CapitaMall Trust and its Subsidiaries

(Constituted in the Republic of Singapore pursuant to a trust deed dated 29 October 2001 (as amended))

Financial Statements
Year ended 31 December 2013

KPMG LLP (Registration No. T08LL1267L), an accounting limited liability partnership registered in Singapore under the Limited Liability Partnership Act (Chapter 163A) and a member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity.

Report of the Trustee

HSBC Institutional Trust Services (Singapore) Limited (the "Trustee") is under a duty to take into custody and hold the assets of CapitaMall Trust (the "Trust") and its subsidiaries (the "Group") in trust for the Unitholders. In accordance with the Securities and Futures Act, Chapter 289 of Singapore, its subsidiary legislation and the Code on Collective Investment Schemes, the Trustee shall monitor the activities of CapitaMall 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 period covered by these financial statements, set out on pages FS1 to FS79 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

4 February 2014

Statement by the Manager

In the opinion of the directors of CapitaMall Trust Management Limited, the accompanying financial statements set out on pages FS1 to FS79 comprising the Statements of Financial Position and Portfolio Statements of the Group and the Trust as at 31 December 2013, and the Statements of Total Return, Distribution Statements, Statements of Movements in Unitholders' Funds and Statements of Cash Flows of the Group and of the Trust for the year then ended, and a summary of significant accounting policies and other explanatory information of the Group and of the Trust, are drawn up so as to present fairly, in all material respects, the financial position of the Group and of the Trust as at 31 December 2013, and the total return, distributable income, movements in Unitholders' funds and cash flows of the Group and of the Trust for the year then ended in accordance with the recommendations of Statement of Recommended Accounting Practice 7 "Reporting Framework for Unit Trusts" issued by the Institute of Singapore Chartered Accountants and the provisions of the Trust Deed. At the date of this statement, there are reasonable grounds to believe that the Group and the Trust will be able to meet their financial obligations as and when they materialise.

For and on behalf of the Manager,
CapitaMall Trust Management Limited

Tan Wee Yan, Wilson
Director

Singapore

4 February 2014

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Independent auditors' report

Unitholders of CapitaMall Trust
(Established in the Republic of Singapore pursuant to a Trust Deed dated 29 October 2001 (as amended))

Report on the financial statements

We have audited the accompanying financial statements of CapitaMall Trust (the "Trust") and its subsidiaries (the "Group"), which comprise the Statements of Financial Position and Portfolio Statements of the Group and the Trust as at 31 December 2013, and the Statements of Total Return, Distribution Statements, Statements of Movements in Unitholders' Funds and Statements of Cash Flow of the Group and the Trust for the year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages FS1 to FS79.

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 Singapore Chartered Accountants*, 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 misstatements, 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 Trust'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 Trust'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.

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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 financial statements of the Trust present fairly, in all material respects, the financial position of the Group and of the Trust as at 31 December 2013 and the total return, distributable income, movements in Unitholders' funds and cash flows of the Group and of the Trust for the year then ended in accordance with the recommendations of *Statement of Recommended Accounting Practice 7 "Reporting Framework for Unit Trusts" issued by the Institute of Singapore Chartered Accountants*.

KPMG LLP

KPMG LLP
Public Accountants and
Chartered Accountants

Singapore

4 February 2014

Statements of Financial Position
As at 31 December 2013

	Note	Group 2013 $'000	Group 2012 $'000	Trust 2013 $'000	Trust 2012 $'000
Non-current assets					
Plant and equipment	4	3,249	2,085	2,210	2,002
Investment properties	5	8,799,400	8,191,800	7,276,000	7,031,000
Investment properties under development	6	–	336,027	–	–
Subsidiaries	7	–	–	80	80
Associate and joint ventures	8	275,455	227,476	840,600	801,382
Financial derivatives	9	4,530	–	–	–
		9,082,634	8,757,388	8,118,890	7,834,464
Current assets					
Inventories		244	218	–	–
Development property for sale	10	91,106	–	–	–
Trade and other receivables	11	10,828	12,845	21,546	21,068
Cash and cash equivalents	12	832,687	1,118,270	829,718	1,104,470
		934,865	1,131,333	851,264	1,125,538
Total assets		**10,017,499**	**9,888,721**	**8,970,154**	**8,960,002**
Current liabilities					
Financial derivatives	9	5,132	–	5,132	–
Trade and other payables	13	169,973	235,135	141,540	211,099
Current portion of security deposits		45,225	54,017	41,118	48,379
Interest-bearing borrowings	14	150,000	300,000	150,000	300,000
Convertible bonds	15	348,349	105,188	348,349	105,188
Provision for taxation		494	45	494	45
		719,173	694,385	686,633	664,711

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

Statements of Financial Position (cont'd)
As at 31 December 2013

	Note	Group 2013 $'000	Group 2012 $'000	Trust 2013 $'000	Trust 2012 $'000
Non-current liabilities					
Financial derivatives	9	118,552	156,041	–	12,078
Interest-bearing borrowings	14	2,952,260	2,819,319	2,415,081	2,339,100
Convertible bonds	15	–	342,789	–	342,789
Amounts owing to joint venture partners	16	102,292	78,749	–	–
Non-current portion of security deposits		113,535	94,512	100,910	87,498
Other payables		2,943	–	–	–
		3,289,582	3,491,410	2,515,991	2,781,465
Total liabilities		**4,008,755**	**4,185,795**	**3,202,624**	**3,446,176**
Net assets		**6,008,744**	**5,702,926**	**5,767,530**	**5,513,826**
Represented by:					
Unitholders' funds		**6,008,744**	**5,702,926**	**5,767,530**	**5,513,826**
Units in issue ('000)	17	**3,459,157**	**3,456,421**	**3,459,157**	**3,456,421**
		$	**$**	**$**	**$**
Net asset value per unit		**1.74**	**1.65**	**1.67**	**1.60**

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

Statements of Total Return
Year ended 31 December 2013

	Note	Group 2013 $'000	Group 2012 $'000	Trust 2013 $'000	Trust 2012 $'000
Gross revenue	18	729,162	661,588	637,590	573,218
Property operating expenses	19	(226,463)	(216,335)	(198,875)	(192,490)
Net property income		**502,699**	**445,253**	**438,715**	**380,728**
Interest and other income	20	3,983	6,552	6,503	8,870
Investment income	21	–	–	65,065	67,494
Asset management fees	22	(44,646)	(43,370)	(39,015)	(37,870)
Professional fees		(514)	(781)	(447)	(764)
Valuation fees		(944)	(1,010)	(860)	(934)
Trustee's fees		(1,272)	(1,305)	(1,123)	(1,159)
Audit fees		(373)	(366)	(324)	(315)
Finance costs	23	(120,738)	(138,938)	(106,628)	(125,415)
Other expenses		(860)	(1,406)	(871)	(744)
Net income before share of profit of associate		**337,335**	**264,629**	**361,015**	**289,891**
Share of profit of associate		25,721	20,261	–	–
Net income		**363,056**	**284,890**	**361,015**	**289,891**
Net change in fair value of financial derivatives		6,946	4,332	6,946	4,332
Net change in fair value of investment properties and investment properties under development		204,219	165,828	169,717	146,244
Gain on dilution of interest in associate		646	–	–	–
Gain on disposal of investment property	24	–	84,346	–	84,346
Loss on repurchase of convertible bonds		–	(5,055)	–	(5,055)
Total return for the year before tax		**574,867**	**534,341**	**537,678**	**519,758**
Income tax expense	25	(501)	1,992	(501)	–
Total return for the year		**574,366**	**536,333**	**537,177**	**519,758**

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

Statements of Total Return (cont'd)
Year ended 31 December 2013

	Note	Group 2013 $'000	Group 2012 $'000	Trust 2013 $'000	Trust 2012 $'000
Earnings per unit (cents)	26				
Basic		16.61	16.05	15.53	15.56
Diluted		16.26	15.75	15.24	15.28

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

Distribution Statements
Year ended 31 December 2013

	Group 2013 $'000	Group 2012 $'000	Trust 2013 $'000	Trust 2012 $'000
Amount available for distribution to Unitholders at beginning of year	33,016	46,752	33,016	46,752
Net income before share of profit of associate	337,335	264,629	361,015	289,891
Net tax adjustments (Note A)	24,867	50,109	15,453	40,814
Premium paid on the redemption of convertible bonds (Note B)	(9,147)	–	(9,147)	–
Rollover adjustment	–	1,518	–	1,518
Dividend income from subsidiary	3,538	–	–	–
Distribution income from associate	7,595	15,289	–	–
Net loss from subsidiaries and joint ventures	3,133	678	–	–
	367,321	332,223	367,321	332,223
Amount available for distribution to Unitholders	400,337	378,975	400,337	378,975
Distributions to Unitholders during the year:				
Distribution of 1.28 cents per unit for period from 10/11/2011 to 31/12/2011	–	(42,604)	–	(42,604)
Distribution of 2.30 cents per unit for period from 01/01/2012 to 31/03/2012	–	(76,572)	–	(76,572)
Distribution of 2.38 cents per unit for period from 01/04/2012 to 30/06/2012	–	(79,253)	–	(79,253)
Distribution of 2.42 cents per unit for period from 01/07/2012 to 30/09/2012	–	(80,604)	–	(80,604)
Distribution of 1.55 cents per unit for period from 01/10/2012 to 29/11/2012	–	(51,637)	–	(51,637)
Distribution of 0.81 cents per unit for period from 30/11/2012 to 31/12/2012	(27,997)	–	(27,997)	–
Distribution of 2.46 cents per unit for period from 01/01/2013 to 31/03/2013	(85,044)	–	(85,044)	–
Distribution of 2.53 cents per unit for period from 01/04/2013 to 30/06/2013	(87,481)	–	(87,481)	–
Distribution of 2.56 cents per unit for period from 01/07/2013 to 30/09/2013	(88,536)	–	(88,536)	–
	(289,058)	(330,670)	(289,058)	(330,670)
Amounts retained for general corporate and working capital purposes (Note C)	(11,133)	(15,289)	(11,133)	(15,289)
Amount available for distribution to Unitholders at end of the year	100,146	33,016	100,146	33,016

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

Distribution Statements (cont'd)
Year ended 31 December 2013

Note A – Net tax adjustments comprise:

	Group		Trust	
	2013	**2012**	**2013**	**2012**
	$'000	**$'000**	**$'000**	**$'000**
Non-tax deductible items:				
- asset management fees paid/payable in units	5,631	5,500	–	–
- trustee's fees	1,272	1,305	1,123	1,159
- non-deductible interest expenses	7,002	18,935	4,533	16,063
- other items	17,611	25,628	16,443	24,851
Tax deductible items:				
- capital allowances/ balancing allowances	(6,649)	(1,259)	(6,646)	(1,259)
Net tax adjustments	24,867	50,109	15,453	40,814

Note B

Amount relates to 9.31% premium paid on the remaining $98.25 million in principal amount of the $650.0 million 1.0% Convertible Bonds due 2013 ("Convertible Bonds due 2013") upon maturity on 2 July 2013. In deriving the distributable income, the premium is eligible for deduction upon payment.

Note C

Amount retained for general corporate and working capital in financial year 2013 relates to the capital distribution and tax-exempt income received from CapitaRetail China Trust ("CRCT") of $7.6 million and tax-exempt special preference dividend income from CapitaRetail Singapore Limited of $3.5 million.

For financial year 2012, this relates to the capital distribution received from CRCT of $15.3 million.

Statements of Movements in Unitholders' Funds
Year ended 31 December 2013

	Group		Trust	
	2013	**2012**	**2013**	**2012**
	$'000	**$'000**	**$'000**	**$'000**
Net assets at beginning of the year	**5,702,926**	**5,246,022**	**5,513,826**	**5,072,720**
Operations				
Total return for the year	574,366	536,333	537,177	519,758
Hedging reserves				
Effective portion of changes in fair value of cash flow hedges	7,515	(9,080)	–	–
Movement in foreign currency translation reserves	6,925	7,856	–	–
Movement in general reserves	485	447	–	–
Unitholders' transactions				
Creation of units				
- Units issued in respect of RCS Trust's asset management fees	5,585	5,479	5,585	5,479
- Units issued in respect of placements	–	250,000	–	250,000
Issue expenses (Note 27)	–	(3,461)	–	(3,461)
Distributions to Unitholders	(289,058)	(330,670)	(289,058)	(330,670)
Net decrease in net assets resulting from Unitholders' transactions	(283,473)	(78,652)	(283,473)	(78,652)
Net assets at end of the year	**6,008,744**	**5,702,926**	**5,767,530**	**5,513,826**

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

Portfolio Statements
As at 31 December 2013

Group

Description of Property	Tenure of Land	Term of Lease	Remaining Term of Lease	Location	Existing Use	Occupancy Rates as at 31 December 2013 %	Occupancy Rates as at 31 December 2012 %	At Valuation 2013 $'000	At Valuation 2012 $'000	Percentage of Total Net Assets 2013 %	Percentage of Total Net Assets 2012 %
Investment properties in Singapore											
Tampines Mall	Leasehold	99 years	78 years	4 Tampines Central 5, Singapore	Commercial	100.0	100.0	852,000	827,000	14.2	14.5
Junction 8	Leasehold	99 years	77 years	9 Bishan Place, Singapore	Commercial	99.4	99.6	636,000	617,000	10.6	10.8
Funan DigitaLife Mall	Leasehold	99 years	65 years	109 North Bridge Road, Singapore	Commercial	98.2	100.0	358,000	354,000	6.0	6.2
IMM Building	Leasehold	60 years	35 years	2 Jurong East Street 21, Singapore	Commercial Warehouse	99.1 96.3	98.4 99.7	632,000	608,000	10.5	10.7
Plaza Singapura	Freehold	–	–	68 Orchard Road, Singapore	Commercial	100.0	91.3	1,168,000	1,106,000	19.4	19.4
Bugis Junction	Leasehold	99 years	76 years	200 Victoria Street, Singapore	Commercial	100.0	100.0	901,000	879,000	15.0	15.4
Sembawang Shopping Centre	Leasehold	999 years	870 years	604 Sembawang Road, Singapore	Commercial	100.0	100.0	96,000	93,000	1.6	1.6
JCube	Leasehold	99 years	76 years	2 Jurong East Central 1, Singapore	Commercial	100.0	99.6	360,000	340,000	6.0	6.0
Lot One Shoppers' Mall	Leasehold	99 years	79 years	21 Choa Chu Kang Avenue 4, Singapore	Commercial	100.0	99.8	485,000	467,000	8.1	8.2
Bukit Panjang Plaza	Leasehold	99 years	80 years	1 Jelebu Road, Singapore	Commercial	99.8	100.0	274,000	270,000	4.5	4.7
Balance carried forward								5,762,000	5,561,000	95.9	97.5

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

Portfolio Statements (cont'd)
As at 31 December 2013

Group

Description of Property	Tenure of Land	Term of Lease	Remaining Term of Lease	Location	Existing Use	Occupancy Rates as at 31 December 2013 %	Occupancy Rates as at 31 December 2012 %	At Valuation 2013 $'000	At Valuation 2012 $'000	Percentage of Total Net Assets 2013 %	Percentage of Total Net Assets 2012 %
Investment properties in Singapore											
Balance brought forward								5,762,000	5,561,000	95.9	97.5
Rivervale Mall	Leasehold	99 years	83 years	11 Rivervale Crescent, Singapore	Commercial	100.0	100.0	115,000	106,000	1.9	1.9
The Atrium@Orchard	Leasehold	99 years	94 years	60A & 60B Orchard Road, Singapore	Commercial	99.5	95.3	722,000	717,000	12.0	12.6
Clarke Quay	Leasehold	99 years	75 years	3A/B/C/D/E River Valley Road, Singapore	Commercial	100.0	97.9	347,000	325,000	5.8	5.7
Bugis+	Leasehold	60 years	52 years	201 Victoria Street, Singapore	Commercial	100.0	99.5	330,000	322,000	5.5	5.6
40.0% interest in Raffles City Singapore	Leasehold	99 years	65 years	250 & 252 North Bridge Road, 2 Stamford Road and 80 Bras Basah Road, Singapore	Retail Office Hotel[1]	100.0 100.0 NA	100.0 100.0 NA	1,207,200	1,160,800	20.1	20.4
30.0% interest in Westgate [2]	Leasehold	99 years	97 years	3 Gateway Drive, Singapore	Commercial	85.8	NA	316,200	–	5.2	–
Investment properties, at valuation								8,799,400	8,191,800	146.4	143.7
Investment in associate (Note 8)								178,808	152,592	3.0	2.7
								8,978,208	8,344,392	149.4	146.4
Other assets and liabilities (net)								(2,969,464)	(2,641,466)	(49.4)	(46.4)
Net assets								6,008,744	5,702,926	100.0	100.0

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

Portfolio Statements (cont'd)
As at 31 December 2013

Trust

Description of Property	Tenure of Land	Term of Lease	Remaining Term of Lease	Location	Existing Use	Occupancy Rates as at 31 December		At Valuation		Percentage of Total Net Assets	
						2013	2012	2013	2012	2013	2012
						%	%	$'000	$'000	%	%
Investment properties in Singapore											
Tampines Mall	Leasehold	99 years	78 years	4 Tampines Central 5, Singapore	Commercial	100.0	100.0	852,000	827,000	14.8	15.0
Junction 8	Leasehold	99 years	77 years	9 Bishan Place, Singapore	Commercial	99.4	99.6	636,000	617,000	11.0	11.2
Funan DigitaLife Mall	Leasehold	99 years	65 years	109 North Bridge Road, Singapore	Commercial	98.2	100.0	358,000	354,000	6.2	6.4
IMM Building	Leasehold	60 years	35 years	2 Jurong East Street 21, Singapore	Commercial Warehouse	99.1 96.3	98.4 99.7	632,000	608,000	11.0	11.0
Plaza Singapura	Freehold	–	–	68 Orchard Road, Singapore	Commercial	100.0	91.3	1,168,000	1,106,000	20.3	20.1
Bugis Junction	Leasehold	99 years	76 years	200 Victoria Street, Singapore	Commercial	100.0	100.0	901,000	879,000	15.6	15.9
Sembawang Shopping Centre	Leasehold	999 years	870 years	604 Sembawang Road, Singapore	Commercial	100.0	100.0	96,000	93,000	1.7	1.7
JCube	Leasehold	99 years	76 years	2 Jurong East Central 1, Singapore	Commercial	100.0	99.6	360,000	340,000	6.2	6.2
Lot One Shoppers' Mall	Leasehold	99 years	79 years	21 Choa Chu Kang Avenue 4, Singapore	Commercial	100.0	99.8	485,000	467,000	8.4	8.5
Bukit Panjang Plaza	Leasehold	99 years	80 years	1 Jelebu Road, Singapore	Commercial	99.8	100.0	274,000	270,000	4.8	4.9
Balance carried forward								5,762,000	5,561,000	100.0	100.9

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

Portfolio Statements (cont'd)
As at 31 December 2013

Trust

Description of Property	Tenure of Land	Term of Lease	Remaining Term of Lease	Location	Existing Use	Occupancy Rates as at 31 December 2013 %	Occupancy Rates as at 31 December 2012 %	At Valuation 2013 $'000	At Valuation 2012 $'000	Percentage of Total Net Assets 2013 %	Percentage of Total Net Assets 2012 %
Investment properties in Singapore											
Balance brought forward								5,762,000	5,561,000	100.0	100.9
Rivervale Mall	Leasehold	99 years	83 years	11 Rivervale Crescent, Singapore	Commercial	100.0	100.0	115,000	106,000	2.0	1.9
The Atrium@Orchard	Leasehold	99 years	94 years	60A & 60B Orchard Road, Singapore	Commercial	99.5	95.3	722,000	717,000	12.5	13.0
Clarke Quay	Leasehold	99 years	75 years	3A/B/C/D/E River Valley Road, Singapore	Commercial	100.0	97.9	347,000	325,000	6.0	5.9
Bugis+	Leasehold	60 years	52 years	201 Victoria Street, Singapore	Commercial	100.0	99.5	330,000	322,000	5.7	5.8
Investment properties, at valuation								7,276,000	7,031,000	126.2	127.5
Investments in subsidiaries, associate and joint ventures (Notes 7 & 8)								840,680	801,462	14.5	14.5
								8,116,680	7,832,462	140.7	142.0
Other assets and liabilities (net)								(2,349,150)	(2,318,636)	(40.7)	(42.0)
Net assets								5,767,530	5,513,826	100.0	100.0

NA Not Applicable

1 The two hotels are on a long term master lease to RC Hotels (Pte) Ltd.

2 Westgate obtained its temporary occupation permit on 25 November 2013 and was transferred from investment properties under development to investment properties.

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

Portfolio Statements (cont'd)
As at 31 December 2013

On 31 December 2013, independent valuations of Tampines Mall, IMM Building, JCube, Lot One Shoppers' Mall, Bukit Panjang Plaza, Rivervale Mall were undertaken by CBRE Pte Ltd ("CBRE") while the independent valuations of Junction 8, Funan DigitaLife Mall, Plaza Singapura, Bugis Junction, Sembawang Shopping Centre, The Atrium@Orchard, Clarke Quay and Bugis+ were undertaken by Knight Frank Pte Ltd ("Knight Frank"). The Manager believes that the independent valuers have appropriate professional qualifications and experience in the location and category of the properties being valued.

On 31 December 2012, the carrying amount of Tampines Mall, Junction 8, Funan DigitaLife Mall, IMM Building, Bugis Junction, JCube, and Bugis+ were based on independent valuations undertaken by CBRE while the carrying amount of Plaza Singapura, Sembawang Shopping Centre, The Atrium@Orchard, Bukit Panjang Plaza, Lot One Shoppers' Mall, Rivervale Mall and Clarke Quay were based on independent valuations undertaken by Knight Frank.

The valuations were based on discounted cash flow and capitalisation approaches for CBRE and Knight Frank. The net change in fair value of the properties has been recognised in the Statement of Total Return.

On 31 December 2013 and 31 December 2012, independent valuations of Raffles City Singapore were undertaken by Knight Frank. The Manager believes that the independent valuer has appropriate professional qualifications and experience in the location and category of the property being valued. The valuations were based on investment approach and discounted cash flow analysis. The valuation adopted was $3,018,000,000 (2012: $2,902,000,000) and the Trust's proportionate interest in the property value was $1,207,200,000 (2012: $1,160,800,000). The net change in fair value of the property has been recognised in the Statement of Total Return.

On 31 December 2013, independent valuation of Westgate was undertaken by CBRE. The Manager believes that the independent valuer has appropriate professional qualifications and experience in the location and category of the property being valued. The valuation was based on discounted cash flow and capitalisation approaches. The valuation adopted was $1,054,000,000 and the Trust's proportionate interest in the property value is $316,200,000. The net change in fair value of the property has been recognised in the Statement of Total Return.

Investment properties comprise commercial properties that are leased to external customers. Generally, the leases contain an initial non-cancellable period of three years. Subsequent renewals are negotiated with the lessee. Contingent rents recognised in the Statement of Total Return of the Group and of the Trust amounted to $43,877,000 (2012: $36,227,000) and $34,165,000 (2012: $26,077,000) respectively.

Statements of Cash Flows
Year ended 31 December 2013

	Group		Trust	
	2013	**2012**	**2013**	**2012**
	$'000	**$'000**	**$'000**	**$'000**
Cash flows from operating activities				
Net income	363,056	284,890	361,015	289,891
Adjustments for:				
Interest and other income	(3,983)	(6,552)	(6,503)	(8,870)
Investment income	–	–	(65,065)	(67,494)
Finance costs	120,738	138,938	106,628	125,415
Assets written off	1	–	1	–
Gain on disposal of plant and equipment	(5)	–	–	–
Depreciation and amortisation	1,399	1,327	1,249	1,204
Receivables written off	45	10	21	7
Asset management fees paid/payable in units	5,631	5,500	–	–
Share of profit of associate	(25,721)	(20,261)	–	–
Operating income before working capital changes	461,161	403,852	397,346	340,153
Changes in working capital:				
Inventories	(26)	(8)	–	–
Trade and other receivables	1,279	17,859	72	(159)
Development property for sale	(5,883)	–	–	–
Trade and other payables	7,735	18,986	9,410	17,539
Security deposits	10,231	17,964	6,151	16,871
Income tax (paid) / refund	(52)	702	(52)	–
Cash flows from operating activities carried forward	474,445	459,355	412,927	374,404

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

Statements of Cash Flows (cont'd)
Year ended 31 December 2013

	Group		Trust	
	2013 $'000	**2012 $'000**	**2013 $'000**	**2012 $'000**
Cash flows from operating activities brought forward	474,445	459,355	412,927	374,404
Cash flows from investing activities				
Interest received	4,183	5,765	6,702	5,706
Investment income received	–	–	52,787	52,683
Dividend received from subsidiary	–	–	3,538	–
Distribution received from associate	7,595	15,289	7,595	15,289
Capital expenditure on investment properties under development	(48,199)	(16,784)	–	–
Capital expenditure on investment properties	(111,044)	(239,419)	(99,267)	(234,369)
Purchase of plant and equipment	(1,578)	(1,468)	(1,084)	(1,434)
Proceeds from sale of plant and equipment	6	4	1	3
Proceeds from sale of investment property	–	117,516	–	117,516
Loans to joint venture	–	–	(31,090)	(1,286)
Repayment of loan by joint venture	–	–	–	21,009
Cash flows used in investing activities	(149,037)	(119,097)	(60,818)	(24,883)
Balance carried forward	325,408	340,258	352,109	349,521

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

Statements of Cash Flows (cont'd)
Year ended 31 December 2013

	Group		Trust	
	2013	**2012**	**2013**	**2012**
	$'000	**$'000**	**$'000**	**$'000**
Balance brought forward	325,408	340,258	352,109	349,521
Cash flows from financing activities				
Payment of issue and financing expenses	(1,879)	(7,877)	(1,485)	(5,668)
Redemption and repurchase of Convertible Bonds due 2013	(107,397)	(172,710)	(107,397)	(172,710)
Proceeds from interest-bearing borrowings	259,305	1,163,349	226,000	1,142,855
Repayment of interest-bearing borrowings	(300,000)	(783,000)	(300,000)	(783,000)
Proceeds from issue of new units	–	250,000	–	250,000
Distributions to Unitholders	(340,695)	(311,558)	(340,695)	(311,558)
Interest paid	(120,325)	(117,814)	(103,284)	(101,332)
Cash flows (used in) / from financing activities	(610,991)	20,390	(626,861)	18,587
Net (decrease) / increase in cash and cash equivalents	(285,583)	360,648	(274,752)	368,108
Cash and cash equivalents at beginning of the year	1,118,270	757,622	1,104,470	736,362
Cash and cash equivalents at end of the year (Note 12)	832,687	1,118,270	829,718	1,104,470

Note:

(A) Significant Non-Cash Transaction

During the financial year ended 31 December 2013, 2,736,018 (2012: 3,003,919) units were issued as payment for the asset management fees payable in units, amounting to a value of $5,631,000 (2012: $5,500,000).

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 4 February 2014.

1 General

CapitaMall Trust (the "Trust") is a Singapore-domiciled unit trust constituted pursuant to the trust deed dated 29 October 2001 (as amended) (the "Trust Deed") between CapitaMall 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 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 ("SGX-ST") on 17 July 2002 ("Listing Date") and was included under the Central Provident Fund ("CPF") Investment Scheme on 13 September 2002.

The principal activity of the Trust is to invest in income producing real estate, which is used or substantially used for retail purposes with the primary objective of achieving an attractive level of return from rental income and for long-term capital growth. The principal activities of the subsidiaries, associate and joint ventures are set out in Notes 7 and 8.

The consolidated financial statements relate to the Trust and its subsidiaries (the "Group") and the Group's interest in its associate and joint ventures.

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

1.1 Property management fees

Under the property management agreement, property management fees are charged as follows:

(a) 2.00% per annum of the gross revenue of the properties;

(b) 2.00% per annum of the net property income of the properties; and

(c) 0.50% per annum of the net property income of the properties, in lieu of leasing commissions.

The property management fees are payable monthly in arrears.

1.2 Asset management fees

Pursuant to the Trust Deed, the asset management fees shall not exceed 0.70% per annum of the Deposited Property or such higher percentage as may be fixed by an Extraordinary Resolution at a meeting of Unitholders. Deposited Property refers to all the assets of the Trust, including all its Authorised Investments (as defined in the Trust Deed) for the time being held or deemed to be held upon the trusts of the Trust Deed.

The asset management fees comprise:

(a) in respect of Authorised Investments which are in the form of real estate, a base component of 0.25% per annum of Deposited Property and a performance component of 2.85% per annum of gross revenue of the Trust for each financial year; and

(b) in respect of all other Authorised Investments which are not in the form of real estate, 0.5% per annum of the investment value of the Authorised Investment, unless 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, in which case no asset management fee shall be payable in relation to such Authorised Investment.

In respect of all Authorised Investments which are in the form of real estate acquired by the Trust:

(a) the base component shall be paid to the Manager in the form of cash and/or Units (as the Manager may elect); and

(b) the performance component shall be paid to the Manager in the form of cash, in the form of Units or a combination of both (as the Manager may elect).

When paid in the form of Units, the Manager shall be entitled to receive such number of Units as may be purchased for the relevant amount of the asset management fee at the market price (as defined in the Trust Deed). The asset management fees are payable quarterly in arrears.

The Manager is also entitled to receive acquisition fee at the rate of 1.0% of the purchase price and a divestment fee of 0.5% of the sale price on all future acquisitions or disposals of properties or investments.

1.3 Trustee's fees

Pursuant to the Trust Deed, the Trustee's fees shall not exceed 0.10% per annum of the Deposited Property (subject to a minimum sum of $6,000 per month) payable out of the Deposited Property of the Trust. The Trustee is also entitled to reimbursement of expenses incurred in the performance of its duties under the Trust Deed.

The Trustee's fees are payable quarterly in arrears.

2 Basis of preparation

2.1 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 Singapore Chartered Accountants ("ISCA"), and the applicable requirements of the Code on Collective Investment Schemes ("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").

2.2 Basis of measurement

The financial statements are prepared on the historical cost basis, except for investment properties, derivative financial instruments and certain financial assets and financial liabilities which are measured at fair value.

2.3 Functional and presentation currency

The financial statements are presented in Singapore dollars, which is the Group's functional currency. All financial information presented in Singapore dollars has been rounded to the nearest thousand, unless otherwise stated.

2.4 Use of estimates and judgements

The preparation of financial statements in conformity with RAP 7 requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

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

Information about critical judgement in applying accounting policies that have the most significant effect on the amount recognised in the financial statements is described in the following notes:

- Note 5 & 6 – Classification of investment properties and investment properties under development
- Note 10 – Classification of development property for sale

Information about assumptions and estimation, uncertainty that have the most significant risk of resulting in a material adjustment within the next financial year are included in following notes:

- Note 30 – Valuation of financial instruments
- Note 31 – Valuation of investment properties and investment properties under development

2.5 Changes in accounting policies

RAP 7 (2012)

From 1 January 2013, the Group and the Trust have adopted the revised RAP 7 issued by the Institute of Singapore Chartered Accountants (ISCA) in June 2012.

The adoption of RAP 7 (2012) has resulted in additional disclosures in the financial statements of the Group and the Trust for the current and comparative years. These have been included in the Statement of Total Return and notes to the financial statements.

The adoption of RAP 7 (2012) affects only the disclosures made in the financial statements. There is no financial effect on the financial position, total return or distributable income of the Group and the Trust for the current and previous financial years. Accordingly, the adoption of RAP 7 (2012) has no impact on earnings and distributions per unit.

Fair value measurement

FRS 113 *Fair value measurement* establishes a single framework for measuring fair value and making disclosures about fair value measurements, when such measurements are required or permitted by other FRSs. In particular, it unifies the definition of fair value as the price at which an orderly transaction to sell an asset or to transfer a liability would take place between market participants at the measurement date. It also replaces and expands the disclosure requirements about fair value measurements in other FRSs, including FRS 107 *Financial Instruments: Disclosures*.

From 1 January 2013, in accordance with the transitional provisions of FRS 113, the Group has applied the new fair value measurement guidance prospectively, and has not provided any comparative information for new disclosures. Notwithstanding the above, the change had no significant impact on the measurements of the Group's assets and liabilities. The additional disclosures necessary as a result of the introduction of this standard has been included in Note 31.

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 the Group, except as explained in Note 2.5, which addresses changes in accounting policies.

3.1 Consolidation

Subsidiaries

Subsidiaries are entities controlled by the Group. Control exists when the Group has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, potential voting rights that presently are 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.

Associate and joint ventures

Associate is an entity in which the Group has a significant influence, but not control, over the financial and operating policies. In the financial statements of the Group, the interest in an associate is accounted for using the equity method. The consolidated financial statements include the Group's share of the income and expenses of the associate, after adjustments to align the accounting policies with those of the Group, from the date that significant influence commences until the date that significant influence ceases. When the Group's share of losses exceeds its interest in an associate, the carrying amount of that interest (including any long-term investments) is reduced to zero and the recognition of further losses is discontinued except to the extent that the Group has an obligation or has made payment on behalf of the associate.

Joint ventures are entities over whose activities the Trust has joint control, established by contractual agreement and requiring unanimous consent for strategic financial and operating decisions. In the financial statements of the Group, the interest in joint ventures is accounted for by including its proportionate share of the jointly-controlled entity's assets, liabilities, income and expenses with the similar item, line by line, in its financial statements. The consolidated financial statements include the assets that the Group controls and the liabilities that it incurs in the course of pursuing the joint ventures, share of the income and expenses of the joint ventures, after adjustments to align the accounting policies with those of the Group, from the date that joint control commences until the date that joint control ceases.

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 investees. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

Accounting for subsidiaries, associate and joint ventures by the Trust

Investments in subsidiaries, associate and joint ventures are stated in the Trust's balance sheet at cost less accumulated impairment losses.

3.2 Plant and equipment

Plant and equipment are measured at cost less accumulated depreciation and 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.

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 costs of the day-to-day servicing of plant and equipment are recognised in the Statement of Total Return as incurred.

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 equipment	-	2 to 5 years

Gain or loss arising from the retirement or disposal of plant and equipment is determined by comparing the proceeds from disposal with the carrying amount of plant and equipment and is recognised in the Statement of Total Return.

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

3.3 Investment properties

Investment properties are properties held either to earn rental income or for capital appreciation or both. Investment properties are accounted for as non-current assets and are stated at initial cost on acquisition and at fair value thereafter. The cost of a purchased property comprises its purchase price and any directly attributable expenditure including capitalised borrowing costs. Transaction costs shall be 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 in the following events:

- in such manner and frequency required under the CIS Code issued by MAS; and
- at least once in each period of 12 months following the acquisition of each parcel of real estate property.

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 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. For income tax purposes, the Group and the Trust may claim capital allowances on assets that qualify as plant and machinery under the Income Tax Act.

3.4 Investment properties under development

Investment properties under development are properties being constructed or developed for future use as investment properties and are measured at fair value. The difference between the fair value and cost (including acquisition costs, development expenditure, capitalised borrowing costs and other directly attributable expenditure) is credited or charged to the Statement of Total Return. Upon completion, the carrying amounts are reclassified to investment properties.

3.5 Development property for sale

Development property for sale is stated at the lower of cost and estimated net realisable value. Net realisable value represents the estimated selling price less costs to be incurred in selling the property.

The cost of development property for sale comprises specifically identified costs, including acquisition costs, development expenditure, borrowing costs and other related expenditure. Borrowing costs payable on loans funding a development property are also capitalised, on a specific identification basis, as part of the cost of the development property until the completion of development.

3.6 Foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currencies of the Group at the exchange rate at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the end of the reporting date are retranslated to the functional currency at the exchange rate at that date. Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated to the functional currency at the exchange rate at the date on which the fair value was determined.

Foreign currency differences arising on retranslation are recognised in Statement of Total Return, except for the following differences which are recognised in Unitholders' funds, arising on the retranslation of:

- available-for-sale equity instruments (except on impairment in which case foreign currency differences that have been recognised in Unitholders' funds are reclassified to Statement of Total Return);
- a financial liability designated as a hedge of the net investment in a foreign operation to the extent that the hedge is effective; or
- qualifying cash flow hedges to the extent the hedge is effective.

3.7 Financial instruments

Non-derivative financial assets

The Group initially recognises loans and receivables on the date that they are originated. All other financial assets (including assets designated at fair value through profit or loss) 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 the following non-derivative financial assets: loans and receivables.

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, loans to joint ventures and cash and cash equivalents.

Cash and cash equivalents comprise cash balances and bank deposits.

Non-derivative financial liabilities

The Group initially recognises all other financial liabilities (including liabilities designated at fair value through profit or loss) on the trade date at which the Group becomes a party to the contractual provisions of the instrument.

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

The Group has the following non-derivative financial liabilities: loans and borrowings, amounts owing to joint venture partners, trade and other payables and security deposits.

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.

Derivative financial instruments and hedging activities

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 profit or loss. Multiple embedded derivatives in a single instrument are treated as a single compound embedded derivative if they share the same underlying risk exposures, are interdependent of each other and are not readily separable.

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, 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 during the period for which the hedge is designated, 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 reported 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 Statement of Total Return, the effective portion of changes in the fair value of the derivative is recognised in Unitholders' funds and presented in the hedging reserve in equity. Any ineffective portion of changes in the fair value of the derivative is recognised immediately in Statement of Total Return.

When the hedged item is a non-financial asset, the amount accumulated in Unitholders' funds is included in the carrying amount of the asset when the asset is recognised. In other cases, the amount accumulated in Unitholders' funds is reclassified to Statement of Total Return in the same period that the hedged item affects 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. If the forecast transaction is no longer expected to occur, then the balance in Unitholders' funds is reclassified to Statement of Total Return.

Separable embedded derivatives

Changes in the fair value of separable embedded derivatives are recognised immediately in the Statement of Total Return.

Other non-trading derivatives

When a derivative financial instrument is not designated in a hedge relationship that qualifies for hedge accounting, all changes in its fair value are recognised immediately in Statement of Total Return.

Convertible bonds

The Group has issued convertible bonds that comprise a liability for the principal and interest amount and a derivative liability. The derivative liability is recognised at fair value at inception. The carrying amount of the convertible bonds at initial recognition is the difference between the gross proceeds from the convertible bonds issue and the fair value of the derivative liability. Any directly attributable transaction costs are allocated to the convertible bonds and derivative liability in proportion to their initial carrying amounts. Subsequent to initial recognition, the convertible bonds are measured at amortised cost using effective interest method. The derivative liability is measured at fair value through profit or loss.

The Group has also issued convertible bonds that can be converted into Unitholders' funds at the option of the holder, where the number of units to be issued does not vary with changes in their fair value are accounted for as compound financial instruments. The gross proceeds are allocated to the equity and liability components, with the equity component being assigned the residual amount after deducting the fair value of the liability component from the fair value of the compound financial instrument. Subsequent to initial recognition, the liability component of convertible bonds is measured at amortised cost using the effective interest method. The equity component of convertible bonds is not re-measured subsequent to initial recognition.

3.8 Impairment

Non-derivative financial assets

A financial asset not carried at fair value through profit or loss 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 or issuer will enter bankruptcy. In addition, for an investment in an equity security, a significant or prolonged decline in its fair value below its cost is objective evidence of impairment.

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

Non-financial assets

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

The recoverable amount of an asset or cash-generating unit ("CGU") is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or 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 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.

3.9 Interest-bearing borrowings

Interest-bearing borrowings are recognised initially at fair value less attributable transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost with any difference between cost and redemption value being recognised in the Statement of Total Return over the period of the borrowings on an effective interest basis.

3.10 Unitholders' funds

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

Incremental costs directly attributable to the issue of units are recognised as a deduction from Unitholders' funds.

3.11 Revenue recognition

Rental income from operating leases

Rental income receivable under operating leases is recognised in the Statement of Total Return 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 rentals are recognised if there are uncertainties due to the possible return of amounts received.

Car park income

Car park income is recognised as it accrues on a time apportioned basis.

Interest income

Interest income is recognised as it accrues, using the effective interest method.

Investment income

Investment income is recognised when the right to receive distribution income from an associate or a joint venture is established.

3.12 Expenses

Property operating expenses

Property operating expenses consist of quit rents, property taxes, utilities, property management fees, property management reimbursements, marketing, maintenance and other property outgoings in relation to investment properties where such expenses are the responsibility of the Group.

Property management fees are recognised on an accrual basis based on the applicable formula, stipulated in Note 1.1.

Asset management fees

Asset management fees are recognised on an accrual basis using the applicable formula, stipulated in Note 1.2.

Trustee's fees

The Trustee's fees are recognised on an accrual basis using the applicable formula, stipulated in Note 1.3.

3.13 Finance costs

Finance costs comprise interest expense on borrowings and convertible bonds, amortisation of borrowings and convertible bonds related transaction costs and accretion of convertible bonds interest which are recognised in the Statement of Total Return using the effective interest method over the period of borrowings and the convertible bonds. Finance costs also include gain/loss on remeasurement of financial derivatives.

3.14 Income tax

Income tax expense comprises current and deferred tax. Current and deferred tax is recognised in the Statement of Total Return except to the extent that it relates to items directly related to Unitholders' funds, in which case it is recognised in Unitholders' funds.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit; and

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

The measurement of deferred taxes reflects the tax consequences that would follow the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets and they relate to taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

In determining the amount of current and deferred tax, the Group takes into account the impact of uncertain tax positions and whether additional taxes and interest may be due. The Group believes that its accruals for tax liabilities are adequate for all open tax years based on its assessment of many factors, including interpretations of tax law and prior experience. This assessment relies on estimates and assumptions and may involve a series of judgements about future events. New information may become available that causes the Group to change its judgement regarding the adequacy of existing tax liabilities; such changes to tax liabilities will impact tax expense in the period that such a determination is made.

The Inland Revenue Authority of Singapore (the "IRAS") has issued a tax ruling on the tax treatment of the Trust. Subject to meeting the terms and conditions of the tax ruling which includes a distribution of at least 90.0% of the taxable income of the Trust, the Trustee is not subject to tax on the taxable income of the Trust to the extent of the amount distributed. Instead, the distributions made by the Trust out of such taxable income are subject to tax in the hands of Unitholders, unless they are exempt from tax on the Trust's distributions. This treatment is known as the tax transparency treatment.

Individuals and qualifying Unitholders, i.e. companies incorporated and tax resident in Singapore, Singapore branches of foreign companies that have obtained waiver from the IRAS from tax deducted at source in respect of the distributions from the Trust, and bodies of persons registered or constituted in Singapore, are entitled to gross distributions from the Trust. For distributions made to foreign non-individual Unitholders, the Trustee is required to withhold tax at the reduced rate of 10.0%. For other types of Unitholders, the Trustee is required to withhold tax at the prevailing corporate tax rate on the distributions made by the Trust. Such other types of Unitholders are subject to tax on the regrossed amounts of the distributions received but may claim a credit for the tax deducted at source at the prevailing corporate tax rate by the Trustee.

The Trust has a distribution policy to distribute at least 90.0% of its taxable income, other than gains from the sale of real estate properties that are determined by the IRAS to be trading gains. For the taxable income that is not distributed, referred to as retained taxable income, tax will be assessed on the Trustee. Where such retained taxable income is subsequently distributed, the Trustee need not deduct tax at source.

3.15 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. All operating segments' operating results are reviewed and used by the management for strategic decision making and resources allocation.

3.16 New standards, interpretations and revised recommended accounting practice not yet adopted

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after 1 January 2013, and have not been applied in preparing these financial statements. Those new standards, amendments to standards and interpretations that are expected to have a significant effect on the financial statements of the Group and the Trust in future financial periods, and which the Group does not plan to early adopt except as otherwise indicated below, are set out below.

Applicable for the Group's 2014 financial statements

- FRS 111 *Joint Arrangements* establishes the principles for classification and accounting of joint arrangements. The adoption of this standard would require the Group to re-assess and classify its joint arrangements as either joint operations or joint ventures based on its rights and obligations arising from the joint arrangements. Under this standard, interests in joint ventures will be accounted for using the equity method whilst interests in joint operations will be accounted for using the applicable FRSs relating to the underlying assets, liabilities, revenue and expense items arising from the joint operations.

At 31 December 2013, the Group has investments under joint arrangements. Currently, RCS Trust, Infinity Mall Trust and Infinity Office Trust are accounted for as jointly-controlled entities using the proportionate consolidation method. The Group has re-evaluated the rights and obligations of the parties to these joint arrangements and has determined that the parties in these joint arrangements have rights to the net assets of the joint arrangements. Accordingly, these joint arrangements will be classified as joint ventures under FRS 111 and will be accounted for using the equity method.

These changes will be applied retrospectively and in the Group's 2014 financial statements, prior period comparatives will be restated. Had this change been effected as at 31 December 2013, the estimated impact on key line items in the financial statements are as follows:

Impact on Statement of Financial Position - Group

	As at 31 December 2013 as reported $'000	FRS 111 adjustments $'000	As at 31 December 2013 to be restated $'000
Total assets	10,017,499	(797,542)	9,219,957
Total liabilities	4,008,755	(797,542)	3,211,213
Net assets	6,008,744	–	6,008,744

Impact on Statement of Total Return - Group

	Year ended 31 December 2013 as reported $'000	FRS 111 adjustments $'000	Year ended 31 December 2013 to be restated $'000
Gross revenue	729,162	(91,572)	637,590
Net income before share of profit of associate and joint ventures	337,335	(43,976)	293,359
Share of profit of associate and joint ventures	25,721	78,479	104,200
Total return for the year	574,366	–	574,366

- FRS 112 *Disclosure of Interests in Other Entities* brings together into a single standard all the disclosure requirements about an entity's interests in subsidiaries, joint arrangements, associates and unconsolidated structured entities. The Group is currently assessing the disclosure requirements for interests in subsidiaries, interests in joint arrangements and associates and unconsolidated structured entities in comparison with the existing disclosures. FRS 112 requires the disclosure of information about the nature, risks and financial effects of these interests.

4 Plant and equipment

	Furniture, fittings and equipment	
	2013	**2012**
	$'000	**$'000**
Group		
Cost		
At 1 January	5,802	4,453
Additions	2,078	1,468
Disposals	(66)	(53)
Assets written off	(25)	(66)
At 31 December	7,789	5,802
Accumulated depreciation		
At 1 January	3,717	2,889
Charge for the year	912	943
Disposals	(65)	(49)
Assets written off	(24)	(66)
At 31 December	4,540	3,717
Carrying amounts		
At 1 January	2,085	1,564
At 31 December	3,249	2,085
Trust		
Cost		
At 1 January	5,279	3,960
Additions	1,084	1,434
Disposals	(45)	(49)
Assets written off	(25)	(66)
At 31 December	6,293	5,279

Trust	**Furniture, fittings and equipment 2013 $'000**	**2012 $'000**
Accumulated depreciation		
At 1 January	3,277	2,490
Charge for the year	874	899
Disposals	(44)	(46)
Assets written off	(24)	(66)
At 31 December	4,083	3,277
Carrying amounts		
At 1 January	2,002	1,470
At 31 December	2,210	2,002

5 Investment properties

	Group		**Trust**	
	2013 $'000	**2012 $'000**	**2013 $'000**	**2012 $'000**
At 1 January	8,191,800	7,849,200	7,031,000	6,716,000
Transfer from investment properties under development (Note 6)	313,462	–	–	–
Disposal of investment property	–	(33,862)	–	(33,862)
Capital expenditure	89,215	210,634	75,283	202,618
	8,594,477	8,025,972	7,106,283	6,884,756
Net change in fair value of investment properties	204,923	165,828	169,717	146,244
At 31 December	8,799,400	8,191,800	7,276,000	7,031,000

Certain investment properties have been mortgaged to secure credit facilities for the Group (Note 14). As at 31 December 2013, all investment properties under the Trust are unencumbered. As at 31 December 2012, all the investment properties under the Trust, except for The Atrium@Orchard, were unencumbered.

6 Investment properties under development

	Group 2013 $'000	Group 2012 $'000
At 1 January	336,027	306,591
Capital expenditure	61,489	29,436
Net change in fair value of investment properties under development	(704)	–
Transfer to investment properties[1] (Note 5)	(313,462)	–
Transfer to development property for sale[2] (Note 10)	(83,350)	–
At 31 December	–	336,027

1. Westgate which is held by Infinity Mall Trust was reclassified as investment property upon completion of development and commencement of operation on 2 December 2013.

2. Westgate Tower which is held by Infinity Office Trust was transferred to development property for sale following a change in the intention of the use for the property.

During financial year ended 31 December 2013, interest capitalised amounted to $6.0 million (2012: $7.6 million) with an effective interest rate ranging from 1.28% to 2.12% (2012: 1.34% to 2.44%) per annum.

7 Subsidiaries

	Trust 2013 $'000	Trust 2012 $'000
Non-current assets		
Equity investments at cost	*	*
Loan to a subsidiary	80	80
	80	80

* Less than $1,000

Details of the subsidiaries are as follows:

Name of subsidiaries	Place of incorporation/ business	Effective equity interest held by the Trust 2013 %	Effective equity interest held by the Trust 2012 %
CapitaRetail Singapore Limited	Singapore	100	100
CMT MTN Pte. Ltd.[1]	Singapore	100	100

1 Audited by KPMG LLP Singapore

CapitaRetail Singapore Limited

CapitaRetail Singapore Limited ("CRSL") has been placed under member's voluntary liquidation since 26 November 2013 and there is no requirement for audit in year 2013. The 852 redeemable preference shares of $0.10 each in CRSL were redeemed on 25 October 2013.

CMT MTN Pte. Ltd.

CMT MTN Pte. Ltd. ("CMT MTN") was incorporated on 23 January 2007. The principal activity of this subsidiary is the provision of treasury services, including on-lending to the Trust proceeds from issuances of notes under unsecured multicurrency medium term note programme and Euro- medium term note programme.

The Trust has provided a loan to CMT MTN amounting to $80,000 (2012: $80,000) which is non-trade in nature, unsecured and interest-free. The settlement of the amount is neither planned nor likely to occur in the foreseeable future. As this amount is, in substance, part of the Trust's net investment in CMT MTN, it is stated at cost.

8 Associate and joint ventures

	Group		Trust	
	2013	**2012**	**2013**	**2012**
	$'000	**$'000**	**$'000**	**$'000**
Investment in associate	178,808	152,592	130,836	130,836
Investments in joint ventures	–	–	563,633	558,048
Loans to joint ventures	96,647	74,884	146,131	112,498
	275,455	227,476	840,600	801,382

The loans to joint ventures are not expected to be repaid in the next twelve months from the reporting date. The loan bears interest rate of 2.12% (2012: 2.12% to 2.44%) per annum. Interest rate is repriced at intervals of less than twelve months.

Details of the associate and joint ventures are as follows:

Name of associate and joint ventures	**Place of constitution/ incorporation/ business**	**Effective equity interest held by the Trust**	
		2013	**2012**
		%	**%**
Associate[1]			
CapitaRetail China Trust	Singapore	15.3[2]	16.4[2]
Joint ventures[1]			
Infinity Mall Trust and Infinity Office Trust	Singapore	30.0	30.0
RCS Trust	Singapore	40.0	40.0

[1] Audited by KPMG LLP Singapore

[2] The dilution of interest in associate is mainly due to the equity fund raising on 2 November 2012 and the preferential offering on 20 November 2013 conducted by CapitaRetail China Trust in which the Trust did not participate.

Associate

CapitaRetail China Trust

CapitaRetail China Trust ("CRCT") is a real estate investment trust constituted in Singapore by a trust deed dated 23 October 2006 (as amended). CRCT was formally admitted to SGX-ST on 8 December 2006. CRCT is established with the objective of investing on a long term basis in a diversified portfolio of income producing real estate and primarily for retail purposes and located primarily in the People's Republic of China.

On a recurring basis, as the results of CRCT are not expected to be announced in sufficient time to be included in the Group's results for the same calendar quarter, the Group will equity account the results of CRCT based on a 3-month lag time.

At the reporting date, the fair value of both the Group's and the Trust's investment in CRCT is $163,198,000 (2012: $201,236,000).

Joint Ventures

Infinity Mall Trust and Infinity Office Trust

(a) Infinity Mall Trust

Infinity Mall Trust is an unlisted special purpose trust established under a trust deed ("Infinity Mall Trust Trust Deed") dated 25 May 2011 entered into between the Trustee, CMA Singapore Investments (4) Pte. Ltd., CL JM Pte. Ltd. and JG Trustee Pte. Ltd. (as trustee of Infinity Mall Trust). Infinity Mall Trust is 30.0% owned by the Trust, 50.0% by CMA Singapore Investments (4) Pte. Ltd. and 20.0% by CL JM Pte. Ltd.

Infinity Mall Trust owns Westgate, at Jurong Gateway. Westgate obtained its temporary occupation permit on 25 November 2013 and commenced operations on 2 December 2013.

Infinity Mall Trust has entered into property management agreement in relation to management of Infinity Mall Trust and its property operations. The fee structures of these services are as follows:

(i) 2.00% per annum of the gross revenue of the properties;

(ii) 2.00% per annum of the net property income of the properties; and

(iii) 0.50% per annum of the net property income of the properties, in lieu of leasing commissions.

The property management fees are payable monthly in arrears.

(b) Infinity Office Trust

Infinity Office Trust is an unlisted special purpose trust established under a trust deed ("Infinity Office Trust Trust Deed") dated 25 May 2011 entered into between the Trustee, CMA Singapore Investments (5) Pte. Ltd., CL JO Pte. Ltd. and JG2 Trustee Pte. Ltd. (as trustee of Infinity Office Trust). Infinity Office Trust is 30.0% owned by the Trust, 50.0% by CMA Singapore Investments (5) Pte. Ltd. and 20.0% by CL JO Pte. Ltd.

Infinity Office Trust owns Westgate Tower, at Jurong Gateway which is expected to be completed by end 2014. Please also refer to Note 35 - Subsequent Event.

RCS Trust

RCS Trust is an unlisted special purpose trust established under a trust deed ("RCS Trust Trust Deed") dated 18 July 2006 entered into between HSBC Institutional Trust Services (Singapore) Limited as trustee-manager of RCS Trust ("RCS Trust Trustee-Manager"), HSBC Institutional Trust Services (Singapore) Limited as trustee of CapitaCommercial Trust ("CCT Trustee"), the Trustee, CapitaCommercial Trust Management Limited (CCTML as manager of CCT) and the Manager. RCS Trust is 40.0% owned by the Trust and 60.0% owned by CCT.

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

(a) Property management fees

Under the property management agreement, property management fees are charged as follows:

(i) 2.00% per annum of the property income of the property; and

(ii) 2.50% per annum of the net property income of the property.

The property management fees are payable monthly in arrears.

(b) Asset management fees

Pursuant to the RCS Trust Trust Deed, the asset management fees comprise a base component of 0.25% per annum of the value of deposited property of RCS Trust and a performance component of 4.00% per annum of the net property income of RCS Trust, including all its authorised investments for the time being held or deemed to be held upon the trusts of the RCS Trust Trust Deed.

The asset management fees shall be paid entirely in the form of units or, with the unanimous approval of the Manager and CCTML, either partly in units and partly in cash or wholly in cash.

The asset management fees are payable quarterly in arrears.

(c) RCS Trust Trustee-Manager's fees

Pursuant to the RCS Trust Trust Deed, the RCS Trust Trustee-Manager's fees shall not exceed 0.10% per annum of the value of Deposited Property of RCS Trust, as defined in the RCS Trust Trust Deed (subject to a minimum sum of $15,000 per month), payable out of the Deposited Property of RCS Trust. The RCS Trust Trustee-Manager is also entitled to reimbursement of expenses incurred in the performance of its duties under the RCS Trust Trust Deed.

The RCS Trust Trustee-Manager's fees are payable quarterly in arrears.

The summarised financial information relating to the associate is not adjusted for the percentage of ownership held by the Group. The summarised financial information of the joint ventures represents the Group's share in the joint ventures.

The financial information of the associate and the Group's interests in the joint ventures are as follows:

	Associate[1]		**Joint ventures**	
	2013	**2012**	**2013**	**2012**
	$'000	**$'000**	**$'000**	**$'000**
Assets and Liabilities				
Non-current assets			1,524,439	1,495,572
Current assets			99,261	15,184
Total assets	1,817,400	1,564,419	1,623,700	1,510,756
Non-current liabilities			808,901	733,143
Current liabilities			48,227	42,730
Total liabilities	677,924	662,096	857,128	775,873
Results				
Revenue	157,715	151,764	91,625	88,425
Expenses			(47,723)	(43,816)
Revaluation surplus			35,206	19,584
Total return for the year	160,218	116,418	79,108	64,193
The Group's share of joint venture capital commitment			37,011	85,791

1. As the results of CRCT for the fourth quarter ended 31 December 2013 are not announced in sufficient time to be included in the Group's results for the same calendar quarter, the assets and liabilities recorded were based on CRCT's unaudited financial statements and distribution announcement for the third quarter ended 30 September 2013 dated 23 October 2013. The financial results recorded were based on CRCT's unaudited financial statements and distribution announcements for the period from 1 October 2012 to 30 September 2013.

   Similarly, corresponding comparisons for previous financial year were based on CRCT's unaudited financial statements and distribution announcement for the third quarter ended 30 September 2012 dated 23 October 2012 and on CRCT's unaudited financial statements and distribution announcements for the period from 1 October 2011 to 30 September 2012.

9 Financial derivatives

	Group		Trust	
	2013	2012	2013	2012
	$'000	$'000	$'000	$'000
Non-current assets				
Cross currency swaps	4,530	–	–	–
Current liabilities				
Interest rate swaps	5,132	–	5,132	–
Non-current liabilities				
Cross currency swaps	116,607	141,090	–	–
Interest rate swaps	1,945	14,951	–	12,078
	118,552	156,041	–	12,078

Cross currency swaps

The Group enters into cross currency swaps ("CCS") to manage its foreign currency risk arising from its foreign currency borrowings. The Group has designated the cross currency swaps as hedging instruments in cash flow hedges.

At 31 December 2013, the Group held CCS with a total notional amount of $1,818,354,800 (2012: $1,692,354,800) to provide Singapore dollar fixed rate funding for terms of 5 to 10 years (2012: 5 to 10 years).

Interest rate swaps

At 31 December 2013, the Group held interest rate swaps with a total notional amount of $515,000,000 (2012: $515,000,000). The Group has designated interest rate swaps with notional amount of $195,000,000 (2012: $195,000,000) as hedging instruments in cash flow hedges to provide fixed rate funding for a term of 4 years (2012: 4 years).

Offsetting financial assets and financial liabilities

The disclosures set out in the tables below include financial assets and financial liabilities that are subject to an enforceable master netting arrangement, irrespective of whether they are offset in the Statement of Financial Position.

The Group entered into International Swaps and Derivatives Association (ISDA) Master Agreements with various bank counterparties ("ISDA Master Agreement"). In certain circumstances following the occurrence of a termination event as set out in an ISDA Master Agreement, all outstanding transactions under such ISDA Master Agreement may be terminated and the early termination amount payable to one party under such agreements may be offset against amounts payable to the other party such that only a single net amount is due or payable in settlement of all transactions.

In accordance with accounting standards, the swaps presented below are not offset in the Statement of Financial Position as the right of set-off of recognised amounts is enforceable only following the occurrence of a termination event as set out in such ISDA Master Agreement. In addition the Group and its counterparties do not intend to settle on a net basis or to realise the assets and settle the liabilities simultaneously.

Financial assets and financial liabilities that are subject to an enforceable master netting arrangements

Group

31 December 2013

Types of financial assets	Gross amounts of recognised financial assets $'000	Gross amounts of recognised financial liabilities offset in the Statement of Financial Position $'000	Net amounts of financial assets presented in the Statement of Financial Position $'000	Related amounts not offset in the Statement of Financial Position - Financial instruments $'000	Net amount $'000
Cross currency swaps used for hedging	4,530	–	4,530	(4,530)	–

Types of financial liabilities	Gross amounts of recognised financial liabilities $'000	Gross amounts of recognised financial assets offset in the Statement of Financial Position $'000	Net amounts of financial liabilities presented in the Statement of Financial Position $'000	Related amounts not offset in the Statement of Financial Position - Financial instruments $'000	Net amount $'000
Cross currency swaps used for hedging	116,607	–	116,607	(4,530)	112,077

Group

31 December 2012

Types of financial liabilities	Gross amounts of recognised financial liabilities $'000	Gross amounts of recognised financial assets offset in the Statement of Financial Position $'000	Net amounts of financial liabilities presented in the Statement of Financial Position $'000	Related amounts not offset in the Statement of Financial Position - Financial instruments $'000	Net amount $'000
Cross currency swaps used for hedging	141,090	–	141,090	–	141,090

The tables below reconcile the 'Net amounts of financial assets and financial liabilities presented in Statement of Financial Position', as set out above, to the line items presented in the Statement of Financial Position.

Group

31 December 2013

Types of financial assets	Net amounts $'000	Line item in Statement of Financial Position	Carrying amount in Statement of Financial Position $'000	Financial assets not in scope of offsetting disclosures $'000
Cross currency swaps used for hedging	4,530	Non-current financial derivatives	4,530	–

Types of financial liabilities	Net amounts $'000	Line item in Statement of Financial Position	Carrying amount in Statement of Financial Position $'000	Financial liabilities not in scope of offsetting disclosures $'000
Cross currency swaps used for hedging	116,607	Non-current financial derivatives	118,552	1,945

Group

31 December 2012

Types of financial liabilities	**Net amounts $'000**	**Line item in Statement of Financial Position**	**Carrying amount in Statement of Financial Position $'000**	**Financial liabilities not in scope of offsetting disclosures $'000**
Cross currency swaps used for hedging	141,090	Non-current financial derivatives	156,041	14,951

The following table indicates the periods that the cash flows associated with financial derivatives:

			Cash flows		
	Carrying amount $'000	**Contractual cash flows $'000**	**Within 1 year $'000**	**Within 1 to 5 years $'000**	**More than 5 years $'000**
Group					
2013					
Cross currency swaps	(112,077)	(123,432)	(1,771)	(86,437)	(35,224)
Interest rate swaps	(7,077)	(7,786)	(6,453)	(1,333)	–
2012					
Cross currency swaps	(141,090)	(157,997)	(934)	(96,729)	(60,334)
Interest rate swaps	(14,951)	(15,200)	(8,190)	(7,010)	–
Trust					
2013					
Interest rate swaps	(5,132)	(4,994)	(4,994)	–	–
2012					
Interest rate swaps	(12,078)	(11,329)	(6,889)	(4,440)	–

10 Development property for sale

Group	**2013 $**	**2012 $**
At 1 January	–	–
Transfer from investment properties under development (Note 6)	83,350	–
Additions	7,756	–
At 31 December	91,106	–

During financial year ended 31 December 2013, interest capitalised amounted to $0.5 million with an effective interest rate ranging from 1.28% to 2.12% per annum.

11 Trade and other receivables

	Group		Trust	
	2013	**2012**	**2013**	**2012**
	$'000	**$'000**	**$'000**	**$'000**
Trade receivables	5,532	5,655	5,049	5,337
Deposits	3,008	4,326	681	833
Interest receivables	442	642	442	642
Amount due from related parties	74	65	14,287	13,130
Other receivables	936	1,601	355	706
Loans and receivables	9,992	12,289	20,814	20,648
Prepayments	836	556	732	420
	10,828	12,845	21,546	21,068

Concentration of credit risk relating to trade receivables is limited due to the Group's many varied tenants. These tenants comprise retailers engaged in a wide variety of consumer trades. The Group's historical experience in the collection of accounts receivable falls within the recorded allowances. Due to these factors, the Manager believes that no additional credit risk beyond amounts provided for collection losses is inherent in the Group's trade receivables.

The maximum exposure to credit risk for trade receivables at the reporting date (by type of consumers) is:

	Group		Trust	
	2013	**2012**	**2013**	**2012**
	$'000	**$'000**	**$'000**	**$'000**
Retail customers	5,420	5,596	4,940	5,290
Warehouse	59	30	59	30
Office	53	29	50	17
	5,532	5,655	5,049	5,337

The Group's most significant tenant, accounts for $168,420 (2012: $433,255) of the trade receivables carrying amount as at the reporting date.

Impairment losses

The ageing of receivables at the reporting date is:

	Group		Trust	
	Gross	**Impairment losses**	**Gross**	**Impairment losses**
	$'000	**$'000**	**$'000**	**$'000**
2013				
Not past due	4,828	–	4,450	–
Past due 31 – 60 days	566	–	503	–
Past due 61 – 90 days	104	–	75	–
Over 90 days	58	(24)	21	–
	5,556	(24)	5,049	–

	Group		Trust	
	Gross	Impairment losses	Gross	Impairment losses
	$'000	$'000	$'000	$'000
2012				
Not past due	4,807	–	4,532	–
Past due 31 – 60 days	728	–	686	–
Past due 61 – 90 days	85	–	85	–
Over 90 days	35	–	34	–
	5,655	–	5,337	–

The change in impairment loss in respect of trade receivables during the year is as follows:

	Group		Trust	
	2013	2012	2013	2012
	$'000	$'000	$'000	$'000
As at 1 January	–	–	–	–
Allowance recognised during the year	24	3	–	–
Allowance reversed during the year	–	(3)	–	–
As at 31 December	24	–	–	–

The Manager believes that no impairment allowance is necessary in respect of the remaining trade receivables as these receivables arose mainly from tenants that have good record with the Group and have sufficient security deposits as collateral.

12 Cash and cash equivalents

	Group		Trust	
	2013	2012	2013	2012
	$'000	$'000	$'000	$'000
Cash at bank and in hand	11,733	9,873	8,764	7,638
Fixed deposits with financial institutions	820,954	1,108,397	820,954	1,096,832
Cash and cash equivalents in the statements of cash flow	832,687	1,118,270	829,718	1,104,470

The weighted average effective interest rate relating to cash and cash equivalents at the reporting date for the Group and Trust is 0.56% per annum (2012: Group 0.56% and Trust 0.57%).

13 Trade and other payables

	Group		Trust	
	2013	**2012**	**2013**	**2012**
	$'000	**$'000**	**$'000**	**$'000**
Trade payables and accrued operating expenses	116,902	126,222	94,154	107,248
Amounts due to related parties (trade)	15,032	14,245	12,165	11,583
Deposits and advances	14,322	14,352	12,034	12,544
Interest payable	23,717	28,679	23,187	28,087
Distribution payable	–	51,637	–	51,637
	169,973	235,135	141,540	211,099

Included in amounts due to related parties of the Group are amounts due to the Manager of $11,461,000 (2012: $11,054,000), the Property Manager (CapitaLand Retail Management Pte Ltd) of $2,717,000 (2012: $2,145,000) and the Project Manager (CapitaLand Retail Project Management Pte Ltd) of $207,000 (2012: $155,000). At Trust level, the amount due to related parties is an amount due to the Manager of $10,028,000 (2012: $9,667,000), the Property Manager of $2,039,000 (2012: $1,856,000) and the Project Manager of $3,000 (2012: $33,000).

Included in trade payables and accrued operating expenses of the Group and the Trust is an amount due to the Trustee of $328,000 (2012: $325,000) and $290,000 (2012: $288,000) respectively.

14 Interest-bearing borrowings

	Group		Trust	
	2013	**2012**	**2013**	**2012**
	$'000	**$'000**	**$'000**	**$'000**
Current liabilities				
Term loans (unsecured)	150,000	300,000	150,000	300,000
	150,000	300,000	150,000	300,000
Non-current liabilities				
Term loans (secured)	595,000	595,000	–	–
Unamortised transaction costs	(2,958)	(4,449)	–	–
	592,042	590,551	–	–
			–	–
Revolving credit facilities			–	–
(secured)	53,800	20,495		
Unamortised transaction costs	(586)	(288)	–	–
	53,214	20,207	–	–
Term loans (unsecured)	2,310,277	2,211,816	2,418,354	2,342,355
Unamortised transaction costs	(3,273)	(3,255)	(3,273)	(3,255)
	2,307,004	2,208,561	2,415,081	2,339,100
	2,952,260	2,819,319	2,415,081	2,339,100
Total interest-bearing borrowings	**3,102,260**	**3,119,319**	**2,565,081**	**2,639,100**

Terms and debt repayment schedule

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

			2013		2012	
Group	**Nominal interest rate %**	**Year of maturity**	**Face value $'000**	**Carrying amount $'000**	**Face value $'000**	**Carrying amount $'000**
Secured						
SGD fixed rate term loans	3.025 – 3.09	2016	400,000	397,863	400,000	396,652
SGD floating rate term loan	3 months SOR + 1.13	2016	195,000	194,179	195,000	193,899
SGD floating rate revolving credit facilities	3 months SOR + 1.13 to 1.23	2016	53,800	53,214	20,495	20,207
Unsecured						
Retail bonds	2.00	2013	–	–	300,000	300,000
USD fixed rate term loan	3.73 – 4.32	2015 to 2018	1,137,285	1,136,037	1,099,335	1,097,783
JPY fixed rate term loan	1.04 – 1.31	2019 to 2020	240,947	240,433	141,825	141,438
HKD fixed rate term loan	3.28 – 3.76	2022 to 2023	332,045	331,215	320,656	319,739
SGD fixed rate term loan	2.85 – 3.85	2014 to 2024	750,000	749,319	650,000	649,601
			3,109,077	3,102,260	3,127,311	3,119,319
Trust						
Unsecured						
Retail bonds	2.00	2013	–	–	300,000	300,000
SGD fixed rate term loan	2.79 – 3.85	2014 to 2024	2,568,354	2,565,081	2,342,355	2,339,100
			2,568,354	2,565,081	2,642,355	2,639,100

SOR – Swap Offer Rate

The following are the expected contractual undiscounted cash outflows of financial liabilities including interest payments and excluding the impact of netting agreements:

			Cash flows		
	Carrying amount	**Contractual cash flows**	**Within 1 year**	**Within 1 to 5 years**	**More than 5 years**
	$'000	**$'000**	**$'000**	**$'000**	**$'000**
Group					
2013					
Non-derivative financial liabilities					
Secured					
SGD fixed rate term loans	397,863	430,434	12,308	418,126	–
SGD floating rate term loan	194,179	202,410	2,513	199,897	–
SGD floating rate revolving credit facilities	53,214	55,798	665	55,133	–
Unsecured					
USD fixed rate term loan	1,136,037	1,251,598	46,156	1,205,442	–
JPY fixed rate term loan	240,433	258,676	2,829	11,315	244,532
HKD fixed rate term loan	331,215	435,360	11,792	47,167	376,401
SGD fixed rate term loans	749,319	869,830	174,096	408,068	287,666
Convertible bonds	348,349	352,221	352,221	–	–
Trade and other payables	169,973	169,973	169,973	–	–
Security deposits	158,760	158,760	45,225	112,083	1,452
Other payables	2,943	2,943	–	2,943	–
	3,782,285	4,188,003	817,778	2,460,174	910,051

	Carrying amount $'000	Contractual cash flows $'000	Cash flows Within 1 year $'000	Within 1 to 5 years $'000	More than 5 years $'000
Group					
2012					
Non-derivative financial liabilities					
Secured					
SGD fixed rate term loans	396,652	442,742	12,308	430,434	–
SGD floating rate term loan	193,899	205,629	2,648	202,981	–
SGD floating rate revolving credit facility	20,207	21,559	262	21,297	–
Convertible bonds	105,188	108,380	108,380	–	–
Unsecured					
Retail bonds	300,000	300,921	300,921	–	–
USD fixed rate term loan	1,097,783	1,254,340	44,620	717,165	492,555
JPY fixed rate term loan	141,438	154,429	1,856	7,426	145,147
HKD fixed rate term loan	319,739	431,815	11,387	45,549	374,879
SGD fixed rate term loans	649,601	770,230	22,363	560,788	187,079
Convertible bonds	342,789	359,659	7,438	352,221	–
Trade and other payables	235,135	235,135	235,135	–	–
Security deposits	148,529	148,529	54,017	94,512	–
	3,950,960	4,433,368	801,335	2,432,373	1,199,660

	Carrying amount $'000	Contractual cash flows $'000	Cash flows: Within 1 year $'000	Cash flows: Within 1 to 5 years $'000	Cash flows: More than 5 years $'000
Trust					
2013					
Non-derivative financial liabilities					
Unsecured					
SGD fixed rate term loans	2,565,081	2,942,757	236,788	1,751,574	954,395
Convertible bonds	348,349	352,221	352,221	–	–
Trade and other payables	141,540	141,540	141,540	–	–
Security deposits	142,028	142,028	41,118	99,823	1,087
	3,196,998	3,578,546	771,667	1,851,397	955,482
2012					
Non-derivative financial liabilities					
Secured					
Convertible bonds	105,188	108,380	108,380	–	–
Unsecured					
Retail bonds	300,000	300,921	300,921	–	–
SGD fixed rate term loans	2,339,100	2,748,871	81,125	1,422,846	1,244,900
Convertible bonds	342,789	359,659	7,438	352,221	–
Trade and other payables	211,099	211,099	211,099	–	–
Security deposits	135,877	135,877	48,379	87,498	–
	3,434,053	3,864,807	757,342	1,862,565	1,244,900

The interest-bearing borrowings comprise the following:

(1) Unsecured term loans of CMT MTN

The Group has a $2.5 billion Multicurrency Medium Term Note Programme ("MTN Programme") and a Euro-Medium Term Note Programme ("EMTN Programme") which was increased from US$2.0 billion to US$3.0 billion with effect from 3 April 2013.

Under the MTN Programme, CMT MTN may, subject to compliance with all relevant laws, regulations and directives, from time to time issue notes in series or tranches in Singapore dollars, United States dollars or any other currency ("MTN Notes").

Under the EMTN Programme, CMT MTN may, subject to compliance with all relevant laws, regulations and directives, from time to time issue notes in series or tranches in Euro, Sterling, United States dollars, Singapore dollars and any other currency ("EMTN Notes").

Each series or tranche of notes may be issued in various amounts and tenors, and may bear fixed, floating or variable rates of interest. Hybrid notes or zero coupon notes may also be issued under the MTN Programme and EMTN Programme.

The MTN Notes and EMTN Notes shall constitute direct, unconditional, unsecured and unsubordinated obligations of CMT MTN ranking pari passu, without any preference or priority among themselves and pari passu with all other present and future unsecured obligations at CMT MTN. All sums payable in respect of the notes will be unconditionally and irrevocably guaranteed by the Trustee.

At 31 December 2013, notes issued by CMT MTN are as follows:

- under the MTN Programme:
  - (i) $750.0 million (2012: $650.0 million) of fixed rate notes maturing between 2014 to 2024; and
  - (ii) JPY10.0 billion (2012: Nil) of fixed rate notes maturing in 2020.
- under the EMTN Programme:
  - (i) US$900.0 million (2012: US$900.0 million) of fixed rate notes maturing between 2015 to 2018;
  - (ii) JPY10.0 billion (2012: JPY10.0 billion) of fixed rate notes maturing in 2019; and
  - (iii) HK$2.035 billion (2012: HK$2.035 billion) of fixed rate notes maturing between 2022 to 2023.

CMT MTN has entered into cross currency swaps to swap the abovementioned foreign currency notes into Singapore dollars.

CMT MTN has on-lent the Singapore dollars proceeds arising from each issue of MTN Notes and EMTN Notes under the MTN programme and EMTN programme to the Trust. The Trust will use the proceeds of such loans to refinance existing borrowings of the Group, to finance/refinance the investments held by the Trust, to on-lend to any trust, fund or entity in which the Trust has an interest, to finance any capital expenditure and asset enhancement works initiated in respect of the Trust or such trust, fund, or entity and to finance the general corporate and working capital purposes in respect of the Group.

(2) Unsecured retail bonds of the Trust

On 25 February 2013, the $300.0 million bonds issued under the $2.5 billion Retail Bond Programme was repaid. The bonds were issued on 25 February 2011 and carried an interest of 2.0% per annum.

(3) Secured term loans of RCS Trust

The secured term loan and revolving credit facility by the RCS Trust were granted by a special purpose company, Silver Oak Ltd ("Silver Oak").

Silver Oak has on 21 June 2011 granted RCS Trust a term loan facility of $1,000.0 million and a revolving credit facility ("RCF") of $300.0 million under the loan agreements between Silver Oak and RCS Trust Trustee-Manager.

As at 31 December 2013, the total loans drawn down by RCS Trust from Silver Oak are $1,007.0 million (2012: $1,000.0 million), consisting of:

(i) term loan of $800.0 million (2012: $800.0 million) at a fixed rate of 3.09% per annum, fully repayable on 21 June 2018. In the event the loan is not prepaid in full on 21 June 2016, interest will accrue on the loan at the rate of 4.565% above the Singapore dollar Swap Offer Rate ("SOR") repriced every three months, for the period from 21 June 2016 to 21 June 2018;

(ii) term loan of $200.0 million (2012: $200.0 million) at a fixed rate of 3.025% per annum, fully repayable on 21 June 2018. In the event the loan is not prepaid in full on 21 June 2016, interest will accrue on the loan at the rate of 2.23% above the Singapore dollar SOR repriced every three months, for the period from 21 June 2016 to 21 June 2018; and

(iii) RCF of $300.0 million of which $7.0 million (2012: Nil) was drawn down at a floating rate of 1.23% per annum above the Singapore dollar SOR, fully repayable on 21 June 2018. In the event the facility is not prepaid in full on 21 June 2016, interest will accrue on the facility at the rate of 2.23% above the Singapore dollar SOR repriced every three months, for the period from 21 June 2016 to 21 June 2018.

As security for the facilities granted by Silver Oak to the RCS Trust Trustee-Manager, the RCS Trust Trustee-Manager has granted in favour of Silver Oak the following:

(i) a mortgage over Raffles City Singapore;

(ii) an assignment of the insurance policy relating to Raffles City Singapore;

(iii) an assignment of the agreements relating to the management of Raffles City Singapore;

(iv) an assignment and charge of the rental proceeds and tenancy agreements of units in Raffles City Singapore; and

(v) a fixed and floating charge over certain assets of RCS Trust relating to Raffles City Singapore.

As at 31 December 2013, the Group's 40.0% share of RCS Trust's term loans and the amount drawn down under RCF are $400.0 million (2012: $400.0 million) and $2.8 million (2012: Nil) respectively.

To fund the loans to RCS Trust of $1,007.0 million (2012: $1,000.0 million), Silver Oak has:

(i) issued US$645.0 million (2012: US$645.0 million) in principal amount of Class A Secured Floating Rate Notes under the $10,000,000,000 Multicurrency Secured Medium Term Note Programme at floating interest rate of 1.45% per annum above the US dollar LIBOR repriced every three months, with expected maturity on 21 June 2016 (the "Series 002 Notes"). In the event that the Series 002 Notes are not redeemed by Silver Oak on 21 June 2016, interest will accrue at the rate of 2.45% per annum above the US dollar LIBOR repriced every three months, for the period from 21 June 2016 to date of redemption on 21 June 2018. Silver Oak has entered into a cross currency swap agreement to swap the proceeds from the Series 002 Notes into $800.0 million;

(ii) drawn down term loan of $200.0 million granted by banks at floating interest rate of 1.23% per annum above the Singapore dollar SOR repriced every three months, with expected maturity on 21 June 2016. In the event that the term loans are not repaid by Silver Oak on 21 June 2016, interest will accrue at the rate of 2.23% per annum above the Singapore dollar SOR repriced every three months, for the period from 21 June 2016 to date of final maturity on 21 June 2018. Silver Oak has entered into an interest rate swap agreement to hedge the floating interest rates of the term loan to a fixed rate term loan.

(iii) in place $300.0 million RCF from banks to fund loan requests under the RCF provided to RCS Trust. Silver Oak has drawn down RCF of $7.0 million (2012: Nil) granted by banks at floating interest rate of 1.23% per annum above the Singapore dollar SOR repriced every three months, with expected maturity on 21 June 2016. In the event that the facility is not repaid by Silver Oak on 21 June 2016, interest will accrue at the rate of 2.23% per annum above the Singapore dollar SOR repriced every three months, for the period from 21 June 2016 to date of final maturity on 21 June 2018.

As security for the Notes, Silver Oak has created a fixed and floating charge over the assets of RCS Trust in favour of the Silver Oak Notes Trustee under the Notes Debenture.

(4) Secured term loans of Infinity Mall Trust and Infinity Office Trust

Under the secured facility agreement dated 28 October 2011 between JG Trustee Pte. Ltd., JG2 Trustee Pte. Ltd. and various banks and financial institutions, the banks and financial institutions have granted Infinity Mall Trust and Infinity Office Trust total facility of \$820.0 million comprising the term loan facility of \$650.0 million and RCF of \$170.0 million.

The term loan facility drawn down by Infinity Mall Trust and Infinity Office Trust as at 31 December 2013 is \$650.0 million (2012: \$650.0 million) at a floating interest rate of 1.13% above the Singapore dollar SOR repriced every quarter, for the period from 30 November 2011 to the earlier of (i) the date after 12 months after the Final Temporary Occupation Permit date for the mixed development which comprises Westgate and Westgate Tower ("Infinity Project") or (ii) 60 months after date of facility agreement.

As at 31 December 2013, Infinity Mall Trust and Infinity Office Trust have entered into interest rate swaps that pay fixed interest rate and receive variable rates on the notional contractual amount of \$650.0 million (2012: \$650.0 million).

The Group's 30.0% share of the \$650.0 million term loan drawn by Infinity Mall Trust and Infinity Office Trust amounts to \$195.0 million.

The revolving credit facility drawn down by Infinity Mall Trust and Infinity Office Trust as at 31 December 2013 is \$170.0 million (2012: \$68.3 million) at a floating interest rate of 1.13% above the Singapore dollar SOR repriced every month, for the period from 30 November 2011 to the earlier of (i) the date after 12 months after the Final Temporary Occupation Permit date for the Infinity Project or (ii) 60 months after date of facility agreement.

The Group's 30.0% share of the \$170.0 million revolving credit facility drawn by Infinity Mall Trust and Infinity Office Trust amounts to \$51.0 million.

As security for the loans, Infinity Mall Trust and Infinity Office Trust have granted in favour of the lenders the following:

(i) a mortgage over the properties;
(ii) an assignment and charge of the rental proceeds, tenancy agreements, sale proceeds and sale agreements;
(iii) an assignment of the insurance policies relating to each of the properties;
(iv) an assignment of the building agreement relating to each of the properties;
(v) an assignment of the project documents relating to each of the properties; and
(vi) a fixed and floating charge over certain assets of the Infinity Mall Trust and Infinity Office Trust relating to the properties.

15 Convertible Bonds

	Group and Trust	
	2013	**2012**
	$'000	**$'000**
Debt component at 1 January	447,977	600,080
Amortisation of transaction costs	2,865	4,402
Interest accretion	4,904	13,837
Redemption of Convertible Bonds due 2013	(107,397)	–
Repurchase of Convertible Bonds due 2013	–	(170,342)
Debt component at 31 December	348,349	447,977
Current liabilities	348,349	105,188
Non-current liabilities	–	342,789
	348,349	447,977

Convertible Bonds due 2013

On 2 July 2013, the remaining $98.25 million of $650.0 million principal amount of convertible bonds due 2013 ("Convertible Bonds due 2013") issued on 2 July 2008 and carrying coupon interest at 1.0% per annum were fully redeemed at 109.31% of the principal amount upon maturity. Following the redemption, the legal mortgage over The Atrium@Orchard had been discharged and released.

Convertible Bonds due 2014

On 19 April 2011, the Trust issued $350.0 million principal amount of convertible bonds due 2014 ("Convertible Bonds due 2014") at 2.125% per annum. As at 31 December 2013, the Convertible Bonds due 2014 are convertible by bondholders into Units at a conversion price of $2.2427 (which is adjusted to $2.1955 on 3 February 2014) up to 3.00 p.m. on 9 April 2014 (at the place where the certificate evidencing such Convertible Bonds due 2014 is deposited for conversion), subject to customary closed periods and the terms and conditions of the Convertible Bonds due 2014. The final redemption date of the Convertible Bonds due 2014 is 19 April 2014.

16 Amounts owing to joint venture partners

The amounts relate to the Trust's share of joint ventures' loans from the other joint venture partners and are not expected to be repayable in the next twelve months from the reporting date.

17 Units in issue

	Group and Trust	
	2013	**2012**
	'000	**'000**
Units in issue:		
At 1 January	3,456,421	3,328,417
Units created:		
- as payment of asset management fees in relation to the Trust's 40.0% interest in RCS Trust	2,736	3,004
- equity fund raising	–	125,000
Total issued units at 31 December	3,459,157	3,456,421

On 30 November 2012, the Trust issued 125,000,000 new units at $2.00 per unit for cash for the purposes of capital expenditure and asset enhancement initiatives of the Trust properties, refinancing of existing debts of the Group and/or general corporate and working capital.

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:

- 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 of any estate or interest in any asset (or part thereof) of the Trust;

- 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 the Unitholders, whichever is lesser) at any time convene a meeting of Unitholders in accordance with the provisions of the Trust Deed; and

- One vote per unit.

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 SGX-ST.

A Unitholder's liability is limited to the amount paid or payable for any units in the Trust. The provisions of the Trust Deed provide that no Unitholders will be personally liable for indemnifying the Trustee or any creditor of the Trustee in the event that liabilities of the Trust exceed its assets.

18 Gross revenue

	Group		Trust	
	2013	2012	2013	2012
	$'000	$'000	$'000	$'000
Gross rental income	676,586	610,908	589,319	526,502
Car park income	20,532	19,128	18,174	16,985
Others	32,044	31,552	30,097	29,731
	729,162	661,588	637,590	573,218

19 Property operating expenses

	Group		Trust	
	2013	2012	2013	2012
	$'000	$'000	$'000	$'000
Land rental	1,269	1,153	1,269	1,153
Property tax	63,260	57,378	55,590	50,022
Utilities	37,650	40,373	32,337	34,472
Property management fees	27,648	24,689	24,066	21,222
Property management reimbursements	34,351	30,901	30,696	28,163
Marketing	17,017	17,756	13,427	16,608
Maintenance	40,189	40,146	37,013	37,117
Others	5,079	3,939	4,477	3,733
	226,463	216,335	198,875	192,490

20 Interest and other income

	Group		Trust	
	2013	2012	2013	2012
	$'000	$'000	$'000	$'000
Interest income:				
- financial institutions	3,983	6,057	3,960	5,998
- joint ventures	–	–	2,543	2,872
Other income	–	495	–	–
	3,983	6,552	6,503	8,870

21 Investment income

	Trust	
	2013	**2012**
	$'000	**$'000**
Distribution income from:		
- joint venture	53,932	52,205
- associate	7,595	15,289
Special preference dividend income from:		
- subsidiary	3,538	–
	65,065	67,494

22 Asset management fees

	Group		Trust	
	2013	**2012**	**2013**	**2012**
	$'000	**$'000**	**$'000**	**$'000**
Base fees	23,782	24,452	20,807	21,533
Performance fees	20,864	18,918	18,208	16,337
	44,646	43,370	39,015	37,870

Included in the asset management fees are fees for RCS Trust comprising base fees of $2,975,000 (2012: $2,919,000) and performance fees of $2,656,000 (2012: $2,581,000) which are paid/payable in units.

23 Finance costs

	Group		Trust	
	2013	**2012**	**2013**	**2012**
	$'000	**$'000**	**$'000**	**$'000**
Interest paid/payable:				
- subsidiary	–	–	81,774	63,507
- other joint venture partners	174	–	–	–
- term loans	95,298	104,458	888	28,609
- convertible bonds	8,026	10,130	8,026	10,130
- revolving credit facilities	48	–	–	–
- realised loss on financial derivatives	7,696	7,383	7,696	7,383
Accreted interest on convertible bonds	4,904	11,520	4,904	11,520
Amortisation of transaction costs	4,523	4,691	3,298	3,877
Others	69	756	42	389
	120,738	138,938	106,628	125,415

24 Gain on disposal of investment property

Gain on disposal of investment property arose from the sale of Hougang Plaza with legal completion on 13 June 2012. The net proceeds arising from the sale will be used for general corporate and working capital purposes.

25 Income tax expense

	Group		Trust	
	2013	2012	2013	2012
	$'000	$'000	$'000	$'000
Current tax expense				
Current year	–	–	–	–
Under [1] / (Over) provision in prior years	501	(1,992)	501	–
	501	(1,992)	501	–
Reconciliation of effective tax rate				
Net income	363,056	284,890	361,015	289,891
Tax calculated using Singapore tax rate of 17%	61,720	48,431	61,373	49,282
Non-tax deductible items	725	7,789	1,072	6,938
Income not subject to tax	(1,893)	(2,599)	(1,893)	(2,599)
Tax transparency	(60,552)	(53,621)	(60,552)	(53,621)
Under / (Over) provision in prior years	501	(1,992)	501	–
	501	(1,992)	501	–

1. This relates to tax assessed on the Trust by the Inland Revenue Authority of Singapore ("IRAS") for year of assessment 2009. The IRAS had disallowed certain expenses incurred in the year ended 31 December 2008 and did not allow such adjustment to be covered under the rollover income adjustment.

26 Earnings per unit

(a) Basic earnings per unit

The calculation of basic earnings per unit is based on the weighted average number of units during the year and total return for the year.

	Group		Trust	
	2013	**2012**	**2013**	**2012**
	$'000	**$'000**	**$'000**	**$'000**
Total return for the year	574,366	536,333	537,177	519,758

	Group and Trust Number of Units	
	2013	**2012**
	'000	**'000**
Issued units at beginning of the year	3,456,421	3,328,417
Effect of creation of new units:		
- asset management fees in relation to the Trust's 40.0% interest in RCS Trust	1,461	1,685
- equity fund raising	–	10,929
Weighted average number of units at the end of the year	3,457,882	3,341,031

(b) Diluted earnings per unit

In calculating diluted earnings per unit, the total return for the year and weighted average number of units during the year are adjusted for the effects of all dilutive potential units:

	Group		Trust	
	2013	**2012**	**2013**	**2012**
	$'000	**$'000**	**$'000**	**$'000**
Total return for the year	574,366	536,333	537,177	519,758
Impact of conversion of the dilutive potential units	15,661	24,751	15,661	24,751
Adjusted total return for the year	590,027	561,084	552,838	544,509

	Group and Trust Number of Units	
	2013	**2012**
	'000	**'000**
Weighted average number of units used in calculation of basic earnings per unit	3,457,882	3,341,031
Weighted average number of unissued units from convertible bonds	169,798	221,795
Weighted average number of units in issue (diluted)	3,627,680	3,562,826

27 Issue expenses

	Group and Trust 2013 $'000	Group and Trust 2012 $'000
Underwriting and selling commissions	–	3,461

28 Related parties

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 parties or exercise significant influence over the parties in making financial and operating decisions, or vice versa, or where the Group and the parties are subject to common significant influence. Related parties may be individuals or other entities. The Manager, Project Manager (CapitaLand Retail Project Management Pte Ltd) and Property Manager (CapitaLand Retail Management Pte Ltd) are subsidiaries of a substantial Unitholder of the Trust.

In the normal course of the operations of the Trust, asset management fees and trustee's fees have been paid or are payable to the Manager and Trustee respectively. The property management fees and property management reimbursements are payable to the Property Manager.

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

	Group		Trust	
	2013 $'000	2012 $'000	2013 $'000	2012 $'000
Asset enhancement works and consultancy fees paid/payable to related companies of the Manager	3,366	6,094	2,463	4,116
Rental and other income received/receivable from related companies of the Manager	1,278	1,746	3,790	4,578
Divestment fees paid to the Manager	–	596	–	596
Other expenses paid/payable to related companies of the Manager	3,973	1,122	3,459	1,134

29 Financial risk management

Capital management

The Board of the Manager proactively reviews the Group's and the Trust's capital and debt management and financing policy regularly so as to optimise the Group's and the Trust's funding structure. Capital consists of Unitholders' funds of the Group. The Board also monitors the Group's and the Trust's exposure to various risk elements and externally imposed requirements by closely adhering to clearly established management policies and procedures.

The Trust and its subsidiaries are subject to the aggregate leverage limit as defined in the Property Fund Appendix of the CIS code. 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 the fund's deposited property. The Aggregate Leverage of a property fund may exceed 35.0% of the fund's deposited property (up to a maximum of 60.0%) only 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 property fund should continue to maintain and disclose a credit rating so long as its Aggregate Leverage exceeds 35.0% of the fund's deposited property.

The Trust has been assigned an 'A2' issuer rating in March 2013. The Group and the Trust have complied with the Aggregate Leverage limit of 60.0% during the financial year. There were no changes in the Group's approach to capital management during the financial year.

Overview of risk management

Risk management is integral to the whole business of the Group. The Group has a system of controls in place to create an acceptable balance between the cost of risks occurring and the cost of managing the risks. The Manager continually monitors the Group's risk management process to ensure that an appropriate balance between risk and control is achieved. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities.

The Audit Committee oversees how the Manager monitors compliance with the Group's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Group. The Audit Committee is assisted in its oversight role by Internal Audit. Internal Audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the Audit Committee.

Credit risk

Credit risk is the potential financial loss resulting from the failure of a customer or a counterparty to settle its financial and contractual obligations to the Group, as and when they fall due.

The Manager has established credit limits for customers and monitors their balances on an ongoing basis. Credit evaluations are performed by the Manager before lease agreements are entered into with tenants.

The Manager establishes an allowance for impairment that represents its estimate of incurred losses in respect of trade and other receivables. The main component of this allowance is a specific loss component that relates to the individually significant exposure.

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 financial institutions which are regulated. The Group limits its credit risk exposure in respect of investments by only investing in liquid securities and only with counterparties that have sound credit ratings. Given these high credit ratings, management does not expect any counterparty to fail to meet its obligations.

At 31 December 2013 and 31 December 2012, there were no significant concentrations of credit risk. The maximum exposure to credit risk is represented by the carrying value of each financial asset on the balance sheet.

Liquidity risk

The Manager monitors 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 period of 60 days, including the servicing of financial obligations.

Market risk

Market risk is the risk that changes in market prices, such as interest rates, foreign exchange rates and equity prices will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return on risk.

Foreign currency risk

The Group is exposed to foreign currency risk on interest-bearing borrowings that were denominated in a currency other than the functional currency of the Group. The currencies giving rise to this risk are US Dollars, HK Dollars and JPY. The Group hedges this risk by entering into cross currency swaps with notional contract amounts of US$500.0 million, US$400.0 million, HK$1.15 billion, JPY10.0 billion, HK$885.0 million and JPY10.0 billion.

Sensitivity analysis

A 10.0% strengthening of Singapore dollar against the following foreign currency at the reporting date would decrease the Statement of Total Return and Unitholders' funds as at 31 December 2013 by the amounts shown below. This analysis assumes that all other variables, in particular, interest rates, remain constant.

	Statement of Total Return $'000	Unitholders' Funds $'000
Group		
2013		
US dollar	–	(9,119)
Hong Kong dollar	–	(2,492)
Japanese Yen	–	(2,021)
	–	(13,632)
2012		
US dollar	–	(13,554)
Hong Kong dollar	–	(5,960)
Japanese Yen	–	(1,557)
	–	(21,071)

A 10.0% weakening of Singapore dollar against the above currency would have had an equal but opposite effect on the above currency to the amounts shown above, on the basis that all other variables remain constant.

Interest rate risk

The Group's exposure to changes in interest rates relates primarily to interest-bearing financial liabilities. Interest rate risk is managed on an ongoing basis with the primary objective of limiting the extent to which net interest expense could be affected by adverse movements in interest rates.

At 31 December 2013, the Group has interest rate swaps with total notional contract amount of $515,000,000 (2012: $515,000,000) whereby the Group has agreed with counterparties to exchange, at specified intervals, the difference between floating rate and fixed rate interest amounts calculated by reference to the agreed notional principal amounts of the secured and unsecured term loans.

The net fair value of the above swaps at 31 December 2013 is $7,077,000 (2012: $14,951,000) comprising current liabilities and non-current liabilities of $7,077,000 (2012: $14,951,000).

Sensitivity analysis

An increase or decrease of 100 basis points in interest rate at the reporting date would increase or decrease the Group's and Trust's Statement of Total Return and Unitholders' funds by $534,000 (2012: $6,260,000) and $2,093,000 (2012: $5,269,000). This analysis assumes that all other variables, in particular foreign currency rates, remain constant.

30 Classification and fair value of financial instruments

The fair values of financial assets and liabilities, together with the carrying amounts shown in the statement of financial position, are as follows:

	Note	Designated at fair value $'000	Fair value – hedging instruments $'000	Loans and receivables $'000	Other financial liabilities $'000	Total carrying amount $'000	Fair value $'000
Group							
2013							
Loan to joint ventures	8	–	–	96,647	–	96,647	96,647
Financial derivatives	9	–	4,530	–	–	4,530	4,530
Trade and other receivables	11	–	–	9,992	–	9,992	9,992
Cash and cash equivalents	12	–	–	832,687	–	832,687	832,687
		–	4,530	939,326	–	943,856	943,856
Financial derivatives	9	(5,132)	(118,552)	–	–	(123,684)	(123,684)
Trade and other payables	13	–	–	–	(169,973)	(169,973)	(169,973)
Security deposits		–	–	–	(158,760)	(158,760)	(151,566)
Interest-bearing borrowings	14	–	–	–	(3,102,260)	(3,102,260)	(3,165,748)
Convertible bonds	15	–	–	–	(348,349)	(348,349)	(348,349)
Amounts owing to joint venture partners	16	–	–	–	(102,292)	(102,292)	(102,292)
Other payables		–	–	–	(2,943)	(2,943)	(2,848)
		(5,132)	(118,552)	–	(3,884,577)	(4,008,261)	(4,064,460)

	Note	Designated at fair value $'000	Fair value – hedging instruments $'000	Loans and receivables $'000	Other financial liabilities $'000	Total carrying amount $'000	Fair value $'000
Group							
2012							
Loan to joint ventures	8	–	–	74,884	–	74,884	74,884
Trade and other receivables	11	–	–	12,289	–	12,289	12,289
Cash and cash equivalents	12	–	–	1,118,270	–	1,118,270	1,118,270
		–	–	1,205,443	–	1,205,443	1,205,443
Financial derivatives	9	(12,078)	(143,963)	–	–	(156,041)	(156,041)
Trade and other payables	13	–	–	–	(235,135)	(235,135)	(235,135)
Security deposits		–	–	–	(148,529)	(148,529)	(142,601)
Interest-bearing borrowings	14	–	–	–	(3,119,319)	(3,119,319)	(3,413,115)
Convertible bonds	15	–	–	–	(447,977)	(447,977)	(459,453)
Amounts owing to joint venture partners	16	–	–	–	(78,749)	(78,749)	(78,749)
		(12,078)	(143,963)	–	(4,029,709)	(4,185,750)	(4,485,094)

	Note	Designated at fair value $'000	Fair value – hedging instruments $'000	Loans and receivables $'000	Other financial liabilities $'000	Total carrying amount $'000	Fair value $'000
Trust							
2013							
Loan to joint ventures	8	–	–	146,131	–	146,131	146,131
Trade and other receivables	11	–	–	20,814	–	20,814	20,814
Cash and cash equivalents	12	–	–	829,718	–	829,718	829,718
		–	–	996,663	–	996,663	996,663
Financial derivatives	9	(5,132)	–	–	–	(5,132)	(5,132)
Trade and other payables	13	–	–	–	(141,540)	(141,540)	(141,540)
Security deposits		–	–	–	(142,028)	(142,028)	(135,438)
Interest-bearing borrowings	14	–	–	–	(2,565,081)	(2,565,081)	(2,627,065)
Convertible bonds	15	–	–	–	(348,349)	(348,349)	(348,349)
		(5,132)	–	–	(3,196,998)	(3,202,130)	(3,257,524)

	Note	Designated at fair value $'000	Fair value – hedging instruments $'000	Loans and receivables $'000	Other financial liabilities $'000	Total carrying amount $'000	Fair value $'000
Trust							
2012							
Loan to joint ventures	8	–	–	112,498	–	112,498	112,498
Trade and other receivables	11	–	–	20,648	–	20,648	20,648
Cash and cash equivalents	12	–	–	1,104,470	–	1,104,470	1,104,470
		–	–	1,237,616	–	1,237,616	1,237,616
Financial derivatives	9	(12,078)	–	–	–	(12,078)	(12,078)
Trade and other payables	13	–	–	–	(211,099)	(211,099)	(211,099)
Security deposits		–	–	–	(135,877)	(135,877)	(130,383)
Interest-bearing borrowings	14	–	–	–	(2,639,100)	(2,639,100)	(2,807,001)
Convertible bonds	15	–	–	–	(447,977)	(447,977)	(459,453)
		(12,078)	–	–	(3,434,053)	(3,446,131)	(3,620,014)

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 at 31 December plus an adequate constant credit spread, and are as follows:

	2013 %	**2012** %
Security deposits	3.33 – 3.43	3.29 – 3.30
Interest-bearing borrowings	0.91 – 4.30	1.32 – 3.22
Convertible bonds	–	1.30

Fair value hierarchy

The table below analyses financial instruments carried at fair value, by valuation model. 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 in 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 data).

	Level 1 $'000	**Level 2 $'000**	**Level 3 $'000**	**Total $'000**
Group				
2013				
Cross currency swaps	–	(112,077)	–	(112,077)
Interest rate swaps	–	(7,077)	–	(7,077)
	–	(119,154)	–	(119,154)
2012				
Cross currency swaps	–	(141,090)	–	(141,090)
Interest rate swaps	–	(14,951)	–	(14,951)
	–	(156,041)	–	(156,041)

	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
Trust				
2013				
Interest rate swaps	–	(5,132)	–	(5,132)
2012				
Interest rate swaps	–	(12,078)	–	(12,078)

The following table presents the changes in Level 3 instruments for the financial year ended 31 December 2013:

	Group and Trust	
	2013 $'000	2012 $'000
Derivative liability portion of convertible bonds		
Opening balance	–	13
Gains recognised in the Statement of Total Return	–	(13)
Closing balance	–	–

There were no transfers between the levels during the year (2012: Nil).

31 Determination of fair values

A number of the Group's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. Fair values have been determined for measurement and/or disclosure purposes based on the following methods. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

(i) Investment property

Investment properties are stated at fair value based on valuations performed by independent professional valuers. In determining the fair value, the valuations are prepared by considering the estimated rental value of the property (ie. the capitalisation method and discounted cashflow).

The capitalisation approach is an investment approach whereby the estimated gross passing income (on both a passing and market rent basis) has been adjusted to reflect anticipated operating costs to produce a net income on a fully leased basis. The adopted fully leased net income is capitalised over the remaining term of the lease from the valuation date at an appropriate investment yield. The discounted cash flow method involves the estimation and projection of a net income stream over a period and discounting the net income stream with an internal rate of return to arrive at the market value. The discounted cash flow method requires the valuer to assume a rental growth rate indicative of market and the selection of a target internal rate of return consistent with current market requirements.

In determining the fair value of investment property, the valuers have used valuation methods which involve certain estimates. The Manager is of the view that the estimates are reflective of the current market condition. The key assumptions used to determine the fair value of investment properties include market-corroborated capitalisation yield, terminal yield and discount rate.

In determining the fair value of investment property under development, the valuers have adopted the residual land method whereby the total gross development costs and developer's profit are deducted from the gross development value to arrive at the residual value of land. The gross development value is the estimated value of the property assuming satisfactory completion of the development as at the date of valuation.

(ii) Trade and other receivables

The fair values of trade and other receivables are estimated at the present value of future cash flows, discounted at the market rate of interest at the measurement date. Short-term receivables with no stated interest rate are measured at the original invoice amount if the effect of discounting is immaterial. Fair value is determined at initial recognition and for disclosure purposes, at each annual reporting date.

(iii) Derivatives

The fair values of interest rate swaps and cross currency swaps (Level 2 fair values) are based on banks' quotes. These quotes are tested for reasonableness by discounting estimated future cash flows based on the terms and maturity of each contract and using market interest rates for a similar instrument at the measurement date. Fair values reflect the credit risk of the instrument and include adjustments to take into account the credit risk of the Group entity and counterparty when appropriate.

(iv) Other non-derivative financial liabilities

Other non-derivative financial liabilities are measured at fair value at initial recognition and for disclosure purposes, at each annual reporting date. Fair value is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the measurement date.

Fair value and fair value hierarchy information on financial instruments are disclosed in Note 30.

Fair value hierarchy

The table below analyses recurring non-financial assets carried at fair value. The different levels are defined as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access at the measurement date.
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3: unobservable inputs for the asset or liability.

2013	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
Group				
Commercial properties for leasing	–	–	8,799,400	8,799,400
Total investment properties	–	–	8,799,400	8,799,400
Trust				
Commercial properties for leasing	–	–	7,276,000	7,276,000
Total investment properties	–	–	7,276,000	7,276,000

The entity's policy is to recognise transfers out of Level 3 as of the end of the reporting period during which the transfer has occurred.

Level 3 fair values

The following table shows a reconciliation from the beginning balances to the ending balances for Level 3 fair value measurements.

	Investment properties	
	Group $'000	Trust $'000
Balance at 1 January 2013	8,191,800	7,031,000
Transfer from investment properties under development	313,462	–
Capital expenditure	89,215	75,283
Balance at 31 December 2013	8,594,477	7,106,283
Gains and losses for the year		
Changes in fair value – Statement of Total Return	204,923	169,717
Balance at 31 December 2013	8,799,400	7,276,000

	Investment properties under development Group $'000
Balance at 1 January 2013	336,027
Capital expenditure	61,489
Transfer to investment properties	(313,462)
Transfer to development property for sale	(83,350)
Balance at 31 December 2013	704
Gains and losses for the year	
Changes in fair value – Statement of Total Return	(704)
Balance at 31 December 2013	–

The following table shows the key unobservable inputs used in the valuation models:

Type	**Key unobservable inputs**	**Inter-relationship between key unobservable inputs and fair value measurement**
Investment property Commercial properties for leasing	**<u>Group</u>** ● Capitalisation rates (from 4.0% to 7.5%) ● Discount rate (from 7.35% to 8.25%) **<u>Trust</u>** ● Capitalisation rates (from 4.0% to 7.5%) ● Discount rate (from 7.5% to 8.25%)	The estimated fair value increases the lower the capitalisation rates and discount rates.

Valuation processes applied by the Group and the Trust

The fair value of investment properties is determined by external, independent property valuers, having appropriate recognised professional qualifications and recent experience in the location and category of property being valued.

Key unobservable inputs

Key unobservable inputs correspond to:

- Discount rate, based on the risk-free rate for 10 year bonds issued by the government in the relevant market, adjusted for a risk premium to reflect the increased risk of investing in the asset class.

- Capitalisation rate correspond to a rate of return on investment properties based on the expected income that the property will generate.

32 Operating segments

For the purpose of making resource allocation decisions and the assessment of segment performance, the Group's Chief Operating Decision Markers ("CODMs") reviews internal/management reports of its investment properties. This forms the basis of identifying the operating segments of the Group under FRS 108 *Operating Segments*.

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 income-earning assets and revenue, interest-bearing borrowings and expenses, related assets and 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.

Geographical segments

Segment information in respect of the Group's geographical segments is not presented, as the Group's activities for the year ended 31 December 2013 and 31 December 2012 related to properties located in Singapore.

Operating segments

2013	Tampines Mall $'000	Junction 8 $'000	Funan DigitaLife Mall $'000	IMM Building $'000	Plaza Singapura $'000	Bugis Junction $'000	JCube $'000	Lot One Shoppers' Mall $'000	Bukit Panjang Plaza $'000	The Atrium@ Orchard $'000	Clarke Quay $'000	Bugis+ $'000	Other Investment Properties[1] $'000	40.0% interest in RCS Trust – Raffles City Singapore $'000	30.0% interest in Infinity Mall Trust – Westgate $'000	30.0% interest in Infinity Office Trust – Westgate Tower $'000	Group $'000
Gross revenue	73,384	55,447	33,306	75,406	83,954	73,059	33,842	41,966	25,867	49,572	37,309	31,454	22,990	90,315	1,291	–	729,162
Segment net property income	53,789	39,496	22,095	50,024	63,141	47,903	22,086	28,881	16,690	36,710	23,073	21,313	13,480	66,407	(2,285)	(104)	502,699
Interest and other income																	3,983
Finance costs																	(120,738)
Unallocated expenses																	(48,609)
Share of profit of associate																	25,721
Net income																	363,056
Net change in fair value of financial derivatives																	6,946
Gain on dilution of investment in associate																	646
Net change in fair value of investment properties	4,474	15,303	3,784	10,769	53,530	1,311	25,252	17,049	2,755	714	17,575	7,707	9,494	35,180	(492)	(186)	204,219
Total return for the year before income tax																	574,867
Income tax expense																	(501)
Total return for the year																	574,366

2013	Tampines Mall $'000	Junction 8 $'000	Funan DigitaLife Mall $'000	IMM Building $'000	Plaza Singapura $'000	Bugis Junction $'000	JCube $'000	Lot One Shoppers' Mall $'000	Bukit Panjang Plaza $'000	The Atrium@ Orchard $'000	Clarke Quay $'000	Bugis+ $'000	Other Investment Properties[1] $'000	40.0% interest in RCS Trust – Raffles City Singapore $'000	30.0% interest in Infinity Mall Trust – Westgate $'000	30.0% interes in Infinity Office Trust - Westgate Tower $'000	Group $'000
Assets and liabilities																	
Segment assets	852,796	636,393	358,464	632,529	1,168,803	901,557	361,072	485,430	274,418	723,236	347,946	331,128	211,214	1,213,306	317,523	91,289	8,907,104
Investment in associate and joint ventures																	275,455
Unallocated assets																	834,940
Total assets																	10,017,499
Segment liabilities	21,975	19,236	11,644	31,978	28,360	28,505	20,895	14,142	8,026	25,084	18,304	10,159	10,409	426,611	286,976	83,973	1,046,277
Unallocated liabilities:																	
- interest-bearing borrowings																	2,457,004
- financial derivatives																	121,739
- convertible bonds																	348,349
- others																	35,386
																	2,962,478
Total liabilities																	4,008,755

2013	Tampines Mall $'000	Junction 8 $'000	Funan DigitaLife Mall $'000	IMM Building $'000	Plaza Singapura $'000	Bugis Junction $'000	JCube $'000	Lot One Shoppers' Mall $'000	Bukit Panjang Plaza $'000	The Atrium@ Orchard $'000	Clarke Quay $'000	Bugis+ $'000	Other Investment Properties[1] $'000	40.0% interest in RCS Trust – Raffles City Singapore $'000	30.0% interest in Infinity Mall Trust – Westgate $'000	30.0% interest in Infinity Office Trust – Westgate Tower $'000	Group $'000
Other segmental information																	
Depreciation and amortisation	52	80	17	136	122	21	344	81	47	35	112	122	80	147	3	–	1,399
Plant and equipment:																	
- capital expenditure	29	145	28	81	43	28	111	37	20	162	208	125	67	270	724	–	2,078
Investment properties:																	
- capital expenditure	20,526	3,697	216	13,231	8,470	20,689	(5,252)	951	1,245	4,286	4,425	293	2,506	11,220	55,030	9,171	150,704
Receivables written off	–	–	–	–	–	–	–	–	–	–	21	–	–	24	–	–	45

2012	**Tampines Mall $'000**	**Junction 8 $'000**	**Funan DigitaLife Mall $'000**	**IMM Building $'000**	**Plaza Singapura $'000**	**Bugis Junction $'000**	**JCube $'000**	**Lot One Shoppers' Mall $'000**	**Bukit Panjang Plaza $'000**	**The Atrium@ Orchard $'000**	**Clarke Quay $'000**	**Bugis+ $'000**	**Other Investment Properties[1] $'000**	**40.0% interest in RCS Trust – Raffles City Singapore $'000**	**Infinity Trusts $'000**	**Group $'000**
Gross revenue	69,752	53,661	32,139	73,558	81,228	75,176	23,712	40,688	25,053	21,193	34,369	19,640	23,049	88,370	–	661,588
Segment net property income	50,328	37,901	21,384	46,597	59,404	51,927	14,223	27,928	15,925	11,393	19,972	10,319	13,427	64,525	–	445,253
Interest and other income																6,552
Finance costs																(138,938)
Unallocated expenses																(48,238)
Share of profit of associate																20,261
Net income																284,890
Net change in fair value of financial derivatives																4,332
Net change in fair value of investment properties	20,982	6,547	6,937	(10,805)	22,676	14,682	32,870	9,700	9,833	2,194	22,193	4,071	4,364	19,584	–	165,828
Gain on disposal of investment property																84,346
Loss on repurchase of convertible bonds																(5,055)
Total return for the year before income tax																534,341
Income tax expense																1,992
Total return for the year																536,333

2012	Tampines Mall $'000	Junction 8 $'000	Funan DigitaLife Mall $'000	IMM Building $'000	Plaza Singapura $'000	Bugis Junction $'000	JCube $'000	Lot One Shoppers' Mall $'000	Bukit Panjang Plaza $'000	The Atrium@ Orchard $'000	Clarke Quay $'000	Bugis+ $'000	Other Investment Properties[1] $'000	40.0% interest in RCS Trust – Raffles City Singapore $'000	Infinity Trusts $'000	Group $'000
Assets and liabilities																
Segment assets	827,630	617,510	354,491	608,561	1,106,869	879,266	341,359	467,424	270,532	718,092	326,162	323,008	199,282	1,175,424	336,671	8,552,281
Investment in associate and joint ventures																227,476
Unallocated assets																1,108,964
Total assets																9,888,721
Segment liabilities	23,057	21,340	11,390	36,244	28,309	23,083	29,775	14,069	7,634	18,254	18,494	12,949	10,911	423,694	305,356	984,559
Unallocated liabilities:																
- interest-bearing borrowings																2,508,561
- financial derivatives																153,168
- convertible bonds																447,977
- others																91,530
																3,201,236
Total liabilities																4,185,795

2012	Tampines Mall $'000	Junction 8 $'000	Funan DigitaLife Mall $'000	IMM Building $'000	Plaza Singapura $'000	Bugis Junction $'000	JCube $'000	Lot One Shoppers' Mall $'000	Bukit Panjang Plaza $'000	The Atrium@ Orchard $'000	Clarke Quay $'000	Bugis+ $'000	Other Investment Properties[1] $'000	40.0% interest in RCS Trust – Raffles City Singapore $'000	Infinity Trusts $'000	Group $'000
Other segmental information																
Depreciation and amortisation	72	116	27	177	89	59	261	78	64	22	76	86	77	123	–	1,327
Plant and equipment:																
- capital expenditure	16	21	6	35	6	17	212	33	7	715	27	320	19	34	–	1,468
Investment properties:																
- capital expenditure	6,018	13,453	63	12,805	3,324	318	34,130	3,300	1,167	91,806	9,807	22,929	3,498	8,016	–	210,634
Receivables written off	–	–	–	–	–	–	–	–	–	–	–	3	4	3	–	10

1. Other investment properties comprise Sembawang Shopping Centre and Rivervale Mall in 2013 and included Hougang Plaza in 2012.

33 Commitments

	Group		Trust	
	2013	**2012**	**2013**	**2012**
	$'000	**$'000**	**$'000**	**$'000**
Capital commitments:				
- contracted but not provided for	54,255	152,040	17,244	66,249

Operating lease rental receivable

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

	Group		Trust	
	2013	**2012**	**2013**	**2012**
	$'000	**$'000**	**$'000**	**$'000**
Within 1 year	612,954	562,480	520,275	490,889
After 1 year but within 5 years	839,006	838,673	614,905	651,575
More than 5 years	561,653	622,146	83,452	83,441
	2,013,613	2,023,299	1,218,632	1,225,905

34 Financial ratios

	2013	**2012**
	%	%
Expenses to weighted average net assets[1]		
- including performance component of Manager's management fees	0.76	0.80
- excluding performance component of Manager's management fees	0.43	0.49
Portfolio turnover rate[2]	–	–

1. The annualised ratios are computed in accordance with the guidelines of Investment Management Association of Singapore. The expenses used in the computation relate to expenses of the Trust, excluding property expenses and finance 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 daily average net asset value.

35 Subsequent event

On 3 January 2014, JG2 Trustee Pte. Ltd., in its capacity as trustee of Infinity Office Trust granted options to purchase office strata units of Westgate Tower to Westgate Commercial Pte. Ltd. ("WCPL") and Westgate Tower Pte. Ltd. ("WTPL") for $579.4 million. WCPL and WTPL exercised the options on 24 January 2014.

On 3 February 2014, CMT MTN issued floating rate notes of JPY5.0 billion due 2021 through its MTN Programme at 3 months JPY LIBOR plus 0.48% per annum. Concurrently, CMT MTN entered into swap transactions to swap the JPY proceeds into Singapore dollar proceeds of $62.0 million at 3.148% per annum. CMT MTN has on-lent the Singapore dollars proceeds arising from the issue to the Trust.