(c) cannot be redeemed, called, exchanged or converted within 10 years from the date of their issue; and

(d) cannot be re-opened with a resulting tenure of less than 10 years to the original maturity date.

However, even if a particular tranche of the Relevant Notes are "qualifying debt securities" which qualify under the QDS Plus Scheme, if, at any time during the tenure of such tranche of Relevant Notes, 50.0% or more of the issue of such Relevant Notes is beneficially held or funded, directly or indirectly, by related parties of the Issuer or the CRCT Manager, Qualifying Income derived by:

(i) any related party of the Issuer or the CRCT Manager; or

(ii) any other person where the funds used by such person to acquire such Relevant Notes are obtained, directly or indirectly, from any related party of the Issuer or the CRCT Manager,

shall not be eligible for the tax exemption under the QDS Plus Scheme as described above.

2. Capital Gains

Any gains considered to be in the nature of capital made from the sale of the Notes will not be taxable in Singapore. However, any gains derived by any person from the sale of the Notes 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.

Holders of the Notes who apply or who are required to apply Singapore Financial Reporting Standard 39 – Financial Instruments: Recognition and Measurement ("**FRS 39**"), may for Singapore income tax purposes be required to recognise gains or losses (not being gains or losses in the nature of capital) on the Notes, irrespective of disposal, in accordance with FRS 39. Please see the section below on "Adoption of FRS 39 Treatment for Singapore Income Tax Purposes".

3. Adoption of FRS 39 Treatment for Singapore Income Tax Purposes

The Inland Revenue Authority of Singapore has issued a circular entitled "Income Tax Implications arising from the adoption of FRS 39 - Financial Instruments: Recognition & Measurement" (the "**FRS 39 Circular**"). Legislative amendments to give effect to the tax treatment set out in the FRS 39 Circular have been enacted in Section 34A of the ITA.

The FRS 39 Circular and Section 34A of the ITA generally apply, subject to certain "opt-out" provisions, to taxpayers who are required to comply with FRS 39 for financial reporting purposes.

Holders of the Notes who may be subject to the tax treatment under the FRS 39 Circular should consult their own accounting and tax advisers regarding the Singapore income tax consequences of their acquisition, holding or disposal of the Notes.

4. Estate Duty

Singapore estate duty has been abolished for all deaths occurring on or after 15 February 2008.

SUBSCRIPTION, PURCHASE AND DISTRIBUTION

The Programme Agreement provides for Notes 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 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 Notes from the Issuer pursuant to the Programme Agreement.

United States

The Notes have not been and will not be registered under the Securities Act, and the Notes may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except in certain transactions exempt from the registration requirements of the Securities Act. Terms used in this paragraph have the meaning given to them by Regulation S.

The Notes 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, 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 deliver the Notes, (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 Notes 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 Notes sold to or through more than one Dealer, by each of such Dealers with respect to Notes 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 Notes during the distribution compliance period a confirmation or other notice setting out the restrictions on offers and sales of the Notes within the United States or to, or for the account or benefit of, U.S. persons.

In addition, until 40 days after the commencement of the offering of any identifiable tranche of Notes, an offer or sale of Notes within the United States by any dealer that is not participating in the offering of such Notes may violate the registration requirements of the Securities Act.

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 Notes 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 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 Notes, 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 Notes 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 and any rules made under that Ordinance.

PRC

Each Dealer has represented, warranted and agreed that the Notes are not being offered or sold and may not be offered or sold, directly or indirectly, in the PRC, except as permitted by the securities laws and other relevant laws and regulations of the PRC.

Singapore

Each Dealer has acknowledged that this Information Memorandum has not been registered as a prospectus with the MAS. Accordingly, each Dealer has represented and agreed that it has not offered or sold any Notes or caused the Notes to be made the subject of an invitation for subscription or purchase and will not offer or sell any Notes or cause the Notes 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 Notes, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor under Section 274 of the SFA, (ii) to a relevant person pursuant to Section 275(1), or to any person pursuant to Section 275(1A), and in accordance with the conditions, specified in Section 275 of the SFA or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

General

Each Dealer understands that no action has been taken in any jurisdiction that would permit a public offering of any of the Notes, 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 Notes or any interest therein or rights in respect thereof or has in its possession or distributes, 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 Notes 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 INFORMATION

WORKING CAPITAL

1. The Directors of the CRCT Manager are of the opinion that, as at the date of this Information Memorandum, after taking into account the present banking facilities and the net proceeds of the issue of the Notes, CRCT will have adequate working capital for its present requirements.

CHANGES IN ACCOUNTING POLICIES

2. As at the date of this Information Memorandum, there are no significant changes in the accounting policies of CRCT since its audited financial accounts for the period ended 31 December 2011.

LITIGATION

3. As at the date of this Information Memorandum, there are no legal or arbitration proceedings pending or, so far as the Directors 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, may have or have had during the 12 months prior to the date of this Information Memorandum a material adverse effect on the financial position of the Issuer, CRCT or the Group.

MATERIAL ADVERSE CHANGE

4. As at the date of this Information Memorandum, there has been no material adverse change in the financial condition or business of the Issuer, CRCT or the Group since 31 December 2011.

CONSENTS

5. The auditors of CRCT, KPMG LLP, have given and have not withdrawn their written consent to the issue of this Information Memorandum with the references herein to their name and, where applicable, reports in the form and context in which they appear in this Information Memorandum.

DOCUMENTS AVAILABLE FOR INSPECTION

6. Copies of the following documents may be inspected at 21 Collyer Quay, #14-01 HSBC Building, Singapore 049320 during normal business hours for a period of six months from the date of this Information Memorandum:

   (a) the Memorandum and Articles of Association of the Issuer;

   (b) the Trust Deed;

   (c) the letter of consent referred to in paragraph 5 above; and

   (d) the audited consolidated accounts of CRCT and its subsidiaries for the last financial period ended 31 December 2011.

FUNCTIONS, RIGHTS AND OBLIGATIONS OF THE TRUSTEE

7. The functions, rights and obligations of the Trustee are set out in the Trust Deed.

AUDITED FINANCIAL STATEMENTS OF CAPITARETAIL CHINA TRUST FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2011

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 2011 and has not been specifically prepared for inclusion in this Information Memorandum.

CapitaRetail China Trust
(Constituted in the Republic of Singapore pursuant to a trust deed dated 23 October 2006 (As amended))

Financial Statements
Year ended 31 December 2011

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 CapitaRetail China Trust (the "Trust") in trust for the Unitholders. In accordance with the Securities and Futures Act (Cap. 289), its subsidiary legislation and the Code on Collective Investment Schemes, the Trustee shall monitor the activities of CapitaRetail China Trust Management Limited (the "Manager") for compliance with the limitations imposed on the investment and borrowing powers as set out in the Trust Deed 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 FS55, 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

Antony Wade Lewis
Director

Singapore

22 February 2012

Statement by the Manager

In the opinion of the directors of CapitaRetail China Trust Management Limited (the "Manager"), the accompanying financial statements set out on pages FS1 to FS55 comprising the balance sheets, statements of total return, distribution statements and statements of movements in Unitholders' funds of the CapitaRetail China Trust (the "Trust") and its subsidiaries (the "Group") and of the Trust, the portfolio statement and statement of cash flows of the Group and a summary of significant accounting policies and other explanatory notes, 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 2011, 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 Certified Public Accountants of Singapore 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,
CapitaRetail China Trust Management Limited

Tan Tee Hieong
Director

Singapore

22 February 2012

KPMG LLP
16 Raffles Quay #22-00
Hong Leong Building
Singapore 048581

Telephone +65 6213 3388
Fax +65 6225 0984
Internet www.kpmg.com.sg

Independent auditors' report

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

We have audited the accompanying financial statements of CapitaRetail China Trust (the "Trust") and its subsidiaries (the "Group"), which comprise the balance sheets of the Trust and the Group and the portfolio statement of the Group as at 31 December 2011, the statements of total return, distribution statements and statements of movements in Unitholders' funds of the Trust and of the Group and the statement of cash flows of the Group for the year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages FS1 to FS55.

Manager's responsibility for the financial statements

The Manager of the Trust is responsible for the preparation and fair presentation of these financial statements in accordance with the recommendations of *Statement of Recommended Accounting Practice 7 "Reporting Framework for Unit Trusts" issued by the Institute of Certified Public Accountants of Singapore*, and for such internal control as the Manager of the Trust determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Singapore Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Manager of the Trust, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements of the Group and the balance sheet, statement of total return, distribution statement and statement of movements in Unitholders' funds of the Trust present fairly, in all material respects, the financial position of the Group and the Trust as at 31 December 2011 and the total return, distributable income, and movements in Unitholders' funds of the Group and of the Trust and the cash flows of the Group for the year then ended in accordance with the recommendations of *Statement of Recommended Accounting Practice 7 "Reporting Framework for Unit Trusts" issued by the Institute of Certified Public Accountants of Singapore*.

KPMG LLP

KPMG LLP
Public Accountants and
Certified Public Accountants

Singapore

22 February 2012

Balance sheets
As at 31 December 2011

		Group		Trust	
	Note	**2011**	**2010**	**2011**	**2010**
		$'000	**$'000**	**$'000**	**$'000**
Assets					
Investment properties	4	1,440,620	1,215,089	-	-
Plant and equipment	5	4,843	3,499	-	-
Interests in subsidiaries	6	-	-	909,662	834,390
Trade and other receivables	7	7,441	7,887	169	126
Financial derivatives	11	13,249	8,067	13,249	8,067
Cash and cash equivalents	8	70,115	39,936	820	776
		1,536,268	**1,274,478**	**923,900**	**843,359**
Less:					
Liabilities					
Trade and other payables	9	50,453	42,986	5,497	5,465
Security deposits		24,860	19,376	-	-
Interest-bearing borrowings	10	432,572	400,881	406,526	362,426
Financial derivatives	11	3,117	289	3,117	289
Deferred tax liabilities	12	90,282	55,671	-	-
Provision for taxation		1,741	2,623	-	39
		603,025	**521,826**	**415,140**	**368,219**
Net assets		**933,243**	**752,652**	**508,760**	**475,140**
Represented by:					
Unitholders' funds	13	913,839	734,507	508,760	475,140
Non-controlling interests		19,404	18,145	-	-
		933,243	**752,652**	**508,760**	**475,140**
Units in issue ('000)	14	**688,830**	**625,382**	**688,830**	**625,382**
Net asset value per unit attributable to Unitholders ($)		**1.33**	**1.17**	**0.74**	**0.76**

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

Statements of total return
Year ended 31 December 2011

	Note	Group 2011 $'000	Group 2010 $'000	Trust 2011 $'000	Trust 2010 $'000
Gross rental income		122,583	110,970	-	-
Other income		9,280	8,013	-	-
Gross revenue		**131,863**	**118,983**	-	-
Land rental		(4,818)	(4,540)	-	-
Property related tax		(8,561)	(8,247)	-	-
Business tax		(7,291)	(6,008)	-	-
Property management fees & reimbursables		(5,350)	(4,900)	-	-
Other property operating expenses	16	(20,037)	(18,062)	-	-
Total property operating expenses		**(46,057)**	**(41,757)**	-	-
Net property income		**85,806**	**77,226**	-	-
Manager's management fees – Base fee	17	(3,367)	(3,042)	(3,367)	(3,042)
Manager's management fees – Performance fee	17	(3,432)	(3,089)	(3,432)	(3,089)
Trustee's fees		(250)	(233)	(250)	(233)
Valuation fees		(242)	151	-	-
Other trust operating (expenses)/income	18	(114)	(857)	746	(231)
Dividend income		-	-	11,760	-
Foreign exchange (loss)/gain – realised		(485)	235	(562)	282
Finance income		457	231	28,221	29,665
Finance costs		(10,928)	(11,492)	(9,488)	(9,787)
Net finance (costs)/income	19	(10,471)	(11,261)	18,733	19,878
Total return before change in fair value of financial derivatives, investment properties and unrealised foreign exchange (loss)/gain		**67,445**	**59,130**	**23,628**	**13,565**
Ineffective portion of changes in fair value of cash flow hedges		(1,423)	-	(1,423)	-
Change in fair value of financial derivatives		-	-	5,415	17,267
Change in fair value of cash flow hedge transferred to the statements of total return from hedging reserve		-	(180)	-	(180)
Change in fair value of investment properties	4	95,945	84,155	-	-
Foreign exchange (loss)/gain – unrealised		(86)	1,419	(10,180)	(24,663)
Total return for the year before taxation		**161,881**	**144,524**	**17,440**	**5,989**
Taxation	20	(41,353)	(32,557)	43	-
Total return for the year after taxation		**120,528**	**111,967**	**17,483**	**5,989**
Non-controlling interest		(845)	(645)	-	-
Total return for the year attributable to Unitholders		**119,683**	**111,322**	**17,483**	**5,989**
Earnings per unit (cents)	21				
- Basic		18.22	17.84		
- Diluted		18.22	17.84		

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

Distribution statements
Year ended 31 December 2011

	Note	Group 2011 $'000	Group 2010 $'000	Trust 2011 $'000	Trust 2010 $'000
Amount available for distribution to Unitholders at beginning of the year		**25,977**	**25,341**	**25,977**	**25,341**
Total return for the year attributable to Unitholders		119,683	111,322	17,483	5,989
Distribution adjustments	A	(62,458)	(59,122)	39,742	46,211
Income for the year available for distribution to Unitholders	B	57,225	52,200	57,225	52,200
Amount available for distribution to Unitholders		**83,202**	**77,541**	**83,202**	**77,541**
Distributions to Unitholders during the year:					
- Distribution of 4.15 cents per Unit for the period from 1 July 2010 to 31 December 2010		(25,953)	-	(25,953)	-
- Distribution of 4.28 cents per Unit for the period from 1 January 2011 to 29 June 2011		(26,822)	-	(26,822)	-
- Distribution of 4.06 cents per Unit for the period from 1 July 2009 to 31 December 2009		-	(25,288)	-	(25,288)
- Distribution of 4.21 cents per Unit for the period from 1 January 2010 to 30 June 2010		-	(26,276)	-	(26,276)
		(52,775)	(51,564)	(52,775)	(51,564)
Amount available for distribution to Unitholders at end of the year		**30,427**	**25,977**	**30,427**	**25,977**

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

Note A – Distribution adjustments

		Group		Trust	
		2011	**2010**	**2011**	**2010**
		$'000	**$'000**	**$'000**	**$'000**
Distribution adjustment items:					
- Manager's management fees (performance component paid/payable in Units)		3,432	3,089	3,432	3,089
- Ineffective portion of changes in fair value of cash flow hedges		1,423	-	1,423	-
- Change in fair value of financial derivatives		-	-	(5,415)	(17,267)
- Change in fair value of investment properties		(95,945)	(84,155)	-	-
- Deferred taxation		29,080	24,091	-	-
- Transfer to general reserve		(1,904)	(1,530)	-	-
- Unrealised foreign exchange loss/(gain)		86	(1,419)	10,180	24,663
- Other adjustments		1,370	802	-	180
- Net overseas income not distributed to the Trust		-	-	30,122	35,546
Net effect of distribution adjustments		**(62,458)**	**(59,122)**	**39,742**	**46,211**

Note B – Income for the year available for distribution to Unitholders

Comprises:					
- from operations		27,103	16,654	27,103	16,654
- from Unitholders' contribution		30,122	35,546	30,122	35,546
Total Unitholders' distribution	15	**57,225**	**52,200**	**57,225**	**52,200**

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

Statements of movements in Unitholders' funds
Year ended 31 December 2011

	Group		Trust	
	2011	**2010**	**2011**	**2010**
	$'000	**$'000**	**$'000**	**$'000**
Unitholders' funds as at beginning of the year	734,507	679,868	475,140	515,985
Operations				
Change in Unitholders' funds resulting from operations	119,683	111,322	17,483	5,989
Transfer to general reserve	(1,904)	(1,530)	-	-
Net increase in net assets resulting from operations	**117,779**	**109,792**	**17,483**	**5,989**
Movements in hedging reserve				
Effective portion of changes in fair value of cash flow hedges	(1,638)	1,461	(1,638)	1,461
Change in fair value of cash flow hedge transferred to the statements of total return	-	180	-	180
Movements in foreign currency translation reserve				
Translation differences from financial statements of foreign operations	29,735	(8,348)	-	-
Exchange differences on monetary items forming part of net investment in foreign operations	8,362	(18,768)	-	-
Exchange differences on hedges of net investment in foreign operations	5,415	17,267	-	-
Net gain/(loss) recognised directly in Unitholders' funds	**41,874**	**(8,208)**	**(1,638)**	**1,641**
Movement in general reserve	**1,904**	**1,530**	-	-
Unitholders' transactions				
New Units issued	70,000	-	70,000	-
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	3,432	3,089	3,432	3,089
- Units issued in respect of acquisition fees for CapitaMall Minzhongleyuan	1,141	-	1,141	-
Distributions to Unitholders	(52,775)	(51,564)	(52,775)	(51,564)
Equity issue expenses	(4,023)	-	(4,023)	-
Net increase/(decrease) in net assets resulting from Unitholders' transactions	**17,775**	**(48,475)**	**17,775**	**(48,475)**
Unitholders' funds as at end of year	**913,839**	**734,507**	**508,760**	**475,140**

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

Portfolio statement
As at 31 December 2011
Group

Description of leasehold property	Location	Term of lease (years)	Lease expiry	Valuation 2011 [4] RMB'000	Valuation 2010 RMB'000	Valuation 2011 $'000	Valuation 2010 $'000	Percentage of Unitholders' funds 2011 %	Percentage of Unitholders' funds 2010 %
CapitaMall Xizhimen[1]	No. 1 Xizhimenwai Avenue, Xicheng District, Beijing	40 – 50	August 2044/2054	2,230,000	2,070,000	453,760	410,315	49.6	55.9
CapitaMall Wangjing	No. 33 Guangshun North Street, Blk 213 & 215, Chaoyang District, Beijing	38 – 48	May 2043/2053	1,506,000	1,362,000	306,441	269,976	33.5	36.8
CapitaMall Anzhen	Section 5 No. 4 of Anzhen Xi Li, Chaoyang District, Beijing	29 – 37	October 2034/March and June 2042	925,000	856,000	188,219	169,676	20.6	23.1
CapitaMall Erqi	No. 3 Minzhu Road, Erqi District, Zhengzhou, Henan Province	38	May 2042	575,000	539,000	117,001	106,841	12.8	14.5
CapitaMall Shuangjing	No. 31 Guangqu Road, Chaoyang District, Beijing	40	July 2042	525,000	485,000	106,827	96,137	11.7	13.1
CapitaMall Minzhongleyuan[2]	No. 704 Zhongshan Avenue, Jianghan District, Hankou, Wuhan, Hubei Province	40	September 2045	434,911	-	88,496	-	9.7	-
CapitaMall Qibao[3]	No. 3655 Qi Xin Road, Minhang District, Shanghai	39	March 2043	363,000	345,000	73,863	68,386	8.1	9.3
Balance carried forward				6,558,911	5,657,000	1,334,607	1,121,331	146.0	152.7

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

Portfolio statement
As at 31 December 2011

Group

Description of leasehold property	Location	Term of lease (years)	Lease expiry	Valuation 2011 [4] RMB'000	Valuation 2010 RMB'000	Valuation 2011 $'000	Valuation 2010 $'000	Percentage of Unitholders' funds 2011 %	Percentage of Unitholders' funds 2010 %
Balance brought forward				6,558,911	5,657,000	1,334,607	1,121,331	146.0	152.7
CapitaMall Saihan	No. 32 Ordos Street, Saihan District, Huhhot, Inner Mongolia Autonomous Region	35	March 2041	310,000	304,000	63,079	60,259	6.9	8.2
CapitaMall Wuhu	No. 37 Zhongshan North Road, Jinghu District, Wuhu, Anhui Province	40	May 2044	211,000	169,000	42,934	33,499	4.7	4.6
Investment properties, at valuation				7,079,911	6,130,000	1,440,620	1,215,089	157.6	165.5
Other assets and liabilities (net)						(507,377)	(462,437)	(55.5)	(63.0)
						933,243	752,652	102.1	102.5
Net assets attributable to non-controlling interests						(19,404)	(18,145)	(2.1)	(2.5)
Net assets attributable to Unitholders						913,839	734,507	100.0	100.0

Notes:

(1) The Group obtained the full property titles in 2010.

(2) The carrying amount of CapitaMall Minzhongleyuan includes the valuation of the retail mall and carrying amount of the three residential properties.

(3) 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.

(4) On 31 December 2011, independent valuations of CapitaMall Xizhimen and CapitaMall Minzhongleyuan were undertaken by CBRE Pte. Ltd. while valuations for the other properties were undertaken by Knight Frank Petty Limited. The Manager of the Trust believes that the independent valuers have appropriate professional qualification and recent experience in the location and category of the properties being valued. The valuations were based on capitalisation and discounted cash flow approaches.

The valuations adopted amounted to RMB7,079 million (2010: RMB6,130 million). The net change in fair values of the properties has been taken to the Group's statement of total return. These are commercial properties leased to external tenants to earn rental income.

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

Consolidated statement of cash flows
Year ended 31 December 2011

	Note	Group 2011 $'000	Group 2010 $'000
Operating activities			
Total return for the year after taxation		120,528	111,967
Adjustments for:			
Net finance costs		10,471	11,261
Depreciation and amortisation		1,346	1,144
Impairment losses/(write-back) on trade receivables, net		200	(111)
Taxation		41,353	32,557
Manager's management fee paid/payable in Units	A(i)	3,432	3,089
Plant and equipment written off		24	105
Ineffective portion of changes in fair value of cash flow hedges		1,423	-
Change in fair value of cash flow hedge transferred to the statements of total return from hedging reserve		-	180
Change in fair value of investment properties		(95,945)	(84,155)
Operating income before working capital changes		**82,832**	**76,037**
Changes in working capital:			
Trade and other receivables		(4,811)	(18,484)
Trade and other payables		10,259	22,428
Cash generated from operating activities		**88,280**	**79,981**
Income tax paid		(13,390)	(7,428)
Net cash from operating activities		**74,890**	**72,553**
Investing activities			
Interest received		457	231
Net cash outflow on purchase of investment property	A(ii)	(1,803)	(618)
Capital expenditure on investment properties	A(iii)	(2,766)	(4,773)
Net cash outflow on acquisition of subsidiaries	B	(72,389)	-
Proceed from disposal of plant and equipment		7	-
Purchase of plant and equipment		(2,227)	(1,151)
Net cash used in investing activities		**(78,721)**	**(6,311)**
Financing activities			
Proceeds from issuance of new Units		70,000	-
Distribution to Unitholders		(52,775)	(51,564)
Payment of equity issue expenses		(2,474)	-
Payment of financing expenses		(1,078)	(400)
Proceeds from draw down of interest-bearing borrowings		62,400	365,250
Repayment of interest-bearing borrowings		(31,674)	(367,942)
Settlement of derivative contracts		-	12,831
Interest paid		(11,401)	(9,883)
Net cash from/(used in) financing activities		**32,998**	**(51,708)**
Increase in cash and cash equivalents		**29,167**	**14,534**
Cash and cash equivalents at 1 January		39,936	26,043
Effect of foreign exchange rate changes on cash balances		1,012	(641)
Cash and cash equivalents at 31 December	8	**70,115**	**39,936**

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

Notes:
(A) Significant non-cash and other transactions

(i) $2.5 million (2010: $2.3 million) of the $3.4 million (2010: $3.1 million) of performance component of the Manager's management fee was paid during the year through the issue of 2,079,852 Units (2010: 1,897,439 Units). The remaining $0.9 million (2010: $0.8 million) will be paid through the issue of 802,787 new Units (2010: 616,768 new Units) subsequent to the year end.

(ii) The Group incurred $36.1 million to purchase investment property in 2008, of which $1.8 million and $0.6 million were paid in 2011 and 2010 respectively.

(iii) The Group incurred $7.8 million (2010: $1.5 million) during the year to enhance its investment properties, of which $1.7 million (2010: $1.3 million) has been paid. During the year, the Group paid $1.1 million (2010: $3.5 million) of the unpaid prior years balance.

(B) Significant non-cash and other transactions

Net cash outflows on acquisition of subsidiaries are provided below:

	Group	
	2011	**2010**
	$'000	**$'000**
Investment properties	76,210	-
Cash	275	-
Other assets	467	-
Other liabilities	(4,288)	-
Net identifiable assets and liabilities acquired	72,664	-
Cash consideration paid	(72,664)	-
Cash acquired	275	-
Net cash outflow	(72,389)	-

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 22 February 2012.

1. General

CapitaRetail China Trust (the "Trust") is a Singapore-domiciled unit trust constituted pursuant to the trust deed dated 23 October 2006 as amended by the First Supplemental Deed dated 8 November 2006 and Second Supplemental Deed dated 15 April 2010 (collectively the "Trust Deed") between CapitaRetail 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 (collectively the "Group") in trust for the holders ("Unitholders") of Units in the Trust (the "Units").

The Trust was formally admitted to the Official List of the Singapore Exchange Securities Trading Limited (the "SGX-ST") on 8 December 2006 (the "Listing Date") and was included under the Central Provident Fund ("CPF") Investment Scheme on 8 December 2006.

The principal activities of the Trust are those relating to investment in a diversified portfolio of income-producing properties located primarily in the People's Republic of China ("China"), Hong Kong and Macau and used primarily for retail purposes.

The principal activities of the subsidiaries are those of investment holding of properties located in China and used for retail purposes.

The Group has entered into several service agreements in relation to the management of the Trust and its property operations. The fee structures for these services are as follows:

(a) Trustee's fees

Pursuant to 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 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 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).

(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 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 CapitaMalls China Income Fund, CapitaMalls China Development Fund II, CapitaMalls China Incubator Fund or CapitaMalls Asia Limited shall be 1.0% of the purchase price paid by the Trust.

No acquisition fee was payable for the acquisition of the initial property portfolio of the Trust.

The acquisition fee is payable to the Manager in the form of cash and/or Units (as the Manager may elect) at the prevailing market price provided that in respect of any acquisition of real estate assets from interested parties, such a fee should, if required by the applicable laws, rules and/or regulations, be in the form of Units issued by the Trust at prevailing market price(s) and subject to such transfer restrictions as may be imposed.

Any payment to third party agents or brokers in connection with the acquisition of any authorised investments for the Trust shall be paid by the Manager to such persons out of the deposited property of the Trust or the assets of the relevant special purpose vehicle, and not out of the acquisition fee received or to be received by the Manager.

(e) Divestment fee

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 Statement of Recommended Accounting Practice ("RAP") 7 "Reporting Framework for Unit Trusts" issued by the Institute of Certified Public Accountants of Singapore, and 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 balance sheet:

- derivative financial instruments are measured at fair value
- investment properties are measured at fair value

(c) Functional and presentation currency

Items included in the financial statements of each entity in the Group are measured using the currency that best reflects the economic substance of the underlying events and circumstances relevant to that entity (the "functional currency"). The consolidated financial statements of the Group are presented in Singapore dollars, which is the functional currency of the Trust. All financial information presented in Singapore dollars has been rounded to the nearest thousand, unless otherwise stated.

(d) Use of estimates and judgements

The preparation of financial statements in conformity with RAP 7 requires the Manager to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying amounts of assets and liabilities that are not readily apparent from other sources.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and any future periods affected.

Significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amount recognised in the financial statements are described in the following notes:

- Note 4 – Valuation of investment properties
- Note 26 – Valuation of financial instruments

(e) Changes in accounting policies

Identification of related party relationships and related party disclosures

From 1 January 2011, the Group has applied the revised FRS 24 Related Party Disclosures (2010) to identify parties that are related to the Group and to determine the disclosures to be made on transactions and outstanding balances, including commitments, between the Group and its related parties. FRS 24 (2010) improved the definition of a related party in order to eliminate inconsistencies and ensure symmetrical identification of relationships between two parties.

The adoption of FRS 24 (2010) has not resulted in additional parties being identified as related to the Group. Transactions and outstanding balances, including commitments, with the related parties for the current and comparative years have been disclosed accordingly in the financial statements.

The adoption of FRS 24 (2010) affects only the disclosures made in the financial statements. There is no financial effect on the results and financial position of the Group for the current and previous financial years. Accordingly, the adoption of FRS 24 (2010) has no impact on earnings per unit.

3. Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements, and have been applied consistently by Group entities.

(a) Basis of consolidation

(i) Subsidiaries

Subsidiaries are companies controlled by the Trust. Control exists when the Trust has the power, directly or indirectly, to govern the financial and operating policies of a company so as to obtain benefits from its activities. In assessing control, potential voting rights presently exercisable are taken into account. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

The Group's acquisition of subsidiaries are primarily accounted for as acquisitions of assets as the subsidiaries are special purpose vehicles established for the sole purpose of holding assets.

(ii) Loss of control

Upon the loss of control, the Trust derecognises the assets and liabilities of the subsidiary, any non-controlling interests and the other components of equity related to the subsidiary. Any surplus or deficit arising on the loss of control is recognised in the statement of total return.

If the Group retains any interest in the previous subsidiary, then such interest is measured at fair value at the date that control is lost. Subsequently, it is accounted for as an equity-accounted investee or as an available-for-sale financial asset depending on the level of influence retained.

(iii) Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income or expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements. Unrealised gains arising from transactions with equity accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

(iv) Accounting for subsidiaries by the Trust

Investments in subsidiaries are stated in the Trust's balance sheet at cost less accumulated impairment losses.

(b) Foreign currency

(i) Foreign currency transactions

Transactions in foreign currencies are translated at the foreign exchange rates ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated at the foreign exchange rates ruling at that date. Non-monetary assets and liabilities measured at cost in a foreign currency are translated using foreign exchange rates at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated at the foreign exchange rates ruling at the date on which the fair value was determined.

Foreign currency differences arising on retranslation are recognised in the statement of total return, except for differences arising on the retranslation of monetary items that in substance form part of the Group's net investment in a foreign operation (see below) and financial derivatives designated as hedges of the net investment in a foreign operation (see Note 3(c)(iii)).

(ii) Foreign operations

The assets and liabilities of foreign operations are translated to Singapore dollars at exchange rates at the reporting date. The income and expenses of foreign operations are translated to Singapore dollars at exchange rates at the dates of the transactions. Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the exchange rate at the reporting date.

Foreign currency differences are recognised in the foreign currency translation reserve. When a foreign operation is disposed of, in part or in full, the relevant amount is transferred to the statement of total return.

(iii) Net investment in a foreign operation

Exchange differences arising from monetary items that in substance form part of the Trust's net investment in a foreign operation are recognised in the Trust's statement of total return. Such exchange differences are reclassified to foreign currency translation reserve in the consolidated financial statements. When the hedged net investment is disposed of, the cumulative amount in the foreign currency translation reserve is transferred to the statement of total return as an adjustment to the gain or loss arising on disposal.

(c) Financial instruments

(i) Non-derivative financial assets

The Group initially recognises loans and receivables and deposits on the date that they are originated. All other financial assets are recognised initially on the trade date at which the Group becomes a party to the contractual provisions of the instrument.

The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in transferred financial assets that is created or retained by the Group is recognised as a separate asset or liability.

Financial assets and liabilities are offset and the net amount presented in the balance sheet when, and only when, the Group has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

The Group has loans and receivables as its non-derivative financial assets.

Loans and receivables

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

Loans and receivables comprise trade and other receivables and exclude prepayments.

Cash and cash equivalents comprise cash balances and bank deposits.

(ii) Non-derivative financial liabilities

Financial liabilities are recognised initially on the trade date at which the Group becomes a party to the contractual provisions of the instrument.

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled or expired.

Financial assets and liabilities are offset and the net amount presented in the balance sheet when, and only when, the Group has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

The Group has the following non-derivative financial liabilities: interest-bearing borrowings and trade and other payables.

Such financial liabilities are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, these financial liabilities are measured at amortised cost using the effective interest method.

(iii) Derivative financial instruments, including hedge accounting

The Group holds derivative financial instruments to hedge its foreign currency and interest rate risk exposures. Embedded derivatives are separated from the host contract and accounted for separately if the economic characteristics and risks of the host contract and the embedded derivative are not closely related, a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative, and the combined instrument is not measured at fair value through the statement of total return.

On initial designation of the hedge, the Group formally documents the relationship between the hedging instrument(s) and hedged item(s), including the risk management objectives and strategy in undertaking the hedge transaction and the hedged risk, together with the methods that will be used to assess the effectiveness of the hedging relationship. The Group makes an assessment, both at the inception of the hedge relationship as well as on an ongoing basis, of whether the hedging instruments are expected to be "highly effective" in offsetting the changes in the fair value or cash flows of the respective hedged items attributable to the hedged risk, and whether the actual results of each hedge are within a range of 80%-125%. For a cash flow hedge of a forecast transaction, the transaction should be highly probable to occur and should present an exposure to variations in cash flows that could ultimately affect the statement of total return.

Derivatives are recognised initially at fair value; attributable transaction costs are recognised in the statement of total return when incurred. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are accounted for as described below.

Cash flow hedges

When a derivative is designated as the hedging instrument in a hedge of the variability in cash flows attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction that could affect total return, the effective portion of changes in the fair value of the derivative is recognised and presented in the hedging reserve in Unitholders' fund. The amount recognised in the hedging reserve is removed and included in the statement of total return in the same period as the hedged cash flows affect the statement of total return under the same line item in the statement of total return as the hedged item. Any ineffective portion of changes in the fair value of the derivative is recognised immediately in the statement of total return.

If the hedging instrument no longer meets the criteria for hedge accounting, expires or is sold, terminated or exercised, or the designation is revoked, then hedge accounting is discontinued prospectively. The cumulative gain or loss previously recognised and presented in the hedging reserve in Unitholders' fund remains there until the forecast transaction occurs. When the hedged item is a non-financial asset, the amount recognised in the hedging reserve is transferred to the carrying amount of the asset when it is recognised. If the forecast transaction is no longer expected to occur, then the balance in the hedging reserve is recognised immediately in the statement of total return. In other cases, the amount recognised in the hedging reserve is transferred to the statement of total return in the same period that the hedged item affects the statement of total return.

Hedge of net investment in foreign operation

Foreign currency differences arising on the retranslation of a financial liability designated as a hedge of a net investment in a foreign operation are recognised in the Trust's statement of total return. On consolidation, such differences are recognised directly, as part of foreign currency translation reserve, to the extent that the hedge is effective. To the extent that the hedge is ineffective, such differences are recognised in the statement of total return. When the hedged net investment is disposed of, the cumulative amount in the foreign currency translation reserve attributable to that investment is transferred to the statement of total return as an adjustment to the gain or loss on disposal.

(d) Investment properties

Investment properties are properties held either to earn rental income or capital appreciation or both. Investment properties are accounted for as non-current assets and are stated at initial cost on acquisition and at fair value thereafter. The cost of a purchased property comprises its purchase price and any directly attributable expenditure. Transaction costs are included in the initial measurement. Fair value is determined in accordance with the Trust Deed, which requires the investment properties to be valued by independent registered valuers at least once a year in accordance with the CIS Code issued by the MAS.

Any increase or decrease on revaluation is credited or charged to the statement of total return as a net change in fair value of the investment properties.

Subsequent expenditure relating to investment properties that have already been recognised is added to the carrying amount when it is probable that future economic benefits, in excess of the originally assessed standard of performance of the existing asset will flow to the Group.

All other subsequent expenditure is recognised as an expense in the period in which it is incurred.

When an investment property is disposed of, the resulting gain or loss recognised in the statement of total return is the difference between the net disposal proceeds and the carrying amount of the property.

Investment properties are not depreciated. The properties are subject to continued maintenance and regularly revalued on the basis set out above.

(e) Plant and equipment

(i) Recognition and measurement

Plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the asset.

When parts of an item of plant and equipment have different useful lives, they are accounted for as separate items (major components) of plant and equipment.

Gains or losses arising from the retirement or disposal of plant and equipment are determined as the difference between the estimated net disposal proceeds and the carrying amount of the asset and are recognised in the statement of total return on the date of retirement or disposal.

(ii) Subsequent costs

The cost of replacing part of an item of plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group and its cost can be measured reliably. The cost of the day-to-day servicing of plant and equipment are recognised in the statement of total return as incurred.

(iii) Depreciation

Depreciation is provided on a straight-line basis so as to write off items of plant and equipment, and major components that are accounted for separately, over their estimated useful lives as follows:

Furniture, fittings and plant and equipment	-	3 to 5 years
Computers	-	3 to 5 years
Motor vehicles	-	5 years

Depreciation methods, useful lives and residual values are reviewed, and adjusted as appropriate, at each reporting date.

(f) Impairment

(i) Financial assets (including receivables)

A financial asset not carried at fair value through the statement of total return is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

Objective evidence that financial assets are impaired can include default or delinquency by a debtor, restructuring of an amount due to the Group on terms that the Group would not consider otherwise, indications that a debtor will enter bankruptcy.

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

In assessing collective impairment, the Group uses historical trends of the probability of default, timing of recoveries and the amount of loss incurred, adjusted for management's judgement as to whether current economic and credit conditions are such that the actual losses are likely to be greater or less than suggested by historical trends.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Losses are recognised in the statement of total return and reflected in an allowance account against receivables. Interest on the impaired asset continues to be recognised through the unwinding of the discount. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through the statement of total return.

(ii) Non-financial assets

The carrying amounts of the Group's non-financial assets, other than investment properties, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

The recoverable amount of an asset or cash-generating unit 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. 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 groups of assets (the "cash-generating unit", or "CGU").

An impairment loss is recognised if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognised in the statement of total return. Impairment losses recognised in respect of the CGU are allocated first to reduce the carrying amount of any goodwill allocated to the units, and then to reduce the carrying amounts of the other assets in the unit (group of units) on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

(g) Unitholders' funds

Unitholders' funds represent the residual interests in the Group's net assets upon termination and are classified as equity.

Expenses incurred in connection with the issuance of Units in the Trust are deducted directly against the Unitholders' funds.

(h) Employee benefits

(i) Defined contribution plans

Obligations for contributions to defined contribution pension plans are recognised as an expense in the statement of total return as incurred.

(ii) Short-term benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided.

A provision is recognised for the amount expected to be paid under short-term cash bonus or profits sharing plans 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 IRAS to be trading gains.

(j) Revenue recognition

Rental income

Rental income receivable under operating leases is recognised on a straight-line basis over the term of the lease, except where an alternative basis is more representative of the pattern of benefits to be derived from the leased assets. Lease incentives granted are recognised as an integral part of the total rental to be received. Contingent rentals, which include gross turnover rental, are recognised as income in the accounting period on an earned basis. No contingent rental is recognised if there are uncertainties due to the possible return of the amounts received.

(k) 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.

(l) 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 which comprise interest expense on borrowings and expense incurred in connection with borrowings are recognised in the statement of total return, using the effective interest method over the period of the borrowings.

(m) Taxation

Taxation on the returns for the year comprises current and deferred tax. Income tax is recognised in the statement of total return except to the extent that it relates to items directly related to Unitholders' fund, in which case it is recognised in the 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 balance sheet date.

Deferred tax is recognised using the balance sheet method, providing for 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 the following temporary differences: 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 differences relating to investments in subsidiaries to the extent that it is probable that they will not reverse in the foreseeable future. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the unused tax losses and credits can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefits will be realised.

Except for the tax exemption as described below, income earned by the Trust will be subject to Singapore income tax at the trustee level at the prevailing corporate tax rate.

The Trust is exempted from Singapore income tax under Section 13(12) of the Singapore Income Tax Act on the following income:

(i) dividends; and

(ii) interest on shareholders' loans,

payable by its subsidiaries in Barbados and Singapore out of underlying rental income derived from the investment properties in China.

This exemption is granted subject to certain conditions, including the condition that the Trustee is a tax resident of Singapore.

The tax exemption also applies to dividends payable by these subsidiaries out of gains, if any, derived from the disposal of their shares in the subsidiaries in China.

(n) 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.

(o) Segment reporting

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision-Makers ("CODMs"). The CODMs has been identified as the Chief Executive Officer ("CEO") and Head of Finance.

(p) New standards and interpretations not yet adopted

New standards, amendments to standards and interpretations that are not yet effective for the year ended 31 December 2011 have not been applied in preparing these financial statements. The initial application of these standards (and its consequential amendments) and interpretations is not expected to have material impact on the Group's financial statements. The Group has not considered the impact of accounting standards issued after the balance sheet date.

4. Investment properties

	Group	
	2011	**2010**
	$'000	**$'000**
At beginning of year	1,215,089	1,156,614
Acquisition of investment properties	76,210	-
Expenditure capitalised	7,783	1,514
	1,299,082	1,158,128
Changes in fair value	95,945	84,155
Translation difference	45,593	(27,194)
At the end of year	1,440,620	1,215,089

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 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 direct comparison method, capitalisation approach and/or discounted cash flows in arriving at the open market value as at the balance sheet date.

The direct comparison method involves the analysis of comparable sales of similar properties and adjusting the sale prices to that reflective of the investment properties. The capitalisation approach capitalises an income stream into a present value using revenue multipliers or single-year capitalisation rates. The discounted cash flow method involves the estimation and projection of an income stream over a period and discounting the income stream with an internal rate of return to arrive at the market value.

In 2010, an investment property of the Group with carrying value of RMB856.0 million ($169.7 million), was pledged as security to a bank for banking facility to a subsidiary (Note 10).

5. Plant and equipment

	Furniture, fittings and plant and equipment $'000	Computers $'000	Motor vehicles $'000	Total $'000
Group				
Cost				
At 1 January 2010	1,419	4,047	-	5,466
Additions	908	385	-	1,293
Written off	(155)	(109)	-	(264)
Translation difference on consolidation	(41)	(87)	-	(128)
At 31 December 2010	2,131	4,236	-	6,367
Additions	2,163	170	-	2,333
Assets acquired	1,460	40	222	1,722
Disposal/written off	(176)	(27)	(67)	(270)
Translation difference on consolidation	172	114	9	295
At 31 December 2011	5,750	4,533	164	10,447
Less: Accumulated depreciation				
At 1 January 2010	346	1,644	-	1,990
Charge for the year	606	479	-	1,085
Written off	(81)	(78)	-	(159)
Translation difference on consolidation	(16)	(32)	-	(48)
At 31 December 2010	855	2,013	-	2,868
Charge for the year	1,231	55	4	1,290
Assets acquired	1,213	31	190	1,434
Disposal/written off	(155)	(24)	(60)	(239)
Translation difference on consolidation	186	56	9	251
At 31 December 2011	3,330	2,131	143	5,604
Carrying amount				
At 1 January 2010	1,073	2,403	-	3,476
At 31 December 2010	1,276	2,223	-	3,499
At 1 January 2011	1,276	2,223	-	3,499
At 31 December 2011	2,420	2,402	21	4,843

6. Interests in subsidiaries

	Trust 2011 $'000	Trust 2010 $'000
(a) Unquoted equity, at cost	384,801	328,463
(b) Loans to subsidiaries	325,054	332,144
Non-trade amounts due from subsidiaries	199,807	173,783
	524,861	505,927
	909,662	834,390

(a) Details of the subsidiaries are as follows:

Name of subsidiaries	Principal activities	Place of incorporation/ business	Effective equity held by the Group 2011 %	Effective equity held by the Group 2010 %
(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	- #

	Name of subsidiaries	Principal activities	Place of incorporation/ business	Effective equity held by the Group 2011 %	2010 %
(ii)	**Indirect subsidiaries**				
	Subsidiary of CapitaRetail China Investments (B) Pte. Ltd.				
*	CapitaRetail Beijing Wangjing Real Estate Co., Ltd.	Property investment	China	100	100
	Subsidiaries of CapitaRetail China Investments (B) Alpha Pte. Ltd.				
*	CapitaRetail Beijing Anzhen Real Estate Co., Ltd.	Property investment	China	100	100
*	CapitaRetail Dragon Mall (Shanghai) Co., Ltd.	Property investment	China	100	100
*	CapitaRetail Beijing Shuangjing Real Estate Co., Ltd.	Property investment	China	100	100
*	CapitaRetail Henan Zhongzhou Real Estate Co., Ltd.	Property investment	China	100	100
*	Huaxin Saihan Huhhot Real Estate Co., Ltd.	Property investment	China	100	100
	Subsidiary of CapitaRetail China Investments (B) Beta Pte. Ltd.				
*	CapitaRetail Beijing Xizhimen Real Estate Co., Ltd.	Property investment	China	100	100

	Name of subsidiaries	Principal activities	Place of incorporation/ business	Effective equity held by the Group 2011 %	2010 %
(ii)	**Indirect subsidiaries**				
	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	- #
	Subsidiaries of CapitaRetail China Investments (BVI) Alpha Limited				
*	CapitaRetail China Investments V1 (HK) Limited	Investment holding	Hong Kong	100	100
*	CapitaRetail China Investments V2 (HK) Limited	Investment holding	Hong Kong	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.

Acquired during the year ended 31 December 2011.

(b) The loans to and non-trade amounts due from subsidiaries are unsecured and settlement is neither planned nor likely to occur in the foreseeable future. As the amounts are, in substance, a part of the Trust's net investments in the subsidiaries, they are stated at cost. The loans to subsidiaries bear interest fixed at 7.5% (2010: 7.5%).

7. Trade and other receivables

	Group		Trust	
	2011	2010	2011	2010
	$'000	$'000	$'000	$'000
Trade receivables	1,147	1,974	-	-
Impairment losses	(433)	(546)	-	-
	714	1,428	-	-
Other receivables	2,721	3,184	164	121
Deposits	1,065	1,105	-	-
Loans and receivables	4,500	5,717	164	121
Prepayments	2,941	2,170	5	5
	7,441	7,887	169	126

Concentration of credit risk relating to trade receivables is limited due to the Group's many varied tenants located in several cities in China and the credit policy of obtaining security deposits from tenants for leasing 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 receivables at the reporting date (by geographical area in China) was:

	Group	
	2011	2010
	$'000	$'000
Inner Mongolia	46	23
Beijing	121	851
Shanghai	354	373
Others	193	181
	714	1,428

Impairment losses

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

	Gross		Impairment	
	2011	2010	2011	2010
	$'000	$'000	$'000	$'000
Group				
Not past due	4,502	5,185	266	1
Past due 31 – 60 days	176	325	71	12
Past due 61 – 90 days	31	33	12	-
Past due 91 – 120 days	51	173	1	103
More than 120 days past due	173	547	83	430
	4,933	6,263	433	546
Trust				
Not past due	164	121	-	-

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

	Note	Group 2011 $'000	Group 2010 $'000
At 1 January		546	955
Impairment losses/(write-back), net	16	200	(111)
Allowance utilised		(337)	(274)
Exchange translation		24	(24)
At 31 December		433	546

The Group's historical experience in the collection of trade receivable falls within the recorded allowances. The Manager believes that no additional credit risk beyond the amounts provided for collection losses is inherent in the Group's trade receivables, based on historical payment behaviours and the security deposits held.

The majority of the trade receivables are mainly from tenants that have good credit records with the Group. The allowance account in respect of trade receivables is used to record impairment losses unless the Group is satisfied that no recovery of the amount owing is possible; at that point the amounts are considered irrecoverable and are written off against the financial asset directly. During the year ended 31 December 2011, the Group collected $0.1 million of its impaired trade receivables (2010: $0.4 million).

8. Cash and cash equivalents

	Group 2011 $'000	Group 2010 $'000	Trust 2011 $'000	Trust 2010 $'000
Cash at banks and in hand	51,484	25,851	820	776
Fixed deposits with financial institutions	18,631	14,085	-	-
	70,115	39,936	820	776

9. Trade and other payables

	Group 2011 $'000	Group 2010 $'000	Trust 2011 $'000	Trust 2010 $'000
Trade payable	1,473	866	17	55
Accrued operating expenses	8,628	7,244	2,571	3,300
Accrued development expenditure	10,344	12,581	-	-
Amounts due to related parties (trade)	2,520	1,265	1,928	791
Other deposits and advances	18,276	16,293	-	-
Interest payable	991	1,679	981	1,319
Other payables	8,221	3,058	-	-
	50,453	42,986	5,497	5,465

Included in amounts due to related parties are amounts due to the Manager and Property Managers of $1.9 million (2010: $0.8 million) and $0.6 million (2010: $0.5 million) respectively.

10. Interest-bearing borrowings

	Note	Group 2011 $'000	Group 2010 $'000	Trust 2011 $'000	Trust 2010 $'000
Unsecured term loans	(a)	364,549	338,503	338,503	338,503
Secured term loan	(b)	-	38,455	-	-
Money market facility		68,500	25,000	68,500	25,000
Less: Unamortised transactions costs		(477)	(1,077)	(477)	(1,077)
		432,572	400,881	406,526	362,426

(a) Unsecured term loans comprise $100.5 million, $100.0 million, $88.0 million and $50.0 million fixed/floating rate trust term loan facilities (collectively known as "Trust Term Loan Facilities") and Renminbi ("RMB") term loan of $26.0 million. 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 property 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 will be repayable in full at maturity, although the Trust has the option to make early prepayments.

(b) The RMB term loan in 2010, was secured by a legal mortgage over CapitaMall Anzhen, which bore interest referenced against the People's Bank of China base lending rate and repriced on a semi-annual basis.

The RMB term loan was refinanced on an unsecured basis upon maturity of the loan on 30 June 2011.

5% of the RMB term loan is repayable on a semi-annual basis, starting in 2012. The remaining 80% of the RMB term loan principal is payable in full upon maturity of the RMB term loan on 30 June 2014.

Terms and debt repayment schedule

Terms and conditions of the outstanding interest-bearing borrowings are as follows:

	Nominal interest rate per annum %	Year of maturity	Face value $'000	Carrying amount $'000
2011				
Group				
S$ unsecured floating rate money market facility	0.99 – 1.39	2012	68,500	68,500
RMB unsecured term loan	5.36 – 7.04	2014	26,046	26,046
S$ unsecured floating rate loan	2.05 – 2.39	2012	88,000	87,967
S$ unsecured floating rate loans	1.22 – 1.62	2013	150,503	150,351
S$ unsecured fixed/floating rate loan	1.30 – 2.66	2014	100,000	99,708
			433,049	432,572
Trust				
S$ unsecured floating rate money market facility	0.99 – 1.39	2012	68,500	68,500
S$ unsecured floating rate loan	2.05 – 2.39	2012	88,000	87,967
S$ unsecured floating rate loans	1.22 – 1.62	2013	150,503	150,351
S$ unsecured fixed/floating rate loan	1.30 – 2.66	2014	100,000	99,708
			407,003	406,526

	Nominal interest rate per annum %	Year of maturity	Face value $'000	Carrying amount $'000
2010				
Group				
S$ unsecured floating rate money market facility	1.08 – 1.28	2011	25,000	25,000
RMB secured term loan	5.04 – 5.18	2011	38,455	38,455
S$ unsecured floating rate loan	1.72 – 2.46	2012	88,000	87,571
S$ unsecured floating rate loans	1.38 – 1.68	2013	150,503	150,247
S$ unsecured fixed/floating rate loan	1.46 – 2.66	2014	100,000	99,608
			401,958	400,881
Trust				
S$ unsecured floating rate money market facility	1.08 – 1.28	2011	25,000	25,000
S$ unsecured floating rate loan	1.72 – 2.46	2012	88,000	87,571
S$ unsecured floating rate loans	1.38 – 1.68	2013	150,503	150,247
S$ unsecured fixed/floating rate loan	1.46 – 2.66	2014	100,000	99,608
			363,503	362,426

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 1 to 5 years $'000	After 5 years $'000
2011					
Group					
S$ unsecured floating rate money market facility	68,500	(68,710)	(68,710)	-	-
RMB unsecured term loan	26,046	(30,048)	(4,335)	(25,713)	-
S$ unsecured floating rate loans	238,318	(242,427)	(90,940)	(151,487)	-
S$ unsecured fixed/ floating rate loan	99,708	(105,097)	(2,119)	(102,978)	-
Trade and other payables (Note 9)	50,453	(50,453)	(50,453)	-	-
Security deposits	24,860	(24,860)	(10,099)	(11,933)	(2,828)
	507,885	(521,595)	(226,656)	(292,111)	(2,828)

	Carrying amount $'000	Contractual cash flow $'000	Within 1 year $'000	Within 1 to 5 years $'000	After 5 years $'000
2011					
Trust					
S$ unsecured floating rate money market facility	68,500	(68,710)	(68,710)	-	-
S$ unsecured floating rate loans	238,318	(242,427)	(90,940)	(151,487)	-
S$ unsecured fixed/ floating rate loan	99,708	(105,097)	(2,119)	(102,978)	-
Trade and other payables (Note 9)	5,497	(5,497)	(5,497)	-	-
	412,023	(421,731)	(167,266)	(254,465)	-
2010					
Group					
S$ unsecured floating rate money market facility	25,000	(25,044)	(25,044)	-	-
RMB secured term loan	38,455	(39,810)	(39,810)	-	-
S$ unsecured floating rate loans	237,818	(247,234)	(3,395)	(243,839)	-
S$ unsecured fixed/ floating rate loan	99,608	(105,801)	(883)	(104,918)	-
Trade and other payables (Note 9)	42,986	(42,986)	(42,986)	-	-
Security deposits	19,376	(19,376)	(8,596)	(8,162)	(2,618)
	463,243	(480,251)	(120,714)	(356,919)	(2,618)
Trust					
S$ unsecured floating rate money market facility	25,000	(25,044)	(25,044)	-	-
S$ unsecured floating rate loans	237,818	(247,234)	(3,395)	(243,839)	-
S$ unsecured fixed/ floating rate loan	99,608	(105,801)	(883)	(104,918)	-
Trade and other payables (Note 9)	5,465	(5,465)	(5,465)	-	-
	367,891	(383,544)	(34,787)	(348,757)	-

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

11. Financial derivatives

	Group and Trust 2011 $'000	Group and Trust 2010 $'000
Financial derivative assets	13,249	8,067
Financial derivative liabilities	(3,117)	(289)

The following are the contractual maturities of financial derivative liabilities including estimated interest payments:

	Carrying amount $'000	Contractual cash flow $'000	12 months or less $'000	Within 1 to 3 years $'000
Group and Trust				
2011				
Interest rate swaps	(3,117)	(8,476)	(2,065)	(6,411)
2010				
Non-deliverable forwards	(34)	(34)	-	(34)
Interest rate swaps	(255)	(3,668)	(1,582)	(2,086)
	(289)	(3,702)	(1,582)	(2,120)

The following table indicates the periods in which the cash flows associated with derivatives that are cash flow hedges are expected to occur and impact the statement of total return.

	Carrying amount $'000	Expected cash flow $'000	12 months or less $'000	Within 1 to 3 years $'000
Group and Trust				
2011				
Interest rate swaps	(3,117)	(8,476)	(2,065)	(6,411)
2010				
Interest rate swaps	(255)	(3,668)	(1,582)	(2,086)

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

12. Deferred tax liabilities

Movements in deferred tax liabilities during the financial year are as follows:

Group	At 1 January 2010 $'000	Charged to the statement of total return (Note 20) $'000	Translation difference $'000	At 31 December 2010 $'000	Charged to the statement of total return (Note 20) $'000	Translation difference $'000	At 31 December 2011 $'000
Investment properties	33,573	24,091	(1,993)	55,671	29,080	5,531	90,282

Deferred tax assets have not been recognised in respect of the following items because it is not probable that future taxable profit will be available against which the Group can utilise the benefits therefrom:

	Group	
	2011 $'000	2010 $'000
Tax losses	21,197	50,248

The tax losses are subject to agreement by the tax authorities and compliance with tax regulations in the country in which the subsidiaries operate. These tax losses can be carried forward up to five consecutive years and will expire on the fifth year from which the tax losses arise.

13. Unitholders' funds

		Group		Trust	
	Note	2011 $'000	2010 $'000	2011 $'000	2010 $'000
Net assets resulting from operations		363,860	246,078	(2,973)	(20,456)
Hedging reserve	(a)	(1,698)	(60)	(1,698)	(60)
Foreign currency translation reserve	(b)	32,945	(10,567)	-	-
Unitholders' transactions		513,431	495,656	513,431	495,656
General reserve	(c)	5,301	3,400	-	-
		913,839	734,507	508,760	475,140

(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 the distribution of dividends to shareholders.

General reserve can be used to make good previous years' losses, if any, and may be converted to registered capital in proportion to the existing interests of the shareholders, provided that the balance after such conversion is not less than 25% of the registered capital.

14. Units in issue

	2011 Number of Units	**2010 Number of Units**
Balance as at beginning of year	625,381,914	622,854,695
New Units issued:		
- as payment of Manager's management fees	2,696,620	2,527,219
- in connection with private placement exercise completed on 30 June 2011	59,829,000	-
- as payment of acquisition fee of CapitaMall Minzhongleyuan	922,377	-
Issued Units as at end of year	688,829,911	625,381,914
New Units to be issued:		
- as payment of Manager's management fees	802,787	616,768
Total issued and issuable Units as at end of year	689,632,698	625,998,682

Units issued during the year ended 31 December 2011 are as follows:

(a) On 30 March 2011, the Trust issued 616,768 new Units at an issue price of $1.2345 per Unit as payment of the performance component of the management fee for the period from 1 October 2010 to 31 December 2010;

(b) On 9 June 2011, the Trust issued 670,968 new Units at an issue price of $1.2346 per Unit as payment of the performance component of the management fee for the period from 1 January 2011 to 31 March 2011;

(c) On 30 June 2011, the Trust issued 59,829,000 new Units at an issue price of $1.17 per Unit to finance the acquisition of CapitaMall Minzhongleyuan;

(d) On 18 July 2011, the Trust issued 922,377 new Units at an issue price of $1.2365 per Unit as payment of the related acquisition fees of CapitaMall Minzhongleyuan;

(e) On 26 September 2011, the Trust issued 672,375 new Units at an issue price of $1.2265 per Unit as payment of the performance component of the management fee for the period from 1 April 2011 to 30 June 2011; and

(f) On 25 November 2011, the Trust issued 736,509 new Units at an issue price of $1.1775 per Unit as payment of the performance component of the management fee for the period from 1 July 2011 to 30 September 2011.

Units issued during the year ended 31 December 2010 are as follows:

(a) On 30 March 2010, the Trust issued 629,780 new Units at an issue price of $1.2878 per Unit as payment of the performance component of the management fee for the period from 1 October 2009 to 31 December 2009;

(b) On 25 May 2010, the Trust issued 643,559 new Units at an issue price of $1.2021 per Unit as payment of the performance component of the management fee for the period from 1 January 2010 to 31 March 2010;

(c) On 30 September 2010, the Trust issued 642,312 new Units at an issue price of $1.2331 per Unit as payment of the performance component of the management fee for the period from 1 April 2010 to 30 June 2010; and

(d) On 25 November 2010, the Trust issued 611,568 new Units at an issue price of $1.2459 per Unit as payment of the performance component of the management fee for the period from 1 July 2010 to 30 September 2010.

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 to it 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.

15. Total Unitholders' distribution

Unitholders' distribution for the year is accounted for as distribution from operations and distribution from Unitholders' contributions:

(a) Distribution from operations

This refers to distribution made by the Trust that is represented by income received or receivable during the financial year, as the case may be, net of expenses. Such income comprises mainly the following:

- dividend from subsidiaries in Barbados and Singapore paid out of dividend declared by the subsidiaries in China;

- dividend from subsidiaries in Barbados and Singapore paid out of net interest income earned by subsidiaries in Barbados and Singapore on shareholders' loans extended to subsidiaries in China; and

- interest income earned by the Trust on shareholders' loans extended to subsidiaries in Barbados and Singapore.

The above income originates from profits and 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 of the end of each distribution period. Distributions, when paid, will be in Singapore dollars.

Distributions for the period from 1 January 2011 to 29 June 2011 had been paid on 23 September 2011. Distributions for the period from 30 June 2011 to 31 December 2011 will be paid within 90 days of the end of the distribution period, in accordance with the provisions of the Trust Deed.

16. Other property operating expenses

		Group	
	Note	**2011**	**2010**
		$'000	**$'000**
Utilities		5,436	5,480
Advertising and promotion		2,495	2,342
Maintenance		4,881	4,508
Staff costs		4,631	3,608
Depreciation of plant and equipment	5	1,290	1,085
Impairment losses/(write-back) on trade receivables, net	7	200	(111)
Amortisation of deferred expenditure included in other receivables		55	59
Plant and equipment written off		24	105
Others		1,025	986
		20,037	18,062

Included in staff costs is contribution to defined contribution plans of $0.8 million (2010: $0.7 million).

17. Manager's management fees

Manager's management fees comprise base fee of $3.4 million (2010: $3.0 million) and performance fee of $3.4 million (2010: $3.1 million). The Manager has elected to receive all the performance fee in the form of Units. $2.5 million (2010: $2.3 million) of the $3.4 million (2010: $3.1 million) of performance component of the Manager's management fee was paid during the year through the issue of 2,079,852 Units (2010: 1,897,439 Units). The remaining $0.9 million (2010: $0.8 million) will be paid through the issue of 802,787 new Units (2010: 616,768 new Units) subsequent to the year end.

18. Other trust operating expenses/(income)

	Group		Trust	
	2011	2010	2011	2010
	$'000	$'000	$'000	$'000
Audit fees	321	319	110	128
Professional fees	(133)	20	(115)	-
Others	(74)	518	(741)	103
	114	857	(746)	231

19. Finance income and finance costs

	Group		Trust	
	2011	2010	2011	2010
	$'000	$'000	$'000	$'000
Interest income:				
- financial institutions	457	231	1	-
- subsidiaries	-	-	28,220	29,665
Finance income	457	231	28,221	29,665
Interest expenses	(10,328)	(11,091)	(8,888)	(9,386)
Other finance costs	(600)	(401)	(600)	(401)
Finance costs	(10,928)	(11,492)	(9,488)	(9,787)
Net finance (costs)/income recognised in statement of total return	(10,471)	(11,261)	18,733	19,878

20. Taxation

	Note	Group 2011 $'000	Group 2010 $'000	Trust 2011 $'000	Trust 2010 $'000
Current taxation					
Current year		13,176	10,670	-	-
Overprovision in prior years		(903)	(2,204)	(43)	-
		12,273	8,466	(43)	-
Deferred taxation					
Origination of temporary differences	12	29,080	24,091	-	-
Income tax expense		41,353	32,557	(43)	-
Reconciliation of effective tax rate					
Total return for the year before taxation		161,881	144,524	17,440	5,989
Tax calculated using Singapore tax rate of 17%		27,520	24,569	2,965	1,018
Adjustments:					
Effect of different tax rates in foreign jurisdictions		5,387	1,134	-	-
Income not subject to tax		-	(76)	(7,717)	(8,505)
Expenses not deductible for tax purposes		241	31	1,972	4,674
Tax losses not recognised		108	788	-	-
Tax losses not allowed to be carried forward		2,780	2,813	2,780	2,813
Foreign tax suffered		6,220	5,502	-	-
Overprovision in prior years		(903)	(2,204)	(43)	-
		41,353	32,557	(43)	-

21. 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 interests before distribution.

	Group	
	2011 $'000	2010 $'000
Total return for the year after taxation and non-controlling interests before distribution	119,683	111,322

	Trust	
	Number of Units 2011 '000	Number of Units 2010 '000
Issued Units at beginning of year	625,382	622,855
Effect of creation of new Units:		
- Manager's management fees paid/payable in Units	1,095	1,091
- Units issued in respect of acquisition fees for CapitaMall Minzhongleyuan	420	-
- Units issued in connection with private placement exercise completed on 30 June 2011	30,160	-
Weighted average number of issued and issuable Units at end of year	657,057	623,946

Diluted earnings per unit is the same as the basic earnings per unit as there are no dilutive instruments in issue during the year.

22. 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 CapitaRetail China Trust Management Limited is an indirect wholly-owned subsidiary of a substantial Unitholder of the Trust. The Property Managers, being CapitaLand Retail (Shanghai) Management & Consulting Co., Ltd. and CapitaLand Hualian Management & Consulting (Beijing) Co., Ltd. are indirect wholly-owned subsidiary and jointly-controlled entity of a substantial Unitholder of the Trust respectively.

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 and reimbursables have been paid or are payable to the Property Managers.

23. Financial ratios

	Group	
	2011	**2010**
	%	**%**
Ratio of expenses to average net asset value [(1)]		
- including performance component of Manager's management fees	0.94	1.00
- excluding performance component of Manager's management fees	0.50	0.57
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.

24. Operating segments

The Group has nine 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 Anzhen
- CapitaMall Erqi
- CapitaMall Shuangjing
- CapitaMall Minzhongleyuan
- CapitaMall Qibao
- CapitaMall Saihan
- CapitaMall Wuhu

Segment revenue comprises mainly income generated from its tenants. Segment net property income represents the income earned by each segment after allocating property operating expenses. This is the measure reported to the CODMs for the purpose of assessment of segment performance. In addition, the CODMs monitor the non-financial assets as well as financial assets attributable to each segment when assessing segment performance.

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly the Trust's financial assets and liabilities and its expenses. Segment capital expenditure is the total cost incurred during the year to acquire segment assets that are expected to be used for more than one year.

Information regarding the Group's reportable segments is presented in the tables in the following pages.

For the purpose of monitoring segment performance, the Group's CODMs monitor the non-financial assets as well as financial assets attributable to each segment.

Information about reportable segments

	CapitaMall Xizhimen		CapitaMall Wangjing		CapitaMall Anzhen		CapitaMall Erqi		Sub Total	
	2011	**2010**	**2011**	**2010**	**2011**	**2010**	**2011**	**2010**	**2011**	**2010**
	$'000	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**
External revenues:										
- Gross rental income	34,722	32,546	25,569	24,312	15,334	15,834	9,486	9,793	85,111	82,485
- Others	2,801	2,498	4,131	3,616	-	1	14	-	6,946	6,115
- Gross revenue	37,523	35,044	29,700	27,928	15,334	15,835	9,500	9,793	92,057	88,600
Segment net property income	25,398	23,574	20,880	19,525	12,574	13,244	7,636	7,954	66,488	64,297
Interest income	124	68	78	51	76	27	59	27	337	173
Interest expense	-	-	-	-	(1,797)	(2,249)	-	-	(1,797)	(2,249)
Reportable segment total return before taxation	56,257	56,274	48,401	44,119	23,277	16,453	14,423	13,547	142,358	130,393
Segment assets	472,833	421,624	321,264	301,640	197,542	180,994	122,378	86,464	1,114,017	990,722
Segment liabilities	42,878	31,186	40,009	28,675	48,372	55,782	11,727	9,212	142,986	124,855
Other segment items:										
Depreciation and amortisation	(556)	(424)	(248)	(220)	(13)	(8)	(50)	(21)	(867)	(673)
(Impairment losses)/write-back on trade receivables, net	(185)	69	6	(1)	-	-	-	-	(179)	68
Net change in fair value of investment properties	30,811	32,634	27,600	24,678	12,396	5,656	6,773	5,656	77,580	68,624
Capital expenditure	1,235	454	789	540	1,154	11	210	208	3,388	1,213

	CapitaMall Shuangjing		CapitaMall Minzhongleyuan[1]		CapitaMall Qibao		CapitaMall Saihan		CapitaMall Wuhu		Sub Total		Grand Total	
	2011	**2010**	**2011**	**2010**	**2011**	**2010**	**2011**	**2010**	**2011**	**2010**	**2011**	**2010**	**2011**	**2010**
	$'000	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**
External revenues:														
- Gross rental income	8,027	8,267	5,068	-	12,829	11,147	6,004	4,336	5,544	4,735	37,472	28,485	122,583	110,970
- Others	108	14	178	-	1,134	1,117	469	392	445	375	2,334	1,898	9,280	8,013
- Gross revenue	8,135	8,281	5,246	-	13,963	12,264	6,473	4,728	5,989	5,110	39,806	30,383	131,863	118,983
Segment net property income	6,423	6,594	3,065	-	4,675	3,031	2,817	1,532	2,338	1,772	19,318	12,929	85,806	77,226
Interest income	23	19	10	-	34	12	30	10	21	17	118	58	455	231
Interest expense	-	-	-	-	-	-	-	-	-	-	-	-	(1,797)	(2,249)
Reportable segment total return before taxation	14,039	13,703	5,704	-	8,228	6,779	2,760	4,224	6,460	3,531	37,191	28,237	179,549	158,630
Segment assets	111,198	97,833	91,524	-	81,932	74,150	71,702	63,021	48,947	39,447	405,303	274,451	1,519,320	1,265,173
Segment liabilities	11,913	9,300	9,318	-	10,878	10,670	9,697	8,996	3,019	18,049	44,825	47,015	187,811	171,870
Other segment items														
Depreciation and amortisation	(19)	(18)	(38)	-	(100)	(103)	(166)	(154)	(156)	(196)	(479)	(471)	(1,346)	(1,144)
(Impairment losses)/write-back on trade receivables, net	-	(1)	-	-	29	116	-	(85)	(50)	13	(21)	43	(200)	111
Net change in fair value of investment properties	7,748	7,271	2,715	-	3,732	3,259	58	2,117	4,112	2,884	18,365	15,531	95,945	84,155
Capital expenditure	-	7	5,233	-	(24)	212	1,310	1,176	209	199	6,728	1,594	10,116	2,807

(1) Acquired during the year ended 31 December 2011

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

	2011 $'000	2010 $'000
Revenue		
Total revenue for reporting segments	131,863	118,983
Total return		
Total return for reportable segments before taxation	179,549	158,630
Unallocated amounts:		
- Other corporate expenses	(17,668)	(14,106)
Consolidated return before taxation	161,881	144,524
Assets		
Total assets for reportable segments	1,519,320	1,265,173
Other unallocated amounts	16,948	9,305
Consolidated assets	1,536,268	1,274,478
Liabilities		
Total liabilities for reportable segments	187,811	171,870
Other unallocated amounts	415,214	349,956
Consolidated liabilities	603,025	521,826

Other material items 2011	Reportable segment totals $'000	Adjustments $'000	Consolidated totals $'000
Interest revenue	455	2	457
Interest expense	(1,797)	(9,131)	(10,928)
Other material items 2010			
Interest revenue	231	-	231
Interest expense	(2,249)	(8,842)	(11,091)

Geographical segments

All of the Group's investment properties are used for retail purposes and are primarily located in China.

Major tenant

Revenue from one tenant of the Group represents approximately $33.3 million (2010: $34.5 million) of the Group's total revenue.

25. Commitments

(a) Capital commitments

	Group	
	2011	**2010**
	$'000	**$'000**
Payable:		
- contracted but not provided for	1,508	8

(b) The Group leases out its investment properties. Non-cancellable operating lease rentals are receivable as follows:

	Group	
	2011	**2010**
	$'000	**$'000**
Receivable:		
- within 1 year	110,299	115,926
- after 1 year but within 5 years	275,059	247,440
- after 5 years	457,811	397,391
	843,169	760,757

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

	Group	
	2011	**2010**
	$'000	**$'000**
Payable:		
- within 1 year	5,563	4,597
- after 1 year but within 5 years	22,318	19,079
- after 5 years	39,663	42,348
	67,544	66,024

26. Capital and financial risk management

Capital management

The Group's objectives when managing capital are to optimise Unitholders' value through the mix of available capital sources which include debt and equity instruments whilst complying with statutory and constitutional capital and distribution requirements, maintaining gearing and interest service coverage ratios 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 CIS Code stipulates that the total borrowings and deferred payments (together, the "Aggregate Leverage") of a property fund should not exceed 35.0% of its deposited property except that the Aggregate Leverage of a property fund may exceed 35.0% of its deposited property (up to a maximum of 60.0%) if a credit rating of the property fund from Fitch Inc., Moody's or Standard and Poor's is obtained and disclosed to the public. The Group's aggregate leverage limit did not exceed 35.0% during the year, and was 28.0% (2010: 31.1%) as at 31 December 2011. In computing the aggregate leverage gearing ratio, the Trust has considered the effect of hedging the net assets denominated in RMB.

There were no changes in the Group's approach to capital management during the financial year.

Financial risk management

Overview

The Group's returns are primarily from net operating income and capital appreciation of its assets. However, these returns are exposed to financial risks including credit, liquidity, interest rate and foreign currency risks.

Financial risk management is integral to the whole business of the Group. The Group adopts an integrated approach to manage the financial risks arising in the normal course of the Group's business. The Group has written risk management policies and guidelines, and established processes to monitor and manage significant exposures. Risk management policies and processes are reviewed regularly to reflect changes in market conditions and the Group's activities.

The Group adheres to standardised accounting and financial policies and exercises effective controls over the financial affairs of its subsidiaries. This is achieved by ensuring group-wide adherence to a comprehensive set of guidelines covering contracts, policies and procedures and other requirements. Adequate measures are in place to ensure that the reliability and integrity of financial information compiled from subsidiaries are kept intact.

Credit risk

While it is necessary to assume a certain level of tenant credit risks to remain competitive in China, the Group has established credit limits for tenants and monitors their balances on an ongoing basis. Risks associated with credit limits are reflected in the level of security deposits and bank guarantees placed as collateral in respect of the leases. Appropriate risk mitigating actions are in place to manage trade receivables.

The Group establishes an allowance for impairment that represents its estimate of incurred losses in respect of trade and other receivables. The main components of this allowance are a specific loss component that relates to individually significant exposures, and a collective loss component established for groups of similar assets in respect of losses that have been incurred but not yet identified. The collective loss allowance is determined based on historical data of payment statistics for similar financial assets.

The allowance account in respect of trade and other receivables is used to record impairment losses unless the Group is satisfied that no recovery of the amount owing is possible. At that point, the financial asset is considered irrecoverable and the amount charged to the allowance account is written off against the carrying amount of the impaired financial asset.

Cash and fixed deposits are placed with banks and financial institutions which are regulated.

Liquidity risk

The Group monitors its liquidity risk and maintains a level of cash and cash equivalents deemed adequate by management to finance the Group's operations and to mitigate the effects of fluctuations in cash flows. Typically the Group ensures that it has sufficient cash on demand to meet expected operational expenses for a reasonable period, including the servicing of financial obligations.

In addition, the Group maintains the following debt facilities:

- the RMB128.0 million three-year unsecured term loan facility
- the $88.0 million two-year trust term loan facility
- the $100.5 million three-year trust term loan facility
- the $50.0 million three-year trust term loan facility
- the $100.0 million four-year trust term loan facility
- the $151.0 million money market facilities
- the RMB275.0 million money market facility

As at 31 December 2011, the Group has fully drawn down its $338.5 million trust term loan facilities and $68.5 million of the money market facilities. The Group has also drawn down RMB128.0 million of the three-year unsecured term loan facility.

The Group also monitors and observes the Property Fund Appendix issued by MAS concerning limits on total borrowings.

Interest rate risk

The Manager adopts a proactive interest rate management policy to manage the risk associated with changes in interest rates on the Group's loan facilities while also seeking to ensure that the ongoing cost of debt remains competitive.

At 31 December 2011, the Group has interest rate swaps ("IRS") with notional contract amount of $285.5 million (2010: $285.5 million). The Group pays a fixed rate interest and receives a variable rate equal to the Swap Offer Rate ("SOR") on the notional contract amount. The Group classifies the IRS as cash flow hedges to hedge the exposure to changes in the variability of 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 2011, the Group has locked in approximately 70.5% (2010: 76.0%) of its borrowings at fixed rates.

Fair value sensitivity analysis for fixed rate instruments

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 2011 of $1.6 million (2010: $1.5 million), representing the effective portion of the cash flow hedge, has been recognised directly in the hedging reserve; $1.4 million (2010: nil), representing the ineffective portion of the cash flow hedge, has been recognised directly in the statement of total return.

A change of 100 basis point* ("bp") in interest rate on the IRS (accounted for as cash flow hedges) at the reporting date as at 31 December 2011 would increase/(decrease) 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 2010.

* *100 basis point is equivalent to 1 percentage point*

	Unitholders' funds	
	100 bp increase $'million	**100 bp decrease $'million**
Group and Trust		
2011		
Interest rate swaps	2.8	(2.8)
Cash flow sensitivity (net)	2.8	(2.8)
2010		
Interest rate swaps	0.1	(0.1)
Cash flow sensitivity (net)	0.1	(0.1)

Foreign currency risk

The Group is exposed to foreign currency risk on cash holdings and operating expenses that are denominated in a currency other than the respective functional currencies of the Group entities. The currency giving rise to this risk is primarily the United States dollar ("US dollar").

As the Trust intends to be a long term investor in China, the Manager has taken a view not to hedge the RMB equity exposure arising from its investments in China unless certain risks are specifically identified. The Manager's strategy is to achieve a natural hedge through local RMB financing and any non-RMB denominated loan will be hedged into RMB where possible, to protect the going concern of the Trust in the event of large currency fluctuation. However, the Manager will hedge the RMB cash flow from operations if it is determined with certainty that they are to be remitted back to Singapore for distribution purposes.

The Group's and Trust's exposures to foreign currency are as follows:

	US dollar	
	Group $'000	**Trust $'000**
2011		
Cash and cash equivalents	3,755	675
2010		
Cash and cash equivalents	699	511

Sensitivity analysis

A 10% strengthening of Singapore dollar against the US dollar at the reporting date would increase/(decrease) total return after tax by the amounts shown in the following page. This analysis assumes that all other variables, in particular interest rates, remain constant. The analysis is performed on the same basis for 2010.

	Statements of total return	
	Group	**Trust**
	$'million	**$'million**
2011		
US dollar	(0.4)	(0.1)
2010		
US dollar	(0.1)	*

* Less than $50,000.

A 10% weakening of Singapore dollar against the US dollar would have had the equal but opposite effect on the US dollar to the amounts shown above, on the basis that all other variables remain constant.

Hedge of net investment in foreign operation

The non-deliverable forwards ("NDF") of $263.0 million (2010: $218.0 million) are designated as hedges of the Group's net investment in certain subsidiaries in China.

The net change in fair value of the net investment hedge comprised the effective portion of $5.4 million (2010: $17.3 million) which was recognised in the foreign currency translation reserve.

Sensitivity analysis

For NDF (accounted for as net investment hedges), a change of 10% in foreign exchange rate at the reporting date would increase/(decrease) Unitholders' funds as at 31 December 2011 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 2010.

	Unitholders' funds	
	10% increase	**10% decrease**
	$'million	**$'million**
Group		
2011		
Non-deliverable forwards	18.8	(23.0)
2010		
Non-deliverable forwards	15.9	(19.4)

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 value of foreign exchange derivatives is based on their listed market price, if available. If a listed market price is not available, then fair value is estimated by discounting the difference between the contractual forward price and the current forward price for the residual maturity of the contract using a risk-free interest rate (based on government bonds).

The fair value of interest rate derivatives is based on broker 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.

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 with a maturity of less than one year (including trade and other receivables, cash and cash equivalents, trade and other payables and security deposits) are assumed to approximate their fair values because of the short period to maturity. All other financial assets and liabilities 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 2011 plus an adequate constant credit spread, and are as follows:

	2011 **% p.a.**	**2010** **% p.a.**
Financial derivatives	0.70 – 1.44	1.08 – 1.14
Interest-bearing borrowings	0.99 – 7.04	1.08 – 5.18

Fair value hierarchy

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
Group and Trust				
2011				
Interest rate swaps	-	(3,117)	-	(3,117)
Non-deliverable forwards	-	13,249	-	13,249
	-	10,132	-	10,132
2010				
Interest rate swaps	-	(56)	-	(56)
Non-deliverable forwards	-	7,834	-	7,834
	-	7,778	-	7,778

27. Subsequent event

Subsequent to the balance sheet date, the Manager declared a distribution of 4.42 cents per Unit to Unitholders in respect of the period from 30 June 2011 to 31 December 2011.

AUDITED FINANCIAL STATEMENTS OF CAPITARETAIL CHINA TRUST FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2010

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 2010 and has not been specifically prepared for inclusion in this Information Memorandum.

CapitaRetail China Trust
(Constituted in the Republic of Singapore pursuant to a trust deed dated 23 October 2006 (As amended))

Financial Statements
Year ended 31 December 2010

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 CapitaRetail China Trust (the "Trust") in trust for the Unitholders. In accordance with the Securities and Futures Act (Cap. 289), its subsidiary legislation and the Code on Collective Investment Schemes, the Trustee shall monitor the activities of CapitaRetail China Trust Management Limited (the "Manager") for compliance with the limitations imposed on the investment and borrowing powers as set out in the Trust Deed 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 FS53, 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

Antony Wade Lewis
Director

Singapore

24 February 2011

Statement by the Manager

In the opinion of the directors of CapitaRetail China Trust Management Limited (the "Manager"), the accompanying financial statements set out on pages FS1 to FS53 comprising the balance sheets, statements of total return, distribution statements and statements of movements in Unitholders' funds of the Group and of the Trust, the portfolio statement and cash flow statement of the Group and a summary of significant accounting policies and other explanatory notes, 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 2010, 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 Certified Public Accountants of Singapore 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,
CapitaRetail China Trust Management Limited

Tan Tee Hieong
Director

Singapore

24 February 2011

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Independent auditors' report

Unitholders of CapitaRetail China Trust
(Constituted under a Trust Deed in the Republic of Singapore)

We have audited the accompanying financial statements of CapitaRetail China Trust (the "Trust") and its subsidiaries (the "Group"), which comprise the balance sheets of the Trust and the Group and the portfolio statement of the Group as at 31 December 2010, the statements of total return, distribution statements and statements of movements in Unitholders' funds of the Trust and of the Group and the statement of cash flows of the Group for the year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages FS1 to FS53.

Manager's responsibility for the financial statements

The Manager of the Trust is responsible for the preparation and fair presentation of these financial statements in accordance with the recommendations of *Statement of Recommended Accounting Practice 7 "Reporting Framework for Unit Trusts" issued by the Institute of Certified Public Accountants of Singapore*, and for such internal control as the Manager of the Trust determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Singapore Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Manager of the Trust, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements of the Group and the balance sheet, statement of total return, distribution statement and statement of movements in Unitholders' funds of the Trust present fairly, in all material respects, the financial position of the Group and the Trust as at 31 December 2010 and the total return, distributable income, and movements in Unitholders' funds of the Group and of the Trust and the cash flows of the Group for the year then ended in accordance with the recommendations of *Statement of Recommended Accounting Practice 7 "Reporting Framework for Unit Trusts" issued by the Institute of Certified Public Accountants of Singapore*.

KPMG LLP

KPMG LLP
Public Accountants and
Certified Public Accountants

Singapore

24 February 2011

Balance sheets
As at 31 December 2010

	Note	Group 2010 $'000	Group 2009 $'000	Trust 2010 $'000	Trust 2009 $'000
Assets					
Investment properties	4	1,215,089	1,156,614	-	-
Plant and equipment	5	3,499	3,476	-	-
Interests in subsidiaries	6	-	-	834,390	866,680
Trade and other receivables	7	7,887	10,211	126	1,238
Financial derivatives	11	8,067	4,636	8,067	4,636
Cash and cash equivalents	8	39,936	26,043	776	229
		1,274,478	**1,200,980**	**843,359**	**872,783**
Less:					
Liabilities					
Trade and other payables	9	42,986	39,467	5,465	4,341
Security deposits		19,376	17,801	-	-
Interest-bearing borrowings	10	400,881	406,399	362,426	349,503
Financial derivatives	11	289	2,755	289	2,755
Deferred tax liabilities	12	55,671	33,573	-	-
Provision for taxation		2,623	5,783	39	199
		521,826	**505,778**	**368,219**	**356,798**
		752,652	**695,202**	**475,140**	**515,985**
Represented by:					
Unitholders' funds	13	734,507	679,868	475,140	515,985
Non-controlling interests		18,145	15,334	-	-
		752,652	**695,202**	**475,140**	**515,985**
Units in issue ('000)	14	**625,382**	**622,855**	**625,382**	**622,855**
Net asset value per unit attributable to Unitholders ($)		**1.17**	**1.09**	**0.76**	**0.83**

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

Statements of total return
Year ended 31 December 2010

	Note	Group 2010 $'000	Group 2009 $'000	Trust 2010 $'000	Trust 2009 $'000
Gross rental income		110,970	111,436	-	-
Other income		8,013	8,894	-	-
Gross revenue		**118,983**	**120,330**	**-**	**-**
Land rental		(4,540)	(4,623)	-	-
Property related tax		(8,247)	(8,766)	-	-
Business tax		(6,008)	(6,021)	-	-
Property management fees & reimbursables		(4,900)	(4,882)	-	-
Other property operating expenses	16	(18,062)	(18,954)	-	-
Total property operating expenses		**(41,757)**	**(43,246)**	**-**	**-**
Net property income		**77,226**	**77,084**	**-**	**-**
Manager's management fees	17	(6,131)	(6,169)	(6,131)	(6,169)
Trustee's fees		(233)	(234)	(233)	(234)
Other trust operating expenses	18	(706)	(1,592)	(231)	(578)
Foreign exchange gain/(loss) – realised		235	(759)	282	(723)
Finance income		231	262	29,665	22,852
Finance costs		(11,492)	(8,538)	(9,787)	(4,784)
Net finance (costs)/income	19	**(11,261)**	**(8,276)**	**19,878**	**18,068**
Total return before change in fair value of financial derivatives, investment properties and unrealised foreign exchange gain/(loss)		**59,130**	**60,054**	**13,565**	**10,364**
Change in fair value of financial derivatives	20	-	-	17,267	10
Change in fair value of cash flow hedge transferred to the statement of total return from hedging reserve		(180)	-	(180)	-
Change in fair value of investment properties	4	84,155	1,579	-	-
Foreign exchange gain/(loss) - unrealised		1,419	(172)	(24,663)	(47,053)
Total return/(loss) for the year before taxation		**144,524**	**61,461**	**5,989**	**(36,679)**
Taxation	21	(32,557)	(18,012)	-	-
Total return/(loss) for the year after taxation		**111,967**	**43,449**	**5,989**	**(36,679)**
Non-controlling interests		(645)	(745)	-	-
Total return/(loss) for the year attributable to Unitholders		**111,322**	**42,704**	**5,989**	**(36,679)**
Earnings per unit (cents)	22				
- Basic		17.84	6.88		
- Diluted		17.84	6.88		

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

Distribution statements
Year ended 31 December 2010

	Note	Group 2010 $'000	Group 2009 $'000	Trust 2010 $'000	Trust 2009 $'000
Amount available for distribution to Unitholders at beginning of the year		**25,341**	**26,565**	**25,341**	**26,565**
Total return/(loss) for the year attributable to Unitholders		111,322	42,704	5,989	(36,679)
Distribution adjustments	A	(59,122)	7,926	46,211	87,309
Income for the year for distribution to Unitholders	B	52,200	50,630	52,200	50,630
Amount available for distribution to Unitholders		**77,541**	**77,195**	**77,541**	**77,195**
Distributions to Unitholders during the year:					
- Distribution of 4.06 cents per unit for the period from 1 July 2009 to 31 December 2009		(25,288)	-	(25,288)	-
- Distribution of 4.21 cents per unit for the period from 1 January 2010 to 30 June 2010		(26,276)	-	(26,276)	-
- Distribution of 4.28 cents per unit for the period from 1 July 2008 to 31 December 2008		-	(26,495)	-	(26,495)
- Distribution of 4.08 cents per unit for the period from 1 January 2009 to 30 June 2009		-	(25,359)	-	(25,359)
		(51,564)	(51,854)	(51,564)	(51,854)
Amount available for distribution to Unitholders at end of the year		**25,977**	**25,341**	**25,977**	**25,341**

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

Note A – Distribution adjustments

	Note	Group 2010 $'000	Group 2009 $'000	Trust 2010 $'000	Trust 2009 $'000
Distribution adjustment items:					
- Manager's management fees (performance component paid and payable in units)		3,089	3,084	3,089	3,084
- Change in fair value of financial derivatives		-	-	(17,267)	(10)
- Change in fair value of investment properties		(84,155)	(1,579)	-	-
- Deferred taxation		24,091	7,169	-	-
- Transfer to general reserve		(1,530)	(1,410)	-	-
- Unrealised foreign exchange (gain)/loss		(1,419)	172	24,663	47,053
- Amount retained from distribution		-	(550)	-	-
- Other adjustments		802	1,040	180	-
- Net overseas income not distributed to the Trust		-	-	35,546	37,182
Net effect of distribution adjustments		**(59,122)**	**7,926**	**46,211**	**87,309**

Note B – Income for the year for distribution to Unitholders

	Note	Group 2010 $'000	Group 2009 $'000	Trust 2010 $'000	Trust 2009 $'000
Comprises:					
- from operations		16,654	13,448	16,654	13,448
- from Unitholders' contribution		35,546	37,182	35,546	37,182
Total Unitholders' distribution	15	**52,200**	**50,630**	**52,200**	**50,630**

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

Statements of movements in Unitholders' funds
Year ended 31 December 2010

	Group		Trust	
	2010	**2009**	**2010**	**2009**
	$'000	**$'000**	**$'000**	**$'000**
Operations				
Unitholders' funds as at beginning of the year	679,868	772,564	515,985	602,275
Change in Unitholders' funds resulting from operations	111,322	42,704	5,989	(36,679)
Transfer to general reserve	(1,530)	(1,410)	-	-
Net increase/(decrease) in net assets resulting from operations	**109,792**	**41,294**	**5,989**	**(36,679)**
Movements in hedging reserve				
Effective portion of change in fair value of cash flow hedges	1,461	(841)	1,461	(841)
Change in fair value of cash flow hedge transferred to the statements of total return	180	-	180	-
Movements in foreign currency translation reserve				
Translation differences from financial statements of foreign operations	(8,348)	(34,544)	-	-
Exchange differences on monetary items forming part of net investment in foreign operations	(18,768)	(51,255)	-	-
Exchange differences on hedge of net investment in foreign operations	17,267	10	-	-
Net (loss)/gain recognised directly in Unitholders' funds	**(8,208)**	**(86,630)**	**1,641**	**(841)**
Movement in general reserve	**1,530**	**1,410**	**-**	**-**
Unitholders' transactions				
Creation of units paid/payable to the Manager				
- Units issued and to be issued as satisfaction of the portion of Manager's management fees payable in units	3,089	3,084	3,089	3,084
Distributions to Unitholders	(51,564)	(51,854)	(51,564)	(51,854)
Net decrease in net assets resulting from Unitholders' transactions	**(48,475)**	**(48,770)**	**(48,475)**	**(48,770)**
Unitholders' funds as at end of year	**734,507**	**679,868**	**475,140**	**515,985**

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

Portfolio statement
As at 31 December 2010

Group

Description of leasehold property	Location	Term of lease (years)	Lease expiry	Valuation 2010[3] RMB'000	Valuation 2009 RMB'000	Valuation 2010 $'000	Valuation 2009 $'000	Percentage of Unitholders' funds 2010 %	Percentage of Unitholders' funds 2009 %
Xizhimen Mall [1]	No. 1 Xizhimenwai Avenue, Xicheng District, Beijing	40-50	August 2044/2054	2,070,000	1,908,000	410,315	387,705	55.9	57.0
Wangjing Mall	No. 33 Guangshun North Street, Blk 213 & 215, Chaoyang District, Beijing	38 – 48	May 2043/2053	1,362,000	1,239,000	269,976	251,765	36.8	37.0
Anzhen Mall	Section 5 No. 4 of Anzhen Xi Li, Chaoyang District, Beijing	29 – 37	October 2034/March and June 2042	856,000	828,000	169,676	168,250	23.1	24.8
Zhengzhou Mall	No. 3 Minzhu Road, Erqi District, Zhengzhou, Henan Province	38	May 2042	539,000	511,000	106,841	103,835	14.5	15.3
Jiulong Mall	No. 31 Guangqu Road, Chaoyang District, Beijing	40	July 2042	485,000	449,000	96,137	91,237	13.1	13.4
Qibao Mall [2]	No. 3655 Qi Xin Road, Minhang District, Shanghai	39	March 2043	345,000	328,000	68,386	66,650	9.3	9.8
Saihan Mall	No. 32 Ordos Street, Saihan District, Huhhot, Inner Mongolia Autonomous Region	35	March 2041	304,000	288,000	60,259	58,521	8.2	8.6
Balance carried forward				5,961,000	5,551,000	1,181,590	1,127,963	160.9	165.9

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

Portfolio statement
As at 31 December 2010

Group

Description of leasehold property	Location	Term of lease (years)	Lease expiry	Valuation 2010[3] RMB'000	Valuation 2009 RMB'000	Valuation 2010 $'000	Valuation 2009 $'000	Percentage of Unitholders' funds 2010 %	Percentage of Unitholders' funds 2009 %
Balance brought forward				5,961,000	5,551,000	1,181,590	1,127,963	160.9	165.9
Xinwu Mall	No. 37 Zhongshan North Road, Jinghu District, Wuhu, Anhui Province	40	May 2044	169,000	141,000	33,499	28,651	4.6	4.2
Investment properties, at valuation				6,130,000	5,692,000	1,215,089	1,156,614	165.5	170.1
Other assets and liabilities (net)						(462,437)	(461,412)	(63.0)	(67.9)
						752,652	695,202	102.5	102.2
Net assets attributable to non-controlling interests						(18,145)	(15,334)	(2.5)	(2.2)
Net assets attributable to Unitholders						734,507	679,868	100.0	100.0

Notes:

(1) The Group obtained the full property titles in 2010.

(2) Qibao Mall 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 Qibao Mall 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.

(3) On 31 December 2010, independent valuations of Wangjing Mall, Qibao Mall, Saihan Mall and Xinwu Mall were undertaken by CB Richard Ellis (Pte) Ltd while valuations for the other properties were undertaken by Knight Frank Petty Limited. The Manager of the Trust believes that the independent valuers have appropriate professional qualification and recent experience in the location and category of the properties being valued. The valuations were based on capitalisation and discounted cash flow approaches.

The valuations adopted amounted to RMB6,130 million (2009: RMB5,692 million). The net change in fair values of the properties has been taken to the Group's statement of total return. These are commercial properties leased to external tenants to earn rental income.

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

Consolidated statement of cash flows
Year ended 31 December 2010

	Note	Group 2010 $'000	Group 2009 $'000
Cash flows from operating activities			
Total return for the year after taxation		111,967	43,449
Adjustments for:			
Net finance costs		11,261	8,276
Depreciation and amortisation		1,144	1,023
(Write back)/impairment losses on trade receivables, net		(111)	1,481
Taxation		32,557	18,012
Manager's management fee paid and payable in units	A(i)	3,089	3,084
Plant and equipment written off		105	17
Change in fair value of cash flow hedge transferred to the statement of total return from hedging reserve		180	-
Change in fair value of investment properties		(84,155)	(1,579)
Operating income before working capital changes		**76,037**	**73,763**
Changes in working capital:			
Trade and other receivables		(18,484)	663
Trade and other payables		22,428	(10,320)
Cash generated from operating activities		**79,981**	**64,106**
Income tax paid		(7,428)	(4,989)
Net cash from operating activities		**72,553**	**59,117**
Cash flows used in investing activities			
Interest received		231	262
Net cash outflows on purchase of investment property	A(ii)	(618)	(8,558)
Capital expenditure on investment properties	A(iii)	(4,773)	(7,122)
Purchase of plant and equipment		(1,151)	(899)
Net cash used in investing activities		**(6,311)**	**(16,317)**
Cash flows from financing activities			
Distributions to Unitholders		(51,564)	(51,854)
Payment of issue and financing expenses		(400)	(802)
Proceeds from draw down of interest-bearing borrowings		365,250	22,067
Repayment of interest-bearing borrowings		(367,942)	(25,189)
Settlement of derivative contracts		12,831	-
Interest paid		(9,883)	(8,719)
Net cash used in financing activities		**(51,708)**	**(64,497)**
Increase/(decrease) in cash and cash equivalents		**14,534**	**(21,697)**
Cash and cash equivalents at 1 January		26,043	51,310
Effect of foreign exchange rate changes on cash balances		(641)	(3,570)
Cash and cash equivalents at 31 December	8	**39,936**	**26,043**

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

Notes:

(A) Significant non-cash and other transactions

(i) $2.3 million (2009: $2.3 million) of the $3.1 million (2009: $3.1 million) of performance component of the Manager's management fee was paid during the year through the issue of 1,897,439 Units (2009: 2,376,710 Units). The remaining $0.8 million (2009: $0.8 million) will be paid through the issue of 616,768 new Units (2009: 629,780 new Units) subsequent to the year end.

(ii) The Group incurred $36.1 million to purchase investment property in 2008, of which $0.6 million and $8.6 million were paid in 2010 and 2009 respectively.

(iii) The Group incurred $1.5 million (2009: $3.7 million) during the year to enhance its investment properties, of which $1.3 million (2009: $2.0 million) has been paid. During the year, the Group paid $3.5 million of the unpaid prior years balance.

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

Notes to the financial statements

These notes form an integral part of the financial statements.

The financial statements were authorised for issue by the Manager and the Trustee on 24 February 2011.

1. General

CapitaRetail China Trust (the "Trust") is a Singapore-domiciled unit trust constituted pursuant to the trust deed dated 23 October 2006 as amended by the First Supplemental Deed dated 8 November 2006 (collectively the "Trust Deed") between CapitaRetail 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 (collectively the "Group") in trust for the holders ("Unitholders") of units in the Trust (the "Units").

The Trust was formally admitted to the Official List of the Singapore Exchange Securities Trading Limited (the "SGX-ST") on 8 December 2006 (the "Listing Date") and was included under the Central Provident Fund ("CPF") Investment Scheme on 8 December 2006.

The principal activities of the Trust are those relating to investment in a diversified portfolio of income-producing properties located primarily in the People's Republic of China ("China"), Hong Kong and Macau and used primarily for retail purposes.

The principal activities of the subsidiaries are those of investment holding of properties located in China and used for retail purposes.

The Group has entered into several service agreements in relation to the management of the Trust and its property operations. The fee structures for these services are as follows:

(a) Trustee's fees

Pursuant to 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 GST.

(b) Manager's management fees

The Manager is entitled under 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 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).

(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 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 CapitaRetail China Development Fund I and II, CapitaRetail China Incubator Fund or CapitaMalls Asia Limited shall be 1.0% of the purchase price paid by the Trust.

No acquisition fee was payable for the acquisition of the initial property portfolio of the Trust.

The acquisition fee is payable to the Manager in the form of cash and/or units (as the Manager may elect) at the prevailing market price provided that in respect of any acquisition of real estate assets from interested parties, such a fee should, if required by the applicable laws, rules and/or regulations, be in the form of units issued by the Trust at prevailing market price(s) and subject to such transfer restrictions as may be imposed.

Any payment to third party agents or brokers in connection with the acquisition of any authorised investments for the Trust shall be paid by the Manager to such persons out of the deposited property of the Trust or the assets of the relevant special purpose vehicle, and not out of the acquisition fee received or to be received by the Manager.

(e) Divestment fee

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 Statement of Recommended Accounting Practice (RAP) 7 "Reporting Framework for Unit Trusts" issued by the Institute of Certified Public Accountants of Singapore, and 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 in the balance sheet:

- derivative financial instruments are measured at fair value
- investment properties are measured at fair value.

(c) Functional and presentation currency

Items included in the financial statements of each entity in the Group are measured using the currency that best reflects the economic substance of the underlying events and circumstances relevant to that entity (the "functional currency"). The consolidated financial statements of the Group are presented in Singapore dollars, which is the functional currency of the Trust. All financial information presented in Singapore dollars has been rounded to the nearest thousand, unless otherwise stated.

(d) Use of estimates and judgements

The preparation of financial statements in conformity with RAP 7 requires the Manager to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying amounts of assets and liabilities that are not readily apparent from other sources.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and any future periods affected.

Significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amount recognised in the financial statements are described in the following notes:

- Note 4 – Valuation of investment properties
- Note 28 – Valuation of financial instruments.

3. Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements, and have been applied consistently by Group entities.

(a) Basis of consolidation

(i) Subsidiaries

Subsidiaries are companies controlled by the Trust. Control exists when the Trust has the power, directly or indirectly, to govern the financial and operating policies of a company so as to obtain benefits from its activities. In assessing control, potential voting rights presently exercisable are taken into account. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

The Group's acquisition of subsidiaries are primarily accounted for as acquisitions of assets as the subsidiaries are special purpose vehicles established for the sole purpose of holding assets.

(ii) Loss of control

Upon the loss of control, the Trust derecognises the assets and liabilities of the subsidiary, any non-controlling interests and the other components of equity related to the subsidiary. Any surplus or deficit arising on the loss of control is recognised in the statement of total return.

(iii) Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income or expenses arising from intragroup transactions, are eliminated in preparing the consolidated financial statements. Unrealised gains arising from transactions with equity accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

(iv) Accounting for subsidiaries by the Trust

Investments in subsidiaries are stated in the Trust's balance sheet at cost less accumulated impairment losses.

(b) Foreign currency

(i) Foreign currency transactions

Transactions in foreign currencies are translated at the foreign exchange rates ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated at the foreign exchange rates ruling at that date. Non-monetary assets and liabilities measured at cost in a foreign currency are translated using foreign exchange rates at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated at the foreign exchange rates ruling at the date on which the fair value was determined.

Foreign currency differences arising on retranslation are recognised in the statement of total return, except for differences arising on the retranslation of monetary items that in substance form part of the Group's net investment in a foreign operation (see below) and financial derivatives designated as hedges of the net investment in a foreign operation (see Note 3(c)(iii)).

(ii) Foreign operations

The assets and liabilities of foreign operations are translated to Singapore dollars at exchange rates at the reporting date. The income and expenses of foreign operations are translated to Singapore dollars at exchange rates at the dates of the transactions. Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the exchange rate at the reporting date.

Foreign currency differences are recognised in the foreign currency translation reserve. When a foreign operation is disposed of, in part or in full, the relevant amount is transferred to the statement of total return.

(iii) Net investment in a foreign operation

Exchange differences arising from monetary items that in substance form part of the Trust's net investment in a foreign operation are recognised in the Trust's statement of total return. Such exchange differences are reclassified to foreign currency translation reserve in the consolidated financial statements. When the hedged net investment is disposed of, the cumulative amount in the foreign currency translation reserve is transferred to the statement of total return as an adjustment to the gain or loss arising on disposal.

(c) Financial instruments

(i) Non-derivative financial assets

The Group initially recognises loans and receivables and deposits on the date that they are originated. All other financial assets are recognised initially on the trade date at which the Group becomes a party to the contractual provisions of the instrument.

The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in transferred financial assets that is created or retained by the Group is recognised as a separate asset or liability.

Financial assets and liabilities are offset and the net amount presented in the balance sheet when, and only when, the Group has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

The Group has loans and receivables as its non-derivative financial assets.

Loans and receivables

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

Loans and receivables comprise trade and other receivables and exclude prepayments.

Cash and cash equivalents comprise cash balances and bank deposits.

(ii) Non-derivative financial liabilities

Financial liabilities are recognised initially on the trade date at which the Group becomes a party to the contractual provisions of the instrument.

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled or expired.

Financial assets and liabilities are offset and the net amount presented in the balance sheet when, and only when, the Group has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

The Group has the following non-derivative financial liabilities: loans and borrowings and trade and other payables.

Such financial liabilities are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, these financial liabilities are measured at amortised cost using the effective interest method.

(iii) Derivative financial instruments, including hedge accounting

The Group holds derivative financial instruments to hedge its foreign currency and interest rate risk exposures. Embedded derivatives are separated from the host contract and accounted for separately if the economic characteristics and risks of the host contract and the embedded derivative are not closely related, a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative, and the combined instrument is not measured at fair value through the statement of total return.

On initial designation of the hedge, the Group formally documents the relationship between the hedging instrument(s) and hedged item(s), including the risk management objectives and strategy in undertaking the hedge transaction and the hedged risk, together with the methods that will be used to assess the effectiveness of the hedging relationship. The Group makes an assessment, both at the inception of the hedge relationship as well as on an ongoing basis, of whether the hedging instruments are expected to be "highly effective" in offsetting the changes in the fair value or cash flows of the respective hedged items attributable to the hedged risk, and whether the actual results of each hedge are within a range of 80%-125%. For a cash flow hedge of a forecast transaction, the transaction should be highly probable to occur and should present an exposure to variations in cash flows that could ultimately affect the statement of total return.

Derivatives are recognised initially at fair value; attributable transaction costs are recognised in the statement of total return when incurred. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are accounted for as described below.

Cash flow hedges

When a derivative is designated as the hedging instrument in a hedge of the variability in cash flows attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction that could affect total return, the effective portion of changes in the fair value of the derivative is recognised and presented in the hedging reserve in Unitholders' fund. The amount recognised in the hedging reserve is removed and included in the statement of total return in the same period as the hedged cash flows affect the statement of total return under the same line item in the statement of total return as the hedged item. Any ineffective portion of changes in the fair value of the derivative is recognised immediately in the statement of total return.

If the hedging instrument no longer meets the criteria for hedge accounting, expires or is sold, terminated or exercised, or the designation is revoked, then hedge accounting is discontinued prospectively. The cumulative gain or loss previously recognised and presented in the hedging reserve in Unitholders' fund remains there until the forecast transaction occurs. When the hedged item is a non-financial asset, the amount recognised in the hedging reserve is transferred to the carrying amount of the asset when it is recognised. If the forecast transaction is no longer expected to occur, then the balance in the hedging reserve is recognised immediately in the statement of total return. In other cases, the amount recognised in the hedging reserve is transferred to the statement of total return in the same period that the hedged item affects the statement of total return.

Hedge of net investment in foreign operation

Foreign currency differences arising on the retranslation of a financial liability designated as a hedge of a net investment in a foreign operation are recognised in the Trust's statement of total return. On consolidation, such differences are recognised directly, as part of foreign currency translation reserve, to the extent that the hedge is effective. To the extent that the hedge is ineffective, such differences are recognised in the statement of total return. When the hedged net investment is disposed of, the cumulative amount in the foreign currency translation reserve attributable to that investment is transferred to the statement of total return as an adjustment to the gain or loss on disposal.

(d) Investment properties

Investment properties are properties held either to earn rental income or capital appreciation or both. Investment properties are accounted for as non-current assets and are stated at initial cost on acquisition and at fair value thereafter. The cost of a purchased property comprises its purchase price and any directly attributable expenditure. Transaction cost shall be included in the initial measurements. 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.

When an investment property is disposed of, the resulting gain or loss recognised in the statement of total return is the difference between the net disposal proceeds and the carrying amount of the property.

Investment properties are not depreciated. The properties are subject to continued maintenance and regularly revalued on the basis set out above.

(e) Plant and equipment

(i) Recognition and measurement

Plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the asset.

When parts of an item of plant and equipment have different useful lives, they are accounted for as separate items (major components) of plant and equipment.

Gains or losses arising from the retirement or disposal of plant and equipment are determined as the difference between the estimated net disposal proceeds and the carrying amount of the asset and are recognised in the statement of total return on the date of retirement or disposal.

(ii) Subsequent costs

The cost of replacing part of an item of plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group and its cost can be measured reliably. The cost of the day-to-day servicing of plant and equipment are recognised in the statement of total return as incurred.

(iii) Depreciation

Depreciation is provided on a straight-line basis so as to write off items of plant and equipment, and major components that are accounted for separately, over their estimated useful lives as follows:

Furniture, fittings and plant and equipment	-	3 to 5 years
Computers	-	3 to 5 years

Depreciation methods, useful lives and residual values are reviewed, and adjusted as appropriate, at each reporting date.

(f) Impairment

(i) Financial assets (including receivables)

A financial asset not carried at fair value through the statement of total return is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

Objective evidence that financial assets are impaired can include default or delinquency by a debtor, restructuring of an amount due to the Group on terms that the Group would not consider otherwise, indications that a debtor will enter bankruptcy.

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

In assessing collective impairment, the Group uses historical trends of the probability of default, timing of recoveries and the amount of loss incurred, adjusted for management's judgement as to whether current economic and credit conditions are such that the actual losses are likely to be greater or less than suggested by historical trends.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Losses are recognised in the statement of total return and reflected in an allowance account against receivables. Interest on the impaired asset continues to be recognised through the unwinding of the discount. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through the statement of total return.

(ii) Non-financial assets

The carrying amounts of the Group's non-financial assets, other than investment properties, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

The recoverable amount of an asset or cash-generating unit 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. 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 groups of assets (the "cash-generating unit", or "CGU").

An impairment loss is recognised if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognised in the statement of total return. Impairment losses recognised in respect of the CGU are allocated first to reduce the carrying amount of any goodwill allocated to the units, and then to reduce the carrying amounts of the other assets in the unit (group of units) on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

(g) Unitholders' funds

Unitholders' funds represent the residual interests in the Group's net assets upon termination and are classified as equity.

Expenses incurred in connection with the issuance of units in the Trust are deducted directly against the Unitholders' funds.

(h) Employee benefits

(i) Defined contribution plans

Obligations for contributions to defined contribution pension plans are recognised as an expense in the statement of total return as incurred.

(ii) Short-term benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided.

A provision is recognised for the amount expected to be paid under short-term cash bonus or profits sharing plans 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 IRAS to be trading gains.

(j) Revenue recognition

Rental income

Rental income receivable under operating leases is recognised on a straight-line basis over the term of the lease, except where an alternative basis is more representative of the pattern of benefits to be derived from the leased assets. Lease incentives granted are recognised as an integral part of the total rental to be received. Contingent rentals, which include gross turnover rental, are recognised as income in the accounting period on a receipt basis. No contingent rental is recognised if there are uncertainties due to the possible return of the amounts received.

(k) 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.

(l) 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 are recognised in the statement of total return, using the effective interest method over the period of the borrowings.

(m) Taxation

Taxation on the returns for the year comprises current and deferred tax. Income tax is recognised in the statement of total return except to the extent that it relates to items directly related to the Unitholders' fund, in which case it is recognised in the 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 balance sheet date.

Deferred tax is recognised using the balance sheet method, providing for 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 the following temporary differences: 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 differences relating to investments in subsidiaries to the extent that it is probable that they will not reverse in the foreseeable future. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the unused tax losses and credits can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefits will be realised.

Except for the tax exemption as described below, income earned by the Trust will be subject to Singapore income tax at the trustee 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:

(a) dividends; and

(b) interest on shareholders' loans,

payable by its subsidiaries in Barbados 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.

(n) 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.

(o) Segment reporting

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision-Makers ("CODMs"). The CODMs has been identified as the Chief Executive Officer ("CEO") and Head of Finance.

(p) New standards and interpretations not yet adopted

New standards, amendments to standards and interpretations that are not yet effective for the year ended 31 December 2010 have not been applied in preparing these financial statements. The initial application of these standards (and its consequential amendments) and interpretations is not expected to have material impact on the Group's financial statements. The Group has not considered the impact of accounting standards issued after the balance sheet date.

4. Investment properties

	Group 2010 $'000	Group 2009 $'000
At beginning of year	1,156,614	1,253,790
Expenditure capitalised	1,514	3,710
	1,158,128	1,257,500
Changes in fair value	84,155	1,579
Translation difference	(27,194)	(102,465)
At the end of year	1,215,089	1,156,614

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 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 direct comparison method, capitalisation approach and/or discounted cash flows in arriving at the open market value as at the balance sheet date.

The direct comparison method involves the analysis of comparable sales of similar properties and adjusting the sale prices to that reflective of the investment properties. The capitalisation approach capitalises an income stream into a present value using revenue multipliers or single-year capitalisation rates. The discounted cash flow method involves the estimation and projection of an income stream over a period and discounting the income stream with an internal rate of return to arrive at the market value.

An investment property of the Group with carrying value of RMB856.0 million ($169.7 million) (2009: RMB828.0 million ($168.3 million)), is pledged as security to a bank for banking facility to a subsidiary.

5. Plant and equipment

Group	Furniture, fittings and plant and equipment $'000	Computers $'000	Total $'000
Cost			
At 1 January 2009	1,077	3,864	4,941
Additions	430	563	993
Written off	-	(40)	(40)
Translation difference on consolidation	(88)	(340)	(428)
At 31 December 2009	1,419	4,047	5,466
Additions	908	385	1,293
Written off	(155)	(109)	(264)
Translation difference on consolidation	(41)	(87)	(128)
At 31 December 2010	2,131	4,236	6,367
Less: Accumulated depreciation			
At 1 January 2009	153	1,036	1,189
Charge for the year	216	747	963
Written off	-	(23)	(23)
Translation difference on consolidation	(23)	(116)	(139)
At 31 December 2009	346	1,644	1,990
Charge for the year	606	479	1,085
Written off	(81)	(78)	(159)
Translation difference on consolidation	(16)	(32)	(48)
At 31 December 2010	855	2,013	2,868
Carrying amount			
At 1 January 2009	924	2,828	3,752
At 31 December 2009	1,073	2,403	3,476
At 1 January 2010	1,073	2,403	3,476
At 31 December 2010	1,276	2,223	3,499

6. Interests in subsidiaries

	Trust 2010 $'000	Trust 2009 $'000
(a) Unquoted equity, at cost	328,463	327,132
(b) Loans to subsidiaries	332,144	348,498
Non-trade amounts due from subsidiaries	173,783	191,050
	505,927	539,548
	834,390	866,680

(a) Details of the subsidiaries are as follows:

Name of subsidiaries	Principal activities	Place of incorporation/ business	Effective equity held by the Group 2010 %	Effective equity held by the Group 2009 %
(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
(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 2010 %	2009 %
(ii)	**Indirect subsidiaries (cont'd)**				
	Subsidiaries of CapitaRetail China Investments (B) Alpha Pte. Ltd.				
*	CapitaRetail Beijing Anzhen Real Estate Co., Ltd.	Property investment	China	100	100
*	CapitaRetail Dragon Mall (Shanghai) Co., Ltd.	Property investment	China	100	100
*	CapitaRetail Beijing Shuangjing Real Estate Co., Ltd.	Property investment	China	100	100
*	CapitaRetail Henan Zhongzhou Real Estate Co., Ltd.	Property investment	China	100	100
*	Huaxin Saihan Huhhot Real Estate Co., Ltd.	Property investment	China	100	100
	Subsidiary of CapitaRetail China Investments (B) Beta Pte. Ltd.				
*	CapitaRetail Beijing Xizhimen Real Estate Co., Ltd.	Property investment	China	100	100
	Subsidiary of CapitaRetail China Investments (B) Gamma Pte. Ltd.				
*	CapitaMalls Wuhu Commercial Property Co., Ltd.	Property investment	China	51	51

Name of subsidiaries	Principal activities	Place of incorporation/ business	Effective equity held by the Group 2010 %	2009 %
(ii) Indirect subsidiaries				
Subsidiaries of CapitaRetail China Investments (BVI) Alpha Limited				
* CapitaRetail China Investments V1 (HK) Limited	Investment holding	Hong Kong	100	100
* CapitaRetail China Investments V2 (HK) Limited	Investment holding	Hong Kong	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.

(b) The loans and non-trade amounts due from subsidiaries are unsecured and settlement is neither planned nor likely to occur in the foreseeable future. As the amounts are, in substance, a part of the Trust's net investments in the subsidiaries, they are stated at cost. The loans to subsidiaries bear interest fixed at 7.5%.

7. Trade and other receivables

	Group 2010 $'000	Group 2009 $'000	Trust 2010 $'000	Trust 2009 $'000
Trade receivables	1,974	5,130	-	-
Impairment losses	(546)	(955)	-	-
	1,428	4,175	-	-
Other receivables	3,184	4,380	121	1,238
Deposits	1,105	1,135	-	-
Loans and receivables	5,717	9,690	121	1,238
Prepayments	2,170	521	5	-
	7,887	10,211	126	1,238

Concentration of credit risk relating to trade receivables is limited due to the Group's many varied tenants located in several states in China and the credit policy of obtaining security deposits from tenants for leasing 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 receivables at the reporting date (by geographical area in China) was:

	Group 2010 $'000	Group 2009 $'000
Inner Mongolia	23	1,275
Beijing	851	2,078
Shanghai	373	554
Others	181	268
	1,428	4,175

Impairment losses

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

	Gross 2010 $'000	Gross 2009 $'000	Impairment 2010 $'000	Impairment 2009 $'000
Group				
Not past due	5,185	7,083	1	-
Past due 31 – 60 days	325	895	12	-
Past due 61 – 90 days	33	625	-	-
Past due 91 – 120 days	173	199	103	2
More than 120 days past due	547	1,843	430	953
	6,263	10,645	546	955
Trust				
Not past due	126	1,238	-	-

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

	Note	Group 2010 $'000	Group 2009 $'000
At 1 January		955	344
(Write back)/allowance made, net	16	(111)	1,481
Allowance utilised		(274)	(772)
Exchange translation		(24)	(98)
At 31 December		546	955

The Group's historical experience in the collection of accounts receivable falls within the recorded allowances. The Manager believes that no additional credit risk beyond the amounts provided for collection losses is inherent in the Group's trade receivables, based on historical payment behaviours and the security deposits held.

The majority of the trade receivables are mainly from tenants that have good credit records with the Group. The allowance account in respect of trade receivables is used to record impairment losses unless the Group is satisfied that no recovery of the amount owing is possible; at that point the amounts are considered irrecoverable and are written off against the financial asset directly. During the year ended 31 December 2010, the Group collected $0.4 million of its impaired trade receivables (2009: $Nil).

8. Cash and cash equivalents

	Group		Trust	
	2010	**2009**	**2010**	**2009**
	$'000	**$'000**	**$'000**	**$'000**
Cash at banks and in hand	25,851	19,973	776	229
Fixed deposits with financial institutions	14,085	6,070	-	-
	39,936	26,043	776	229

The weighted average effective interest rates per annum relating to cash and cash equivalents at the balance sheet date for the Group and the Trust are 0.87% and nil (2009: 0.95% and 0.05%) respectively. Interest rates reprice at intervals ranging from daily to every three months.

9. Trade and other payables

	Group		Trust	
	2010	**2009**	**2010**	**2009**
	$'000	**$'000**	**$'000**	**$'000**
Trade payables and accrued operating expenses	8,550	10,696	3,355	2,676
Accrued development expenditure	12,581	16,719	-	-
Amounts due to related parties (trade)	825	1,110	791	745
Security deposits and advances	16,293	7,640	-	-
Interest payable	1,679	1,059	1,319	920
Other payables	3,058	2,243	-	-
	42,986	39,467	5,465	4,341

Included in trade payables and accrued operating expenses are amounts due to the Property Managers and the Trustee of $0.5 million (2009: $1.3 million) and $0.1 million (2009: $0.1 million) respectively. Included in amounts due to related parties is an amount due to the Manager of $0.8 million (2009: $0.8 million).

10. Interest-bearing borrowings

		Group		Trust	
	Note	**2010**	**2009**	**2010**	**2009**
		$'000	**$'000**	**$'000**	**$'000**
Unsecured term loans	(a)	338,503	288,503	338,503	288,503
Secured term loan	(b)	38,455	56,896	-	-
Money market facility		25,000	61,000	25,000	61,000
Less: Unamortised transactions costs		(1,077)	-	(1,077)	-
		400,881	406,399	362,426	349,503

(a) Unsecured term loans comprise $100.5 million, $100.0 million, $88.0 million and $50.0 million fixed/floating rate trust term loan facilities (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, except for Anzhen Mall;

(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 property 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;

(iii) not to provide any guarantee for any other entities except for secured borrowings for new investment properties acquired with existing mortgages; and

(iv) refinancing for Anzhen Mall has to be on unsecured basis.

The Trust Term Loan Facilities will be repayable in full at maturity, although the Trust has the option to make early prepayments.

(b) The RMB term loan is secured by a legal mortgage over Anzhen Mall, bears interest referenced against the People's Bank of China base lending rate and reprices on a semi-annual basis.

The loan is repayable in full at maturity on 30 June 2011. However, the subsidiary has the option to make early prepayments.

Terms and debt repayment schedule

Terms and conditions of the outstanding loans and borrowings are as follows:

	Nominal interest rate per annum %	Year of maturity	Face value $'000	Carrying amount $'000
2010				
Group				
S$ unsecured floating rate money market facility	1.08 – 1.28	2011	25,000	25,000
RMB secured term loan	5.04 – 5.18	2011	38,455	38,455
S$ unsecured floating rate loan	1.72 – 2.46	2012	88,000	87,571
S$ unsecured floating rate loans	1.38 – 1.68	2013	150,503	150,247
S$ unsecured fixed/floating rate loan	1.46 – 2.66	2014	100,000	99,608
			401,958	400,881
Trust				
S$ unsecured floating rate money market facility	1.08 – 1.28	2011	25,000	25,000
S$ unsecured floating rate loan	1.72 – 2.46	2012	88,000	87,571
S$ unsecured floating rate loans	1.38 – 1.68	2013	150,503	150,247
S$ unsecured fixed/floating rate loan	1.46 – 2.66	2014	100,000	99,608
			363,503	362,426
2009				
Group				
S$ unsecured floating rate trust term loan facility	1.72 – 2.89	2010	288,503	288,503
RMB secured term loan	5.18 – 6.56	2011	56,896	56,896
S$ unsecured floating rate money market facility	1.63 – 2.99	2010	61,000	61,000
			406,399	406,399
Trust				
S$ unsecured floating rate trust term loan facility	1.72 – 2.89	2010	288,503	288,503
S$ unsecured floating rate money market facility	1.63 – 2.99	2010	61,000	61,000
			349,503	349,503

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

2010	Carrying amount $'000	Contractual cash flows $'000	Within 1 year $'000	Within 1 to 5 years $'000	After 5 years $'000
Group					
S$ unsecured floating rate money market facility	25,000	(25,044)	(25,044)	-	-
RMB secured term loan	38,455	(39,810)	(39,810)	-	-
S$ unsecured floating rate loans	237,818	(247,234)	(3,395)	(243,839)	-
S$ unsecured fixed/ floating rate loan	99,608	(105,801)	(883)	(104,918)	-
Trade and other payables (Note 9)	42,986	(42,986)	(42,986)	-	-
Security deposits	19,376	(19,376)	(8,596)	(8,162)	(2,618)
	463,243	(480,251)	(120,714)	(356,919)	(2,618)
Trust					
S$ unsecured floating rate money market facility	25,000	(25,044)	(25,044)	-	-
S$ unsecured floating rate loans	237,818	(247,234)	(3,395)	(243,839)	-
S$ unsecured fixed/ floating rate loan	99,608	(105,801)	(883)	(104,918)	-
Trade and other payables (Note 9)	5,465	(5,465)	(5,465)	-	-
	367,891	(383,544)	(34,787)	(348,757)	-
2009					
Group					
S$ unsecured floating rate trust term loan facility	288,503	(297,578)	(297,578)	-	-
RMB secured term loan	56,896	(63,088)	(3,096)	(59,992)	-
S$ unsecured floating rate money market facility	61,000	(61,363)	(61,363)	-	-
Trade and other payables (Note 9)	39,467	(39,467)	(39,467)	-	-
Security deposits	17,801	(17,801)	(9,765)	(8,036)	-
	463,667	(479,297)	(411,269)	(68,028)	-
Trust					
S$ unsecured floating rate trust term loan facility	288,503	(297,578)	(297,578)	-	-
S$ unsecured floating rate money market facility	61,000	(61,363)	(61,363)	-	-
Trade and other payables (Note 9)	4,341	(4,341)	(4,341)	-	-
	353,844	(363,282)	(363,282)	-	-

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

11. Financial derivatives

	Group and Trust 2010 $'000	Group and Trust 2009 $'000
Financial derivatives assets	8,067	4,636
Financial derivatives liabilities	(289)	(2,755)

The following are the contractual maturities of derivative financial liabilities including estimated interest payments:

Group and Trust	Carrying amount $'000	Contractual cash flows $'000	12 months or less $'000	Within 1 to 3 years $'000
2010				
Non-deliverable forwards	(34)	(34)	-	(34)
Interest rate swaps	(255)	(3,668)	(1,582)	(2,086)
	(289)	(3,702)	(1,582)	(2,120)
2009				
Non-deliverable cross-currency interest rate swap	(1,237)	(1,701)	(1,701)	-
Interest rate swaps	(1,518)	(3,239)	(3,239)	-
	(2,755)	(4,940)	(4,940)	-

The non-deliverable cross-currency interest rate swap ("NDS") with nominal contract amount of $88.0 million as at 31 December 2009 had matured and was fully settled on 5 February 2010.

The following table indicates the periods in which the cash flows associated with derivatives that are cash flow hedges are expected to occur and impact the statement of total return.

Group and Trust	Carrying amount $'000	Expected cash flows $'000	12 months or less $'000	Within 1 to 3 years $'000
2010				
Interest rate swaps	(255)	(3,668)	(1,582)	(2,086)
2009				
Non-deliverable cross-currency interest rate swap	(183)	(97)	(97)	-
Interest rate swaps	(1,518)	(3,239)	(3,239)	-
	(1,701)	(3,336)	(3,336)	-

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

12. Deferred tax liabilities

Movements in deferred tax liabilities during the financial year are as follows:

Group	At 1 January 2009 $'000	Charged to the statement of total return (Note 21) $'000	Translation difference $'000	At 31 December 2009 $'000	Charged to the statement of total return (Note 21) $'000	Translation difference $'000	At 31 December 2010 $'000
Investment properties	31,718	7,169	(5,314)	33,573	24,091	(1,993)	55,671

Deferred tax assets have not been recognised in respect of the following items because it is not probable that future taxable profit will be available against which the Group can utilise the benefits therefrom:

	Group 2010 $'000	Group 2009 $'000
Tax losses	50,248	44,848

The tax losses are subject to agreement by the tax authorities and compliance with tax regulations in the country in which the subsidiaries operate.

13. Unitholders' funds

	Note	Group 2010 $'000	Group 2009 $'000	Trust 2010 $'000	Trust 2009 $'000
Net assets resulting from operations		246,078	136,286	(20,456)	(26,446)
Hedging reserve	(a)	(60)	(1,701)	(60)	(1,701)
Foreign currency translation reserve	(b)	(10,567)	(719)	-	-
Unitholders' transactions		495,656	544,132	495,656	544,132
General reserve	(c)	3,400	1,870	-	-
		734,507	679,868	475,140	515,985

(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 the distribution of dividends to shareholders.

General reserve can be used to make good previous years' losses, if any, and may be converted to contributions in proportion to the existing interests of the shareholders, provided that the balance after such conversion is not less than 25% of the registered capital.

14. Units in issue

	2010 No. of units	2009 No. of units
Balance as at beginning of year	622,854,695	619,045,885
New units issued:		
- as payment of Manager's management fees	2,527,219	3,808,810
Issued units as at end of year	625,381,914	622,854,695
New units to be issued:		
- as payment of Manager's management fees	616,768	629,780
Total issued and issuable units as at end of year	625,998,682	623,484,475

Units issued during the year ended 31 December 2010 are as follows:

(a) On 30 March 2010, the Trust issued 629,780 new units at an issue price of $1.2878 per unit as payment of the performance component of the management fee for the period from 1 October 2009 to 31 December 2009;

(b) On 25 May 2010, the Trust issued 643,559 new units at an issue price of $1.2021 per unit as payment of the performance component of the management fee for the period from 1 January 2010 to 31 March 2010;

(c) On 30 September 2010, the Trust issued 642,312 new units at an issue price of $1.2331 per unit as payment of the performance component of the management fee for the period from 1 April 2010 to 30 June 2010; and

(d) On 25 November 2010, the Trust issued 611,568 new units at an issue price of $1.2459 per unit as payment of the performance component of the management fee for the period from 1 July 2010 to 30 September 2010.

Units issued during the year ended 31 December 2009 are as follows:

(a) On 30 March 2009, the Trust issued 1,432,100 new units at an issue price of $0.5710 per unit as payment of the performance component of the management fee for the period from 1 October 2008 to 31 December 2008;

(b) On 15 May 2009, the Trust issued 1,071,621 new units at an issue price of $0.7135 per unit as payment of the performance component of the management fee for the period from 1 January 2009 to 31 March 2009;

(c) On 30 September 2009, the Trust issued 705,755 new units at an issue price of $1.1013 per unit as payment of the performance component of the management fee for the period from 1 April 2009 to 30 June 2009; and

(d) On 20 November 2009, the Trust issued 599,334 new units at an issue price of $1.2189 per unit as payment of the performance component of the management fee for the period from 1 July 2009 to 30 September 2009.

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 to it 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.

15. 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 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 profits and 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 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 of the end of each distribution period. Distributions, when paid, will be in Singapore dollars.

Distributions for the period from 1 January 2010 to 30 June 2010 had been paid on 24 September 2010. Distributions for the period from 1 July 2010 to 31 December 2010 will be paid within 90 days of the end of the distribution period, in accordance with the provisions of the Trust Deed.

16. Other property operating expenses

	Note	Group 2010 $'000	Group 2009 $'000
Utilities		5,480	5,956
Advertising and promotion		2,342	2,137
Maintenance		4,508	4,967
Staff costs		3,608	2,554
Depreciation of plant and equipment	5	1,085	963
(Write back)/impairment losses on trade receivables, net	7	(111)	1,481
Amortisation of deferred expenditure included in other receivables		59	60
Plant and equipment written off		105	17
Others		986	819
		18,062	18,954

Included in staff costs is contribution to defined contribution plans of $0.7 million (2009: $0.6 million).

17. Manager's management fees

Manager's management fees comprise base fee of $3.0 million (2009: $3.1 million) and performance fee of $3.1 million (2009: $3.1 million). The Manager has elected to receive all the performance fee in the form of Units. $2.3 million (2009: $2.3 million) of the $3.1 million (2009: $3.1 million) of performance component of the Manager's management fee was paid during the year through the issue of 1,897,439 Units (2009: 2,376,710 Units). The remaining $0.8 million (2009: $0.8 million) will be paid through the issue of 616,768 new Units (2009: 629,780 new Units) subsequent to the year end.

18. Other trust operating expenses

	Group		Trust	
	2010	**2009**	**2010**	**2009**
	$'000	**$'000**	**$'000**	**$'000**
Audit fees	319	364	128	128
Professional fees	20	64	-	4
Others	367	1,164	103	446
	706	1,592	231	578

19. Finance income and finance costs

	Group		Trust	
	2010	**2009**	**2010**	**2009**
	$'000	**$'000**	**$'000**	**$'000**
Interest income:				
- financial institutions	231	262	-	1
- subsidiaries	-	-	29,665	22,851
Finance income	231	262	29,665	22,852
Interest expenses	(11,091)	(8,287)	(9,386)	(4,782)
Other finance costs	(401)	(251)	(401)	(2)
Finance costs	(11,492)	(8,538)	(9,787)	(4,784)
Net finance (costs)/income recognised in the statement of total return	(11,261)	(8,276)	19,878	18,068

20. Change in fair value of financial derivatives

	Group		Trust	
	2010	**2009**	**2010**	**2009**
	$'000	**$'000**	**$'000**	**$'000**
Recognised in the statement of total return				
Fair value gain of financial derivatives	-	-	17,267	10

21. Taxation

	Note	Group 2010 $'000	Group 2009 $'000	Trust 2010 $'000	Trust 2009 $'000
Current taxation					
Current year		10,670	10,546	-	-
(Over)/under provided in prior years		(2,204)	297	-	-
		8,466	10,843	-	-
Deferred taxation					
Origination of temporary differences	12	24,091	7,169	-	-
Income tax expense		32,557	18,012	-	-
Reconciliation of effective tax rate					
Total return/(loss) for the year before taxation		144,524	61,461	5,989	(36,679)
Tax calculated using Singapore tax rate of 17%		24,569	10,448	1,018	(6,236)
Adjustments:					
Effect of different tax rates in foreign jurisdictions		1,134	(1,976)	-	-
Income not subject to tax		(76)	(504)	(8,505)	(5,178)
Expenses not deductible for tax purposes		31	-	4,674	8,785
Tax losses not recognised		788	3,056	-	-
Tax losses not allowed to be carried forward		2,813	2,629	2,813	2,629
Foreign tax suffered		5,502	4,062	-	-
(Over)/under provided in prior years		(2,204)	297	-	-
		32,557	18,012	-	-

22. Earnings per unit

The calculation of basic earnings per unit is based on weighted average number of units during the year and total return for the year after taxation and non-controlling interests before distribution.

	Group	
	2010	2009
	$'000	$'000
Total return for the year after taxation and non-controlling interests before distribution	111,322	42,704

	Trust	
	Number of units 2010 '000	Number of units 2009 '000
Issued units at beginning of year	622,855	619,046
Effect of creation of new units:		
- Manager's management fees paid/payable in units	1,091	2,012
Weighted average number of issued and issuable units at end of year	623,946	621,058

Diluted earnings per unit is the same as the basic earnings per unit as there are no dilutive instruments in issue during the year.

23. Related party transactions

For the purposes of these financial statements, parties are considered to be related to the Group if the Group has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group and the party are subject to common significant influence. Related parties may be individuals or other entities. The Manager, being CapitaRetail China Trust Management Limited is an indirect wholly-owned subsidiary of a substantial Unitholder of the Trust. The Property Managers, being CapitaLand Retail (Shanghai) Management & Consulting Co., Ltd., CapitaLand SZITIC (Shenzhen) Property Management Co., Ltd. and CapitaLand Hualian Management & Consulting (Beijing) Co., Ltd. are indirect wholly-owned subsidiary, indirect subsidiary and jointly-controlled entity of a substantial Unitholder of the Trust respectively.

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 and reimbursables have been paid or are payable to the Property Managers.

24. Financial ratios

	Group	
	2010	**2009**
	%	**%**
Ratio of expenses to average net asset value [(1)]		
- including performance component of Manager's management fees	1.00	1.08
- excluding performance component of Manager's management fees	0.57	0.67
Portfolio turnover rate [(2)]	-	-

Notes:

(1) The annualised ratio is computed in accordance with guidelines of the Investment Management Association of Singapore. The expenses used in the computation relate to expenses at the Group level, excluding property related expenses and borrowing costs.

(2) The annualised ratio is computed based on the lesser of purchases or sales of underlying investment properties of the Group expressed as a percentage of weighted average net asset value.

25. Operating segments

The Group has eight 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 Chief Operating Decision-Makers ("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:

- Xizhimen Mall
- Wangjing Mall
- Anzhen Mall
- Qibao Mall
- Zhengzhou Mall
- Jiulong Mall
- Xinwu Mall
- Saihan Mall

Segment revenue comprises mainly of 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 below.

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

	Xizhimen Mall		Wangjing Mall		Anzhen Mall		Qibao Mall		Sub Total	
	2010 $'000	**2009 $'000**	**2010 $'000**	**2009 $'000**	**2010 $'000**	**2009 $'000**	**2010 $'000**	**2009 $'000**	**2010 $'000**	**2009 $'000**
External revenues:										
- Gross rental income	32,546	30,706	24,312	24,133	15,834	16,553	11,147	13,063	83,839	84,455
- Others	2,498	2,645	3,616	3,820	1	3	1,117	1,935	7,232	8,403
- Gross revenue	35,044	33,351	27,928	27,953	15,835	16,556	12,264	14,998	91,071	92,858
Segment net property income	23,574	21,855	19,525	19,601	13,244	13,649	3,031	4,763	59,374	59,868
Interest income	68	58	51	43	27	63	12	17	158	181
Interest expense	-	-	-	-	(2,249)	(3,505)	-	-	(2,249)	(3,505)
Reportable segment total return before taxation	56,274	24,063	44,119	22,978	16,453	10,543	6,779	3,830	123,625	61,414
Segment assets	421,624	398,151	301,640	283,493	180,994	168,874	74,150	71,950	978,408	922,468
Segment liabilities	31,186	25,517	28,675	20,522	55,782	68,411	10,670	10,634	126,313	125,084
Other segment items:										
Depreciation and amortisation	(424)	(371)	(220)	(187)	(8)	(2)	(103)	(115)	(755)	(675)
Write back/(impairment loss) on trade receivables, net	69	(806)	(1)	(107)	-	-	116	(312)	184	(1,225)
Net change in fair value of investment properties	32,634	2,270	24,678	3,792	5,656	426	3,259	(866)	66,227	5,622
Capital expenditure	454	375	540	649	11	34	212	27	1,217	1,085

	Zhengzhou Mall		**Jiulong Mall**		**Xinwu Mall**		**Saihan Mall**		**Sub Total**		**Grand Total**	
	2010	**2009**	**2010**	**2009**	**2010**	**2009**	**2010**	**2009**	**2010**	**2009**	**2010**	**2009**
	$'000	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**
External revenues:												
- Gross rental income	9,793	10,148	8,267	8,584	4,735	4,655	4,336	3,594	27,131	26,981	110,970	111,436
- Others	-	14	14	6	375	316	392	155	781	491	8,013	8,894
- Gross revenue	9,793	10,162	8,281	8,590	5,110	4,971	4,728	3,749	27,912	27,472	118,983	120,330
Segment net property income	7,954	8,261	6,594	6,854	1,772	1,843	1,532	258	17,852	17,216	77,226	77,084
Interest income	27	29	19	36	17	8	10	7	73	80	231	261
Interest expense	-	-	-	-	-	-	-	-	-	-	(2,249)	(3,505)
Reportable segment total return/(loss) before taxation	13,547	6,657	13,703	6,450	3,531	3,968	4,224	(5,452)	35,005	11,623	158,630	73,037
Segment assets	86,464	83,095	97,833	94,572	39,447	32,466	63,021	62,287	286,765	272,420	1,265,173	1,194,888
Segment liabilities	9,212	7,687	9,300	7,910	18,049	16,824	8,996	9,073	45,557	41,494	171,870	166,578
Other segment items												
Depreciation and amortisation	(21)	(11)	(18)	(18)	(196)	(197)	(154)	(122)	(389)	(348)	(1,144)	(1,023)
Write back/(impairment loss) on trade receivables, net	-	-	(1)	-	13	18	(85)	(274)	(73)	(256)	111	(1,481)
Net change in fair value of investment properties	5,656	(1,500)	7,271	(213)	2,884	3,281	2,117	(5,611)	17,928	(4,043)	84,155	1,579
Capital expenditure	208	210	7	-	199	60	1,176	3,348	1,590	3,618	2,807	4,703

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

	2010 $'000	2009 $'000
Revenue		
Total revenue for reporting segments	118,983	120,330
Other revenue	-	-
Consolidated revenue	118,983	120,330
Total return		
Total return for reportable segments before taxation	158,630	73,037
Unallocated amounts:		
- Other corporate expenses	(14,106)	(11,576)
Consolidated return before taxation	144,524	61,461
Assets		
Total assets for reportable segments	1,265,173	1,194,888
Other unallocated amounts	9,305	6,092
Consolidated assets	1,274,478	1,200,980
Liabilities		
Total liabilities for reportable segments	171,870	166,578
Other unallocated amounts	349,956	339,200
Consolidated liabilities	521,826	505,778

Other material items 2010	**Reportable segment totals $'000**	**Adjustments $'000**	**Consolidated totals $'000**
Interest revenue	231	-	231
Interest expense	(2,249)	(8,842)	(11,091)
Other material items 2009			
Interest revenue	261	1	262
Interest expense	(3,505)	(4,782)	(8,287)

Geographical segments

All of the Group's investment properties are used for retail purposes and are primarily located in China.

Major tenant

Revenue from one tenant of the Group represents approximately $34.5 million (2009: $35.1 million) of the Group's total revenue.

26. Commitments

(a) Capital commitments

	Group	
	2010	**2009**
	$'000	**$'000**
Payable:		
- contracted but not provided for	8	385
- authorised but not contracted for	-	1,154
	8	1,539

(b) The Group leases out its investment properties. Non-cancellable operating lease rentals are receivable as follows:

	Group	
	2010	**2009**
	$'000	**$'000**
Receivable:		
- within 1 year	115,926	98,229
- after 1 year but within 5 years	247,440	257,472
- after 5 years	397,391	495,456
	760,757	851,157

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

	Group	
	2010	**2009**
	$'000	**$'000**
Payable:		
- within 1 year	4,597	4,794
- after 1 year but within 5 years	19,079	19,904
- after 5 years	42,348	49,816
	66,024	74,514

27. Contingent liabilities

Three separate legal claims were filed against three subsidiaries of the Group in China. Two of the legal claims were filed by separate contractors against two of the subsidiaries for payment of construction services rendered by the contractors. The Group had accrued an amount which approximated management's best estimate of the work done by these contractors. The third legal claim arose from a dispute over tenancy agreement between a tenant and one of the subsidiaries.

The total claims arising from the legal claims totalled RMB39.2 million, equivalent to a total of $7.8 million. Based on the legal advice sought, the directors believe that at the balance sheet date, no additional provision is required.

28. Capital and financial risk management

Capital management

The Group's objectives when managing capital is to optimise Unitholders' value through the mix of available capital sources which include debt and equity instruments whilst complying with statutory and constitutional capital and distribution requirements, maintaining gearing and interest service coverage ratios 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 2 of the CIS Code (Property Fund Appendix). The CIS Code stipulates that the total borrowings and deferred payments (together the "Aggregate Leverage") of a property fund should not exceed 35.0% of its deposited property except that the Aggregate Leverage of a property fund may exceed 35.0% of its deposited property (up to a maximum of 60.0%) if a credit rating of the property fund from Fitch Inc., Moody's or Standard and Poor's is obtained and disclosed to the public. The Group's aggregate leverage limit did not exceed 35.0% during the year, and was 31.1% (2009: 33.6%) as at 31 December 2010. In computing the aggregate leverage gearing ratio, the Trust has considered the effect of hedging the net assets denominated in RMB.

There were no changes in the Group's approach to capital management during the financial year.

Financial risk management

Overview

The Group's returns are primarily from net operating income and capital appreciation of its assets. However, these returns are exposed to financial risks including credit, liquidity, interest rate and foreign currency risks.

Financial risk management is integral to the whole business of the Group. The Group adopts an integrated approach to manage the financial risks arising in the normal course of the Group's business. The Group has written risk management policies and guidelines, and established processes to monitor and manage significant exposures. Risk management policies and processes are reviewed regularly to reflect changes in market conditions and the Group's activities.

The Group adheres to standardised accounting and financial policies and exercises effective controls over the financial affairs of its subsidiaries. This is achieved by ensuring group-wide adherence to a comprehensive set of guidelines covering contracts, policies and procedures and other requirements. Adequate measures are in place to ensure that the reliability and integrity of financial information compiled from subsidiaries are kept intact.

Credit risk

While it is necessary to assume a certain level of tenant credit risks to remain competitive in China, the Group has established credit limits for tenants and monitors their balances on an ongoing basis. Risks associated with credit limits are reflected in the level of security deposits and bank guarantees placed as collateral in respect of the leases. Appropriate risk mitigating actions are in place to manage trade receivables.

The Group establishes an allowance for impairment that represents its estimate of incurred losses in respect of trade and other receivables. The main components of this allowance are a specific loss component that relates to individually significant exposures, and a collective loss component established for groups of similar assets in respect of losses that have been incurred but not yet identified. The collective loss allowance is determined based on historical data of payment statistics for similar financial assets.

The allowance account in respect of trade and other receivables is used to record impairment losses unless the Group is satisfied that no recovery of the amount owing is possible. At that point, the financial asset is considered irrecoverable and the amount charged to the allowance account is written off against the carrying amount of the impaired financial asset.

Cash and fixed deposits are placed with banks and financial institutions which are regulated.

Liquidity risk

The Group monitors its liquidity risk and maintains a level of cash and cash equivalents deemed adequate by management to finance the Group's operations and to mitigate the effects of fluctuations in cash flows. Typically the Group ensures that it has sufficient cash on demand to meet expected operational expenses for a reasonable period, including the servicing of financial obligations.

In addition, the Group maintains the following debt facilities:

- the RMB217.5 million five-year secured term loan facility.
- the $88.0 million two-year trust term loan facility.
- the $150.5 million three-year trust term loan facilities.
- the $100.0 million four-year trust term loan facility.
- the $131.0 million money market facilities.
- the US$50.0 million money market facility.

As at 31 December 2010, the Group has fully drawn down its $338.5 million trust term loan facilities and $25.0 million of the money market facilities. The Group has also drawn down RMB194.0 million of the five-year secured term loan facility.

The Group also monitors and observes the Property Fund Appendix issued by MAS concerning limits on total borrowings.

Interest rate risk

The Manager adopts a proactive interest rate management policy to manage the risk associated with changes in interest rates on the Group's loan facilities while also seeking to ensure that the ongoing cost of debt remains competitive.

At 31 December 2010, the Group has interest rate swaps ("IRS") with notional contract amount of $285.5 million (2009: $200.5 million). The Group pays a fixed rate interest and receives a variable rate equal to the Swap Offer Rate ("SOR") on the notional contract amount. The Group classifies the IRS as cash flow hedges to hedge the exposure to changes in the variability of interest rate fluctuations on certain of its term loans. The term loans and the underlying IRS have the same terms and conditions.

The Manager has proactively seek to minimise the level of interest rate risk by locking the majority of the Group's borrowings at fixed rates. As at 31 December 2010, the Group has locked in approximately 76.0% (2009: 71.0%) of its borrowings at fixed rates.

Fair value sensitivity analysis for fixed rate instruments

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 2010 of $1.5 million (2009: $0.8 million, from IRS and NDS), representing the effective portion of the cash flow hedge, has been recognised directly in the hedging reserve.

A change of 100 basis point* ("bp") in interest rate on the IRS (accounted for as cash flow hedges) at the reporting date as at 31 December 2010 would increase/(decrease) 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 2009.

	Unitholders' funds	
	100 bp increase $'million	100 bp decrease $'million
Group and Trust		
2010		
Interest rate swaps	0.1	(0.1)
Cash flow sensitivity (net)	0.1	(0.1)
2009		
Non-deliverable cross-currency interest rate swap	0.8	(0.8)
Interest rate swaps	0.2	(0.2)
Cash flow sensitivity (net)	1.0	(1.0)

* *100 basis point is equivalent to 1 percentage point*

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 currency giving rise to this risk is primarily the United States dollar.

As the Trust intends to be a long term investor in China, the Manager has taken a view not to hedge the RMB equity exposure arising from its investments in China unless certain risks are specifically identified. The Manager's strategy is to achieve a natural hedge through local RMB financing and any non-RMB denominated loan will be hedged into RMB where possible to protect the going concern of the Trust in the event of large currency fluctuation. However, the Manager will hedge the RMB cash flow from operations if it is determined with certainty that they are to be remitted back to Singapore for distribution purposes.

The Group's and Trust's exposures to foreign currency are as follows:

	US dollar	
	Group	**Trust**
	$'000	**$'000**
2010		
Cash and cash equivalents	699	511
2009		
Cash and cash equivalents	792	17

Sensitivity analysis

A 10% strengthening of Singapore dollar against the US dollar 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 2009.

	Statement of total return	
	Group	**Trust**
	$'million	**$'million**
2010		
US dollar	(0.1)	*
2009		
US dollar	(0.1)	*

* Less than S$50,000.

A 10% weakening of Singapore dollar against the US dollar would have had the equal but opposite effect on the US dollar to the amounts shown above, on the basis that all other variables remain constant.

Hedge of net investment in foreign operation

The non-deliverable forwards ("NDF") of $218.0 million (2009: $148.0 million) is designated as hedges of the Group's net investment in certain subsidiaries in China.

Sensitivity analysis

The net change in fair value of the net investment hedge comprised the effective portion of $17.3 million (2009: $0.01 million) which was recognised in the foreign currency translation reserve.

For NDF (accounted for as net investment hedges), a change of 10% in foreign exchange rate at the reporting date would increase/(decrease) Unitholders' funds as at 31 December 2010 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 2009.

	Unitholders' funds	
	10% increase $'million	**10% decrease $'million**
Group		
2010		
Non-deliverable forwards	15.9	(19.4)
2009		
Non-deliverable cross-currency interest rate swap	(6.8)	8.3
Non-deliverable forwards	10.8	(13.2)

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 value of foreign exchange derivatives is based on their listed market price, if available. If a listed market price is not available, then fair value is estimated by discounting the difference between the contractual forward price and the current forward price for the residual maturity of the contract using a risk-free interest rate (based on government bonds).

The fair value of interest rate derivatives is based on broker 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.

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 with a maturity of less than one year (including trade and other receivables, cash and cash equivalents, trade and other payables and security deposits) are assumed to approximate their fair values because of the short period to maturity. All other financial assets and liabilities 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 2010 plus an adequate constant credit spread, and are as follows:

	2010 **% p.a.**	**2009** **% p.a.**
Financial derivatives	1.08 – 1.14	1.69 - 3.93
Interest-bearing borrowings	1.08 – 5.18	1.63 - 6.56

Fair value hierarchy

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Group and Trust	**Level 1 $'000**	**Level 2 $'000**	**Level 3 $'000**	**Total $'000**
2010				
Interest rate swaps	-	(56)	-	(56)
Non-deliverable forwards	-	7,834	-	7,834
	-	7,778	-	7,778
2009				
Interest rate swaps	-	(1,518)	-	(1,518)
Non-deliverable forwards	-	4,636	-	4,636
Non-deliverable cross-currency interest rate swap	-	(1,237)	-	(1,237)
	-	1,881	-	1,881

29. Subsequent events

Subsequent to the balance sheet date, the Manager declared a distribution of 4.15 cents per unit to Unitholders in respect of the period from 1 July 2010 to 31 December 2010.